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

1968--B

2015-2016 Regular Sessions

I N S E N A T E

January 15, 2015

Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to providing equal retirement benefits for persons who have been appointed to the title of correction lieutenant, correction captain, deputy assistant superintendent or superintendent in the department of corrections and community supervision

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

Section 1. Clause (ii) of subparagraph (b) of paragraph 2 of subdivision a of section 600 of the retirement and social security law, as amended by section 149 of subpart B of part C of chapter 62 of the laws of 2011, is amended and two new clauses (iii) and (iv) are added to read as follows:

(ii) a person who serves in the title of superintendent as of April first, two thousand six, who has had at least seven years of service credited toward the retirement plan established pursuant to this article while employed by the department of corrections and community supervision and who elects the retirement plan established pursuant to this article on or before September thirtieth, two thousand six. Such election shall be in writing, shall be duly executed and filed with the comptroller and shall be irrevocable as long as such person is in the title of superintendent[.]; OR

(III) A PERSON WHO IS APPOINTED TO THE TITLE OF CORRECTION LIEUTENANT, CORRECTION CAPTAIN, DEPUTY ASSISTANT SUPERINTENDENT OR SUPERINTENDENT IN INSTITUTIONS UNDER THE JURISDICTION OF THE DEPARTMENT OF CORRECTIONS AND

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

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COMMUNITY SUPERVISION AND WHO ELECTS THE RETIREMENT PLAN ESTABLISHED PURSUANT TO THIS ARTICLE WITHIN NINETY DAYS OF HIS OR HER APPOINTMENT. SUCH ELECTION SHALL BE IN WRITING, SHALL BE DULY EXECUTED AND FILED WITH THE COMPTROLLER AND SHALL BE IRREVOCABLE AS LONG AS SUCH PERSON IS IN THE TITLE OF CORRECTION LIEUTENANT, CORRECTION CAPTAIN, DEPUTY ASSISTANT SUPERINTENDENT OR SUPERINTENDENT; OR

(IV) A PERSON WHO SERVES IN THE TITLE OF CORRECTION LIEUTENANT, CORRECTION CAPTAIN, DEPUTY ASSISTANT SUPERINTENDENT OR SUPERINTENDENT ON THE EFFECTIVE DATE OF THIS CLAUSE AND WHO ELECTS THE RETIREMENT PLAN ESTABLISHED PURSUANT TO THIS ARTICLE WITHIN NINETY DAYS OF THE EFFECTIVE DATE OF THIS CLAUSE. SUCH ELECTION SHALL BE IN WRITING, SHALL BE DULY EXECUTED AND FILED WITH THE COMPTROLLER AND SHALL BE IRREVOCABLE AS LONG AS SUCH PERSON IS IN THE TITLE OF CORRECTION LIEUTENANT, CORRECTION CAPTAIN, DEPUTY ASSISTANT SUPERINTENDENT OR SUPERINTENDENT.

S 2. This act shall take effect immediately.

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

This bill would allow certain Tier 3, 5 and 6 correction lieutenants, captains, deputy assistant superintendents and superintendents under the jurisdiction of the department of corrections and community supervision of New York State to become eligible to receive benefits under the provisions of Article 15 of the Retirement and Social Security Law instead of the half-pay plan at 25 years benefit. Affected members would have 90 days from the later of the effective date of this bill and their date of being appointed to one of the aforementioned titles to file for this benefit. Such elections shall be irrevocable.

If this bill is enacted, we anticipate that there will be an immediate past service cost for members currently in these titles of approximately $50.6 million, 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.

In addition to this cost, there would also be future costs for members who are appointed to one of these titles and become eligible for this improved benefit in the future. These costs would depend on the age, service, salary and tier of the affected members, and would be paid by the State of New York as one time payments as they a occur.

These estimated costs are based on 628 members currently in one of these titles with total annual salary of approximately $70 million for the fiscal year ending March 31, 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, 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 7, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-111, prepared by the Actuary for the New York State and Local Retirement System.