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

5514--A

2011-2012 Regular Sessions

I N A S S E M B L Y

February 22, 2011

Introduced by M. of A. ABBATE -- (at request of the New York State Teachers' Retirement System) -- 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 the post-retirement death benefit payable upon the death of a retiree of the New York state teachers' retirement system within the first three years of retirement

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. ANYTHING IN PARAGRAPH TWO OF SUBDIVISION A OF THIS SECTION TO THE CONTRARY NOTWITHSTANDING, IN THE CASE OF A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, THE POST-RETIREMENT DEATH BENEFIT PROVIDED PURSUANT TO SUCH PARAGRAPH SHALL BE AS FOLLOWS: THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL CONTINUE WITHOUT REDUCTION DURING SUCH MEMBER'S FIRST YEAR OF RETIREMENT; UPON COMPLETION OF THE FIRST YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY FIFTY PER CENTUM; UPON COMPLETION OF THE SECOND YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY AN ADDITIONAL TWENTY-FIVE PER CENTUM. UPON COMMENCEMENT OF THE FOURTH YEAR OF RETIREMENT, THE BENEFIT SHALL BE TEN PER CENTUM OF THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT (DISREGARDING IN SUCH CASE ANY REDUCTIONS IN THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT BY REASON OF THE MEMBER HAVING ATTAINED AN AGE GREATER THAN SIXTY).

S 2. Section 508 of the retirement and social security law is amended by adding a new subdivision g to read as follows:

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

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G. ANYTHING IN PARAGRAPH TWO OF SUBDIVISION A OF THIS SECTION TO THE CONTRARY NOTWITHSTANDING, IN THE CASE OF A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, THE POST-RETIREMENT DEATH BENEFIT PROVIDED PURSUANT TO SUCH PARAGRAPH SHALL BE AS FOLLOWS: THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL CONTINUE WITHOUT REDUCTION DURING SUCH MEMBER'S FIRST YEAR OF RETIREMENT; UPON COMPLETION OF THE FIRST YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY FIFTY PER CENTUM; UPON COMPLETION OF THE SECOND YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY AN ADDITIONAL TWENTY-FIVE PER CENTUM. UPON COMMENCEMENT OF THE FOURTH YEAR OF RETIREMENT, THE BENEFIT SHALL BE TEN PER CENTUM OF THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT (DISREGARDING IN SUCH CASE ANY REDUCTIONS IN THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT BY REASON OF THE MEMBER HAVING ATTAINED AN AGE GREATER THAN SIXTY).

S 3. Section 606 of the retirement and social security law is amended by adding a new subdivision f to read as follows:

F. ANYTHING IN PARAGRAPH TWO OF SUBDIVISION A OF THIS SECTION TO THE CONTRARY NOTWITHSTANDING, IN THE CASE OF A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, THE POST-RETIREMENT DEATH BENEFIT PROVIDED PURSUANT TO SUCH PARAGRAPH SHALL BE AS FOLLOWS: THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL CONTINUE WITHOUT REDUCTION DURING SUCH MEMBER'S FIRST YEAR OF RETIREMENT; UPON COMPLETION OF THE FIRST YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY FIFTY PER CENTUM; UPON COMPLETION OF THE SECOND YEAR OF RETIREMENT, THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT SHALL BE REDUCED BY AN ADDITIONAL TWENTY-FIVE PER CENTUM. UPON COMMENCEMENT OF THE FOURTH YEAR OF RETIREMENT, THE BENEFIT SHALL BE TEN PER CENTUM OF THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT (DISREGARDING IN SUCH CASE ANY REDUCTIONS IN THE BENEFIT IN FORCE AT THE TIME OF RETIREMENT BY REASON OF THE MEMBER HAVING ATTAINED AN AGE GREATER THAN SIXTY).

S 4. This act shall take effect June 30, 2012, except that if this act shall have become a law after June 30, 2012, 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 add a new subdivision h to section four hundred forty-eight, a new subdivision g to section five hundred eight, and a new subdivision f to section six hundred six of the Retirement and Social Security Law in order to modify the current post-retirement death benefit for Tiers 2, 3, 4 and 5 members. The post-retirement death benefit would equal 100% of the benefit in force at retirement if death occurs in the first year of retirement, 50% of the benefit in force at retirement if death occurs in the second year of retirement, 25% of the benefit in force at retirement if death occurs in the third year of retirement, and 10% of the benefit in force at retirement, without regard to reductions for ages greater than 60, if death occurs in the fourth or later year of retirement. This benefit is also effective for currently retired members who die on or after June 30, 2012.

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $18.0 million or .12% of payroll if this bill is enacted.

The source of this estimate is Fiscal Note 2012-2 dated October 3, 2011 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2012 Legislative Session.