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

2437--A

2009-2010 Regular Sessions

I N A S S E M B L Y

January 15, 2009

Introduced by M. of A. ABBATE, REILLY, COLTON, SCHROEDER -- Multi-Sponsored by -- M. of A. COOK, PHEFFER -- 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 retirement benefits

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

Section 1. Subdivision b of section 604 of the retirement and social security law, as amended by chapter 266 of the laws of 1998, is amended to read as follows:

b. The service retirement benefit at normal retirement age for a member with twenty years or more of credited service shall be a retirement allowance equal to one-fiftieth of final average salary times years of credited service [not in excess of thirty years.

Credited service in excess of thirty years shall provide an additional retirement allowance equal to three-two hundredths of the final average salary for each year of credited service in excess of thirty years].

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 30, 2009; provided that subdivision b of section 604 of the retirement and social security law amended by section one of this act shall expire on the same date as such section expires pursuant to section 615 of such law.

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

This bill would amend Article 15 of the Retirement and Social Security Law to provide that members who retire after the completion of more than thirty (30) years of service would receive an allowance based on two (2) percent of final average salary for each year of service. This bill shall be deemed in effect on and after June 30, 2009.

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

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Insofar as this bill would affect the New York State and Local Employees' Retirement System, if it is enacted, we anticipate that there would be estimated additional annual costs of approximately $48 million to the State of New York and $67 million to the participating employers in the New York State and Local Employees' Retirement System.

This estimate, dated December 1, 2008 and intended for use only during the 2009 Legislative Session, is Fiscal Note No. 2009-57, prepared by the Actuary for the New York State and Local Employees' Retirement System.

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

This bill would amend subdivision b of section 604 of the Retirement and Social Security Law to modify the current benefit formula by replacing the 1.5% pension factor for years of service credit in excess of 30 with a 2.0% pension factor. This formula is applicable to Tier 3 and Tier 4 members of the New York State Teachers' Retirement System.

The annual cost to the employer of members of the New York State Teachers' Retirement System for this benefit is estimated to be $80.1 million or 0.54% of payroll if this bill is enacted.

The source of this estimate is Fiscal Note 2009-28 dated March 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.