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

6746

I N S E N A T E

February 12, 2016

Introduced by Sen. FARLEY -- (at request of the New York State Teachers' Retirement System) -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the education law, in relation to the minimum retirement allowance for members of the New York state teachers' retirement system who retired prior to July 1, 1980

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

Section 1. Paragraph 1 of subdivision e of section 532 of the education law, as amended by chapter 580 of the laws of 2001, is amended to read as follows:

1. Each pensioner of the retirement system who retired before July first, nineteen hundred [seventy] EIGHTY shall be paid, commencing with a payment for the month of July two thousand [one] SIXTEEN a basic supplemental pension, the total of which when added to his OR HER yearly retirement allowance computed without optional modification, but excluding any annuity derived from contributions made by members pursuant to paragraphs a and b of subdivision three of section five hundred sixteen, section five hundred twenty-eight, section five hundred twenty-nine, section five hundred thirty, section five hundred thirty-three and section five hundred thirty-five of this article, shall equal the lesser of [seventeen thousand five hundred] NINETEEN THOUSAND TWO HUNDRED FIFTY dollars or the sum of five hundred FIFTY dollars multiplied by the number of years of full-time New York state service not to exceed thirty-five years with which he OR SHE was credited at the time of his OR HER retirement.

S 2. This act shall take effect June 30, 2016, except that if this act shall have become a law on or after June 30, 2016, this act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 30, 2016.

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

This bill would extend the minimum retirement benefit provision for retirees of the New York State Teachers' Retirement System contained in Section 532(e) of the Education Law to members who retired before July

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

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1, 1980. Currently only members who retired before July 1, 1970 are eligible. Additionally the minimum annual benefit would be increased to $550 for each year of credited full-time New York State service, up to 35 years, for a maximum benefit of $19,250. The benefit is currently $500 for each year up to 35, for a maximum benefit of $17,500. The increased benefit would commence with a payment for the month of July 2016.

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $580,000 or .004% of payroll.

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 2016-1 dated October 9, 2015, prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2016 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.