

S T A T E O F N E W Y O R K

7804

I N S E N A T E

June 19, 2012

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

AN ACT to amend the administrative code of city of New York, in relation to the rate of regular interest used in the actuarial valuation of liabilities for the purpose of calculating contributions to the New York city employees' retirement system, the New York city teachers' retirement system, the police pension fund, subchapter two, the fire department pension fund, subchapter two and the board of education retirement system of such city by public employers and other obligors required to make employer contributions to such retirement systems, the establishment of the entry age actuarial cost method of determining employer contributions to such retirement systems, the making of contributions to such retirement systems by such public employers and such other obligors, and the crediting of special interest and additional interest to members of such retirement systems, and the allowance of interest on the funds of such retirement systems; and to amend the education law, in relation to employer contributions to the board of education retirement system of such city

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subparagraph (a) of paragraph 1 of subdivision b of section
2 13-127 of the administrative code of the city of New York is amended by
3 adding two new items (i-a) and (i-b) to read as follows:
4 (I-A) ALL UNFUNDED ACCRUED LIABILITY INSTALLMENTS AS REQUIRED BY
5 SECTION 13-638.2 OF THIS TITLE OR ANY OTHER PROVISION OF LAW; AND
6 (I-B) ANY OTHER PAYMENTS TO THE CONTINGENT RESERVE FUND AS REQUIRED BY
7 APPLICABLE LAW; AND
8 S 2. Subparagraph (c) of paragraph 1 of subdivision b of section
9 13-127 of the administrative code of the city of New York is amended by
10 adding a new item (iv) to read as follows:
11 (IV) THE CITY AND ALL OTHER RESPONSIBLE OBLIGORS (AS DEFINED IN PARA-
12 GRAPH TEN OF SUBDIVISION A OF SECTION 13-638.2 OF THIS TITLE) SHALL MAKE
13 ALL PAYMENTS TO THE RETIREMENT SYSTEM REQUIRED BY APPLICABLE LAW IN
14 ACCORDANCE WITH THE TIME OF PAYMENT REQUIREMENTS SET FORTH IN SUBDIVI-

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

LBD16264-03-2

S. 7804

2

1 SION C OF SECTION 13-133 OF THIS CHAPTER. ANY RESPONSIBLE OBLIGOR WHICH
2 DOES NOT MAKE ALL OR ANY PORTION OF SUCH REQUIRED PAYMENTS TO THE
3 RETIREMENT SYSTEM IN A TIMELY MANNER IN FISCAL YEAR TWO THOUSAND
4 TWELVE--TWO THOUSAND THIRTEEN, OR IN ANY FISCAL YEAR THEREAFTER, SHALL
5 BE REQUIRED TO PAY INTEREST TO THE RETIREMENT SYSTEM ON SUCH OVERDUE
6 AMOUNTS, AS DETERMINED BY THE ACTUARY. THE ACTUARY SHALL DETERMINE, AT
7 SUCH TIME AS HE OR SHE DEEMS APPROPRIATE, INTEREST PAYMENTS ON SUCH
8 OVERDUE AMOUNTS USING A RATE OF INTEREST EQUIVALENT TO THE VALUATION
9 RATE OF INTEREST (AS DEFINED IN PARAGRAPH ELEVEN OF SUBDIVISION A OF
10 SECTION 13-638.2 OF THIS TITLE). RESPONSIBLE OBLIGORS SHALL MAKE SUCH

11 INTEREST PAYMENTS ON OVERDUE AMOUNTS TO THE RETIREMENT SYSTEM IN THE
12 MANNER AND AT SUCH TIME AS THE ACTUARY DEEMS APPROPRIATE.

13 S 3. Item (i) of subparagraph (a) of paragraph 2 of subdivision b of
14 section 13-127 of the administrative code of the city of New York, as
15 amended by chapter 85 of the laws of 2000, is amended to read as
16 follows:

17 (i) NOTWITHSTANDING THE SUCCEEDING PROVISIONS OF THIS SUBPARAGRAPH OR
18 THE PROVISIONS OF SUBPARAGRAPH (A-ONE), (B) OR (C) OF THIS PARAGRAPH,
19 FOR FISCAL YEAR TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE, AND FOR EACH
20 FISCAL YEAR THEREAFTER, THE AMOUNT OF THE NORMAL CONTRIBUTION PAYABLE TO
21 THE CONTINGENT RESERVE FUND SHALL BE DETERMINED PURSUANT TO THE
22 PROVISIONS OF SUBPARAGRAPH (D) OF THIS PARAGRAPH. Upon the basis of the
23 latest mortality and other tables herein authorized and regular inter-
24 est, the actuary shall determine as of June thirtieth, nineteen hundred
25 eighty and as of each succeeding June thirtieth, the amount of the total
26 liability for all benefits provided in this title, in articles eleven
27 and fourteen of the retirement and social security law and in any other
28 law prescribing benefits payable by the retirement system on account of
29 all members and beneficiaries, excluding the liability on account of
30 future increased-take-home-pay contributions, if any, and the liability
31 for benefits attributable to the annuity savings fund, provided, howev-
32 er, that in determining such total liability as of June thirtieth, nine-
33 teen hundred ninety-five and as of each succeeding June thirtieth, the
34 actuary shall include (A) the liability on account of future increased-
35 take-home-pay contributions, if any, (B) the liability on account of
36 future public employer obligations under the provisions of subdivision
37 twenty of section two hundred forty-three of the military law, to pay in
38 behalf of members qualifying for such benefit, member contributions with
39 respect to certain periods of the military service of such members and
40 (C) the liability for benefits attributable to the annuity savings fund.

41 S 4. Paragraph 2 of subdivision b of section 13-127 of the administra-
42 tive code of the city of New York is amended by adding a new subpara-
43 graph (d) to read as follows:

44 (D) (I) NOTWITHSTANDING THE PRECEDING SUBPARAGRAPHS OF THIS PARAGRAPH
45 OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE NORMAL CONTRIBUTION
46 PAYABLE TO THE CONTINGENT RESERVE FUND IN FISCAL YEAR TWO THOUSAND
47 ELEVEN--TWO THOUSAND TWELVE, AND IN EACH FISCAL YEAR THEREAFTER, SHALL
48 BE THE ENTRY AGE NORMAL CONTRIBUTION, AS DETERMINED BY THE ACTUARY
49 PURSUANT TO THIS SUBPARAGRAPH IN A MANNER CONSISTENT WITH THE ENTRY AGE
50 ACTUARIAL COST METHOD. THE ACTUARY SHALL DETERMINE THE ENTRY AGE NORMAL
51 CONTRIBUTION FOR EACH SUCH FISCAL YEAR AS OF JUNE THIRTIETH OF THE
52 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR IN WHICH SUCH NORMAL
53 CONTRIBUTION IS PAYABLE, BASED ON THE LATEST MORTALITY AND OTHER TABLES
54 APPLICABLE AT THE TIME HE OR SHE PERFORMS SUCH CALCULATIONS, AND THE
55 VALUATION RATE OF INTEREST AS PROVIDED FOR THE RETIREMENT SYSTEM IN
56 PARAGRAPH TWO OF SUBDIVISION B OF SECTION 13-638.2 OF THIS TITLE.

S. 7804

3

1 (II) IN CALCULATING THE ENTRY AGE NORMAL CONTRIBUTION PAYABLE IN ANY
2 SUCH FISCAL YEAR PURSUANT TO THIS SUBPARAGRAPH, THE ACTUARY, IN HIS OR
3 HER DISCRETION, MAY MAKE CERTAIN ADJUSTMENTS IN THE CALCULATION METHOD-
4 OLOGY, PROVIDED THAT SUCH ADJUSTMENTS ARE GENERALLY ACCEPTED AS CONSIST-
5 ENT WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND ARE DESIGNED, IN
6 GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS
7 FROM THEIR AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO
8 WHICH SUCH MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE
9 ACTUARY. SUCH GENERALLY ACCEPTED ADJUSTMENTS IN THE CALCULATION METHOD-
10 OLOGY, IN THE DISCRETION OF THE ACTUARY, MAY INCLUDE, BUT ARE NOT LIMIT-
11 ED TO, THE CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION (A) ON AN
12 INDIVIDUAL MEMBER BASIS BY CALCULATING THE AMOUNT OF THE ENTRY AGE
13 NORMAL CONTRIBUTION ATTRIBUTABLE TO EACH INDIVIDUAL MEMBER, AND THEN
14 ADDING TOGETHER SUCH INDIVIDUAL MEMBER AMOUNTS, (B) ON AN AGGREGATE
15 BASIS FOR ALL MEMBERS OR (C) ON ANY COMBINATION OF AN INDIVIDUAL MEMBER

16 BASIS AND AN AGGREGATE BASIS WHICH IS CONSISTENT WITH THE ENTRY AGE
17 ACTUARIAL COST METHOD, AND THE PRECEDING PROVISIONS OF THIS ITEM.

18 (III) FOR EACH SUCH FISCAL YEAR, THE ACTUARY, IN HIS OR HER
19 DISCRETION, SHALL DETERMINE, IN ACCORDANCE WITH THE PROVISIONS OF ITEM
20 (II) OF THIS SUBPARAGRAPH, THE METHODOLOGY FOR CALCULATING THE ENTRY AGE
21 NORMAL CONTRIBUTION PAYABLE FOR THAT PARTICULAR FISCAL YEAR.

22 (IV) THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH ITEM
23 (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE ACTUARY TO CALCULATE THE
24 ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL MEMBER BASIS BY (A)
25 MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL
26 MEMBER, AS DETERMINED BY THE ACTUARY, BY THE SALARY EXPECTED TO BE PAID
27 TO THAT MEMBER DURING THE FISCAL YEAR IN WHICH SUCH NORMAL CONTRIBUTION
28 IS PAYABLE, AND (B) CALCULATING THE SUM OF THE INDIVIDUAL ENTRY AGE
29 NORMAL CONTRIBUTIONS ATTRIBUTABLE TO ALL SUCH MEMBERS. THE ACTUARY, IN
30 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
31 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL BASIS
32 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
33 PROVISIONS OF ITEM (II) OF THIS SUBPARAGRAPH.

34 (V) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
35 ACCORDANCE WITH ITEM (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE
36 ACTUARY TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE
37 BASIS BY MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR ALL
38 MEMBERS IN THE AGGREGATE, AS DETERMINED BY THE ACTUARY, BY THE AGGREGATE
39 AMOUNT OF THE SALARIES EXPECTED TO BE PAID TO ALL MEMBERS DURING THE
40 FISCAL YEAR IN WHICH THE NORMAL CONTRIBUTION IS PAYABLE. THE ACTUARY, IN
41 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
42 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE BASIS
43 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
44 PROVISIONS OF ITEM (II) OF THIS SUBPARAGRAPH.

45 (VI) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
46 ACCORDANCE WITH ITEM (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE
47 CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION ON ANY OTHER BASIS
48 WHICH THE ACTUARY DEEMS APPROPRIATE, AND WHICH IS CONSISTENT WITH THE
49 ENTRY AGE ACTUARIAL COST METHOD AND THE PROVISIONS OF ITEM (II) OF THIS
50 SUBPARAGRAPH.

51 (VII) (A) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORD-
52 ANCE WITH ITEM (III) OF THIS SUBPARAGRAPH REQUIRES THE DETERMINATION OF
53 AN ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL MEMBER IN
54 ORDER TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR EACH INDIVIDUAL
55 MEMBER, THE ACTUARY SHALL DETERMINE SUCH RATE FOR EACH SUCH MEMBER IN
56 ACCORDANCE WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS
S. 7804 4

1 DETERMINED BY THE ACTUARY FOR EACH SUCH MEMBER, SHALL BE CONSISTENT WITH
2 A METHOD DESIGNED, IN GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORK-
3 ING LIFETIME OF THAT PARTICULAR MEMBER FROM HIS OR HER AGE AT ENTRY, THE
4 ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH MEMBER IS EXPECTED TO
5 BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

6 (B) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH
7 ITEM (III) OF THIS SUBPARAGRAPH REQUIRES THE DETERMINATION OF AN ENTRY
8 AGE NORMAL CONTRIBUTION RATE FOR ALL MEMBERS IN THE AGGREGATE IN ORDER
9 TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR ALL MEMBERS IN THE
10 AGGREGATE, THE ACTUARY SHALL DETERMINE SUCH RATE IN ACCORDANCE WITH THE
11 ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS DETERMINED BY THE
12 ACTUARY, SHALL BE CONSISTENT WITH A METHOD DESIGNED, IN GENERAL, TO
13 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
14 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
15 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

16 S 5. Paragraph 1 of subdivision c of section 13-133 of the administra-
17 tive code of the city of New York is amended by adding a new subpara-
18 graph (G) to read as follows:

19 (G) WHERE A RESPONSIBLE OBLIGOR (AS DEFINED IN PARAGRAPH TEN OF SUBDI-
20 VISION A OF SECTION 13-638.2 OF THIS TITLE) IS REQUIRED TO MAKE PAYMENTS

21 TO THE RETIREMENT SYSTEM PURSUANT TO APPLICABLE PROVISIONS OF LAW IN
 22 FISCAL YEAR TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN, AND IN ANY
 23 FISCAL YEAR THEREAFTER, AND THE PROVISIONS OF THIS SUBDIVISION OR THE
 24 PROVISIONS OF ANY OTHER APPLICABLE LAW DO NOT OTHERWISE SPECIFICALLY
 25 REQUIRE SUCH RESPONSIBLE OBLIGOR TO MAKE SUCH PAYMENTS BY A PARTICULAR
 26 DATE OR DATES DURING SUCH FISCAL YEAR, SUCH RESPONSIBLE OBLIGOR SHALL
 27 MAKE SUCH PAYMENTS EITHER (I) IN TOTAL ON OR BEFORE JANUARY FIRST OF
 28 SUCH FISCAL YEAR, OR (II) IN TWELVE EQUAL MONTHLY INSTALLMENTS, AS
 29 DETERMINED BY THE ACTUARY, WITH EACH MONTHLY INSTALLMENT TO BE PAID ON
 30 OR BEFORE THE LAST DAY OF EACH MONTH.

31 S 6. Subparagraph 3 of paragraph (e) of subdivision 4 of section
 32 13-194 of the administrative code of the city of New York, as amended by
 33 chapter 255 of the laws of 2000, is amended to read as follows:

34 (3) Except as otherwise provided in SUBDIVISION ELEVEN OF THIS SECTION
 35 AND IN sections 13-195 and 13-195.1 of this chapter, nothing contained
 36 in this section shall create or impose any obligation on the part of the
 37 retirement system, or the funds or monies thereof, or authorize such
 38 funds or monies to be appropriated or used for any payment under this
 39 section or for any purpose thereof.

40 S 7. Section 13-194 of the administrative code of the city of New York
 41 is amended by adding a new subdivision 11 to read as follows:

42 11. IN THE EVENT THAT, FOR ANY CALENDAR YEAR COVERED BY A PAYMENT
 43 GUARANTEE, THE ASSETS OF THE VARIABLE SUPPLEMENTS FUND ARE NOT SUFFI-
 44 CIENT TO PAY BENEFITS UNDER THIS SECTION FOR SUCH YEAR, AN AMOUNT SUFFI-
 45 CIENT TO PAY SUCH BENEFITS SHALL BE APPROPRIATED FROM THE CONTINGENT
 46 RESERVE FUND OF THE RETIREMENT SYSTEM AND TRANSFERRED TO THE CORRECTION
 47 OFFICERS' VARIABLE SUPPLEMENTS FUND.

48 S 8. Subparagraph (a) of paragraph 1 of subdivision b of section
 49 13-228 of the administrative code of the city of New York is amended by
 50 adding two new items (i-a) and (i-b) to read as follows:

51 (I-A) ALL UNFUNDED ACCRUED LIABILITY INSTALLMENTS AS REQUIRED BY
 52 SECTION 13-638.2 OF THIS TITLE OR ANY OTHER PROVISION OF LAW; AND

53 (I-B) ANY OTHER PAYMENTS TO THE CONTINGENT RESERVE FUND AS REQUIRED BY
 54 APPLICABLE LAW; AND

S. 7804

5

1 S 9. Subparagraph (c) of paragraph 1 of subdivision b of section
 2 13-228 of the administrative code of the city of New York is amended by
 3 adding a new item (iv) to read as follows:

4 (IV) THE CITY SHALL MAKE ALL PAYMENTS TO THE PENSION FUND REQUIRED BY
 5 APPLICABLE LAW IN ACCORDANCE WITH THE TIME OF PAYMENT REQUIREMENTS SET
 6 FORTH IN SUBDIVISION C OF SECTION 13-231 OF THIS SUBCHAPTER. COMMENCING
 7 WITH PAYMENTS DUE IN FISCAL YEAR TWO THOUSAND TWELVE--TWO THOUSAND THIR-
 8 TEEN, IN ANY FISCAL YEAR IN WHICH THE CITY DOES NOT MAKE ALL OR ANY
 9 PORTION OF SUCH REQUIRED PAYMENTS TO THE PENSION FUND IN A TIMELY
 10 MANNER, THE CITY SHALL BE REQUIRED TO PAY INTEREST TO THE PENSION FUND
 11 ON SUCH OVERDUE AMOUNTS, AS DETERMINED BY THE ACTUARY. THE ACTUARY SHALL
 12 DETERMINE, AT SUCH TIME AS HE OR SHE DEEMS APPROPRIATE, INTEREST
 13 PAYMENTS ON SUCH OVERDUE AMOUNTS USING A RATE OF INTEREST EQUIVALENT TO
 14 THE VALUATION RATE OF INTEREST (AS DEFINED IN PARAGRAPH ELEVEN OF SUBDI-
 15 VISION A OF SECTION 13-638.2 OF THIS TITLE). THE CITY SHALL MAKE SUCH
 16 INTEREST PAYMENTS ON OVERDUE AMOUNTS TO THE PENSION FUND IN THE MANNER
 17 AND AT SUCH TIME AS THE ACTUARY DEEMS APPROPRIATE.

18 S 10. Item (i) of subparagraph (a) of paragraph 2 of subdivision b of
 19 section 13-228 of the administrative code of the city of New York, as
 20 amended by chapter 598 of the laws of 1996, is amended to read as
 21 follows:

22 (i) NOTWITHSTANDING THE SUCCEEDING PROVISIONS OF THIS SUBPARAGRAPH OR
 23 THE PROVISIONS OF SUBPARAGRAPH (A-ONE), (B), (C) OR (D) OF THIS PARA-
 24 GRAPH, FOR FISCAL YEAR TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE, AND FOR
 25 EACH FISCAL YEAR THEREAFTER, THE AMOUNT OF THE NORMAL CONTRIBUTION PAYA-
 26 BLE TO THE CONTINGENT RESERVE FUND SHALL BE DETERMINED PURSUANT TO THE
 27 PROVISIONS OF SUBPARAGRAPH (E) OF THIS PARAGRAPH. Upon the basis of the

28 latest mortality and other tables herein authorized and regular inter-
 29 est, the actuary shall determine, as of June thirtieth, nineteen hundred
 30 eighty and as of each succeeding June thirtieth, the amount of the total
 31 liability for all benefits provided in this subchapter, in article elev-
 32 en of the retirement and social security law, article fourteen of such
 33 law (if and when applicable) and in any other law prescribing benefits
 34 payable by the pension fund on account of all members and beneficiaries,
 35 excluding the liability on account of future increased-take-home-pay
 36 contributions, if any, and the liability for benefits attributable to
 37 the annuity savings fund, provided, however, that in determining such
 38 total liability for all benefits as of June thirtieth, nineteen hundred
 39 ninety-five and as of each succeeding June thirtieth, the actuary shall
 40 include (A) the liability on account of future increased-take-home-pay
 41 contributions, if any, (B) the liability on account of future public
 42 employer obligations under the provisions of subdivision twenty of
 43 section two hundred forty-three of the military law, to pay in behalf of
 44 members qualifying for such benefit, member contributions with respect
 45 to certain periods of the military service of such members and (C) the
 46 liability for benefits attributable to the annuity savings fund.

47 S 11. Paragraph 2 of subdivision b of section 13-228 of the adminis-
 48 trative code of the city of New York is amended by adding a new subpara-
 49 graph (e) to read as follows:

50 (E) (I) NOTWITHSTANDING THE PRECEDING SUBPARAGRAPHS OF THIS PARAGRAPH
 51 OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE NORMAL CONTRIBUTION
 52 PAYABLE TO THE CONTINGENT RESERVE FUND IN FISCAL YEAR TWO THOUSAND
 53 ELEVEN--TWO THOUSAND TWELVE, AND IN EACH FISCAL YEAR THEREAFTER, SHALL
 54 BE THE ENTRY AGE NORMAL CONTRIBUTION, AS DETERMINED BY THE ACTUARY
 55 PURSUANT TO THIS SUBPARAGRAPH IN A MANNER CONSISTENT WITH THE ENTRY AGE
 56 ACTUARIAL COST METHOD. THE ACTUARY SHALL DETERMINE THE ENTRY AGE NORMAL
 S. 7804 6

1 CONTRIBUTION FOR EACH SUCH FISCAL YEAR AS OF JUNE THIRTIETH OF THE
 2 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR IN WHICH SUCH NORMAL
 3 CONTRIBUTION IS PAYABLE, BASED ON THE LATEST MORTALITY AND OTHER TABLES
 4 APPLICABLE AT THE TIME HE OR SHE PERFORMS SUCH CALCULATIONS, AND THE
 5 VALUATION RATE OF INTEREST AS PROVIDED FOR THE PENSION FUND IN PARAGRAPH
 6 TWO OF SUBDIVISION B OF SECTION 13-638.2 OF THIS TITLE.

7 (II) IN CALCULATING THE ENTRY AGE NORMAL CONTRIBUTION PAYABLE IN ANY
 8 SUCH FISCAL YEAR PURSUANT TO THIS SUBPARAGRAPH, THE ACTUARY, IN HIS OR
 9 HER DISCRETION, MAY MAKE CERTAIN ADJUSTMENTS IN THE CALCULATION METHOD-
 10 OLOGY, PROVIDED THAT SUCH ADJUSTMENTS ARE GENERALLY ACCEPTED AS CONSIST-
 11 ENT WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND ARE DESIGNED, IN
 12 GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS
 13 FROM THEIR AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO
 14 WHICH SUCH MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE
 15 ACTUARY. SUCH GENERALLY ACCEPTED ADJUSTMENTS IN THE CALCULATION METHOD-
 16 OLOGY, IN THE DISCRETION OF THE ACTUARY, MAY INCLUDE, BUT ARE NOT LIMIT-
 17 ED TO, THE CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION (A) ON AN
 18 INDIVIDUAL MEMBER BASIS BY CALCULATING THE AMOUNT OF THE ENTRY AGE
 19 NORMAL CONTRIBUTION ATTRIBUTABLE TO EACH INDIVIDUAL MEMBER, AND THEN
 20 ADDING TOGETHER SUCH INDIVIDUAL MEMBER AMOUNTS, (B) ON AN AGGREGATE
 21 BASIS FOR ALL MEMBERS OR (C) ON ANY COMBINATION OF AN INDIVIDUAL MEMBER
 22 BASIS AND AN AGGREGATE BASIS WHICH IS CONSISTENT WITH THE ENTRY AGE
 23 ACTUARIAL COST METHOD, AND THE PRECEDING PROVISIONS OF THIS ITEM.

24 (III) FOR EACH SUCH FISCAL YEAR, THE ACTUARY, IN HIS OR HER
 25 DISCRETION, SHALL DETERMINE, IN ACCORDANCE WITH THE PROVISIONS OF ITEM
 26 (II) OF THIS SUBPARAGRAPH, THE METHODOLOGY FOR CALCULATING THE ENTRY AGE
 27 NORMAL CONTRIBUTION PAYABLE FOR THAT PARTICULAR FISCAL YEAR.

28 (IV) THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH ITEM
 29 (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE ACTUARY TO CALCULATE THE
 30 ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL MEMBER BASIS BY (A)
 31 MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL
 32 MEMBER, AS DETERMINED BY THE ACTUARY, BY THE SALARY EXPECTED TO BE PAID

33 TO THAT MEMBER DURING THE FISCAL YEAR IN WHICH SUCH NORMAL CONTRIBUTION
 34 IS PAYABLE, AND (B) CALCULATING THE SUM OF THE INDIVIDUAL ENTRY AGE
 35 NORMAL CONTRIBUTIONS ATTRIBUTABLE TO ALL SUCH MEMBERS. THE ACTUARY, IN
 36 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
 37 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL BASIS
 38 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
 39 PROVISIONS OF ITEM (II) OF THIS SUBPARAGRAPH.

40 (V) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
 41 ACCORDANCE WITH ITEM (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE
 42 ACTUARY TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE
 43 BASIS BY MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR ALL
 44 MEMBERS IN THE AGGREGATE, AS DETERMINED BY THE ACTUARY, BY THE AGGREGATE
 45 AMOUNT OF THE SALARIES EXPECTED TO BE PAID TO ALL MEMBERS DURING THE
 46 FISCAL YEAR IN WHICH THE NORMAL CONTRIBUTION IS PAYABLE. THE ACTUARY, IN
 47 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
 48 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE BASIS
 49 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
 50 PROVISIONS OF ITEM (II) OF THIS SUBPARAGRAPH.

51 (VI) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
 52 ACCORDANCE WITH ITEM (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE
 53 CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION ON ANY OTHER BASIS
 54 WHICH THE ACTUARY DEEMS APPROPRIATE, AND WHICH IS CONSISTENT WITH THE
 55 ENTRY AGE ACTUARIAL COST METHOD AND THE PROVISIONS OF ITEM (II) OF THIS
 56 SUBPARAGRAPH.

S. 7804

7

1 (VII) (A) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORD-
 2 ANCE WITH ITEM (III) OF THIS SUBPARAGRAPH REQUIRES THE DETERMINATION OF
 3 AN ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL MEMBER IN
 4 ORDER TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR EACH INDIVIDUAL
 5 MEMBER, THE ACTUARY SHALL DETERMINE SUCH RATE FOR EACH SUCH MEMBER IN
 6 ACCORDANCE WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS
 7 DETERMINED BY THE ACTUARY FOR EACH SUCH MEMBER, SHALL BE CONSISTENT WITH
 8 A METHOD DESIGNED, IN GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORK-
 9 ING LIFETIME OF THAT PARTICULAR MEMBER FROM HIS OR HER AGE AT ENTRY, THE
 10 ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH MEMBER IS EXPECTED TO
 11 BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

12 (B) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH
 13 ITEM (III) OF THIS SUBPARAGRAPH REQUIRES THE DETERMINATION OF AN ENTRY
 14 AGE NORMAL CONTRIBUTION RATE FOR ALL MEMBERS IN THE AGGREGATE IN ORDER
 15 TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR ALL MEMBERS IN THE
 16 AGGREGATE, THE ACTUARY SHALL DETERMINE SUCH RATE IN ACCORDANCE WITH THE
 17 ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS DETERMINED BY THE
 18 ACTUARY, SHALL BE CONSISTENT WITH A METHOD DESIGNED, IN GENERAL, TO
 19 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
 20 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
 21 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

22 S 12. Paragraph 3 of subdivision b of section 13-271 of the adminis-
 23 trative code of the city of New York, as amended by chapter 247 of the
 24 laws of 1988, is amended to read as follows:

25 (3) Except as otherwise provided in SUBDIVISION F OF THIS SECTION AND
 26 IN sections 13-232 and 13-232.1 of this chapter, nothing contained in
 27 this subchapter shall create or impose any obligation on the part of
 28 pension fund, subchapter one or pension fund, subchapter two or the
 29 funds or monies thereof, or authorize such funds or monies to be appro-
 30 priated or used for any payment under this subchapter or for any purpose
 31 thereof.

32 S 13. Section 13-271 of the administrative code of the city of New
 33 York is amended by adding a new subdivision f to read as follows:

34 F. IN THE EVENT THAT THE ASSETS OF THE VARIABLE SUPPLEMENTS FUND ARE
 35 NOT SUFFICIENT TO PAY BENEFITS UNDER THIS SECTION FOR ANY CALENDAR YEAR,
 36 AN AMOUNT SUFFICIENT TO PAY SUCH BENEFITS SHALL BE APPROPRIATED FROM THE
 37 CONTINGENT RESERVE FUND OF PENSION FUND, SUBCHAPTER TWO AND TRANSFERRED

38 TO THE POLICE OFFICER'S VARIABLE SUPPLEMENTS FUND.

39 S 14. Paragraph 3 of subdivision b of section 13-281 of the adminis-
40 trative code of the city of New York, as amended by chapter 479 of the
41 laws of 1993, is amended to read as follows:

42 (3) Except as otherwise provided in SUBDIVISION F OF THIS SECTION AND
43 IN sections 13-232, 13-232.2 and 13-232.3 of this chapter, nothing
44 contained in this subchapter shall create or impose any obligation on
45 the part of pension fund, subchapter one or pension fund, subchapter two
46 or the funds or monies thereof, or authorize such funds or monies to be
47 appropriated or used for any payment under this subchapter or for any
48 purpose thereof.

49 S 15. Section 13-281 of the administrative code of the city of New
50 York is amended by adding a new subdivision f to read as follows:

51 F. IN THE EVENT THAT THE ASSETS OF THE VARIABLE SUPPLEMENTS FUND ARE
52 NOT SUFFICIENT TO PAY BENEFITS UNDER THIS SECTION FOR ANY CALENDAR YEAR,
53 AN AMOUNT SUFFICIENT TO PAY SUCH BENEFITS SHALL BE APPROPRIATED FROM THE
54 CONTINGENT RESERVE FUND OF PENSION FUND, SUBCHAPTER TWO AND TRANSFERRED
55 TO THE POLICE SUPERIOR OFFICERS' VARIABLE SUPPLEMENTS FUND.

S. 7804

8

1 S 16. Subparagraph (a) of paragraph 1 of subdivision b of section
2 13-331 of the administrative code of the city of New York is amended by
3 adding two new items (i-a) and (i-b) to read as follows:

4 (I-A) ALL UNFUNDED ACCRUED LIABILITY INSTALLMENTS AS REQUIRED BY
5 SECTION 13-638.2 OF THIS TITLE OR ANY OTHER PROVISION OF LAW; AND

6 (I-B) ANY OTHER PAYMENTS TO THE CONTINGENT RESERVE FUND AS REQUIRED BY
7 APPLICABLE LAW; AND

8 S 17. Subparagraph (c) of paragraph 1 of subdivision b of section
9 13-331 of the administrative code of the city of New York is amended by
10 adding a new item (iv) to read as follows:

11 (IV) THE CITY SHALL MAKE ALL PAYMENTS TO THE PENSION FUND REQUIRED BY
12 APPLICABLE LAW IN ACCORDANCE WITH THE TIME OF PAYMENT REQUIREMENTS SET
13 FORTH IN SUBDIVISION C OF SECTION 13-334 OF THIS SUBCHAPTER. COMMENCING
14 WITH PAYMENTS DUE IN FISCAL YEAR TWO THOUSAND TWELVE--TWO THOUSAND THIR-
15 TEEN, IN ANY FISCAL YEAR IN WHICH THE CITY DOES NOT MAKE ALL OR ANY
16 PORTION OF SUCH REQUIRED PAYMENTS TO THE PENSION FUND IN A TIMELY
17 MANNER, THE CITY SHALL BE REQUIRED TO PAY INTEREST TO THE PENSION FUND
18 ON SUCH OVERDUE AMOUNTS, AS DETERMINED BY THE ACTUARY. THE ACTUARY SHALL
19 DETERMINE, AT SUCH TIME AS HE OR SHE DEEMS APPROPRIATE, INTEREST
20 PAYMENTS ON SUCH OVERDUE AMOUNTS USING A RATE OF INTEREST EQUIVALENT TO
21 THE VALUATION RATE OF INTEREST (AS DEFINED IN PARAGRAPH ELEVEN OF SUBDI-
22 VISION A OF SECTION 13-638.2 OF THIS TITLE). THE CITY SHALL MAKE SUCH
23 INTEREST PAYMENTS ON OVERDUE AMOUNTS TO THE PENSION FUND IN THE MANNER
24 AND AT SUCH TIME AS THE ACTUARY DEEMS APPROPRIATE.

25 S 18. Item (i) of subparagraph (a) of paragraph 2 of subdivision b of
26 section 13-331 of the administrative code of the city of New York, as
27 amended by chapter 249 of the laws of 1996, is amended to read as
28 follows:

29 (i) NOTWITHSTANDING THE SUCCEEDING PROVISIONS OF THIS SUBPARAGRAPH OR
30 THE PROVISIONS OF SUBPARAGRAPH (A-ONE), (B), (C) OR (D) OF THIS PARA-
31 GRAPH, FOR FISCAL YEAR TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE, AND FOR
32 EACH FISCAL YEAR THEREAFTER, THE AMOUNT OF THE NORMAL CONTRIBUTION PAYA-
33 BLE TO THE CONTINGENT RESERVE FUND SHALL BE DETERMINED PURSUANT TO THE
34 PROVISIONS OF SUBPARAGRAPH (E) OF THIS PARAGRAPH. Upon the basis of the
35 latest mortality and other tables herein authorized and regular inter-
36 est, the actuary shall determine, as of June thirtieth, nineteen hundred
37 eighty and as of each succeeding June thirtieth, the amount of the total
38 liability for all benefits provided in this subchapter, in article elev-
39 en of the retirement and social security law and in any other law
40 prescribing benefits payable by the pension fund, on account of all
41 members and beneficiaries, excluding the liability on account of future
42 increased-take-home-pay contributions, if any, and the liability for
43 benefits attributable to the annuity savings fund, provided, however,

44 that in determining such total liability for all benefits as of June
 45 thirtieth, nineteen hundred ninety-five and as of each succeeding June
 46 thirtieth, the actuary shall include (A) the liability on account of
 47 future increased-take-home-pay contributions, if any, (B) the liability
 48 on account of future public employer obligations under the provisions of
 49 subdivision twenty of section two hundred forty-three of the military
 50 law, to pay in behalf of members qualifying for such benefit, member
 51 contributions with respect to certain periods of the military service of
 52 such members and (C) the liability for benefits attributable to the
 53 annuity savings fund.

54 S 19. Paragraph 2 of subdivision b of section 13-331 of the adminis-
 55 trative code of the city of New York is amended by adding a new subpara-
 56 graph (e) to read as follows:
 S. 7804

9

1 (E) (I) NOTWITHSTANDING THE PRECEDING SUBPARAGRAPHS OF THIS PARAGRAPH
 2 OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE NORMAL CONTRIBUTION
 3 PAYABLE TO THE CONTINGENT RESERVE FUND IN FISCAL YEAR TWO THOUSAND
 4 ELEVEN--TWO THOUSAND TWELVE, AND IN EACH FISCAL YEAR THEREAFTER, SHALL
 5 BE THE ENTRY AGE NORMAL CONTRIBUTION, AS DETERMINED BY THE ACTUARY
 6 PURSUANT TO THIS SUBPARAGRAPH IN A MANNER CONSISTENT WITH THE ENTRY AGE
 7 ACTUARIAL COST METHOD. THE ACTUARY SHALL DETERMINE THE ENTRY AGE NORMAL
 8 CONTRIBUTION FOR EACH SUCH FISCAL YEAR AS OF JUNE THIRTIETH OF THE
 9 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR IN WHICH SUCH NORMAL
 10 CONTRIBUTION IS PAYABLE, BASED ON THE LATEST MORTALITY AND OTHER TABLES
 11 APPLICABLE AT THE TIME HE OR SHE PERFORMS SUCH CALCULATIONS, AND THE
 12 VALUATION RATE OF INTEREST AS PROVIDED FOR THE PENSION FUND IN PARAGRAPH
 13 TWO OF SUBDIVISION B OF SECTION 13-638.2 OF THIS TITLE.

14 (II) IN CALCULATING THE ENTRY AGE NORMAL CONTRIBUTION PAYABLE IN ANY
 15 SUCH FISCAL YEAR PURSUANT TO THIS SUBPARAGRAPH, THE ACTUARY, IN HIS OR
 16 HER DISCRETION, MAY MAKE CERTAIN ADJUSTMENTS IN THE CALCULATION METHOD-
 17 OLOGY, PROVIDED THAT SUCH ADJUSTMENTS ARE GENERALLY ACCEPTED AS CONSIST-
 18 ENT WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND ARE DESIGNED, IN
 19 GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS
 20 FROM THEIR AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO
 21 WHICH SUCH MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE
 22 ACTUARY. SUCH GENERALLY ACCEPTED ADJUSTMENTS IN THE CALCULATION METHOD-
 23 OLOGY, IN THE DISCRETION OF THE ACTUARY, MAY INCLUDE, BUT ARE NOT LIMIT-
 24 ED TO, THE CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION (A) ON AN
 25 INDIVIDUAL MEMBER BASIS BY CALCULATING THE AMOUNT OF THE ENTRY AGE
 26 NORMAL CONTRIBUTION ATTRIBUTABLE TO EACH INDIVIDUAL MEMBER, AND THEN
 27 ADDING TOGETHER SUCH INDIVIDUAL MEMBER AMOUNTS, (B) ON AN AGGREGATE
 28 BASIS FOR ALL MEMBERS OR (C) ON ANY COMBINATION OF AN INDIVIDUAL MEMBER
 29 BASIS AND AN AGGREGATE BASIS WHICH IS CONSISTENT WITH THE ENTRY AGE
 30 ACTUARIAL COST METHOD, AND THE PRECEDING PROVISIONS OF THIS ITEM.

31 (III) FOR EACH SUCH FISCAL YEAR, THE ACTUARY, IN HIS OR HER
 32 DISCRETION, SHALL DETERMINE, IN ACCORDANCE WITH THE PROVISIONS OF ITEM
 33 (II) OF THIS SUBPARAGRAPH, THE METHODOLOGY FOR CALCULATING THE ENTRY AGE
 34 NORMAL CONTRIBUTION PAYABLE FOR THAT PARTICULAR FISCAL YEAR.

35 (IV) THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH ITEM
 36 (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE ACTUARY TO CALCULATE THE
 37 ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL MEMBER BASIS BY (A)
 38 MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL
 39 MEMBER, AS DETERMINED BY THE ACTUARY, BY THE SALARY EXPECTED TO BE PAID
 40 TO THAT MEMBER DURING THE FISCAL YEAR IN WHICH SUCH NORMAL CONTRIBUTION
 41 IS PAYABLE, AND (B) CALCULATING THE SUM OF THE INDIVIDUAL ENTRY AGE
 42 NORMAL CONTRIBUTIONS ATTRIBUTABLE TO ALL SUCH MEMBERS. THE ACTUARY, IN
 43 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
 44 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL BASIS
 45 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
 46 PROVISIONS OF ITEM (II) OF THIS SUBPARAGRAPH.

47 (V) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
 48 ACCORDANCE WITH ITEM (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE

49 ACTUARY TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE
 50 BASIS BY MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR ALL
 51 MEMBERS IN THE AGGREGATE, AS DETERMINED BY THE ACTUARY, BY THE AGGREGATE
 52 AMOUNT OF THE SALARIES EXPECTED TO BE PAID TO ALL MEMBERS DURING THE
 53 FISCAL YEAR IN WHICH THE NORMAL CONTRIBUTION IS PAYABLE. THE ACTUARY, IN
 54 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
 55 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE BASIS
 S. 7804 10

1 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
 2 PROVISIONS OF ITEM (II) OF THIS SUBPARAGRAPH.

3 (VI) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
 4 ACCORDANCE WITH ITEM (III) OF THIS SUBPARAGRAPH MAY PROVIDE FOR THE
 5 CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION ON ANY OTHER BASIS
 6 WHICH THE ACTUARY DEEMS APPROPRIATE, AND WHICH IS CONSISTENT WITH THE
 7 ENTRY AGE ACTUARIAL COST METHOD AND THE PROVISIONS OF ITEM (II) OF THIS
 8 SUBPARAGRAPH.

9 (VII) (A) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORD-
 10 ANCE WITH ITEM (III) OF THIS SUBPARAGRAPH REQUIRES THE DETERMINATION OF
 11 AN ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL MEMBER IN
 12 ORDER TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR EACH INDIVIDUAL
 13 MEMBER, THE ACTUARY SHALL DETERMINE SUCH RATE FOR EACH SUCH MEMBER IN
 14 ACCORDANCE WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS
 15 DETERMINED BY THE ACTUARY FOR EACH SUCH MEMBER, SHALL BE CONSISTENT WITH
 16 A METHOD DESIGNED, IN GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORK-
 17 ING LIFETIME OF THAT PARTICULAR MEMBER FROM HIS OR HER AGE AT ENTRY, THE
 18 ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH MEMBER IS EXPECTED TO
 19 BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

20 (B) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH
 21 ITEM (III) OF THIS SUBPARAGRAPH REQUIRES THE DETERMINATION OF AN ENTRY
 22 AGE NORMAL CONTRIBUTION RATE FOR ALL MEMBERS IN THE AGGREGATE IN ORDER
 23 TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR ALL MEMBERS IN THE
 24 AGGREGATE, THE ACTUARY SHALL DETERMINE SUCH RATE IN ACCORDANCE WITH THE
 25 ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS DETERMINED BY THE
 26 ACTUARY, SHALL BE CONSISTENT WITH A METHOD DESIGNED, IN GENERAL, TO
 27 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
 28 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
 29 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

30 S 20. Paragraph 1 of subdivision a of section 13-527 of the adminis-
 31 trative code of the city of New York is amended by adding two new
 32 subparagraphs (a-1) and (a-2) to read as follows:

33 (A-1) ALL UNFUNDED ACCRUED LIABILITY INSTALLMENTS AS REQUIRED BY
 34 SECTION 13-638.2 OF THIS TITLE OR ANY OTHER PROVISION OF LAW; AND

35 (A-2) ANY OTHER PAYMENTS TO THE CONTINGENT RESERVE FUND AS REQUIRED BY
 36 APPLICABLE LAW; AND

37 S 21. Paragraph 3 of subdivision a of section 13-527 of the adminis-
 38 trative code of the city of New York is amended by adding a new subpara-
 39 graph (iv) to read as follows:

40 (IV) THE CITY AND ALL OTHER RESPONSIBLE OBLIGORS (AS DEFINED IN PARA-
 41 GRAPH TEN OF SUBDIVISION A OF SECTION 13-638.2 OF THIS TITLE) SHALL MAKE
 42 ALL PAYMENTS TO THE RETIREMENT SYSTEM REQUIRED BY APPLICABLE LAW IN
 43 ACCORDANCE WITH THE TIME OF PAYMENT REQUIREMENTS SET FORTH IN SUBDIVI-
 44 SION (C) OF SECTION 13-533 OF THIS CHAPTER. ANY RESPONSIBLE OBLIGOR
 45 WHICH DOES NOT MAKE ALL OR ANY PORTION OF SUCH REQUIRED PAYMENTS TO THE
 46 RETIREMENT SYSTEM IN A TIMELY MANNER IN FISCAL YEAR TWO THOUSAND
 47 TWELVE--TWO THOUSAND THIRTEEN, OR IN ANY FISCAL YEAR THEREAFTER, SHALL
 48 BE REQUIRED TO PAY INTEREST TO THE RETIREMENT SYSTEM ON SUCH OVERDUE
 49 AMOUNTS, AS DETERMINED BY THE ACTUARY. THE ACTUARY SHALL DETERMINE, AT
 50 SUCH TIME AS HE OR SHE DEEMS APPROPRIATE, INTEREST PAYMENTS ON SUCH
 51 OVERDUE AMOUNTS USING A RATE OF INTEREST EQUIVALENT TO THE VALUATION
 52 RATE OF INTEREST (AS DEFINED IN PARAGRAPH ELEVEN OF SUBDIVISION A OF
 53 SECTION 13-638.2 OF THIS TITLE). RESPONSIBLE OBLIGORS SHALL MAKE SUCH
 54 INTEREST PAYMENTS ON OVERDUE AMOUNTS TO THE RETIREMENT SYSTEM IN THE

55 MANNER AND AT SUCH TIME AS THE ACTUARY DEEMS APPROPRIATE.
S. 7804

11

1 S 22. Paragraph 1 of subdivision b of section 13-527 of the adminis-
2 trative code of the city of New York, as amended by chapter 85 of the
3 laws of 2000, is amended to read as follows:

4 (1) NOTWITHSTANDING THE SUCCEEDING PROVISIONS OF THIS PARAGRAPH OR THE
5 PROVISIONS OF PARAGRAPH ONE-A, TWO, THREE OR FOUR OF THIS SUBDIVISION,
6 FOR FISCAL YEAR TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE, AND FOR EACH
7 FISCAL YEAR THEREAFTER, THE AMOUNT OF THE NORMAL CONTRIBUTION PAYABLE TO
8 THE CONTINGENT RESERVE FUND SHALL BE DETERMINED PURSUANT TO THE
9 PROVISIONS OF PARAGRAPH FIVE OF THIS SUBDIVISION. Upon the basis of the
10 latest mortality and other tables herein authorized and regular inter-
11 est, the actuary shall determine as of June thirtieth, nineteen hundred
12 eighty and as of each succeeding June thirtieth, the amount of the total
13 liability for all benefits provided in this chapter, in articles eleven
14 and fourteen of the retirement and social security law and in any other
15 law prescribing benefits payable by the retirement system on account of
16 all contributors and beneficiaries, excluding the liability on account
17 of future increased-take-home-pay contributions, if any, and the liabil-
18 ity for benefits attributable to the annuity savings fund and to the
19 variable annuity savings fund, provided, however, that in determining
20 such total liability as of June thirtieth, nineteen hundred ninety-five
21 and as of each succeeding June thirtieth, the actuary shall include (a)
22 the liability on account of future reserve-for-increased-take-home-pay
23 contributions, if any, (b) the liability on account of future city obli-
24 gations under the provisions of subdivision twenty of section two
25 hundred forty-three of the military law, to pay in behalf of contribu-
26 tors qualifying for such benefit, member contributions with respect to
27 certain periods of the military service of such contributors, and (c)
28 the liability for benefits attributable to the annuity savings fund and
29 to the variable annuity savings fund, and provided further that in
30 determining such total liability as of June thirtieth, nineteen hundred
31 ninety-nine and as of each succeeding June thirtieth, the actuary shall
32 include any other liability, as determined by the actuary, for benefits
33 attributable to the variable annuity programs, and provided further that
34 in determining such total liability as of June thirtieth, two thousand
35 and as of each succeeding June thirtieth, the actuary shall include the
36 amount, if any, as estimated by the actuary, of the total liability of
37 the retirement system on account of payments which the retirement system
38 may be required to make to any other fund without a corresponding offset
39 in the liabilities of the retirement system.

40 S 23. Subdivision b of section 13-527 of the administrative code of
41 the city of New York is amended by adding a new paragraph 5 to read as
42 follows:

43 (5) (A) NOTWITHSTANDING THE PRECEDING PARAGRAPHS OF THIS SUBDIVISION
44 OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE NORMAL CONTRIBUTION
45 PAYABLE TO THE CONTINGENT RESERVE FUND IN FISCAL YEAR TWO THOUSAND
46 ELEVEN--TWO THOUSAND TWELVE, AND IN EACH FISCAL YEAR THEREAFTER, SHALL
47 BE THE ENTRY AGE NORMAL CONTRIBUTION, AS DETERMINED BY THE ACTUARY
48 PURSUANT TO THIS PARAGRAPH IN A MANNER CONSISTENT WITH THE ENTRY AGE
49 ACTUARIAL COST METHOD. THE ACTUARY SHALL DETERMINE THE ENTRY AGE NORMAL
50 CONTRIBUTION FOR EACH SUCH FISCAL YEAR AS OF JUNE THIRTIETH OF THE
51 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR IN WHICH SUCH NORMAL
52 CONTRIBUTION IS PAYABLE, BASED ON THE LATEST MORTALITY AND OTHER TABLES
53 APPLICABLE AT THE TIME HE OR SHE PERFORMS SUCH CALCULATIONS, AND THE
54 VALUATION RATE OF INTEREST AS PROVIDED FOR THE RETIREMENT SYSTEM IN
55 PARAGRAPH TWO OF SUBDIVISION B OF SECTION 13-638.2 OF THIS TITLE.

S. 7804

12

1 (B) IN CALCULATING THE ENTRY AGE NORMAL CONTRIBUTION PAYABLE IN ANY
2 SUCH FISCAL YEAR PURSUANT TO THIS PARAGRAPH, THE ACTUARY, IN HIS OR HER
3 DISCRETION, MAY MAKE CERTAIN ADJUSTMENTS IN THE CALCULATION METHODOLOGY,

4 PROVIDED THAT SUCH ADJUSTMENTS ARE GENERALLY ACCEPTED AS CONSISTENT WITH
 5 THE ENTRY AGE ACTUARIAL COST METHOD, AND ARE DESIGNED, IN GENERAL, TO
 6 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
 7 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
 8 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.
 9 SUCH GENERALLY ACCEPTED ADJUSTMENTS IN THE CALCULATION METHODOLOGY, IN
 10 THE DISCRETION OF THE ACTUARY, MAY INCLUDE, BUT ARE NOT LIMITED TO, THE
 11 CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION (I) ON AN INDIVIDUAL
 12 MEMBER BASIS BY CALCULATING THE AMOUNT OF THE ENTRY AGE NORMAL CONTRIB-
 13 UTION ATTRIBUTABLE TO EACH INDIVIDUAL MEMBER, AND THEN ADDING TOGETHER
 14 SUCH INDIVIDUAL MEMBER AMOUNTS, (II) ON AN AGGREGATE BASIS FOR ALL
 15 MEMBERS OR (III) ON ANY COMBINATION OF AN INDIVIDUAL MEMBER BASIS AND AN
 16 AGGREGATE BASIS WHICH IS CONSISTENT WITH THE ENTRY AGE ACTUARIAL COST
 17 METHOD, AND THE PRECEDING PROVISIONS OF THIS SUBPARAGRAPH.

18 (C) FOR EACH SUCH FISCAL YEAR, THE ACTUARY, IN HIS OR HER DISCRETION,
 19 SHALL DETERMINE, IN ACCORDANCE WITH THE PROVISIONS OF SUBPARAGRAPH (B)
 20 OF THIS PARAGRAPH, THE METHODOLOGY FOR CALCULATING THE ENTRY AGE NORMAL
 21 CONTRIBUTION PAYABLE FOR THAT PARTICULAR FISCAL YEAR.

22 (D) THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH
 23 SUBPARAGRAPH (C) OF THIS PARAGRAPH MAY PROVIDE FOR THE ACTUARY TO CALCU-
 24 LATE THE ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL MEMBER BASIS BY
 25 (I) MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVID-
 26 UAL MEMBER, AS DETERMINED BY THE ACTUARY, BY THE SALARY EXPECTED TO BE
 27 PAID TO THAT MEMBER DURING THE FISCAL YEAR IN WHICH SUCH NORMAL CONTRIB-
 28 UTION IS PAYABLE, AND (II) CALCULATING THE SUM OF THE INDIVIDUAL ENTRY
 29 AGE NORMAL CONTRIBUTIONS ATTRIBUTABLE TO ALL SUCH MEMBERS. THE ACTUARY,
 30 IN HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY
 31 FOR DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL BASIS
 32 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
 33 PROVISIONS OF SUBPARAGRAPH (B) OF THIS PARAGRAPH.

34 (E) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
 35 ACCORDANCE WITH SUBPARAGRAPH (C) OF THIS PARAGRAPH MAY PROVIDE FOR THE
 36 ACTUARY TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE
 37 BASIS BY MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR ALL
 38 MEMBERS IN THE AGGREGATE, AS DETERMINED BY THE ACTUARY, BY THE AGGREGATE
 39 AMOUNT OF THE SALARIES EXPECTED TO BE PAID TO ALL MEMBERS DURING THE
 40 FISCAL YEAR IN WHICH THE NORMAL CONTRIBUTION IS PAYABLE. THE ACTUARY, IN
 41 HIS OR HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR
 42 DETERMINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE BASIS
 43 WHICH HE OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE
 44 PROVISIONS OF SUBPARAGRAPH (B) OF THIS PARAGRAPH.

45 (F) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
 46 ACCORDANCE WITH SUBPARAGRAPH (C) OF THIS PARAGRAPH MAY PROVIDE FOR THE
 47 CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION ON ANY OTHER BASIS
 48 WHICH THE ACTUARY DEEMS APPROPRIATE, AND WHICH IS CONSISTENT WITH THE
 49 ENTRY AGE ACTUARIAL COST METHOD AND THE PROVISIONS OF SUBPARAGRAPH (B)
 50 OF THIS PARAGRAPH.

51 (G) (I) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE
 52 WITH SUBPARAGRAPH (C) OF THIS PARAGRAPH REQUIRES THE DETERMINATION OF AN
 53 ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL MEMBER IN ORDER
 54 TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR EACH INDIVIDUAL
 55 MEMBER, THE ACTUARY SHALL DETERMINE SUCH RATE FOR EACH SUCH MEMBER IN
 56 ACCORDANCE WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS
 S. 7804

13

1 DETERMINED BY THE ACTUARY FOR EACH SUCH MEMBER, SHALL BE CONSISTENT WITH
 2 A METHOD DESIGNED, IN GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORK-
 3 ING LIFETIME OF THAT PARTICULAR MEMBER FROM HIS OR HER AGE AT ENTRY, THE
 4 ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH MEMBER IS EXPECTED TO
 5 BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

6 (II) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE
 7 WITH SUBPARAGRAPH (C) OF THIS PARAGRAPH REQUIRES THE DETERMINATION OF AN
 8 ENTRY AGE NORMAL CONTRIBUTION RATE FOR ALL MEMBERS IN THE AGGREGATE IN

9 ORDER TO CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR ALL MEMBERS IN
 10 THE AGGREGATE, THE ACTUARY SHALL DETERMINE SUCH RATE IN ACCORDANCE WITH
 11 THE ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS DETERMINED BY THE
 12 ACTUARY, SHALL BE CONSISTENT WITH A METHOD DESIGNED, IN GENERAL, TO
 13 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
 14 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
 15 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

16 S 24. Subdivision (c) of section 13-533 of the administrative code of
 17 the city of New York is amended by adding a new paragraph 2-a to read as
 18 follows:

19 (2-A) WHERE A RESPONSIBLE OBLIGOR (AS DEFINED IN PARAGRAPH TEN OF
 20 SUBDIVISION A OF SECTION 13-638.2 OF THIS TITLE) IS REQUIRED TO MAKE
 21 PAYMENTS TO THE RETIREMENT SYSTEM PURSUANT TO APPLICABLE PROVISIONS OF
 22 LAW IN FISCAL YEAR TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN, AND IN
 23 ANY FISCAL YEAR THEREAFTER, AND THE PROVISIONS OF THIS SUBDIVISION OR
 24 THE PROVISIONS OF ANY OTHER APPLICABLE LAW DO NOT OTHERWISE SPECIFICALLY
 25 REQUIRE SUCH RESPONSIBLE OBLIGOR TO MAKE SUCH PAYMENTS BY A PARTICULAR
 26 DATE OR DATES DURING SUCH FISCAL YEAR, SUCH RESPONSIBLE OBLIGOR SHALL
 27 MAKE SUCH PAYMENTS EITHER (A) IN TOTAL ON OR BEFORE JANUARY FIRST OF
 28 SUCH FISCAL YEAR, OR (B) IN TWELVE EQUAL MONTHLY INSTALLMENTS, AS DETER-
 29 MINED BY THE ACTUARY, WITH EACH MONTHLY INSTALLMENT TO BE PAID ON OR
 30 BEFORE THE LAST DAY OF EACH MONTH.

31 S 25. Paragraph 2 of subdivision b of section 13-638.2 of the adminis-
 32 trative code of city of New York, as amended by chapter 180 of the laws
 33 of 2011, is amended to read as follows:

34 (2) With respect to each retirement system, such rate of interest
 35 shall be as hereinafter set forth in this paragraph:

36		37	First day and
38		38	last day of
39	Rate of interest	39	fiscal year or
40	per centum per	40	series of fiscal
41	annum, compounded	41	years for which
42	annually	42	rate is effective
43	NYCERS	[8] 7%	July 1, [2004] 2011 to
44			June 30, [2012] 2016
45	NYCTRS	[8] 7%	July 1, [2004] 2011 to
46			June 30, [2012] 2016
47	PPF	[8] 7%	July 1, [2004] 2011 to
48			June 30, [2012] 2016
49	FPF	[8] 7%	July 1, [2004] 2011 to
50			June 30, [2012] 2016
51	BERS	[8] 7%	July 1, [2004] 2011 to
52			June 30, [2012] 2016

S. 7804

14

1 S 26. Paragraph 2 of subdivision f of section 13-638.2 of the adminis-
 2 trative code of the city of New York, as amended by chapter 180 of the
 3 laws of 2011, is amended to read as follows:

4 (2) Such special interest shall be allowed at the rates and for the
 5 periods set forth below in this paragraph:

6		6	First day and
7		7	last day of
8	Rate of interest	8	fiscal year or
9	per centum per	9	series of fiscal
10	annum, compounded	10	years for which
11	annually	11	rate is effective
13	NYCERS	1 1/4%	July 1, [2004] 2011 to
14			June 30, [2012] 2016
15	NYCTRS	1 1/4%	July 1, [2004] 2011 to

16		June 30, [2012] 2016
17	PPF	1 1/4% July 1, [2004] 2011 to
18		June 30, [2012] 2016
19	FPF	1 1/4% July 1, [2004] 2011 to
20		June 30, [2012] 2016
21	BERS	1 1/4% July 1, [2004] 2011 to
22		June 30, [2012] 2016

23 S 27. Paragraph 2 of subdivision g of section 13-638.2 of the adminis-
 24 trative code of the city of New York, as amended by chapter 180 of the
 25 laws of 2011, is amended to read as follows:

26 (2) Such additional interest shall be included at the rates and for
 27 the periods set forth below in this paragraph:

28		First day and
29		last day of
30	Rate of interest	fiscal year or
31	per centum per	series of fiscal
32	annum, compounded	years for which
33	annually	rate is effective
34	<hr/>	
35	NYCERS	1 1/4% July 1, [2004] 2011 to
36		June 30, [2012] 2016
37	NYCTRS	1 1/4% July 1, [2004] 2011 to
38		June 30, [2012] 2016
39	PPF	1 1/4% July 1, [2004] 2011 to
40		June 30, [2012] 2016
41	FPF	1 1/4% July 1, [2004] 2011 to
42		June 30, [2012] 2016
43	BERS	1 1/4% July 1, [2004] 2011 to
44		June 30, [2012] 2016

45 S 28. Paragraph 2 of subdivision i of section 13-638.2 of the adminis-
 46 trative code of the city of New York, as amended by chapter 180 of the
 47 laws of 2011, is amended to read as follows:

48 (2) Such supplementary interest shall be allowed at the rates and for
 49 the periods set forth below in this paragraph:

50		15	First day and
51	S. 7804		last day of
1		Rate of interest	fiscal year or
2		per centum per	series of fiscal
3	Retirement	annum, compounded	years for which
4	System	annually	rate is effective
5	<hr/>		
6	NYCERS	[1] 0%	July 1, [2004] 2011 to
7			June 30, [2012] 2016
8	NYCTRS	[1] 0%	July 1, [2004] 2011 to
9			June 30, [2012] 2016
10	PPF	[1] 0%	July 1, [2004] 2011 to
11			June 30, [2012] 2016
12	FPF	[1] 0%	July 1, [2004] 2011 to
13			June 30, [2012] 2016
14	BERS	[1] 0%	July 1, [2004] 2011 to
15			June 30, [2012] 2016

16 S 29. Subparagraph (i) of paragraph 1 of subdivision k of section
 17 13-638.2 of the administrative code of the city of New York, as added by
 18 chapter 85 of the laws of 2000, is amended to read as follows:

19 (i) Subject to the provisions of subparagraphs (iii) and (iv) of this
 20 paragraph, in any case where the valuation rate of interest for a

21 retirement system is changed by law for any period beginning on or after
 22 July first, two thousand four, or where the board of trustees of a
 23 retirement system, for any period beginning on or after July first,
 24 nineteen hundred ninety-nine, adopts changed actuarial tables used in
 25 valuing the liabilities of such retirement system, or where a signif-
 26 icant change in an actuarial valuation method (as defined in paragraph
 27 sixteen of subdivision a of this section) is made for any period begin-
 28 ning on or after July first, nineteen hundred ninety-nine in relation to
 29 a retirement system, the actuary thereof shall calculate, as of June
 30 thirtieth next preceding the first day of the fiscal year for which such
 31 changed rate or changed tables or significant change in an actuarial
 32 valuation method first becomes or became effective, an unfunded accrued
 33 liability adjustment applicable to each responsible obligor in relation
 34 to such retirement system, PROVIDED, HOWEVER, THAT NO UNFUNDED ACCRUED
 35 LIABILITY ADJUSTMENT SHALL BE ESTABLISHED UNDER THIS SUBDIVISION FOR ANY
 36 RETIREMENT SYSTEM WITH RESPECT TO ANY CHANGE IN THE VALUATION RATE OF
 37 INTEREST, CHANGE IN ACTUARIAL TABLES OR SIGNIFICANT CHANGE IN AN ACTUAR-
 38 IAL VALUATION METHOD WHERE SUCH CHANGED VALUATION RATE OF INTEREST,
 39 ACTUARIAL TABLES OR ACTUARIAL VALUATION METHOD APPLIES TO SUCH RETIRE-
 40 MENT SYSTEM WITH RESPECT TO ANY ACTUARIAL VALUATION PERFORMED BY THE
 41 ACTUARY AS OF JUNE THIRTIETH, TWO THOUSAND TEN OR AS OF ANY DATE THERE-
 42 AFTER.

43 S 30. Section 13-638.2 of the administrative code of the city of New
 44 York is amended by adding a new subdivision k-1 to read as follows:

45 K-1. ALL INSTALLMENTS OF CONTRIBUTION RESULTING FROM ANY UNFUNDED
 46 ACCRUED LIABILITY ESTABLISHED FOR ANY RETIREMENT SYSTEM PRIOR TO THE
 47 ESTABLISHMENT OF THE UNFUNDED ACCRUED LIABILITY AS OF JUNE THIRTIETH,
 48 TWO THOUSAND TEN FOR THE RETIREMENT SYSTEMS PURSUANT TO THE PROVISIONS
 49 OF PARAGRAPH ONE OF SUBDIVISION K-2 OF THIS SECTION WHICH ARE PAYABLE TO
 50 ANY RETIREMENT SYSTEM ON OR AFTER JULY FIRST, TWO THOUSAND ELEVEN ARE
 51 HEREBY CANCELED AND SHALL NOT BE DUE AND PAYABLE ON OR AFTER SUCH JULY
 52 FIRST.

53 S 31. Section 13-638.2 of the administrative code of the city of New
 54 York is amended by adding a new subdivision k-2 to read as follows:

S. 7804 16

1 K-2. (1) (I) THE ACTUARY FOR EACH OF THE RETIREMENT SYSTEMS (AS
 2 DEFINED IN PARAGRAPH ONE OF SUBDIVISION A OF THIS SECTION), UPON THE
 3 BASIS OF THE LATEST MORTALITY AND OTHER TABLES APPLICABLE AT THE TIME HE
 4 OR SHE PERFORMS THE CALCULATIONS, AND THE VALUATION RATE OF INTEREST (AS
 5 DEFINED IN PARAGRAPH ELEVEN OF SUBDIVISION A OF THIS SECTION), SHALL
 6 CALCULATE SEPARATELY FOR EACH OF THE RETIREMENT SYSTEMS, AS OF JUNE
 7 THIRTIETH, TWO THOUSAND TEN AND AS OF EACH SUCCEEDING JUNE THIRTIETH, AN
 8 UNFUNDED ACCRUED LIABILITY FOR EACH OF THE RETIREMENT SYSTEMS IN ACCORD-
 9 ANCE WITH THE SUCCEEDING SUBPARAGRAPHS OF THIS PARAGRAPH.

10 (II) THE ACTUARY SHALL CALCULATE, AS OF THE APPLICABLE JUNE THIRTIETH,
 11 AN AMOUNT EQUAL TO THE SUM OF (A) THE TOTAL ACTUARIAL PRESENT VALUE OF
 12 ALL BENEFITS PAYABLE BY THE RETIREMENT SYSTEM PURSUANT TO APPLICABLE
 13 LAW, AS DETERMINED BY THE ACTUARY, AND (B) THE LIABILITY OF THE RETIRE-
 14 MENT SYSTEM, AS DETERMINED BY THE ACTUARY, FOR AMOUNTS WHICH THE RETIRE-
 15 MENT SYSTEM MAY BE REQUIRED BY APPLICABLE LAW TO PAY TO ANY OTHER FUND
 16 ON ACCOUNT OF RELATED BENEFITS FINANCED THROUGH THE RETIREMENT SYSTEM,
 17 WITHOUT A CORRESPONDING OFFSET IN THE LIABILITIES OF THE RETIREMENT
 18 SYSTEM.

19 (III) THE UNFUNDED ACCRUED LIABILITY OF THE RETIREMENT SYSTEM AS OF
 20 THE APPLICABLE JUNE THIRTIETH SHALL BE THE AMOUNT OBTAINED BY DEDUCTING
 21 FROM THE AMOUNT OF SUCH TOTAL LIABILITY OF THE RETIREMENT SYSTEM ON
 22 ACCOUNT OF BENEFITS, AS DETERMINED BY THE ACTUARY PURSUANT TO SUBPARA-
 23 GRAPH (II) OF THIS PARAGRAPH, THE SUM OF:

24 (A) THE ACTUARIAL PRESENT VALUE OF ENTRY AGE NORMAL CONTRIBUTIONS
 25 PAYABLE TO THE RETIREMENT SYSTEM, AS DETERMINED BY THE ACTUARY AS OF THE
 26 APPLICABLE JUNE THIRTIETH IN A MANNER CONSISTENT WITH THE ENTRY AGE
 27 ACTUARIAL COST METHOD, AND WITH THE APPLICABLE METHODOLOGIES SET FORTH

28 FOR NYCERS IN SUBPARAGRAPH (D) OF PARAGRAPH TWO OF SUBDIVISION B OF
 29 SECTION 13-127 OF THIS TITLE, FOR THE PPF IN SUBPARAGRAPH (E) OF PARA-
 30 GRAPH TWO OF SUBDIVISION B OF SECTION 13-228 OF THIS TITLE, FOR THE PPF
 31 IN SUBPARAGRAPH (E) OF PARAGRAPH TWO OF SUBDIVISION B OF SECTION 13-331
 32 OF THIS TITLE, FOR THE NYCTRS IN PARAGRAPH FIVE OF SUBDIVISION B OF
 33 SECTION 13-527 OF THIS TITLE OR FOR BERS IN ITEM (V) OF SUBPARAGRAPH
 34 FOUR OF PARAGRAPH (C) OF SUBDIVISION SIXTEEN OF SECTION TWENTY-FIVE
 35 HUNDRED SEVENTY-FIVE OF THE EDUCATION LAW;

36 (B) THE PRESENT VALUE OF FUTURE MEMBER CONTRIBUTIONS OF ALL MEMBERS OF
 37 THE RETIREMENT SYSTEM, AS DETERMINED BY THE ACTUARY AS OF THE APPLICABLE
 38 JUNE THIRTIETH;

39 (C) THE TOTAL FUNDS ON HAND OF THE RETIREMENT SYSTEM, AS DETERMINED BY
 40 THE ACTUARY AS OF THE APPLICABLE JUNE THIRTIETH; AND

41 (D) THE PRESENT VALUE OF FUTURE INSTALLMENTS OF UNFUNDED ACCRUED
 42 LIABILITY CONTRIBUTIONS TO THE RETIREMENT SYSTEM.

43 (IV) THE ACTUARY, IN DETERMINING THE UNFUNDED ACCRUED LIABILITY PURSU-
 44 ANT TO THIS PARAGRAPH, MAY MAKE ANY ADJUSTMENTS WHICH HE OR SHE DEEMS
 45 APPROPRIATE DUE TO THE CALCULATION OF THE UNFUNDED ACCRUED LIABILITY AS
 46 OF THE SECOND JUNE THIRTIETH PRECEDING THE FISCAL YEAR IN WHICH THE
 47 FIRST INSTALLMENT OF SUCH UNFUNDED ACCRUED LIABILITY BECOMES PAYABLE OR
 48 CREDITABLE.

49 (2) (I) THE UNFUNDED ACCRUED LIABILITY CALCULATED BY THE ACTUARY AS OF
 50 JUNE THIRTIETH, TWO THOUSAND TEN FOR EACH RETIREMENT SYSTEM PURSUANT TO
 51 PARAGRAPH ONE OF THIS SUBDIVISION SHALL BE KNOWN AS THE "2010 UAL" OR,
 52 WITH RESPECT TO NYCERS AS THE "NYCERS 2010 UAL", WITH RESPECT TO NYCTRS
 53 AS THE "NYCTRS 2010 UAL", WITH RESPECT TO THE PPF AS THE "PPF 2010 UAL",
 54 WITH RESPECT TO THE FPF AS THE "FPF 2010 UAL" AND WITH RESPECT TO BERS
 55 AS THE "BERS 2010 UAL".

S. 7804

17

1 (II) THE 2010 UAL FOR EACH RETIREMENT SYSTEM SHALL BE AMORTIZED IN
 2 TWENTY-ONE ANNUAL INSTALLMENTS, AS DETERMINED BY THE ACTUARY, PAYABLE
 3 OVER A PERIOD OF TWENTY-TWO FISCAL YEARS FOLLOWING ITS ESTABLISHMENT AS
 4 OF JUNE THIRTIETH, TWO THOUSAND TEN, WITH PAYMENTS COMMENCING WITH THE
 5 TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE FISCAL YEAR. THE ACTUARY FOR
 6 EACH OF THE RETIREMENT SYSTEMS SHALL DETERMINE THE SCHEDULE OF CONTRIB-
 7 UTION INSTALLMENTS SO THAT EACH INSTALLMENT AFTER THE FIRST SHALL EQUAL
 8 ONE HUNDRED THREE PER CENTUM OF THE NEXT PRECEDING INSTALLMENT.

9 (3) (I) THE UNFUNDED ACCRUED LIABILITY CALCULATED PURSUANT TO PARA-
 10 GRAPH ONE OF THIS SUBDIVISION BY THE ACTUARY AS OF JUNE THIRTIETH, TWO
 11 THOUSAND ELEVEN, AND AS OF EACH SUCCEEDING JUNE THIRTIETH, SHALL BE
 12 KNOWN AS A "POST-2010 UAL ADJUSTMENT". WITH RESPECT TO EACH RETIREMENT
 13 SYSTEM, SUCH UNFUNDED ACCRUED LIABILITY SHALL BE KNOWN BY THE NAME
 14 CONSISTING OF THE APPLICABLE ABBREVIATION FOR THE RETIREMENT SYSTEM, AS
 15 DEFINED IN PARAGRAPH THREE, FOUR, FIVE, SIX OR SEVEN OF SUBDIVISION A OF
 16 THIS SECTION, FOLLOWED BY THE CALENDAR YEAR AS OF WHICH THE UNFUNDED
 17 ACCRUED LIABILITY WAS ESTABLISHED, FOLLOWED BY THE TERM "UAL ADJUST-
 18 MENT".

19 (II) EACH POST-2010 UAL ADJUSTMENT FOR EACH RETIREMENT SYSTEM SHALL BE
 20 AMORTIZED IN EQUAL INSTALLMENTS PAYABLE OR CREDITABLE, AS DETERMINED BY
 21 THE ACTUARY, AS FOLLOWS:

22 (A) THAT PORTION OF A POST-2010 UAL ADJUSTMENT WHICH IS ATTRIBUTABLE
 23 TO ACTUARIAL GAINS OR LOSSES, AS DETERMINED BY THE ACTUARY, SHALL BE
 24 AMORTIZED IN FOURTEEN ANNUAL INSTALLMENTS, AS DETERMINED BY THE ACTUARY,
 25 PAYABLE OR CREDITABLE OVER A PERIOD OF FIFTEEN FISCAL YEARS FOLLOWING
 26 THE JUNE THIRTIETH AS OF WHICH THE UNFUNDED ACCRUED LIABILITY WAS ESTAB-
 27 LISHED, WITH PAYMENTS OR CREDITS COMMENCING WITH THE SECOND FISCAL YEAR
 28 SUCCEEDING THE JUNE THIRTIETH AS OF WHICH THE UNFUNDED ACCRUED LIABILITY
 29 WAS ESTABLISHED, PROVIDED, HOWEVER, THAT THE PORTION OF A POST-2010 UAL
 30 ADJUSTMENT WHICH IS ATTRIBUTABLE TO ACTUARIAL GAINS AND LOSSES SHALL BE
 31 AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF SUCH POST-2010 UAL ADJUSTMENT
 32 MINUS AN AMOUNT EQUAL TO THE SUM OF THE PORTIONS OF SUCH POST-2010 UAL
 33 ADJUSTMENT, IF ANY, WHICH ARE ATTRIBUTABLE TO (1) CHANGES IN THE VALU-

34 ATION RATE OF INTEREST, CHANGES IN ACTUARIAL TABLES AND CHANGES IN ACTU-
 35 ARIAL METHODS, AS DETERMINED BY THE ACTUARY PURSUANT TO ITEM (B) OF THIS
 36 SUBPARAGRAPH, AND (2) RECENTLY ENACTED CHANGES IN BENEFITS WHICH WERE
 37 NOT INCORPORATED IN THE UNFUNDED ACCRUED LIABILITY ESTABLISHED AS OF THE
 38 PRECEDING JUNE THIRTIETH, AS DETERMINED BY THE ACTUARY PURSUANT TO ITEM
 39 (C) OF THIS SUBPARAGRAPH;

40 (B) THAT PORTION OF A POST-2010 UAL ADJUSTMENT WHICH IS ATTRIBUTABLE
 41 TO CHANGES IN THE VALUATION RATE OF INTEREST, CHANGES IN ACTUARIAL
 42 TABLES OR CHANGES IN ACTUARIAL METHODS, AS DETERMINED BY THE ACTUARY,
 43 SHALL BE AMORTIZED IN NINETEEN ANNUAL INSTALLMENTS, AS DETERMINED BY THE
 44 ACTUARY, PAYABLE OR CREDITABLE OVER A PERIOD OF TWENTY FISCAL YEARS
 45 FOLLOWING THE JUNE THIRTIETH AS OF WHICH THE UNFUNDED ACCRUED LIABILITY
 46 WAS ESTABLISHED, WITH PAYMENTS OR CREDITS COMMENCING WITH THE SECOND
 47 FISCAL YEAR SUCCEEDING THE JUNE THIRTIETH AS OF WHICH THE UNFUNDED
 48 ACCRUED LIABILITY WAS ESTABLISHED; OR

49 (C) THAT PORTION OF A POST-2010 UAL ADJUSTMENT WHICH IS ATTRIBUTABLE
 50 TO RECENTLY ENACTED CHANGES IN BENEFITS WHICH WERE NOT INCORPORATED IN
 51 THE UNFUNDED ACCRUED LIABILITY ESTABLISHED AS OF THE PRECEDING JUNE
 52 THIRTIETH, AS DETERMINED BY THE ACTUARY, SHALL, UNLESS AN AMORTIZATION
 53 PERIOD OF A DIFFERENT LENGTH IS SPECIFIED BY THE LAW ENACTING SUCH BENE-
 54 FIT CHANGES, BE PAYABLE OR CREDITABLE IN ANNUAL INSTALLMENTS OVER A
 55 PERIOD OF FISCAL YEARS COMPARABLE IN LENGTH TO THE NUMBER OF YEARS WHICH
 56 IS ONE LESS THAN THE NUMBER OF YEARS OF THE REMAINING WORKING LIFETIMES
 S. 7804 18

1 OF MEMBERS COVERED BY THE BENEFIT CHANGES, AS DETERMINED BY THE ACTUARY,
 2 WITH THE PAYMENT OR CREDIT OF SUCH ANNUAL INSTALLMENTS COMMENCING WITH
 3 THE SECOND FISCAL YEAR SUCCEEDING THE JUNE THIRTIETH AS OF WHICH THE
 4 UNFUNDED ACCRUED LIABILITY WAS ESTABLISHED, PROVIDED, HOWEVER, THAT
 5 WHERE THE LENGTH OF THE AMORTIZATION PERIOD FOR THE BENEFIT CHANGES IS
 6 NOT SPECIFIED IN THE LAW ENACTING THE BENEFIT CHANGES, THE ACTUARY, IN
 7 HIS OR HER DISCRETION, AND IN LIEU OF AMORTIZING THE PORTION OF THE
 8 UNFUNDED ACCRUED LIABILITY ATTRIBUTABLE TO THE BENEFIT CHANGES OVER A
 9 PERIOD OF FISCAL YEARS COMPARABLE IN LENGTH TO THE NUMBER OF YEARS WHICH
 10 IS ONE LESS THAN THE NUMBER OF YEARS OF THE REMAINING WORKING LIFETIMES
 11 OF MEMBERS COVERED BY THE BENEFIT CHANGES, MAY SELECT AN AMORTIZATION
 12 PERIOD THAT IS REASONABLY CONSISTENT WITH PAST PRACTICE FOR AMORTIZING
 13 UNFUNDED ACCRUED LIABILITY ATTRIBUTABLE TO THE PARTICULAR TYPE OF BENE-
 14 FIT CHANGES.

15 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, WITH
 16 RESPECT TO ANY INSTALLMENT OF AN UNFUNDED ACCRUED LIABILITY OR AN
 17 UNFUNDED ACCRUED LIABILITY ADJUSTMENT, IN THE EVENT THAT SUCH RETIREMENT
 18 SYSTEM HAS MORE THAN ONE RESPONSIBLE OBLIGOR, THE ACTUARY FOR THAT
 19 RETIREMENT SYSTEM SHALL DETERMINE AND SHALL ALLOCATE TO EACH SUCH
 20 RESPONSIBLE OBLIGOR ITS SHARE OF THAT INSTALLMENT, AS DETERMINED TO BE
 21 APPROPRIATE BY THE ACTUARY. EACH RESPONSIBLE OBLIGOR'S SHARE OF EACH
 22 SUCH INSTALLMENT SHALL BE EITHER A CHARGE OR A CREDIT WITH RESPECT TO
 23 SUCH RESPONSIBLE OBLIGOR FOR THE APPLICABLE FISCAL YEAR.

24 (5) FOR EACH FISCAL YEAR, COMMENCING WITH THE TWO THOUSAND ELEVEN--TWO
 25 THOUSAND TWELVE FISCAL YEAR, THE ACTUARY SHALL DETERMINE WHETHER THE SUM
 26 OF THE CHARGES AND CREDITS APPLICABLE TO EACH RESPONSIBLE OBLIGOR FOR
 27 SUCH FISCAL YEAR WITH RESPECT TO THE APPLICABLE RETIREMENT SYSTEM SHALL
 28 CONSTITUTE A TOTAL CHARGE OR A TOTAL CREDIT. WHERE SUCH AMOUNT FOR SUCH
 29 RESPONSIBLE OBLIGOR FOR SUCH FISCAL YEAR WITH RESPECT TO SUCH RETIREMENT
 30 SYSTEM IS A TOTAL CHARGE, THE RESPONSIBLE OBLIGOR SHALL PAY AN AMOUNT
 31 EQUAL TO SUCH TOTAL CHARGE TO THE RETIREMENT SYSTEM IN A TIMELY MANNER,
 32 AS REQUIRED BY PARAGRAPH SIX OF THIS SUBDIVISION. WHERE SUCH AMOUNT FOR
 33 SUCH RESPONSIBLE OBLIGOR FOR SUCH FISCAL YEAR WITH RESPECT TO SUCH
 34 RETIREMENT SYSTEM IS A TOTAL CREDIT, THE AMOUNT OF EMPLOYER CONTRIB-
 35 UTIONS OTHERWISE PAYABLE BY SUCH RESPONSIBLE OBLIGOR TO SUCH RETIREMENT
 36 SYSTEM FOR SUCH FISCAL YEAR PURSUANT TO APPLICABLE PROVISIONS OF LAW, AS
 37 DETERMINED BY THE ACTUARY, SHALL BE REDUCED BY THE AMOUNT OF SUCH TOTAL
 38 CREDIT, PROVIDED, HOWEVER, THAT SUCH TOTAL AMOUNT OF EMPLOYER CONTRIB-

39 UTIONS OTHERWISE PAYABLE BY SUCH RESPONSIBLE OBLIGOR TO SUCH RETIREMENT
 40 SYSTEM FOR SUCH FISCAL YEAR SHALL NOT BE REDUCED BELOW AN AMOUNT EQUIV-
 41 ALENT TO THE AMOUNT PAYABLE BY SUCH RESPONSIBLE OBLIGOR FOR SUCH FISCAL
 42 YEAR FOR ADMINISTRATIVE EXPENSES, AS DETERMINED BY THE ACTUARY IN
 43 ACCORDANCE WITH THE PROVISIONS OF SUBDIVISION F OF SECTION 13-103 OF
 44 THIS TITLE FOR NYCERS, SUBDIVISION H OF SECTION 13-216 OF THIS TITLE FOR
 45 THE PPF, SUBDIVISION D OF SECTION 13-518 OF THIS TITLE FOR THE NYCTRS OR
 46 PARAGRAPH (E) OF SUBDIVISION TWENTY-THREE OF SECTION TWENTY-FIVE HUNDRED
 47 SEVENTY-FIVE OF THE EDUCATION LAW FOR BERS, AND SHALL NOT BE REDUCED
 48 BELOW ZERO FOR THE PPF, PROVIDED FURTHER, THAT WHERE A TOTAL CREDIT FOR
 49 A RESPONSIBLE OBLIGOR WITH RESPECT TO A RETIREMENT SYSTEM HAS BEEN
 50 OFFSET AGAINST EMPLOYER CONTRIBUTIONS OTHERWISE PAYABLE BY SUCH OBLIGOR
 51 TO SUCH RETIREMENT SYSTEM FOR SUCH FISCAL YEAR BY THE MAXIMUM AMOUNT
 52 PERMISSIBLE PURSUANT TO THE PRECEDING PROVISIONS OF THIS PARAGRAPH, AND
 53 ALL OR A PORTION OF SUCH CREDIT REMAINS AFTER SUCH OFFSET, THE REMAINING
 54 CREDIT SHALL BE CARRIED FORWARD, TOGETHER WITH INTEREST CALCULATED ON
 55 SUCH AMOUNT AT THE VALUATION RATE OF INTEREST, AS A CREDIT FOR SUCH
 56 OBLIGOR FOR THE FOLLOWING FISCAL YEAR, AS DETERMINED BY THE ACTUARY.
 S. 7804 19

1 (6) ALL RESPONSIBLE OBLIGORS SHALL MAKE ALL UNFUNDED ACCRUED LIABILITY
 2 PAYMENTS TO A RETIREMENT SYSTEM REQUIRED PURSUANT TO THE PROVISIONS OF
 3 THIS SUBDIVISION IN ACCORDANCE WITH THE TIME OF PAYMENT REQUIREMENTS SET
 4 FORTH IN SUBDIVISION C OF SECTION 13-133 OF THIS TITLE FOR NYCERS,
 5 SUBDIVISION C OF SECTION 13-231 OF THIS TITLE FOR THE PPF, SUBDIVISION C
 6 OF SECTION 13-334 OF THIS TITLE FOR THE PPF, SUBDIVISION (C) OF SECTION
 7 13-533 OF THIS TITLE FOR THE NYCTRS OR PARAGRAPH (J) OF SUBDIVISION
 8 SIXTEEN OF SECTION TWENTY-FIVE HUNDRED SEVENTY-FIVE OF THE EDUCATION LAW
 9 FOR BERS.

10 S 32. Subdivision d of section 13-705 of the administrative code of
 11 the city of New York, as amended by chapter 152 of the laws of 2006, is
 12 amended to read as follows:

13 d. In each city fiscal year, beginning with investment expenses paid
 14 during the nineteen hundred ninety-eight--nineteen hundred ninety-nine
 15 fiscal year, whenever the income, interest or dividends derived from
 16 deposits or investments of the funds of a retirement system are used
 17 pursuant to subdivision b of this section to pay the expenses incurred
 18 by such retirement system in acquiring, managing or protecting invest-
 19 ments of its funds, the monies so paid shall be made a charge to be paid
 20 by each participating employer otherwise required to make contributions
 21 to such retirement system no later than the end of the fiscal year next
 22 succeeding the fiscal year during which such monies were drawn upon,
 23 provided, however, that where such charge is for such investment
 24 expenses paid during fiscal year two thousand four--two thousand five or
 25 during any subsequent fiscal year, such charge shall be paid by each
 26 such participating employer no later than the end of the second fiscal
 27 year succeeding the fiscal year during which such monies were drawn
 28 upon, PROVIDED FURTHER THAT THE PROVISIONS OF THIS SUBDIVISION SHALL NOT
 29 APPLY TO INVESTMENT EXPENSES PAID DURING THE TWO THOUSAND NINE--TWO
 30 THOUSAND TEN FISCAL YEAR OR DURING ANY SUBSEQUENT FISCAL YEAR. In the
 31 event that such retirement system has more than one participating
 32 employer, the actuary shall calculate and allocate to each such partic-
 33 ipating employer its share of such charge. All charges to be paid pursu-
 34 ant to this subdivision shall be paid at the regular rate of interest
 35 utilized by the actuary in determining employer contributions to the
 36 retirement system pursuant to the provisions of paragraph two of subdivi-
 37 sion b of section 13-638.2 of this title.

38 S 33. Subparagraph 2 of paragraph (c) of subdivision 16 of section
 39 2575 of the education law is amended by adding two new items (i-A) and
 40 (i-B) to read as follows:

41 (I-A) ALL UNFUNDED ACCRUED LIABILITY INSTALLMENTS AS REQUIRED BY
 42 SECTION 13-638.2 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK OR
 43 ANY OTHER PROVISION OF LAW; AND

44 (I-B) ANY OTHER PAYMENTS TO THE CONTINGENT RESERVE FUND AS REQUIRED BY
45 APPLICABLE LAW; AND

46 S 34. Subparagraph 3 of paragraph (c) of subdivision 16 of section
47 2575 of the education law is amended by adding a new item (vii) to read
48 as follows:

49 (VII) THE BOARD OF EDUCATION AND ALL OTHER RESPONSIBLE OBLIGORS (AS
50 DEFINED IN PARAGRAPH TEN OF SUBDIVISION A OF SECTION 13-638.2 OF THE
51 ADMINISTRATIVE CODE OF THE CITY OF NEW YORK) SHALL MAKE ALL PAYMENTS TO
52 THE RETIREMENT SYSTEM REQUIRED BY APPLICABLE LAW IN ACCORDANCE WITH THE
53 TIME OF PAYMENT REQUIREMENTS SET FORTH IN PARAGRAPH (J) OF THIS SUBDIVI-
54 SION. ANY RESPONSIBLE OBLIGOR WHICH DOES NOT MAKE ALL OR ANY PORTION OF
55 SUCH REQUIRED PAYMENTS TO THE RETIREMENT SYSTEM IN A TIMELY MANNER IN
56 FISCAL YEAR TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN, OR IN ANY FISCAL
S. 7804 20

1 YEAR THEREAFTER, SHALL BE REQUIRED TO PAY INTEREST TO THE RETIREMENT
2 SYSTEM ON SUCH OVERDUE AMOUNTS, AS DETERMINED BY THE ACTUARY. THE ACTU-
3 ARY SHALL DETERMINE, AT SUCH TIME AS HE OR SHE DEEMS APPROPRIATE, INTER-
4 EST PAYMENTS ON SUCH OVERDUE AMOUNTS USING A RATE OF INTEREST EQUIVALENT
5 TO THE VALUATION RATE OF INTEREST (AS DEFINED IN PARAGRAPH ELEVEN OF
6 SUBDIVISION A OF SECTION 13-638.2 OF THE ADMINISTRATIVE CODE OF THE CITY
7 OF NEW YORK). RESPONSIBLE OBLIGORS SHALL MAKE SUCH INTEREST PAYMENTS ON
8 OVERDUE AMOUNTS TO THE RETIREMENT SYSTEM IN THE MANNER AND AT SUCH TIME
9 AS THE ACTUARY DEEMS APPROPRIATE.

10 S 35. Item (i) of subparagraph 4 of paragraph (c) of subdivision 16 of
11 section 2575 of the education law, as amended by chapter 85 of the laws
12 of 2000, is amended to read as follows:

13 (i) NOTWITHSTANDING THE SUCCEEDING PROVISIONS OF THIS ITEM OR THE
14 PROVISIONS OF ITEM (I-A), (II), (III) OR (IV) OF THIS SUBPARAGRAPH, FOR
15 FISCAL YEAR TWO THOUSAND ELEVEN--TWO THOUSAND TWELVE, AND FOR EACH
16 FISCAL YEAR THEREAFTER, THE AMOUNT OF THE NORMAL CONTRIBUTION PAYABLE TO
17 THE CONTINGENT RESERVE FUND SHALL BE DETERMINED PURSUANT TO THE
18 PROVISIONS OF ITEM (V) OF THIS SUBPARAGRAPH. Upon the basis of the
19 latest mortality and other tables authorized by the applicable
20 provisions of the rules and regulations and regular interest, the actu-
21 ary shall determine, as of June thirtieth, nineteen hundred eighty and
22 as of each succeeding June thirtieth, the amount of the total liability
23 for all benefits provided in the rules and regulations, in articles
24 eleven and fourteen of the retirement and social security law and in any
25 other law prescribing benefits payable by the retirement system on
26 account of all members and beneficiaries, excluding the liability on
27 account of future increased-take-home-pay contributions, if any, and the
28 liability for benefits attributable to the annuity savings fund and to
29 the variable annuity savings fund, provided, however, that in determin-
30 ing such total liability as of June thirtieth, nineteen hundred ninety-
31 five and as of each succeeding June thirtieth, the actuary shall include
32 (A) the liability on account of future increased-take-home-pay contrib-
33 utions, if any, (B) the liability on account of future public employer
34 obligations under the provisions of subdivision twenty of section two
35 hundred forty-three of the military law, to pay in behalf of members
36 qualifying for such benefit, member contributions with respect to
37 certain periods of the military service of such members and (C) the
38 liability for benefits attributable to the annuity savings fund and to
39 the variable annuity savings fund, and provided further that in deter-
40 mining such total liability as of June thirtieth, nineteen hundred nine-
41 ty-nine and as of each succeeding June thirtieth, the actuary shall
42 include any other liability, as determined by the actuary, for benefits
43 attributable to the variable annuity programs, and provided further that
44 in determining such total liability as of June thirtieth, two thousand
45 and as of each succeeding June thirtieth, the actuary shall include the
46 amount, if any, as estimated by the actuary, of the total liability of
47 the retirement system on account of payments which the retirement system
48 may be required to make to any other fund without a corresponding offset

49 in the liabilities of the retirement system.

50 S 36. Subparagraph 4 of paragraph (c) of subdivision 16 of section
51 2575 of the education law is amended by adding a new item (v) to read as
52 follows:

53 (V) (A) NOTWITHSTANDING THE PRECEDING ITEMS OF THIS SUBPARAGRAPH OR
54 ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE NORMAL CONTRIBUTION
55 PAYABLE TO THE CONTINGENT RESERVE FUND IN FISCAL YEAR TWO THOUSAND
56 ELEVEN--TWO THOUSAND TWELVE, AND IN EACH FISCAL YEAR THEREAFTER, SHALL
S. 7804 21

1 BE THE ENTRY AGE NORMAL CONTRIBUTION, AS DETERMINED BY THE ACTUARY
2 PURSUANT TO THIS ITEM IN A MANNER CONSISTENT WITH THE ENTRY AGE ACTUARI-
3 AL COST METHOD. THE ACTUARY SHALL DETERMINE THE ENTRY AGE NORMAL
4 CONTRIBUTION FOR EACH SUCH FISCAL YEAR AS OF JUNE THIRTIETH OF THE
5 SECOND FISCAL YEAR PRECEDING THE FISCAL YEAR IN WHICH SUCH NORMAL
6 CONTRIBUTION IS PAYABLE, BASED ON THE LATEST MORTALITY AND OTHER TABLES
7 APPLICABLE AT THE TIME HE OR SHE PERFORMS SUCH CALCULATIONS, AND THE
8 VALUATION RATE OF INTEREST AS PROVIDED FOR THE RETIREMENT SYSTEM IN
9 PARAGRAPH TWO OF SUBDIVISION B OF SECTION 13-638.2 OF THE ADMINISTRATIVE
10 CODE OF THE CITY OF NEW YORK.

11 (B) IN CALCULATING THE ENTRY AGE NORMAL CONTRIBUTION PAYABLE IN ANY
12 SUCH FISCAL YEAR PURSUANT TO THIS ITEM, THE ACTUARY, IN HIS OR HER
13 DISCRETION, MAY MAKE CERTAIN ADJUSTMENTS IN THE CALCULATION METHODOLOGY,
14 PROVIDED THAT SUCH ADJUSTMENTS ARE GENERALLY ACCEPTED AS CONSISTENT WITH
15 THE ENTRY AGE ACTUARIAL COST METHOD, AND ARE DESIGNED, IN GENERAL, TO
16 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
17 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
18 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.
19 SUCH GENERALLY ACCEPTED ADJUSTMENTS IN THE CALCULATION METHODOLOGY, IN
20 THE DISCRETION OF THE ACTUARY, MAY INCLUDE, BUT ARE NOT LIMITED TO, THE
21 CALCULATION OF THE ENTRY AGE NORMAL CONTRIBUTION (1) ON AN INDIVIDUAL
22 MEMBER BASIS BY CALCULATING THE AMOUNT OF THE ENTRY AGE NORMAL CONTRIB-
23 UTION ATTRIBUTABLE TO EACH INDIVIDUAL MEMBER, AND THEN ADDING TOGETHER
24 SUCH INDIVIDUAL MEMBER AMOUNTS, (2) ON AN AGGREGATE BASIS FOR ALL
25 MEMBERS OR (3) ON ANY COMBINATION OF AN INDIVIDUAL MEMBER BASIS AND AN
26 AGGREGATE BASIS WHICH IS CONSISTENT WITH THE ENTRY AGE ACTUARIAL COST
27 METHOD, AND THE PRECEDING PROVISIONS OF THIS SUB-ITEM.

28 (C) FOR EACH SUCH FISCAL YEAR, THE ACTUARY, IN HIS OR HER DISCRETION,
29 SHALL DETERMINE, IN ACCORDANCE WITH THE PROVISIONS OF SUB-ITEM (B) OF
30 THIS ITEM, THE METHODOLOGY FOR CALCULATING THE ENTRY AGE NORMAL CONTRIB-
31 UTION PAYABLE FOR THAT PARTICULAR FISCAL YEAR.

32 (D) THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH SUB-
33 ITEM (C) OF THIS ITEM MAY PROVIDE FOR THE ACTUARY TO CALCULATE THE ENTRY
34 AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL MEMBER BASIS BY (1) MULTIPLYING
35 THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL MEMBER, AS
36 DETERMINED BY THE ACTUARY, BY THE SALARY EXPECTED TO BE PAID TO THAT
37 MEMBER DURING THE FISCAL YEAR IN WHICH SUCH NORMAL CONTRIBUTION IS PAYA-
38 BLE, AND (2) CALCULATING THE SUM OF THE INDIVIDUAL ENTRY AGE NORMAL
39 CONTRIBUTIONS ATTRIBUTABLE TO ALL SUCH MEMBERS. THE ACTUARY, IN HIS OR
40 HER DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR DETER-
41 MINING THE ENTRY AGE NORMAL CONTRIBUTION ON AN INDIVIDUAL BASIS WHICH HE
42 OR SHE DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE PROVISIONS
43 OF SUB-ITEM (B) OF THIS ITEM.

44 (E) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
45 ACCORDANCE WITH SUB-ITEM (C) OF THIS ITEM MAY PROVIDE FOR THE ACTUARY TO
46 CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE BASIS BY
47 MULTIPLYING THE ENTRY AGE NORMAL CONTRIBUTION RATE FOR ALL MEMBERS IN
48 THE AGGREGATE, AS DETERMINED BY THE ACTUARY, BY THE AGGREGATE AMOUNT OF
49 THE SALARIES EXPECTED TO BE PAID TO ALL MEMBERS DURING THE FISCAL YEAR
50 IN WHICH THE NORMAL CONTRIBUTION IS PAYABLE. THE ACTUARY, IN HIS OR HER
51 DISCRETION, MAY MAKE ANY ADJUSTMENTS TO SUCH METHODOLOGY FOR DETERMINING
52 THE ENTRY AGE NORMAL CONTRIBUTION ON AN AGGREGATE BASIS WHICH HE OR SHE
53 DEEMS APPROPRIATE, AND WHICH ARE CONSISTENT WITH THE PROVISIONS OF SUB-

54 ITEM (B) OF THIS ITEM.

55 (F) IN THE ALTERNATIVE, THE METHODOLOGY DETERMINED BY THE ACTUARY IN
56 ACCORDANCE WITH SUB-ITEM (C) OF THIS ITEM MAY PROVIDE FOR THE CALCU-
S. 7804 22

1 LATION OF THE ENTRY AGE NORMAL CONTRIBUTION ON ANY OTHER BASIS WHICH THE
2 ACTUARY DEEMS APPROPRIATE, AND WHICH IS CONSISTENT WITH THE ENTRY AGE
3 ACTUARIAL COST METHOD AND THE PROVISIONS OF SUB-ITEM (B) OF THIS ITEM.

4 (G) (1) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE
5 WITH SUB-ITEM (C) OF THIS ITEM REQUIRES THE DETERMINATION OF AN ENTRY
6 AGE NORMAL CONTRIBUTION RATE FOR EACH INDIVIDUAL MEMBER IN ORDER TO
7 CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR EACH INDIVIDUAL MEMBER,
8 THE ACTUARY SHALL DETERMINE SUCH RATE FOR EACH SUCH MEMBER IN ACCORDANCE
9 WITH THE ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS DETERMINED
10 BY THE ACTUARY FOR EACH SUCH MEMBER, SHALL BE CONSISTENT WITH A METHOD
11 DESIGNED, IN GENERAL, TO FUND, ON A LEVEL BASIS OVER THE WORKING LIFE-
12 TIME OF THAT PARTICULAR MEMBER FROM HIS OR HER AGE AT ENTRY, THE ACTUAR-
13 IAL PRESENT VALUE OF BENEFITS TO WHICH SUCH MEMBER IS EXPECTED TO BECOME
14 ENTITLED, AS DETERMINED BY THE ACTUARY.

15 (2) WHERE THE METHODOLOGY DETERMINED BY THE ACTUARY IN ACCORDANCE WITH
16 SUB-ITEM (C) OF THIS ITEM REQUIRES THE DETERMINATION OF AN ENTRY AGE
17 NORMAL CONTRIBUTION RATE FOR ALL MEMBERS IN THE AGGREGATE IN ORDER TO
18 CALCULATE THE ENTRY AGE NORMAL CONTRIBUTION FOR ALL MEMBERS IN THE
19 AGGREGATE, THE ACTUARY SHALL DETERMINE SUCH RATE IN ACCORDANCE WITH THE
20 ENTRY AGE ACTUARIAL COST METHOD, AND SUCH RATE, AS DETERMINED BY THE
21 ACTUARY, SHALL BE CONSISTENT WITH A METHOD DESIGNED, IN GENERAL, TO
22 FUND, ON A LEVEL BASIS OVER THE WORKING LIFETIMES OF MEMBERS FROM THEIR
23 AGES AT ENTRY, THE ACTUARIAL PRESENT VALUE OF BENEFITS TO WHICH SUCH
24 MEMBERS ARE EXPECTED TO BECOME ENTITLED, AS DETERMINED BY THE ACTUARY.

25 S 37. Paragraph (j) of subdivision 16 of section 2575 of the education
26 law is amended by adding a new subparagraph 2-a to read as follows:

27 (2-A) WHERE A RESPONSIBLE OBLIGOR (AS DEFINED IN PARAGRAPH TEN OF
28 SUBDIVISION A OF SECTION 13-638.2 OF THE ADMINISTRATIVE CODE OF THE CITY
29 OF NEW YORK) IS REQUIRED TO MAKE PAYMENTS TO THE RETIREMENT SYSTEM
30 PURSUANT TO APPLICABLE PROVISIONS OF LAW IN FISCAL YEAR TWO THOUSAND
31 TWELVE--TWO THOUSAND THIRTEEN, AND IN ANY FISCAL YEAR THEREAFTER, AND
32 THE PROVISIONS OF THIS PARAGRAPH OR THE PROVISIONS OF ANY OTHER APPLICA-
33 BLE LAW DO NOT OTHERWISE SPECIFICALLY REQUIRE SUCH RESPONSIBLE OBLIGOR
34 TO MAKE SUCH PAYMENTS BY A PARTICULAR DATE OR DATES DURING SUCH FISCAL
35 YEAR, SUCH RESPONSIBLE OBLIGOR SHALL MAKE SUCH PAYMENTS EITHER (I) IN
36 TOTAL ON OR BEFORE JANUARY FIRST OF SUCH FISCAL YEAR, OR (II) IN TWELVE
37 EQUAL MONTHLY INSTALLMENTS, AS DETERMINED BY THE ACTUARY, WITH EACH
38 MONTHLY INSTALLMENT TO BE PAID ON OR BEFORE THE LAST DAY OF EACH MONTH.

39 S 38. This act shall take effect immediately and shall be deemed to
40 have been in full force and effect on and after July 1, 2011. Notwith-
41 standing any other provision of law, for the purposes of calculating an
42 actuarial reserve pursuant to the provisions of section 13-557 of the
43 administrative code of the city of New York, the valuation rate of
44 interest and mortality tables in effect on June 30, 1988 shall be
45 utilized by the actuary.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50: BACKGROUND: In reports dated February 10, 2012, the Actuary presented proposed changes in actuarial assumptions and methods for determining employer contributions for Fiscal Years beginning on and after July 1, 2011 (i.e., the "Silver Books") to each of the Boards of Trustees of the following five actuarially-funded New York City Retirement Systems ("NYCRS"):

- * New York City Employees' Retirement System ("NYCERS") New York City Teachers' Retirement System ("TRS")
- * New York City Board of Education Retirement System ("BERS")
- * New York City Police Pension Fund ("POLICE")
- * New York City Fire Department Pension Fund ("FIRE")

S. 7804

23

These Silver Books were developed by the Actuary after reviewing the two most recent actuarial experience studies required by the New York City Charter and prepared by The Segal Company in their Report dated November 2006 and The Hay Group in their Report dated December 2011.

The principal components of the Actuary's proposed changes in actuarial assumptions and methods used to develop employer contributions to the NYCERS are to:

- * Reduce the Actuarial Interest Rate ("AIR") assumption from 8.0% per annum (gross of expenses) to 7.0% per annum (net of expenses).

- * Retain the current economic actuarial assumptions for the Consumer Price Inflation of 2.5% per year and the General Wage Increase ("GWI") of 3.0% per year.

- * Update demographic actuarial assumptions to reflect the Actuary's best estimate of future experience.

- * Replace the current Actuarial Cost Method ("ACM") (i.e., the Frozen Initial Liability ("FIL") ACM) with the Entry Age Actuarial Cost Method ("EAACM") and establish certain amortization methods and periods to be used for financing the Unfunded Actuarial Accrued Liabilities ("UAAL") developed under this new ACM.

- * Retain the current six-year phase-in period for Unexpected Investment Returns ("UIR") for investment gains and losses for the Actuarial Asset Valuation Method ("AAVM") for Fiscal Year 2012 and beyond. Use a Market Value Restart as of June 30, 2011 and set the June 30, 2010 Actuarial Asset Value ("AAV") equal to the June 30, 2011 Market Value of Assets ("MVA") discounted by the AIR assumption (adjusted for cash flow).

Certain of the proposals developed by the Actuary (e.g., probabilities of decrement from active service, probabilities of death after retirement) require adoption by the Board of Trustees of each of the NYCERS.

Other proposed changes in actuarial assumptions and methods require passage of enabling legislation by the New York State Legislature and enactment by the Governor.

The provisions of this amended proposed legislation, together with the adoption of actuarial tables by the Boards of Trustees of the NYCERS and application of the revised AAVM, represent the packages of actuarial assumptions and methods proposed by the Actuary for financing the NYCERS.

PROVISIONS OF PROPOSED LEGISLATION: This proposed legislation would amend Administrative Code of the City of New York ("ACNY") Sections 13-127, 13-133, 13-194, 13-228, 13-271, 13-281, 13-331, 13-527, 13-533, 13-638.2 and 13-705 and Education Law Section 2575 by including provisions that impact the development of employer contributions to the NYCERS.

Specifically, for each of the NYCERS, this amended proposed legislation would:

- * Reduce the AIR assumption to be used for developing employer contributions from 8.0% per annum (gross of expenses) to 7.0% per annum (net of expenses).

- * Continue through Fiscal Year 2016 the use of the 8.25% per year crediting rate on Annuity Savings Fund ("ASF") and Increased-Take-Home-Pay ("ITHP") Reserves for Tier I and Tier II members.

- * Replace the current ACM (i.e., the FIL ACM) with the EAACM.

- * Amortize over a 22-year period the Initial UAAL established under the EAACM with 21 annual payments beginning Fiscal Year 2012 using Increasing Dollar Payments ("IDP"), where the increase in payments would be 3.0% per year, consistent with the proposed GWI assumption.

S. 7804

24

Amortize over a 20-year period (19 annual payments) additional UAAL attributable to future actuarial assumption and/or method changes, over a 15-year period (14 annual payments) any actuarial gains and losses and over an approximation of the remaining working lifetimes of those impacted (unless the amortization period is established by statute) any benefit changes, using Level Dollar Payments ("LDP").

The Actuary would be provided with the authority to establish UAAL and/or amortization schedules consistent with the EAACM, where such UAAL and/or amortization schedules are appropriate but not provided in legislation.

* Retain the One-Year Lag Methodology ("OYLM").

* Retain the repayment of Administrative Expenses, with interest, in the second fiscal year after occurrence.

* Provide for the transfer of assets directly from NYCERS to the Correction Officers' Variable Supplements Fund ("COVSF") in the event that assets of the COVSF are insufficient to meet any legally-required benefit payments.

* Provide for the transfer of assets directly from POLICE to the Police Officers' Variable Supplements Fund ("POVSF") and to the Police Superior Officers' Variable Supplements Fund ("PSOVSF") in the event that assets of the POVSF or the PSOVSF are insufficient to meet any legally-required benefit payments.

* Although recommended by the Actuary, due to concerns expressed by certain FIRE Trustees, not provide for the transfer of assets directly from FIRE to the Firefighters' Variable Supplements Fund ("FFVSF") and to the Fire Officers' Variable Supplements Fund ("FOVSF") in the event that assets of the FFVSF or the FOVSF are insufficient to meet any legally-required benefit payments.

* Provide for the payment of interest on employer contributions made after the due dates determined and communicated by the Actuary to the Boards of Trustees.

ACTUARIAL PRESENT VALUES OF BENEFITS: Enactment of this amended proposed legislation, together with the other changes in actuarial assumptions and methods adopted by the Boards of Trustees of the NYCERS, would result in an increase in the Actuarial Present Value ("APV") of Benefits ("APVB") (inclusive of the APVB of the Variable Supplements Funds ("VSFs")) of the NYCERS of approximately \$36.0 billion as of June 30, 2010, as shown in the following Table I:

TABLE I

Comparison of Actuarial Present Values of Benefits
Before and After Proposed Changes
in Actuarial Assumptions and Methods
as of June 30, 2010

(\$ Billions)

Actuarial Present Values of Benefits*

Retirement System	Before Changes**	After Changes*#	Difference#
NYCERS	\$ 64.7	\$ 78.0	\$ 13.3
TRS	58.3	68.2	9.9
BERS	3.7	4.6	.9
S. 7804		25	
POLICE	42.3	50.7	8.4
FIRE	17.0	20.5	3.5
Total	\$186.0	\$222.0	\$ 36.0

* Amounts include APVB of the VSFs.

** Equals APVB as of June 30, 2010 based on preliminary census data used for the June 30, 2010 (Lag) actuarial valuations, on preliminary calculations using actuarial software being replaced and on current actuarial assumptions and methods.

*# Equals APVB as of June 30, 2010 based on final census data used for the June 30, 2010 (Lag) actuarial valuations, on final calculations

using new actuarial software and on proposed actuarial assumptions and methods.

Equals After Changes minus Before Changes.

ANNUAL EMPLOYER CONTRIBUTIONS: Under the EAACM, the Actuarial Present Value ("APV") of Projected Benefits ("APVB") of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit age(s).

The portion of this APV allocated to a valuation year is referred to as the Normal Contribution. The portion of this APV not provided for at a valuation date by the APV of Future Normal Contributions is the Actuarial Accrued Liability ("AAL"). The excess, if any, of the AAL over the AAV is the UAAL.

Under this method, actuarial gains (losses), as they occur, reduce (increase) the UAAL and are explicitly identified and amortized. Increases (decreases) in obligations due to benefit changes, actuarial assumption and/or method changes are also explicitly identified and amortized.

The initial UAAL as of June 30, 2010 would be amortized over 22 years with 21 annual payments beginning Fiscal Year 2012 increasing by 3.0% per year, recognizing the impact of employer contributions made during Fiscal Year 2011 under the OYLM.

Furthermore, the Actuary proposes revising the AAVM as of June 30, 2010 for each of the NYCERS. The new method would retain the current six-year phase-in period for Unexpectedly Investment Returns ("UIR") for the AAVM of 15%, 15%, 15%, 15%, 20% and 20% for investment gains/losses for Fiscal Year 2012 and beyond. However, the AAV as of June 30, 2011 would be set equal to the MVA as of that date and the June 30, 2010 AAV would be set equal to the June 30, 2011 MVA, discounted by the AIR assumption and adjusted for cash flow.

The One-Year Lag Methodology and the repayment of Administrative Expenses with interest, in the second fiscal year after occurrence, would be retained.

EMPLOYER CONTRIBUTIONS - FISCAL YEAR 2012: The following Table II presents the combined impact of all of the proposed changes in actuarial assumptions and methods on the Fiscal Year 2012 employer contributions to the NYCERS.

Specifically, Table II shows a comparison between: (1) estimated Fiscal Year 2012 employer contributions based upon the actuarial assumptions and methods currently in effect ("Before Changes") and (2) final Fiscal Year 2012 employer contributions computed in accordance with this proposed legislation and all of the other proposed actuarial assumptions and methods ("After Changes").

TABLE II

S. 7804

26

Comparison of Fiscal Year 2012 Employer Contributions Calculated
using Current Actuarial Assumptions and Methods with Those
Calculated using Proposed Actuarial Assumptions and Methods

(\$ Billions)

Retirement System	Before Changes*	After Changes**	Difference#
NYCERS	\$ 2.59	\$ 3.02	\$.43
TRS	2.62	2.67	.05
BERS	.17	.21	.04
POLICE	2.20	2.39	.19
FIRE	.95	.98	.03
Total	\$ 8.53	\$ 9.27	\$.74

* Equals estimated employer contributions for Fiscal Year 2012 based

on preliminary census data used for the June 30, 2010 (Lag) actuarial valuations, on preliminary calculations using actuarial software being replaced and on current actuarial assumptions and methods.

** Equals final employer contributions for Fiscal Year 2012 based on final census data used for the June 30, 2010 (Lag) actuarial valuations, on final calculations using new actuarial software and on proposed actuarial assumptions and methods.

Equals After Changes minus Before Changes.

EMPLOYER CONTRIBUTIONS - FISCAL YEARS 2012 TO 2016: The financial impact of the proposed changes in actuarial assumptions and methods, relative to the current actuarial assumptions and methods, is to increase and to smooth the pattern of employer contributions to the NYCERS for Fiscal Years 2012 to 2016.

The following Table III compares the estimated employer contributions for the five actuarially-funded NYCERS combined under the current actuarial assumptions and methods and under the proposed actuarial assumptions and methods:

TABLE III

Comparison of Employer Contributions
For Fiscal Years 2012 to 2016

Calculated using Current Actuarial Assumptions and Methods with
Those Calculated using Proposed Actuarial Assumptions and Methods*

(\$ Billions)

Fiscal Year	Before Changes**	After Changes*#	Difference#
2012	\$ 8.53	\$ 9.27	\$.74
2013	8.37	9.39	1.02
2014	8.36	9.37	1.01
2015	8.66	9.34	.68
2016	8.87	9.57	.70

* Amounts shown are estimated based on preliminary June 30, 2010 census data and on preliminary calculations using actuarial software that is being replaced, with adjustments in amounts shown After Changes to be consistent with final Fiscal Year 2012 amounts.

S. 7804

27

** Equals employer contributions for the respective Fiscal Years based upon the second prior June 30 actuarial valuations and on current actuarial assumptions and methods.

*# Equals employer contributions for the respective Fiscal Years based upon the second prior June 30 actuarial valuations and on proposed actuarial assumptions and methods.

Equals After Changes minus Before Changes.

CENSUS DATA: The census data used to determine APVB and estimated Fiscal Year 2012 employer contributions Before Changes and After Changes are the active and retired members included in the June 30, 2010 (Lag) actuarial valuations of the NYCERS.

ACTUARIAL ASSUMPTIONS AND METHODS: The actuarial assumptions and methods used to determine estimated Fiscal Year 2012 employer contributions Before Changes are generally the same as those utilized in the June 30, 2009 actuarial valuations of the NYCERS to determine Fiscal Year 2011 employer contributions.

The actuarial assumptions and methods used to determine Fiscal Year 2012 employer contributions After Changes are those proposed by the Actuary to the Boards of Trustees of each of the NYCERS during February 2012.

The actuarial assumptions used to estimate employer contributions for Fiscal Years 2013 to 2016 include projection assumptions consistent with

those used to develop estimates for the April 2011 New York City Financial Plan.

APVB and employer contribution amounts shown Before Changes are estimated based on preliminary June 30, 2010 census data and on actuarial software that is being replaced.

APVB and employer contributions After Changes used to determine Fiscal Year 2012 employer contributions are based on final June 30, 2010 census data and generally on new actuarial software.

Estimated employer contributions After Changes for Fiscal Years 2013 to 2016 are based on June 30, 2010 census data and projections of APVB adjusted to be consistent with Fiscal Year 2012 results.

ECONOMIC VALUES OF BENEFITS: The actuarial assumptions used to determine the financial impact of the proposed legislation discussed in this Fiscal Note are those appropriate for budgetary models and for determining annual employer contributions to NYCERS. However, the economic assumptions (current and proposed) that are used for determining employer contributions do not develop risk-adjusted, economic values of benefits. Such risk-adjusted, economic values of benefits would likely differ significantly from those developed by the budgetary models.

STATEMENT OF ACTUARIAL OPINION: I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

FISCAL NOTE IDENTIFICATION: This estimate is intended for use only during the 2012 Legislative Session. It is Fiscal Note 2012-15, dated June 13, 2012 prepared by the Chief Actuary for the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund and the New York City Fire Department Pension Fund.