

# STATE OF NEW YORK

6988

2021-2022 Regular Sessions

## IN ASSEMBLY

April 19, 2021

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law and the education law, in relation to member contribution per centum increases

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

Section 1. Paragraphs 1, 2, 3, 4 and 5 of subdivision a of section 517 of the retirement and social security law, as added by chapter 18 of the laws of 2012, are amended to read as follows:

1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum; and

5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On April one, two thou-

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

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sand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum.

§ 2. Subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph 1 of subdivision a, subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph 2 of subdivision a, paragraphs 1, 2, 3, 4 and 5 of subdivision f and paragraphs 1, 2, 3, 4 and 5 of subdivision g of section 613 of the retirement and social security law, subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph 1 and subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph 2 of subdivision a as amended by chapter 510 of the laws of 2015 and paragraphs 1, 2, 3, 4 and 5 of subdivision f and paragraphs 1, 2, 3, 4 and 5 of subdivision g as added by chapter 18 of the laws of 2012, are amended to read as follows:

(i) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

(ii) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

(iii) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

(iv) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum; and

(v) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum.

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(ii) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

(iii) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

(iv) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum; and

(v) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On April one, two thousand

sand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum.

1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum; and

5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum.

1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum; and

5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum.

§ 3. Subdivisions a, b, c, d and e of section 1204 of the retirement and social security law, as added by chapter 18 of the laws of 2012, are amended to read as follows:

a. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subdivision shall be increased by three per centum;

b. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subdivision shall be increased by three per centum;

c. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subdivision shall be increased by three per centum;

d. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subdivision shall be increased by three per centum; and

e. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this subdivision shall be increased by three per centum.

§ 4. Paragraphs (a), (b), (c), (d) and (e) of subdivision 2 of section 182 of the education law, as added by chapter 18 of the laws of 2012, are amended to read as follows:

(a) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this paragraph shall be increased by three per centum;

(b) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this paragraph shall be increased by three per centum;

(c) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this paragraph shall be increased by three per centum;

(d) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this paragraph shall be increased by three per centum; and

(e) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages. On April one, two thousand twenty-two, and every year thereafter, the wages in this paragraph shall be increased by three per centum.

§ 5. Subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph (d) of subdivision 2 of section 392 of the education law, as added by chapter 18 of the laws of 2012, are amended to read as follows:

(i) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

(ii) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages. On July one, two thousand twenty-two, and every year thereafter, the wages in this subparagraph shall be increased by three per centum;

1 ty-two, and every year thereafter, the wages in this subparagraph shall  
2 be increased by three per centum;

3 (iii) members with wages greater than fifty-five thousand per annum,  
4 but not more than seventy-five thousand per annum shall contribute four  
5 and one-half per centum of annual wages. On July one, two thousand twen-  
6 ty-two, and every year thereafter, the wages in this subparagraph shall  
7 be increased by three per centum;

8 (iv) members with wages greater than seventy-five thousand per annum  
9 but not more than one hundred thousand per annum shall contribute five  
10 and three-quarters per centum of annual wages. On July one, two thousand  
11 twenty-two, and every year thereafter, the wages in this subparagraph  
12 shall be increased by three per centum; and

13 (v) members with wages greater than one hundred thousand per annum  
14 shall contribute six per centum of annual wages. On July one, two thou-  
15 sand twenty-two, and every year thereafter, the wages in this subpara-  
16 graph shall be increased by three per centum.

17 § 6. Subparagraphs 1, 2, 3, 4 and 5 of paragraph (d) of subdivision 2  
18 of section 6252 of the education law, as added by chapter 18 of the laws  
19 of 2012, are amended to read as follows:

20 (1) members with wages of forty-five thousand dollars per annum or  
21 less shall contribute three per centum of annual wages. On July one, two  
22 thousand twenty-two, and every year thereafter, the wages in this  
23 subparagraph shall be increased by three per centum;

24 (2) members with wages greater than forty-five thousand per annum, but  
25 not more than fifty-five thousand per annum shall contribute three and  
26 one-half per centum of annual wages. On July one, two thousand twenty-  
27 two, and every year thereafter, the wages in this subparagraph shall be  
28 increased by three per centum;

29 (3) members with wages greater than fifty-five thousand per annum, but  
30 not more than seventy-five thousand per annum shall contribute four and  
31 one-half per centum of annual wages. On July one, two thousand twenty-  
32 two, and every year thereafter, the wages in this paragraph shall be  
33 increased by three per centum;

34 (4) members with wages greater than seventy-five thousand per annum  
35 but not more than one hundred thousand per annum shall contribute five  
36 and three-quarters per centum of annual wages. On July one, two thousand  
37 twenty-two, and every year thereafter, the wages in this paragraph shall  
38 be increased by three per centum; and

39 (5) members with wages greater than one hundred thousand per annum  
40 shall contribute six per centum of annual wages. On July one, two thou-  
41 sand twenty-two, and every year thereafter, the wages in this paragraph  
42 shall be increased by three per centum.

43 § 7. Notwithstanding any other provision of law to the contrary, none  
44 of the provisions of this act shall be subject to section 25 of the  
45 retirement and social security law.

46 § 8. This act shall take effect immediately.

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

This bill would increase the wage ranges to which the 3%, 3.5%, 4.5%,  
5.75% and 6% contribution rates are applied for tier 6 members beginning  
on April 1, 2022 and every year thereafter by 3%.

The current contribution rates and wage ranges are:

3% for wages of \$45,000 or less

3.5% for wages greater than \$45,000 and less than or equal to \$55,000

4.5% for wages greater than \$55,000 and less than or equal to \$75,000

5.75% for wages greater than \$75,000 and less than or equal to \$100,000

6.0% for wages greater than \$100,000

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLEERS), if this legislation is enacted during the 2021 legislative session, there will be an increase in the present value of future costs of approximately \$428 million which would be shared by the State of New York and all of the participating employers in the NYSLEERS. The estimated first year cost would be approximately \$21.0 million to the State of New York and approximately \$30.3 million to the participating employers in the NYSLEERS.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), if this legislation is enacted during the 2021 legislative session, there will be an increase in the present value of future costs of approximately \$9.37 million which would be shared by the State of New York and all of the participating employers in the NYSLPFRS. The estimated first year cost would be approximately \$199,000 to the State of New York and approximately \$832,000 to the participating employers in the NYSLPFRS.

Summary of relevant resources:

Membership data as of March 31, 2020 was used in measuring the impact of the proposed change, the same data used in the April 1, 2020 actuarial valuation. Distributions and other statistics can be found in the 2020 Report of the Actuary and the 2020 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2020 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2020 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated January 8, 2021, and intended for use only during the 2021 Legislative Session, is Fiscal Note No. 2021-21, prepared by the Actuary for the New York State and Local Retirement System.