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

10744

I N A S S E M B L Y

August 3, 2016

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 service retirement benefits for certain employees of the power authority of the state of New York

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

Section 1. Paragraph 1 of subdivision b of section 442 of the retirement and social security law, as amended by chapter 306 of the laws of 1996, is amended to read as follows:

1. A member who is a peace officer employed by the unified court system or a member of a teacher's retirement system or a member of the New York state and local employees' retirement system OR A GENERAL MEMBER WHO IS EMPLOYED ON AN HOURLY-RATE BASIS WHILE PERFORMING SERVICES FOR THE POWER AUTHORITY OF THE STATE OF NEW YORK AT ITS GENERATING STATIONS, OPERATION AND MAINTENANCE CENTERS, SUBSTATIONS AND REMOTE METERING AND EQUIPMENT DELIVERY POINTS, INCLUDING THE BLENHEIM-GILBOA PROJECT, ST. LAWRENCE PROJECT, NIAGARA PROJECT, JAMES A. FITZPATRICK PLANT AND CLARK ENERGY CENTER, AND AT ANY SUCH FACILITY WHICH MAY BE SUBSEQUENTLY CONSTRUCTED may retire without reduction of his OR HER retirement benefit upon his OR HER attainment of at least fifty-five years of age and completion of thirty or more years of service; and

S 2. 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 OR A GENERAL MEMBER WHO IS EMPLOYED ON AN HOURLY-RATE BASIS WHILE PERFORMING SERVICES FOR THE POWER AUTHORITY OF THE STATE OF NEW YORK AT ITS GENERATING STATIONS, OPERATION AND MAINTENANCE CENTERS, SUBSTATIONS AND REMOTE METERING AND

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

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EQUIPMENT DELIVERY POINTS, INCLUDING THE BLENHEIM-GILBOA PROJECT, ST. LAWRENCE PROJECT, NIAGARA PROJECT, JAMES A. FITZPATRICK PLANT AND CLARK ENERGY CENTER, AND AT ANY SUCH FACILITY WHICH MAY BE SUBSEQUENTLY CONSTRUCTED 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.

S 3. Subdivision a of section 603 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 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-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 OR A GENERAL MEMBER WHO IS EMPLOYED ON AN HOURLY-RATE BASIS WHILE PERFORMING SERVICES FOR THE POWER AUTHORITY OF THE STATE OF NEW YORK AT ITS GENERATING STATIONS, OPERATION AND MAINTENANCE CENTERS, SUBSTATIONS AND REMOTE METERING AND EQUIPMENT DELIVERY POINTS, INCLUDING THE BLENHEIM-GILBOA PROJECT, ST. LAWRENCE PROJECT, NIAGARA PROJECT, JAMES A. FITZPATRICK PLANT AND CLARK ENERGY CENTER, AND AT ANY SUCH FACILITY WHICH MAY BE SUBSEQUENTLY CONSTRUCTED 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.

S 4. Subdivision a of section 603 of the retirement and social security law, as amended by chapter 19 of the laws of 2008, is 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-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 who is a peace officer employed by the unified court system or a member of a teachers' retirement system or the New York state and local employees' retirement system OR A GENERAL MEMBER WHO IS EMPLOYED ON AN HOURLY-RATE BASIS WHILE PERFORMING SERVICES FOR THE POWER AUTHORITY OF THE STATE OF NEW YORK AT ITS GENERATING STATIONS, OPERATION AND MAINTENANCE CENTERS, SUBSTATIONS AND REMOTE METERING AND EQUIPMENT DELIVERY POINTS, INCLUDING THE BLENHEIM-GILBOA PROJECT, ST. LAWRENCE PROJECT, NIAGARA PROJECT, JAMES A. FITZPATRICK PLANT AND CLARK ENERGY CENTER, AND AT ANY SUCH FACILITY WHICH MAY BE SUBSEQUENTLY CONSTRUCTED 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 5. 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 three of this act shall be subject to the expiration and reversion of such subdivision pursuant to subdivision (b) of section 13 of chapter 682 of the laws of 2003, as amended, when upon such date the provisions of section four of this act shall take effect.

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

This bill will allow certain Tier 5 and 6 members who are represented by Local 2104 of the International Brotherhood of Electrical workers, AFL-CIO who are employed on an hourly-rate basis while performing services for the power authority of the state of New York to retire without early age reduction upon attaining 30 years of creditable service and age 55.

If this legislation is enacted during the 2016 legislative session, we anticipate that there will be an increase in the annual contributions of the state of New York of approximately 0.6% of the compensation of the affected Tier 5 members, and approximately 0.8% of the compensation of the affected Tier 6 members. For the fiscal year ending March 31, 2017, this is estimated to be approximately $27,000.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $44,800 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, 2017.

This estimate is based on 57 members known to be affected, with an annual salary estimated to be approximately $4.1 million as of March 31, 2016.

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, 2015 actuarial valuation. Distributions and other statistics can be found in the 2015 Report of the Actuary and the 2015 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015 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, 2015 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 June 13, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-108, prepared by the Actuary for the New York State and Local Retirement System.