

7074

I N S E N A T E

April 23, 2014

Introduced by Sen. GOLDEN -- 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 calculation of service credit for certain members

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

1 Section 1. Paragraph 3 of subdivision a of section 902 of the retire-
2 ment and social security law, as added by chapter 126 of the laws of
3 2000, is amended to read as follows:

4 3. Notwithstanding any other provision of law, if the service retire-
5 ment benefit of an eligible employee is subject to a maximum retirement
6 benefit, the additional benefit authorized by this subdivision OR BY
7 PARAGRAPH FOUR OF SUBDIVISION B OF THIS SECTION shall be computed by
8 multiplying the final average salary times the number of years of
9 service credit granted by this subdivision OR BY PARAGRAPH FOUR OF
10 SUBDIVISION B OF THIS SECTION times the benefit fraction of the plan
11 under which the employee retires.

12 S 2. Subdivision b of section 902 of the retirement and social securi-
13 ty law is amended by adding a new paragraph 4 to read as follows:

14 4. (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY MEMBER WHO IS
15 IN ACTIVE SERVICE, AS DEFINED IN PARAGRAPH (I), (II) OR (III) OF SUBDI-
16 VISION E OF SECTION NINE HUNDRED OF THIS ARTICLE, AS OF APRIL FIRST, TWO
17 THOUSAND FOURTEEN IN A POSITION OR POSITIONS IN THE CLASSIFIED SERVICE
18 OF THE STATE OF NEW YORK DESIGNATED MANAGERIAL OR CONFIDENTIAL PURSUANT
19 TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW OR A MEMBER OF A PUBLIC
20 AUTHORITY UNDER THE CIVIL SERVICE JURISDICTION OF THE STATE DEPARTMENT
21 OF CIVIL SERVICE SHALL RECEIVE ONE MONTH OF ADDITIONAL SERVICE CREDIT
22 FOR EACH FULL MONTH OF SERVICE CREDIT RENDERED IN SUCH POSITION ON OR
23 AFTER APRIL FIRST, TWO THOUSAND NINE THROUGH THE DATE OF RETIREMENT UP
24 TO A MAXIMUM OF TWENTY-FOUR MONTHS OF SERVICE CREDIT.

25 (II) THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL ONLY
26 APPLY TO THOSE QUALIFYING MEMBERS WHO RETIRE ON OR BEFORE MARCH THIRTY-
27 FIRST, TWO THOUSAND FIFTEEN.

28 S 3. This act shall take effect immediately.

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

LBD14833-02-4

FISCAL NOTE. -- Pursuant to legislative law section 50:

This bill will provide an additional month of service credit, but not in excess of 24 months, for each month of employment from April 1, 2009 for members either in the classified service of the state of New York in a position designated managerial or confidential pursuant to article fourteen of the civil service law or in the service of a public authority under the civil service jurisdiction of the state department of civil service, who is in active service as of April 1, 2014 and retire on or before March 31, 2015.

If this bill is enacted, there will be an immediate past service cost of approximately \$23 million which would be borne by the State of New York as a one-time payment. This estimate cost assumes a payment date of March 1, 2015.

This estimate is based on the assumption that approximately the same number of members retire in this one year period as have on average retired in each of the 2 prior fiscal years. If more or less members retire than has been assumed, the cost will vary.

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

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.

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 January 9, 2014 and intended for use only during the 2014 Legislative Session, is Fiscal Note No. 2014-46, prepared by the Actuary for the New York State and Local Employees' Retirement System.