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

7757

I N S E N A T E

June 5, 2014

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

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 ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision a of section 503 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

a. The normal service retirement benefit specified in section five hundred four of this article shall be payable to general members, other than elective members, who have met the minimum service requirements upon retirement and attainment of age sixty-two, provided, however, a general member who is a peace officer employed by the unified court system or a member of a teachers' retirement system may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service. For members who become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the normal service retirement benefits specified in section five hundred four of this article shall be payable to general members, other than elective members, who have met the minimum service requirements upon retirement and attainment of age sixty-three; PROVIDED THAT, A MEMBER WHO IS A PEACE OFFICER EMPLOYED BY THE UNIFIED COURT SYSTEM MAY RETIRE WITHOUT REDUCTION OF HIS OR HER RETIREMENT BENEFIT UPON ATTAINMENT OF AT LEAST FIFTY-FIVE YEARS OF AGE AND COMPLETION OF THIRTY OR MORE YEARS OF SERVICE.

S 2. Subdivisions a and a-1 of section 603 of the retirement and social security law, subdivision a as amended and subdivision a-1 as added by chapter 18 of the laws of 2012, are amended to read as follows:

a. The service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum 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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two, other than members who are eligible for early service retirement pursuant to subdivision c of section six hundred four-b of this article, subdivision c of section six hundred four-c of this article, subdivision d of section six hundred four-d of this article, subdivision c of section six hundred four-e of this article, subdivision c of section six hundred four-f of this article, subdivision c of section six hundred four-g of this article, subdivision c of section six hundred four-h of this article or subdivision c of section six hundred four-i of this article, provided, however, a member of a teachers' retirement system or the New York state and local employees' retirement system who first joins such system before January first, two thousand ten or a member who is a uniformed court officer or peace officer employed by the unified court system [who first becomes a member of the New York state and local employees' retirement system before April first, two thousand twelve] may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service, provided, however, that a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system on or after January first, two thousand ten and retires without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service pursuant to this section shall be required to make the member contributions required by subdivision f of section six hundred thirteen of this article for all years of credited and creditable service, provided further that the [the] preceding provisions of this subdivision shall not apply to a New York city revised plan member.

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

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

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

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

salary times years of credited service. In no event shall any retirement benefit payable without optional modification be less than the actuarially equivalent annuitized value of the member's contributions accumulated with interest at five percent per annum compounded annually to the date of retirement.

S 4. This act shall take effect immediately; provided that the amendments to subdivision a of section 603 of the retirement and social security law made by section two of this act shall not affect the expiration 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 officer 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 valuation. 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 Qualification 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.