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I N   A S S E M B L Y

June 3, 2014

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Introduced by COMMITTEE ON RULES -- (at request of 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  
eligibility for retirement benefits for certain members of the unified  
court system

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

1     Section 1. Subdivision a of section 503 of the retirement and social  
2     security law, as amended by chapter 18 of the laws of 2012, is amended  
3     to read as follows:  
4     a. The normal service retirement benefit specified in section five  
5     hundred four of this article shall be payable to general members, other  
6     than elective members, who have met the minimum service requirements  
7     upon retirement and attainment of age sixty-two, provided, however, a  
8     general member who is a peace officer employed by the unified court  
9     system or a member of a teachers' retirement system may retire without  
10    reduction of his or her retirement benefit upon attainment of at least  
11    fifty-five years of age and completion of thirty or more years of  
12    service. For members who become members of the New York state and local  
13    employees' retirement system on or after April first, two thousand  
14    twelve, the normal service retirement benefits specified in section five  
15    hundred four of this article shall be payable to general members, other  
16    than elective members, who have met the minimum service requirements  
17    upon retirement and attainment of age sixty-three; PROVIDED THAT, A  
18    MEMBER WHO IS A PEACE OFFICER EMPLOYED BY THE UNIFIED COURT SYSTEM MAY  
19    RETIRE WITHOUT REDUCTION OF HIS OR HER RETIREMENT BENEFIT UPON ATTAIN-  
20    MENT OF AT LEAST FIFTY-FIVE YEARS OF AGE AND COMPLETION OF THIRTY OR  
21    MORE YEARS OF SERVICE.  
22    S 2. Subdivisions a and a-1 of section 603 of the retirement and  
23    social security law, subdivision a as amended and subdivision a-1 as  
24    added by chapter 18 of the laws of 2012, are amended to read as follows:  
25    a. The service retirement benefit specified in section six hundred  
26    four of this article shall be payable to members who have met the mini-  
27    mum service requirements upon retirement and attainment of age sixty-

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

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1 two, other than members who are eligible for early service retirement  
2 pursuant to subdivision c of section six hundred four-b of this article,  
3 subdivision c of section six hundred four-c of this article, subdivision  
4 d of section six hundred four-d of this article, subdivision c of  
5 section six hundred four-e of this article, subdivision c of section six  
6 hundred four-f of this article, subdivision c of section six hundred  
7 four-g of this article, subdivision c of section six hundred four-h of  
8 this article or subdivision c of section six hundred four-i of this  
9 article, provided, however, a member of a teachers' retirement system or  
10 the New York state and local employees' retirement system who first  
11 joins such system before January first, two thousand ten or a member who  
12 is a uniformed court officer or peace officer employed by the unified  
13 court system [who first becomes a member of the New York state and local  
14 employees' retirement system before April first, two thousand twelve]  
15 may retire without reduction of his or her retirement benefit upon  
16 attainment of at least fifty-five years of age and completion of thirty  
17 or more years of service, provided, however, that a uniformed court  
18 officer or peace officer employed by the unified court system who first  
19 becomes a member of the New York state and local employees' retirement  
20 system on or after January first, two thousand ten and retires without  
21 reduction of his or her retirement benefit upon attainment of at least  
22 fifty-five years of age and completion of thirty or more years of  
23 service pursuant to this section shall be required to make the member  
24 contributions required by subdivision f of section six hundred thirteen  
25 of this article for all years of credited and creditable service,  
26 provided further that the [the] preceding provisions of this subdivision  
27 shall not apply to a New York city revised plan member.

28 a-1. For members who first become a member of a public retirement  
29 system of the state on or after April first, two thousand twelve, EXCEPT  
30 FOR UNIFORMED COURT OFFICERS OR PEACE OFFICERS EMPLOYED BY THE UNIFIED  
31 COURT SYSTEM, the service retirement benefit specified in section six  
32 hundred four of this article shall be payable to members who have met  
33 the minimum service requirements upon retirement and have attained age  
34 sixty-three.

35 S 3. Subdivisions a and b-1 of section 604 of the retirement and  
36 social security law, subdivision a as amended and subdivision b-1 as  
37 added by chapter 18 of the laws of 2012, are amended to read as follows:

38 a. The service retirement benefit at normal retirement age for a  
39 member with less than twenty years of credited service, or less than  
40 twenty-five years credited service for a member who joins the New York  
41 state teachers' retirement system on or after January first, two thou-  
42 sand ten, shall be a retirement allowance equal to one-sixtieth of final  
43 average salary times years of credited service. Normal retirement age  
44 for members who first become members of a public retirement system of  
45 the state on or after April first, two thousand twelve shall be age  
46 sixty-three; EXCEPT THAT THE NORMAL RETIREMENT AGE SHALL BE SIXTY-TWO  
47 FOR A MEMBER WHO IS A PEACE OFFICER OR UNIFORMED COURT OFFICER EMPLOYED  
48 BY THE UNIFIED COURT SYSTEM.

49 b-1. Notwithstanding any other provision of law to the contrary, the  
50 service retirement benefit for members with twenty or more years of  
51 credit service who first become a member of a public retirement system  
52 of the state on or after April first, two thousand twelve at age sixty-  
53 three, OR AT AGE SIXTY-TWO FOR UNIFORMED COURT OFFICERS OR PEACE OFFI-  
54 CERS EMPLOYED BY THE UNIFIED COURT SYSTEM, shall be a pension equal to  
55 the sum of thirty-five per centum and one-fiftieth of final average  
56 salary for each year of service in excess of twenty times final average

1 salary times years of credited service. In no event shall any retirement  
2 benefit payable without optional modification be less than the actuari-  
3 ally equivalent annuitized value of the member's contributions accumu-  
4 lated with interest at five percent per annum compounded annually to the  
5 date of retirement.

6 S 4. This act shall take effect immediately; provided that the amend-  
7 ments to subdivision a of section 603 of the retirement and social secu-  
8 rity law made by section two of this act shall not affect the expiration  
9 of such subdivision and shall be deemed to expire therewith.

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

This bill will allow any Tier 6 member who is a uniformed court offi-  
cer or peace officer employed by the unified court system to retire  
without early age reduction upon attaining 30 years of creditable  
service and age 55. It would also reduce the normal retirement age from  
63 to 62, and lessen the reductions in benefits for those who retire  
prior to normal retirement age.

If this legislation is enacted during the 2014 legislative session, we  
anticipate that there will be an increase in the annual contributions of  
the state of New York of approximately 1.0% of the compensation of the  
affected members. For the fiscal year ending March 31, 2015, this is  
estimated to be approximately \$20,000.

In addition to the annual contributions discussed above, there will be  
an immediate past service cost of approximately \$11,300 which would be  
borne by the state of New York as a one-time payment. This estimate is  
based on the assumption that payment will be made on March 1, 2015.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed  
change was the same as that used in the March 31, 2013 actuarial valu-  
ation. Distributions and other statistics can be found in the 2013  
Report of the Actuary and the 2013 Comprehensive Annual Financial  
Report.

The actuarial assumptions and methods used are described in the 2010,  
2011, 2012 and 2013 Annual Report to the Comptroller on Actuarial  
Assumptions, and the Codes Rules and Regulations of the State of New  
York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2013  
New York State and Local Retirement System Financial Statements and  
Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Quali-  
fication Standards to render the actuarial opinion contained herein.

This estimate, dated May 15, 2014, and intended for use only during  
the 2014 Legislative Session, is Fiscal Note No. 2014-113, prepared by  
the Actuary for the New York State and Local Employees' Retirement  
System.