

STATE OF NEW YORK

6129

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the administrative code of the city of New York, in relation to establishing a variable supplements fund for sanitation members of the New York city employees' retirement system

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 13-101 of the administrative code of the city of
2 New York is amended by adding a new subdivision 97 to read as follows:

3 97. "Sanitation variable supplements fund." The sanitation variable
4 supplements fund established by section 13-197 of this chapter.

5 § 2. The administrative code of the city of New York is amended by
6 adding a new section 13-197 to read as follows:

7 § 13-197 Sanitation variable supplements fund. 1. As used in this
8 section, the following words and phrases shall have the following mean-
9 ings, unless a different meaning is plainly required by the context:

10 (a) "Association". The uniformed sanitationmen's association and the
11 sanitation officers' association.

12 (b) "Variable supplements board". The board of trustees provided for
13 in subdivision three of this section.

14 (c) "Beneficiary". Any person who (1) receives a retirement allowance
15 by reason of having retired from service as a sanitation member, or (2)
16 receives a benefit by reason of election of an option by such sanitation
17 member.

18 (d) "Variable supplement". Any sum authorized to be paid to a benefi-
19 ciary by the variable supplements board pursuant to the provisions of
20 this section.

21 2. (a) There is hereby established a fund, to be known as the sanita-
22 tion variable supplements fund. Such fund shall consist of such monies
23 as may be paid thereto from the retirement system pursuant to the

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 provisions of section 13-198 of this chapter and all other monies
2 received by such fund from any other source pursuant to law.

3 (b) It is hereby declared by the legislature that the sanitation vari-
4 able supplements fund shall not be, and shall not be construed to
5 constitute, a pension or retirement system or fund, and that it shall
6 function as a means whereby payments, not constituting a pension or
7 retirement allowance, may be made at the discretion of the variable
8 supplements board, in accordance with the provisions of this section, to
9 eligible beneficiaries, as a supplement to benefits received by them
10 pursuant to this title. The legislature hereby reserves to the state and
11 itself the right and power to amend, modify or repeal any or all of the
12 provisions of this section.

13 3. (a) The sanitation variable supplements fund shall be administered
14 by a board of trustees which shall, subject to applicable provisions of
15 law, from time to time establish rules and regulations for the adminis-
16 tration and transaction of the business of such fund and for the control
17 and disposition thereof.

18 (b) Such variable supplements board shall consist of:

19 (1) The representative of the mayor who is a member of the board of
20 trustees of the retirement system, who shall be entitled to cast one
21 vote. The mayor may, by instrument in writing filed in his or her office
22 with the variable supplements board, designate one or more members of
23 his or her office to act in the place of such representative at meetings
24 of the board, in the event of such representative's absence therefrom.

25 (2) The comptroller of the city, who shall be entitled to cast one
26 vote. Any deputy comptroller authorized, pursuant to subdivision b of
27 section ninety-four of the New York city charter, to act in the place of
28 the comptroller as a member of the board of trustees of the retirement
29 system, may be authorized by the comptroller, in accordance with the
30 provisions of such subdivision, to act in the place of the comptroller
31 as a member of the variable supplements board.

32 (3) One member of the uniformed sanitationmen's association and one
33 member of the sanitation officers' association designated by them, who
34 shall be entitled to cast one vote. The members so designated shall be
35 officers of the associations. Each such designee may at any time, by
36 written authorization filed with the variable supplements board, author-
37 ize any other officer of the association to act in his or her place as a
38 member of the board in the event of such designee's absence from any
39 meeting thereof; provided that the bylaws or constitution of the associ-
40 ation provide for the designation of a representative for such purposes.

41 (c) Every act of the variable supplements board shall be by a resol-
42 ution adopted by the votes of not less than three members of such board,
43 except as otherwise provided in paragraph (d) of this subdivision.

44 (d)(1) In the event that the votes of at least three members of such
45 board are not cast in favor of any resolution proposed, such dispute
46 shall be promptly referred to the arbitrator designated for the purpose
47 of resolving such disputes, in the collective bargaining agreement then
48 in effect, between the city of New York and the associations. Such arbi-
49 trator shall determine such dispute as expeditiously as possible and his
50 or her determination shall be adopted by the board.

51 (2) If the arbitrator designated in such agreement is unwilling or
52 unable to serve, or if there be no such agreement then in effect, and
53 the votes of at least three members of the variable supplements board
54 are not cast in favor of a resolution designating another arbitrator, an
55 arbitrator shall be appointed by the supreme court, on application of
56 any member of such board. The determination of the arbitrator made

1 pursuant to the provisions of this subparagraph shall be adopted by the
2 board.

3 (3) The cost of any arbitration pursuant to the foregoing provisions
4 of this paragraph shall be paid by the sanitation variable supplements
5 fund.

6 (e) The actuary appointed by the board of the retirement system shall
7 be the technical advisor of the variable supplements board.

8 (f) The retirement system shall assign to the variable supplements
9 board such number of clerical and other assistants as may be necessary
10 for the performance of its functions.

11 4. (a) The variable supplements board may in its discretion authorize
12 payments from the sanitation variable supplements fund to beneficiaries
13 pursuant to the provisions of this section. Subject to the provisions of
14 paragraph (b) of this subdivision, such payments may be made in such
15 form, in such amount and in such cases as the variable supplements board
16 may in its discretion determine; provided, however, that the board, in
17 so exercising its discretion, shall give consideration to equity, fair-
18 ness and principles of prudent management.

19 (b) (1) No beneficiary shall have a right to receive variable supple-
20 ments except to the extent, in the manner and for the period authorized
21 by the variable supplements board in the exercise of its discretion
22 pursuant to this section and any such supplements granted may at any
23 time be discontinued by the variable supplements board in the exercise
24 of such discretion.

25 (2) The legislature hereby declares that the variable supplements
26 authorized by this section and the granting and receipt thereof:

27 (i) shall not create or constitute membership in a pension or retire-
28 ment system and shall not create or constitute a contract with any bene-
29 ficiary or with any sanitation member; and

30 (ii) shall not constitute a pension or retirement allowance or benefit
31 under the retirement system or otherwise.

32 (3) Except as otherwise provided in section 13-198 of this chapter,
33 nothing contained in this section shall create or impose any obligation
34 on the part of the retirement system, or the funds or monies thereof, or
35 authorize such funds or monies to be appropriated or used for any
36 payment under this section or for any purpose thereof.

37 (c) Beneficiaries shall be eligible to receive variable supplements
38 pursuant to this section, notwithstanding any other provision of law to
39 the contrary.

40 (d) (1) The variable supplements board shall not grant any variable
41 supplement pursuant to this section unless the sanitation variable
42 supplements fund, at the time of the making of such grant, has in its
43 possession monies or assets which are sufficient to provide such supple-
44 ment and which have not been encumbered by any other grant of any such
45 supplement.

46 (2) Upon the making of any such grant, the monies or assets encumbered
47 thereby shall be set aside and shall not be used for any other purpose,
48 except that they may be invested as authorized by subdivision six of
49 this section.

50 5. The sanitation variable supplements fund shall have the powers and
51 privileges of a corporation and by its name all of its business shall be
52 transacted, all of its funds invested, all warrants for money drawn and
53 payments made, and all of its cash and securities and other property
54 held.

55 6. The members of the variable supplements board shall be the trustees
56 of the monies received by or belonging to the sanitation variable

1 supplements fund pursuant to this section and shall have full power to
2 invest same, subject to the terms, conditions, limitations and
3 restrictions imposed by the law upon savings banks in the making and
4 disposing of investments by savings banks; and subject to like terms,
5 conditions, limitations and restrictions, such trustees shall have full
6 power to hold, purchase, sell, assign, transfer or dispose of any of the
7 securities or investments in which any of such monies shall have been
8 invested as well as the proceeds of such investments and of any monies
9 belonging to such fund.

10 7. The variable supplements board shall publish annually in the City
11 Record a report for the preceding year showing the assets of the sanitation
12 variable supplements fund and a statement as to the accumulated
13 cash and securities of such fund as certified by the comptroller, and
14 shall set forth in such report such other facts, recommendations and
15 data as the board may deem pertinent.

16 8. The comptroller shall be custodian of the monies and assets of the
17 sanitation variable supplements fund. All such monies and assets
18 included in such fund or which shall hereafter accrue to such fund shall
19 be in his or her custody for the purposes of this section subject to the
20 direction, control and approval of such board as to disposition, invest-
21 ment, management and report. All payments from such fund shall be made
22 by the comptroller upon a voucher signed by the secretary of the vari-
23 able supplements board.

24 9. Except as provided in this section, the trustees and employees
25 assigned to the variable supplements board are prohibited from having
26 any interest, directly or indirectly, in the gains or profits of any
27 investment of the sanitation variable supplements fund or as such,
28 directly or indirectly, from receiving any pay or emolument for their
29 services. The trustees and such employees, directly or indirectly, for
30 themselves or as agents or partners of others, shall not borrow any of
31 its funds or deposits or in any manner use the same except to make such
32 current and necessary payments as are authorized by such board.

33 10. (a) The sanitation variable supplements fund shall not make any
34 payments to beneficiaries unless a plan setting forth the basis and
35 amounts of such payments and the qualifications for receipt thereof is
36 first filed with the superintendent of financial services and approved
37 by him or her as consistent with the provisions of this section.

38 (b) The superintendent of financial services may examine the affairs
39 of the sanitation variable supplements fund with the same powers and
40 jurisdiction as are applicable in the case of an examination of a life
41 insurance company by such superintendent under article three of the
42 insurance law.

43 § 3. Subdivision a of section 13-133 of the administrative code of the
44 city of New York, as amended by chapter 255 of the laws of 2000, is
45 amended to read as follows:

46 a. Regular interest, charges payable, the creation and maintenance of
47 reserves in the contingent reserve fund and the pension fund and the
48 maintenance of annuity reserves, pension reserves and reserves-for-in-
49 creased-take-home-pay as provided for in this chapter and the payment of
50 all pensions, pensions-providing-for-increased-take-home-pay, annuities,
51 retirement allowances, refunds, death benefits and any other benefits
52 granted under the provisions of this chapter, are hereby made obli-
53 gations of the city. All income, interest and dividends derived from
54 deposits and investments authorized by this chapter shall be used and
55 disposed of in the manner prescribed by subdivision b of this section.
56 Upon the basis of each actuarial determination and appraisal provided

1 for in this chapter, the board shall prepare and submit to the director
2 of management and budget an itemized estimate of the amounts necessary
3 to be appropriated by the city to the various funds to provide for
4 payment in full during the ensuing fiscal year of all such obligations
5 of the city accruing during the ensuing fiscal year. There shall be
6 included annually in the budget a sum sufficient to provide for such
7 obligations of the city. The comptroller shall pay the sums so provided
8 into the various funds provided for by this chapter, subject to the
9 provisions of subdivision b of this section. Nothing contained in this
10 section shall be construed as preventing the payments, if any, required
11 to be made pursuant to sections 13-193 (relating to the transit police
12 variable supplements funds), 13-193 (relating to the housing police
13 variable supplements funds), 13-193.2, 13-193.3, 13-193.4, 13-193.5,
14 13-193.7, 13-193.6, 13-195 ~~and~~, 13-195.1 ~~and~~ 13-198 of this chapter.

15 § 4. The administrative code of the city of New York is amended by
16 adding a new section 13-198 to read as follows:

17 § 13-198 Payments to sanitation variable supplements fund. 1. As used
18 in this section, the following terms shall mean and include:

19 (a) "Base fiscal year". Any fiscal year of the city beginning on or
20 after July first, two thousand eighteen with respect to which fiscal
21 year a determination is required to be made as to whether the retirement
22 system is required to make a payment, pursuant to the provisions of this
23 section, to the sanitation variable supplements fund.

24 (b) "Current fiscal year". The fiscal year of the city next succeeding
25 the base fiscal year.

26 (c) "Transferable earnings". The total amount obtained in a base
27 fiscal year with respect to the New York city employees' retirement
28 system by following the procedure described in paragraph twelve of
29 subdivision a of section 13-232 of this title.

30 (d) "Amount of assets of the retirement system". With respect to any
31 base fiscal year, the aggregate amount of all assets of the retirement
32 system on June thirtieth of such fiscal year.

33 (e) "Amount of sanitation assets". The amount obtained by multiplying
34 the total assets of the retirement system as of June thirtieth of such
35 base fiscal year by (i) the total salaries of sanitation members of the
36 retirement system as of such June thirtieth and dividing the product by
37 (ii) the total salaries of members of the retirement system as of such
38 June thirtieth.

39 (f) "Allocation to the sanitation variable supplements fund". With
40 respect to any base fiscal year, the amount obtained:

41 (i) by multiplying the transferable earnings, if any, with respect to
42 such base fiscal year by the amount of sanitation assets with respect to
43 such base fiscal year; and

44 (ii) by dividing the amount computed pursuant to subparagraph (i) of
45 this paragraph by the amount of assets of the retirement system with
46 respect to such base fiscal year.

47 2. As soon as practicable after the close of each base fiscal year,
48 but not later than August thirty-first of the current fiscal year, the
49 board of the retirement system shall determine, in the manner provided
50 in paragraph (f) of subdivision one of this section, whether there is an
51 allocation to the sanitation variable supplements fund with respect to
52 such base fiscal year, and pay such allocation from the contingent
53 reserve fund to the sanitation variable supplements fund.

54 § 5. This act shall take effect immediately.