

5577

2013-2014 Regular Sessions

I N A S S E M B L Y

March 1, 2013

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

AN ACT to amend the retirement and social security law, in relation to
providing credit to members of public retirement systems of the state
for certain military service during the Iranian hostage crisis

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

1 Section 1. Subdivision 2 of section 1000 of the retirement and social
2 security law, as added by chapter 548 of the laws of 2000, is amended to
3 read as follows:

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

10 (a) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED
11 STATES IN IRAN, FROM THE FOURTH DAY OF NOVEMBER, NINETEEN HUNDRED SEVEN-
12 TY-NINE TO THE TWENTIETH DAY OF JANUARY, NINETEEN HUNDRED EIGHTY-ONE, AS
13 ESTABLISHED BY RECEIPT OF THE ARMED FORCES EXPEDITIONARY MEDAL, THE NAVY
14 EXPEDITIONARY MEDAL, OR THE MARINE CORPS EXPEDITIONARY MEDAL;

15 (B) hostilities participated in by the military forces of the United
16 States in Lebanon, from the first day of June, nineteen hundred eighty-
17 three to the first day of December, nineteen hundred eighty-seven, as
18 established by receipt of the armed forces expeditionary medal, the navy
19 expeditionary medal, or the marine corps expeditionary medal;

20 [(b)] (C) hostilities participated in by the military forces of the
21 United States in Grenada, from the twenty-third day of October, nineteen
22 hundred eighty-three to the twenty-first day of November, nineteen
23 hundred eighty-three, as established by receipt of the armed forces

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

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1 expeditionary medal, the navy expeditionary medal, or the marine corps
2 expeditionary medal;

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

9 [(d)] (E) hostilities participated in by the military forces of the
10 United States, from the second day of August, nineteen hundred ninety,
11 to the end of such hostilities in case of a veteran who served in the
12 theater of operations including Iraq, Kuwait, Saudi Arabia, Bahrain,
13 Qatar, the United Arab Emirates, Oman, the Gulf of Aden, the Gulf of
14 Oman, the Persian Gulf, the Red Sea, and the airspace above these
15 locations.

16 S 2. This act shall take effect immediately.

FISCAL NOTE.--The fiscal note, required by Section 50 of the Legisla-
tive Law, which may not be altered and which must be appended to the
bill in its entirety, is:

This bill would extend the benefits of Chapter 548, Laws of 2000 to
members of public retirement systems in New York State who rendered
military service during the period of conflict in Iran from 11/4/79-
1/20/81, as established by the receipt of the armed forces expeditionary
medal, the navy expeditionary medal or the marine corps expeditionary
medal. 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). Tier 1-5 members
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. Tier 6 members would be required to make a payment of six
percent of their most recent compensation per year of additional service
credit.

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% (9% for Tier 6) of
an affected members' compensation for each year of additional service
credit that is purchased.

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% (14% for Tier 6) of an affected
members' compensation for each year of additional service that is
purchased.

The exact number of current members as well as future members who
could be affected by this legislation cannot be readily determined.

ERS Costs: Pursuant to Section 25 of the Retirement and Social Securi-
ty Law, the increased cost to the New York State and Local Employees'
Retirement System would be borne entirely by the State of New York and
would require an itemized appropriation sufficient to pay the cost of
the provision. Since a member can apply for this service credit at any
time prior to retirement, a precise cost can't be determined until each
member, as well as future members, applies for the service credit. Every
year a cost will be determined (and billed to the state) based on those
benefiting from this provision.

PFRS Costs: These costs would be shared by the State of New York and
the participating employers in the PFRS.

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 February 12, 2013 and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-84, 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.