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I N S E N A T E

April 25, 2016

Introduced by Sen. HANNON -- 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 mandatory retirement age

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

1 Section 1. Subparagraph (f) of paragraph 1 and the opening paragraph  
2 of subparagraph (g) of paragraph 2 of subdivision e and subdivisions h  
3 and k of section 384 of the retirement and social security law, as  
4 amended by chapter 1043 of the laws of 1968, are amended to read as  
5 follows:

6 (f) Upon completion of twenty-five years service, an additional  
7 pension, if required, of such amount as shall be necessary to increase  
8 the total amount of the benefits provided herein to one-half of his  
9 final average salary. The pension provided by this [sub-paragraph]  
10 SUBPARAGRAPH shall be payable only if a member retires from service on  
11 or before the last day of the calendar month next succeeding the calen-  
12 dar month in which he attains age [sixty-two] SIXTY-FIVE. Provided,  
13 however, that in the case of any member who attained the age of [sixty-  
14 two] SIXTY-FIVE on or before July first, nineteen hundred sixty-six, to  
15 be eligible for additional pension credit under this [sub-paragraph]  
16 SUBPARAGRAPH, his service shall be terminated and he shall retire on or  
17 before December thirty-first, nineteen hundred sixty-seven. For the  
18 purpose only of determining the amount of the pension provided in this  
19 paragraph, the annuity shall be computed as it would be if it were not  
20 reduced by the actuarial equivalent of any outstanding loan, and if it  
21 were not increased by the actuarial equivalent of any additional  
22 contributions, and if it were not reduced by reason of the member's  
23 election to decrease his annuity contributions to the retirement system  
24 in order to apply the amount of such reduction in payment of his  
25 contributions for old-age and survivors insurance coverage.

26 Upon completion of twenty-five years service, an additional pension,  
27 if required, of such amount as shall be necessary to increase the total  
28 amount of the benefits provided herein to one-half of his final average

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

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1 salary. The pension provided by this [sub-paragraph] SUBPARAGRAPH shall  
2 be payable only if a member retires from service on or before the last  
3 day of the calendar month next succeeding the calendar month in which he  
4 attains age [sixty-two] SIXTY-FIVE. Provided, however, that in the case  
5 of any member who attained the age of [sixty-two] SIXTY-FIVE before or  
6 within one month after his employer first elected to assume all or part  
7 of the additional cost of service as provided by paragraph two of subdivi-  
8 sion d of this section, to be eligible for additional pension credit  
9 under this [sub-paragraph] SUBPARAGRAPH, his service shall be terminated  
10 and he shall retire within three months after his employer so elects or  
11 on or before December thirty-first, nineteen hundred sixty-eight, which-  
12 ever shall last occur.

13 h. Any officer or member of such organized fire department or organ-  
14 ized police force or department, may, within one year after he becomes  
15 such officer or member or within one year after his employer assumes the  
16 additional cost therefor, whichever shall last occur, elect to receive  
17 the additional benefits provided for by subdivision f [hereof] OF THIS  
18 SECTION. Any officer or member who elects to receive such benefits shall  
19 be separated from service on the first day of the calendar month next  
20 succeeding his attainment of age [sixty-two] SIXTY-FIVE and the  
21 completion of twenty-five years of service, provided, however, that in  
22 the case of any officer or member who attained the age of [sixty-two]  
23 SIXTY-FIVE before his employer assumed the additional cost therefor, or  
24 who attains the age of [sixty-two] SIXTY-FIVE within one month after his  
25 employer assumes the additional cost therefor, to be eligible for addi-  
26 tional pension credit under subdivision f of this section, his service  
27 shall be terminated and he shall be retired within three months after  
28 his employer assumes the additional cost therefor or on or before Decem-  
29 ber thirty-first, nineteen hundred sixty-eight, whichever shall last  
30 occur, and provided further that a member who is a chief or commanding  
31 officer of a police department or police force shall retire on the first  
32 day of the calendar month next succeeding his attainment of age sixty-  
33 five; a member who is a chief or commanding officer of a police depart-  
34 ment or police force, who attained age sixty-five before his employer  
35 elected to provide this added benefit and has rendered twenty-five years  
36 of total creditable service, shall retire on or before December thirty-  
37 first, nineteen hundred sixty-eight, or within one year after his  
38 employer assumes the additional cost therefor, whichever shall last  
39 occur.

40 k. Any officer or member of such organized fire department or organ-  
41 ized police force or department, may, within one year after he becomes  
42 such officer or member or within one year after his employer assumes the  
43 additional cost therefor, whichever shall last occur, elect to receive  
44 the additional benefits provided for by subdivision i [hereof] OF THIS  
45 SECTION. Any officer or member who elects to receive such benefits shall  
46 be separated from service on the first day of the calendar month next  
47 succeeding his attainment of age [sixty-two] SIXTY-FIVE and the  
48 completion of twenty-five years of service, provided, however, that in  
49 the case of any officer or member who attained the age of [sixty-two]  
50 SIXTY-FIVE before his employer assumed the additional cost therefor, or  
51 who attains the age of [sixty-two] SIXTY-FIVE within one month after his  
52 employer assumes the additional cost therefor, to be eligible for addi-  
53 tional pension credit under subdivision i of this section, his service  
54 shall be terminated and he shall be retired within three months after  
55 his employer assumes the additional cost therefor, or on or before  
56 December thirty-first, nineteen hundred sixty-eight, whichever shall

1 last occur, and provided further that a member who is a chief or  
2 commanding officer of a police department or police force shall retire  
3 on the first day of the calendar month next succeeding his attainment of  
4 age sixty-five; a member who is a chief or commanding officer of a  
5 police department or police force, who attained age sixty-five before  
6 his employer elected to provide this added benefit and has rendered  
7 twenty-five years of total creditable service, shall retire on or before  
8 December thirty-first, nineteen hundred sixty-eight, or within one year  
9 after his employer assumes the additional cost therefor, whichever shall  
10 last occur.

11 S 2. This act shall take effect immediately.

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

This bill will increase the mandatory retirement age from 62 to 65 for members of the New York State and Local Police and Fire Retirement System (PFRS) who are covered under the provisions of Section 384 of the Retirement and Social Security Law.

If this bill is enacted, there would be additional benefits for certain members who remain employed beyond age 62. However, if some members delay retirement due to the enactment of this bill, we would not anticipate that there would be an increase in the annual contributions of the participating employers in the PFRS.

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 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 March 31, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-84, prepared by the Actuary for the New York State and Local Retirement System.