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

5086--A

2011-2012 Regular Sessions

I N A S S E M B L Y

February 11, 2011

Introduced by M. of A. ABBATE, COLTON -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- 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 and the opening paragraph as amended by section 8-b of part B of chapter 504 of the laws of 2009, 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, or with twenty-five or more years credited service for a member who first joins the New York state teachers' retirement system on or after January first, two thousand ten, 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, 2012.

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 replace the current benefit of 1.5% of final average salary for each year of service credit in excess of thirty (30) years with a 2.0% benefit. This benefit would apply to all Tier 3, Tier

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

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4 and Tier 5 members except for state correction officers. This bill shall be deemed in effect on and after June 30, 2012.

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 $64 million to the State of New York and $91 million to the participating employers in the New York State and Local Employees' Retirement System.

Summary of relevant resources:

Data: March 31, 2011 Actuarial Year End File with distributions of membership and other statistics displayed in the 2011 Report of the Actuary and 2011 Comprehensive Annual Financial Report.

Assumptions and Methods: 2010 and 2011 Annual Report to the Comptroller on Actuarial Assumptions, Codes Rules and Regulations of the State of New York: Audit and Control.

Market Assets and GASB Disclosures: March 31, 2011 New York State and Local Retirement System Financial Statements and Supplementary Information.

Valuations of Benefit Liabilities and Actuarial Assets: summarized in the 2011 Actuarial Valuations report.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This estimate, dated December 13, 2011, and intended for use only during the 2012 Legislative Session, is Fiscal Note No. 2012-30, prepared by the Actuary for the New York State and Local Employees' Retirement System.