

7942

2013-2014 Regular Sessions

I N   A S S E M B L Y

June 11, 2013

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

AN ACT to amend the retirement and social security law, in relation to  
additional credit for military service for disabled veterans

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

1     Section 1. Subdivision 5 of section 1000 of the retirement and social  
2     security law, as added by chapter 548 of the laws of 2000, is amended  
3     and a new subdivision 2-a is added to read as follows:  
4     2-A. IN ADDITION TO THE CREDIT PERMITTED UNDER SUBDIVISIONS ONE AND  
5     TWO OF THIS SECTION, A MEMBER, UPON APPLICATION TO SUCH RETIREMENT  
6     SYSTEM, MAY OBTAIN ADDITIONAL CREDIT NOT TO EXCEED EIGHTEEN MONTHS OF  
7     SERVICE CREDIT FOR MILIARY DUTY, AS DEFINED IN SECTION TWO HUNDRED  
8     FORTY-THREE OF THE MILITARY LAW, IF HONORABLY DISCHARGED THEREFROM, IF  
9     SUCH MEMBER HAS AT LEAST FIVE YEARS OF ACTIVE MILITARY DUTY AND IS  
10    RECEIVING A FEDERAL GOVERNMENT SPONSORED DISABILITY BENEFIT INCLUDING,  
11    BUT NOT LIMITED TO SOCIAL SECURITY DISABILITY RETIREMENT. TO OBTAIN SUCH  
12    CREDIT, A MEMBER SHALL PAY SUCH RETIREMENT SYSTEM, FOR DEPOSIT IN THE  
13    FUND USED TO ACCUMULATE EMPLOYER CONTRIBUTIONS, A SUM EQUAL TO THE  
14    AMOUNT REQUIRED AS SET FORTH IN SUBDIVISION FOUR OR TEN OF THIS SECTION,  
15    AS APPLICABLE.  
16    5. [In] EXCEPT AS PROVIDED IN SUBDIVISION TWO-A OF THIS SECTION, IN no  
17    event shall the credit granted pursuant to this section, when added to  
18    credit granted for military service with any retirement system of this  
19    state pursuant to this or any other provision of law, exceed a total of  
20    three years.  
21    S 2. Notwithstanding any other provision of law to the contrary, none  
22    of the provisions of this act shall be subject to section 25 of the  
23    retirement and social security law.  
24    S 3. This act shall take effect immediately.

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

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

LBD11363-02-3

This bill would amend Chapter 548 of the Laws of 2000 to allow certain members who were honorably discharged from the military with at least 5 years of active duty, who are not receiving a federal government sponsored disability benefit, to purchase up to an additional 18 months of service credit for military duty. Such military duty is not restricted to the theater of operations, receipt of an expeditionary medal or periods of conflict which are required by current law. The additional service credit granted pursuant to this legislation, when added to credit granted for military service pursuant to any other provision of law shall not exceed a total of four and a half (4.5) years. Members must have at least five (5) years of credited 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 6 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 members who could be affected by this legislation cannot be readily determined.

ERS Costs: Pursuant to section 25 of the Retirement and Social Security Law, these per person one-time 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 cost of the provision. The State may amortize these per person one-time costs over a period of 5 years.

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 and 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 June 7, 2013 and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-160, 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.