

8802

I N A S S E M B L Y

February 14, 2014

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

AN ACT to amend the retirement and social security law, in relation to
the management of retirement loans

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

1 Section 1. Subdivisions e and f of section 50 of the retirement and
2 social security law, subdivision e as amended by chapter 705 of the laws
3 of 1964, are amended to read as follows:
4 e. The borrowing member's [annuity] ANNUITY savings account shall not
5 be reduced by the loan obtained but a subsidiary record shall be main-
6 tained reflecting the outstanding balance on such loan, as well as the
7 allocation of the payroll deductions to principal and interest. Upon the
8 member's withdrawal of his accumulated contributions or retirement, the
9 balance due on his loan shall be deducted from the amount to his credit
10 at such time in the annuity savings fund. Upon the death of the member
11 [prior to the loan being fully insured, that portion thereof which is
12 uninsured, shall similarly be deducted from the amount to his credit at
13 the time of his death in the annuity savings fund] THE CORRESPONDING
14 SURVIVOR'S BENEFIT WILL BE DECREASED IN AN AMOUNT PRESCRIBED BY THE
15 COMPTROLLER BASED UPON AN AMORTIZATION SCHEDULE CALCULATED USING THE
16 AMOUNT OF PRINCIPAL OUTSTANDING, INTEREST RATE AND ESTIMATED LENGTH OF
17 BENEFIT PAYMENT AS PRESCRIBED BY ACTUARIAL TECHNIQUES PRESCRIBED BY THE
18 COMPTROLLER, UNTIL SUCH TIME THAT ALL OUTSTANDING PRINCIPAL AND INTEREST
19 AMOUNTS HAVE BEEN SATISFACTORILY REPAID.
20 f. In the case of any benefit wherein the amount of pension will be
21 determined, in part, by the amount of annuity, such annuity shall be
22 computed upon the basis of accumulated contributions as if there were no
23 loan or no additional contributions. The resulting retirement allowance
24 shall then be reduced by [the actuarial equivalent of the present value
25 of any outstanding loan.] AN AMOUNT PRESCRIBED BY THE COMPTROLLER BASED
26 UPON AN AMORTIZATION SCHEDULE CALCULATED USING THE AMOUNT OF PRINCIPAL
27 OUTSTANDING, INTEREST RATE AND ESTIMATED LENGTH OF BENEFIT PAYMENT AS
28 PRESCRIBED BY ACTUARIAL TECHNIQUES PRESCRIBED BY THE COMPTROLLER, UNTIL
29 SUCH TIME THAT ALL OUTSTANDING PRINCIPAL AND INTEREST AMOUNTS HAVE BEEN
30 SATISFACTORILY REPAID.
31 S 2. This act shall take effect immediately.

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

LBD06517-01-3