

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

4001--B

2015-2016 Regular Sessions

I N S E N A T E

February 25, 2015

Introduced by Sens. ORTT, CARLUCCI, GALLIVAN, KENNEDY, PERSAUD, RANZEN-HOFER, SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- 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 -- 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 county correction officers with a special optional twenty year retirement plan

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

1 Section 1. The retirement and social security law is amended by adding
2 a new article 14-C to read as follows:
3 ARTICLE 14-C
4 OPTIONAL RETIREMENT PLAN FOR COUNTY CORRECTION OFFICERS OR DEPUTY
5 SHERIFFS PERFORMING AS CORRECTION OFFICERS
6 SECTION 561. DEFINITIONS.
7 562. OPTIONAL TWENTY YEAR RETIREMENT PLAN FOR CERTAIN MEMBERS
8 WHOSE EMPLOYER ELECTS TO PROVIDE SAME.
9 563. ADDITIONAL PENSION BENEFIT FOR MEMBERS OF OPTIONAL TWENTY
10 YEAR RETIREMENT PLAN.
11 564. CONSISTENT PROVISIONS.
12 S 561. DEFINITIONS. FOR PURPOSES OF THIS ARTICLE:
13 (A) "MEMBER" SHALL MEAN A PERSON WHO IS EMPLOYED AS A COUNTY
14 CORRECTION OFFICER OR A DEPUTY SHERIFF WHO IS ENGAGED DIRECTLY IN
15 CORRECTION OFFICER DUTIES THAT AGGREGATE FIFTY PER CENTUM OF THEIR
16 SERVICE BY A COUNTY WHICH ELECTS BY RESOLUTION OR LOCAL LAW, DULY
17 ADOPTED, TO PROVIDE THE BENEFITS AS AUTHORIZED BY THIS ARTICLE.

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

LBD09277-06-6

1 (B) "RETIREMENT SYSTEM" SHALL MEAN THE NEW YORK STATE AND LOCAL
2 EMPLOYEES' RETIREMENT SYSTEM.

3 (C) "CREDITABLE SERVICE" SHALL INCLUDE ANY AND ALL SERVICES PERFORMED
4 AS A SHERIFF, UNDERSHERIFF OR DEPUTY SHERIFF, OR CORRECTION OFFICER.
5 CREDIT FOR SERVICE AS A MEMBER OR OFFICER OF THE STATE POLICE OR AS A
6 PAID FIREMAN, POLICEMAN OR OFFICER OF ANY ORGANIZED FIRE DEPARTMENT OR
7 POLICE FORCE OR DEPARTMENT OF ANY COUNTY, CITY, VILLAGE, TOWN, FIRE
8 DISTRICT OR POLICE DISTRICT, SHALL ALSO BE DEEMED TO BE CREDITABLE
9 SERVICE AND SHALL BE INCLUDED IN COMPUTING YEARS OF TOTAL SERVICE FOR
10 RETIREMENT PURSUANT TO THIS SECTION, PROVIDED SUCH SERVICE WAS PERFORMED
11 BY THE MEMBER WHILE CONTRIBUTING TO THE RETIREMENT SYSTEM PURSUANT TO
12 THE PROVISIONS OF THIS ARTICLE OR ARTICLE EIGHT OF THIS CHAPTER.

13 S 562. OPTIONAL TWENTY YEAR RETIREMENT PLAN FOR CERTAIN MEMBERS WHOSE
14 EMPLOYER ELECTS TO PROVIDE SAME. (A) ANY MEMBER OF THE RETIREMENT SYSTEM
15 MAY ELECT TO BECOME A MEMBER PURSUANT TO THE PROVISIONS OF THIS SECTION
16 WITHIN ONE YEAR AFTER HE OR SHE BECOMES A MEMBER, IF HIS OR HER EMPLOYER
17 HAS ELECTED TO MAKE THE BENEFITS PROVIDED BY THIS SECTION AVAILABLE TO
18 MEMBERS, OR WITHIN ONE YEAR AFTER HIS OR HER EMPLOYER ELECTS TO MAKE THE
19 BENEFITS PROVIDED BY THIS SECTION AVAILABLE TO ITS MEMBERS.

20 (B) ELECTIONS MADE PURSUANT TO THIS SECTION SHALL BE IN WRITING AND
21 SHALL BE DULY ACKNOWLEDGED AND FILED WITH THE COMPTROLLER. ANY MEMBER
22 WHO FILES SUCH AN ELECTION PURSUANT TO THIS SECTION MAY WITHDRAW IT
23 AFTER IT HAS BEEN FILED FOR AT LEAST A YEAR. SUCH WITHDRAWAL SHALL BE BY
24 WRITTEN NOTICE DULY ACKNOWLEDGED AND FILED WITH THE COMPTROLLER.

25 (C) A MEMBER PARTICIPATING ON THE BASIS OF THIS SECTION AT THE TIME OF
26 RETIREMENT SHALL BE ENTITLED TO RETIRE AFTER THE COMPLETION OF TWENTY
27 YEARS OF TOTAL CREDITABLE SERVICE OR UPON THE ATTAINMENT OF AGE
28 SIXTY-TWO, BY FILING AN APPLICATION THEREFOR IN A MANNER SIMILAR TO THAT
29 PROVIDED IN THIS CHAPTER.

30 (I) UPON COMPLETION OF TWENTY YEARS OF SUCH SERVICE AND UPON RETIRE-
31 MENT, EACH SUCH MEMBER SHALL RECEIVE A PENSION SUFFICIENT TO PROVIDE HIM
32 OR HER WITH A RETIREMENT ALLOWANCE EQUAL TO ONE-FORTIETH OF HIS OR HER
33 FINAL AVERAGE SALARY FOR EACH YEAR OF TOTAL CREDITABLE SERVICES FOR
34 WHICH HE OR SHE IS OTHERWISE ENTITLED BUT NOT EXCEEDING IN THE AGGREGATE
35 ONE-HALF OF HIS OR HER FINAL AVERAGE SALARY.

36 (II) UPON ATTAINMENT OF AGE SIXTY-TWO AND UPON RETIREMENT WITHOUT
37 COMPLETION OF TWENTY YEARS OF SUCH SERVICE, EACH SUCH MEMBER SHALL
38 RECEIVE A PENSION SUFFICIENT TO PROVIDE HIM OR HER WITH A RETIREMENT
39 ALLOWANCE EQUAL TO ONE-FORTIETH OF HIS OR HER FINAL AVERAGE SALARY FOR
40 EACH YEAR OF CREDITABLE SERVICE. EVERY SUCH MEMBER SHALL ALSO BE ENTI-
41 TLED TO AN ADDITIONAL PENSION EQUAL TO THE PENSION FOR ANY OTHER CREDIT-
42 ABLE SERVICE RENDERED AS OTHERWISE PROVIDED FOR IN THIS CHAPTER. THIS
43 LATTER PENSION SHALL NOT INCREASE THE TOTAL ALLOWANCE TO MORE THAN ONE-
44 HALF OF HIS OR HER FINAL AVERAGE SALARY.

45 (D) THE INCREASED PENSIONS TO SUCH MEMBERS, AS PROVIDED BY THIS
46 SECTION, SHALL BE PAID FROM ADDITIONAL CONTRIBUTIONS MADE BY THE PARTIC-
47 IPATING EMPLOYER ON ACCOUNT OF SUCH MEMBERS. THE ACTUARY OF THE RETIRE-
48 MENT SYSTEM SHALL COMPUTE THE ADDITIONAL CONTRIBUTION REQUIRED FOR EACH
49 MEMBER WHO ELECTS TO RECEIVE THE SPECIAL BENEFITS PROVIDED UNDER THIS
50 SECTION. SUCH ADDITIONAL CONTRIBUTIONS SHALL BE COMPUTED ON THE BASIS OF
51 CONTRIBUTIONS DURING THE PROSPECTIVE SERVICE OF SUCH MEMBER WHICH WILL
52 COVER THE LIABILITY OF THE RETIREMENT SYSTEM FOR SUCH EXTRA PENSIONS.
53 UPON APPROVAL OF THE COMPTROLLER, SUCH ADDITIONAL CONTRIBUTIONS SHALL BE
54 CERTIFIED BY HIM OR HER TO THE CHIEF FISCAL OFFICER OR THE PARTICIPATING
55 EMPLOYER. THE AMOUNT THEREOF SHALL BE INCLUDED IN THE ANNUAL APPROPRI-
56 ATION OF THE PARTICIPATING EMPLOYER. SUCH AMOUNT SHALL BE PAID ON THE

1 WARRANT OF THE CHIEF FISCAL OFFICER OF THE PARTICIPATING EMPLOYER TO THE
2 PENSION ACCUMULATION FUND OF THE RETIREMENT SYSTEM.

3 (E) IN COMPUTING THE TWENTY YEARS OF COMPLETED SERVICE OF A MEMBER,
4 FULL CREDIT SHALL BE GIVEN FOR MILITARY SERVICE AS DEFINED IN SUBDIVI-
5 SIONS TWENTY-NINE-A AND THIRTY OF SECTION THREE HUNDRED TWO OF THIS
6 CHAPTER.

7 (F) EVERY MEMBER PARTICIPATING ON THE BASIS OF THIS SECTION SHALL BE
8 SEPARATED FROM THE SERVICE ON THE LAST DAY OF THE CALENDAR MONTH NEXT
9 SUCCEEDING THE CALENDAR MONTH IN WHICH HE OR SHE ATTAINS AGE SIXTY-TWO,
10 PROVIDED, HOWEVER, THAT SUCH A MEMBER WHO ATTAINED THE AGE OF SIXTY-TWO
11 BEFORE HIS OR HER EMPLOYER ELECTED TO MAKE THE BENEFITS PROVIDED BY THIS
12 SECTION AVAILABLE TO HIM OR HER, OR WHO ATTAINS THE AGE OF SIXTY-TWO
13 WITHIN ONE MONTH AFTER HIS OR HER EMPLOYER MAKES SUCH BENEFITS AVAIL-
14 ABLE, TO BE ELIGIBLE FOR A PENSION COMPUTED IN ACCORDANCE WITH THE
15 PROVISIONS OF THIS SECTION, SHALL BE SEPARATED FROM THE SERVICE WITHIN
16 THREE MONTHS AFTER HIS OR HER EMPLOYER MAKES SUCH BENEFITS AVAILABLE.

17 (G) THE PROVISIONS OF THIS SECTION SHALL BE CONTROLLING NOTWITHSTAND-
18 ING ANY OTHER PROVISION OF THIS ARTICLE TO THE CONTRARY.

19 (H) THE BENEFITS OF THIS SECTION SHALL BE AVAILABLE ONLY TO THOSE
20 MEMBERS WHOSE EMPLOYER ELECTS TO PROVIDE SUCH BENEFITS BY ADOPTING A
21 RESOLUTION OR LOCAL LAW TO SUCH EFFECT AND FILING A CERTIFIED COPY THER-
22 EOF WITH THE COMPTROLLER.

23 (I) THE BENEFITS PROVIDED BY THIS SECTION SHALL BE PAYABLE TO A
24 MEMBER, UNLESS AT THE DATE OF RETIREMENT SUCH MEMBER WOULD OTHERWISE BE
25 ENTITLED TO A GREATER BENEFIT UNDER OTHER PROVISIONS OF THIS CHAPTER HAD
26 HE OR SHE WITHDRAWN FROM THIS SECTION, IN WHICH EVENT SUCH GREATER BENE-
27 FITS SHALL BE PAYABLE.

28 S 563. ADDITIONAL PENSION BENEFIT FOR MEMBERS OF OPTIONAL TWENTY YEAR
29 RETIREMENT PLAN. (A) A PARTICIPATING EMPLOYER WHICH HAS ELECTED, OR
30 WHICH ELECTS TO PROVIDE THE BENEFITS OF THE OPTIONAL TWENTY YEAR RETIRE-
31 MENT PLAN FOR ITS EMPLOYEES AS SPECIFIED IN THIS ARTICLE MAY ELECT TO
32 MAKE CONTRIBUTIONS FOR THE PURPOSE OF PROVIDING AN ADDITIONAL PENSION
33 PURSUANT TO THIS SECTION FOR MEMBERS IN ITS EMPLOY WHO ARE ENTITLED TO A
34 PENSION PURSUANT TO SECTION FIVE HUNDRED SIXTY-TWO OF THIS ARTICLE.
35 EVERY MEMBER EMPLOYED BY AN EMPLOYER WHICH HAS ELECTED THE PROVISIONS OF
36 SECTION FIVE HUNDRED SIXTY-TWO OF THIS ARTICLE AND THIS SECTION MAY
37 ELECT TO BE COVERED BY THE PROVISIONS OF THIS SECTION BY FILING WITH THE
38 COMPTROLLER, A DULY EXECUTED AND ACKNOWLEDGED FORM PREPARED BY THE COMP-
39 TROLLER FOR THAT PURPOSE.

40 (B) UPON RETIREMENT, EACH SUCH MEMBER SHALL RECEIVE, FOR EACH YEAR OF
41 SERVICE IN EXCESS OF TWENTY, AN ADDITIONAL PENSION WHICH SHALL BE EQUAL
42 TO ONE-SIXTIETH OF HIS OR HER FINAL AVERAGE SALARY; PROVIDED, HOWEVER,
43 THAT THE TOTAL ALLOWANCE PAYABLE PURSUANT TO THIS SECTION SHALL NOT
44 EXCEED THREE-QUARTERS OF SUCH MEMBER'S FINAL AVERAGE SALARY.

45 S 564. CONSISTENT PROVISIONS. NOTHING CONTAINED IN THIS ARTICLE SHALL
46 BE CONSTRUED TO OTHERWISE AFFECT THE APPLICABILITY OF ARTICLE ELEVEN,
47 FOURTEEN OR FIFTEEN OF THIS CHAPTER. ANY OTHER PROVISIONS OF THIS CHAP-
48 TER RELATING TO MANDATORY CONTRIBUTION TO THE RETIREMENT SYSTEM BASED
49 UPON A MEMBER'S DATE OF MEMBERSHIP IN SUCH SYSTEM SHALL NOT BE DEEMED TO
50 BE AFFECTED BY THE PROVISIONS OF THIS ARTICLE, AND ANY MEMBER WHO ON THE
51 EFFECTIVE DATE OF THIS ARTICLE IS NOT REQUIRED TO CONTRIBUTE SHALL NOT
52 BE REQUIRED TO MAKE ANY CONTRIBUTIONS AS A RESULT OF THIS SECTION. FOR
53 THOSE MEMBERS REQUIRED TO CONTRIBUTE TO THE RETIREMENT SYSTEM, SUCH
54 CONTRIBUTION SHALL BE TREATED IN THE SAME MANNER AS SPECIFIED FOR SUCH
55 MEMBERS IN ARTICLE FOURTEEN OR FIFTEEN OF THIS CHAPTER.

1 S 2. Any past service payments required of a county as a result of the
2 adoption of the benefits permitted by this act may be amortized over a
3 period of up to ten years at the option of such county.

4 S 3. This act shall take effect immediately.

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

This bill will allow any county to elect to provide their correction officers and deputy sheriffs who are engaged in correction officer duties to become covered by the provisions of a special 20 year retirement plan, which will provide a benefit of one-half of final average salary upon retirement. The county may also elect an additional benefit of one sixtieth of final average salary for each year of service in excess of 20 years, not to exceed 15 such years.

If this bill is enacted, the increase in the annual contributions of a county electing to provide these benefits will depend on the current salary and plan coverage of the affected members in its employ, as well as on the proposed plan elected by such county. For the fiscal year ending March 31, 2017, the additional annual cost for the 20 year plan will be 4.8% of the affected correction officers' salaries for those currently covered by a 25 year plan, and 7.3% of the affected correction officers' salaries for those currently covered by an age 55 plan. The additional annual cost for the 20 year plan with additional sixtieths will be an additional 0.5% of the affected salaries. In future years, this annual cost will vary as the billing rates of these plans change.

In addition to the annual contributions discussed above, there will be an immediate past service cost for the affected officers which would depend on the current salary, plan, age and length of service of the officers, as well as on their proposed plan. This cost may be amortized over a period of up to 10 years as determined by the employing county which elects this benefit.

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 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 January 14, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-34, prepared by the Actuary for the New York State and Local Retirement System.