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

7606

2013-2014 Regular Sessions

I N A S S E M B L Y

May 28, 2013

Introduced by M. of A. GABRYSZAK, BARRON, HOOPER -- Multi-Sponsored by -- M. of A. COOK, ROBINSON -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to credit for public service rendered in the state of New York under the federal Emergency Jobs Appropriation Act prior to becoming a member of a retirement system

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

Section 1. Subdivision b of section 41 of the retirement and social security law is amended by adding a new paragraph 5-a to read as follows:

5-A. PUBLIC SERVICE RENDERED IN THE STATE OF NEW YORK IN NINETEEN HUNDRED EIGHTY-THREE AND/OR NINETEEN HUNDRED EIGHTY-FOUR IN A POSITION CREATED OR FILLED PURSUANT TO FEDERAL PUBLIC LAW 98-8, THE EMERGENCY JOBS APPROPRIATION ACT OF 1983, WITHOUT REGARD TO THE LENGTH OF SUCH SERVICE, PROVIDED SUCH SERVICE IS OTHERWISE IN COMPLIANCE WITH THE PROVISIONS OF THIS CHAPTER.

S 2. Subdivision b of section 446 of the retirement and social security law, as amended by chapter 552 of the laws of 2000, is amended to read as follows:

b. Previous service.

A member of a retirement system who is subject to the provisions of this article shall be eligible to obtain retirement credit for previous service if retirement credit had previously been granted for such service or if such service that would have been creditable in one of the public retirement systems of the state, as defined in subdivision twenty-three of section five hundred one of this chapter, at the time such service was rendered, if the individual had been a member of such retirement system and the member has rendered a minimum of two years of credited service after July first, nineteen hundred seventy-three;

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

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provided, however, retirement credit may be granted for service which predates the date of entry into the retirement system if such service is otherwise creditable and was rendered by an employee during which employment he was ineligible to join a public retirement system. NOTWITHSTANDING ANYTHING IN THIS CHAPTER TO THE CONTRARY, A MEMBER SHALL BE ELIGIBLE TO OBTAIN RETIREMENT CREDIT FOR PUBLIC SERVICE RENDERED IN THE STATE OF NEW YORK IN NINETEEN HUNDRED EIGHTY-THREE AND/OR NINETEEN HUNDRED EIGHTY-FOUR IN A POSITION CREATED OR FILLED PURSUANT TO FEDERAL PUBLIC LAW 98-8, THE EMERGENCY JOBS APPROPRIATION ACT OF 1983, WITHOUT REGARD TO THE LENGTH OF SUCH SERVICE, PROVIDED SUCH SERVICE IS OTHERWISE IN COMPLIANCE WITH THE PROVISIONS OF THIS CHAPTER.

S 3. Paragraph 1 of subdivision b of section 609 of the retirement and social security law, as amended by chapter 552 of the laws of 2000, is amended to read as follows:

1. A member shall be eligible to obtain retirement credit hereunder for previous service with a public employer if retirement credit had previously been granted for such service or if such service which would have been creditable in one of the public retirement systems of the state, as defined in subdivision twenty-three of section five hundred one of this chapter, at the time such service was rendered, if the individual had been a member of such retirement system and the member has rendered a minimum of two years of credited service after July first, nineteen hundred seventy-six or after last rejoining a public retirement system, if later; provided, however, retirement credit may be granted for service which predates the date of entry into the retirement system if such service is otherwise creditable and the member satisfied the minimum service requirements set forth in this subdivision and was rendered by an employee of a public employer during which employment he was ineligible to join a public retirement system provided that such public employer was participating in a public retirement system of the state at the time of such employment, or is so participating at the time that such credit for such previous service is being sought. NOTWITHSTANDING ANYTHING IN THIS CHAPTER TO THE CONTRARY, A MEMBER SHALL BE ELIGIBLE TO OBTAIN RETIREMENT CREDIT FOR PUBLIC SERVICE RENDERED IN THE STATE OF NEW YORK IN NINETEEN HUNDRED EIGHTY-THREE AND/OR NINETEEN HUNDRED EIGHTY-FOUR IN A POSITION CREATED OR FILLED PURSUANT TO FEDERAL PUBLIC LAW 98-8, THE EMERGENCY JOBS APPROPRIATION ACT OF 1983, WITHOUT REGARD TO THE LENGTH OF SUCH SERVICE, PROVIDED SUCH SERVICE IS OTHERWISE IN COMPLIANCE WITH THE PROVISIONS OF THIS CHAPTER.

S 4. This act shall take effect immediately.

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

This bill would grant additional service credit for certain members of public retirement systems who rendered service in 1983 and 1984 in a position created or filled pursuant to the federal Emergency Jobs Appropriations Act of 1983. Members would be required to make any contribution which would have been made during such period of service, together with interest thereon.

The exact number of members who would be affected by this bill cannot be readily determined.

Insofar as this bill would affect the New York State and Local Employee's Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), if this bill is enacted, there would be a past service cost which would depend upon the number of members affected and upon each member's age, salary, credited service, plan coverage and tier.

ERS costs: It is estimated that the one time cost will average approximately 15% of compensation for each additional year of service. This cost would be reduced by the member contributions, which vary according to tier coverage, and will range between 0% to 6% of compensation. Pursuant to Section 25 of the Retirement and Social Security Law, these costs 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 costs of the provision.

PFRS costs: It is estimated that the past service cost will average approximately 20% of an affected members' compensation for each year of additional service. This cost would be reduced by the member contributions, which vary according to tier coverage, and will range between 0% to 6% of compensation. These costs would be shared by the State of New York and all 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 March 20, 2013, and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-106, prepared by the Actuary for the ERS and PFRS.