## STATE OF NEW YORK

5450

2023-2024 Regular Sessions

## IN ASSEMBLY

March 10, 2023

Introduced by M. of A. DeSTEFANO, BYRNES, SIMPSON, McDONOUGH, GALLAHAN, THIELE, J. A. GIGLIO, TANNOUSIS, MORINELLO, HAWLEY, PALMESANO, SMUL-LEN, BRABENEC, SMITH, DURSO, J. M. GIGLIO, ANGELINO, SILLITTI, STERN, JONES, K. BROWN -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to establishing a retirement service credit for volunteer fire or emergency service

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

Section 1. The retirement and social security law is amended by adding a new article 20-A to read as follows:

## ARTICLE 20-A

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CREDIT FOR NEW YORK STATE VOLUNTEER FIRE OR EMERGENCY SERVICE Section 1050. New York state volunteer fire or emergency service credit. § 1050. New York state volunteer fire or emergency service credit. 1. 7 For purposes of this section, the following terms shall have the following meanings:

- (a) "Public retirement system of the state" shall have the same mean-10 ing as such term is defined pursuant to subdivision twenty-three of 11 section five hundred one of this chapter.
- (b) "Member" shall mean a member of a public retirement system of the 12 13 state.
- 14 2. Notwithstanding any law to the contrary, a member shall be eliqible 15 for credit for volunteer fire or emergency service as provided pursuant 16 to this section.
- 3. A member, upon application to a public retirement system of the 18 state, may obtain one year of service credit for every five years of volunteer fire or emergency service provided in the state. A member shall be limited under this section to obtain not more than three years 21 of service credit for a total of fifteen years of volunteer fire or

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

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emergency service provided. Proof of volunteer fire or emergency service shall be certified by the volunteer agency for which such member volunteered his or her time.

- 4. A member shall have at least five years of credited service, not including service granted hereunder, to be eligible to receive credit pursuant to this section.
- 5. To obtain credit pursuant to this section, a member shall pay the appropriate retirement system, for deposit in the fund used to accumulate employer contributions, a sum equal to the product of the number of years of volunteer fire or emergency service being claimed and three percent of such member's compensation earned during the twelve months of credited service immediately preceding the date that such member made application for credit pursuant to this section. If permitted by rule or regulation of the applicable retirement system, a member may pay such member costs by payroll deduction for a period which shall not exceed the time period of volunteer fire or emergency service to be credited pursuant to this section. In the event such member leaves the employer payroll prior to completion of payment, he or she shall forward all remaining required payments to the appropriate retirement system prior to the effective date of retirement. If the full amount of such member costs is not paid to the appropriate retirement system prior to the member's retirement, the amount of service credited shall be proportional to the total amount of the payments made prior to retirement.
- 6. In no event shall the credit granted pursuant to this section, when added to credit granted for volunteer fire or emergency service with any retirement system of this state pursuant to any other provision of law, exceed a total of three years.
- 7. To be eligible to receive credit for volunteer fire or emergency service under this section, a member shall make application for such credit before the effective date of retirement.
- 8. All costs for service credited to a member pursuant to this section, other than the member costs set forth in subdivision five of this section, shall be paid by the state and all employers which participate in the retirement system in which such member is granted credit.
- 9. Notwithstanding any other provision of law, in the event of death prior to retirement, amounts paid by a member for the purchase of volunteer fire or emergency service credit pursuant to this section shall be refunded, with interest, to the extent the volunteer fire or emergency service purchased with such amounts does not produce a greater death benefit than would have been payable had such member not purchased such credit.
  - § 2. This act shall take effect immediately.

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

This bill would allow members of any New York State retirement system to purchase service credit for time rendered in volunteer fire or emergency service. A member may obtain one year of service credit for every five years of volunteer fire or emergency service, not to exceed three years of total credit. Members must have at least five years of credited service (not including volunteer service). Members would be required to make a payment of three percent of their most recent compensation per year of additional service credit granted by this bill. Service credit would be creditable on regular age-based and special service-based plans. Members may not be credited more than one year for all service obtained in a calendar year.

This bill would not be consistent with the Retirement System's policy that service credit may only be granted for service for which a salary has been paid.

Insofar as this proposal affects the New York State and Local Employees' Retirement System (NYSLERS), all costs would be shared by the State of New York and the local participating employers in the NYSLERS. If enacted during the 2023 legislative session, it is estimated that the past service cost will be 18% of an affected member's compensation for each year of service credit that is purchased.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), all costs would be shared by the State of New York and the local participating employers in the NYSLPFRS. If enacted during the 2023 legislative session, it is estimated that the past service cost will be 22% of an affected member's compensation for each year of service credit that is purchased.

Further, we anticipate additional administrative costs to implement the provisions of this legislation.

The exact number of current members as well as future members who could be affected by this legislation cannot be readily determined.

Summary of relevant resources:

Membership data as of March 31, 2022 was used in measuring the impact of the proposed change, the same data used in the April 1, 2022 actuarial valuation. Distributions and other statistics can be found in the 2022 Report of the Actuary and the 2022 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2020, 2021, and 2022 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, 2022 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 March 3, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-69, prepared by the Actuary for the New York State and Local Retirement System.