STATE OF NEW YORK

7541

IN SENATE

January 24, 2020

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

AN ACT granting retroactive retirement membership in the New York state teachers' retirement system to Eileen Saumell

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

Section 1. Notwithstanding any other provision of law, Eileen Saumell who is currently working at the West Babylon school district and a member of the New York state teachers' retirement system, who was employed as a full-time employee of the Nassau County Demonstration Project, a non-participating employer of the New York state public retirement systems, with a start date of August 8, 1994 until August 27, 2004, and at that time a member of the United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. Retirement Plan, could not become a member of one of the New York state public retirement systems on August 8, 1994, shall be granted service credit in the New York state teachers' retirement system for her employment with the Nassau County Demonstration Project for the period of August 8, 1994 until August 27, 2004, provided that an application is filed with the New York state teachers' retirement system within one year from the effective date of this act.

§ 2. No contributions made to the United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. Retirement Plan by Eileen Saumell shall be returned or refunded to her pursuant to this act.

§ 3. All past service costs associated with the implementation of this act shall be borne by Nassau County.

§ 4. This act shall take effect immediately.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

This bill would allow Eileen Saumell, an active member of the New York State Teachers' Retirement System with Tier 4 status, to receive service credit for the period August 8, 1994 until August 27, 2004 while she was employed with the Nassau County Demonstration Project, a non-participating employer of the New York State public retirement systems. During Ms. Saumell's employment with the Nassau County Demonstration Project, she

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

LBD10501-03-0

was a member of the United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. Retirement Plan and could not become a member of one of the New York State public retirement systems. Contributions made to the United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. Retirement Plan by Ms. Saumell shall not be returned or refunded to her pursuant to this bill. Ms. Saumell must file a written request with the head of the New York State Teachers' Retirement System within one year of the effective date of this bill.

The cost of this benefit is equal to the increase in the present value of liabilities, which is estimated to be $364,000. This cost would be borne by the county of Nassau. Granting service credit under this bill for employment with an organization that may potentially be considered a non-governmental or private employer could jeopardize the System's governmental plan status and its exemption from ERISA which could result in the loss of qualified status. Loss of qualified status would mean the loss of tax benefits. This result would substantially impair the System's value to our approximately four hundred and thirty-three thousand members. In addition, precluding a return or refund of contributions under her prior plan may create a conflict under the terms of that plan.

Member data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's Comprehensive Annual Financial Report (CAFR). System assets are as reported in the System's financial statements and can also be found in the CAFR. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2020-7 dated January 21, 2020 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2020 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.