



To: Chief School Administrators
College and University Presidents
District Contacts

Administrative Bulletin

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Change in Law Allows NYSTRS Participating Employers To Establish a Retirement Contribution Reserve Fund

On April 12, 2019, Governor Andrew Cuomo signed into law Chapter 59 of the Laws of 2019, which amends Section 6-r of the General Municipal Law to allow certain eligible participating employers of NYSTRS the option to establish a retirement contribution reserve sub-fund. (See Part YYY, Sections 52-g through 52-k, of Chapter 59.) The purpose of the reserve sub-fund is to permit those employers to set aside funds in one year to defray the required employer contribution payable to NYSTRS under Education Law Section 521 in another year.

The information provided here is for general reference only. The System recommends participating employers consult with their legal counsel for guidance and implementation of the law.

In general, the provisions:

- Broaden the existing statute on Retirement Contribution Reserve Funds to authorize NYSTRS eligible participating employers (i.e., public school districts and BOCES, except those in a city with a population of 125,000 or more) to establish a retirement contribution reserve sub-fund for the collection of required employer contributions for NYSTRS.
- Authorize expenditures, transfers and termination of the sub-fund by Board of Education or Trustee resolution.
- Allow eligible employers to reserve in a fiscal year an amount not to exceed 2% of the total compensation or salaries of all teachers in their employ who are members of NYSTRS for the immediately preceding fiscal year, with an overall reserve sub-fund balance cap of 10% of the same.
- Require monies set aside in the sub-fund be used to finance required contributions to NYSTRS, and/or to offset all or a portion of the amount deducted from monies apportioned through state aid.
- Require the chief fiscal officer of said employer to provide a detailed report of the operation and condition of the fund to the Board of Education or Trustees within 60 days of the end of the fiscal year.
- Maintain the mechanisms for funds to be deposited, secured and invested.
- Preserve other legal requirements set forth in General Municipal Law Section 6-r.

Refer to the full [text of the law](#) for more information.

Administrative Bulletins dating from 2005 to the present are available on our website at [NYSTRS.org](#). Select Employers and visit the Administrative Bulletins page.