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

7304

2013-2014 Regular Sessions

I N A S S E M B L Y

May 10, 2013

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

AN ACT to amend the retirement and social security law, in relation to authorizing certain veterans of the Korean conflict to obtain retirement service credit in the New York state teachers' retirement system for such service

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

Section 1. Subdivision 4 of section 1000 of the retirement and social security law, as added by chapter 548 of the laws of 2000, is amended to read as follows:

4. (A) To obtain such credit, a member shall pay such retirement system, for deposit in the fund used to accumulate employer contributions, a sum equal to the product of the number of years of military service being claimed and three percent of such member's compensation earned during the twelve months of credited service immediately preceding the date that the member made application for credit pursuant to this section. If permitted by rule or regulation of the applicable retirement system, the member may pay such member costs by payroll deduction for a period which shall not exceed the time period of military service to be credited pursuant to this section. In the event the member leaves the employer payroll prior to completion of payment, he or she shall forward all remaining required payments to the appropriate retirement system prior to the effective date of retirement. If the full amount of such member costs is not paid to the appropriate retirement system prior to the member's retirement, the amount of service credited shall be proportional to the total amount of the payments made prior to retirement.

(B) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION SIX OF THIS SECTION OR ANY OTHER PROVISION OF LAW, A RETIRED MEMBER OF THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM MAY MAKE APPLICATION FOR THE BENEFITS OF

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

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THIS SECTION WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS PARAGRAPH FOR SERVICE DURING THE KOREAN CONFLICT. UPON THE GRANTING OF SUCH APPLICATION, THE RETIREMENT ALLOWANCE OF SUCH RETIRED MEMBER SHALL BE RECALCULATED AND ANY DEFICIENCY OWED TO HIM OR HER SHALL BE PAID TO HIM OR HER IN A LUMP SUM, WITH REGULAR INTEREST, WITHIN THIRTY DAYS OF THE GRANTING OF SUCH APPLICATION. WITHIN SIXTY DAYS OF THE GRANTING OF SUCH APPLICATION, THE RETIREMENT SYSTEM SHALL CALCULATE, AND SUCH RETIRED MEMBER SHALL PAY SUCH RETIREMENT SYSTEM, WITH REGULAR INTEREST, FOR DEPOSIT IN THE FUND USED TO ACCUMULATE EMPLOYER CONTRIBUTIONS, A SUM EQUAL TO THE PRODUCT OF THE NUMBER OF YEARS OF MILITARY SERVICE BEING CLAIMED AND THREE PERCENT OF SUCH MEMBER'S COMPENSATION EARNED DURING THE TWELVE MONTHS OF CREDITED SERVICE IMMEDIATELY PRECEDING THE DATE OF HIS OR HER RETIREMENT. AT THE ELECTION OF SUCH RETIRED MEMBER, HE OR SHE MAY OFFSET THE PAYMENT DUE TO HIM OR HER AGAINST THE PAYMENT DUE FROM HIM OR HER AND, IF ANY BALANCE REMAINS TO BE PAID BY HIM OR HER, HE OR SHE SHALL PAY SUCH BALANCE WITHIN SUCH SIXTY DAY PERIOD.

S 2. This act shall take effect immediately.

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

This bill would amend subdivision 4 of Section 1000 of the Retirement and Social Security Law to permit eligible retired members to claim service credit for up to three years of military service performed during the Korean Conflict. To obtain such credit, the member shall deposit in the pension accumulation fund, with regular interest, a sum equal to the product of the period of military service being claimed and three percent of his final annual full-time rate of compensation earned during the twelve months of service immediately prior to retirement. This increase in benefit will be provided retroactively, with a lump sum representing the sum of the increases back to the date of retirement with regular interest, paid within 30 days of the granting of credit.

It is not possible to determine the total annual cost to the employers of members of the New York State Teachers' Retirement System since the total amount of service credit which would be claimed under this bill cannot be estimated. However, the cost is estimated to be, on average, approximately $130,000 for each retired member granted service credit under this bill if enacted.

The source of this estimate is Fiscal Note 2013-23 dated May 8, 2013 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.