

5055

2015-2016 Regular Sessions

I N A S S E M B L Y

February 10, 2015

Introduced by M. of A. ABBATE -- (at request of the State Comptroller)
-- read once and referred to the Committee on Governmental Employees

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:

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

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

9 B. 1. BEGINNING ON A DATE TO BE DETERMINED BY THE COMPTROLLER, BUT NO
10 SOONER THAN JANUARY FIRST, TWO THOUSAND SEVENTEEN, ANY RETIREMENT BENE-
11 FIT PAID IN REGULAR PERIODIC INSTALLMENTS TO A PERSON WHO IS A RETIREE
12 OR BENEFICIARY OF THE RETIREMENT SYSTEM PRIOR TO, ON OR AFTER THE EFFEC-
13 TIVE DATE OF THIS SUBDIVISION SHALL BE MADE BY DIRECT DEPOSIT OR DEBIT
14 CARD, AS ELECTED BY SUCH RETIREE OR BENEFICIARY, AND ADMINISTERED ELEC-
15 TRONICALLY, IN ACCORDANCE WITH SUCH GUIDELINES AS MAY BE SET FORTH BY
16 THE RETIREMENT SYSTEM. THE RETIREMENT SYSTEM SHALL NOTIFY ANY OF ITS
17 RETIREES AND BENEFICIARIES THAT ARE CURRENTLY NOT RECEIVING THEIR
18 RETIREMENT PAYMENT BY DIRECT DEPOSIT OF THE PROVISIONS OF THIS PARAGRAPH
19 PRIOR TO SUCH PARAGRAPH BEING IMPLEMENTED.

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

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

LBD04139-02-5

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

3 S 400. Payment of retirement allowances. A. Retirement allowances
4 shall be payable on the first day of each and every month beginning on
5 the first day of the month following the effective date of retirement.
6 Upon the death of a retired member, however, the retirement allowance
7 due for that part of the month prior to his OR HER death shall be paid
8 forthwith.

9 B. 1. BEGINNING ON A DATE TO BE DETERMINED BY THE COMPTROLLER, BUT NO
10 SOONER THAN JANUARY FIRST, TWO THOUSAND SEVENTEEN, ANY RETIREMENT BENE-
11 FIT PAID IN REGULAR PERIODIC INSTALLMENTS TO A PERSON WHO IS A RETIREE
12 OR BENEFICIARY OF THE RETIREMENT SYSTEM PRIOR TO, ON OR AFTER THE EFFEC-
13 TIVE DATE OF THIS SUBDIVISION SHALL BE MADE BY DIRECT DEPOSIT OR DEBIT
14 CARD, AS ELECTED BY SUCH RETIREE OR BENEFICIARY, AND ADMINISTERED ELEC-
15 TRONICALLY, IN ACCORDANCE WITH SUCH GUIDELINES AS MAY BE SET FORTH BY
16 THE RETIREMENT SYSTEM. THE RETIREMENT SYSTEM SHALL NOTIFY ANY OF ITS
17 RETIREES AND BENEFICIARIES THAT ARE CURRENTLY NOT RECEIVING THEIR
18 RETIREMENT PAYMENT BY DIRECT DEPOSIT OF THE PROVISIONS OF THIS PARAGRAPH
19 PRIOR TO SUCH PARAGRAPH BEING IMPLEMENTED.

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

24 S 3. This act shall take effect on the one hundred eightieth day after
25 it shall have become a law. Effective immediately the comptroller is
26 authorized to promulgate any rules and regulations and take any other
27 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.