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

5324

2013-2014 Regular Sessions

I N A S S E M B L Y

February 22, 2013

Introduced by M. of A. ABBATE, ENGLEBRIGHT, COLTON, BOYLAND -- Multi-Sponsored by -- M. of A. CUSICK, HOOPER, PERRY, SWEENEY, WEISENBERG, ZEBROWSKI -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the retirement and social security law, in relation to providing benefit enhancements

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

Section 1. Subdivision b of section 902 of the retirement and social security law is amended by adding a new paragraph 4 to read as follows:

4. A MEMBER OF A RETIREMENT SYSTEM AS DEFINED BY SUBDIVISION A OF SECTION NINE HUNDRED OF THIS ARTICLE WITH A DATE OF MEMBERSHIP IN SUCH RETIREMENT SYSTEM ON OR AFTER JULY TWENTY-SEVENTH, NINETEEN HUNDRED SEVENTY-SIX AND BEFORE JANUARY FIRST, TWO THOUSAND TEN AND WHO HAS CONTRIBUTED TO SUCH RETIREMENT SYSTEM UNDER THE PROVISIONS OF ARTICLE FOURTEEN OR FIFTEEN OF THIS CHAPTER FOR A PERIOD OF MORE THAN TEN YEARS SHALL RECEIVE ONE-TWELFTH OF A YEAR OF ADDITIONAL RETIREMENT CREDIT FOR EACH YEAR OF SERVICE IN EXCESS OF TEN YEARS OF SERVICE FOR WHICH SUCH MEMBER HAS CONTRIBUTED, AND SUCH ADDITIONAL RETIREMENT CREDIT SHALL BE CREDITED TO ALL SUCH ELIGIBLE EMPLOYEES WITHOUT REGARD TO AN ELECTION OF BENEFIT ENHANCEMENTS PURSUANT TO SECTION NINE HUNDRED ONE OF THIS ARTICLE.

S 2. Subdivision b of section 911 of the retirement and social security law is amended by adding a new paragraph 4 to read as follows:

4. A MEMBER OF A RETIREMENT SYSTEM AS DEFINED BY SUBDIVISION A OF SECTION NINE HUNDRED TEN OF THIS ARTICLE WITH A DATE OF MEMBERSHIP IN SUCH RETIREMENT SYSTEM ON OR AFTER JULY TWENTY-SEVENTH, NINETEEN HUNDRED SEVENTY-SIX AND WHO HAS CONTRIBUTED TO SUCH RETIREMENT SYSTEM UNDER THE PROVISIONS OF ARTICLE FOURTEEN OR FIFTEEN OF THIS CHAPTER FOR A PERIOD OF MORE THAN TEN YEARS SHALL RECEIVE ONE-TWELFTH OF A YEAR OF ADDITIONAL RETIREMENT CREDIT FOR EACH YEAR OF SERVICE IN EXCESS OF TEN YEARS OF

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

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SERVICE FOR WHICH SUCH MEMBER HAS CONTRIBUTED, AND SUCH ADDITIONAL RETIREMENT CREDIT SHALL BE CREDITED TO ALL SUCH ELIGIBLE EMPLOYEES.

S 3. This act shall take effect immediately, except that if this act shall have become a law on or after June 30, 2013 this act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 30, 2013.

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

This bill would amend Article 19 of the Retirement and Social Security Law to allow tier 3 and 4 members who have contributed for a period of more than ten (10) years in the New York State and Local Employees' Retirement System, New York State Teachers' Retirement System, New York City Employees' Retirement System, New York City Teachers' Retirement System, or the New York City Board of Education Retirement System to receive an additional month of service credit for each year of service in excess of ten (10) years of service for which such member has contributed. This bill would be deemed to be in effect on June 30, 2013.

Insofar as this bill would affect the New York State and Local Employees' Retirement System, if this bill is enacted, there will be an estimated one time cost of approximately $374 million. Pursuant to section 25 of the Retirement and Social Security Law, this cost would be borne by the State of New York and would require an itemized appropriation by the State of New York sufficient to pay the cost of the provision. If this cost is amortized over a 5 year period, the cost for the first year, including interest, would be approximately $86.0 million.

Summary of relevant resources:

Data: March 31, 2012 Actuarial Year End File with distributions of membership and other statistics displayed in the 2012 Report of the Actuary and 2012 Comprehensive Annual Financial Report.

Assumptions and Methods: 2010, 2011 and 2012 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, 2012 New York State and Local Retirement System Financial Statements and Supplementary Information.

Valuations of Benefit Liabilities and Actuarial Assets: summarized in the 2012 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 December 17, 2012, and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-22, prepared by the Actuary for the New York State and Local Employees' Retirement System.