

EXECUTIVE ORDER No. 146

April 1, 2011

CHIEF PENSION ADMINISTRATOR

WHEREAS, the City has five pension systems that offer defined benefit retirement plans to more than 350,000 City employees and 275,000 retirees or their beneficiaries: the New York City Employees' Retirement System, the Police Pension Fund, the Fire Pension Fund, the Teachers Retirement System, and the Board of Education Retirement System (collectively "the Systems"); and

WHEREAS, the Comptroller, through the Bureau of Asset Management, is the investment advisor to, and custodian of, the five system funds; and

WHEREAS, the City offers a defined contribution plan to its employees, known as the Deferred Compensation Plan (the "Plan"), which is administered by the Office of Labor Relations; and

WHEREAS, each of the Systems has a Board of Trustees to fulfill its investment and administrative functions, including making disability pension determinations, and such Trustees have a fiduciary responsibility to ensure that all disability determinations and administrative decisions are made in the best interests of their respective system and the Plan; and

WHEREAS, in addition to the Comptroller and various union leaders, the Mayor and/or members of the Administration, including the Police Commissioner, Fire Commissioner, Finance Commissioner, Chancellor of Education and members of the Panel on Educational Policy hold *ex-officio* seats on one or more System boards; and

WHEREAS, pension benefits are defined by law and paid by the Systems to retirees and their beneficiaries regardless of whether annual investment income and employee contributions are sufficient to meet these obligations – that is because the City must make contributions to cover any system shortfalls; and

WHEREAS, because of adverse market conditions, enhancements in statutory benefits, and increases in the number of disability pensions granted, the City's pension contributions to cover such shortfalls have increased dramatically in recent years; and

WHEREAS, to ensure that tax dollars for pension and non-pension related expenses are used appropriately, it is necessary that the laws, policies and processes that govern pension

determinations and administration are rational and fair both to members of the pension systems and taxpayers alike;

NOW, THEREFORE, by the power vested in me as Mayor of the City of New York, it is hereby ordered that:

Section 1. Chief Pension Administrator. There is hereby established the position of Chief Pension Administrator. The Chief Pension Administrator (“CPA”) shall:

- (a) Serve as the central coordinator and advisor to the Administration's Trustees ("Trustees"), including the Mayor, Finance Commissioner, Police Commissioner, Fire Commissioner, Schools Chancellor, or their representatives, on the five New York City Retirement System Boards of Trustees (New York City Employees' Retirement System, Police Pension Fund, Fire Department Pension Fund, Teachers Retirement System and Board of Education Retirement System), and the Deferred Compensation Plan Board, on all administrative and eligibility determinations before the Boards;
- (b) Focus on eligibility standards for disability pensions, develop initiatives working with the Mayoral representatives, other elected officials’ representatives and union trustees to bring all relevant facts to the pension boards’ attention before pensions are voted, including exploring new methods to explore the factual basis for disability pension applications and to advance the administration’s interest in ensuring that applicants for disability pensions meet the statutory standards;
- (c) Work with the Law Department and the Mayor’s legislative and labor relations teams to develop statutory and administrative reforms and implement all existing statutory remedies to ensure that proper safeguards are in place to monitor the continuing eligibility of disability pensioners;
- (d) Provide Trustees with analysis of proposed spending initiatives by the Boards and develop proposals to advance the administration’s interest in increasing operational efficiency of the City pension funds, reducing administrative costs where possible and prevent redundant system development;
- (e) Interact and communicate with senior officials associated with the governance and administration of the systems including plan staff, Actuary and Trustee representatives of Labor and City government;
- (f) Consult regularly with the Office of Management and Budget and the Corporation Counsel regarding the potential fiscal impacts and legal liabilities of matters coming before the Boards.
- (g) Coordinate activities with the Chief Investment Advisor and the Mayor’s Office of Pensions and Investments.

§ 2. Oversight. The CPA shall report to the Commissioner of Finance. CPA shall consult regularly with the Office of Management and Budget, Corporation Counsel, the Deputy Mayor for

Operations, and the Deputy Mayor for Economic Development, regarding the potential impacts and legal liabilities of disability and pension policy matters coming before the Boards, as well as any efforts to reform the City's pension systems.

§ 3. Cooperation and Assistance. All affected agencies shall cooperate and provide appropriate assistance to the CPA upon request.

§ 4. Effective Date. This Order shall take effect immediately.

Michael R. Bloomberg
Mayor