



**THE COUNCIL OF THE CITY OF NEW YORK  
FINANCE DIVISION**

LATONIA MCKINNEY, DIRECTOR

**FISCAL IMPACT STATEMENT**

**PRE CONSIDERED SLR: S6460 / A8055**

**COMMITTEE: State and Federal Legislation**

**TITLE:** AN ACT to amend the retirement and social security law, in relation to the definition of additional member contributions and basic member contributions for certain New York City employees' retirement system members who are subject to certain retirement plans under articles 14 and 15 of the retirement and social security law, to allow such additional member contributions to be used to offset a deficit of basic member contributions, or to allow an excess of basic member contributions to offset a deficit of additional member contributions upon retirement.

**SPONSOR(S): Karen Koslowitz**

**SUMMARY OF LEGISLATION:** This bill would eliminate the need for New York City Employees' Retirement System (NYCERS) to request payment from certain Special Plan members if they have a deficit in their Member Contribution Accumulation Fund (MCAF) before that member can retire, so long as he or she has a surplus in their Retirement Reserve Fund (RRF). Similarly, upon retirement, a member will be able to use a surplus from their MCAF to offset a deficit in their RRF.

As the law currently stands, MCAF and RRF contributions must only be used to satisfy the requirements of the type of contribution that it was originally collected for. This requires NYCERS to process a surplus and deficit separately upon the retirement of a member. In other words, NYCERS must process a check to refund money from a surplus in one account, only to make the participant pay back the deficit in another account before the member may retire under his or her respective. This legislation will increase the administrative efficiency of NYCERS and eliminate burdens on Special Plan participants. According to the City's Office of the Actuary, this proposed legislation will have no impact on benefits of NYCERS' members.

**EFFECTIVE DATE:** This State act would take effect immediately.

**FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED:** N/A

**FISCAL IMPACT STATEMENT:**

	Effective FY17	FY Succeeding Effective FY18	Full Fiscal Impact FY18
Revenues (+)	\$0	\$0	\$0
Expenditures (-)	\$0	\$0	\$0
Net	\$0	\$0	\$0

**IMPACT ON REVENUES:** There would be no impact on revenues from this legislation.

**IMPACT ON EXPENDITURES:** The City's Office of the Actuary estimates that the proposed legislation would not result in any change in employer contributions, and thus would not have any impact on City Expenditures.

**SOURCE OF FUNDS TO COVER ESTIMATED COSTS:** N/A

**SOURCE OF INFORMATION:** The New York City Council Finance Division  
New York City Office of the Actuary “Fiscal Note 2017-10”

**ESTIMATE PREPARED BY:** Kendall Stephenson, Economist, City Council Finance Division

**ESTIMATE REVIEWED BY:** Paul Sturm, Supervising Economist, City Council Finance Division

**LEGISLATIVE HISTORY:** This bill will be voted out of the State and Federal Legislation Committee as a Preconsidered SLR on June 6, 2017. Upon successful vote by the Committee, the Preconsidered SLR will be introduced and submitted to the full Council for a vote on June 6, 2017.

**DATE PREPARED:** June 5, 2017