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|  | **The Council of the City of New York**  **Finance Division**  Latonia Mckinney, Director  **Fiscal Impact Statement**  **Preconsidered SLR:** S.8497 (Savino)  A.10696 (Abbate)  **Committee:** State and Federal Legislation |
| **Title:** AN ACT to amend the retirement and social security law, in relation to amending the contribution provisions applicable to certain New York City Employees’ Retirement System (NYCERS) Special Plans subject to Articles 14 and 15 to allow using any excess basic or additional member contributions to offset any deficits in such other contribution account prior to date of retirement | **Sponsor(S):** Council Member Cohen |

**Summary of Legislation:** This Preconsidered SLR would eliminate the need for the 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) at any time, so long as he or she has a surplus in their Retirement Reserve Fund (RRF). Similarly, at any time, a member would be able to use a surplus from their MCAF to offset a deficit in their RRF.

In June of 2017, the City Council passed Preconsidered SLR S6460 (A8055), which allowed retirees (but not active employees) to use a surplus from one account to offset a deficit in another. This Preconsidered SLR would allow the same thing for active members, as well. This legislation would increase the administrative efficiency of NYCERS and eliminate burdens on Special Plan participants. According to the City’s Office of the Actuary, this legislation would have no impact on benefits of NYCERS’ members.

**Effective Date:** This act would take effect upon enactment.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2019

**Fiscal Impact Statement:**

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|  | **Effective FY19** | **FY Succeeding Effective FY20** | **Full Fiscal Impact FY19** |
| **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:** New York City Council Finance Division

New York City Office of the Actuary “Fiscal Note 2018-26”

**Estimate Prepared By:** Kendall Stephenson, Economist

**Estimate Reviewed By**: Raymond Majewski, Deputy Director/Chief Economist

Rebecca Chasan, Counsel

**Legislative History:** This bill will be considered by the Committee on State and Federal Legislation as a Preconsidered SLR on June 7, 2018. Upon successful vote by the Committee, the Preconsidered SLR will be introduced and submitted to the full Council for a vote on June 7, 2018.

**Date Prepared:** June 5, 2018