

STATE OF NEW YORK

5901--A

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. GOUNARDES -- 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, the education law and the administrative code of the city of New York, in relation to providing cost-of-living adjustments

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

1 Section 1. Subdivision g of section 78-a of the retirement and social
2 security law, as added by chapter 125 of the laws of 2000, is amended to
3 read as follows:

4 g. Notwithstanding any other provision of law, effective the first day
5 of September, two thousand twenty, the surviving spouse of a deceased
6 retired member who retired under an option which provides that benefits
7 are to be continued for life to the surviving spouse after the death of
8 the retired member, shall be entitled to receive benefits pursuant to
9 this section. Said benefits shall be [~~fifty~~] one hundred percent of the
10 monthly benefits which the pensioner would be receiving pursuant to this
11 section if living, and shall commence (i) with a payment for the month
12 of September, two thousand twenty, or (ii) the month following the death
13 of the deceased retired member, whichever is later.

14 § 2. Subdivision g of section 378-a of the retirement and social secu-
15 rity law, as added by chapter 125 of the laws of 2000, is amended to
16 read as follows:

17 g. Notwithstanding any other provision of law, effective the first day
18 of September, two thousand twenty, the surviving spouse of a deceased
19 retired member who retired under an option which provides that benefits
20 are to be continued for life to the surviving spouse after the death of
21 the retired member, shall be entitled to receive benefits pursuant to
22 this section. Said benefits shall be [~~fifty~~] one hundred percent of the

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

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1 monthly benefits which the pensioner would be receiving pursuant to this
2 section if living, and shall commence (i) with a payment for the month
3 of September, two thousand twenty, or (ii) the month following the death
4 of the deceased retired member, whichever is later.

5 § 3. Subdivision g of section 532-a of the education law, as added by
6 chapter 125 of the laws of 2000, is amended to read as follows:

7 g. Notwithstanding any other provision of law, effective the first day
8 of September, two thousand twenty, the surviving spouse of a deceased
9 retired member who retired under an option which provides that benefits
10 are to be continued for life to the surviving spouse after the death of
11 the retired member, shall be entitled to receive benefits pursuant to
12 this section. Said benefits shall be [~~fifty~~] one hundred percent of the
13 monthly benefits which the pensioner would be receiving pursuant to this
14 section if living, and shall commence (i) with a payment for the month
15 of September, two thousand twenty, or (ii) the month following the death
16 of the deceased retired member, whichever is later.

17 § 4. Subdivision g of section 13-696 of the administrative code of the
18 city of New York, as added by chapter 125 of the laws of 2000, is
19 amended to read as follows:

20 g. Notwithstanding any other provision of law, effective the first day
21 of September, two thousand twenty, the surviving spouse of a deceased
22 retired member of the New York city employees' retirement system, the
23 New York city teachers' retirement system, the New York city police
24 pension fund, the New York city fire department pension fund or the New
25 York city board of education retirement system who retired under an
26 option which provides that benefits are to be continued for life to the
27 surviving spouse after the death of the member, shall be entitled to
28 receive a benefit pursuant to this section. Said benefit shall be
29 [~~fifty~~] one hundred percent of the monthly benefit which the pensioner
30 would be receiving if living, and shall commence (i) with a payment for
31 the month of September, two thousand twenty, or (ii) the month following
32 the death of the deceased retired member, whichever is later.

33 § 5. This act shall take effect immediately.

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

This bill would provide an increase in the defined benefit cost-of-living adjustment (COLA) for New York public retirement systems. Starting with a payment in September 2020, the cost of living benefit payable to a surviving spouse who is eligible for COLA will be increased from fifty percent to one hundred percent of the benefit that the pensioner would have received.

Insofar as this bill affects the New York State and Local Employees' Retirement System, pursuant to Section 25 of the Retirement and Social Security Law, the increased costs would be borne entirely by the State of New York and would require an itemized appropriation sufficient to pay the cost of the provision. If this bill were enacted, the increase in the present value of benefits would be approximately \$1.1 billion.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (PFRS), the increased costs would be shared by the State of New York and the participating employers in the PFRS. If this bill were enacted, the increase in the present value of benefits would be approximately \$110 million. The estimated first year cost would be approximately \$2.7 million to the State of New York and approximately \$11 million to the participating employers in the PFRS.

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 valu-

ation. 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 May 16, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-119, prepared by the Actuary for the New York State and Local Retirement System.