

1121--A

2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sen. MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to providing three years of retirement service credit to certain members of public retirement systems of the state honorably discharged from the military for medical reasons due to injuries suffered during certain military conflicts

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. Section 1000 of the retirement and social security law is
2 amended by adding a new subdivision 2-a to read as follows:
3 2-A. A MEMBER, UPON APPLICATION TO SUCH RETIREMENT SYSTEM, MAY OBTAIN
4 A TOTAL OF THREE YEARS OF SERVICE CREDIT FOR LESS THAN THREE YEARS OF
5 MILITARY DUTY, AS DEFINED IN SECTION TWO HUNDRED FORTY-THREE OF THE
6 MILITARY LAW, IF THE MEMBER WAS HONORABLY DISCHARGED FROM THE MILITARY
7 FOR MEDICAL REASONS DUE TO INJURIES SUFFERED DURING SUCH MILITARY DUTY,
8 IF ALL OR PART OF SUCH SERVICES WAS RENDERED IN THE MILITARY CONFLICTS
9 REFERENCED BELOW, AS FOLLOWS:
10 (A) COMMENCING DECEMBER SEVENTH, NINETEEN HUNDRED FORTY-ONE AND TERMI-
11 NATING DECEMBER THIRTY-FIRST, NINETEEN HUNDRED FORTY-SIX;
12 (B) COMMENCING JUNE TWENTY-SEVENTH, NINETEEN HUNDRED FIFTY AND TERMI-
13 NATING JANUARY THIRTY-FIRST, NINETEEN HUNDRED FIFTY-FIVE;
14 (C) COMMENCING FEBRUARY TWENTY-EIGHTH, NINETEEN HUNDRED SIXTY-ONE AND
15 TERMINATING MAY SEVENTH, NINETEEN HUNDRED SEVENTY-FIVE;
16 (D) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED
17 STATES IN LEBANON, FROM THE FIRST DAY OF JUNE, NINETEEN HUNDRED EIGHTY-
18 THREE TO THE FIRST DAY OF DECEMBER, NINETEEN HUNDRED EIGHTY-SEVEN, AS

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD00841-04-3

ESTABLISHED BY RECEIPT OF THE ARMED FORCES EXPEDITIONARY MEDAL, THE NAVY EXPEDITIONARY MEDAL, OR THE MARINE CORPS EXPEDITIONARY MEDAL;

(E) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED STATES IN GRENADA, FROM THE TWENTY-THIRD DAY OF OCTOBER, NINETEEN HUNDRED EIGHTY-THREE TO THE TWENTY-FIRST DAY OF NOVEMBER, NINETEEN HUNDRED EIGHTY-THREE, AS ESTABLISHED BY RECEIPT OF THE ARMED FORCES EXPEDITIONARY MEDAL, THE NAVY EXPEDITIONARY MEDAL, OR THE MARINE CORPS EXPEDITIONARY MEDAL;

(F) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED STATES IN PANAMA, FROM THE TWENTIETH DAY OF DECEMBER, NINETEEN HUNDRED EIGHTY-NINE TO THE THIRTY-FIRST DAY OF JANUARY, NINETEEN HUNDRED NINETY, AS ESTABLISHED BY RECEIPT OF THE ARMED FORCES EXPEDITIONARY MEDAL, THE NAVY EXPEDITIONARY MEDAL, OR THE MARINE CORPS EXPEDITIONARY MEDAL; OR

(G) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED STATES, FROM THE SECOND DAY OF AUGUST, NINETEEN HUNDRED NINETY, TO THE END OF SUCH HOSTILITIES IN CASE OF A VETERAN WHO SERVED IN THE THEATER OF OPERATIONS INCLUDING IRAQ, KUWAIT, SAUDI ARABIA, BAHRAIN, QATAR, THE UNITED ARAB EMIRATES, OMAN, THE GULF OF ADEN, THE GULF OF OMAN, THE PERSIAN GULF, THE RED SEA, AND THE AIRSPACE ABOVE THESE LOCATIONS.

S 2. Notwithstanding any other provision of law to the contrary, none of the provisions of this act shall be subject to section 25 of the retirement and social security law.

S 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 21, 1998.

FISCAL NOTE.--This bill would amend Chapter 548 of the Laws of 2000 to allow certain individuals with less than three (3) years of military duty, who were discharged from the military for medical reasons due to injuries suffered during such military duty, to purchase three (3) years of service credit for military duty. The additional service credit granted pursuant to this legislation, when added to credit granted for military service pursuant to any other provision of law shall not exceed a total of three (3) years. Members must have at least five (5) years of credit service. Tier 1-5 members would be required to make a payment of three percent of their most recent compensation per year of additional service credit granted by this bill. Tier 6 members would be required to make a payment of six percent of their most recent compensation per year of additional service credit.

If this bill is enacted, insofar as this proposal affects the New York State and Local Employees' Retirement System (ERS), it is estimated that the past service cost will average approximately 12% (9% for Tier 6) of an affected members' compensation for each year of additional service credit that is purchased.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (PFRS), it is estimated that the past service cost will average approximately 17% (14% for Tier 6) of an affected members' compensation for each year of additional service that is purchased.

The exact number of members who could be affected by this legislation cannot be readily determined. In all likelihood, very few members would be affected.

Summary of relevant resources:

ERS Costs: Pursuant to section 25 of the Retirement and Social Security Law, these per person one-time costs would be borne by the State of New York and would require an itemized appropriation by the State of New York sufficient to pay the cost of the provision. The State may amortize these per person one-time costs over a period of 5 years.

PFRS Costs: These costs would be shared by the State of New York and the participating employers in the PFRS.

Data: March 31, 2012 Actuarial Year End File with distributions of membership and other statistics displayed in the 2012 Report of the Actuary and 2012 Comprehensive Annual Financial Report.

Assumptions and Methods: 2010, 2011 and 2012 Annual Report to the Comptroller on Actuarial Assumptions, Codes Rules and Regulations of the State of New York: Audit and Control.

Market Assets and GASB Disclosures: March 31, 2012 New York State and Local Retirement System Financial Statements and Supplementary Information.

Valuations of Benefit Liabilities and Actuarial Assets: summarized in the 2012 Actuarial Valuations report.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This estimate, dated December 17, 2012 and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-15, prepared by the Actuary for the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

FISCAL NOTE.--This bill would add a new subdivision 2-a to Section 1000 of the Retirement and Social Security Law to allow members of public retirement systems of New York State to claim service credit for up to three years of military service, for less than three years of military duty, if the member was honorably discharged for medical reasons due to injuries suffered during such military duty. A member must have at least five years of credited service to be eligible. To obtain such credit, a member must make payments as required in Section 1000 of the Retirement and Social Security Law. A member who retired on or after December 21, 1998 may apply for credit pursuant to this section within one year of the effective date of this act.

It is not possible to determine the total annual cost to the employers of members of the New York State Teachers' Retirement System since the total amount of service credit which would be claimed under this bill cannot be estimated. However, the cost to the employers of members of the New York State Teachers' Retirement System is estimated to be \$21,400 per year of service credited for Tier 1 and 2 members, \$18,300 per year of service credited for Tier 3 and 4 members, \$16,600 per year of service credited for Tier 5 members, and \$10,700 per year of service credited for Tier 6 members if this bill is enacted.

The source of this estimate is Fiscal Note 2013-32 dated May 9, 2013 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2013 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.