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

5368

2011-2012 Regular Sessions

I N A S S E M B L Y

February 16, 2011

Introduced by M. of A. ABBATE -- (at request of the New York State Teachers' Retirement System) -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the education law, in relation to the right of vested members to withdraw from the New York state teachers' retirement system

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

Section 1. Section 512 of the education law is amended by adding a new subdivision g to read as follows:

G. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, ANY MEMBER OF THE RETIREMENT SYSTEM SUBJECT TO ARTICLE FOURTEEN OR FIFTEEN OF THE RETIREMENT AND SOCIAL SECURITY LAW WHO HAS PERMANENTLY CEASED TEACHING SHALL HAVE THE RIGHT TO ELECT THE RETURN OF HIS OR HER ACCUMULATED CONTRIBUTIONS AND THEREBY TERMINATE HIS OR HER MEMBERSHIP IN THE RETIREMENT SYSTEM WITHOUT REGARD TO THE AMOUNT OF SERVICE TO HIS OR HER CREDIT, PROVIDED A PUBLIC EMPLOYEE RETIREMENT SYSTEM IN ANOTHER STATE HAS CERTIFIED IN A MANNER SATISFACTORY TO THE SYSTEM THAT SUCH MEMBER IS A MEMBER OF SUCH OTHER RETIREMENT SYSTEM, HAS AT LEAST FIVE YEARS OF RETIREMENT CREDIT IN SUCH OTHER SYSTEM, AND IS ELIGIBLE, UPON THE TERMINATION OF HIS OR HER MEMBERSHIP IN THE SYSTEM, TO OBTAIN RETIREMENT CREDIT IN SUCH OTHER RETIREMENT SYSTEM FOR THE SERVICE WHICH HAS BEEN CREDITED TO HIS OR HER MEMBERSHIP IN THE SYSTEM. UPON REFUND OF SUCH ACCUMULATED CONTRIBUTIONS, ANY AND ALL OBLIGATIONS OF THE RETIREMENT SYSTEM TO SUCH MEMBER SHALL BE TOTALLY DISCHARGED. THE RETIREMENT BOARD IS AUTHORIZED TO ADOPT SUCH RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT THIS SUBDIVISION.

S 2. This act shall take effect immediately.

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

This bill would amend Section 512 of the Education Law to allow any member of the New York State Teachers' Retirement System (NYSTRS)

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

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subject to Article 14 or 15 of the Retirement and Social Security Law who has permanently ceased teaching to elect to receive a refund of their accumulated member contributions and thereby terminate membership in the NYSTRS provided he or she is a member of another state's retirement system, has at least five years of service credit in such system and is eligible to obtain retirement credit for this service in the other retirement system. All rights to any future benefits from the NYSTRS would be forfeited. Currently, members who cease teaching and have greater than 10 years of service credit do not have the option of electing to receive their accumulated member contributions in lieu of a monthly benefit at retirement. In the vast majority of cases, the present value of the retirement benefit is much greater than the value of the accumulated member contributions.

The annual cost to the employers of members of the New York State Teachers' Retirement System is estimated to be negligible if this bill is enacted.

The source of this estimate is Fiscal Note 2011-3 dated September 24, 2010 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2011 Legislative Session.