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

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2011-2012 Regular Sessions

I N A S S E M B L Y

April 5, 2011

Introduced by M. of A. TOWNS, COLTON -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to extending certain benefits to members who rendered service during periods of conflict

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

Section 1. 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:

2. A member, upon application to such retirement system, may obtain a total not to exceed three years of service credit for up to three years of military duty, as defined in section two hundred forty-three of the military law, if honorably discharged therefrom, if all or part of such services was rendered [in] DURING the military [conflicts] CONFLICT PERIODS referenced below, as follows:

(a) THE PERIOD OF hostilities participated in by the military forces of the United States in Lebanon, from the first day of June, nineteen hundred eighty-three to the first day of December, nineteen hundred eighty-seven[, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal];

(b) THE PERIOD OF hostilities participated in by the military forces of the United States in Grenada, from the twenty-third day of October, nineteen hundred eighty-three to the twenty-first day of November, nineteen hundred eighty-three[, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal];

(c) THE PERIOD OF hostilities participated in by the military forces of the United States in Panama, from the twentieth day of December, nineteen hundred eighty-nine to the thirty-first day of January, nineteen hundred ninety[, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal]; or

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

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(d) THE PERIOD OF hostilities participated in by the military forces of the United States, IN IRAQ, KUWAIT, SAUDI ARABIA, BAHRAIN, QATAR, THE UNITED ARAB EMIRATES, OMAN, THE GULF OF ADEN, THE GULF OF OMAN, THE PERSIAN GULF, OR THE RED SEA, AND THE AIRSPACE ABOVE THESE LOCATIONS, from 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].

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 21, 1998.

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

This bill would extend the benefits of Chapter 548, Laws of 2000 to members and retirees of public retirement systems in New York State who rendered military service during the periods of conflict in Lebanon, Grenada, Panama and the Persian Gulf, but who were not assigned to the theatres of operations. However, the total service credit granted for any military service shall not exceed three (3) years. Members must have at least five years of credited service (not including military service). Retirees must have retired on or after December 21, 1998. The recalculated annual allowance will be retroactive to the date of retirement. Members and retirees 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 member's compensation for each year of additional service credit that is purchased. For members who retired on or after December 21, 1998 there would be additional costs for payments which will be paid retroactive to their date of retirement.

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 member's compensation for each year of additional service that is purchased. For members who retired on or after December 21, 1998 there would be additional costs for payments which will be paid retroactive to their date of retirement.

If 2,500 members and post 12/21/1998 retirees have such military service and will benefit by purchasing the service credit, there will be an estimated first year cost of approximately $2.3 million to the State of New York, $2.9 million to participating employers in the New York State and Local Employees' Retirement System and $620,000 to the participating employers in the New York State and Local Police and Fire Retirement System. Fewer members/retirees will have proportionately lesser costs.

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

This estimate, dated March 25, 2011 and intended for use only during the 2011 Legislative Session, is Fiscal Note No. 2011-135, 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.