

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

6304--A

2011-2012 Regular Sessions

I N A S S E M B L Y

March 11, 2011

Introduced by M. of A. ROSENTHAL, COLTON, PERRY -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the military law, in relation to non-contributory retirement service credit for members of the New York city retirement systems called to military duty on or after September eleventh, two thousand one

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

1 Section 1. Section 243-d of the military law, as added by chapter 326
2 of the laws of 2005, is amended to read as follows:
3 S 243-d. Non-contributory retirement service credit for members of the
4 New York state and local retirement systems, THE NEW YORK CITY RETIRE-
5 MENT SYSTEMS or the New York state teachers' retirement system called to
6 active military duty on or after September eleventh, two thousand one.
7 Notwithstanding any other provision of law, any member of the New York
8 state and local employees' retirement system, THE NEW YORK CITY RETIRE-
9 MENT SYSTEMS, the New York state and local police and fire retirement
10 system, or the New York state teachers' retirement system who is called
11 to active military duty on or after September eleventh, two thousand one
12 and prior to January first, two thousand six, who is not receiving his
13 or her full salary from a participating employer and is otherwise eligi-
14 ble to receive retirement service credit in such system for such active
15 military duty pursuant to section two hundred forty-two or two hundred
16 forty-three of this article, shall not be required to make member
17 contributions to receive such credit.
18 S 2. This act shall take effect immediately and shall be deemed to
19 have been in full force and effect on and after September 11, 2001.

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

LBD09963-02-2

FISCAL NOTE.-- PROVISIONS OF PROPOSED LEGISLATION: The proposed legislation would amend Military Law Section 243-d to provide non-contributory retirement service credit for any member of the New York City Retirement Systems ("NYCRS") who was called to active military duty on or after September 11, 2001 and prior to January 1, 2006, who did not receive his or her full salary from a participating employer and who otherwise would be eligible to receive retirement service credit in the NYCRS for such active military service. Such member would not be required to make member contributions to receive such credit.

It is the understanding of the Actuary that the time period for which such member was not receiving his or her full salary from a participating employer would be the time period of such military service and not the time period after the return of such member to his or her employment with a participating employer of the NYCRS.

The Effective Date of the proposed legislation would be the date of enactment and would be deemed to have been in full force and effect on and after September 11, 2001.

FINANCIAL IMPACT - ADDITIONAL EMPLOYER COSTS AND CONTRIBUTIONS: Enactment of this proposed legislation would increase employer costs, where such amounts depend on the number of members affected and upon the amount of military service being credited as well as other characteristics including the age, salary history and Plan in which the member participates.

The number and characteristics of members who could be affected by this proposed legislation cannot be readily determined. Assuming that these affected members would purchase this military service if this legislation were not enacted, the enactment of this proposed legislation for each member affected would be expected to result in an increase in the present value of employer costs.

Under Military Law Section 243, captioned "Provisions applicable to public employees who are absent on military duty," members who purchase such service would contribute such amount as he or she would have contributed had his or her employment been continuous. In most cases, this equals a required contribution rate multiplied by the compensation that would have been earned during the period of service purchased, brought to the date of purchase with interest.

Under Military Law Section 244-a, captioned "Credit to members of public retirement systems for military service performed during war," members who purchase such service would pay in full the cost of such service, (i.e., both the member cost and the employer cost).

Under the Retirement and Social Security Law ("RSSL") Section 1000, captioned "Military service credit," members who purchase such service would contribute 3.0% of his or her compensation earned in the 12 months of credited service immediately preceding the date that the member purchases this service times the number of years of service being purchased.

However, RSSL Section 1000 also provides that a member who has purchased military service pursuant to Military Law Section 244-a would be entitled to a refund of the difference between the amount paid by the member for such purchase and the amount that would be payable if service had been purchased under RSSL Section 1000.

Thus, for purpose of this Fiscal Note, it has been assumed that the member would have purchase this service under RSSL Section 1000.

Accordingly, the employer costs would be comparable to the value of member contributions of 3.0% of his or her compensation earned in the 12 months of credited service immediately preceding the date that the

member purchases this service times the number of years of service being purchased.

Increases in employer contributions would be comparable to the increases in employer costs.

If enacted during the 2012 Legislative Session and if these affected members and their amount of military service being credited were identified on or before June 30, 2013, this proposed legislation would be expected to increase employer contributions to the NYCERS beginning Fiscal Year 2015.

OTHER COSTS: The enactment of this proposed legislation would result in some administrative expenses for the NYCERS.

STATEMENT OF ACTUARIAL OPINION: I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

FISCAL NOTE IDENTIFICATION: This estimate is intended for use only during the 2012 Legislative Session. It is Fiscal Note 2012-14, dated June 1, 2012 prepared by the Chief Actuary of the New York City Retirement System.