

4907

2015-2016 Regular Sessions

I N S E N A T E

April 23, 2015

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:

1 Section 1. Subdivision a of section 503 of the retirement and social
2 security law, as amended by chapter 18 of the laws of 2012, is amended
3 to read as follows:
4 a. The normal service retirement benefit specified in section five
5 hundred four of this article shall be payable to general members, other
6 than elective members, who have met the minimum service requirements
7 upon retirement and attainment of age sixty-two, provided, however, a
8 general member who is a peace officer employed by the unified court
9 system or a member of a teachers' retirement system may retire without
10 reduction of his or her retirement benefit upon attainment of at least
11 fifty-five years of age and completion of thirty or more years of
12 service. For members who become members of the New York state and local
13 employees' retirement system on or after April first, two thousand
14 twelve, the normal service retirement benefits specified in section five
15 hundred four of this article shall be payable to general members, other
16 than elective members, who have met the minimum service requirements
17 upon retirement and attainment of age sixty-three; PROVIDED THAT, A
18 MEMBER WHO IS A PEACE OFFICER EMPLOYED BY THE UNIFIED COURT SYSTEM MAY
19 RETIRE WITHOUT REDUCTION OF HIS OR HER RETIREMENT BENEFIT UPON ATTAIN-
20 MENT OF AT LEAST FIFTY-FIVE YEARS OF AGE AND COMPLETION OF THIRTY OR
21 MORE YEARS OF SERVICE.
22 S 2. Subdivisions a and a-1 of section 603 of the retirement and
23 social security law, subdivision a as amended and subdivision a-1 as
24 added by chapter 18 of the laws of 2012, are amended to read as follows:

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

LBD10454-01-5

1 a. The service retirement benefit specified in section six hundred
2 four of this article shall be payable to members who have met the mini-
3 mum service requirements upon retirement and attainment of age sixty-
4 two, other than members who are eligible for early service retirement
5 pursuant to subdivision c of section six hundred four-b of this article,
6 subdivision c of section six hundred four-c of this article, subdivision
7 d of section six hundred four-d of this article, subdivision c of
8 section six hundred four-e of this article, subdivision c of section six
9 hundred four-f of this article, subdivision c of section six hundred
10 four-g of this article, subdivision c of section six hundred four-h of
11 this article or subdivision c of section six hundred four-i of this
12 article, provided, however, a member of a teachers' retirement system or
13 the New York state and local employees' retirement system who first
14 joins such system before January first, two thousand ten or a member who
15 is a uniformed court officer or peace officer employed by the unified
16 court system [who first becomes a member of the New York state and local
17 employees' retirement system before April first, two thousand twelve]
18 may retire without reduction of his or her retirement benefit upon
19 attainment of at least fifty-five years of age and completion of thirty
20 or more years of service, provided, however, that a uniformed court
21 officer or peace officer employed by the unified court system who first
22 becomes a member of the New York state and local employees' retirement
23 system on or after January first, two thousand ten and retires without
24 reduction of his or her retirement benefit upon attainment of at least
25 fifty-five years of age and completion of thirty or more years of
26 service pursuant to this section shall be required to make the member
27 contributions required by subdivision f of section six hundred thirteen
28 of this article for all years of credited and creditable service,
29 provided further that the [the] preceding provisions of this subdivision
30 shall not apply to a New York city revised plan member.

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

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

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

52 b-1. Notwithstanding any other provision of law to the contrary, the
53 service retirement benefit for members with twenty or more years of
54 [credit] CREDITED service who first become a member of a public retire-
55 ment system of the state on or after April first, two thousand twelve at
56 age sixty-three, OR AT AGE SIXTY-TWO FOR UNIFORMED COURT OFFICERS OR

1 PEACE OFFICERS EMPLOYED BY THE UNIFIED COURT SYSTEM, shall be a pension
2 equal to the sum of thirty-five per centum and one-fiftieth of final
3 average salary for each year of service in excess of twenty times final
4 average salary times years of credited service. In no event shall any
5 retirement benefit payable without optional modification be less than
6 the actuarially equivalent annuitized value of the member's contrib-
7 utions accumulated with interest at five percent per annum compounded
8 annually to the date of retirement.

9 S 4. Notwithstanding any other provision of law to the contrary, none
10 of the provisions of this act shall be subject to the appropriation
11 requirement of section 25 of the retirement and social security law.

12 S 5. This act shall take effect immediately; provided that the amend-
13 ments to subdivision a of section 603 of the retirement and social secu-
14 rity law made by section two of this act shall not affect the expiration
15 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 offi-
cer 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 2015 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, 2016, this is
estimated to be approximately \$88,000.

In addition to the annual contributions discussed above, there will be
an immediate past service cost of approximately \$91,600 which would be
borne by the state of New York as a one-time payment. The estimate is
based on the assumption that payment will be made on March 1, 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, 2014 actuarial valu-
ation. Distributions and other statistics can be found in the 2014
Report of the Actuary and the 2014 Comprehensive Annual Financial
Report.

The actuarial assumptions and methods used are described in the 2010,
2011, 2012, 2013 and 2014 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, 2014
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 Quali-
fication Standards to render the actuarial opinion contained herein.

This estimate, dated February 10, 2015, and intended for use only
during the 2015 Legislative Session, is Fiscal Note No. 2015-47,
prepared by the Actuary for the New York State and Local Employees'
Retirement System.