

1121--C

2013-2014 Regular Sessions

I N S E N A T E

(PREFILED)

January 9, 2013

Introduced by Sens. MAZIARZ, AVELLA -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to providing three years of retirement service credit to certain members of public retirement systems of the state honorably discharged from the military for medical reasons due to injuries suffered during certain military conflicts

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

- 1 Section 1. Section 1000 of the retirement and social security law is
2 amended by adding a new subdivision 2-a to read as follows:
3 2-A. A MEMBER, UPON APPLICATION TO SUCH RETIREMENT SYSTEM, MAY OBTAIN
4 A TOTAL OF THREE YEARS OF SERVICE CREDIT FOR LESS THAN THREE YEARS OF
5 MILITARY DUTY, AS DEFINED IN SECTION TWO HUNDRED FORTY-THREE OF THE
6 MILITARY LAW, IF THE MEMBER WAS HONORABLY DISCHARGED FROM THE MILITARY
7 FOR MEDICAL REASONS DUE TO INJURIES SUFFERED DURING SUCH MILITARY DUTY,
8 IF ALL OR PART OF SUCH SERVICES WAS RENDERED IN THE MILITARY CONFLICTS
9 REFERENCED BELOW, AS FOLLOWS:
10 (A) COMMENCING DECEMBER SEVENTH, NINETEEN HUNDRED FORTY-ONE AND TERMI-
11 NATING DECEMBER THIRTY-FIRST, NINETEEN HUNDRED FORTY-SIX;
12 (B) COMMENCING JUNE TWENTY-SEVENTH, NINETEEN HUNDRED FIFTY AND TERMI-
13 NATING JANUARY THIRTY-FIRST, NINETEEN HUNDRED FIFTY-FIVE;

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

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1 (C) COMMENCING FEBRUARY TWENTY-EIGHTH, NINETEEN HUNDRED SIXTY-ONE AND
2 TERMINATING MAY SEVENTH, NINETEEN HUNDRED SEVENTY-FIVE;

3 (D) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED
4 STATES IN LEBANON, FROM THE FIRST DAY OF JUNE, NINETEEN HUNDRED EIGHTY-
5 THREE TO THE FIRST DAY OF DECEMBER, NINETEEN HUNDRED EIGHTY-SEVEN, AS
6 ESTABLISHED BY RECEIPT OF THE ARMED FORCES EXPEDITIONARY MEDAL, THE NAVY
7 EXPEDITIONARY MEDAL, OR THE MARINE CORPS EXPEDITIONARY MEDAL;

8 (E) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED
9 STATES IN GRENADA, FROM THE TWENTY-THIRD DAY OF OCTOBER, NINETEEN
10 HUNDRED EIGHTY-THREE TO THE TWENTY-FIRST DAY OF NOVEMBER, NINETEEN
11 HUNDRED EIGHTY-THREE, AS ESTABLISHED BY RECEIPT OF THE ARMED FORCES
12 EXPEDITIONARY MEDAL, THE NAVY EXPEDITIONARY MEDAL, OR THE MARINE CORPS
13 EXPEDITIONARY MEDAL;

14 (F) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED
15 STATES IN PANAMA, FROM THE TWENTIETH DAY OF DECEMBER, NINETEEN HUNDRED
16 EIGHTY-NINE TO THE THIRTY-FIRST DAY OF JANUARY, NINETEEN HUNDRED NINETY,
17 AS ESTABLISHED BY RECEIPT OF THE ARMED FORCES EXPEDITIONARY MEDAL, THE
18 NAVY EXPEDITIONARY MEDAL, OR THE MARINE CORPS EXPEDITIONARY MEDAL; OR

19 (G) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED
20 STATES, FROM THE SECOND DAY OF AUGUST, NINETEEN HUNDRED NINETY, TO THE
21 END OF SUCH HOSTILITIES IN CASE OF A VETERAN WHO SERVED IN THE THEATER
22 OF OPERATIONS INCLUDING IRAQ, KUWAIT, SAUDI ARABIA, BAHRAIN, QATAR, THE
23 UNITED ARAB EMIRATES, OMAN, THE GULF OF ADEN, THE GULF OF OMAN, THE
24 PERSIAN GULF, THE RED SEA, AND THE AIRSPACE ABOVE THESE LOCATIONS.
25 HOWEVER, NOTHING PROVIDED HEREIN SHALL AUTHORIZE OR PERMIT THE CREDITING
26 OF SERVICE WHERE NOT PERMITTED PURSUANT TO SECTION 415(N) OF THE INTER-
27 NAL REVENUE CODE OR ANY REGULATIONS PROMULGATED THEREUNDER.

28 S 2. Notwithstanding any other provision of law to the contrary, none
29 of the provisions of this act shall be subject to section 25 of the
30 retirement and social security law.

31 S 3. This act shall take effect immediately and shall be deemed to
32 have been in full force and effect on and after December 21, 1998.

FISCAL NOTE.--This bill would add a new subdivision 2-a to Section 1000 of the Retirement and Social Security Law to allow members of public retirement systems of New York State to claim service credit for up to three years of military service, for less than three years of military duty, if the member was honorably discharged for medical reasons due to injuries suffered during such military duty. A member must have at least five years of credited service to be eligible. To obtain such credit, a member must make payments as required in Section 1000 of the Retirement and Social Security Law. Tier 1, 2, 3, 4 and 5 members are required to pay three percent of salary earned during the twelve months of credited service immediately preceding the year in which a claim is made for each year of military service. Tier 6 members are required to pay six percent of salary earned during the twelve months of credited service immediately preceding the year in which a claim is made for each year of military service. A member who retired on or after December 21, 1998 may apply for credit pursuant to this section within one year of the effective date of this act.

It is not possible to determine the total annual cost to the employers of members of the New York State Teachers' Retirement System since the total amount of service credit which would be claimed under this bill cannot be estimated. However, the cost to the employers of members of the New York State Teachers' Retirement System is estimated to be \$21,700 per year of service credited for Tier 1 and 2 members, \$20,500 per year of service credited for Tier 3 and 4 members, \$20,400 per year

of service credited for Tier 5 members, and \$15,000 per year of service credited for Tier 6 members if this bill is enacted. These costs would be offset by member payments required under Section 1000 of the Retirement and Social Security Law. The cost is estimated to be, on average, approximately \$75,000 for each retired member claiming service credit under this bill if enacted, including payments retroactive to their date of retirement.

Employee data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's Comprehensive Annual Financial Report (CAFR). System assets are as reported in the System's financial statements, and can also be found in the CAFR. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2014-24 dated April 4, 2014 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2014 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.