

STATE OF NEW YORK

2858--A

2019-2020 Regular Sessions

IN ASSEMBLY

January 28, 2019

Introduced by M. of A. McDONALD, BICHOTTE, BRABENEC, COOK, CROUCH, GOTTFRIED, GUNTHER, JAFFEE, RIVERA, STIRPE, PICHARDO, ENGLEBRIGHT, DIPIETRO, LUPARDO, SANTABARBARA, WOERNER, THIELE, CUSICK, BYRNE, MORINELLO, BLAKE, VANEL, FAHY, FRIEND, ROZIC, BENEDETTO, RICHARDSON, MONTESANO, JOYNER, NORRIS, GLICK, WILLIAMS, ABINANTI, BRAUNSTEIN, GALEF, JONES, D'URSO, LENTOL, CYMBROWITZ, ORTIZ, BARRON, SOLAGES, LAWRENCE, McDONOUGH, MOSLEY, WALLACE, LIFTON, O'DONNELL, D. ROSENTHAL, ARROYO, PALUMBO, GIGLIO, BLANKENBUSH, GARBARINO, B. MILLER, CAHILL, DAVILA, COLTON, GOODELL, STERN, RAIA, WRIGHT, TAYLOR, SAYEGH, BYRNES, SMULLEN, RA, GRIFFIN -- Multi-Sponsored by -- M. of A. BARCLAY, BUCHWALD, CRESPO, DenDEKKER, EPSTEIN, FITZPATRICK, HAWLEY, JEAN-PIERRE, MANKTELOW, PALMESANO, SIMON, STEC, TAGUE -- read once and referred to the Committee on Governmental Employees -- 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 increasing the retiree earnings cap

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

1 Section 1. Subdivision 2 of section 212 of the retirement and social
2 security law, as amended by chapter 74 of the laws of 2006, is amended
3 to read as follows:

4 2. The earning limitations for retired persons in positions of public
5 service under this section shall be in accordance with the following
6 table:

7	For the year	Earnings limitation
8	1996	\$12,500
9	1997	\$13,500
10	1998	\$14,500
11	1999	\$15,500
12	2000	\$17,000

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

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1	2001	\$18,500
2	2002	\$20,000
3	2003	\$25,000
4	2004	\$27,500
5	2005 and 2006	\$27,500
6	2007 [and thereafter] <u>through 2019</u>	\$30,000
7	<u>2020 and thereafter</u>	<u>\$35,000</u>

8 § 2. This act shall take effect immediately.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

This bill would amend subdivision 2 of section 212 of the Retirement and Social Security Law to increase the earnings limitation for retired members in positions of public employment to \$35,000 for the calendar year 2020 and thereafter. The earnings limitation for the calendar year 2019 is \$30,000.

The annual cost to the employers of members of the New York State Teachers' Retirement System is estimated to be negligible if this bill is enacted.

Member data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's Comprehensive Annual Financial Report (CAFR). System assets are as reported in the System's financial statements, and can also be found in the CAFR. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2019-9 dated January 15, 2019 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2019 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.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

This bill will amend Section 212 of the Retirement and Social Security Law to set the amount a retired person may earn in public employment without reduction in retirement allowance during the year 2020 and thereafter to \$35,000.

If this bill is enacted during the 2019 legislative session, insofar as it would affect the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System, the resulting 16.7% increase over the current \$30,000 limit, in place since 2007, is less than the increase in the consumer price index over the same period and thus would not affect retirement patterns. Therefore, the annual cost is estimated to be negligible.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2018 actuarial valuation. Distributions and other statistics can be found in the 2018 Report of the Actuary and the 2018 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017 and 2018 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2018 New York State and Local Retirement System Financial Statements and Supplementary Information.

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

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated January 23, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-34, prepared by the Actuary for the New York State and Local Retirement System.