

4314

2009-2010 Regular Sessions

I N   S E N A T E

April 21, 2009

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Introduced by Sen. NOZZOLIO -- 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 providing credit to members of public retirement systems of the state for military service rendered during periods of military conflict

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

1     Section 1. Paragraphs (a), (b) and (c) of subdivision 2 and subdivi-  
2     sion 6 of section 1000 of the retirement and social security law, as  
3     added by chapter 548 of the laws of 2000, are amended to read as  
4     follows:  
5     (a) hostilities participated in by the military forces of the United  
6     States in Lebanon, from the first day of June, nineteen hundred eighty-  
7     three to the first day of December, nineteen hundred eighty-seven[, as  
8     established by receipt of the armed forces expeditionary medal, the navy  
9     expeditionary medal, or the marine corps expeditionary medal];  
10    (b) hostilities participated in by the military forces of the United  
11    States in Grenada, from the twenty-third day of October, nineteen  
12    hundred eighty-three to the twenty-first day of November, nineteen  
13    hundred eighty-three[, as established by receipt of the armed forces  
14    expeditionary medal, the navy expeditionary medal, or the marine corps  
15    expeditionary medal];  
16    (c) hostilities participated in by the military forces of the United  
17    States in Panama, from the twentieth day of December, nineteen hundred  
18    eighty-nine to the thirty-first day of January, nineteen hundred nine-  
19    ty[, as established by receipt of the armed forces expeditionary medal,  
20    the navy expeditionary medal, or the marine corps expeditionary medal];  
21    or  
22    6. To be eligible to receive credit for military service under this  
23    section, a member must make application for such credit before the  
24    effective date of retirement. [Notwithstanding the foregoing provisions

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

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1 of this subdivision, an individual who retired on or after December  
2 twenty-first, nineteen hundred ninety-eight and before the effective  
3 date of this section may make application for credit pursuant to this  
4 section within one year following the effective date of this section, in  
5 which event, the cost to the retiree would be based on the twelve month  
6 period immediately preceding retirement.] ANY RETIRED MEMBERS SEEKING TO  
7 RECEIVE CREDIT FOR MILITARY SERVICE UNDER THIS SECTION MUST MAKE APPLI-  
8 CATION FOR SUCH CREDIT WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THE  
9 CHAPTER OF THE LAWS OF TWO THOUSAND NINE WHICH AMENDED THIS SUBDIVISION.  
10 S 2. This act shall take effect immediately.

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 in Lebanon from 6/1/83-12/1/87, Grenada from 10/23/83-11/21/83 or Panama from 12/20/89-1/31/90 who did not receive an expeditionary medal. 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 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. Retirees will receive this additional service credit at no charge.

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 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 April 21, 2009 and intended for use only during the 2009 Legislative Session, is Fiscal Note No. 2009-220, 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.