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

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I N S E N A T E

June 15, 2012

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the retirement and social security law, in relation to increasing the retiree earnings cap

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

Section 1. Subdivision 2 of section 212 of the retirement and social security law, as amended by chapter 74 of the laws of 2006, is amended to read as follows:

2. The earning limitations for retired persons in positions of public service under this section shall be in accordance with the following table:

For the year	Earnings limitation
1996	$12,500
1997	$13,500
1998	$14,500
1999	$15,500
2000	$17,000
2001	$18,500
2002	$20,000
2003	$25,000
2004	$27,500
2005 and 2006	$27,500
2007 [and thereafter] THROUGH 2012	$30,000
2013 AND THEREAFTER	$32,500

S 2. This act shall take effect immediately.

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

This bill would amend subdivision 2 of section 212 of the Retirement and Social Security Law to increase the earnings limitation for retired members in positions of public employment to $32,500 for the calendar year 2013 and thereafter. The earnings limitation for the calendar year 2012 is $30,000.

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

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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 2012-14 dated February 22, 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.--Pursuant to Legislative Law, Section 50:

This bill would amend Section 212 of the Retirement and Social Security Law to set the amount a retired person may earn in public employment without reduction in retirement allowance during the year 2013 and thereafter, to $32,500.

If this bill is enacted, insofar as it would affect the New York State and Local Employees' Retirement System, we expect that a number of members will retire earlier than they otherwise would have due to the expectation of collecting both a pension and the salary they were receiving before they retired. A significant number of members changing their retirement dates will result in a shorter funding period and greater annual employer contributions. The extent of the increase in employer contributions will be determined by the number of members retiring early to collect both salary and pension.

Insofar as this bill would affect the New York State and Local Police and Fire Retirement System, there would be negligible additional annual costs.

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 November 21, 2011 and intended for use only during the 2012 Legislative Session, is Fiscal Note No. 2012-33, 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.