STATE OF NEW YORK

8662

2009-2010 Regular Sessions

IN ASSEMBLY

June 2, 2009

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to permitting a beneficiary of death benefits under this section to receive the lump sum death benefit as it was at the time of death and to designate a beneficiary of such annuity payments

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

Section 1. Section 448 of the retirement and social security law is amended by adding a new subdivision h to read as follows:

H. A MEMBER, OR AFTER HIS OR HER DEATH, THE PERSON NOMINATED BY HIM OR HER TO RECEIVE BENEFITS UNDER THIS SECTION, MAY ELECT TO RECEIVE THE ACTUARIAL EQUIVALENT OF THE ANNUITY SPECIFIED IN SUBDIVISION G OF THIS SECTION IN THE FORM OF A REDUCED ANNUITY, PAYABLE FOR LIFE, WITH THE FURTHER PROVISION THAT IF THE PERSON SO NOMINATED SHOULD DIE BEFORE THE ANNUITY PAYMENTS RECEIVED BY HIM OR HER ARE EQUAL TO THE LUMP SUM DEATH BENEFIT AS IT WAS AT THE TIME OF DEATH, WITH THE BALANCE THEREOF PAID IN A LUMP SUM TO SUCH BENEFICIARY'S ESTATE OR TO SUCH PERSON AS SUCH MEMBER OR HIS OR HER NOMINEE SHALL HAVE DESIGNATED PRIOR TO HIS OR HER DEATH. SUCH ELECTION SHALL BE MADE PRIOR TO OR WITHIN NINETY DAYS AFTER THE DEATH OF THE MEMBER. SUCH DESIGNATION OF A BENEFICIARY TO RECEIVE SUCH LUMP SUM MAY BE MADE OR CHANGED AT ANY TIME BY THE PERSON WHO MADE IT. SUCH ELECTION, DESIGNATION OR CHANGE SHALL BE MADE BY A WRITING DULY EXECUTED AND FILED WITH THE COMPTROLLER. IF THE PERSON NOMINATED TO RECEIVE SUCH LUMP SUM DOES NOT SURVIVE THE MEMBER'S BENEFICIARY, SUCH LUMP SUM, IF ANY SHALL BE PAYABLE TO THE ESTATE OF THE MEMBER'S BENEFICIARY OR AS PROVIDED IN SECTION ONE THOUSAND THREE HUNDRED TEN OF THE SURROGATE'S COURT PROCEDURE ACT.

S 2. This act shall take effect immediately.

FISCAL NOTE.--This bill would allow the designated beneficiary of a Tier 2 member of a public retirement system who has elected to receive

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

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the ordinary death benefit as an annuity to elect a reduced annuity with the provision that if the beneficiary should die before the annuity payments received equal the original amount of the death benefit, the remaining balance thereof shall be paid in a lump sum to a beneficiary so nominated. The beneficiary to receive such remaining balance may be changed at any time by the designated beneficiary.

Insofar as this bill would affect the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System, if this bill is enacted, there would not be any cost to the Systems.

This estimate, dated May 27, 2009, and intended for use only during the 2009 Legislative Session, is Fiscal Note No. 2009-256, 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.