STATE OF NEW YORK

10630

IN SENATE

June 1, 2026

Introduced by Sen. C. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the general municipal law, in relation to other post-employment benefits reserve funds for counties, cities, villages, towns and school districts

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

Section 1. The general municipal law is amended by adding a new section 6-w to read as follows:

§ 6-w. Other post-employment benefits reserve funds for counties, cities, villages, towns and school districts. 1. As used in this section:

a. The term "governing board", insofar as it is used in reference to a village, shall mean the board of trustees thereof; insofar as it is used in reference to a town, shall mean the town board thereof; insofar as it is used in reference to a county, shall mean the legislative body thereof; insofar as it is used in reference to a city, shall mean the "local legislative body" thereof, as that term is defined in subdivision seven of section two of the municipal home rule law, as amended from time to time; insofar as it is used in reference to a school district, shall mean the board of education or board of trustees thereof.

b. The term "other post-employment benefits reserve funds" or "OPEB" shall mean benefits, other than pension benefits, that a county, city, village, town, or school district is obligated or has committed to provide to eligible retired employees and their dependents, including but not limited to:

(i) health insurance, including medical, prescription drug, dental, vision, and hearing benefits;

(ii) life insurance provided separately from a pension plan;

(iii) disability benefits provided separately from a pension plan;

(iv) long-term care benefits; and

(v) any other post-employment benefit, other than a pension benefit, that the governmental unit has a legal, contractual, or established commitment to provide.

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

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c. The term "actuarial valuation" shall mean the determination, by a qualified actuary, of the present value of all projected benefits to be provided through a governmental unit's OPEB plan, net of any plan assets, performed in accordance with generally accepted actuarial standards.

d. The term "qualified actuary" shall mean a member in good standing of the American Academy of Actuaries or an individual who has demonstrated competence in the area of public employee benefits through relevant experience and professional credentials.

e. The term "chief fiscal officer" shall mean the officer charged with the custody or control of moneys of the county, city, village, town, or school district.

2. The governing board of any county, city, village, town, or school district may establish one or more OPEB reserve funds for the financing of all or part of the cost of providing other post-employment benefits to eligible retired employees and their dependents.

3. There may be paid into any such fund:

a. such an amount as may be provided therefor by budgetary appropriation or raised by tax therefor;

b. such revenues as are not required by law to be paid into any other fund or account;

c. gifts, grants, donations, or other contributions designated for the purpose of providing for OPEB obligations; and

d. amounts received by the governmental unit as a sponsor of a qualified retiree prescription drug plan pursuant to 42 U.S.C. section 1395w-132, or any successor provision, if authorized by vote of the governing board.

4. The moneys in each such fund shall be deposited and secured in the manner provided by section ten of this article. The governing board, or the chief fiscal officer of such governmental unit if the governing board shall delegate the duty to such officer, may invest the moneys in each such fund in the manner provided in section eleven of this article. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of each such fund. The separate identity of each such fund shall be maintained, whether its assets consist of cash or investments or both.

5. An expenditure shall be made from an OPEB reserve fund only by authorization of the governing board and only for the following purposes:

a. payment of, or reimbursement for, other post-employment benefits to or on behalf of eligible retired employees and their dependents, in accordance with the terms of the governmental unit's OPEB plan or applicable collective bargaining agreement; and/or

b. payment of the reasonable and necessary costs of administering the fund, including but not limited to actuarial services, including necessary actuarial valuations, auditing, investment management, and legal counsel.

6. a. Within two years of the establishment of an OPEB reserve fund, and at least biennially thereafter, the governmental unit shall obtain an actuarial valuation of its OPEB liabilities from a qualified actuary.

b. A copy of each actuarial valuation shall be filed with the governing board and shall be made available for public inspection.

c. The governing board shall review the actuarial valuation and shall consider adjustments to its contribution levels as may be appropriate in light of the valuation.

7. a. The chief fiscal officer shall keep a separate account for each fund established. Such account shall show:

(i) the date and amount of each sum paid into the fund;

(ii) the interest earned by such fund;

(iii) the capital gains or losses resulting from the sale of investments of the fund;

(iv) the interest or capital gains which have accrued to the fund;

(v) the amount, date, and purpose of each withdrawal from the fund; and

(vi) the assets of the fund, indicating the cash balance therein and a schedule of the amounts invested in federal or state obligations.

b. The chief fiscal officer, at the termination of each fiscal year, shall render a detailed report of the operation and condition of each of such funds to the governing board.

8. a. The members of the governing board shall be guilty of a misdemeanor if they:

(i) authorize a withdrawal from an OPEB reserve fund for any purpose other than those set forth in subdivision five of this section, except as provided in subdivisions six and seven of this section; or

(ii) expend any money withdrawn from the fund for a purpose other than that for which it was authorized to be withdrawn.

b. The provisions of this paragraph shall be considered to be in addition to any other penalties provided by law.

9. This section shall not be construed to:

a. create, expand, or modify any substantive right of any employee, retiree, or dependent to receive other post-employment benefits;

b. impair the obligation of any existing contract or collective bargaining agreement;

c. limit the authority of a governmental unit to modify, reduce, or eliminate OPEB benefits to the extent otherwise permitted by law; or

d. establish the fund as a trust for purposes of the Governmental Accounting Standards Board Statements No. 74 and 75, or any successor statements, unless the governing board separately elects to establish such a fund as an irrevocable trust meeting the criteria set forth therein.

§ 2. This act shall take effect immediately and shall apply to all other post-employment benefits reserve funds established on or after such effective date.