S T A T E  O F  N E W  Y O R K

5312--A

2009-2010 Regular Sessions

I N  A S S E M B L Y

February 12, 2009

Introduced by M. of A. ABBATE -- Multi-Sponsored by -- M. of A. COOK -- (at request of the New York State Teachers' Retirement System) -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law and the retirement and social security law, in relation to the post-retirement death benefit payable upon the death of a retiree of the New York state teachers' retirement system within the first three years of retirement

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 512 of the education law is amended by adding a new subdivision g to read as follows:

G. IN THE CASE OF A MEMBER OF THE SYSTEM WITH A DATE OF MEMBERSHIP PRIOR TO THE FIRST DAY OF JULY, NINETEEN HUNDRED SEVENTY-THREE WHO HAS BEEN RETIRED, THERE SHALL BE PAYABLE, IN THE EVENT THE RETIRED MEMBER DIES PRIOR TO THE COMMENCEMENT OF THE RETIRED MEMBER'S SECOND YEAR IN RETIREMENT, A DEATH BENEFIT EQUAL TO THREE TIMES THE RETIRED MEMBER'S REGULAR COMPENSATION EARNED DURING THE MEMBER'S LAST TWELVE MONTHS OF SERVICE, PROVIDED THE RETIRED MEMBER HAD DEATH BENEFIT COVERAGE IN FORCE AT THE TIME OF RETIREMENT PURSUANT TO THIS SECTION OTHER THAN SUBDIVISION E OF THIS SECTION.

S 2. Section 448 of the retirement and social security law is amended by adding a new subdivision h to read as follows:

H. ANYTHING IN PARAGRAPH TWO OF SUBDIVISION A OF THIS SECTION TO THE CONTRARY NOTWITHSTANDING, IN THE CASE OF A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, THE POST-RETIREMENT DEATH BENEFIT PROVIDED PURSUANT TO SUCH PARAGRAPH SHALL BE AS FOLLOWS: THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL CONTINUE WITHOUT REDUCTION DURING SUCH MEMBER'S FIRST YEAR OF RETIREMENT; UPON COMPLETION OF THE FIRST YEAR OF

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

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RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY FIFTY PER CENTUM; UPON COMPLETION OF THE SECOND YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY AN ADDITIONAL TWENTY-FIVE PER CENTUM. UPON COMMENCEMENT OF THE FOURTH YEAR OF RETIREMENT, THE BENEFIT SHALL BE TEN PER CENTUM OF THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT (DISREGARDING IN SUCH CASE ANY REDUCTIONS IN THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT BY REASON OF THE MEMBER HAVING ATTAINED AN AGE GREATER THAN SIXTY).

S 3. Section 508 of the retirement and social security law is amended by adding a new subdivision f to read as follows:

F. ANYTHING IN PARAGRAPH TWO OF SUBDIVISION A OF THIS SECTION TO THE CONTRARY NOTWITHSTANDING, IN THE CASE OF A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, THE POST-RETIREMENT DEATH BENEFIT PROVIDED PURSUANT TO SUCH PARAGRAPH SHALL BE AS FOLLOWS: THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL CONTINUE WITHOUT REDUCTION DURING SUCH MEMBER'S FIRST YEAR OF RETIREMENT; UPON COMPLETION OF THE FIRST YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY FIFTY PER CENTUM; UPON COMPLETION OF THE SECOND YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY AN ADDITIONAL TWENTY-FIVE PER CENTUM. UPON COMMENCEMENT OF THE FOURTH YEAR OF RETIREMENT, THE BENEFIT SHALL BE TEN PER CENTUM OF THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT (DISREGARDING IN SUCH CASE ANY REDUCTIONS IN THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT BY REASON OF THE MEMBER HAVING ATTAINED AN AGE GREATER THAN SIXTY).

S 4. Section 606 of the retirement and social security law is amended by adding a new subdivision f to read as follows:

F. ANYTHING IN PARAGRAPH TWO OF SUBDIVISION A OF THIS SECTION TO THE CONTRARY NOTWITHSTANDING, IN THE CASE OF A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, THE POST-RETIREMENT DEATH BENEFIT PROVIDED PURSUANT TO SUCH PARAGRAPH SHALL BE AS FOLLOWS: THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL CONTINUE WITHOUT REDUCTION DURING SUCH MEMBER'S FIRST YEAR OF RETIREMENT; UPON COMPLETION OF THE FIRST YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY FIFTY PER CENTUM; UPON COMPLETION OF THE SECOND YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY AN ADDITIONAL TWENTY-FIVE PER CENTUM. UPON COMMENCEMENT OF THE FOURTH YEAR OF RETIREMENT, THE BENEFIT SHALL BE TEN PER CENTUM OF THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT (DISREGARDING IN SUCH CASE ANY REDUCTIONS IN THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT BY REASON OF THE MEMBER HAVING ATTAINED AN AGE GREATER THAN SIXTY).

S 5. This act shall take effect June 30, 2010, except that if this act shall have become a law after June 30, 2010, this act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 30, 2010.

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

This bill would add a new subdivision g to section five hundred twelve of the Education Law in order to provide a post-retirement death benefit for Tier 1 members in their first year of retirement. This benefit would equal three times the retired member's regular compensation earned during the last twelve months of service. Additionally, this bill would add a new subdivision h to section four hundred forty-eight and a new subdivision f to sections five hundred eight and six hundred six of the Retirement and Social Security Law in order to modify the current post-retirement death benefit for Tiers 2, 3 and 4 members. The post-retirement death benefit would equal 100% of the benefit in force at retirement if death occurs in the first year of retirement, 50% of the benefit

in force at retirement if death occurs in the second year of retirement, 25% of the benefit in force at retirement if death occurs in the third year of retirement, and 10% of the benefit in force at retirement, without regard to reductions for ages greater than 60, if death occurs in the fourth or later year of retirement. This benefit is also effective for currently retired members who die on or after June 30, 2010.

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $18.1 million or .12% of payroll if this bill is enacted.

The source of this estimate is Fiscal Note 2010-2 dated October 13, 2009 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2010 Legislative Session.