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

7855

I N S E N A T E

May 17, 2016

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT in relation to authorizing a retired employee of the Chittenango central school district to rescind such employee's retirement option

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

Section 1. Notwithstanding any other provision of law, a member of the New York state teachers' retirement system, who retired from Chittenango central school district on July 1, 2003, and who at retirement had duly elected a benefit payment option providing for the payment of a lesser retirement allowance over the life of the retiree with the provision that upon the retiree's death all or a portion of such allowance shall be continued for the life of and paid to a beneficiary duly nominated by the retiree at retirement, shall be permitted to rescind such election due to the conviction of said beneficiary on August 26, 2015 of burglary in the first degree, criminal use of a firearm in the first degree, burglary in the second degree, sexual abuse in the first degree, stalking in the third degree, unlawful imprisonment in the first degree, menacing in the second degree and harassment in the second degree and the aforementioned crimes were committed against such retiree.

In order to rescind such election, the retiree must file a written consent to make such change on a form prescribed by the system within one year of the effective date of this act. Upon satisfactorily receiving such form and any documentation requested by the retirement system, any and all obligations of the system to the beneficiary under the retiree's option election shall be totally discharged and the retiree shall thereafter be paid for the remainder of such retiree's life the maximum single life benefit which would have been payable, had the retiree made no such retirement option election at the time of retirement, retroactive to August 27, 2015.

S 2. This act shall take effect immediately.

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

This bill would allow a retired member of the New York State Teachers' Retirement System (NYSTRS), who retired from Chittenango Central School

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

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District on July 1,2003 and who elected a benefit payment option providing for the payment of a lesser retirement allowance over the life of the retiree with the provision that upon the retiree's death a portion of such retirement allowance would be paid to a beneficiary, to rescind such election due to the conviction of said beneficiary on August 26, 2015 of crimes committed against such retiree. In order to rescind such election, the retiree must file a written consent to make such change on a form prescribed by NYSTRS within one year of the effective date of this act. Upon satisfactorily receiving such form and any documentation requested by NYSTRS, any and all obligations of NYSTRS to the beneficiary under the retiree's benefit payment option shall be totally discharged and the retiree shall thereafter receive the maximum single life benefit for the remainder of such retiree's life, retroactive to August 27, 2015.

It is estimated there would be no additional annual cost for this benefit. Allowing retired members to change the terms of their option after retirement creates the potential for anti-selection however.

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 2016-26 dated May 12, 2016 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.