

AN ACT in relation to directing the department of taxation and finance, department of financial services, and the department of audit and control, to conduct a study and to make recommendations regarding the optimal pension and retirement plan alternatives that may be made available to not-for-profit human services corporations in this state.

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

Section 1. The department of taxation and finance, department of financial services, and the department of audit and control shall jointly conduct a study and make recommendations regarding the optimal pension and retirement plan alternatives that may be made available to not-for-profit human services corporations in this state, that are intended to significantly improve recruitment and retention of employees. The New York State Treasurer of the division of treasury within the department of taxation and finance, shall serve as the chairperson of this study group. In conducting the study and development of recommendations, such agencies shall consult with the office of mental health, office of addiction services and supports, office for persons with developmental disabilities, office of children and family services, office of temporary and disability assistance, and the department of health. The study shall at a minimum provide the governor and the legislature with information and recommendations regarding existing or new pension and retirement options for the benefit of employees of not-for-profit human services corporations doing business in New York State.

§ 2. The agencies shall consult with statewide associations representing human services providers and organizations, and may consult with any other organization, government entity, or person in the development of the report required under section three of this act.

§3. The agencies shall submit to the governor, the temporary president of the senate and the speaker of the assembly a report containing information and recommendations, including but not limited to the following:

(a) a review of the various types of pension and retirement plan options in New York state and throughout the country, including but not limited to defined benefit plans, such as cash balance and benefit equalization plans, single employer plans, multiple employer plans, defined contribution plans, IRS Code 401(a), 401(k), and 403(b) plans, simplified employee pension plans, and other possible options;

(b) a review of the various rights, responsibilities, protections and advantages of plans that are governed by federal laws and guidelines under the Employee Retirement Income Security Act of 1974 (ERISA) and applicable provisions of the IRS code;

(c) a review of the various existing pension and retirement plans used by not-for-profit corporations in New York state and across the country;

(d) a review of the following issues and considerations in determining the optimal pension and retirement plan options, including: employer contributions, matching contributions, employee contributions, management of investments, benefit payment options and amounts of benefits paid, when benefits vest or are guaranteed, eligible participants, automatic enrollment, plan benefit reduction possibilities, notice requirements including notice to participants of underfunded plans or other critical information, survivor or beneficiary benefits upon death of participant, participant options if employment is terminated prior to retirement, responsibilities of plan fiduciaries, tax relief benefits, taxability of payment benefits, early distributions and penalties, and the risks and benefits of relevant pension and retirement plan options.

(e) a review of laws and regulations used by other states and the federal government, to regulate the marketplace;

(f) consideration of ways in which payment of certain retirement benefits can be guaranteed if the plan is terminated without sufficient funds to pay vested benefits, including through the federal Pension Benefit Guaranty Corporation;

(g) other relevant fiscal and policy considerations, including the impact of inflation and cost of living adjustments on retirement plans; and

(h) final recommendations regarding the optimal pension or retirement plans that may exist or be made available to not-for-profit human services corporations in New York state that are intended to significantly improve recruitment and retention of employees, as well as actions the state may take to develop, fund, implement, and sustain such pension or retirement plan options for such not-for-profit corporations.

§ 4. The state agencies shall deliver the report required under section three of this act to the governor and the legislature, and shall post on their public websites, no later than October 15, 2024.

§ 5. This act shall take effect immediately.