

6936

I N S E N A T E

March 8, 2016

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:

25 a. The service retirement benefit specified in section six hundred  
26 four of this article shall be payable to members who have met the mini-  
27 mum service requirements upon retirement and attainment of age sixty-

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

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

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

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

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

49 b-1. Notwithstanding any other provision of law to the contrary, the  
50 service retirement benefit for members with twenty or more years of  
51 [credit] CREDITED service who first become a member of a public retire-  
52 ment system of the state on or after April first, two thousand twelve at  
53 age sixty-three, OR AT AGE SIXTY-TWO FOR UNIFORMED COURT OFFICERS OR  
54 PEACE OFFICERS EMPLOYED BY THE UNIFIED COURT SYSTEM, shall be a pension  
55 equal to the sum of thirty-five per centum and one-fiftieth of final  
56 average salary for each year of service in excess of twenty times final

1 average salary times years of credited service. In no event shall any  
2 retirement benefit payable without optional modification be less than  
3 the actuarially equivalent annuitized value of the member's contrib-  
4 utions accumulated with interest at five percent per annum compounded  
5 annually to the date of retirement.

6 S 4. Paragraph 3 of subdivision i of section 603 of the retirement and  
7 social security law, as added by chapter 18 of the laws of 2012, is  
8 amended to read as follows:

9 3. A member of a public retirement system of the state who has met the  
10 minimum service requirement, but who is not a New York city transit  
11 authority member, as defined in paragraph one of subdivision a of  
12 section six hundred four-b of this article, may retire prior to normal  
13 retirement age, but no earlier than attainment of age fifty-five, in  
14 which event, the amount of his or her retirement benefit computed with-  
15 out optional modification shall be reduced by six and one-half per  
16 centum for each year by which early retirement precedes age sixty-three;  
17 PROVIDED, HOWEVER, THAT FOR A MEMBER WHO IS A UNIFORMED COURT OFFICER OR  
18 PEACE OFFICER EMPLOYED BY THE UNIFIED COURT SYSTEM, THE RETIREMENT BENE-  
19 FIT COMPUTED WITHOUT OPTIONAL MODIFICATION SHALL BE REDUCED IN ACCORD-  
20 ANCE WITH PARAGRAPH ONE OF THIS SUBDIVISION.

21 S 5. Notwithstanding any other provision of law to the contrary, none  
22 of the provisions of this act shall be subject to the appropriation  
23 requirement of section 25 of the retirement and social security law.

24 S 6. This act shall take effect immediately; provided that the amend-  
25 ments to subdivision a of section 603 of the retirement and social secu-  
26 rity law made by section two of this act shall not affect the expiration  
27 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 unitized court system to retire  
without early age reduction upon attaining 30 year 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 2016 legislative session, we  
anticipate that there will be an increase in the annual contributions of  
the state of New York of approximately 0.9% of the compensation of the  
affected members. For the fiscal year ending March 31, 2017, this is  
estimated to be approximately \$40,000.

In addition to the annual contributions discussed above, there will be  
an immediate past service cost of approximately \$63,600 which would be  
borne by the state of New York as a one-time payment. This estimate is  
based on the assumption that payment will be made on March 1, 2017.

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 valu-  
ation. 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 and 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 28, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-36, prepared by the Actuary for the New York State and Local Retirement System.