

RETIREMENT AND STABILIZATION SAVINGS

The New York State and Local Retirement System Contribution Stabilization Program is an optional program that establishes a graded contribution rate system. If governments elect to participate, it enables them to pay a portion of annual contributions over time, leading to smoother, more predictable pension costs.

In contrast to the normal annual retirement contribution, as the Retirement System's average rates rise, the County's annual contribution under the Stabilization Program would be less than the normal contribution, since the graded rate increase is capped at one percent. When the System's average rates begin to decline, the graded rates will decline in one percent increments. Therefore, it will be possible for the System's average rates to be lower than the graded rates. In such instances, the County will pay the graded rate. Any additional contributions will first be used to pay off existing amortizations. If all amortizations have been paid, any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

	Total Pension	\$ Change in Total	Amortization	Retirement	\$ change in
Year	Obligation	Obligation	Amount	Payment	Payment
2000	\$643,194		-	\$643,194	
2001	\$1,320,535	\$677,341	-	\$1,320,535	\$677,341
2002	\$1,347,950	\$27,415	-	\$1,347,950	\$27,415
2003	\$6,835,144	\$5,487,194	-	\$6,835,144	\$5,487,194
2004	\$13,588,613	\$6,753,469	-	\$13,588,613	\$6,753,469
2005	\$12,826,189	(\$762,424)	-	\$12,826,189	(\$762,424)
2006	\$12,426,562	(\$399,627)	-	\$12,426,562	(\$399,627)
2007	\$11,376,214	(\$1,050,348)	-	\$11,376,214	(\$1,050,348)
2008	\$11,669,562	\$293,348	-	\$11,669,562	\$293,348
2009	\$8,991,399	(\$2,678,163)	-	\$8,991,399	(\$2,678,163)
2010	\$15,162,849	\$6,171,450	-	\$15,162,849	\$6,171,450
2011	\$18,101,692	\$2,938,843	\$4,468,997	\$13,632,695	(\$1,530,154)
2012	\$22,494,064	\$2,472,581	\$7,611,788	\$14,882,276	\$1,249,581
2013	\$26,038,368	\$3,544,304	\$9,453,260	\$16,585,108	\$1,702,832
2014	\$27,014,378	\$976,010	\$7,329,977	\$19,684,401	\$3,099,293
2015	\$24,119,652	(\$2,894,726)	\$3,135,182	\$20,984,470	\$1,300,069
2016	\$24,941,092	(\$821,440)	\$2,212,804	\$22,728,288	\$1,743,818
2017 Estimate	\$22,741,865	(\$1,304,624)	\$1,117,118	\$22,741,865	\$13,577

In order to prevent a sudden increase in the 2017 Executive Budget, this budget assumes that it will be required to participate in the Contribution Stabilization Program for its 2017 pension obligation. According to recent trends, Albany County's pension obligation for 2017 will total \$22,741,865 of which only \$1,117,118 can be amortized under the original contribution stabilization program for an out of pocket expense of \$21,624,747. The 2016 bill will also contain payments totaling \$4.17 million for prior amortizations and installment payments associated with the Early Retirement Incentives offered by the County. Our 2016 estimate includes a reconciliation that decreased our liability by approximately \$1.3 million.

As can be seen in the chart above, our retirement system contributions are highly variable from year to year. Since 2009, our retirement system obligation has increased from less than \$9 million to more than \$27 million in 2014. Unfortunately, even though our yearly pension obligation based on salaries and contribution rates is declining, the full benefit of that decrease is offset by payments from past amortizations.

A9060 Hospital Medical	- Retirees	2015 Expended	2016 Adjusted	2017 Requested	2017 Proposed	2017 Adopted
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Fringe Benefits

A 9060 89060	Hospital and Medical Insurance	\$9,934,989	\$8,049,196	\$8,412,611	\$8,412,611	\$0
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Subtotal for: Fringe Benefits		\$9,934,989	\$8,049,196	\$8,412,611	\$8,412,611	\$0
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Total Appropriations		\$9,934,989	\$8,049,196	\$8,412,611	\$8,412,611	\$0
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Revenue

Total Revenue	\$0	\$0	\$0	\$0	\$0
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County Share	\$9,934,989	\$8,049,196	\$8,412,611	\$8,412,611	\$0
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