

4380--B

2013-2014 Regular Sessions

I N S E N A T E

March 25, 2013

Introduced by Sens. MAZIARZ, ADDABBO, GOLDEN, LATIMER, MARTINS, PERKINS -- 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

AN ACT to amend the retirement and social security law, in relation to allowing an eligible member of the public retirement system to obtain service credit for certain military service if such person has two years of credited service

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

- 1 Section 1. Subdivision 3 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 3. A member must have at least [five] TWO years of credited service  
5 (not including service granted hereunder) to be eligible to receive  
6 credit under this section.  
7 S 2. Notwithstanding any other provision of law to the contrary, none  
8 of the provisions of this act shall be subject to section 25 of the  
9 retirement and social security law.

10 S 3. This act shall take effect immediately.

FISCAL NOTE.-- This bill would amend Chapter 548 of the laws of 2000 to allow members who have at least two (2) years of credited service to purchase service credit for military service. Currently a member needs at least five (5) years of credited service to be eligible to purchase such service credit. In addition, none of the provisions of this bill will be subject to Section 25 of the retirement and social security law.

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

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For members that purchase military service credit who ordinarily would not have attained five years of service credit, the additional military service credit could provide a vested retirement benefit where a retirement benefit would not have existed.

Insofar as this bill would affect the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System, there will be a cost for such members. Such cost will depend on the plan coverage, salary and age of the members who will be receiving an increased benefit.

The exact number of members who could be affected by this legislation cannot be readily determined. In all likelihood, very few members would be affected.

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

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2013 actuarial valuation. Distributions and other statistics can be found in the 2013 Report of the Actuary and the 2013 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2010, 2011, 2012 and 2013 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2013 New York State and Local Retirement System Financial Statements and Supplementary Information.

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 27, 2014 and intended for use only during the 2014 Legislative Session, is Fiscal Note No. 2014-91, 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.