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

7007

2015-2016 Regular Sessions

I N A S S E M B L Y

April 17, 2015

Introduced by M. of A. ABBATE -- Multi-Sponsored by -- M. of A. GOLDFEDER -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the education law, the retirement and social security law and the administrative code of the city of New York, in relation to permitting members of the New York state and New York city teachers' retirement systems to claim retirement credit for certain federal teaching service

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

Section 1. Subdivision 2 of section 509 of the education law is amended by adding a new paragraph d to read as follows:

D. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER SHALL BE ENTITLED TO OBTAIN CREDIT FOR UP TO TEN YEARS OF SERVICE OTHER THAN MILITARY SERVICE RENDERED IN THE EMPLOY OF THE FEDERAL GOVERNMENT, INCLUDING SERVICE IN THE PEACE CORPS, VISTA, OR HEAD START, WHICH WOULD CONSTITUTE SERVICE AS A TEACHER, HAD IT BEEN PERFORMED WITHIN NEW YORK STATE FOR AN EMPLOYER SUBJECT TO THE PROVISIONS OF THIS ARTICLE. THE CREDITING OF SERVICE PURSUANT TO THIS PARAGRAPH SHALL BE IN ACCORDANCE WITH RULES AND REGULATIONS AS SHALL BE ADOPTED BY THE RETIREMENT BOARD, PROVIDED THAT SUCH RULES AND REGULATIONS SHALL BE SUBSTANTIALLY EQUIVALENT TO THE RULES AND REGULATIONS OTHERWISE APPLICABLE FOR THE CREDITING OF SERVICE PURSUANT TO THIS SECTION. PROVIDED, HOWEVER, NO SUCH CREDIT SHALL BE ALLOWED FOR ANY SERVICE FOR WHICH THE PERSON IS RECEIVING A BENEFIT OR WILL BE ENTITLED TO RECEIVE A BENEFIT AT ANY FUTURE TIME FROM SOME OTHER PUBLIC OR PRIVATE RETIREMENT SYSTEM OR PLAN IN THIS STATE, IN ANY OTHER STATE OR FROM THE FEDERAL GOVERNMENT.

S 2. Section 446 of the retirement and social security law is amended by adding a new subdivision k to read as follows:

K. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER OF A TEACHERS' RETIREMENT SYSTEM SUBJECT TO THE PROVISIONS OF THIS ARTICLE SHALL BE

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

LBD10512-01-5

ENTITLED TO OBTAIN CREDIT FOR UP TO TEN YEARS OF SERVICE OTHER THAN MILITARY SERVICE RENDERED IN THE EMPLOY OF THE FEDERAL GOVERNMENT, INCLUDING SERVICE IN THE PEACE CORPS, VISTA, OR HEAD START, WHICH WOULD CONSTITUTE SERVICE AS A TEACHER, HAD IT BEEN PERFORMED WITHIN NEW YORK STATE FOR AN EMPLOYER SUBJECT TO THE PROVISIONS OF THIS ARTICLE. THE CREDITING OF SERVICE PURSUANT TO THIS SUBDIVISION SHALL BE IN ACCORDANCE WITH RULES AND REGULATIONS AS SHALL BE ADOPTED BY THE RETIREMENT BOARD OF SUCH RETIREMENT SYSTEM, PROVIDED THAT SUCH RULES AND REGULATIONS SHALL BE SUBSTANTIALLY EQUIVALENT TO THE RULES AND REGULATIONS OTHERWISE APPLICABLE FOR THE CREDITING OF SERVICE PURSUANT TO THIS SECTION. PROVIDED, HOWEVER, NO SUCH CREDIT SHALL BE ALLOWED FOR ANY SERVICE FOR WHICH THE PERSON IS RECEIVING A BENEFIT OR WILL BE ENTITLED TO RECEIVE A BENEFIT AT ANY FUTURE TIME FROM SOME OTHER PUBLIC OR PRIVATE RETIREMENT SYSTEM OR PLAN IN THIS STATE, IN ANY OTHER STATE OR FROM THE FEDERAL GOVERNMENT.

S 3. Section 513 of the retirement and social security law is amended by adding a new subdivision i to read as follows:

I. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER OF A TEACHERS' RETIREMENT SYSTEM SUBJECT TO THE PROVISIONS OF THIS ARTICLE SHALL BE ENTITLED TO OBTAIN CREDIT FOR UP TO TEN YEARS OF SERVICE OTHER THAN MILITARY SERVICE RENDERED IN THE EMPLOY OF THE FEDERAL GOVERNMENT, INCLUDING SERVICE IN THE PEACE CORPS, VISTA, OR HEAD START, WHICH WOULD CONSTITUTE SERVICE AS A TEACHER, HAD IT BEEN PERFORMED WITHIN NEW YORK STATE FOR AN EMPLOYER SUBJECT TO THE PROVISIONS OF THIS ARTICLE, PROVIDED SUCH MEMBER MAKES THE PAYMENTS REQUIRED PURSUANT TO THE PROVISIONS OF SECTION FIVE HUNDRED SEVENTEEN OF THIS ARTICLE. THE CREDITING OF SERVICE PURSUANT TO THIS SUBDIVISION SHALL BE IN ACCORDANCE WITH RULES AND REGULATIONS AS SHALL BE ADOPTED BY THE RETIREMENT BOARD OF SUCH RETIREMENT SYSTEM, PROVIDED THAT SUCH RULES AND REGULATIONS SHALL BE SUBSTANTIALLY EQUIVALENT TO THE RULES AND REGULATIONS OTHERWISE APPLICABLE FOR THE CREDITING OF SERVICE PURSUANT TO THIS SECTION. PROVIDED, HOWEVER, NO SUCH CREDIT SHALL BE ALLOWED FOR ANY SERVICE FOR WHICH THE PERSON IS RECEIVING A BENEFIT OR WILL BE ENTITLED TO RECEIVE A BENEFIT AT ANY FUTURE TIME FROM SOME OTHER PUBLIC OR PRIVATE RETIREMENT SYSTEM OR PLAN IN THIS STATE, IN ANY OTHER STATE OR FROM THE FEDERAL GOVERNMENT.

S 4. Section 609 of the retirement and social security law is amended by adding a new subdivision i to read as follows:

I. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER OF A TEACHERS' RETIREMENT SYSTEM SUBJECT TO THE PROVISIONS OF THIS ARTICLE SHALL BE ENTITLED TO OBTAIN CREDIT FOR UP TO TEN YEARS OF SERVICE OTHER THAN MILITARY SERVICE RENDERED IN THE EMPLOY OF THE FEDERAL GOVERNMENT, INCLUDING SERVICE IN THE PEACE CORPS, VISTA, OR HEAD START, WHICH WOULD CONSTITUTE SERVICE AS A TEACHER, HAD IT BEEN PERFORMED WITHIN NEW YORK STATE FOR AN EMPLOYER SUBJECT TO THE PROVISIONS OF THIS ARTICLE, PROVIDED SUCH MEMBER MAKES THE PAYMENTS REQUIRED PURSUANT TO THE PROVISIONS OF SECTION SIX HUNDRED THIRTEEN OF THIS ARTICLE AND PARAGRAPH TWO OF SUBDIVISION B OF THIS SECTION. THE CREDITING OF SERVICE PURSUANT TO THIS SUBDIVISION SHALL BE IN ACCORDANCE WITH RULES AND REGULATIONS AS SHALL BE ADOPTED BY THE RETIREMENT BOARD OF SUCH RETIREMENT SYSTEM, PROVIDED THAT SUCH RULES AND REGULATIONS SHALL BE SUBSTANTIALLY EQUIVALENT TO THE RULES AND REGULATIONS OTHERWISE APPLICABLE FOR THE CREDITING OF SERVICE PURSUANT TO THIS SECTION. PROVIDED, HOWEVER, NO SUCH CREDIT SHALL BE ALLOWED FOR ANY SERVICE FOR WHICH THE PERSON IS RECEIVING A BENEFIT OR WILL BE ENTITLED TO RECEIVE A BENEFIT AT ANY FUTURE

TIME FROM SOME OTHER PUBLIC OR PRIVATE RETIREMENT SYSTEM OR PLAN IN THIS STATE, IN ANY OTHER STATE OR FROM THE FEDERAL GOVERNMENT.

S 5. Subparagraph (d) of paragraph 3 of subdivision a of section 13-505 of the administrative code of the city of New York is amended to read as follows:

(d) Credit for such prior service up to a maximum of fifteen years shall be given only if application and payment therefor is made by the contributor within the first four years subsequent to membership in the New York city teachers' retirement system or before December thirty-first, [nineteen hundred sixty-nine] TWO THOUSAND SIXTEEN, whichever is later.

S 6. Subdivision a of section 13-505 of the administrative code of the city of New York is amended by adding a new paragraph 10 to read as follows:

10. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A MEMBER SHALL BE ENTITLED TO OBTAIN CREDIT FOR UP TO TEN YEARS OF SERVICE OTHER THAN MILITARY SERVICE RENDERED IN THE EMPLOY OF THE FEDERAL GOVERNMENT, INCLUDING SERVICE IN THE PEACE CORPS, VISTA, OR HEAD START, WHICH WOULD CONSTITUTE SERVICE AS A TEACHER, HAD IT BEEN PERFORMED WITHIN NEW YORK STATE FOR AN EMPLOYER SUBJECT TO THE PROVISIONS OF THIS CHAPTER. THE CREDITING OF SERVICE PURSUANT TO THIS PARAGRAPH SHALL BE IN ACCORDANCE WITH RULES AND REGULATIONS AS SHALL BE ADOPTED BY THE RETIREMENT BOARD, PROVIDED THAT SUCH RULES AND REGULATIONS SHALL BE SUBSTANTIALLY EQUIVALENT TO THE RULES AND REGULATIONS OTHERWISE APPLICABLE FOR THE CREDITING OF SERVICE PURSUANT TO THIS SECTION. PROVIDED, HOWEVER, NO SUCH CREDIT SHALL BE ALLOWED FOR ANY SERVICE FOR WHICH THE PERSON IS RECEIVING A BENEFIT OR WILL BE ENTITLED TO RECEIVE A BENEFIT AT ANY FUTURE TIME FROM SOME OTHER PUBLIC OR PRIVATE RETIREMENT SYSTEM OR PLAN IN THIS STATE, IN ANY OTHER STATE OR FROM THE FEDERAL GOVERNMENT.

S 7. This act shall take effect June 30, 2016.

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

This bill would amend section 509 of the Education Law and sections 446, 513, and 609 of the Retirement and Social Security Law to permit members of the New York State Teachers' Retirement System to claim service credit for up to ten years of federal teaching service (including Vista, Head Start, and the Peace Corps). Payments for such credit must be made by those members subject to Article 14 of the Retirement and Social Security Law in accordance with section 517 of such law and by those members subject to Article 15 of the Retirement and Social Security Law in accordance with section 613 and paragraph 2 of subdivision b of section 609 of such law.

It is not possible to determine the total annual cost to the employers of members of the New York State Teachers' Retirement System since the total amount of service credit which would be claimed under this bill cannot be estimated. However, the cost to the employers of members of the New York State Teachers' Retirement System is estimated to be $21,700 per year of service credited for Tier 1 and 2 members, $21,000 per year of service credited for Tier 3 and 4 members, $20,900 per year of service credited for Tier 5 members and $15,800 per year of service for Tier 6 members if this bill is enacted. These costs would be offset by member payments required in accordance with section 517 and section 613 and paragraph two of subdivision b of section 609 of the Retirement and Social Security Law.

Employee data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's

Comprehensive Annual Financial Report (CAFR). System assets are as reported in the System's financial statements, and can also be found in the CAFR. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2015-20 March 25, 2015 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2015 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.