

STATE OF NEW YORK

8260

2019-2020 Regular Sessions

IN ASSEMBLY

June 11, 2019

Introduced by M. of A. SANTABARBARA -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the education law, the retirement and social security law and the administrative code of the city of New York, in relation to permitting members of the New York state and New York city teachers' retirement systems to claim retirement credit for certain federal teaching service

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

1 Section 1. Subdivision 2 of section 509 of the education law is
2 amended by adding a new paragraph d to read as follows:

3 d. Notwithstanding any other provision of law, a member shall be enti-
4 tled to obtain credit for up to ten years of service other than military
5 service rendered in the employ of the federal government, including
6 service in the Peace Corps, VISTA, or Head Start, which would constitute
7 service as a teacher, had it been performed within New York state for an
8 employer subject to the provisions of this article. The crediting of
9 service pursuant to this paragraph shall be in accordance with rules and
10 regulations as shall be adopted by the retirement board, provided that
11 such rules and regulations shall be substantially equivalent to the
12 rules and regulations otherwise applicable for the crediting of service
13 pursuant to this section. Provided, however, no such credit shall be
14 allowed for any service for which the person is receiving a benefit or
15 will be entitled to receive a benefit at any future time from some other
16 public or private retirement system or plan in this state, in any other
17 state or from the federal government.

18 § 2. Section 446 of the retirement and social security law is amended
19 by adding a new subdivision k to read as follows:

20 k. Notwithstanding any other provision of law, a member of a teachers'
21 retirement system subject to the provisions of this article shall be
22 entitled to obtain credit for up to ten years of service other than

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

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1 military service rendered in the employ of the federal government,
2 including service in the Peace Corps, VISTA, or Head Start, which would
3 constitute service as a teacher, had it been performed within New York
4 state for an employer subject to the provisions of this article. The
5 crediting of service pursuant to this subdivision shall be in accordance
6 with rules and regulations as shall be adopted by the retirement board
7 of such retirement system, provided that such rules and regulations
8 shall be substantially equivalent to the rules and regulations otherwise
9 applicable for the crediting of service pursuant to this section.
10 Provided, however, no such credit shall be allowed for any service for
11 which the person is receiving a benefit or will be entitled to receive a
12 benefit at any future time from some other public or private retirement
13 system or plan in this state, in any other state or from the federal
14 government.

15 § 3. Section 513 of the retirement and social security law is amended
16 by adding a new subdivision i to read as follows:

17 i. Notwithstanding any other provision of law, a member of a teachers'
18 retirement system subject to the provisions of this article shall be
19 entitled to obtain credit for up to ten years of service other than
20 military service rendered in the employ of the federal government,
21 including service in the Peace Corps, VISTA, or Head Start, which would
22 constitute service as a teacher, had it been performed within New York
23 state for an employer subject to the provisions of this article,
24 provided such member makes the payments required pursuant to the
25 provisions of section five hundred seventeen of this article. The cred-
26 iting of service pursuant to this subdivision shall be in accordance
27 with rules and regulations as shall be adopted by the retirement board
28 of such retirement system, provided that such rules and regulations
29 shall be substantially equivalent to the rules and regulations otherwise
30 applicable for the crediting of service pursuant to this section.
31 Provided, however, no such credit shall be allowed for any service for
32 which the person is receiving a benefit or will be entitled to receive a
33 benefit at any future time from some other public or private retirement
34 system or plan in this state, in any other state or from the federal
35 government.

36 § 4. Section 609 of the retirement and social security law is amended
37 by adding a new subdivision i to read as follows:

38 i. Notwithstanding any other provision of law, a member of a teachers'
39 retirement system subject to the provisions of this article shall be
40 entitled to obtain credit for up to ten years of service other than
41 military service rendered in the employ of the federal government,
42 including service in the Peace Corps, VISTA, or Head Start, which would
43 constitute service as a teacher, had it been performed within New York
44 state for an employer subject to the provisions of this article,
45 provided such member makes the payments required pursuant to the
46 provisions of section six hundred thirteen of this article and paragraph
47 two of subdivision b of this section. The crediting of service pursuant
48 to this subdivision shall be in accordance with rules and regulations as
49 shall be adopted by the retirement board of such retirement system,
50 provided that such rules and regulations shall be substantially equiv-
51 alent to the rules and regulations otherwise applicable for the credit-
52 ing of service pursuant to this section. Provided, however, no such
53 credit shall be allowed for any service for which the person is receiv-
54 ing a benefit or will be entitled to receive a benefit at any future
55 time from some other public or private retirement system or plan in this
56 state, in any other state or from the federal government.

§ 5. Subparagraph (d) of paragraph 3 of subdivision a of section 13-505 of the administrative code of the city of New York is amended to read as follows:

(d) Credit for such prior service up to a maximum of fifteen years shall be given only if application and payment therefor is made by the contributor within the first four years subsequent to membership in the New York city teachers' retirement system or before December thirty-first, [~~nineteen hundred sixty-nine~~] two thousand nineteen, whichever is later.

§ 6. Subdivision a of section 13-505 of the administrative code of the city of New York is amended by adding a new paragraph 10 to read as follows:

10. Notwithstanding any other provision of law, a member shall be entitled to obtain credit for up to ten years of service other than military service rendered in the employ of the federal government, including service in the Peace Corps, VISTA, or Head Start, which would constitute service as a teacher, had it been performed within New York state for an employer subject to the provisions of this chapter. The crediting of service pursuant to this paragraph shall be in accordance with rules and regulations as shall be adopted by the retirement board, provided that such rules and regulations shall be substantially equivalent to the rules and regulations otherwise applicable for the crediting of service pursuant to this section. Provided, however, no such credit shall be allowed for any service for which the person is receiving a benefit or will be entitled to receive a benefit at any future time from some other public or private retirement system or plan in this state, in any other state or from the federal government.

§ 7. This act shall take effect June 30, 2019.

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

This bill would amend section 509 of the Education Law and sections 446, 513, and 609 of the Retirement and Social Security Law to permit members of the New York State Teachers' Retirement System (NYSTRS) to claim service credit for up to ten years of federal teaching service (including Vista, Head Start, and the Peace Corps). Payments for such credit must be made by those members subject to Article 14 of the Retirement and Social Security Law in accordance with section 517 of such law and by those members subject to Article 15 of the Retirement and Social Security Law in accordance with section 613 and paragraph 2 of subdivision b of section 609 of such law.

It is not possible to determine the number of eligible current and future members, or the number of years of teaching service credit each such member may purchase under this bill. Therefore, it is not possible to estimate the annual increase in the employers' cost for this bill. Whatever increase in liabilities that arises for service credited under this bill would be included in the cost that would be shared and spread through the employer contribution rate.

It is estimated that the increase in liabilities for each member who purchases service credit under this bill is as follows:

Increase in liabilities
(as a percentage of the member's salary per year of service credited)

Tier	1-4	5	6
Increase in liabilities	13.6%	11.1%	10.7%
Member Contribution offset	3.0%*	3.5%	6.0%
Net cost to participating employers			

(to be shared and spread)	10.6%	7.6%	4.7%
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*Members of Tier 1 and 2 do not pay member contributions

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. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: future plan experience that differs significantly from that predicted by the actuarial assumptions, changes in the actuarial assumptions or methods, and changes in plan provisions or applicable law.

The source of this estimate is Fiscal Note 2019-27 dated May 24, 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.