

1724

2015-2016 Regular Sessions

I N   A S S E M B L Y

January 12, 2015

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Introduced by M. of A. MONTESANO, RAIA, PALUMBO, FINCH, DiPIETRO, CORWIN  
-- Multi-Sponsored by -- M. of A. ARROYO, CERETTO, CROUCH, GIGLIO,  
PALMESANO, RA -- read once and referred to the Committee on Govern-  
mental 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 ASSEM-  
BLY, 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

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

LBD05108-01-5

1 shall then be reduced by [the actuarial equivalent of the present value  
2 of any ousstanding loan] AN AMOUNT PRESCRIBED BY THE COMPTROLLER BASED  
3 UPON AN AMORTIZATION SCHEDULE CALCULATED USING THE AMOUNT OF PRINCIPAL  
4 OUTSTANDING, INTEREST RATE AND ESTIMATED LENGTH OF BENEFIT PAYMENT AS  
5 PRESCRIBED BY ACTUARIAL TECHNIQUES PRESCRIBED BY THE COMPTROLLER, UNTIL  
6 SUCH TIME THAT ALL OUTSTANDING PRINCIPAL AND INTEREST AMOUNTS HAVE BEEN  
7 SATISFACTORILY REPAID.

8 S 2. This act shall take effect immediately.