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

S. 6735 A. 9558

S E N A T E - A S S E M B L Y

March 15, 2012

IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the retirement and social security law, the education law and the administrative code of the city of New York, in relation to persons joining the New York state and local employees' retirement system, the New York state and local police and fire retirement system, the New York state teachers' retirement system, the New York city employees' retirement system, the New York city teachers' retirement system, the New York city board of education retirement system, the New York city police pension fund, or the New York city fire pension fund on or after April 1, 2012; to amend the executive law, in relation to action by the people for illegal receipt or disposition of public funds or other property; and to amend the retirement and social security law, in relation to benefit enhancements

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

Section 1. Legislative findings and intent. The legislature finds that the state's current pension system is financially unsustainable resulting in fiscal instability for the state, local governments and school districts. Most alarmingly, the dramatic growth in pension costs has resulted in a greater stress on the already overburdened taxpayer.

Moreover, there is a significant state interest to reform the city of New York's pension system. Rapid and unsustainable growth of the city of New York's pension costs has a deleterious effect on the city, but as importantly, on the financial security of the entire state. As the financial capital of the world, the entire state relies heavily on the fiscal stability and growth of the city of New York. The ever-increasing and dramatic increases in pension costs in the city of New York, however, are destabilizing the fiscal and economic stability of the city of New York and therefore the state. Thus, rapidly growing New York city

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

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pension costs are of substantial state concern and must be remedied immediately.

It is incumbent on the state to implement common sense long-term structural reform of the current pension system for future employees. These reforms will not only protect the benefits of the public employees, but will provide financial stability to the state government, local governments and school districts and taxpayers across this state.

S 1-a. Paragraph 1 of subdivision j of section 41 of the retirement and social security law, as amended by chapter 397 of the laws of 2009, is amended to read as follows:

1. In addition to any other service credit to which he or she is entitled, a member who meets the requirements set forth in paragraphs two and three of this subdivision shall be granted one day of additional service credit for each day of accumulated unused sick leave which he or she has at time of retirement for service, but such credit shall not (a) exceed one hundred sixty-five days, (b) be considered in meeting any service or age requirements prescribed in this chapter, and (c) be considered in computing final average salary. However, for an executive branch member designated managerial or confidential pursuant to article fourteen of the civil service law or in the collective negotiating units established by article fourteen of the civil service law designated the professional, scientific and technical services unit, the rent regulation services negotiating unit, the security services negotiating unit, the security supervisors negotiating unit, the state university professional services negotiating unit, the administrative services negotiating unit, the institutional services negotiating unit, the operational services negotiating unit and the division of military and naval affairs negotiating unit such service credit limitation provided in subparagraph (a) of this paragraph shall not exceed two hundred days. For a nonjudicial officer or employee of the unified court system not in a collective negotiating unit or in a collective negotiating unit specified in section one of chapter two hundred three of the laws of two thousand four, for employees of the New York state dormitory authority, for employees of the New York state thruway authority, the New York state canal corporation and the state university construction fund and for employees of the New York liquidation bureau such service credit limitation provided in subparagraph (a) of this paragraph shall not exceed two hundred days. FOR MEMBERS WHO FIRST BECOME MEMBERS OF A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, SUCH CREDIT SHALL NOT EXCEED ONE HUNDRED DAYS.

S 2. Subdivisions a and b of section 376 of the retirement and social security law, subdivision a as amended by chapter 389 of the laws of 1998 and subdivision b as amended by chapter 371 of the laws of 1969, are amended to read as follows:

a. A member who discontinues service other than by death or retirement:

1. who has credit for at least five years of total service, or

2. who has credit for at least five years of total service, including a minimum of five years of member service during which the member contributed to the system and/or participated in an increased-take-home-pay or non-contributory plan, and who does not withdraw his or her accumulated contributions, shall be entitled to make application pursuant to section three hundred seventy of this article for a vested retirement allowance to be effective on or after the first day of the month following his or her attainment of sixty years of age, OR SIXTY-THREE YEARS OF AGE FOR A MEMBER WHO FIRST BECOMES A MEMBER OF THE NEW YORK STATE AND

LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE. The retirement allowance provided by this section shall vest automatically upon such discontinuance of service by such member.

3. In the case of such a member who discontinues service other than by death or retirement after March thirty-first, nineteen hundred sixty-six, who had been contributing toward and/or participating in an increased-take-home-pay or non-contributory plan for retirement on a basis other than retirement at age sixty for five years preceding his or her discontinuance of service, he or she shall be entitled to make application for a vested retirement allowance to be effective on or after the first day of the month following his or her attainment of fifty-five years of age, OR SIXTY-THREE YEARS OF AGE FOR A MEMBER WHO FIRST BECOMES A MEMBER OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

b. The vested retirement allowance shall be computed and paid in accordance with the provisions of the plan of which the member had been a participant provided, however, that if the service fraction used to compute the retirement allowance or the pension provides a benefit greater than that which would have been provided had the service fraction one-sixtieth been used to compute the benefit, the service fraction one-sixtieth shall be used to compute the vested retirement allowance unless such plan shall specify another fraction to be used to compute the vested retirement allowance. The vested retirement allowance shall not be paid before the member attains age fifty-five, OR SIXTY-THREE YEARS OF AGE FOR A MEMBER WHO FIRST BECOMES A MEMBER OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

S 3. Subdivision e of section 440 of the retirement and social security law, as added by chapter 285 of the laws of 1997, is amended to read as follows:

e. Notwithstanding any other provision of law to the contrary, the provisions and limitations of this article shall apply, as may be appropriate, to all investigator members of the New York city employees' retirement system who last joined such retirement system on or after July first, nineteen hundred seventy-six, AND PRIOR TO THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND TWELVE WHICH AMENDED THIS SUBDIVISION.

S 4. Subdivisions 5, 7, 12, 17 and 24 of section 501 of the retirement and social security law, subdivisions 5, 12 and 17 as added by chapter 890 of the laws of 1976, subdivision 7 as amended by chapter 408 of the laws of 2000 and subdivision 24 as amended by section 1 of part B of chapter 504 of the laws of 2009, are amended to read as follows:

5. "Early retirement age" shall mean age fifty-five, for general members, and the age on which a member completes or would have completed twenty years of service, for police/fire members, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS.

7. "Eligible beneficiary" for the purposes of section five hundred nine of this article shall mean the following persons or classes of persons in the order set forth: (a) a surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage, (b) surviving children until age twenty-five, (c) dependent parents, determined under regulations promulgated by the comptroller, (d) any other person who qualified as a dependent on the final federal income tax return of the member or the return filed in the year imme-

diately preceding the year of death, until such person reaches twenty-one years of age and (e) with respect to members of the New York city employees' retirement system (OTHER THAN A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER) and the board of education retirement system of the city of New York, a person whom the member shall have nominated in the form of a written designation, duly acknowledged and filed with the head of the retirement system for the purpose of section five hundred eight of this article. In the event that a class of eligible beneficiaries consists of more than one person, benefits shall be divided equally among the persons in such class. For the purposes of section five hundred eight OF THIS ARTICLE the term "eligible beneficiary" shall mean such person as the member shall have nominated to receive the benefits provided in this article. To be effective, such a nomination must be in the form of a written designation, duly acknowledged and filed with the head of the retirement system for this specific purpose. In the event such designated beneficiary does not survive him, or if he shall not have so designated a beneficiary, such benefits shall be payable to the deceased member's estate or as provided in section one thousand three hundred ten of the surrogate's court procedure act.

12. "General member" shall mean a member subject to the provisions of this article who is not a police/fire member, A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER.

17. "Normal retirement age" shall be age sixty-two, for general members, and the age at which a member completes or would have completed twenty-two years of service, for police/fire members, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS.

24. "Wages" shall mean regular compensation earned by and paid to a member by a public employer, except that for members who first join the state and local employees' retirement system on or after January first, two thousand ten, overtime compensation paid in any year in excess of the overtime ceiling, as defined by this subdivision, shall not be included in the definition of wages. "Overtime compensation" shall mean, for purposes of this section, compensation paid under any law or policy under which employees are paid at a rate greater than their standard rate for additional hours worked beyond those required, including compensation paid under section one hundred thirty-four of the civil service law and section ninety of the general municipal law. The "overtime ceiling" shall mean fifteen thousand dollars per annum on January first, two thousand ten, and shall be increased by three percent each year thereafter, PROVIDED, HOWEVER, THAT FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, "OVERTIME CEILING" SHALL MEAN FIFTEEN THOUSAND DOLLARS PER ANNUM ON APRIL FIRST, TWO THOUSAND TWELVE, AND SHALL BE INCREASED EACH YEAR THEREAFTER BY A PERCENTAGE TO BE DETERMINED ANNUALLY BY REFERENCE TO THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, CPI-U, U.S. CITY AVERAGE, ALL ITEMS, 1982-84=100), PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS, FOR EACH APPLICABLE CALENDAR YEAR. SAID PERCENTAGE SHALL EQUAL THE ANNUAL INFLATION AS DETERMINED FROM THE INCREASE IN THE CONSUMER PRICE INDEX IN THE ONE YEAR PERIOD ENDING ON THE DECEMBER THIRTY-FIRST PRIOR TO THE COST-OF-LIVING ADJUSTMENT EFFECTIVE ON THE ENSUING APRIL FIRST. For the purpose of calculation a member's primary federal social security retirement or disability benefit, wages shall, in any calendar year, be limited to the

portion of the member's wages which would be subject to tax under section three thousand one hundred twenty-one of the internal revenue code of nineteen hundred fifty-four, or any predecessor or successor provision relating thereto, if such member was employed by a private employer. FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND TWELVE WHICH AMENDED THIS SUBDIVISION, THE FOLLOWING ITEMS SHALL NOT BE INCLUDED IN THE DEFINITION OF WAGES: (A) WAGES IN EXCESS OF THE ANNUAL SALARY PAID TO THE GOVERNOR PURSUANT TO SECTION THREE OF ARTICLE FOUR OF THE STATE CONSTITUTION, (B) LUMP SUM PAYMENTS FOR DEFERRED COMPENSATION, SICK LEAVE, ACCUMULATED VACATION OR OTHER CREDITS FOR TIME NOT WORKED, (C) ANY FORM OF TERMINATION PAY, (D) ANY ADDITIONAL COMPENSATION PAID IN ANTICIPATION OF RETIREMENT, AND (E) IN THE CASE OF EMPLOYEES WHO RECEIVE WAGES FROM THREE OR MORE EMPLOYERS IN A TWELVE MONTH PERIOD, THE WAGES PAID BY THE THIRD AND EACH SUCCESSIVE EMPLOYER.

S 5. Section 501 of the retirement and social security law is amended by adding three new subdivisions 25, 26 and 27 to read as follows:

25. "NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER" SHALL MEAN A MEMBER WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, AND WHO IS A MEMBER OF EITHER THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION OR THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF SANITATION.

26. "NEW YORK CITY POLICE/FIRE REVISED PLAN MEMBER" SHALL MEAN A POLICE/FIRE MEMBER WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, AND WHO IS A MEMBER OF EITHER THE NEW YORK CITY POLICE PENSION FUND OR THE NEW YORK CITY FIRE DEPARTMENT PENSION FUND.

27. "INVESTIGATOR REVISED PLAN MEMBER" SHALL MEAN AN INVESTIGATOR MEMBER OF THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM WHO IS A POLICE OFFICER AS DEFINED IN PARAGRAPH (G) OF SUBDIVISION THIRTY-FOUR OF SECTION 1.20 OF THE CRIMINAL PROCEDURE LAW, AND WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

S 6. Intentionally omitted.

S 7. Subdivisions a, c and d of section 503 of the retirement and social security law, subdivision a as amended by chapter 662 of the laws of 1988, subdivision c as amended by section 143 of subpart B of part C of chapter 62 of the laws of 2011 and subdivision d as added by chapter 890 of the laws of 1976, are amended to read as follows:

a. The normal service retirement benefit specified in section five hundred four OF THIS ARTICLE shall be payable to general members, other than elective members, who have met the minimum service requirements upon retirement and attainment of age sixty-two, provided, however, a general member who is a peace officer employed by the unified court system or a member of a teachers' retirement system may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service. FOR MEMBERS WHO BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE NORMAL SERVICE RETIREMENT BENEFITS SPECIFIED IN SECTION FIVE HUNDRED FOUR OF THIS ARTICLE SHALL BE PAYABLE TO GENERAL MEMBERS, OTHER THAN ELECTIVE MEMBERS, WHO HAVE MET THE MINIMUM SERVICE REQUIREMENTS UPON RETIREMENT AND ATTAINMENT OF AGE SIXTY-THREE.

c. A general member shall be eligible for early service retirement at age fifty-five with five years of credited service. A general member in the uniformed correction force of the New York city department of correction, who is not eligible for early service retirement pursuant to subdivision c of section five hundred four-a of this article or subdivision c of section five hundred four-b of this article or subdivision c of section five hundred four-d of this article, or a general member in the uniformed personnel in institutions under the jurisdiction of the department of corrections and community supervision, as defined in subdivision i of section eighty-nine of this chapter or serving in institutions who is also in a title defined in such subdivision and who has made an election pursuant to the provisions of article seventeen of this chapter, shall also be eligible for early service retirement after twenty-five years of credited service, PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SUBDIVISION AND SUBDIVISION A OF THIS SECTION SHALL NOT APPLY TO A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER.

d. The normal service retirement benefit specified in section five hundred five OF THIS ARTICLE shall be paid to police/fire members, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS without regard to age upon retirement after twenty-two years of service. Early service retirement shall be permitted upon retirement after twenty years of credited service or attainment of age sixty-two, PROVIDED, HOWEVER, THAT NEW YORK CITY POLICE/FIRE REVISED PLAN MEMBERS, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS SHALL NOT BE ELIGIBLE TO RETIRE FOR SERVICE PRIOR TO THE ATTAINMENT OF TWENTY YEARS OF CREDITED SERVICE.

S 8. Subdivisions a, c and d of section 504 of the retirement and social security law, subdivision a as added by chapter 890 of the laws of 1976, subdivision c as amended by section 3 of part B of chapter 504 of the laws of 2009 and subdivision d as amended by section 144 of subpart B of part C of chapter 62 of the laws of 2011, are amended to read as follows:

a. The service retirement benefit for general members at normal retirement age with twenty or more years of credited service shall be a pension equal to one-fiftieth of final average salary times years of credited service, not in excess of thirty years, less fifty percent of the primary social security retirement benefit as provided in section five hundred eleven OF THIS ARTICLE. THE SERVICE RETIREMENT BENEFIT FOR GENERAL MEMBERS AT NORMAL RETIREMENT AGE WITH TWENTY OR MORE YEARS OF SERVICE WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE AT NORMAL RETIREMENT AGE SHALL BE A PENSION EQUAL TO THE SUM OF THIRTY-FIVE PER CENTUM AND ONE-FIFTIETH OF FINAL AVERAGE SALARY FOR EACH YEAR OF SERVICE IN EXCESS OF TWENTY, BUT NOT IN EXCESS OF THIRTY, TIMES FINAL AVERAGE SALARY TIMES YEARS OF CREDITED SERVICE.

c. The early service retirement benefit for general members, except for general members whose early retirement benefit is specified in subdivision d of this section, shall be the service retirement benefit specified in subdivision a or b of this section, as the case may be, without social security offset, reduced by one-fifteenth for each of the first two years by which early retirement precedes age sixty-two, plus a further reduction of: (1) one-thirtieth; or (2) one-twentieth for members who first join the New York state and local employees' retirement system on or after January first, two thousand ten, for each year

by which early retirement precedes age sixty, PROVIDED HOWEVER, THAT FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND TWELVE WHICH AMENDED THIS SUBDIVISION, THE EARLY SERVICE RETIREMENT BENEFIT FOR GENERAL MEMBERS, EXCEPT FOR GENERAL MEMBERS WHOSE EARLY RETIREMENT BENEFIT IS SPECIFIED IN SUBDIVISION D OF THIS SECTION, SHALL BE THE SERVICE RETIREMENT BENEFIT SPECIFIED IN SUBDIVISION A OR B OF THIS SECTION, AS THE CASE MAY BE, WITHOUT SOCIAL SECURITY OFFSET, REDUCED BY SIX AND ONE-HALF PER CENTUM FOR EACH YEAR BY WHICH EARLY RETIREMENT PRECEDES AGE SIXTY-THREE. At age sixty-two, the benefit shall be reduced by fifty percent of the primary social security retirement benefit, as provided in section five hundred eleven of this article.

d. The early service retirement benefit for general members in the uniformed correction force of the New York city department of correction, who are not entitled to an early service retirement benefit pursuant to subdivision c of section five hundred four-a of this article or subdivision c of section five hundred four-b of this article or subdivision c of section five hundred four-d of this article, or for general members in the uniformed personnel in institutions under the jurisdiction of the department of corrections and community supervision, as defined in subdivision i of section eighty-nine of this chapter, shall be a pension equal to one-fiftieth of final average salary times years of credited service at the completion of twenty-five years of service, but not in excess of fifty percent of final average salary, PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER.

S 9. Subdivision b of section 504-a of the retirement and social security law is amended by adding a new paragraph 4-a to read as follows:

4-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO MEMBER OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER SHALL BE A PARTICIPANT IN THE TWENTY-YEAR RETIREMENT PROGRAM.

S 10. Subdivision b of section 504-b of the retirement and social security law is amended by adding a new paragraph 4-a to read as follows:

4-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO MEMBER OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER SHALL BE A PARTICIPANT IN THE TWENTY-YEAR RETIREMENT PROGRAM FOR CAPTAINS AND ABOVE.

S 11. Subdivision b of section 504-d of the retirement and social security law is amended by adding a new paragraph 1-a to read as follows:

1-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO MEMBER OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER SHALL BE A PARTICIPANT IN THE TWENTY-YEAR RETIREMENT PROGRAM.

S 12. Section 505 of the retirement and social security law, as added by chapter 890 of the laws of 1976, is amended to read as follows:

S 505. Service retirement benefits; police/fire members, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS. a. The normal service retirement benefit for police/fire members, NEW YORK CITY UNIFORMED CORRECTION/SANITATION

REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS at normal retirement age shall be a pension equal to fifty percent of final average salary, less fifty percent of the primary social security retirement benefit commencing at age sixty-two, as provided in section five hundred eleven OF THIS ARTICLE.

b. The early service retirement benefit for police/fire members, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS shall be a pension equal to two and one-tenths percent of final average salary times years of credited service at the completion of twenty years of service or upon attainment of age sixty-two, increased by one-third of one percent of final average salary for each month of service in excess of twenty years, but not in excess of fifty percent of final average salary, less fifty percent of the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NEW YORK CITY POLICE/FIRE REVISED PLAN MEMBERS, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND INVESTIGATOR REVISED PLAN MEMBERS SHALL NOT BE ELIGIBLE TO RETIRE FOR SERVICE PRIOR TO THE ATTAINMENT OF TWENTY YEARS OF CREDITED SERVICE.

c. A police/fire member, A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER who retires with twenty-two years of credited service or less may become eligible for annual escalation of the service retirement benefit if he elects to have the payment of his benefit commence on the date he would have completed twenty-two years and one month or more of service. In such event, the service retirement benefit shall equal two percent of final average salary for each year of credited service, less fifty percent of the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven OF THIS ARTICLE.

S 13. Subdivisions b and c of section 507 of the retirement and social security law, subdivision b as amended by chapter 489 of the laws of 2008 and subdivision c as amended by chapter 513 of the laws of 2010, are amended to read as follows:

b. A police/fire member in active service, A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER IN ACTIVE SERVICE OR AN INVESTIGATOR REVISED PLAN MEMBER IN ACTIVE SERVICE, or a vested member incapacitated as the result of a qualifying World Trade Center condition as defined in section two of this chapter, who is not eligible for a normal service retirement benefit shall be eligible for the accidental disability benefit either as provided in subdivision a OF THIS SECTION or if such member is physically or mentally incapacitated for performance of duty as the natural and proximate result of an accident sustained in such active service and not caused by such member's own willful negligence.

c. In the case of a member of a retirement system other than the New York state and local employees' retirement system, the New York state teachers' retirement system, the New York city employees' retirement system, the New York city board of education retirement system or the New York city teachers' retirement system, OR IN THE CASE OF A MEMBER OF THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER, the accidental disability benefit hereunder shall be a pension equal to two percent of final average salary times years of credited service which such member would have attained if employment had continued until such member's full escalation date, not in excess of the

maximum years of service creditable for the normal service retirement benefit, less (i) fifty percent of the primary social security disability benefit, if any, as provided in section five hundred eleven of this article, and (ii) one hundred percent of any workers' compensation benefits payable.

In the case of a member of the New York state and local employees' retirement system, the New York state teachers' retirement system, the New York city employees' retirement system (OTHER THAN A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER), the New York city board of education retirement system or the New York city teachers' retirement system, the accidental disability benefit hereunder shall be a pension equal to sixty percent of final average salary, less (i) fifty percent of the primary social security disability benefit, if any, as provided in section five hundred eleven of this article, and (ii) one hundred percent of any workers' compensation benefits payable. In the event a disability retiree from any retirement system is not eligible for the primary social security disability benefit and continues to be eligible for disability benefits hereunder, such disability benefit shall be reduced by one-half of such retiree's primary social security retirement benefit, commencing at age sixty-two, in the same manner as provided for service retirement benefits under section five hundred eleven of this article.

S 14. The opening paragraph of subdivision a of section 507-a of the retirement and social security law, as amended by section 145 of subpart B of part C of chapter 62 of the laws of 2011, is amended to read as follows:

[Application] SUBJECT TO THE PROVISIONS OF SUBDIVISION E OF THIS SECTION, APPLICATION for a disability retirement allowance for a member in the uniformed personnel in institutions under the jurisdiction of the department of corrections and community supervision of New York state as defined in subdivision i of section eighty-nine of this chapter or for a member serving in institutions who is also in a title defined in such subdivision and who has made an election pursuant to the provisions of article seventeen of this chapter or the New York city department of correction may be made by:

S 15. Section 507-a of the retirement and social security law is amended by adding a new subdivision e to read as follows:

E. NOTWITHSTANDING THE PRECEDING SUBDIVISIONS OF THIS SECTION TO THE CONTRARY, THIS SECTION SHALL NOT APPLY TO A MEMBER OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER.

S 16. Subdivision a of section 507-c of the retirement and social security law, as added by chapter 622 of the laws of 1997, is amended to read as follows:

a. Any member in the uniformed personnel in institutions under the jurisdiction of the New York city department of correction, who becomes physically or mentally incapacitated for the performance of duties as the natural and proximate result of an injury, sustained in the performance or discharge of his or her duties by, or as a natural and proximate result of, an act of any inmate or any person confined in an institution under the jurisdiction of the department of correction or the department of health, or by any person who has been committed to such institution by any court shall be paid a performance of duty disability retirement allowance equal to three-quarters of final average salary, subject to the provisions of section 13-176 of the administrative code of the city of New York, PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION

SHALL NOT APPLY TO A MEMBER OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER.

S 17. Subdivision b of section 508 of the retirement and social security law, as amended by chapter 601 of the laws of 1997, is amended to read as follows:

b. A member of a retirement system subject to the provisions of this article who is a policeman, fireman, correction officer, INVESTIGATOR REVISED PLAN MEMBER or sanitation man and is in a plan which permits immediate retirement upon completion of a specified period of service without regard to age or who is subject to the provisions of section five hundred four or five hundred five of this article, shall upon completion of ninety days of service be covered for financial protection in the event of death in service pursuant to this subdivision. Such death benefit shall be equal to three times the member's salary raised to the next highest multiple of one thousand dollars, but in no event shall it exceed three times the maximum salary specified in section one hundred thirty of the civil service law or, in the case of a member of a retirement system other than the New York city employees' retirement system, OR IN THE CASE OF A MEMBER OF THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER, the specific limitations specified for age of entrance into service contained in subparagraphs (b), (c), (d), (e) and (f) of paragraph two of subdivision a of this section.

S 18. Paragraph 2 of subdivision b of section 510 of the retirement and social security law, as added by chapter 890 of the laws of 1976, is amended to read as follows:

2. The first day of the month following the date on which a member completes or would have completed twenty-five years of credited service, with respect to service retirement benefits for police/fire members and their beneficiaries, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS AND THEIR BENEFICIARIES OR INVESTIGATOR REVISED PLAN MEMBERS AND THEIR BENEFICIARIES.

S 19. Subdivision f of section 511 of the retirement and social security law, as amended by section 147 of subpart B of part C of chapter 62 of the laws of 2011, is amended to read as follows:

f. This section shall not apply to general members in the uniformed correction force of the New York city department of correction or to uniformed personnel in institutions under the jurisdiction of the department of corrections and community supervision and security hospital treatment assistants, as those terms are defined in subdivision i of section eighty-nine of this chapter, PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION SHALL APPLY TO A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER.

S 20. Section 512 of the retirement and social security law, as amended by chapter 379 of the laws of 1986, subdivisions b and c as amended by chapter 286 of the laws of 2010 and subdivision d as added by chapter 749 of the laws of 1992, is amended to read as follows:

S 512. Final average salary. a. A member's final average salary shall be the average wages earned by such a member during any three consecutive years which provide the highest average wage; provided, however, if the wages earned during any year included in the period used to determine final average salary exceeds that of the average of the previous two years by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary.

[Where] NOTWITHSTANDING THE PRECEDING PROVISIONS OF THIS SUBDIVISION TO THE CONTRARY, FOR A MEMBER WHO FIRST BECOMES A MEMBER OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, OR FOR A NEW YORK CITY POLICE/FIRE REVISED PLAN MEMBER, A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER, A MEMBER'S FINAL AVERAGE SALARY SHALL BE THE AVERAGE WAGES EARNED BY SUCH A MEMBER DURING ANY FIVE CONSECUTIVE YEARS WHICH PROVIDE THE HIGHEST AVERAGE WAGE; PROVIDED, HOWEVER, IF THE WAGES EARNED DURING ANY YEAR INCLUDED IN THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY EXCEEDS THAT OF THE AVERAGE OF THE PREVIOUS FOUR YEARS BY MORE THAN TEN PERCENT, THE AMOUNT IN EXCESS OF TEN PERCENT SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY. IN DETERMINING FINAL AVERAGE SALARY PURSUANT TO ANY PROVISION OF THIS SUBDIVISION, WHERE THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY IS THE PERIOD WHICH IMMEDIATELY PRECEDES THE DATE OF RETIREMENT, ANY MONTH OR MONTHS (NOT IN EXCESS OF TWELVE) WHICH WOULD OTHERWISE BE INCLUDED IN COMPUTING FINAL AVERAGE SALARY BUT DURING WHICH THE MEMBER WAS ON AUTHORIZED LEAVE OF ABSENCE AT PARTIAL PAY OR WITHOUT PAY SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY AND THE MONTH OR AN EQUAL NUMBER OF MONTHS IMMEDIATELY PRECEDING SUCH PERIOD SHALL BE SUBSTITUTED IN LIEU THEREOF.

b. Notwithstanding the provisions of subdivision a of this section, with respect to members of the New York state employees' retirement system WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM BEFORE APRIL FIRST, TWO THOUSAND TWELVE, the New York state and local police and fire retirement system and the New York city teachers' retirement system, a member's final average salary shall be equal to one-third of the highest total wages earned during any continuous period of employment for which the member was credited with three years of service credit; provided, however, if the wages earned during any year of credited service included the period used to determine final average salary exceeds the average of the wages of the previous two years of credited service by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary. FOR MEMBERS WHO FIRST BECOME A MEMBER OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, WITH RESPECT TO MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM, A MEMBER'S FINAL AVERAGE SALARY SHALL BE EQUAL TO ONE-FIFTH OF THE HIGHEST TOTAL WAGES EARNED DURING ANY CONTINUOUS PERIOD OF EMPLOYMENT FOR WHICH THE MEMBER WAS CREDITED WITH FIVE YEARS OF SERVICE CREDIT; PROVIDED, HOWEVER, IF THE WAGES EARNED DURING ANY YEAR OF CREDITED SERVICE INCLUDED THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY EXCEEDS THE AVERAGE OF THE WAGES OF THE PREVIOUS FOUR YEARS OF CREDITED SERVICE BY MORE THAN TEN PERCENT, THE AMOUNT IN EXCESS OF TEN PERCENT SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY.

c. Notwithstanding the provisions of subdivisions a and b of this section, the final average salary of an employee who has been a member of the New York city employees' retirement system (OTHER THAN A NEW YORK CITY CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER) or the New York city teachers' retirement system for less than one year shall be the projected one year salary, with the calculation based upon a twelve month projection of the sums earned in the portion of the year worked. If a member has been employed for more than one year but less than two years, then the member's final average salary shall be the average of the first year and projected second year

earnings based upon the calculation above, and if more than two years, but less than three years, then one-third the total of the first two years of employment plus the projected third year's earnings, calculated as indicated above.

d. Subject to the provisions of subdivision c of this section, and notwithstanding the provisions of subdivision a of this section, with respect to members of the New York city employees' retirement system (OTHER THAN A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER) and the New York city board of education retirement system who are subject to the provisions of this article, a member's final average salary shall be determined pursuant to the provisions of paragraph thirteen of subdivision e of section 13-638.4 of the administrative code of the city of New York.

S 21. Subdivision h of section 513 of the retirement and social security law, as added by chapter 477 of the laws of 2005, is amended to read as follows:

h. Notwithstanding any other provision of this section, any general member in the uniformed correction force of the New York city department of [corrections] CORRECTION who is absent without pay for a child care leave of absence pursuant to regulations of the New York city department of [corrections] CORRECTION shall be eligible for credit for such period of child care leave provided such member files a claim for such service credit with the retirement system by December thirty-first, two thousand five or within ninety days of the termination of the child care leave, whichever is later, and contributes to the retirement system an amount which such member would have contributed during the period of such child care leave, together with interest thereon. Service credit provided pursuant to this subdivision shall not exceed one year of credit for each period of authorized child care leave. In the event there is a conflict between the provisions of this subdivision and the provisions of any other law or code to the contrary, the provisions of this subdivision shall govern, PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY TO A MEMBER OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION WHO IS A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER.

S 22. Intentionally omitted.

S 23. Subdivisions c and d of section 516 of the retirement and social security law, subdivision c as added by chapter 890 of the laws of 1976 and subdivision d as amended by section 148 of subpart B of part C of chapter 62 of the laws of 2011, are amended and a new subdivision e is added to read as follows:

c. The deferred vested benefit of police/fire members, NEW YORK CITY POLICE/FIRE REVISED PLAN MEMBERS, NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBERS OR INVESTIGATOR REVISED PLAN MEMBERS shall be a pension commencing at early retirement age equal to two and one-tenths percent of final average salary times years of credited service, less fifty percent of the primary social security retirement benefit commencing at age sixty-two, as provided in section five hundred eleven OF THIS ARTICLE. A police/fire member, A NEW YORK CITY POLICE/FIRE REVISED PLAN MEMBER, A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR INVESTIGATOR REVISED PLAN MEMBER may elect to receive his vested benefit commencing at early retirement age or age fifty-five. If the vested benefit commences before early retirement age, the benefit shall be reduced by one-fifteenth for each year, if any, that the member's early retirement age is in excess of age sixty, and by one-thirtieth for each additional year by which the

vested benefit commences prior to early retirement age. If such vested benefit is deferred until after such member's normal retirement age, the benefit shall be computed and subject to annual escalation in the same manner as provided for an early retirement benefit pursuant to subdivision c of section five hundred five of this article.

d. The deferred vested benefit of general members in the uniformed correction force of the New York city department of correction, who are not entitled to a deferred vested benefit under subdivision d of section five hundred four-a of this article or under subdivision d of section five hundred four-b of this article or under subdivision d of section five hundred four-d of this article, or of general members in the uniformed personnel in institutions under the jurisdiction of the department of corrections and community supervision, as defined in subdivision i of section eighty-nine of this chapter, with twenty or more years of credited service shall be a pension commencing at normal retirement age equal to one-fiftieth of final average salary times years of credited service, not in excess of thirty years, OR FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, A PENSION EQUAL TO THE SUM OF THIRTY-FIVE PER CENTUM AND ONE-FIFTIETH OF FINAL AVERAGE SALARY FOR EACH YEAR OF SERVICE IN EXCESS OF TWENTY, BUT NOT IN EXCESS OF THIRTY, TIMES FINAL AVERAGE SALARY TIMES YEARS OF CREDITED SERVICE. The deferred vested benefit of general members in the uniformed correction force of the New York city department of correction, who are not entitled to a deferred vested benefit under subdivision d of section five hundred four-a of this article or under subdivision d of section five hundred four-b of this article or under subdivision d of section five hundred four-d of this article, or of general members in the uniformed personnel in institutions under jurisdiction of the department of corrections and community supervision, as defined in subdivision i of section eighty-nine of this chapter, with less than twenty years of credited service shall be a pension commencing at normal retirement age equal to one-sixtieth of final average salary times years of credited service. Such deferred vested benefit may be paid in the form of an early service retirement benefit, or may be postponed until after normal retirement age, in which event the benefit will be subject to reduction or escalation as provided in subdivision c of section five hundred four of this article.

E. IN NO EVENT SHALL THE VESTED RETIREMENT ALLOWANCE PAYABLE WITHOUT OPTIONAL MODIFICATION BE LESS THAN THE ACTUARIAL EQUIVALENT OF THE TOTAL WHICH RESULTS FROM THE MEMBER'S CONTRIBUTIONS ACCUMULATED WITH INTEREST AT FIVE PERCENT PER ANNUM COMPOUNDED ANNUALLY TO THE DATE OF RETIREMENT.

S 24. Subdivision a of section 517 of the retirement and social security law, as added by chapter 890 of the laws of 1976, is amended to read as follows:

a. Members shall contribute three percent of annual wages to the retirement system in which they have membership, provided that such contributions shall not be required for more than thirty years, for general members, or twenty-five years, for police/fire members, EXCEPT THAT BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH MEMBER SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

1. MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

2. MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

3. MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

4. MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

5. MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (APRIL FIRST TO MARCH THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM, SUCH MEMBER SHALL CONTRIBUTE A PERCENTAGE OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

The head of each retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

S 25. Subdivision b of section 517-c of the retirement and social security law, as amended by chapter 171 of the laws of 2011, is amended to read as follows:

b. A member of the New York state and local employees' retirement system, the New York state and local police and fire retirement system, the New York city employees' retirement system or the New York city board of education retirement system in active service who has credit for at least one year of member service may borrow, no more than once during each twelve month period, an amount not exceeding seventy-five percent of the total contributions made pursuant to section five hundred seventeen OF THIS ARTICLE (including interest credited at the rate set forth in subdivision c of such section five hundred seventeen compounded annually) and not less than one thousand dollars, PROVIDED, HOWEVER, THAT THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER OR AN INVESTIGATOR REVISED PLAN MEMBER.

S 26. Intentionally omitted.

S 27. Paragraphs 4 and 5 of subdivision a of section 600 of the retirement and social security law, as amended by chapter 370 of the laws of 1996, are amended and a new paragraph 6 is added to read as follows:

4. Members qualified for participation in the uniformed transit police force plan or housing police force plan in the New York city employees' retirement [systems] SYSTEM; [and]

5. Investigator [member] MEMBERS of the New York city employees' retirement system[.]; AND

6. MEMBERS OF THE UNIFORMED FORCE OF THE NEW YORK CITY DEPARTMENT OF SANITATION WHO JOIN OR REJOIN A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

S 28. Subdivision l of section 601 of the retirement and social security law, as amended by section 5 of part B of chapter 504 of the laws of 2009, is amended to read as follows:

l. "Wages" shall mean regular compensation earned by and paid to a member by a public employer, except that for members who first join the New York state and local employees' retirement system or the New York state teachers' retirement system on or after January first, two thousand ten, overtime compensation paid in any year in excess of the overtime ceiling, as defined by this subdivision, shall not be included in the definition of wages. "Overtime compensation" shall mean, for purposes of this section, compensation paid under any law or policy under which employees are paid at a rate greater than their standard rate for additional hours worked beyond those required, including compensation paid under section one hundred thirty-four of the civil service law and section ninety of the general municipal law. The "overtime ceiling" shall mean fifteen thousand dollars per annum on January first, two thousand ten, and shall be increased by three per cent each year thereafter, PROVIDED, HOWEVER, THAT FOR MEMBERS WHO FIRST BECOME MEMBERS OF A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, "OVERTIME CEILING" SHALL MEAN FIFTEEN THOUSAND DOLLARS PER ANNUM ON APRIL FIRST, TWO THOUSAND TWELVE, AND SHALL BE INCREASED EACH YEAR THEREAFTER BY A PERCENTAGE TO BE DETERMINED ANNUALLY BY REFERENCE TO THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, CPI-U, U.S. CITY AVERAGE, ALL ITEMS, 1982-84=100), PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS, FOR EACH APPLICABLE CALENDAR YEAR. SAID PERCENTAGE SHALL EQUAL THE ANNUAL INFLATION AS DETERMINED FROM THE INCREASE IN THE CONSUMER PRICE INDEX IN THE ONE YEAR PERIOD ENDING ON THE DECEMBER THIRTY-FIRST PRIOR TO THE COST-OF-LIVING ADJUSTMENT EFFECTIVE ON THE ENSUING APRIL FIRST. FOR MEMBERS WHO FIRST JOIN A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE FOLLOWING ITEMS SHALL NOT BE INCLUDED IN THE DEFINITION OF WAGES: 1. WAGES IN EXCESS OF THE ANNUAL SALARY PAID TO THE GOVERNOR PURSUANT TO SECTION THREE OF ARTICLE FOUR OF THE STATE CONSTITUTION, 2. LUMP SUM PAYMENTS FOR DEFERRED COMPENSATION, SICK LEAVE, ACCUMULATED VACATION OR OTHER CREDITS FOR TIME NOT WORKED, 3. ANY FORM OF TERMINATION PAY, 4. ANY ADDITIONAL COMPENSATION PAID IN ANTICIPATION OF RETIREMENT, AND 5. IN THE CASE OF EMPLOYEES WHO RECEIVE WAGES FROM THREE OR MORE EMPLOYERS IN A TWELVE MONTH PERIOD, THE WAGES PAID BY THE THIRD AND EACH SUCCESSIVE EMPLOYER.

S 29. Section 601 of the retirement and social security law is amended by adding a new subdivision m to read as follows:

M. "NEW YORK CITY REVISED PLAN MEMBER" SHALL MEAN A MEMBER OF THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM, THE NEW YORK CITY TEACHERS' RETIREMENT SYSTEM OR THE BOARD OF EDUCATION RETIREMENT SYSTEM OF THE CITY OF NEW YORK WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

S 29-a. Subdivision b-1 of section 602 of the retirement and social security law, as added by section 2 of part C of chapter 504 of the laws of 2009, is amended to read as follows:

b-1. (1) Notwithstanding the provisions of subdivision a or b of this section or any other provision of law to the contrary, (i) a member of the New York city teachers' retirement system who holds a position represented by the recognized teacher organization for collective bargaining purposes, and who became subject to the provisions of this article after the effective date of this subdivision, or (ii) a member of the New York city board of education retirement system who holds a position represented by the recognized teacher organization for collective bargaining purposes, and who became subject to the provisions of this article after the effective date of this subdivision, shall not be

eligible for service retirement benefits hereunder until such member has rendered a minimum of ten years of credited service.

(2) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION A OR B OF THIS SECTION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, A MEMBER WHO FIRST JOINS A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE SHALL NOT BE ELIGIBLE FOR SERVICE RETIREMENT BENEFITS HEREUNDER UNTIL SUCH MEMBER HAS RENDERED A MINIMUM OF TEN YEARS OF CREDITED SERVICE.

S 30. Intentionally omitted.

S 31. Subdivision a of section 603 of the retirement and social security law, as amended by section 7 of part B of chapter 504 of the laws of 2009, is amended and a new subdivision a-1 is added to read as follows:

a. The service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum service requirements upon retirement and attainment of age sixty-two, other than members who are eligible for early service retirement pursuant to subdivision c of section six hundred four-b of this article, subdivision c of section six hundred four-c of this article, subdivision d of section six hundred four-d of this article, subdivision c of section six hundred four-e of this article, subdivision c of section six hundred four-f of this article, subdivision c of section six hundred four-g of this article, subdivision c of section six hundred four-h of this article or subdivision c of section six hundred four-i of this article, provided, however, a member of a teachers' retirement system or the New York state and local employees' retirement system who first joins such system before January first, two thousand ten or a member who is a uniformed court officer or peace officer employed by the unified court system WHO FIRST BECOMES A MEMBER OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM BEFORE APRIL FIRST, TWO THOUSAND TWELVE may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service, provided, however, that a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system on or after January first, two thousand ten and retires without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service pursuant to this section shall be required to make the member contributions required by subdivision f of section six hundred thirteen of this article for all years of credited and creditable service, PROVIDED FURTHER THAT THE THE PRECEDING PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY TO A NEW YORK CITY REVISED PLAN MEMBER.

A-1. FOR MEMBERS WHO FIRST BECOME A MEMBER OF A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE SERVICE RETIREMENT BENEFIT SPECIFIED IN SECTION SIX HUNDRED FOUR OF THIS ARTICLE SHALL BE PAYABLE TO MEMBERS WHO HAVE MET THE MINIMUM SERVICE REQUIREMENTS UPON RETIREMENT AND HAVE ATTAINED AGE SIXTY-THREE.

S 32. Subdivision i of section 603 of the retirement and social security law, as amended by section 8 of part B of chapter 504 of the laws of 2009, is amended by adding a new paragraph 3 to read as follows:

3. A MEMBER OF A PUBLIC RETIREMENT SYSTEM OF THE STATE WHO HAS MET THE MINIMUM SERVICE REQUIREMENT, BUT WHO IS NOT A NEW YORK CITY TRANSIT AUTHORITY MEMBER, AS DEFINED IN PARAGRAPH ONE OF SUBDIVISION A OF SECTION SIX HUNDRED FOUR-B OF THIS ARTICLE, MAY RETIRE PRIOR TO NORMAL RETIREMENT AGE, BUT NO EARLIER THAN ATTAINMENT OF AGE FIFTY-FIVE, IN

WHICH EVENT, THE AMOUNT OF HIS OR HER RETIREMENT BENEFIT COMPUTED WITHOUT OPTIONAL MODIFICATION SHALL BE REDUCED BY SIX AND ONE-HALF PER CENTUM FOR EACH YEAR BY WHICH EARLY RETIREMENT PRECEDES AGE SIXTY-THREE.

S 33. Subdivision t of section 603 of the retirement and social security law, as added by section 8-a of part B of chapter 504 of the laws of 2009, is amended to read as follows:

t. Members who join the New York state teachers' retirement system on or after January first, two thousand ten, shall be eligible to retire without reduction of his or her retirement benefit upon attainment of at least fifty-seven years of age and completion of thirty or more years of service. Members who retire pursuant to the provisions of this subdivision shall be required to make the member contributions required by subdivision g of section six hundred thirteen of this article for all years of credited and creditable service. THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY TO MEMBERS WHO FIRST BECOME A MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

S 33-a. Subdivision a of section 604 of the retirement and social security law, as amended by section 8-b of part B of chapter 504 of the laws of 2009, is amended to read as follows:

a. The service retirement benefit at normal retirement age for a member with less than twenty years of credited service, or less than twenty-five years credited service for a member who joins the New York state teachers' retirement system on or after January first, two thousand ten, shall be a retirement allowance equal to one-sixtieth of final average salary times years of credited service. NORMAL RETIREMENT AGE FOR MEMBERS WHO FIRST BECOME MEMBERS OF A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE SHALL BE AGE SIXTY-THREE.

S 34. Section 604 of the retirement and social security law is amended by adding a new subdivision b-1 to read as follows:

B-1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE SERVICE RETIREMENT BENEFIT FOR MEMBERS WITH TWENTY OR MORE YEARS OF CREDIT SERVICE WHO FIRST BECOME A MEMBER OF A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE AT AGE SIXTY-THREE SHALL BE A PENSION EQUAL TO THE SUM OF THIRTY-FIVE PER CENTUM AND ONE-FIFTIETH OF FINAL AVERAGE SALARY FOR EACH YEAR OF SERVICE IN EXCESS OF TWENTY TIMES FINAL AVERAGE SALARY TIMES YEARS OF CREDITED SERVICE. IN NO EVENT SHALL ANY RETIREMENT BENEFIT PAYABLE WITHOUT OPTIONAL MODIFICATION BE LESS THAN THE ACTUARIALLY EQUIVALENT ANNUITIZED VALUE OF THE MEMBER'S CONTRIBUTIONS ACCUMULATED WITH INTEREST AT FIVE PERCENT PER ANNUM COMPOUNDED ANNUALLY TO THE DATE OF RETIREMENT.

S 35. Paragraph 1 of subdivision d of section 604-b of the retirement and social security law, as amended by chapter 10 of the laws of 2000, is amended to read as follows:

1. A participant in the twenty-five-year and age fifty-five retirement program who:

(i) discontinues city-service and service as a member of the New York city transit authority other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, prior to such discontinuance, completed five but less than twenty-five years of allowable service in the transit authority OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, HAS COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF ALLOWABLE SERVICE IN THE TRANSIT AUTHORITY PRIOR TO SUCH DISCONTINUANCE; and

(iii) has paid, prior to such discontinuance, all additional member contributions and interest, if any, required by subdivision e of this section; and

(iv) does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen of this article; shall be entitled to receive a deferred vested benefit as provided in section six hundred twelve of this article.

S 36. Subparagraph (ii) of paragraph 3 of subdivision d of section 604-b of the retirement and social security law, as added by chapter 352 of the laws of 1997, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 37. Subdivision b of section 604-c of the retirement and social security law, as added by chapter 96 of the laws of 1995, is amended by adding a new paragraph 2-a to read as follows:

2-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO MEMBER WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH SHALL BE A PARTICIPANT IN THE TWENTY-FIVE-YEAR EARLY RETIREMENT PROGRAM.

S 38. Paragraph 1 of subdivision d of section 604-c of the retirement and social security law, as amended by chapter 659 of the laws of 1999, is amended to read as follows:

1. A participant in the twenty-year/age fifty retirement program who:

(i) discontinues service as a Triborough bridge and tunnel member, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, prior to such discontinuance, completed five but less than twenty years of credited service OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, HAS COMPLETED TEN BUT LESS THAN TWENTY YEARS OF CREDITED SERVICE; and

(iii) has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 39. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-c of the retirement and social security law, as added by chapter 472 of the laws of 1995, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 40. Subdivision c of section 604-d of the retirement and social security law is amended by adding a new paragraph 3-a to read as follows:

3-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO MEMBER WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH SHALL BE A PARTICIPANT IN THE AGE FIFTY-SEVEN RETIREMENT PROGRAM.

S 41. Paragraph 1 of subdivision d of section 604-e of the retirement and social security law, as added by chapter 576 of the laws of 2000, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, who prior to such discontinuance, completed five but less than twenty-five years of allowable service as a dispatcher member OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, WHO PRIOR TO SUCH DISCONTINUANCE, COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF ALLOWABLE SERVICE AS A DISPATCHER MEMBER; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 42. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-e of the retirement and social security law, as added by chapter 576 of the laws of 2000, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 43. Paragraph 1 of subdivision d of section 604-e of the retirement and social security law, as added by chapter 577 of the laws of 2000, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, who prior to such discontinuance, completed five but less than twenty-five years of allowable service as an EMT member OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, WHO PRIOR TO SUCH DISCONTINUANCE, COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF ALLOWABLE SERVICE AS AN EMT MEMBER; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 44. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-e of the retirement and social security law, as added by chapter 577 of the laws of 2000, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 45. Paragraph 1 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 559 of the laws of 2001, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, who prior to such discontinuance, completed five but less than twenty-five years of credited service OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, WHO PRIOR TO SUCH DISCONTINUANCE, COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF CREDITED SERVICE; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 46. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 559 of the laws of 2001, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 47. Paragraph 1 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 582 of the laws of 2001, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, who prior to such discontinuance, completed five but less than twenty-five years of allowable service as a special officer, parking control specialist, school safety agent, campus peace officer or

taxi and limousine inspector member OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, WHO PRIOR TO SUCH DISCONTINUANCE, COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF ALLOWABLE SERVICE AS A SPECIAL OFFICER, PARKING CONTROL SPECIALIST, SCHOOL SAFETY AGENT, CAMPUS PEACE OFFICER OR TAXI AND LIMOUSINE INSPECTOR MEMBER; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest, if any, required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 48. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 582 of the laws of 2001, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 49. Paragraph 1 of subdivision d of section 604-g of the retirement and social security law, as added by chapter 414 of the laws of 2002, is amended to read as follows:

1. A participant in the twenty-five year/age fifty retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, who prior to such discontinuance, completed five but less than twenty-five years of credited service OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, WHO PRIOR TO SUCH DISCONTINUANCE, COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF CREDITED SERVICE; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 50. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-g of the retirement and social security law, as added by chapter 414 of the laws of 2002, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 51. Paragraph 1 of subdivision d of section 604-h of the retirement and social security law, as added by chapter 682 of the laws of 2003, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, who prior to such discontinuance, completed five but less than twenty-five years of credited service OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, WHO PRIOR TO SUCH DISCONTINUANCE, COMPLETED TEN BUT LESS THAN TWENTY-FIVE YEARS OF CREDITED SERVICE; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

S 52. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-h of the retirement and social security law, as added by chapter 682 of the laws of 2003, is amended to read as follows:

(ii) [Such] IN THE CASE OF A PARTICIPANT WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, SUCH vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred OR, IN THE CASE OF A PARTICIPANT WHO IS A NEW YORK CITY REVISED PLAN MEMBER, SUCH VESTED BENEFIT SHALL BECOME PAYABLE AT AGE SIXTY-THREE.

S 53. Subdivision b of section 604-i of the retirement and social security law is amended by adding a new paragraph 5-a to read as follows:

5-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO MEMBER WHO BECOMES SUBJECT TO THE PROVISIONS OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH SHALL BE A PARTICIPANT IN THE AGE FIFTY-FIVE RETIREMENT PROGRAM.

S 54. Subdivisions a, b, c and d of section 608 of the retirement and social security law, subdivision a as amended by chapter 379 of the laws of 1986, subdivisions b and c as amended by chapter 286 of the laws of 2010 and subdivision d as added by chapter 749 of the laws of 1992, are amended to read as follows:

a. [A] FOR MEMBERS WHO FIRST BECOME MEMBERS OF A PUBLIC RETIREMENT SYSTEM OF THE STATE BEFORE APRIL FIRST, TWO THOUSAND TWELVE, A member's final average salary shall be the average wages earned by such a member during any three consecutive years which provide the highest average wage; provided, however, if the wages earned during any year included in the period used to determine final average salary exceeds that of the average of the previous two years by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary. FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM OR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, A MEMBER'S FINAL AVERAGE SALARY SHALL BE THE AVERAGE WAGES

EARNED BY SUCH MEMBER DURING ANY FIVE CONSECUTIVE YEARS WHICH PROVIDE THE HIGHEST AVERAGE WAGE; PROVIDED, HOWEVER, IF THE WAGES EARNED DURING ANY YEAR INCLUDED IN THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY EXCEEDS THAT OF THE AVERAGE OF THE PREVIOUS FOUR YEARS BY MORE THAN TEN PERCENT, THE AMOUNT IN EXCESS OF TEN PERCENT SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY. Where the period used to determine final average salary is the period which immediately precedes the date of retirement, any month or months (not in excess of twelve) which would otherwise be included in computing final average salary but during which the member was on authorized leave of absence at partial pay or without pay shall be excluded from the computation of final average salary and the month or an equal number of months immediately preceding such period shall be substituted in lieu thereof.

b. Notwithstanding the provisions of subdivision a of this section, with respect to members WHO FIRST BECAME MEMBERS of the New York state AND LOCAL employees' retirement system and the New York city teachers' retirement system BEFORE APRIL FIRST, TWO THOUSAND TWELVE, a member's final average salary shall be equal to one-third of the highest total wages earned by such member during any continuous period of employment for which the member was credited with three years of service credit; provided, however, if the wages earned during any year of credited service included in the period used to determine final average salary exceeds the average of the wages of the previous two years of credited service by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary. WITH RESPECT TO MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM AND THE NEW YORK CITY TEACHERS' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, A MEMBER'S FINAL AVERAGE SALARY SHALL BE EQUAL TO ONE-FIFTH OF THE HIGHEST TOTAL WAGES EARNED BY SUCH MEMBER DURING ANY CONTINUOUS PERIOD OF EMPLOYMENT FOR WHICH THE MEMBER WAS CREDITED WITH FIVE YEARS OF SERVICE CREDIT; PROVIDED, HOWEVER, IF THE WAGES EARNED DURING ANY YEAR OF CREDITED SERVICE INCLUDED IN THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY EXCEEDS THE AVERAGE OF THE WAGES OF THE PREVIOUS FOUR YEARS OF CREDITED SERVICE BY MORE THAN TEN PERCENT, THE AMOUNT IN EXCESS OF TEN PERCENT SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY.

c. Notwithstanding the provisions of subdivisions a and b of this section, the final average salary of an employee who has been a member of the New York city employees' retirement system or the New York city teachers' retirement system for less than one year shall be the projected one year salary, with the calculation based upon a twelve month projection of the sums earned in the portion of the year worked. If a member has been employed for more than one year but less than two years, then the member's final average salary shall be the average of the first year and projected second year earnings based upon the calculation above, and if more than two years, but less than three years, then one-third the total of the first two years of employment plus the projected third year's earnings, calculated as indicated above, PROVIDED THAT THIS SUBDIVISION SHALL NOT APPLY TO A NEW YORK CITY REVISED PLAN MEMBER OF THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM OR A NEW YORK CITY REVISED PLAN MEMBER OF THE NEW YORK CITY TEACHERS' RETIREMENT SYSTEM.

d. Subject to the provisions of subdivision c of this section, and notwithstanding the provisions of subdivision a of this section, with respect to members of the New York city employees' retirement system and the New York city board of education retirement system who are subject to the provisions of this article, a member's final average salary shall

be determined pursuant to the provisions of paragraph fourteen of SUBDIVISION E OF section 13-638.4 of the administrative code of the city of New York, PROVIDED, HOWEVER, THAT THE APPLICABLE PROVISIONS AND LIMITATIONS OF THE TERM "WAGES", AS DEFINED IN SUBDIVISION L OF SECTION SIX HUNDRED ONE OF THIS ARTICLE, SHALL APPLY TO SUCH DETERMINATIONS OF FINAL AVERAGE SALARY.

S 55. Paragraph 2 of subdivision b of section 609 of the retirement and social security law, as amended by section 8-c of part B of chapter 504 of the laws of 2009, is amended to read as follows:

2. Previous service credit shall not be granted unless such member applies therefor and repays the amount refunded by a public retirement system of the state for service rendered after July first, nineteen hundred seventy-six together with interest through the date of repayment at the rate of five percent per annum compounded annually and three percent of the wages earned for service prior to that date together with interest from July first, nineteen hundred seventy-six through the date of payment at the rate of five percent per annum compounded annually and three percent of the wages earned for service which predates the date of entry into the retirement system together with interest at the rate of five percent per annum compounded annually from the date of such service until the date of payment. Anything in this paragraph to the contrary notwithstanding, in order to obtain credit for previous service, members who first join the New York state teachers' retirement system on or after January first, two thousand ten shall pay three and one-half percent of wages earned for service which predates the date of entry into the retirement system together with interest at the rate of five percent per annum compounded annually from the date of such service until the date of payment. ANYTHING IN THIS PARAGRAPH TO THE CONTRARY NOTWITHSTANDING, IN ORDER TO OBTAIN CREDIT FOR PREVIOUS SERVICE, MEMBERS WHO FIRST JOIN A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE SHALL PAY SIX PERCENT OF WAGES EARNED FOR SERVICE WHICH PREDATES THE DATE OF ENTRY INTO THE RETIREMENT SYSTEM TOGETHER WITH INTEREST AT THE RATE OF FIVE PERCENT PER ANNUM COMPOUNDED ANNUALLY FROM THE DATE OF SUCH SERVICE UNTIL THE DATE OF PAYMENT.

S 56. Section 609 of the retirement and social security law is amended by adding a new subdivision h to read as follows:

H. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A NEW YORK CITY REVISED PLAN MEMBER SHALL NOT RECEIVE SERVICE CREDIT FOR ANY UNDOCUMENTED SICK LEAVE THAT MAY BE CREDITED TOWARD TERMINAL LEAVE.

S 57. Subdivisions a and a-1 of section 612 of the retirement and social security law, subdivision a as separately amended by section 9 of part B and section 3 of part C of chapter 504 of the laws of 2009 and subdivision a-1 as added by section 4 of part C of chapter 504 of the laws of 2009, are amended to read as follows:

a. Except as provided in subdivision a-1 of this section, a member who has five or more years of credited service, or ten or more years of credited service for a member who first joined the New York state and local employees' retirement system or the New York state teachers' retirement system on or after January first, two thousand ten, upon termination of employment, other than a member who is entitled to a deferred vested benefit pursuant to any other provision of this article, shall be entitled to a deferred vested benefit at normal retirement age computed in accordance with the provisions of section six hundred four of this article. Except as provided in subdivision a-1 of this section, a member of a teachers' retirement system or the New York state and local employees' retirement system who has five or more years of credit-

ed service, or ten or more years of credited service for a member who first becomes a member of the New York state and local employees' retirement system or the New York state teachers' retirement system on or after January first, two thousand ten, upon termination of employment shall be entitled to a deferred vested benefit prior to normal retirement age, but no earlier than age fifty-five, computed in accordance with the provisions of subdivision i of section six hundred three of this article AS AMENDED BY SECTION EIGHT OF PART B OF CHAPTER FIVE HUNDRED FOUR OF THE LAWS OF TWO THOUSAND NINE. ANYTHING TO THE CONTRARY NOTWITHSTANDING, A MEMBER OF A PUBLIC RETIREMENT SYSTEM OF THE STATE WHO FIRST BECAME A MEMBER OF SUCH SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE MUST HAVE AT LEAST TEN YEARS OF CREDITED SERVICE IN ORDER TO QUALIFY FOR A DEFERRED VESTED BENEFIT UNDER THIS SECTION; SUCH MEMBER SHALL NOT BE ENTITLED TO SUCH BENEFIT PRIOR TO THE MEMBER'S ATTAINMENT OF AGE SIXTY-THREE; AND SUCH DEFERRED VESTED BENEFIT SHALL BE COMPUTED PURSUANT TO SUBDIVISION B-1 OF SECTION SIX HUNDRED FOUR OF THIS ARTICLE.

a-1. Notwithstanding the provisions of subdivision a of this section or any other provision of law to the contrary, (i) a member of the New York city teachers' retirement system who holds a position represented by the recognized teacher organization for collective bargaining purposes, who became subject to the provisions of this article after the effective date of this subdivision, and who has ten or more years of credited service, or (ii) a member of the New York city board of education retirement system who holds a position represented by the recognized teacher organization for collective bargaining purposes, who became subject to the provisions of this article after the effective date of this subdivision, and who has ten or more years of credited service, other than such a member of either of such retirement systems who is entitled to a deferred vested benefit pursuant to any other provision of this article, shall, upon termination of employment, be entitled to a deferred vested benefit at normal retirement age computed in accordance with the provisions of section six hundred four of this article. Notwithstanding the provisions of subdivision a of this section or any other provision of law to the contrary, a member of the New York city teachers' retirement system who holds a position represented by the recognized teacher organization for collective bargaining purposes, who became subject to the provisions of this article after the effective date of this subdivision, and who has ten or more years of credited service, shall, upon termination of employment, be entitled to a deferred vested benefit prior to normal retirement age, but no earlier than age fifty-five, computed in accordance with the provisions of subdivision i of section six hundred three of this article, PROVIDED, HOWEVER, THAT ANY SUCH MEMBER OF EITHER OF SUCH RETIREMENT SYSTEMS WHO IS A NEW YORK CITY REVISED PLAN MEMBER SHALL BE REQUIRED TO HAVE AT LEAST TEN YEARS OF CREDITED SERVICE IN ORDER TO BE ELIGIBLE FOR A DEFERRED VESTED BENEFIT, SUCH MEMBER SHALL NOT BE ENTITLED TO PAYABILITY OF SUCH BENEFIT PRIOR TO ATTAINMENT OF AGE SIXTY-THREE AND SUCH DEFERRED VESTED BENEFIT SHALL BE COMPUTED PURSUANT TO SUBDIVISION B-1 OF SECTION SIX HUNDRED FOUR OF THIS ARTICLE.

S 58. Paragraphs 1 and 2 of subdivision a and subdivisions f and g of section 613 of the retirement and social security law, paragraph 1 of subdivision a as amended and paragraph 2 of subdivision a as added by chapter 10 of the laws of 2000, subdivisions f and g as added by section 9-a of part B of chapter 504 of the laws of 2009, are amended to read as follows:

1. Except as provided by paragraph two of this subdivision, members shall contribute three percent of annual wages to the retirement system in which they have membership, EXCEPT THAT BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN FOR MEMBERS WHO FIRST BECOME MEMBERS OF A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH MEMBER SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

(I) MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

(II) MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(III) MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(IV) MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

(V) MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (APRIL FIRST TO MARCH THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN A PUBLIC RETIREMENT SYSTEM OF THE STATE, SUCH MEMBER SHALL CONTRIBUTE A PERCENTAGE OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

The head of each retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

2. A member of the New York city employees' retirement system who is eligible to be a participant in the twenty-five-year and age fifty-five retirement program, as defined by paragraph five of subdivision a of section six hundred four-b of this article shall contribute two percent of annual wages to such system effective on the starting date of the elimination of additional member contributions, as defined in an election made pursuant to paragraph ten of subdivision e of section six hundred four-b of this article, EXCEPT THAT BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH MEMBER SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

(I) MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

(II) MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(III) MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(IV) MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

(V) MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (APRIL FIRST TO MARCH THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM, SUCH MEMBER SHALL CONTRIBUTE A PERCENTAGE OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

f. Anything in subdivision a of this section to the contrary notwithstanding a member employed as a uniformed court officer or peace officer in the unified court system who first joins the New York state and local employees' retirement system on or after January first, two thousand ten shall contribute four percent of annual wages to the New York state and local employees' retirement system , EXCEPT THAT BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH MEMBER SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

1. MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

2. MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

3. MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

4. MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

5. MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (APRIL FIRST TO MARCH THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM, SUCH MEMBER SHALL CONTRIBUTE A PERCENTAGE OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

The head of the New York state and local employees' retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

g. Members who first join the New York state teachers' retirement system on or after January first, two thousand ten shall contribute three and one-half percent of annual wages to the New York state teachers' retirement system, EXCEPT THAT BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH MEMBER SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (JULY FIRST TO JUNE THIRTIETH) SHALL BE DETERMINED BY

REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (JULY FIRST TO JUNE THIRTIETH) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

1. MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

2. MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

3. MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

4. MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

5. MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (JULY FIRST TO JUNE THIRTIETH) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM, SUCH MEMBER SHALL CONTRIBUTE A PERCENTAGE OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

The head of the New York state teachers' retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

S 59. Intentionally omitted.

S 60. Section 650 of the retirement and social security law, as amended by chapter 746 of the laws of 1989, is amended to read as follows:

S 650. Application. This article shall apply to a member of the New York city employees' retirement system (i) who holds the position of bridge and tunnel officer, sergeant or lieutenant with the Triborough bridge and tunnel authority, and has received or receives an appointment to at least one such position from a competitive civil service list; or (ii) who holds the position of assistant bridge and tunnel maintainer, bridge and tunnel maintainer, senior bridge and tunnel maintainer or laborer with the Triborough bridge and tunnel authority, PROVIDED, HOWEVER, THAT THIS ARTICLE SHALL NOT APPLY TO A NEW YORK CITY REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION M OF SECTION SIX HUNDRED ONE OF THIS CHAPTER).

S 61. Paragraphs 1 and 1-a of subdivision b of section 911 of the retirement and social security law, paragraph 1 as amended by section 5 and paragraph 1-a as added by section 6 of part C of chapter 504 of the laws of 2009, are amended to read as follows:

1. Subject to the provisions of paragraph one-a of this subdivision, AND EXCEPT AS PROVIDED IN PARAGRAPH ONE-B OF THIS SUBDIVISION, an eligible member (i) with a date of membership in a retirement system on or after July twenty-seventh, nineteen hundred seventy-six and (ii) who has ten or more years of membership or ten or more years of credited service with a retirement system under the provisions of article fourteen or fifteen of this chapter shall not be required to contribute to a retirement system pursuant to section five hundred seventeen or six hundred thirteen of this chapter as of the cessation date.

1-a. Notwithstanding the provisions of paragraph one of this subdivision or any other provision of law to the contrary, AND EXCEPT AS

PROVIDED IN PARAGRAPH ONE-B OF THIS SUBDIVISION, a member of the New York city teachers' retirement system or the New York city board of education retirement system:

(i) who is a twenty-seven year participant in the age fifty-five retirement program (as defined in paragraph twelve of subdivision a of section six hundred four-i of this chapter), and

(ii) who becomes subject to the provisions of article fifteen of this chapter after the effective date of this paragraph, shall contribute to a retirement system pursuant to section six hundred thirteen of this chapter until he or she has completed twenty-seven years of credited service.

S 62. Subdivision b of section 911 of the retirement and social security law is amended by adding a new paragraph 1-b to read as follows:

1-B. THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY TO A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION TWENTY-FIVE OF SECTION FIVE HUNDRED ONE OF THIS CHAPTER), AN INVESTIGATOR REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION TWENTY-SEVEN OF SECTION FIVE HUNDRED ONE OF THIS CHAPTER) OR A NEW YORK CITY REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION M OF SECTION SIX HUNDRED ONE OF THIS CHAPTER).

S 63. Section 1000 of the retirement and social security law is amended by adding a new subdivision 10 to read as follows:

10. ANYTHING TO THE CONTRARY IN SUBDIVISION FOUR OF THIS SECTION NOTWITHSTANDING, TO OBTAIN SUCH CREDIT, A MEMBER WHO FIRST JOINS A PUBLIC RETIREMENT SYSTEM OF THE STATE ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE SHALL PAY SUCH RETIREMENT SYSTEM, FOR DEPOSIT IN THE FUND USED TO ACCUMULATE EMPLOYER CONTRIBUTIONS, A SUM EQUAL TO THE PRODUCT OF THE NUMBER OF YEARS OF MILITARY SERVICE BEING CLAIMED AND SIX PERCENT OF SUCH MEMBER'S COMPENSATION EARNED DURING THE TWELVE MONTHS OF CREDITED SERVICE IMMEDIATELY PRECEDING THE DATE THAT THE MEMBER MADE APPLICATION FOR CREDIT PURSUANT TO THIS SECTION.

S 64. Section 1202 of the retirement and social security law is amended by adding a new subdivision c to read as follows:

C. IN NO EVENT SHALL THE VESTED RETIREMENT ALLOWANCE PAYABLE WITHOUT OPTIONAL MODIFICATION BE LESS THAN THE ACTUARIAL EQUIVALENT OF THE TOTAL WHICH RESULTS FROM THE MEMBER'S CONTRIBUTIONS ACCUMULATED WITH INTEREST AT FIVE PERCENT PER ANNUM COMPOUNDED ANNUALLY TO THE DATE OF RETIREMENT.

S 65. Section 1204 of the retirement and social security law, as added by section 1 of part A of chapter 504 of the laws of 2009, is amended to read as follows:

S 1204. Member contributions. Members who are subject to the provisions of this article shall contribute three percent of annual wages to the retirement system in which they have membership, EXCEPT THAT BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH MEMBER SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (APRIL FIRST TO MARCH THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

A. MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

B. MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

C. MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

D. MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

E. MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (APRIL FIRST TO MARCH THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM, SUCH MEMBER SHALL CONTRIBUTE A PERCENTAGE OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER. EFFECTIVE APRIL FIRST, TWO THOUSAND TWELVE, ALL MEMBERS SUBJECT TO THE PROVISIONS OF THIS ARTICLE SHALL NOT BE REQUIRED TO MAKE MEMBER CONTRIBUTIONS ON ANNUAL WAGES EXCLUDED FROM THE CALCULATION OF FINAL AVERAGE SALARY PURSUANT TO SECTION 1203 OF THIS ARTICLE. NOTHING IN THIS SECTION, HOWEVER, SHALL BE CONSTRUED OR DEEMED TO ALLOW MEMBERS TO RECEIVE A REFUND OF ANY MEMBER CONTRIBUTIONS ON SUCH WAGES PAID PRIOR TO APRIL FIRST, TWO THOUSAND TWELVE.

Members who are enrolled in a retirement plan that limits the amount of creditable service a member can accrue shall not be required to make contributions pursuant to this section after accruing the maximum amount of service credit allowed by the retirement plan in which they are enrolled. The state comptroller shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed. In no way shall the member contributions made pursuant to this section be used to provide for pension increases or annuities of any kind.

S 66. Intentionally omitted.

S 67. The retirement and social security law is amended by adding a new section 1209 to read as follows:

S 1209. FINAL AVERAGE SALARY. FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, A MEMBER'S FINAL AVERAGE SALARY SHALL BE EQUAL TO ONE-FIFTH OF THE HIGHEST TOTAL WAGES EARNED BY SUCH MEMBER DURING ANY CONTINUOUS PERIOD OF EMPLOYMENT FOR WHICH THE MEMBER WAS CREDITED WITH FIVE YEARS OF SERVICE CREDIT; PROVIDED, HOWEVER, IF THE WAGES EARNED DURING ANY YEAR OF CREDITED SERVICE INCLUDED IN THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY EXCEEDS THE AVERAGE OF THE WAGES OF THE PREVIOUS FOUR YEARS OF CREDITED SERVICE BY MORE THAN TEN PERCENT, THE AMOUNT IN EXCESS OF TEN PERCENT SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY. WAGES IN EXCESS OF THE ANNUAL SALARY PAID TO THE GOVERNOR PURSUANT TO SECTION THREE OF ARTICLE FOUR OF THE STATE CONSTITUTION SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

S 68. The retirement and social security law is amended by adding a new section 1210 to read as follows:

S 1210. WAGES. FOR MEMBERS WHO FIRST BECOME MEMBERS OF THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE FOLLOWING ITEMS SHALL NOT BE INCLUDED IN THE DEFINITION OF WAGES: A. WAGES IN EXCESS OF THE ANNUAL SALARY PAID

TO THE GOVERNOR PURSUANT TO SECTION THREE OF ARTICLE FOUR OF THE STATE CONSTITUTION, B. LUMP SUM PAYMENTS FOR DEFERRED COMPENSATION, SICK LEAVE, ACCUMULATED VACATION OR OTHER CREDITS FOR TIME NOT WORKED, C. ANY FORM OF TERMINATION PAY, D. ANY ADDITIONAL COMPENSATION PAID IN ANTICIPATION OF RETIREMENT, AND E. IN THE CASE OF EMPLOYEES WHO RECEIVE WAGES FROM THREE OR MORE EMPLOYERS IN A TWELVE MONTH PERIOD, THE WAGES PAID BY THE THIRD AND EACH SUCCESSIVE EMPLOYER.

S 69. Intentionally omitted.

S 70. Intentionally omitted.

S 71. Intentionally omitted.

S 72. Subdivision 2 of section 182 of the education law, as added by chapter 1076 of the laws of 1968, is amended to read as follows:

2. Employee contributions. In the case of any electing employee, contributions at the rate of three [percentum] PER CENTUM of his state salary shall be deducted by the state comptroller as the employee contribution, provided however, that such employee contribution shall be made by the state in accordance with subdivision one of this section during such period as (a) either section seventy-a of the retirement and social security law or section five hundred twenty-eight of [the education law] THIS TITLE provides that the contribution of each member of the New York state employees' retirement system or the New York state teachers' retirement system in the employ of the state shall be reduced by at least eight [percentum] PER CENTUM of his compensation, or (b) employee contributions to either such system are no longer required by reason of such system becoming noncontributory for state employees.

NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN ANY ELECTING EMPLOYEE APPOINTED ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH EMPLOYEE SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (JANUARY FIRST TO DECEMBER THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (JANUARY FIRST TO DECEMBER THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

(A) MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

(B) MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(C) MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(D) MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

(E) MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (JANUARY FIRST TO DECEMBER THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE EDUCATION DEPARTMENT OPTIONAL RETIREMENT PROGRAM, SUCH EMPLOYEE SHALL CONTRIBUTE A PERCENT OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

S 72-a. Section 390 of the education law is amended by adding two new subdivisions 3-a and 8-a to read as follows:

3-A. BEGINNING JULY FIRST, TWO THOUSAND THIRTEEN, THE TERM "ELIGIBLE EMPLOYEES" SHALL ALSO MEAN ANY PERSON EXCLUDED FROM OR NOT ENCOMPASSED WITHIN A NEGOTIATING UNIT WITHIN THE MEANING OF ARTICLE FOURTEEN OF THE

CIVIL SERVICE LAW WHO WOULD OTHERWISE BE ENTITLED TO RECEIVE A BENEFIT UNDER THE RETIREMENT AND SOCIAL SECURITY LAW OR THE EDUCATION LAW INITIALLY HIRED ON OR AFTER JULY FIRST, TWO THOUSAND THIRTEEN WITH ESTIMATED ANNUAL WAGES OF SEVENTY-FIVE THOUSAND PER ANNUM OR GREATER. SUCH ESTIMATE OF ANNUAL WAGES TO DETERMINE ELIGIBILITY FOR THE PURPOSES OF THIS SUBDIVISION SHALL BE PROVIDED BY THE EMPLOYER. FOR THE PURPOSES OF THIS SUBDIVISION, A NEWLY HIRED STATE EMPLOYEE WHOSE IMMEDIATE PRECEDING EMPLOYMENT WAS WITH ANOTHER DEPARTMENT, DIVISION, OR AGENCY OF THE STATE SHALL NOT BE DEEMED TO BE AN ELIGIBLE EMPLOYEE.

8-A. BEGINNING JULY FIRST, TWO THOUSAND THIRTEEN, THE TERM "ELECTING EMPLOYER" SHALL ALSO MEAN ANY PUBLIC EMPLOYER WITHIN THE STATE OF NEW YORK THAT EMPLOYS ONE OR MORE EMPLOYEES WHO HAVE ELECTED TO PARTICIPATE IN THE OPTIONAL RETIREMENT PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE.

S 72-b. Section 392 of the education law is amended by adding a new subdivision 1-a to read as follows:

1-A. EMPLOYER CONTRIBUTIONS. IN THE CASE OF ANY ELECTING EMPLOYEE EXCLUDED FROM OR NOT ENCOMPASSED WITHIN A NEGOTIATING UNIT WITHIN THE MEANING OF ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW INITIALLY HIRED ON OR AFTER JULY FIRST, TWO THOUSAND THIRTEEN, THE STATE AND THE ELECTING EMPLOYER SHALL, DURING THE CONTINUANCE OF HIS OR HER EMPLOYMENT, MAKE CONTRIBUTIONS AT THE RATE OF EIGHT PER CENTUM OF HIS OR HER SALARY.

S 73. Paragraph (c) of subdivision 2 of section 392 of the education law, as added by chapter 617 of the laws of 2007, is amended and a new paragraph (d) is added to read as follows:

(c) Notwithstanding any other provision of this section or any other law to the contrary, (1) on and after April first, two thousand eight for a member who joined the optional retirement program established pursuant to this article BEFORE APRIL FIRST, TWO THOUSAND TWELVE and who has ten or more years of membership in such optional retirement program, the state shall contribute one-third of the three percent employee contribution required pursuant to the provisions of this section on behalf of such employee; and (2) on and after April first, two thousand nine for a member who joined the optional retirement program established pursuant to this article BEFORE APRIL FIRST, TWO THOUSAND TWELVE and who has ten or more years of membership in such optional retirement program, the state shall contribute two-thirds of the three percent employee contribution required pursuant to the provisions of this section on behalf of such employee; and (3) on and after April first, two thousand ten for a member who joined the optional retirement program established pursuant to this article BEFORE APRIL FIRST, TWO THOUSAND TWELVE and who has ten or more years of membership in such optional retirement program, the state shall contribute the three percent employee contribution required pursuant to the provisions of this section on behalf of such employee. THE PROVISIONS OF THIS PARAGRAPH SHALL NOT APPLY TO ANY ELECTING EMPLOYEE WHO BECOMES A MEMBER OF THE OPTIONAL RETIREMENT PROGRAM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

(D) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN ANY ELECTING EMPLOYEE APPOINTED ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH EMPLOYEE SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (JANUARY FIRST TO DECEMBER THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (JANUARY FIRST TO DECEMBER THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

(I) MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

(II) MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(III) MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(IV) MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

(V) MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (JANUARY FIRST TO DECEMBER THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE STATE UNIVERSITY OPTIONAL RETIREMENT PROGRAM, SUCH EMPLOYEE SHALL CONTRIBUTE A PERCENT OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

S 74. Paragraph (c) of subdivision 2 of section 6252 of the education law, as added by chapter 617 of the laws of 2007, is amended and a new paragraph (d) is added to read as follows:

(c) Notwithstanding any other provision of this section or any other law to the contrary, (1) on and after April first, two thousand eight for a member who joined the optional retirement program established pursuant to this article BEFORE APRIL FIRST, TWO THOUSAND TWELVE and who has ten or more years of membership in such optional retirement program, the city shall contribute one-third of the three percent employee contribution required pursuant to the provisions of this section on behalf of such employee; and (2) on and after April first, two thousand nine for a member who joined the optional retirement program established pursuant to this article BEFORE APRIL FIRST, TWO THOUSAND TWELVE and who has ten or more years of membership in such optional retirement program, the city shall contribute two-thirds of the three percent employee contribution required pursuant to the provisions of this section on behalf of such employee; and (3) on and after April first, two thousand ten for a member who joined the optional retirement program established pursuant to this article BEFORE APRIL FIRST, TWO THOUSAND TWELVE and who has ten or more years of membership in such optional retirement program, the city shall contribute the three percent employee contribution required pursuant to the provisions of this section on behalf of such employee. THE PROVISIONS OF THIS PARAGRAPH SHALL NOT APPLY TO ANY ELECTING EMPLOYEE WHO BECOMES A MEMBER OF THE OPTIONAL RETIREMENT PROGRAM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE.

(D) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, BEGINNING APRIL FIRST, TWO THOUSAND THIRTEEN ANY ELECTING EMPLOYEE APPOINTED ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, THE RATE AT WHICH EACH SUCH EMPLOYEE SHALL CONTRIBUTE IN ANY CURRENT PLAN YEAR (JANUARY FIRST TO DECEMBER THIRTY-FIRST) SHALL BE DETERMINED BY REFERENCE TO THE WAGES OF SUCH MEMBER IN THE SECOND PLAN YEAR (JANUARY FIRST TO DECEMBER THIRTY-FIRST) PRECEDING SUCH CURRENT PLAN YEAR AS FOLLOWS:

(1) MEMBERS WITH WAGES OF FORTY-FIVE THOUSAND DOLLARS PER ANNUM OR LESS SHALL CONTRIBUTE THREE PER CENTUM OF ANNUAL WAGES;

(2) MEMBERS WITH WAGES GREATER THAN FORTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN FIFTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE THREE AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(3) MEMBERS WITH WAGES GREATER THAN FIFTY-FIVE THOUSAND PER ANNUM, BUT NOT MORE THAN SEVENTY-FIVE THOUSAND PER ANNUM SHALL CONTRIBUTE FOUR AND ONE-HALF PER CENTUM OF ANNUAL WAGES;

(4) MEMBERS WITH WAGES GREATER THAN SEVENTY-FIVE THOUSAND PER ANNUM BUT NOT MORE THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE FIVE AND THREE-QUARTERS PER CENTUM OF ANNUAL WAGES; AND

(5) MEMBERS WITH WAGES GREATER THAN ONE HUNDRED THOUSAND PER ANNUM SHALL CONTRIBUTE SIX PER CENTUM OF ANNUAL WAGES.

NOTWITHSTANDING THE FOREGOING, DURING EACH OF THE FIRST THREE PLAN YEARS (JANUARY FIRST TO DECEMBER THIRTY-FIRST) IN WHICH SUCH MEMBER HAS ESTABLISHED MEMBERSHIP IN THE BOARD OF HIGHER EDUCATION OPTIONAL RETIREMENT PROGRAM, SUCH EMPLOYEE SHALL CONTRIBUTE A PERCENT OF ANNUAL WAGES IN ACCORDANCE WITH THE PRECEDING SCHEDULE BASED UPON A PROJECTION OF ANNUAL WAGES PROVIDED BY THE EMPLOYER.

S 75. Paragraphs (b) and (c) of subdivision 86 of section 13-101 of the administrative code of the city of New York, as added by chapter 114 of the laws of 1989, are amended to read as follows:

(b) In the case of a uniformed force member who is a member of the uniformed force of the department of sanitation and is not a TIER III MEMBER (AS DEFINED IN SUBDIVISION SEVENTY-THREE OF THIS SECTION) OR A Tier IV member (as defined in subdivision seventy-six of this section), the term "normal rate of contribution as a uniformed force member" shall mean the proportion of such member's earnable compensation required to be deducted from his or her compensation by the applicable provisions of sections 13-125, 13-154, 13-159 and 13-160 of this chapter as his or her member contributions, exclusive of any increase in such contributions pursuant to subdivision d, e, or f of section 13-125 of this chapter, or any decrease in such contributions on account of any program for increased-take-home-pay or pursuant to subdivision one of section one hundred thirty-eight-b of the retirement and social security law (relating to election to decrease member contributions by contributions due on account of social security coverage).

(c) In the case of any uniformed force member (1) who is both a member of the uniformed correction force and a Tier III member, OR (2) WHO IS BOTH A MEMBER OF THE UNIFORMED FORCE OF THE DEPARTMENT OF SANITATION AND A TIER III MEMBER, the term "normal rate of contribution as a uniformed force member" shall mean the percentage of the annual wages of such member required to be deducted from such member's wages by subdivision a of section five hundred seventeen of the retirement and social security law, as his or her member contributions.

S 76. Paragraph (b) of subdivision 87 of section 13-101 of the administrative code of the city of New York, as added by chapter 114 of the laws of 1989, is amended to read as follows:

(b) a uniformed force member who is not required to contribute during such payroll period because he or she is a Tier III member who, having contributed for thirty years, OR WHO, IN THE CASE OF A NEW YORK CITY UNIFORMED CORRECTION/SANITATION REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION TWENTY-FIVE OF SECTION FIVE HUNDRED ONE OF THE RETIREMENT AND SOCIAL SECURITY LAW), HAVING CONTRIBUTED FOR TWENTY-FIVE YEARS, has discontinued member contributions pursuant to subdivision a of section five hundred seventeen of the retirement and social security law.

S 77. Paragraph (c) of subdivision 89 of section 13-101 of the administrative code of the city of New York, as added by chapter 114 of the laws of 1989, is amended to read as follows:

(c) In the case of any contributing uniformed force member who is both (1) a member of the uniformed correction force (as defined in subdivi-

sion thirty-nine of this section) OR THE UNIFORMED FORCE OF THE DEPARTMENT OF SANITATION (AS DEFINED IN SUBDIVISION SIXTY-TWO OF THIS SECTION) and (2) a Tier III member (as defined in subdivision seventy-three of this section), the term "uniformed force member contributions eligible for pick up by the employer" shall mean the amount which, in the absence of a pick up program applicable to such member pursuant to section 13-125.1 of this chapter, would be required to be deducted from the wages of such member for such payroll period pursuant to subdivision a of section five hundred seventeen of the retirement and social security law as his or her required member contributions for such payroll period.

S 78. Paragraph 14 of subdivision e of section 13-638.4 of the administrative code of the city of New York, as added by chapter 749 of the laws of 1992, is amended to read as follows:

(14) (I) Subject to the provisions of subdivision f of this section and the provisions of subdivision c of section six hundred eight of the RSSL, where those provisions are applicable, and notwithstanding the provisions of subdivision a of section six hundred eight of the RSSL, for a tier IV member of NYCERS WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION M OF SECTION SIX HUNDRED ONE OF THE RSSL) or FOR A TIER IV MEMBER OF BERS WHO IS NOT A NEW YORK CITY REVISED PLAN MEMBER, the term "final average salary", as used in article fifteen of the RSSL, shall be equal to the greater of:

[(i)] (A) one-third of the highest total wages earned by such member during any continuous period of employment for which the member was credited with three years of service credit; provided that if the wages earned during any year of credited service included in the period used to determine final average salary exceeds the average of the wages of the previous two years of credited service by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary; or

[(ii)] (B) the total wages earned during any six consecutive years from service for which the member received service credit divided by the amount of such service credit earned during that six-year period, PROVIDED, HOWEVER, THAT "WAGES", AS USED IN THIS PARAGRAPH, SHALL MEAN THE APPLICABLE PROVISIONS AND LIMITATIONS OF THE TERM "WAGES", AS DEFINED IN SUBDIVISION 1 OF SECTION SIX HUNDRED ONE OF THE RSSL.

(II) SUBJECT TO THE PROVISIONS OF SUBDIVISION F OF THIS SECTION WHERE THOSE PROVISIONS ARE APPLICABLE, AND NOTWITHSTANDING THE PROVISIONS OF SUBDIVISIONS A AND C OF SECTION SIX HUNDRED EIGHT OF THE RSSL, FOR A TIER IV MEMBER OF NYCERS WHO IS A NEW YORK CITY REVISED PLAN MEMBER (AS DEFINED IN SUBDIVISION M OF SECTION SIX HUNDRED ONE OF THE RSSL) OR A TIER IV MEMBER OF BERS WHO IS A NEW YORK CITY REVISED PLAN MEMBER, THE TERM "FINAL AVERAGE SALARY", AS USED IN ARTICLE FIFTEEN OF THE RSSL, SHALL BE EQUAL TO ONE-FIFTH OF THE HIGHEST TOTAL WAGES EARNED BY SUCH MEMBER DURING ANY CONTINUOUS PERIOD OF EMPLOYMENT FOR WHICH THE MEMBER WAS CREDITED WITH FIVE YEARS OF SERVICE CREDIT; PROVIDED THAT IF THE WAGES EARNED DURING ANY YEAR OF CREDITED SERVICE INCLUDED IN THE PERIOD USED TO DETERMINE FINAL AVERAGE SALARY EXCEEDS THE AVERAGE OF THE WAGES OF THE PREVIOUS FOUR YEARS OF CREDITED SERVICE BY MORE THAN TEN PERCENT, THE AMOUNT IN EXCESS OF TEN PERCENT SHALL BE EXCLUDED FROM THE COMPUTATION OF FINAL AVERAGE SALARY, PROVIDED FURTHER THAT "WAGES", AS USED IN THIS PARAGRAPH, SHALL MEAN THE APPLICABLE PROVISIONS AND LIMITATIONS OF THE TERM "WAGES", AS DEFINED IN SUBDIVISION L OF SECTION SIX HUNDRED ONE OF THE RSSL.

S 78-a. Section 63-c of the executive law is amended by adding a new subdivision 5 to read as follows:

5. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, INCLUDING WITHOUT LIMITATION; SECTION SIXTY-FOUR OF THIS ARTICLE; THE EDUCATION LAW; THE RETIREMENT AND SOCIAL SECURITY LAW AND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, THE PORTION OF ALL MONEY RECEIVED BY THE ATTORNEY GENERAL IN CONNECTION WITH THE SETTLEMENT OF AN ACTION ARISING OUT OF THE MANAGEMENT, OPERATION, INVESTMENTS OF OR OTHERWISE IN CONNECTION WITH A RETIREMENT OR OTHER FUND ESTABLISHED PURSUANT TO THE EDUCATION LAW, THE RETIREMENT AND SOCIAL SECURITY LAW OR THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK ATTRIBUTABLE TO THE HARM SUFFERED BY SUCH FUND SHALL BE DEPOSITED INTO SUCH FUND.

S 79. Nothing contained in sections seventy-five, seventy-six and seventy-seven of this act shall be construed to create any contractual right with respect to members to whom such sections apply. The provisions of such sections are intended to afford members the advantages of certain benefits contained in the internal revenue code, and the effectiveness and existence of such sections and benefits they confer are completely contingent thereon.

S 80. Notwithstanding any provision of law to the contrary, nothing in this act shall limit the rights accruing to employees pursuant to a collective bargaining agreement for the unexpired term of such agreement or the eligibility of any member of an employee organization to join a special retirement plan open to him or her pursuant to a collectively negotiated agreement with any state or local government employer, where such agreement is in effect on the effective date of this act and so long as such agreement remains in effect thereafter; provided, however, that any such eligibility shall not apply upon termination of such agreement for employees otherwise subject to the provisions of article 22 of the retirement and social security law, provided further that this section shall not be construed as authorizing any member who first joins a public retirement system of the state (as defined in subdivision 23 of section 501 of the retirement and social security law) on or after April 1, 2012 to become a participant in any of the special plans established by section 504-a, 504-b, 504-d, 604-a, 604-c (as added by chapter 96 of the laws of 1995), 604-d or 604-i of the retirement and social security law or section 13-157.1 or 13-157.4 of the administrative code of the city of New York.

S 81. No enhancement, increase or other alteration or change in the benefit structure provided herein shall be authorized.

S 81-a. The retirement and social security law is amended by adding a new section 25 to read as follows:

S 25. APPROPRIATIONS IN RETIREMENT BILLS. THE STATE SHALL MAKE A PAYMENT TO THE RETIREMENT SYSTEM IN AN AMOUNT EQUAL TO THE VALUE OF THE BENEFITS ASSOCIATED WITH PRIOR SERVICE UPON THE ENACTMENT OF A BILL WHICH ENACTS OR AMENDS ANY PROVISION OF LAW RELATING TO A RETIREMENT SYSTEM OR PLAN OF THE STATE OF NEW YORK OR OF ANY OF ITS POLITICAL SUBDIVISIONS. THE STATE MAY AMORTIZE SUCH PAYMENT OVER A FIVE YEAR PERIOD AT A RATE OF INTEREST TO BE DETERMINED BY THE RETIREMENT SYSTEM. SUCH BILL SHALL CONTAIN AN ITEMIZED APPROPRIATION FROM THE STATE'S GENERAL FUND BEGINNING FOR THE FISCAL YEAR IN WHICH SUCH AMENDMENT BECOMES EFFECTIVE AND WHICH SHALL NOT BE USED FOR ANY OTHER PURPOSE, SUFFICIENT TO DISBURSE A MINIMUM OF THE FIRST OF FIVE SUCH AMORTIZATION PAYMENTS PLUS THE PRESENT VALUE OF THE BENEFITS PROVIDED TO EMPLOYEES OF THE STATE OR ITS POLITICAL SUBDIVISIONS BY THE BILL FOR THE CURRENT FISCAL YEAR. THE STATE SHALL CONTINUE TO PAY FOR THE COST OF THE BENEFITS AS PROVIDED BY THE BILL TO THE STATE AND ITS POLITICAL SUBDIVISIONS ON AN ONGOING BASIS. SUCH APPROPRIATION FROM THE STATE'S GENERAL FUND SHALL

ONLY BE REQUIRED WHEN A BILL IS ENACTED ON A STATEWIDE BASIS. IN ADDITION, SUCH APPROPRIATION FROM THE STATE'S GENERAL FUND SHALL NOT BE REQUIRED WHEN THE BENEFITS PROVIDED BY A PARTICULAR BILL MUST BE ELECTED BY A PARTICIPATING EMPLOYER, LOCAL GOVERNMENT, OR SCHOOL DISTRICT.

S 81-b. The retirement and social security law is amended by adding three new articles 23, 24, and 25 to read as follows:

ARTICLE 23

BENEFIT ENHANCEMENTS

SECTION 1300. DEFINITIONS.
1301. ELECTION OF BENEFIT ENHANCEMENTS.
1302. BENEFIT ENHANCEMENTS.
1303. ADDITIONAL MEMBER CONTRIBUTIONS.
1304. ELECTION NOT COLLECTIVELY BARGAINED.

S 1300. DEFINITIONS. THE FOLLOWING WORDS AND PHRASES AS USED IN THIS ARTICLE SHALL HAVE THE FOLLOWING MEANINGS UNLESS A DIFFERENT MEANING IS PLAINLY REQUIRED BY THE CONTEXT:

A. "RETIREMENT SYSTEM" SHALL MEAN THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM AND THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM.

B. "ELIGIBLE EMPLOYEE", SUBJECT TO THE LIMITATIONS OF SECTION THIRTEEN HUNDRED TWO OF THIS ARTICLE, SHALL MEAN A STATE EMPLOYEE THAT BECOMES A MEMBER OF A RETIREMENT SYSTEM WHO FIRST BECAME A MEMBER OF SUCH SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE WHO IS IDENTIFIED AS ELIGIBLE TO RECEIVE THE BENEFIT ENHANCEMENTS PROVIDED FOR IN THIS ARTICLE UPON ELECTION BY THE STATE OF NEW YORK PURSUANT TO SECTION THIRTEEN HUNDRED ONE OF THIS ARTICLE.

S 1301. ELECTION OF BENEFIT ENHANCEMENTS. A. THE STATE OF NEW YORK MAY ELECT TO PROVIDE ITS EMPLOYEES THE BENEFIT ENHANCEMENTS PROVIDED FOR IN SECTION THIRTEEN HUNDRED TWO OF THIS ARTICLE.

B. A SEPARATE ELECTION TO PROVIDE BENEFIT ENHANCEMENTS PURSUANT TO SUBDIVISION A OF THIS SECTION MUST BE MADE FOR EACH SPECIFIC COLLECTIVE BARGAINING ORGANIZATION, RECOGNIZED OR CERTIFIED PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW.

C. SUCH ELECTION IS MADE BY THE GOVERNOR TO THE RETIREMENT SYSTEM UPON RECEIPT OF A REQUEST FROM THE COLLECTIVE BARGAINING ORGANIZATION, RECOGNIZED OR CERTIFIED PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW TO REPRESENT SUCH ELIGIBLE EMPLOYEES. NO SUCH PETITION SHALL BE REQUIRED FOR EMPLOYEES WHO ARE NOT REPRESENTED FOR THE PURPOSES OF COLLECTIVE BARGAINING SUBJECT TO THE LIMITATION PROVIDED IN SECTION NINE HUNDRED TWO OF THIS CHAPTER.

S 1302. BENEFIT ENHANCEMENTS. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, ELIGIBLE EMPLOYEES SHALL BE PERMITTED TO RETIRE, WITHOUT PENALTY, UPON REACHING AGE FIFTY-SEVEN AND COMPLETING AT LEAST THIRTY YEARS OF CREDITED SERVICE. EMPLOYEES RETIRING PURSUANT TO THIS SECTION SHALL RECEIVE A PENSION ALLOWANCE EQUAL TO THE SUM OF THIRTY-FIVE PER CENTUM AND ONE-FIFTIETH OF FINAL AVERAGE SALARY FOR EACH YEAR OF SERVICE IN EXCESS OF TWENTY TIMES FINAL AVERAGE SALARY TIMES YEARS OF CREDITED SERVICE.

S 1303. ADDITIONAL MEMBER CONTRIBUTIONS. UPON ELECTION BY THE STATE OF NEW YORK, THE RETIREMENT SYSTEM SHALL REQUIRE ADDITIONAL MEMBER CONTRIBUTIONS TO BE PAID BY ALL ELIGIBLE EMPLOYEES. THE ADDITIONAL MEMBER CONTRIBUTIONS TO BE PAID BY ELIGIBLE EMPLOYEES SHALL BE OF A LEVEL SO THAT NO ADDITIONAL CONTRIBUTIONS SHALL BE PAID BY THE STATE TO COVER THE COST OF SUCH ADDITIONAL BENEFITS. ADDITIONAL MEMBER CONTRIBUTIONS MADE PURSUANT TO THIS SECTION SHALL BE IN ADDITION TO MEMBER CONTRIBUTIONS MADE PURSUANT TO OTHER PROVISIONS OF THIS CHAPTER.

S 1304. ELECTION NOT COLLECTIVELY BARGAINED. THE DETERMINATION TO MAKE AN ELECTION IN ACCORDANCE WITH THIS ARTICLE SHALL NOT BE DEEMED TO BE, OR TO RELATE TO OR AFFECT, A TERM AND CONDITION OF EMPLOYMENT WITHIN THE MEANING OF ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW OR ANY LOCAL LAW ENACTED IN FURTHERANCE THEREOF.

ARTICLE 24
BENEFIT ENHANCEMENTS

SECTION 1310. DEFINITIONS.
1311. ELECTION OF BENEFIT ENHANCEMENTS.
1312. BENEFIT ENHANCEMENTS.
1313. ADDITIONAL MEMBER CONTRIBUTIONS.
1314. ELECTION NOT COLLECTIVELY BARGAINED.

S 1310. DEFINITIONS. THE FOLLOWING WORDS AND PHRASES AS USED IN THIS ARTICLE SHALL HAVE THE FOLLOWING MEANINGS UNLESS A DIFFERENT MEANING IS PLAINLY REQUIRED BY THE CONTEXT:

A. "RETIREMENT SYSTEM" SHALL MEAN THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM AND THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM.

B. "ELIGIBLE EMPLOYEE", SUBJECT TO THE LIMITATIONS OF SECTION THIRTEEN HUNDRED TWELVE OF THIS ARTICLE, SHALL MEAN A MEMBER OF A RETIREMENT SYSTEM WHO FIRST BECAME A MEMBER OF SUCH SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE WHO IS IDENTIFIED AS ELIGIBLE TO RECEIVE THE BENEFIT ENHANCEMENTS PROVIDED FOR IN THIS ARTICLE UPON ELECTION BY THE STATE OF NEW YORK PURSUANT TO SECTION THIRTEEN HUNDRED ELEVEN OF THIS ARTICLE.

S 1311. ELECTION OF BENEFIT ENHANCEMENTS. A. THE STATE OF NEW YORK MAY ELECT TO PROVIDE EMPLOYEES WHO HOLD A POSITION REPRESENTED BY THE RECOGNIZED COLLECTIVE BARGAINING UNITS AFFILIATED WITH THE NEW YORK STATE UNITED TEACHERS EMPLOYEE ORGANIZATION AS CERTIFIED BY HIS OR HER EMPLOYER THE BENEFIT ENHANCEMENTS PROVIDED FOR IN SECTION THIRTEEN HUNDRED TWELVE OF THIS ARTICLE.

B. SUCH ELECTION IS MADE BY THE GOVERNOR TO THE RETIREMENT SYSTEM UPON RECEIPT OF A REQUEST BY THE NEW YORK STATE UNITED TEACHERS EMPLOYEE ORGANIZATION.

S 1312. BENEFIT ENHANCEMENTS. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, ELIGIBLE EMPLOYEES SHALL BE PERMITTED TO RETIRE, WITHOUT PENALTY, UPON REACHING AGE FIFTY-SEVEN AND COMPLETING AT LEAST THIRTY YEARS OF CREDITED SERVICE. EMPLOYEES RETIRING PURSUANT TO THIS SECTION SHALL RECEIVE A PENSION ALLOWANCE EQUAL TO THE SUM OF THIRTY-FIVE PER CENTUM AND ONE-FIFTIETH OF FINAL AVERAGE SALARY FOR EACH YEAR OF SERVICE IN EXCESS OF TWENTY TIMES FINAL AVERAGE SALARY TIMES YEARS OF CREDITED SERVICE.

S 1313. ADDITIONAL MEMBER CONTRIBUTIONS. UPON ELECTION BY THE STATE OF NEW YORK, THE RETIREMENT SYSTEM SHALL REQUIRE ADDITIONAL MEMBER CONTRIBUTIONS TO BE PAID BY ALL ELIGIBLE EMPLOYEES. THE ADDITIONAL MEMBER CONTRIBUTIONS TO BE PAID BY ELIGIBLE EMPLOYEES SHALL BE OF A LEVEL SO THAT NO ADDITIONAL CONTRIBUTIONS SHALL BE PAID BY THE STATE OR PARTICIPATING EMPLOYERS IN THE RETIREMENT SYSTEM TO COVER THE COST OF SUCH ADDITIONAL BENEFITS. ADDITIONAL MEMBER CONTRIBUTIONS MADE PURSUANT TO THIS SECTION SHALL BE IN ADDITION TO MEMBER CONTRIBUTIONS MADE PURSUANT TO OTHER PROVISIONS OF THIS CHAPTER.

S 1314. ELECTION NOT COLLECTIVELY BARGAINED. THE DETERMINATION TO MAKE AN ELECTION IN ACCORDANCE WITH THIS ARTICLE SHALL NOT BE DEEMED TO BE, OR TO RELATE TO OR AFFECT, A TERM AND CONDITION OF EMPLOYMENT WITHIN THE MEANING OF ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW OR ANY LOCAL LAW ENACTED IN FURTHERANCE THEREOF.

ARTICLE 25
BENEFIT ENHANCEMENTS

SECTION 1320. DEFINITIONS.
1321. ELECTION OF BENEFIT ENHANCEMENTS.
1322. BENEFIT ENHANCEMENTS.
1323. ADDITIONAL MEMBER CONTRIBUTIONS.
1324. ELECTION NOT COLLECTIVELY BARGAINED.

S 1320. DEFINITIONS. THE FOLLOWING WORDS AND PHRASES AS USED IN THIS ARTICLE SHALL HAVE THE FOLLOWING MEANINGS UNLESS A DIFFERENT MEANING IS PLAINLY REQUIRED BY THE CONTEXT:

A. "RETIREMENT SYSTEM" SHALL MEAN THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM, THE NEW YORK CITY TEACHERS' RETIREMENT SYSTEM, AND THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM.

B. "ELIGIBLE EMPLOYEE", SUBJECT TO THE LIMITATIONS OF SECTION THIRTEEN HUNDRED TWENTY-TWO OF THIS ARTICLE, SHALL MEAN A MEMBER OF A RETIREMENT SYSTEM WHO FIRST BECAME A MEMBER OF SUCH SYSTEM ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE WHO IS IDENTIFIED AS ELIGIBLE TO RECEIVE THE BENEFIT ENHANCEMENTS PROVIDED FOR IN THIS ARTICLE UPON ELECTION BY THE CITY OF NEW YORK PURSUANT TO SECTION THIRTEEN HUNDRED TWENTY-ONE OF THIS ARTICLE.

S 1321. ELECTION OF BENEFIT ENHANCEMENTS. A. THE CITY OF NEW YORK MAY ELECT TO PROVIDE ITS EMPLOYEES THE BENEFIT ENHANCEMENTS PROVIDED FOR IN SECTION THIRTEEN HUNDRED TWENTY-TWO OF THIS ARTICLE.

B. A SEPARATE ELECTION TO PROVIDE BENEFIT ENHANCEMENTS PURSUANT TO SUBDIVISION A OF THIS SECTION MUST BE MADE FOR EACH SPECIFIC COLLECTIVE BARGAINING ORGANIZATION, RECOGNIZED OR CERTIFIED PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW.

C. SUCH ELECTION MAY BE MADE AT THE SOLE DISCRETION OF THE MAYOR OF THE CITY OF NEW YORK TO THE RETIREMENT SYSTEMS UPON RECEIPT OF A REQUEST FROM THE COLLECTIVE BARGAINING ORGANIZATION, RECOGNIZED OR CERTIFIED PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW TO REPRESENT SUCH ELIGIBLE EMPLOYEES. NO SUCH PETITION SHALL BE REQUIRED FOR EMPLOYEES WHO ARE NOT REPRESENTED FOR THE PURPOSES OF COLLECTIVE BARGAINING SUBJECT TO THE LIMITATION PROVIDED IN SECTION NINE HUNDRED TWO OF THIS CHAPTER.

S 1322. BENEFIT ENHANCEMENTS. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, ELIGIBLE EMPLOYEES SHALL BE ELIGIBLE TO RECEIVE BENEFITS SPECIFIED BY THE MAYOR OF THE CITY OF NEW YORK, PROVIDED THAT THE PETITION PROVIDED PURSUANT TO SUBDIVISION C OF SECTION THIRTEEN HUNDRED TWENTY-ONE OF THIS ARTICLE REQUESTED THE ELECTION OF SUCH BENEFITS.

S 1323. ADDITIONAL MEMBER CONTRIBUTIONS. UPON ELECTION BY THE CITY OF NEW YORK, THE RETIREMENT SYSTEM SHALL REQUIRE ADDITIONAL MEMBER CONTRIBUTIONS TO BE PAID BY ALL ELIGIBLE EMPLOYEES. THE ADDITIONAL MEMBER CONTRIBUTIONS TO BE PAID BY ELIGIBLE EMPLOYEES SHALL BE OF A LEVEL SO THAT NO ADDITIONAL CONTRIBUTIONS SHALL BE PAID BY THE CITY OF NEW YORK TO COVER THE COST OF SUCH ADDITIONAL BENEFITS. ADDITIONAL MEMBER CONTRIBUTIONS MADE PURSUANT TO THIS SECTION SHALL BE IN ADDITION TO MEMBER CONTRIBUTIONS PAID PURSUANT TO OTHER PROVISIONS OF THIS CHAPTER.

S 1324. ELECTION NOT COLLECTIVELY BARGAINED. THE DETERMINATION TO MAKE AN ELECTION IN ACCORDANCE WITH THIS ARTICLE SHALL NOT BE DEEMED TO BE, OR TO RELATE TO OR AFFECT, A TERM AND CONDITION OF EMPLOYMENT WITHIN THE MEANING OF ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW OR ANY LOCAL LAW ENACTED IN FURTHERANCE THEREOF.

S 82. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in

its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 83. This act shall take effect April 1, 2012, provided that the amendments to subdivision a of section 603 of the retirement and social security law made by section thirty-one of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 13 of chapter 682 of the laws of 2003, as amended, provided, further that the amendments to subdivisions 86, 87 and 89 of section 13-101 of the administrative code of the city of New York made by sections seventy-five, seventy-six and seventy-seven of this act shall not affect the expiration of such subdivisions and shall be deemed to expire therewith.

FISCAL NOTE.--Pursuant to Section 50 of the Legislative Law, the fiscal note that must be appended in its entirety to this bill is:

This bill would amend various sections of the Education Law, the Retirement and Social Security Law, and the Administrative Code of the City of New York to implement a new retirement benefit structure for members who first join a public retirement system of the state or New York City on or after April 1, 2012. The following provisions are with respect to members of the New York State Teachers' Retirement System. Members would be eligible for an unreduced retirement benefit upon attainment of age 63. Benefits would be vested after ten years of credited service. Members would be permitted to receive a reduced retirement benefit as early as age 55 with a reduction of 6.5% per year for each year that commencement precedes age 63. The retirement benefit formula for members whose years of service are less than 20 would be equal to one-sixtieth of final average salary times years of service. The retirement benefit formula for those members whose years of service is 20 or more would be equal to 1.75% times years of service up to 20, and 2.0% times years of service in excess of 20. Final average salary would be determined as the average of the highest five consecutive years of salary. Salary in excess of ten percent over the average of the four previous years would not be included in the final average salary. Members would be required to contribute between three and six percent of annual salary each year based upon their earnings in the second plan year preceding the current year in accordance with the schedule below:

WAGES EARNED	MEMBER CONTRIBUTION RATE
$45,000 or less	3.00%
Greater than $45,000 but not greater than $55,000	3.50%
Greater than $55,000 but not greater than $75,000	4.50%
Greater than $75,000 but not greater than $100,000	5.75%
Greater than $100,000	6.00%

Wages in excess of the annual salary paid to the Governor pursuant to the state constitution are not includable. Additionally in the case of members who work for multiple employers, only salary received from two employers is includable.

In Article 23-a of the bill, if NYSUT petitions the Governor to add the provisions of this section, and the Governor so elects, then a 57/30 benefit enhancement is added in which eligible members may retire with an unreduced benefit upon reaching age 57 provided they have completed at least 30 years of credited service. Upon election of this section, NYSTRS shall determine the cost of this provision, and the member contribution rate shall be increased by this amount, such that there is no additional cost to employers due to the provisions of this section.

The current required employer contribution rate for the New York State Teachers' Retirement System is 11.11% of pay, applicable to 7/1/11 - 6/30/12 member salaries and to be collected in the fall of 2012. This rate is estimated to increase to 11.84% for the 7/1/12 - 6/30/13 fiscal year. This rate is applicable to the salaries of all members, regardless of tier. In that this proposed benefit structure is only applicable to members joining on or after April 1, 2012, it will be several years before it has a noticeable impact on the employer contribution rate. The cost savings impact of this change will become more significant with time as the number of post-4/1/12 members grows as a percentage of the total membership.

Our "new entrant rate", a hypothetical employer contribution rate that would occur if we started a new Retirement System without any assets, is equal to 10.9% of pay under the Tier 4 benefit structure and 7.9% of pay under the Tier 5 benefit structure, in accordance with the actuarial assumptions adopted by the Retirement Board on October 27, 2011. This can be thought of as the long-term expected cost of the benefit structure, based on current actuarial assumptions. For the proposed new benefit structure as described above, this new entrant rate would be equal to 4.6% of pay.

With respect to the breakdown of the total plan cost into employer and employee portions, the long-term expected total cost of the benefit structure for Tier 4 breaks down approximately as 89/11 employer/employee, for Tier 5 the split is 69/31 employer/employee, and for the Tier 6 benefit structure proposed here the split would be 49/51 employer/employee, based on current actuarial assumptions. Of course the employee contribution rate is fixed, while the employer contribution rate is variable as employers are responsible for overall funding and assume all risks and benefits associated with investment performance and demographic experience. The actual employer cost in a given year could be higher or lower than the cost projected above depending on how actual investment returns and demographic experience differ from what is projected.

The source of this estimate is Fiscal Note 2012-23 dated March 14, 2012 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2012 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

FISCAL NOTE.--This bill would require new members who first join public retirement systems in New York State on or after April 1, 2012 to become covered under the provisions of a new defined benefit plan. New non-unionized members who first join public retirement systems in New York State on or after July 1, 2013 would have the option of joining an existing defined contribution plan.

Insofar as this bill would affect the New York State and Local Employees Retirement System (ERS), the significant design changes to the current defined benefit plan include:

1. Beginning April 1, 2013, employee contributions of X% of pay for all years of service, (except members enrolled in a plan that limits the amount of creditable service that may be accrued would not be required to contribute after accruing the maximum amount of creditable service under such plan), where the X% applies for a fiscal year and is determined as follows:

Annual Pensionable salary	X%

as of 3/31/two fiscal years prior	
up to $45,000.00	3.00%
$45,000.01 to $55,000.00	3.50%
$55,000.01 to $75,000.00	4.50%
$75,000.01 to $100,000.00	5.75%
$100,000.01 or more	6.00%

2. The service retirement benefit would be one-sixtieth (1.67%) of FAS for less than 20 years of creditable service, OR, when creditable service is 20 years or more, 35% plus one-fiftieth (2.00%) of FAS for service credit in excess of 20 years,

3. Members in regular plans (where retirement eligibility requires the attainment of a certain age as well as the accumulation of a certain amount of service credit) must attain age 63 before they may receive an unreduced service retirement benefit. Retirement with reductions can commence at age 55 with the application of an early age reduction factor at a rate of 6.5% per year.

4. Final average salary (FAS) would be based on a 5 year average, with no year's salary permitted to exceed 10% of the average of the previous 4 year's salary,

5. Reportable salary (for a fiscal year) may not exceed the salary of the Governor of the state of New York, which currently is set in law to be $179,000 (the reportable salary would change when the Governor's salary does) and pensionable salary applies on salary from no more than two employers per fiscal year,

6. Lump sum vacation pay, any form of termination pay and additional compensation paid in anticipation of retirement would no longer be included in a member's final average salary,

7. Service credit for unused sick leave time is capped at 100 days,

8. An early age retirement starting at age 57 for those with 30 or more years of creditable service is potentially provided to petitioning bargaining units subject to approval by the Governor of the state of New York with the enhanced benefit paid for by an additional employee contribution yet to be determined.

If this bill is enacted, NYSLRS would calculate new plan rates for all ERS members who first enter on or after April 1, 2012. The long term expected annual employer normal contribution rate for new general members would be approximately 5.7% of payroll. The long term expected annual employer total contribution rate for new general members (includes Group Term Life Insurance and the administrative rate) would be approximately 6.4% of payroll.

For fiscal year 2013, the total contribution rate for new general members (includes Group Term Life Insurance and the administrative rate) would be approximately 10.0% of payroll. The FY 2013 contributions assume that the new tier will be added to the existing ERS plan, and does not become its own, independent plan.

For ERS members in retirement plans that allow retirement without regard to age, the long term expected and FY 2013 contributions would vary by plan with a representative set of the larger plans given in the table below (with the general plan for tiers 5 and 6 included for reference):

Plan	Long Term Expected Total Contribution	FY 2013 Contribution
Tier 5 General	9.4%	14.9%
Tier 6 General	6.4%	10.0%
Tier 5 Non-State COs	10.6%	17.5%
Tier 6 Non-State COs	7.2%	11.5%

Tier 5 State COs	12.1%	19.8%
Tier 6 State COs	8.8%	14.2%
Tier 5 Sheriffs (553)	16.2%	26.5%
Tier 6 Sheriffs (553)	12.9%	20.9%

Insofar as this bill would affect the New York State and Local Police and Fire Retirement System (PFRS), the significant design changes to the defined benefit plan include:

1. Beginning April 1, 2013, employee contributions of X% of pay for all years of service, (except members enrolled in a plan that limits the amount of creditable service that may be accrued would not be required to contribute after accruing the maximum amount of creditable service under such plan), where the X% applies for a fiscal year and is determined as follows:

Annual Pensionable salary as of 3/31/two fiscal years prior	X%
up to $45,000.00	3.00%
$45,000.01 to $55,000.00	3.50%
$55,000.01 to $75,000.00	4.50%
$75,000.01 to $100,000.00	5.75%
$100,000.01 or more	6.00%

2. Final average salary (FAS) would be based on a 5 year average, with no year's salary permitted to exceed 10% of the average of the previous 4 year's salary,

3. Reportable salary (for a fiscal year) may not exceed the salary of the Governor of the state of New York, which currently is set in law to be $179,000 (the reportable salary would change when the Governor's salary does) and pensionable salary applies on salary from no more than two employers per fiscal year,

4. Any form of termination pay and additional compensation paid in anticipation of retirement would no longer be included in a member's final average salary,

5. Members in regular plans (where retirement eligibility requires the attainment of a certain age as well as the accumulation of a certain amount of service credit) must attain age 63 before they may receive a service retirement benefit,

6. Service credit for unused sick leave time is capped at 100 days, If this bill is enacted, NYSLRS would calculate new plan rates for all PFRS members who first enter on or after April 1, 2012. For PFRS members in retirement plans that allow retirement without regard to age, the long term expected and FY 2013 contributions would vary by plan with a representative set of the larger plans given in the table below. The FY 2013 contributions assume that the new tier will be added to the existing PFRS plan, and does not become its own, independent plan.

Plan	Long Term Expected Total Contribution	FY 2013 Contribution
Tier 5 384D	14.8%	20.1%
Tier 6 384D	10.5%	14.1%
Tier 5 384E	15.1%	20.5%
Tier 6 384E	10.8%	14.5%
T5 State Police	16.2%	22.1%
T6 State Police	11.1%	15.0%

There would also be additional administrative expenses to inform employers and new members of the new plan provisions and to modify automated systems. Employee contributions would now be a function of base salary instead of one fixed rate. To implement these employee contribution rate changes the modification of NYSLRS automated systems would be

substantial with an associated implementation expense estimated at $3 to 5 million. The more complicated system would be more challenging to maintain, apply, and explain, resulting in estimated annual ongoing expenses in the millions of dollars. The state and each of the approximately 3,000 participating employers would have to modify their methods for withholding employee contributions, which could also lead to total expenses in the millions of dollars. Lastly, the bill contains no appropriation to support the additional payroll administrative expense to the Office of the State Comptroller or the implementation and ongoing expenses of NYSLRS related to the new tier.

This bill would provide new members who first join public retirement systems in New York State on or after July 1, 2013 the option to become covered under an existing defined contribution plan in lieu of the defined benefit plan.

There would be additional NYSLRS administrative expenses to inform employers and new members of the option. These expenses are expected to be small.

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 March 14, 2012, and intended for use only during the 2012 Legislative Session, is Fiscal Note No. 2012-117, prepared by the Actuary for the ERS and PFRS.

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

This bill would require new members who first join any of the five New York City pension systems on or after April 1, 2012 to become covered under the provisions of a new defined benefit plan, Tier 6. The significant design elements of the plan are:

For non-uniformed employees:

1. Retirement age 63.

2. Benefit formula:

- 1.75% for each year of service up to 20 years
- 2.0% for each year of service from 20 years to 30 years
- 2.0% for each year of service beyond 30 years

3. Employee Contributions:

Employee Salaries	Contribution %
Less than $45,000	3%
$45,000-55,000	3.5%
$55,000-75,000	4.5%
$75,000-100,000	5.75%
$100,000+	6%

4. Vesting after 10 years of service

5. Final Average Salary (FAS) computed on a 5-year average with a 4 year look-back for years in excess of 10% above the preceding years.

6. Cap maximum pensionable earnings at the Governor's salary.

7. An early retirement option for employees under 63 years of age which allows them to retire as young as age 55 with a 6.5% reduction in the benefit per year for each year below age 63.

For employees who are members of the uniformed forces:

All employees covered by these provisions would receive benefits as described under the section of the law that sets out the Tier 3 provisions. Additionally, the Final Average Salary (FAS) is computed on a 5-year average with a 4 year look-back for years in excess of 10% above the preceding years.

The impact of this legislation on City's Fiscal Year 2015 would be a savings of approximately $49 million. The total impact on the City's budget over the next 30 years would be a savings of approximately $21 billion.

This estimate, dated March 14, 2012, and intended for use only during the 2012 Legislative Session, was prepared by the city of New York office of management and budget.