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

6192

I N S E N A T E

(PREFILED)

January 8, 2014

Introduced by Sen. AVELLA -- 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 military service credits

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

Section 1. The opening paragraph and paragraphs (c) and (d) of subdivision 2 of section 1000 of the retirement and social security law, as added by chapter 548 of the laws of 2000, are amended and two new paragraphs (e) and (f) are added to read as follows:

A member, upon application to such retirement system, may obtain a total not to exceed three years of service credit for up to three years of military duty, as defined in section two hundred forty-three of the military law, OR NOT TO EXCEED SEVEN YEARS OF SERVICE CREDIT FOR FIFTY PERCENT OF SUCH MEMBER'S TOTAL YEARS IN ACTIVE MILITARY DUTY, WHICHEVER IS GREATER, if honorably discharged therefrom, if all or part of such services was rendered in the military conflicts referenced below, as follows:

(c) hostilities participated in by the military forces of the United States in Panama, from the twentieth day of December, nineteen hundred eighty-nine to the thirty-first day of January, nineteen hundred ninety, as established by receipt of the armed forces expeditionary medal, the navy expeditionary medal, or the marine corps expeditionary medal; [or]

(d) hostilities participated in by the military forces of the United States, from the second day of August, nineteen hundred ninety, to the end of such hostilities in case of a veteran who served in the theater of operations including Iraq, Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, Oman, the Gulf of Aden, the Gulf of Oman, the Persian Gulf, the Red Sea, and the airspace above these locations[.];

(E) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED STATES IN THE GLOBAL WAR ON TERRORISM FROM SEPTEMBER ELEVENTH, TWO THOUSAND ONE THROUGH THE END OF SUCH HOSTILITIES IN CASE OF A VETERAN WHO SERVED IN THE THEATER OF OPERATIONS INCLUDING AFGHANISTAN, IRAQ, PAKIS-

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

LBD13008-07-4

TAN, YEMEN, OMAN, SAUDI ARABIA, TURKEY, LIBYA, EGYPT, INDIA, LEBANON, SYRIA, THE GULF OF ADEN, THE GULF OF OMAN, THE PERSIAN GULF, THE RED SEA, AND THE AIRSPACE ABOVE THESE LOCATIONS; OR

(F) HOSTILITIES PARTICIPATED IN BY THE MILITARY FORCES OF THE UNITED STATES IN CASE OF A VETERAN WHO SERVED IN UN RELATED COMBAT THEATERS IN SOMALIA FROM AUGUST NINETEEN HUNDRED NINETY-TWO THROUGH MARCH NINETEEN HUNDRED NINETY-FOUR, IN CASE OF A VETERAN WHO SERVED IN NATO RELATED COMBAT THEATERS IN BOSNIA IN DECEMBER NINETEEN HUNDRED NINETY-FIVE THROUGH NOVEMBER TWO THOUSAND FOUR AND IN CASE OF A VETERAN WHO SERVED IN NATO RELATED COMBAT THEATERS IN KOSOVO IN APRIL NINETEEN HUNDRED NINETY-NINE THROUGH JUNE NINETEEN HUNDRED NINETY-NINE.

S 2. This act shall take effect immediately.

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

This bill would amend the benefits of Chapter 548, Laws of 2000 to permit members of public retirement systems in New York State who are eligible to purchase military service credit, to purchase the larger of up to 3 years of service credit, or up to 50% of such member's total years in active military duty up to 7 years of service credit (current law allows up to 3 years). In addition, this bill would include the following conflicts as allowable military service for credit in the case of a veteran who served in the theater of operations:

- from 09/11/01 to the end of hostilities in Afghanistan, Iraq, Pakistan, Yemen, Oman, Saudi Arabia, Turkey, Libya, Egypt, India, Lebanon, Syria, the Gulf of Aden, the Gulf of Oman, the Persian Gulf, the Red Sea and the airspace above these locations
- In UN related combat theaters in Somalia from 08/1992 - 03/1994
- In NATO related combat theaters in Bosina 12/1995 - 11/2004
- In NATO related combat theaters in Kosovo 04/1999 - 06/1999

Members must have at least five years of credited service (not including military 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 their bill. Tier 6 members would be required to make a payment of six percent of their most recent compensation per year of additional service credit.

If the 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 15% (14% for Tier 6) of an affected members' compensation for each year of additional service that is purchased.

The exact number of current members as well as future 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, the increased cost to the New York State and Local Employees' Retirement System would be borne entirely by the State of New York and would require an itemized appropriation sufficient to pay the cost of the provision. Since a member can apply for this service credit at any time prior to retirement, a precise cost can't be determined until each member, as well as future members, applies for the service credit. Every year a cost will be determined (and billed to the state) based on those benefiting from this provision.

PFRS Costs: These costs would be shared by the State of New York and the participating employers in 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 December 6, 2013 and intended for use only during the 2014 Legislative Session, is Fiscal Note No. 2014-38, prepared by the Actuary for the New York State and Local Police and Fire Retirement System.