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

7780--A

2009-2010 Regular Sessions

I N A S S E M B L Y

April 23, 2009

Introduced by M. of A. TOWNS, ESPAILLAT, WALKER, COOK, EDDINGTON, McDONOUGH, ERRIGO -- Multi-Sponsored by -- M. of A. PHEFFER, TOWNSEND -- read once and referred to the Committee on Governmental Employees -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to extending certain benefits to members who rendered service during periods of conflict

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

Section 1. 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:

2. A member, upon application to such retirement system, may obtain a total not to exceed three years of service credit for up to three years of military duty, as defined in section two hundred forty-three of the military law, if honorably discharged therefrom, if all or part of such services was rendered [in] DURING the military [conflicts] CONFLICT PERIODS referenced below, as follows:

(a) THE PERIOD OF hostilities participated in by the military forces of the United States in Lebanon, from the first day of June, nineteen hundred eighty-three to the first day of December, nineteen hundred eighty-seven[, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal];

(b) THE PERIOD OF hostilities participated in by the military forces of the United States in Grenada, from the twenty-third day of October, nineteen hundred eighty-three to the twenty-first day of November, nineteen hundred eighty-three[, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal];

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

LBD10244-03-9

(c) THE PERIOD OF hostilities participated in by the military forces of the United States in Panama, from the twentieth day of December, nineteen hundred eighty-nine to the thirty-first day of January, nineteen hundred ninety[, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal]; or

(d) THE PERIOD OF hostilities participated in by the military forces of the United States, IN IRAQ, KUWAIT, SAUDI ARABIA, BAHRAIN, QATAR, THE UNITED ARAB EMIRATES, OMAN, THE GULF OF ADEN, THE GULF OF OMAN, THE PERSIAN GULF, OR THE RED SEA, AND THE AIRSPACE ABOVE THESE LOCATIONS, 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, 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 and retirees of public retirement systems in New York State who rendered military service during the periods of conflict in Lebanon, Grenada, Panama and the Persian Gulf, but who were not assigned to the theatres of operations. However, the total service credit granted for any military service shall not exceed three (3) years. Members must have at least five years of credited service (not including military service). Retirees must have retired on or after December 21, 1998. The recalculated annual allowance will be retroactive to the date of retirement. 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 members' salary for each year of additional service credit that is purchased.

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.

If less than 2,500 members and post 12/21/1998 retirees have such military service and will benefit by purchasing the service credit, there will be an estimated first year cost of approximately $1.9 million to the State of New York, $2.4 million to participating employers in the New York State and Local Employees' Retirement System and $.9 million to the participating employers in the New York State and Local Police and Fire Retirement System.

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 April 16, 2009 and intended for use only during the 2009 Legislative Session, is Fiscal Note No. 2009-181, 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 permit members of public retirement systems of New York State to claim retirement credit for up to three years of military service performed during specified periods of conflict in Lebanon, Grenada, Panama, and the Persian Gulf, regardless of whether of not an expeditionary medal was received, or the member served in the theater of operations. 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. A member who retired on or after December 21, 1998 and before the effective date of this act may apply for credit pursuant to this section within one year of the effective date of this act.

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $8.7 million or .06% of payroll if this bill is enacted.

The source of this estimate is Fiscal Note 2009-76 dated June 9, 2009 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2009 Legislative Session.