

STATE OF NEW YORK

5593

2017-2018 Regular Sessions

IN SENATE

April 19, 2017

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to loans to members of certain retirement systems

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision i of section 517-c of the retirement and social
2 security law, as amended by chapter 511 of the laws of 2005, is amended
3 to read as follows:

4 i. Notwithstanding the provisions of section five hundred sixteen of
5 this article, whenever a member of such a retirement system, for whom a
6 loan is outstanding, retires, the retirement allowance payable without
7 optional modification shall be reduced by a life annuity which is actu-
8 arially equivalent to the amount of the outstanding loan (all outstand-
9 ing loans shall continue to accrue interest charges until retirement),
10 such life annuity being calculated utilizing the interest rate on thirty
11 year United States treasury bonds as of January first of the calendar
12 year of the effective date of retirement and the mortality tables for
13 options available under section five hundred fourteen of this article. A
14 retiree of the New York city employees' retirement system [~~or~~], board of
15 education retirement system of the city of New York, or the New York
16 state and local employees' retirement system whose benefit has been so
17 reduced may repay the outstanding balance of the loan at any time. Bene-
18 fits payable after the repayment of the loan shall not be subject to the
19 actuarial reduction required by this subdivision.

20 § 2. Subdivision i of section 613-b of the retirement and social secu-
21 rity law, as amended by chapter 511 of the laws of 2005, is amended to
22 read as follows:

23 i. Notwithstanding the provisions of subdivision b of section six
24 hundred twelve of this article, whenever a member of such a retirement
25 system, for whom a loan is outstanding, retires, the retirement allow-

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

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1 ance payable without optional modification shall be reduced by a life
2 annuity which is actuarially equivalent to the amount of the outstanding
3 loan (all outstanding loans shall continue to accrue interest charges
4 until retirement), such life annuity being calculated utilizing the
5 interest rate on thirty year United States treasury bonds as of January
6 first of the calendar year of the effective date of retirement and the
7 mortality tables for options available under section six hundred ten of
8 this article. A retiree of the New York city employees' retirement
9 system ~~[or]~~, board of education retirement system of the city of New
10 York, or the New York state and local employees' retirement system whose
11 benefit has been so reduced may repay the outstanding balance of the
12 loan at any time. Benefits payable after the repayment of the loan shall
13 not be subject to the actuarial reduction required by this subdivision.
14 § 3. This act shall take effect immediately.