

STATE OF NEW YORK

5902--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 a 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 a. [A] Effective on the first day of September, two thousand nineteen,
5 a cost-of-living adjustment shall be payable on the basis provided for
6 in this section to: (i) all pensioners who have attained age [~~sixty-two~~]
7 fifty-five and have been retired for five years; (ii) [~~all pensioners~~
8 ~~who have attained age fifty-five and have been retired for ten years;~~
9 ~~(iii)~~] all disability pensioners regardless of age who have been retired
10 for five years; and [~~(iv)~~] (iii) all recipients of an accidental death
11 benefit regardless of age who have been receiving such benefit for five
12 years.

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

16 a. [A] Effective on the first day of September, two thousand nineteen,
17 a cost-of-living adjustment shall be payable on the basis provided for
18 in this section to: (i) all pensioners who have attained age [~~sixty-two~~]
19 fifty-five and have been retired for five years; and (ii) [~~all pension-~~
20 ~~ers who have attained age fifty-five and have been retired for ten~~
21 ~~years; and (iii)~~] all disability pensioners regardless of age who have
22 been retired for five years.

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

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

a. [A] Effective on the first day of September, two thousand nineteen, a cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age ~~[sixty-two]~~ fifty-five and have been retired for five years; (ii) ~~[all pensioners who have attained age fifty-five and have been retired for ten years;~~ (iii)] all disability pensioners regardless of age who have been retired for five years; and ~~[(iv)]~~ (iii) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 4. Subdivision a of section 13-696 of the administrative code of the city of New York, as amended by chapter 288 of the laws of 2001, is amended to read as follows:

a. [A] Effective on the first day of September, two thousand nineteen, a cost-of-living adjustment shall be payable to retired members of the New York city employees' retirement system, the New York city teachers' retirement system, the New York city police pension fund, the New York city fire department pension fund, the New York city board of education retirement system or the relief and pension fund of the department of street cleaning provided for in subchapter one of this chapter on the basis provided for in this section to: (i) all retired members who have attained age ~~[sixty-two]~~ fifty-five and have been retired for five years; (ii) ~~[all retired members who have attained age fifty-five and have been retired for ten years;~~ (iii)] all members who retired for disability regardless of age who have been retired for five years; and ~~[(iv)]~~ (iii) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 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 2019, COLA will be payable to pensioners who have attained age fifty-five and been retired at least five years.

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 \$406 million.

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 \$78 million. The estimated first year cost would be approximately \$1.9 million to the State of New York and approximately \$7.5 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 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 May 16, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-120, prepared by the Actuary for the New York State and Local Retirement System.