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

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2009-2010 Regular Sessions

I N A S S E M B L Y

March 6, 2009

Introduced by M. of A. MAGNARELLI, GUNTHER, GABRYSZAK, JAFFEE, NOLAN, PHEFFER, ZEBROWSKI, COLTON, PERRY, DelMONTE, WEISENBERG, KOON, BENEDETTO, SCHROEDER, CHRISTENSEN, ORTIZ, PAULIN, CAHILL, WRIGHT, MILLMAN, MAISEL, ESPAILLAT -- Multi-Sponsored by -- M. of A. BOYLAND, BROOK-KRASNY, CLARK, DESTITO, DIAZ, GOTTFRIED, HOOPER, HYER-SPENCER, JEFFRIES, JOHN, MAGEE, MAYERSOHN, McENENY, REILLY, SWEENEY, TITONE, TOWNS -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to providing credit to members of public retirement systems of the state for certain military service

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

Section 1. Paragraph (d) of subdivision 2 of section 1000 of the retirement and social security law, as added by chapter 548 of the laws of 2000, is amended to read as follows:

(d) hostilities participated in by the military forces of the United States, from the second day of August, nineteen hundred ninety, to the end of such hostilities in case of a veteran who served in the theater of operations including Iraq, Kuwait, Saudi Arabia, AFGHANISTAN, Bahrain, Qatar, the United Arab Emirates, Oman, the Gulf of Aden, the Gulf of Oman, the Persian Gulf, the Red Sea, and the airspace above these locations.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 21, 1998.

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

This bill would extend the benefits of Chapter 548, Laws of 2000 to members of public retirement systems in New York State who rendered military service during the period of conflict in Afghanistan and were assigned to the theater of operations. However, the total service credit granted for any military service shall not exceed three (3) years.

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

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Members must have at least five years of credited service (not including military service). Retirees must have retired on or after December 21, 1998. Members and retirees 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.

If this bill is enacted, insofar as this proposal affects the New York State and Local Employees' Retirement System (ERS), there would be an estimated past service cost which would exceed 10 percent of each member's salary for each year of additional service credit that is purchased. For members who retired on or after December 21, 1998 there would be additional costs for payments which will be paid retroactive to their date of retirement.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (PFRS), the cost per person would vary greatly. If a member purchases this additional service credit to enable immediate retirement, the cost would exceed 30% of the member's salary for each year of additional service credit that is purchased. For a member on a retirement plan which is capped after reaching a certain number of years of service credit, there would be no benefit from this additional service credit if they will or already have reached the cap without this service credit. For members who retired on or after December 21, 1998 there would be additional costs for payments which will be paid retroactive to their date of retirement.

If less than 200 of the active membership and post 12/21/1998 retirees have such military service and will benefit by purchasing the service credit, there will be estimated increases in annual contributions of less than $250,000 to employers in the ERS and less than $100,000 to employers in the PFRS.

In addition to the above costs, there would be additional costs for future members of the Retirement System's who have such military service.

This estimate, dated December 1, 2008 and intended for use only during the 2009 Legislative Session, is Fiscal Note NO. 2009-66, prepared by the Actuary for the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

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

This bill would amend subdivision 2 of section 1000 of the Retirement and Social Security Law to include Afghanistan in the list of theaters of operations in which a member of a public retirement system of New York State may claim retirement credit. A member may claim retirement credit for up to three years of military service performed during hostilities participated in by the military forces of the United States, from the second day of August, nineteen hundred ninety, to the end of such hostilities. A member must have at least five years of credited service to be eligible and make application for such credit before the effective date of retirement. To obtain such credit, the member shall deposit in the pension accumulation fund a sum equal to the product of the period of military service being claimed and three percent of his or her current annual full-time rate of compensation. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 21, 1998.

It is not possible to determine the total annual cost to the employers of members of the New York State Teacher's Retirement System since the total amount of service credit which would be claimed under this bill cannot be estimated. However, the cost to the employers of members of

the New York State Teachers' Retirement System is estimated to be $16,400 per year of service credited if this bill is enacted.

The source of this estimate is Fiscal Note 2009-22 dated March 2, 2009 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2009 Legislative Session.