

4983

2013-2014 Regular Sessions

I N   A S S E M B L Y

February 13, 2013

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Introduced by M. of A. ABBATE -- (at request of the New York State Teachers' Retirement System) -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to clarifying the maximum salary which may be used to calculate the ordinary death benefit of members of the public retirement systems of the state

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

1     Section 1. Subdivision c of section 448 of the retirement and social  
2 security law, as amended by chapter 510 of the laws of 1974, is amended  
3 to read as follows:  
4     c. For the purpose of this section, salary shall be the regular  
5 compensation earned during the member's last twelve months of service in  
6 full pay status as a member or, if he OR SHE had not completed twelve  
7 months of service prior to the date of death, but was subject to the  
8 provisions of subdivision b of this section, the compensation he OR SHE  
9 would have earned had he OR SHE worked for the twelve months prior to  
10 such date; provided, however, for the purpose of this section salary  
11 shall exclude any form of termination pay (which shall include any  
12 compensation in anticipation of retirement), or any lump sum payment for  
13 deferred compensation sick leave, or accumulated vacation credit or any  
14 other payment for time not worked (other than compensation received  
15 while on sick leave or authorized leave of absence) and in no event  
16 shall it exceed the maximum salary specified in PARAGRAPH D OF SUBDIVI-  
17 SION ONE OF section one hundred thirty of the civil service law, AS  
18 ADDED BY PART B OF CHAPTER TEN OF THE LAWS OF TWO THOUSAND EIGHT, OR THE  
19 MAXIMUM SALARY SPECIFIED IN SECTION ONE HUNDRED THIRTY OF THE CIVIL  
20 SERVICE LAW, AS HEREAFTER AMENDED, WHICHEVER IS GREATER.

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

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1 S 2. Subdivision c of section 508 of the retirement and social securi-  
2 ty law, as added by chapter 617 of the laws of 1986, is amended to read  
3 as follows:

4 c. For the purpose of this section, salary shall be the regular  
5 compensation earned during the member's last twelve months of service in  
6 full pay status as a member or, if he OR SHE had not completed twelve  
7 months of service prior to the date of death, but was subject to the  
8 provisions of subdivision b of this section, the compensation he OR SHE  
9 would have earned had he OR SHE worked for the twelve months prior to  
10 such date; provided, however, for the purpose of this section salary  
11 shall exclude any form of termination pay (which shall include any  
12 compensation in anticipation of retirement), or any lump sum payment for  
13 deferred compensation sick leave, or accumulated vacation credit or any  
14 other payment for time not worked (other than compensation received  
15 while on sick leave or authorized leave of absence) and in no event  
16 shall it exceed the maximum salary specified in PARAGRAPH D OF SUBDIVI-  
17 SION ONE OF section one hundred thirty of the civil service law, AS  
18 ADDED BY PART B OF CHAPTER TEN OF THE LAWS OF TWO THOUSAND EIGHT, OR THE  
19 MAXIMUM SALARY SPECIFIED IN SECTION ONE HUNDRED THIRTY OF THE CIVIL  
20 SERVICE LAW, AS HEREAFTER AMENDED, WHICHEVER IS GREATER.

21 S 3. Subdivision c of section 606 of the retirement and social securi-  
22 ty law, as added by chapter 617 of the laws of 1986, is amended to read  
23 as follows:

24 c. For the purpose of this section, salary shall be the regular  
25 compensation earned during the member's last twelve months of service in  
26 full pay status as a member or, if he OR SHE had not completed twelve  
27 months of service prior to the date of death, but was subject to the  
28 provisions of subdivision b of this section, the compensation he OR SHE  
29 would have earned had he OR SHE worked for the twelve months prior to  
30 such date; provided, however, for the purpose of this section salary  
31 shall exclude any form of termination pay (which shall include any  
32 compensation in anticipation of retirement), or any lump sum payment for  
33 deferred compensation sick leave, or accumulated vacation credit or any  
34 other payment for time not worked (other than compensation received  
35 while on sick leave or authorized leave of absence) and in no event  
36 shall it exceed the maximum salary specified in PARAGRAPH D OF SUBDIVI-  
37 SION ONE OF section one hundred thirty of the civil service law, AS  
38 ADDED BY PART B OF CHAPTER TEN OF THE LAWS OF TWO THOUSAND EIGHT, OR THE  
39 MAXIMUM SALARY SPECIFIED IN SECTION ONE HUNDRED THIRTY OF THE CIVIL  
40 SERVICE LAW, AS HEREAFTER AMENDED, WHICHEVER IS GREATER.

41 S 4. This act shall take effect immediately and shall be deemed to  
42 have been in full force and effect on and after April 1, 2011.

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

This bill would amend Sections 448, 508 and 606 of the Retirement and Social Security Law to clarify the maximum salary used to calculate the paragraph 2 death benefit for Tier 2, 3, 4, 5 and 6 members of the New York State Teachers' Retirement System. The maximum salary used to calculate the paragraph 2 death benefit shall not be less than the maximum salary specified in Section 130 of the Civil Service Law, as it was added by part B of Chapter 10 of the Laws of 2008, or the maximum salary specified in Section 130 of the Civil Service Law, as thereafter amended, whichever is greater. Chapter 491 of the Laws of 2011 slightly lowered the salary limit for death benefit calculation purposes, yet the current limit is constitutionally protected for current members.

The annual cost to the employers of members of the New York State Teachers' Retirement System is estimated to be negligible if this bill is enacted.

The source of this estimate is Fiscal Note 2013-2 dated September 19, 2012 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2013 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

NOTE: This bill was prepared under the direction of the New York State Teachers' Retirement Board and was introduced at its request.