Retirement Security Proposal Could Benefit 4.5 Million New Yorkers

NCPERS Applauds Efforts to Create City Program for Private Sector

New York – The National Conference on Public Employee Retirement Systems (NCPERS) lauded a New York City Council proposal that lays the groundwork for a city-sponsored retirement security program for private-sector workers, and suggested ways to add value to the proposal.

“We believe New York City is taking an important step towards addressing the retirement crisis our nation faces,” said Hank Kim, Esq., executive director and counsel of NCPERS, in testimony before the New York City Council Committee on Civil Service and Labor. The proposal, Intro 692-A, would create a Retirement Security Review Board to review options and make recommendations for establishing a fund and program to help private-sector workers accumulate retirement savings.

The review board that the bill would create should study NCPERS’ Secure Choice Pension (SCP) proposal, Kim said. “The SCP is the most rigorously tested proposal and can provide New York City the tool it needs to address the retirement crisis the city faces,” he said. Several states and municipalities are considering the SCP proposal, which envisions a public-private partnership that draws on the documented performance and efficiencies of public sector pension management, and extends it to those in the private sector.

In addition, he recommended that the city should establish an ERISA retirement plan to avoid the preemption, protection, and uniformity concerns raised by other state sponsored plans.

Kim cited an analysis commissioned by NCPERS that showed 3.9 million New Yorkers who work in the private sector lack access to an employer-sponsored retirement savings program. A further 663,000 private-sector workers do not participate in an employer’s program. “The result is that there are generations of New Yorkers moving through their working years with little or no retirement savings and will have only Social Security to rely on. This lack of retirement income will impact individuals and the communities in which they reside,” Kim said.
Int 692-A was introduced February 26 by Letitia James, New York City’s public advocate, and is now pending before the Civil Service and Labor Committee. If passed in committee, it would be sent to the full council for further hearings and debate.

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About NCPERS

The National Conference on Public Employee Retirement Systems (NCPERS) is the largest trade association for public sector pension funds, representing more than 500 funds throughout the United States and Canada. It is a unique non-profit network of public trustees, administrators, public officials and investment professionals who collectively manage more than $3 trillion in pension assets. Founded in 1941, NCPERS is the principal trade association working to promote and protect pensions by focusing on advocacy, research and education for the benefit of public sector pension stakeholders.