

Employee Benefits Division Policy Memorandum

Number: Policy Memo 26

Date Issued: September 12, 1989

Subject: Withdrawing Retirees from NYSHIP

PURPOSE:

To determine if a participating employer can withdraw its retirees from NYSHIP and continue coverage only for active employees.

BACKGROUND:

Subsection 73.2 (a)(3)(iv) of New York Codes, Rules and Regulations states that employers who entered NYSHIP prior to March 1, 1972 may elect not to provide retirement coverage for any employee hired on or after April 1, 1977. Subsection (v) states employers who enter NYSHIP on or after March 1, 1972, may elect not to provide retirement coverage for any employee.

Our Legal Unit has advised us that pre March 1, 1972 employers must maintain NYSHIP retirement coverage for those enrollees who were hired prior to April 1, 1977. The employer may withdraw from NYSHIP those retired enrollees who were hired after that date if not restricted from doing so by bargained agreement.

POLICY:

Permit employers who joined NYSHIP prior to March 1, 1972 to withdraw those enrollees hired on or after April 1, 1977, unless restricted from doing so by bargained agreement.

Permit employers who joined NYSHIP on or after March 1, 1972 to withdraw retirees, unless restricted from doing so by bargained agreement.