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

6779

2013-2014 Regular Sessions

I N A S S E M B L Y

April 18, 2013

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to calculation of final average salary for certain members

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

Section 1. Subdivision b of section 902 of the retirement and social security law is amended by adding a new paragraph 4 to read as follows:

4. CALCULATION OF BENEFITS. (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY MEMBER WHO RETIRES PRIOR TO APRIL FIRST, TWO THOUSAND FOURTEEN OR WHO HAS RETIRED BETWEEN THE DATES APRIL FIRST, TWO THOUSAND NINE THROUGH MARCH THIRTY-FIRST, TWO THOUSAND FOURTEEN PURSUANT TO THE PROVISIONS OF THIS CHAPTER FROM A POSITION OR POSITIONS IN THE COMPETITIVE, NON-COMPETITIVE AND LABOR CLASSES OF THE CLASSIFIED SERVICE OF THE STATE OF NEW YORK DESIGNATED MANAGERIAL OR CONFIDENTIAL PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW OR A MEMBER OF A PUBLIC AUTHORITY UNDER THE CIVIL SERVICE JURISDICTION OF THE STATE DEPARTMENT OF CIVIL SERVICE, SHALL HAVE HIS OR HER RETIREMENT BENEFIT CALCULATED AS IF ALL SALARY INCREASES, PERFORMANCE ADVANCES, LONGEVITY PAYMENTS, OR MERIT PAYMENTS WERE RECEIVED IN ACCORDANCE WITH CHAPTER TEN OF THE LAWS OF TWO THOUSAND EIGHT.

(B) ANY MEMBER WHO RETIRED PRIOR TO THE EFFECTIVE DATE OF THIS PARAGRAPH FROM A POSITION OR POSITIONS IN THE COMPETITIVE, NON-COMPETITIVE AND LABOR CLASSES OF THE CLASSIFIED SERVICE OF THE STATE OF NEW YORK DESIGNATED MANAGERIAL OR CONFIDENTIAL PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW OR A MEMBER OF A PUBLIC AUTHORITY UNDER THE CIVIL SERVICE JURISDICTION OF THE STATE DEPARTMENT OF CIVIL SERVICE WHO WOULD OTHERWISE BE ENTITLED TO THE BENEFIT OF SUBPARAGRAPH (A) OF THIS PROVISION SHALL HAVE HIS OR HER RETIREMENT BENEFIT RECALCULATED RETROACTIVE TO HIS OR HER DATE OF RETIREMENT.

S 2. This act shall take effect immediately.

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

LBD09075-01-3

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

This bill will provide pension benefits to members of the retirement system designated managerial or confidential pursuant to article fourteen of the civil service law, or a member of a public authority under civil service jurisdiction of the state department of civil service, as if all salary increases, performance advances, longevity payments, or merit payments were received in accordance with chapter 10 of the laws of 2008 for those who retire prior to April 1, 2014. In addition, such members who have retired between the dates of April 1, 2009 through March 31, 2014 shall have their retirement benefit recalculated retroactive to the date of retirement.

If this bill is enacted, there will be an immediate past service cost for current retirees of approximately $86.2 million which will be borne by the State of New York as a one-time payment. This cost assumes that payment will be made on March 1, 2014.

In addition, for those that retire during the period ending March 1, 2014 there will be a one-time cost of up to 90% of the members' salary which will be borne by the State of New York. This one-time cost is dependent on each members benefit improvement due to the salary increase provided by this legislation.

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 January 25, 2013 and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-57, prepared by the Actuary for the New York State and Local Employees' Retirement System.