

STATE OF NEW YORK

7911

2011-2012 Regular Sessions

IN ASSEMBLY

May 23, 2011

Introduced by M. of A. ABBATE -- (at request of the State Comptroller)
-- read once and referred to the Committee on Governmental Employees

AN ACT to amend the tax law, in relation to access to the wage reporting system

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 171-a of the tax law, as added by chapter 545 of
2 the laws of 1978, is amended by adding a new subdivision 6-b to read as
3 follows:

4 (6-b) Notwithstanding any provision of law to the contrary, the
5 commissioner shall enter into a cooperative agreement with the state
6 comptroller, which agreement shall provide for the utilization of infor-
7 mation obtained pursuant to subdivision one of this section, for
8 purposes of determining the amount a retired member of a retirement
9 system or pension plan administered by the state or any of its political
10 subdivisions who returns to gainful employment has earned for the
11 purposes of sections one hundred two, two hundred eleven, two hundred
12 twelve and three hundred two of the retirement and social security law.

13 § 2. This act shall take effect immediately.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

This bill would give the state Comptroller access to the wage reporting system administered by the department of taxation and finance. This would enable the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System to verify that retirees who return to work for any public employer are earning less than the limits under Sections 102, 211, 212 and 302 of the Retirement and Social Security Law.

If this bill is enacted, there would be no additional costs. However, utilization of this information could result in the partial recovery of the pensions of any retirees who earn in excess of these limits.

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

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This estimate, dated December 17, 2010, and intended for use only during the 2011 Legislative Session, is Fiscal Note Number 2011-68 prepared by the Actuary for the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

**NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)**

BILL NUMBER: A7911

SPONSOR: Abbate

TITLE OF BILL: An act to amend the tax law, in relation to access to the wage reporting system

PURPOSE: To provide the New York State and Local Retirement System with access to the wage reporting system administered by the department of taxation and finance.

SUMMARY OF PROVISIONS: Section 1 of this bill amends Section 171-a of the Tax Law to provide the New York State and Local Retirement System with access to the wage reporting system administered by the department of taxation and finance.

Section 2 of this bill provides for an immediate effective date.

PRIOR LEGISLATIVE HISTORY: New Bill.

JUSTIFICATION: Sections 102, 211, 212 and 402 of the Retirement and Social Security Law place limits on the amount that may be earned by a retiree upon a return to public employment. The Comptroller and the New York State and Local Retirement System have a fiduciary obligation to suspend the payment of retirement benefits to retirees who re-enter the public workforce and whose salaries exceed the earnings limitations. At present, the New York State and Local Retirement System compares information with the Division of Payroll within the Office of the State Comptroller in an effort to identify retirees who have obtained employment with the state. However, no mechanism exists to carry out a similar search for retirees employed with the thousands of local public employers in the state. Access to the wage reporting system would provide such a mechanism. The Comptroller urges passage of this legislation.

BUDGET IMPLICATIONS: This bill has no significant fiscal impact.

EFFECTIVE DATE: This bill would be effective immediately after it was signed into law.
