

5608

2013-2014 Regular Sessions

I N S E N A T E

May 24, 2013

Introduced by Sen. GALLIVAN -- (at request of the State Comptroller) --
read twice and ordered printed, and when printed to be committed to
the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to
the form of payment of retirement benefits for certain public retirees
and beneficiaries

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

1 Section 1. Section 100 of the retirement and social security law is
2 amended to read as follows:

3 S 100. Payment of retirement allowances. A. Retirement allowances
4 shall be payable on the first day of each and every month beginning on
5 the first day of the month following the effective date of retirement.
6 Upon the death of a retired member, however, the retirement allowance
7 due for that part of the month prior to his OR HER death shall be paid
8 forthwith.

9 B. 1. BEGINNING ON A DATE TO BE DETERMINED BY THE COMPTROLLER, BUT NO
10 SOONER THAN JANUARY FIRST, TWO THOUSAND SIXTEEN, ANY RETIREMENT BENEFIT
11 PAID IN REGULAR PERIODIC INSTALLMENTS TO A PERSON WHO IS A RETIREE OR
12 BENEFICIARY OF THE RETIREMENT SYSTEM PRIOR TO, ON OR AFTER THE EFFECTIVE
13 DATE OF THIS SUBDIVISION SHALL BE MADE BY DIRECT DEPOSIT OR DEBIT CARD,
14 AS ELECTED BY SUCH RETIREE OR BENEFICIARY, AND ADMINISTERED ELECTRON-
15 ICALLY, IN ACCORDANCE WITH SUCH GUIDELINES AS MAY BE SET FORTH BY THE
16 RETIREMENT SYSTEM. THE RETIREMENT SYSTEM SHALL NOTIFY ANY OF ITS RETI-
17 REES AND BENEFICIARIES THAT ARE CURRENTLY NOT RECEIVING THEIR RETIREMENT
18 PAYMENT BY DIRECT DEPOSIT OF THE PROVISIONS OF THIS PARAGRAPH PRIOR TO
19 SUCH PARAGRAPH BEING IMPLEMENTED.

20 2. A RETIREE OR BENEFICIARY MAY SUBMIT A REQUEST FOR EXEMPTION FROM
21 PARAGRAPH ONE OF THIS SUBDIVISION ON A FORM PROVIDED BY THE RETIREMENT
22 SYSTEM. THE RETIREMENT SYSTEM MAY APPROVE SUCH REQUEST PURSUANT TO REGU-
23 LATIONS PROMULGATED BY THE COMPTROLLER UPON A DEMONSTRATION OF HARDSHIP.

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

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1 S 2. Section 400 of the retirement and social security law, as added
2 by chapter 1000 of the laws of 1966, is amended to read as follows:

3 S 400. Payment of retirement allowances. A. Retirement allowances
4 shall be payable on the first day of each and every month beginning on
5 the first day of the month following the effective date of retirement.
6 Upon the death of a retired member, however, the retirement allowance
7 due for that part of the month prior to his OR HER death shall be paid
8 forthwith.

9 B. 1. BEGINNING ON A DATE TO BE DETERMINED BY THE COMPTROLLER, BUT NO
10 SOONER THAN JANUARY FIRST, TWO THOUSAND SIXTEEN, ANY RETIREMENT BENEFIT
11 PAID IN REGULAR PERIODIC INSTALLMENTS TO A PERSON WHO IS A RETIREE OR
12 BENEFICIARY OF THE RETIREMENT SYSTEM PRIOR TO, ON OR AFTER THE EFFECTIVE
13 DATE OF THIS SUBDIVISION SHALL BE MADE BY DIRECT DEPOSIT OR DEBIT CARD,
14 AS ELECTED BY SUCH RETIREE OR BENEFICIARY, AND ADMINISTERED ELECTRON-
15 ICALLY, IN ACCORDANCE WITH SUCH GUIDELINES AS MAY BE SET FORTH BY THE
16 RETIREMENT SYSTEM. THE RETIREMENT SYSTEM SHALL NOTIFY ANY OF ITS RETI-
17 REES AND BENEFICIARIES THAT ARE CURRENTLY NOT RECEIVING THEIR RETIREMENT
18 PAYMENT BY DIRECT DEPOSIT OF THE PROVISIONS OF THIS PARAGRAPH PRIOR TO
19 SUCH PARAGRAPH BEING IMPLEMENTED.

20 2. A RETIREE OR BENEFICIARY MAY SUBMIT A REQUEST FOR EXEMPTION FROM
21 PARAGRAPH ONE OF THIS SUBDIVISION ON A FORM PROVIDED BY THE RETIREMENT
22 SYSTEM. THE RETIREMENT SYSTEM MAY APPROVE SUCH REQUEST PURSUANT TO REGU-
23 LATIONS PROMULGATED BY THE COMPTROLLER UPON A DEMONSTRATION OF HARDSHIP.

24 S 3. This act shall take effect on the one hundred eightieth day after
25 it shall have become a law. Effective immediately the comptroller is
26 authorized to promulgate any rules and regulations and take any other
27 measures necessary to implement this act on its effective date.

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

29 This bill would require the payment of retirement benefits by the New
30 York State and Local Employees' Retirement System (ERS) and the New York
31 State and Local Police and Fire Retirement System (PFRS) by direct
32 deposit or debit card, beginning on a date to be determined by the comp-
33 troller, but no sooner than January 1, 2016. A retiree or beneficiary of
34 these Systems prior to, on or after the effective date of this bill
35 shall elect either form of payment. Additionally this bill would allow a
36 retiree or beneficiary to submit a request for exemption from this
37 requirement.

38 If this bill is enacted, we anticipate that the printing and postage
39 savings will exceed the small initial administrative costs.

40 Summary of relevant resources:

41 Data: March 31, 2012 Actuarial Year End File with distributions of
42 membership and other statistics displayed in the 2012 Report of the
43 Actuary and 2012 Comprehensive Annual Financial Report.

44 Assumptions and Methods: 2010, 2011 and 2012 Annual Report to the
45 Comptroller on Actuarial Assumptions, Codes Rules and Regulations of the
46 State of New York: Audit and Control.

47 Market Assets and GASB Disclosures: March 31, 2012 New York State and
48 Local Retirement System Financial Statements and Supplementary Informa-
49 tion.

50 Valuations of Benefit Liabilities and Actuarial Assets: summarized in
51 the 2012 Actuarial Valuations report.

52 I am a member of the American Academy of Actuaries and meet the Quali-
53 fication Standards to render the actuarial opinion contained herein.

54 This estimate, dated April 26, 2013, and intended for use only during
55 the 2013 Legislative Session, is Fiscal Note No. 2013-131, prepared by
56 the Actuary for the ERS and PFRS.