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

5790

2015-2016 Regular Sessions

I N  S E N A T E

June 3, 2015

Introduced by Sen. GALLIVAN -- (at request of the State Comptroller) -- 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 the form of payment of retirement benefits for certain public retirees and beneficiaries

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

Section 1. Section 100 of the retirement and social security law is amended to read as follows:

S 100. Payment of retirement allowances. A. Retirement allowances shall be payable on the first day of each and every month beginning on the first day of the month following the effective date of retirement. Upon the death of a retired member, however, the retirement allowance due for that part of the month prior to his OR HER death shall be paid forthwith.

B. 1. BEGINNING ON A DATE TO BE DETERMINED BY THE COMPTROLLER, BUT NO SOONER THAN JANUARY FIRST, TWO THOUSAND SEVENTEEN, ANY RETIREMENT BENEFIT PAID IN REGULAR PERIODIC INSTALLMENTS TO A PERSON WHO IS A RETIREE OR BENEFICIARY OF THE RETIREMENT SYSTEM PRIOR TO, ON OR AFTER THE EFFECTIVE DATE OF THIS SUBDIVISION SHALL BE MADE BY DIRECT DEPOSIT OR DEBIT CARD, AS ELECTED BY SUCH RETIREE OR BENEFICIARY, AND ADMINISTERED ELECTRONICALLY, IN ACCORDANCE WITH SUCH GUIDELINES AS MAY BE SET FORTH BY THE RETIREMENT SYSTEM. THE RETIREMENT SYSTEM SHALL NOTIFY ANY OF ITS RETIREES AND BENEFICIARIES THAT ARE CURRENTLY NOT RECEIVING THEIR RETIREMENT PAYMENT BY DIRECT DEPOSIT OF THE PROVISIONS OF THIS PARAGRAPH PRIOR TO SUCH PARAGRAPH BEING IMPLEMENTED.

2. A RETIREE OR BENEFICIARY MAY SUBMIT A REQUEST FOR EXEMPTION FROM PARAGRAPH ONE OF THIS SUBDIVISION ON A FORM PROVIDED BY THE RETIREMENT SYSTEM. THE RETIREMENT SYSTEM MAY APPROVE SUCH REQUEST PURSUANT TO REGULATIONS PROMULGATED BY THE COMPTROLLER UPON A DEMONSTRATION OF HARDSHIP.

S 2. Section 400 of the retirement and social security law, as added by chapter 1000 of the laws of 1966, is amended to read as follows:

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

LBD04139-02-5

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S 3. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately the comptroller is authorized to promulgate any rules and regulations and take any other measures necessary to implement this act on its effective date.

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

This bill would require the payment of retirement benefits by the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) by direct deposit or debit card, beginning on a date to be determined by the comptroller, but no sooner than January 1, 2017. A retiree or beneficiary of these Systems prior to, on or after the effective date of this bill shall elect either form of payment. Additionally this bill would allow a retiree or beneficiary to submit a request for exemption from this requirement.

If this bill is enacted, we anticipate that the printing and postage savings will exceed the small initial administrative costs.

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 valuation. 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 Qualification Standards to render the actuarial opinion contained herein.

This estimate, dated January 12, 2015, and intended for use only during the 2015 Legislative Session, is Fiscal Note No. 2015-28, prepared by the Actuary for the ERS and PFRS.