§ 521. Collection of contributions. 1. The collection of members' contributions shall be as follows:

a. Each employer shall cause to be deducted on each and every payroll of a contributor for each and every payroll period, the contribution payable by such contributor as provided in this article. Each employer shall certify to the treasurer of said employer on each and every payroll a statement as voucher for the amounts so deducted.

b. The treasurer of each employer on receipt from the employer of the voucher for deductions from the salaries of teachers as provided in this article shall transmit monthly or at such times as the retirement board shall designate, the amount specified in such voucher to the secretary of the retirement board. The secretary of the retirement board after making record of all such receipts shall transmit them to the head of the division of the treasury in the department of taxation and finance for use according to the provisions of this article.

But nothing in this section shall prevent the retirement board from modifying the method of collecting the contribution of members so that employers may retain the amounts so deducted and have a corresponding amount deducted from the appropriation for the support of common schools otherwise payable to them.

2. The collection of employers' contributions shall be made as follows:

a. Upon the basis of each actuarial determination and appraisal provided herein, the retirement board shall annually prepare and certify to the commissioner of education a statement of the total amount necessary to be paid by all employers for the ensuing fiscal year to the pension accumulation and expense funds as provided under subdivision two of section five hundred seventeen and under section five hundred nineteen of this article. Upon the basis of the rate of contribution for supplemental retirement allowances, determined in accordance with section five hundred thirty-two of this article, the retirement board shall certify to the commissioner of education a statement of the total

amount necessary to be paid by all employers for the ensuing fiscal year to the supplemental retirement allowance fund. Said certification shall include interest on amounts necessary to repay advances made to the supplemental retirement allowance fund pursuant to subdivision f of section five hundred thirty-two of this article computed from the date of such advances at the rate determined in accordance with paragraph f of this subdivision.

b. The commissioner of education shall include in the certificate which he files with the state comptroller showing the amount of state funds apportioned to the school districts within each county for the support of common schools, a statement showing the amount to be contributed by each employer in each of such counties as required under this article.

The amount to be contributed by each employer except those who operate local district pension systems, shall be such percentage of the total compensation or salaries of all teachers in his employ who are members of the retirement system as the aggregate amount of the normal and deficiency contributions for the year shall bear to the total compensation or salaries paid by all employers, except those who operate local district pension systems, to all teachers who are members of the retirement system.

c. The comptroller shall issue his warrant to the custodian of such fund directing such custodian to credit to the pension accumulation fund and expense fund respectively, from the appropriation for the support of common schools the amounts required to be made as contributions to such funds by the employers as shown by the certificate of the commissioner of education filed with him as directed in paragraph b of this subdivision.

d. The comptroller, in issuing his warrant to the custodian for payment to each county treasurer of that portion of the moneys apportioned for the support of common schools, shall deduct therefrom an amount equal to the amount required to be contributed by employers of such county, as shown by the certificate of the commissioner of

education of this state filed with the comptroller as required by paragraph b of this subdivision.

e. In order to meet the financial requirements of this article, employers who obtain funds directly by taxation are hereby authorized and directed to levy annually such additional taxes as are required to provide the funds deducted from the amounts apportioned to such employers from the appropriation of the state for the support of the common schools.

f. Employers whose payments from the moneys apportioned from the state for the support of common schools are insufficient to pay the amount due and owing the system, or who do not receive such payments, shall pay the system each year the amount of contributions due and owing from the employer pursuant to this article within thirty days from the date a bill is mailed by the system. Interest, at a rate equal to the average yield payable on fifty-two week United States treasury bills on June thirtieth immediately preceding the day the bill is mailed by the system, shall accrue on the outstanding amount due and owing commencing with the thirty-first day after the bill is mailed.

g. Whenever the system determines the contributions made by an employer are less than the percentage of total compensation or salaries of members of the system in the employ of such employer, as required by this article, such employer shall pay the system such deficiency within thirty days from the date a bill is mailed by the system. Interest, at a rate equal to the average yield payable on fifty-two week United States treasury bills on June thirtieth immediately preceding the day before the bill is mailed by the system, shall accrue on the outstanding amount due and owing commencing with the thirty-first day after the bill is mailed.

h. Notwithstanding any provision of law to the contrary, commencing with the payments made in the fiscal year beginning July first, nineteen hundred ninety, and each fiscal year thereafter, the employer contributions due and payable as determined pursuant to the provisions of this article and the employee contributions due and payable pursuant

to this article and articles fourteen and fifteen of the retirement and social security law, on account of compensation paid in the fiscal year immediately preceding, and those employer contributions due and payable in each fiscal year pursuant to chapter six hundred sixty-five of the laws of nineteen hundred eighty-four shall be made to the retirement system and collected in the manner set forth in this section each fiscal year in three payments, each equal to thirty-three and one-third percent of the total amount due for such fiscal year. Such payments shall be paid on September fifteenth, October fifteenth, and November fifteenth of each fiscal year. If a participating employer underpaid its obligation to the retirement system, such underpayment as determined by the retirement system shall be deducted from the amounts apportioned to such employer from the appropriation of the state for the support of the common schools due and payable the next April fifteenth. Employers whose payments from such appropriation are insufficient to pay the amount due and owing the system, or who do not receive such payments, shall be billed by the system for such underpayment and shall pay the system the amount due within thirty days from the date a bill is mailed by the system. The amount of any employer overpayment of its obligation to the retirement system, as determined by such system shall be a credit to the employer and shall reduce by an equal amount thereof the initial payment to be made by such employer to such system on the next succeeding September fifteenth.

i. Notwithstanding any provision of law to the contrary, the employer and employee contributions due and payable in the nineteen hundred eighty-nine--ninety fiscal year on account of compensation paid in the nineteen hundred eighty-eight--eighty-nine fiscal year which were paid prior to April first, nineteen hundred ninety shall be deemed (to the extent such amount is sufficient) to have consisted of all the employee contributions due and payable pursuant to this article and articles fourteen and fifteen of the retirement and social security law in the nineteen hundred eighty-nine--ninety fiscal year and those employer contributions due and payable in such fiscal year pursuant to chapter six hundred sixty-five of the laws of nineteen hundred eighty-four; and the remaining employer contributions so paid shall be applied evenly to the payments due and payable on September fifteenth, nineteen hundred

ninety, October fifteenth, nineteen hundred ninety and November fifteenth, nineteen hundred ninety and the employer contributions amounting to eight hundred seventy-three million seven hundred eleven thousand six hundred fifteen dollars ($873,711,615), due and payable pursuant to the provisions of this section in the nineteen hundred eighty-nine--ninety fiscal year on account of compensation paid in nineteen hundred eighty-eight--eighty-nine fiscal year, except those employer contributions due and payable in such fiscal year pursuant to chapter six hundred sixty-five of the laws of nineteen hundred eighty-four, shall be deferred and payment shall be made to the retirement system in fifteen equal annual payments of ninety-eight million five hundred thirty-seven thousand five hundred seven dollars ($98,537,507) on October fifteenth, commencing on October fifteenth, nineteen hundred ninety. Such payments are calculated at an interest rate of eight percent per annum. Provided, however, the retirement board is directed to permit the pre-payment of the amounts outstanding under this paragraph. The retirement board shall: (1) On or before September first, nineteen hundred ninety, in addition to the amount due for the current fiscal year billing and for the payment of the amortized annual installment, furnish the total amount due and be authorized to accept pre-payment in full of said amount by October fifteenth, nineteen hundred ninety. (2) On or before each September first thereafter, in addition to the amount due for the current fiscal year billing and for the payment of the annual amortized installment, furnish the total amount still outstanding and be authorized to accept the pre-payment of any portion of the balance remaining to be paid by October fifteenth of that year.

j. Prior to June first, nineteen hundred ninety, the valuation rate of interest adopted by the retirement board on April twenty-seventh, nineteen hundred eighty-nine, may be retroactively revised to eight percent by the retirement board, as recommended by the actuary, as if adopted at the April twenty-seventh, nineteen hundred eighty-nine board meeting, and the employer contribution rate, adopted by the retirement board at the April twenty-seventh, nineteen hundred eighty-nine board meeting, revised by the retirement board at the July twenty-seventh, nineteen hundred eighty-nine board meeting, may be retroactively amended

by the retirement board as if adopted at the July twenty-seventh, nineteen hundred eighty-nine board meeting and applied to contributions paid in the nineteen hundred ninety--ninety-one fiscal year. Notwithstanding any provision of law to the contrary, the actions of the retirement board pursuant to the provisions of this paragraph shall be deemed reasonable, prudent and proper. No member of the retirement board, officer, or employee of the New York state teachers' retirement system shall incur or suffer any liability whatsoever by reason of any actions pursuant to this paragraph, and such system shall save harmless and indemnify all members of the retirement board, its officers and employees from financial loss arising out of any claim, demand, suit, action or judgment as a result of the actions taken pursuant to this paragraph provided that such person shall, within five days after the date on which he is served with any summons, complaint, process, notice, demand, claim or pleading, deliver the original or a true copy thereof to the legal advisor of such system. Upon such delivery, the legal advisor of such system may assume control of the representation of such person in connection with such claim, demand, suit, action or proceeding. Such person shall cooperate fully with the legal advisor of the system or any other person designated to assume such defense in respect of such representation or defense.

k. The retirement board is authorized to adopt procedures and/or to promulgate rules and regulations as it deems necessary to adjust and reconcile any payments from employers to actual amounts due whether such payments were received prior or subsequent to the effective date of the chapter of the laws of nineteen hundred ninety which added this paragraph to this section.

l. The provisions of paragraphs h and i of this subdivision shall constitute a contract and the rights of the New York state teachers' retirement system thereunder shall not be impaired in any way whatsoever.

m. In addition to any other payment or collection procedure provided by this article, if the amounts credited from the appropriation for the support of common schools are insufficient to fully cover the amounts to

be contributed by the employers, the retirement board is authorized to certify the unpaid amount to the state comptroller, and the state comptroller shall, to the extent not otherwise prohibited by law, withhold such amount from any succeeding payment from any other form of state aid provided to the employer. If any employer fails to pay the amounts required to be contributed pursuant to this section, the retirement system shall be entitled to reasonable attorney fees and other expenses incurred to collect such amounts due and owing. Fees shall be determined pursuant to prevailing market rates for the kind and quality of the services furnished.

n. Notwithstanding any other provision of law to the contrary, the board of education or trustees of a school district which is a participating employer, which has elected to make payments of the employer contributions due and payable to the retirement system pursuant to paragraph i of this subdivision in amortized annual installments, and which has determined to make pre-payment of the total amount of such contributions outstanding in accordance with said paragraph i, may adopt a bond resolution authorizing the refinancing of such debt by the issuance of bonds in the amount of such pre-payment without conducting a vote on a tax to be collected in installments, provided that such refinancing will result in savings to the school district, as certified by the state comptroller, and provided further that the issuance of such obligations otherwise complies with the requirements of the local finance law and this chapter.

3. Stable contribution option for participating educational employers for the two thousand thirteen - two thousand fourteen plan year. a. In addition to the definitions in section five hundred one of this article, when used in this subdivision:

(1) "participating educational employer" shall mean a school district or board of cooperative educational services which elects to pay the stable contribution amount in the manner provided in this subdivision;

(2) "stable contribution amount" shall mean an amount equal to the stable contribution rate multiplied by the pensionable salary base (exclusive of payments for group term life insurance, deficiency contributions, adjustments relating to prior fiscal years' obligations,

obligations pertaining to retirement incentives or any other obligations that a participating educational employer is permitted to pay on an amortized basis);

(3) "stable contribution rate" shall mean fourteen percent for the two thousand thirteen - two thousand fourteen plan year and the two thousand fourteen - two thousand fifteen plan year and the rate as adopted by the retirement board in accordance with paragraph h of this subdivision; and

(4) "deferred employer contribution amount" shall mean an amount adequate to fund the benefits for active and retired members associated with such participating educational employer had such participating educational employer not elected the provisions of this subdivision. Such deferred employer contribution amount shall be calculated for each year of participation in the stable contribution option with associated interest determined specific to each applicable plan year's deferred amount.

b. Notwithstanding the provisions of this chapter or any other law to the contrary, the retirement board, in its discretion, shall have authority to implement the provisions of this subdivision. If the retirement board elects to implement the provisions of this subdivision, the provisions shall apply to the payment of participating educational employer contributions in the plan year commencing July first, two thousand thirteen, for the pension bill paid on September fifteenth, October fifteenth, and November fifteenth of two thousand fourteen, and for the subsequent six plan years. If a participating educational employer does not elect the stable contribution option in the fiscal year commencing on July first, two thousand thirteen for the pension bill paid on September fifteenth, October fifteenth, and November fifteenth of two thousand fourteen, it shall not be eligible to elect the stable contribution option in any succeeding plan year.

c. For each of the seven plan years to which the provisions of this subdivision apply, the retirement board shall use a stable contribution rate established by the retirement board for participating educational employers.

d. If the retirement board, in its discretion, decides to adopt a

stable contribution option pursuant to this subdivision, the retirement board shall determine the stable contribution amount in each plan year for a participating educational employer pursuant to subparagraph two of paragraph a of this subdivision. Such stable contribution amount shall be in lieu of a participating educational employer's actuarially required contribution rate of normal and administrative contributions pursuant to sections five hundred seventeen and five hundred nineteen of this article for the plan year commencing July first, two thousand thirteen, and for the next six subsequent plan years.

e. Any participating educational employer which elects to pay the stable contribution amount pursuant to this subdivision shall pay the amount based on the stable contribution rate for a period of seven years and such option shall be available to participating educational employers from the two thousand thirteen - two thousand fourteen plan year through the two thousand nineteen - two thousand twenty plan year. In the sixth plan year, the two thousand eighteen - two thousand nineteen plan year, the participating educational employer shall pay the stable contribution rate and, in addition, commence payment for deferred employer contributions in accordance with paragraph j of this subdivision. Commencing with the plan year beginning July first, two thousand twenty, the participating educational employer shall resume payment of the actuarially required contribution rate of normal and administrative contributions pursuant to sections five hundred seventeen and five hundred nineteen of this article and, in addition, any payment for deferred employer contribution amounts in accordance with paragraphs j and k of this subdivision.

f. A participating educational employer paying a stable contribution amount shall remit, commencing with the July first, two thousand thirteen plan year, an amount determined by the retirement board by adding the following two amounts together:

(1) the stable contribution amount calculated pursuant to this subdivision; and

(2) payments for group term life insurance, deficiency payments, adjustments relating to prior fiscal years' obligations and obligations pertaining to retirement incentives or any other obligations that a

participating educational employer is permitted to pay on an amortized basis.

g. The stable contribution amount must be paid in full by participating educational employers on the dates specified in paragraph h of subdivision two of this section.

h. Prior to July first, two thousand fifteen and July first, two thousand seventeen the retirement board is authorized to evaluate the stable contribution rate used to calculate participating educational employer stable contribution amounts. Such evaluation shall be based on a projection of assets and liabilities so as to ensure that contributions by participating educational employers which participate in the stable contribution option are adequate to ensure that system assets are sufficient to fund benefits for active and retired members. The retirement board is authorized to increase the stable contribution rate by up to two percentage points on July first, two thousand fifteen and on July first, two thousand seventeen. The revised stable contribution rate resulting from the foregoing evaluations and July first, two thousand fifteen and July first, two thousand seventeen stable rate increases may not, in combination, exceed eighteen percent. The retirement board is authorized to decrease the stable contribution rate, if warranted, but in no event shall the stable contribution rate be less than fourteen percent.

i. A participating educational employer may elect to terminate participation in the stable contribution option and resume payment of the actuarially required contribution of normal and administrative contributions in accordance with sections five hundred seventeen and five hundred nineteen of this article. Provided, however, that such participating educational employer which elects to terminate participation shall make a reconciliation contribution to the retirement system, at an amount to be determined by the retirement board, adequate to fund the benefits for active and retired members associated with such participating educational employer had such participating educational employer not elected the provisions of this subdivision. Such reconciliation contribution shall be made over a period not to exceed

five years and shall be made in addition to the normal and administrative contributions pursuant to sections five hundred seventeen and five hundred nineteen of this article for the plan year in which such participating educational employer chooses to resume payment of the normal and administrative contributions pursuant to sections five hundred seventeen and five hundred nineteen of this article. For the purposes of determining the reconciliation contribution amount, the retirement board shall assume interest on the deferred employer contribution amount at a rate which approximates the monthly average yield on United States treasury securities at ten-year constant maturity for the twelve-month period preceding August first of each year plus one percentage point. The interest rate associated with such deferred employer contribution amount shall be specific to each applicable plan year's deferred amount.

j. In the sixth plan year, commencing July first, two thousand eighteen, all participating educational employers having elected the stable contribution option shall continue to contribute the stable contribution amount to the retirement system and remit to the retirement system the accrued deferred employer contributions accumulated in the first five plan years. The stable payment of the deferred employer contribution accrued by the participating educational employer shall be paid to the retirement system in equal annual installments over a five-year period, with interest on the unpaid portion to be based on the monthly average yield on United States treasury securities at a ten-year constant maturity for the twelve-month period preceding August first of each year plus one percentage point. The interest rate associated with such deferred employer contribution amount shall be specific to the rate as measured on August first of the applicable plan year to such deferred amount. Payments of the stable installments shall be made in the same manner as other employer contributions as prescribed in this article. Nothing in this subdivision shall be construed as prohibiting such participating educational employer from making a reconciliation contribution in accordance with paragraph i of this subdivision.

k. In the eighth plan year, commencing July first, two thousand twenty, all participating educational employers having elected the

stable contribution option shall resume payment of the actuarially required contribution rate of normal and administrative contributions in accordance with section five hundred seventeen and five hundred nineteen of this article. Additionally, such employer will remit to the retirement system the accrued deferred employer contributions accumulated during the plan years commencing July first, two thousand eighteen and July first, two thousand nineteen of the stable contribution option. The stable payment of the deferred employer contribution accrued by the participating educational employer shall be paid to the retirement system in equal annual installments over a five-year period with interest on the unpaid portion to be based on the monthly average yield on United States treasury securities at a ten-year constant maturity for the twelve-month period preceding August first of each year plus one percentage point. The interest rate associated with such deferred employer contribution amount shall be specific to the rate as measured on August first of the applicable plan year to such deferred amount. Payments of the stable installments shall be made in the same manner as other employer contributions as prescribed in this article. Nothing in this subdivision shall be construed as prohibiting such participating educational employer from making a reconciliation contribution in accordance with paragraph i of this subdivision.

l. Notwithstanding the provisions of this subdivision, if the retirement board decides to adopt a stable contribution option, in accordance with this subdivision, and the funded status of the retirement system reaches a threshold below eighty percent at the end of any plan year during the seven plan year term of this option, the option shall cease and participating educational employers who have elected the stable contribution option shall resume payment of the actuarially required contribution rate of normal and administrative contributions in accordance with section five hundred seventeen and five hundred nineteen of this article. Additionally, such employer will make a reconciliation contribution to the retirement system, at an amount to be determined by the retirement board, adequate to fund the benefits for active and retired members associated with such participating educational employer had such participating educational employer not elected the provisions of this section. The payment of the deferred employer contribution

accrued by the participating educational employer shall be paid to the retirement system in equal annual installments over a five-year period with interest on the unpaid portion to be based on the monthly average yield on United States treasury securities at a ten-year constant maturity for the twelve-month period preceding August first of each year plus one percentage point. The interest rate associated with such deferred employer contribution amount shall be specific to the rate as measured on August first of the applicable plan year to such deferred amount. Payments of the stable installments shall be made in the same manner as other employer contributions as prescribed in this article.

m. The retirement board is authorized to promulgate rules and regulations for implementation of this subdivision.