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

7034

I N S E N A T E

April 24, 2012

Introduced by Sen. STEWART-COUSINS -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to military service credit for combat veterans who served in any conflicts after August 2, 1990

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

Section 1. Paragraph (d) of subdivision 2 of section 1000 of the retirement and social security law, as added by chapter 548 of the laws of 2000, is amended to read as follows:

(d) IF SUCH MEMBER IS A VETERAN WHO HAS SERVED IN A COMBAT THEATRE OR COMBAT ZONE OF OPERATIONS, IN ANY hostilities AND CONFLICTS participated in by the military forces of the United States, [from] AFTER the second day of August, nineteen hundred ninety, [to the end of such hostilities in case of a veteran who served in the theater of operations including Iraq, Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, Oman, the Gulf of Aden, the Gulf of Oman, the Persian Gulf, the Red Sea, and the airspace above these locations] AS DETERMINED BY THE PRESIDENT OF THE UNITED STATES.

S 2. This act shall take effect immediately.

FISCAL NOTE.--This bill would allow up to three (3) years of service credit for members of public retirement systems in New York State who rendered military service in a combat theater or combat zone of operations after August 2, 1990 in all hostilities and conflicts as determined by the president of the United States. Members must have at least five years of credited service (not including military service). Members would be required to make a payment of three percent of their most recent compensation per year of additional service credit granted by this bill.

If this bill is enacted, insofar as this proposal affects the New York State and Local Employees' Retirement System (ERS), it is estimated that the past service cost will average approximately 12% of an affected

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

LBD10642-06-2

members' compensation for each year of additional service credit that is purchased.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (PFRS), it is estimated that the past service cost will average approximately 17% of an affected members' compensation for each year of additional service that is purchased.

If less than 300 of the active membership have such military service and will benefit by purchasing the service credit, there will be estimated increases in annual contributions of less than $450,000 to employers in the ERS and less than $170,000 to employers in the PFRS.

In addition to the above costs, there would be additional costs for future members of the Retirement System's who have such military service.

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 April 20, 2012 and intended for use only during the 2012 Legislative Session, is Fiscal Note No. 2012-91, prepared by the Actuary for the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.