

STATE OF NEW YORK

8660

IN SENATE

February 27, 2024

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

AN ACT in relation to directing the commissioner of taxation and finance, and certain other agencies and offices, to conduct a study and to make recommendations regarding the optimal pension and retirement plan alternatives which could be made available to not-for-profit human services corporations in this state

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

1 Section 1. The commissioner of taxation and finance, the state treasurer,
2 the superintendent of financial services, and the comptroller
3 shall form a study group to jointly conduct a study and make recommendations
4 regarding the optimal pension and retirement plan alternatives
5 that may be made available to not-for-profit human services corporations
6 in this state, that are intended to significantly improve recruitment
7 and retention of employees. The state treasurer shall serve as the
8 chairperson of such study group. In conducting the study and development
9 of recommendations, the study group shall consult with the commissioner
10 of mental health, the commissioner of the office of addiction
11 services and supports, the commissioner of the office for persons with
12 developmental disabilities, the commissioner of children and family
13 services, the commissioner of the office of temporary disability
14 services, and the commissioner of health. The study shall at a minimum
15 provide the governor and the legislature with information and recommendations
16 regarding existing or new pension and retirement options for the
17 benefit of employees of not-for-profit human services corporations doing
18 business in New York state.

19 § 2. The study group shall consult with statewide associations representing
20 human services providers and organizations, and may consult with
21 any other organization, government entity, or person in the development
22 of the report required under section three of this act.

23 § 3. The study group shall submit to the governor, the temporary president
24 of the senate and the speaker of the assembly a report containing

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

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1 information and recommendations, including but not limited to the
2 following:

3 a. a review of the various types of pension and retirement plan
4 options in New York state and throughout the country, including but not
5 limited to defined benefit plans, such as cash balance and benefit
6 equalization plans, single employer plans, multiple employer plans,
7 defined contribution plans, internal revenue code 401(a), 401(k), and
8 403(b) plans, simplified employee pension plans, and other possible
9 options;

10 b. a review of the various rights, responsibilities, protections and
11 advantages of plans that are governed by federal laws and guidelines
12 under the Employee Retirement Income Security Act of 1974 (ERISA) and
13 applicable provisions of the internal revenue code;

14 c. a review of the various existing pension and retirement plans used
15 by not-for-profit corporations in New York state and across the country;

16 d. a review of the following issues and considerations in determining
17 the optimal pension and retirement plan options, including: employer
18 contributions, matching contributions, employee contributions, manage-
19 ment of investments, benefit payment options and amounts of benefits
20 paid, when benefits are vested or guaranteed, eligible participants,
21 automatic enrollment, plan benefit reduction possibilities, notice
22 requirements including notice to participants of underfunded plans or
23 other critical information, survivor or beneficiary benefits upon death
24 of participant, participant options if employment is terminated prior to
25 retirement, responsibilities of plan fiduciaries, tax relief benefits,
26 taxability of payment benefits, early distributions and penalties, and
27 the risks and benefits of relevant pension and retirement plan options;

28 e. a review of laws and regulations used by other states and the
29 federal government to regulate the marketplace;

30 f. consideration of ways in which payment of certain pension or
31 retirement benefits can be guaranteed if the plan is terminated without
32 sufficient funds to pay vested benefits, including through the federal
33 Pension Benefit Guarantee Corporation;

34 g. other relevant fiscal and policy considerations, including the
35 impact of inflation and cost of living adjustments on pension or retire-
36 ment plans; and

37 h. final recommendations regarding the optimal pension or retirement
38 plans that may exist or be made available to not-for-profit human
39 services corporations in New York state and that are intended to signif-
40 icantly improve recruitment and retention of employees, as well as
41 actions the state may take to develop, fund, implement, and sustain such
42 pension or retirement plan options for such not-for-profit corporations.

43 § 4. The study group shall deliver the report required under section
44 three of this act to the governor and the legislature, and the member
45 agencies and offices of such study group shall post such report on their
46 public websites, no later than November 15, 2024.

47 § 5. This act shall take effect immediately.