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

7945

2013-2014 Regular Sessions

I N A S S E M B L Y

June 11, 2013

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

AN ACT to authorize members of the New York state and New York city teachers' retirement systems and the New York state and local employees' retirement system to claim retirement credit for certain private school teaching service

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

Section 1. Notwithstanding any other provision of law, a member of the New York state teachers' retirement system or the New York city teachers' retirement system, or any member of the New York state and local employees' retirement system who was employed by a private school shall be entitled to obtain credit for up to five years of service rendered as a teacher employed by a private elementary or secondary school within the state of New York chartered by or registered with the board of regents, which would constitute service as a teacher, had it been performed within New York state for an employer subject to the applicable provisions of law governing such retirement system.

S 2. The crediting of service pursuant to this act shall be in accordance with such rules and regulations as shall be adopted by the retirement board of the New York state teachers' retirement system, the retirement board of the New York city teachers' retirement system or the state comptroller, as appropriate, provided that such rules and regulations shall be substantially equivalent to the rules and regulations otherwise applicable for the crediting of service pursuant to applicable provisions of law governing each such retirement system, and provided further that if such provisions have not expired such member makes the applicable payments required pursuant to the provisions of sections 517 and 613, and paragraph 2 of subdivision b of section 609 of the retirement and social security law.

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

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S 3. The service credit granted pursuant to this act shall constitute service for the purpose of computing the pension payable upon retirement for service and shall be granted as a service credit to be used in determining the total length of service for purposes of eligibility for retirement. Provided, no such credit shall be allowed for any service for which the person is receiving a benefit or will be entitled to receive a benefit at any future time from any other public or private retirement system or plan in this state, any other state or from the federal government. Provided further, that all costs associated with obtaining credit for service rendered as a teacher employed by a private school under section one of this act shall be borne by the individually impacted member of the New York state teachers' retirement system or the New York city teachers' retirement system or the New York state and local employees' retirement system seeking to obtain such credit.

S 4. This act shall take effect June 30, 2013, except that any rule or regulation necessary for the timely implementation of the provisions of this act on its effective date are authorized and directed to be promulgated on or before such date.

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

This bill would allow members of the New York State Teachers' Retirement System to obtain service credit for up to five years of private school teaching service within the state of New York. The service credit granted pursuant to this bill will be used in determining the total length of service for purposes of eligibility for retirement benefits. No credit will be granted for any service for which the person is receiving a benefit or will be entitled to receive a benefit from any other public or private retirement system or from the federal government. All costs associated with the crediting of this service shall be borne by the member.

The annual cost to employers of members of the NYSTRS is estimated to be negligible, as the bill requires participating members to pay costs resulting from any additional service credit granted under this bill. This cost will be equal to the full actuarial present value of the increase in the benefit due to the additional service credit granted, and will depend upon the number of years of service credit, as well as the member's salary and service history and age at retirement. The cost to the member will likely be substantial, as the average actuarial present value cost per year of service credited is estimated to be approximately $20,000.

The source of this estimate is Fiscal Note 2013-29 dated May 9, 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.