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

2310

2009-2010 Regular Sessions

I N S E N A T E

February 17, 2009

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to date of membership in public retirement systems

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

Section 1. Paragraph 1 of subdivision b of section 803 of the retirement and social security law, as added by chapter 437 of the laws of 1993, is amended to read as follows:

(1) the member files a written request for retroactive membership in a public retirement system with the member's current retirement system [within three years of the effective date of this article] ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND TEN, or within two years of the enactment of a local law by the city of New York for a member who: (i) is an employee of the city of New York; or (ii) is not an employee of the city of New York, but has prior employment with such city, which without the transfer and crediting provisions of this article would render him or her ineligible for retroactive membership under the provisions of this section;

S 2. Paragraph 2 of subdivision e of section 803 of the retirement and social security law, as added by chapter 683 of the laws of 1995, is amended to read as follows:

(2) In the case of an individual who [on March thirty-first, nineteen hundred ninety-three was a member of any public retirement system and who, on such date] IS ELIGIBLE TO APPLY FOR RETROACTIVE MEMBERSHIP PURSUANT TO THIS SECTION AND WHO, ON SUCH DATE OF APPLICATION, was employed by an employer other than the employer which employed such member at the time he or she was first eligible to join a public retirement system, costs to such original employer shall not exceed a percentage of the total cost but not greater than one hundred percent of such cost; (a) such percentage to be determined in the case of the New York

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

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state and local employees' retirement system and the New York state and local police and fire retirement system by dividing the greater of the amounts calculated under [subparagraph] CLAUSE (i) or (ii) of this [paragraph] SUBPARAGRAPH by the salary used for calculating costs under paragraph one of this subdivision: (i) the annual compensation such member would have earned during the salary period used for calculating costs under this subdivision had such member remained in the original position, as determined by applying annual increases of seven percent from the time of such original twelve month period to the amount of annual compensation such member was actually paid by such employer during the first twelve months of employment or (ii) the amount determined by applying annual increases of seven percent to the amount an individual employed on a full-time basis at the then applicable state minimum wage would have earned during such twelve month period; (b) such percentage in the case of the New York state teachers' retirement system to be determined by dividing by the member's annualized salary in the year in which the cost under paragraph one of this subdivision is determined, by the following: the member's annualized salary in the plan year in which the member was first eligible to join a public retirement system increased by seven percent per year for each year from the plan year in which the member was first eligible to join a public retirement system to the plan year in which such cost is determined.

S 3. Subdivision a of section 806 of the retirement and social security law, as added by chapter 437 of the laws of 1993, is amended to read as follows:

a. A person who was not a member of a public retirement system as of [March thirty-first, nineteen hundred ninety-three] DECEMBER THIRTY-FIRST, NINETEEN HUNDRED NINETY-FIVE shall be ineligible for the benefits provided by sections eight hundred one and eight hundred three of this article.

S 4. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 30, 2009.

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

This bill would amend Article 18 of the Retirement and Social Security Law by extending the filing deadline to December 31, 2010 in Section 803 of the Retirement and Social Security Law and by also extending the date of membership used for inclusion for Section 803 to December 31, 1995.

Insofar as this bill would affect employers in the New York State and Local Employees' Retirement System (ERS) or the New York State and Local Police and Fire Retirement System (PFRS), extending the Section 803 filing deadline and the date of membership restriction would allow additional members to receive service credit and/or retroactive membership. The average cost of an 803 case is approximately $12,000. Of this amount, on average, approximately 80% would be payable by the employee's original employer and the remainder would be shared by the State of New York State and all of the participating employers in the ERS or the PFRS pursuant to Chapter 606 of the Laws of 1997.

This estimate, dated December 1, 2008 and intended for use only during the 2009 Legislative Session, is Fiscal Note No. 2009-67, prepared by the Actuary for the New York State and Local Employees' Retirement System.