

2001-2

Chief School Administrators
College and University Presidents
School Contacts

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The Comptroller recently issued Opinion 2000-36 stating the collective bargaining of employer contributions to a tax deferred annuity program will not constitute a violation of Section 470 of the Retirement and Social Security Law.

Consequently, any employer contributions made with respect to teaching service rendered during the **2000-01 school year or later** should be reported in accordance with the following general guidelines. If you have any questions concerning the items on the revised chart below, call 1-800-356-3128 or 447-2900 (for Albany-area calls), ext. 2855 or 2857.

Type of Compensation	REPORTABLE AS:		Not Reportable
	Regular Compensation	Non-regular Compensation	
<u>ANNUITIES</u>			
Payments to 403(b)/457 bona fide salary reduction plans for all members	X		
Employer paid annuity payments Members joining after 6/30/73			X
Members joining before 7/1/73**		X	
Payments to all other variations of 457 plans for all members			X
<u>LIFE INSURANCE</u>			
PS-58 costs and taxable premiums For term insurance Members joining after 6/30/73			X
Members joining before 7/1/73		X	
Non-taxable premiums and taxable cash values for all members			X
Taxable premiums for non-term insurance Members covered by Section 470* or joining after 6/30/73			X
Members joining before 7/1/73**		X	

*Reportable compensation received by members excludes compensation restricted by law. Specifically, Section 470 of the Retirement and Social Security Law prohibits employer payments to a fund or insurer on a member's behalf that would provide them with an income in retirement. The only members not covered by Section 470 are those who have been designated as "managerial" or "confidential" under the Civil Service Law. Generally, Superintendents are the only employees that are not subject to the constraints of Section 470.

**The law prohibits these payments from being included in a final average salary calculation for all members joining on or after 6/17/71 but before 7/1/73.