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

4879

2013-2014 Regular Sessions

I N A S S E M B L Y

February 13, 2013

Introduced by M. of A. ABBATE, STEVENSON -- Multi-Sponsored by -- M. of A. COLTON, COOK, HOOPER -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to eligibility for retirement of members of the New York state and local employees' retirement system

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

Section 1. Section 442 of the retirement and social security law is amended by adding a new subdivision c to read as follows:

C. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM MAY RETIRE WITHOUT REDUCTION OF HIS OR HER RETIREMENT BENEFIT UPON COMPLETION OF AT LEAST THIRTY-FIVE OR MORE YEARS OF SERVICE REGARDLESS OF AGE.

S 2. Section 503 of the retirement and social security law is amended by adding a new subdivision e to read as follows:

E. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM MAY RETIRE WITHOUT REDUCTION OF HIS OR HER RETIREMENT BENEFIT UPON COMPLETION OF AT LEAST THIRTY-FIVE OR MORE YEARS OF SERVICE REGARDLESS OF AGE.

S 3. Section 603 of the retirement and social security law is amended by adding a new subdivision u to read as follows:

U. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER OF THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM MAY RETIRE WITHOUT REDUCTION OF HIS OR HER RETIREMENT BENEFIT UPON COMPLETION OF AT LEAST THIRTY-FIVE OR MORE YEARS OF SERVICE REGARDLESS OF AGE.

S 4. This act shall take effect immediately and shall be deemed to be in full force and effect on and after June 30, 2013.

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

This bill would allow Tiers 2, 3, 4, 5 and 6 members of the New York State and Local Employees' Retirement System to retire without a benefit

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

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reduction due to early retirement upon the completion of at least thirty-five (35) years of service, without regard to age.

If this bill is enacted, we anticipate that there would be estimated one time cost of approximately $87.1 million. Pursuant to Section 25 of the Retirement and Social Security Law, this cost would be borne by the State of New York and would require an itemized appropriation by the State of New York sufficient to pay the cost of the provision. If this cost is amortized over a 5 year period, the cost for the first year, including interest, would be approximately $20.0 million.

In addition to the one time cost above, there would also be an increase in the annual contributions of approximately 0.3% and 0.4% of the annual salaries of the general plan members in Tiers 5 and 6, respectively, for the fiscal year ending March 31, 2014. Pursuant to Section 25, these additional annual costs would also be borne by the state of New York.

Summary of relevant resources:

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

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

Market Assets and GASB Disclosures: March 31, 2012 New York State and Local Retirement System Financial Statements and Supplementary information.

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

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 17, 2012, and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-20, prepared by the Actuary for the New York State and Local Employees' Retirement System.