STATE OF NEW YORK

10351

IN ASSEMBLY

April 16, 2018

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, the education law and the administrative code of the city of New York, in relation to providing cost-of-living adjustments

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision a of section 78-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

a. [~~A~~] Effective on the first day of September, two thousand eighteen, a cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age [~~sixty-two~~] fifty-five and have been retired for five years; (ii) [~~all pensioners who have attained age fifty-five and have been retired for ten years; (iii)~~] all disability pensioners regardless of age who have been retired for five years; and [~~(iv)~~] (iii) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 2. Subdivision a of section 378-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

a. [~~A~~] Effective on the first day of September, two thousand eighteen, a cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age [~~sixty-two~~] fifty-five and have been retired for five years; and (ii) [~~all pensioners who have attained age fifty-five and have been retired for ten years; and (iii)~~] all disability pensioners regardless of age who have been retired for five years.

§ 3. Subdivision a of section 532-a of the education law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

a. [~~A~~] Effective on the first day of September, two thousand eighteen, a cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age [~~sixty-two~~]

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

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fifty-five and have been retired for five years; (ii) [~~all pensioners who have attained age fifty-five and have been retired for ten years; (iii)~~] all disability pensioners regardless of age who have been retired for five years; and [~~(iv)~~] **(iii)** all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 4. Subdivision a of section 13-696 of the administrative code of the city of New York, as amended by chapter 288 of the laws of 2001, is amended to read as follows:

a. [~~A~~] **Effective on the first day of September, two thousand eighteen, a** cost-of-living adjustment shall be payable to retired members of the New York city employees' retirement system, the New York city teachers' retirement system, the New York city police pension fund, the New York city fire department pension fund, the New York city board of education retirement system or the relief and pension fund of the department of street cleaning provided for in subchapter one of this chapter on the basis provided for in this section to: (i) all retired members who have attained age [~~sixty-two~~] **fifty-five** and have been retired for five years; (ii) [~~all retired members who have attained age fifty-five and have been retired for ten years; (iii)~~] all members who retired for disability regardless of age who have been retired for five years; and [~~(iv)~~] **(iii)** all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 5. This act shall take effect immediately.

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

This bill would provide an increase in the defined benefit cost-of-living adjustment (COLA) for New York public retirement systems. Starting with a payment in September 2018, COLA will be payable to pensioners who have attained age fifty-five and been retired at least five years.

Insofar as this bill affects the New York State and Local Employees' Retirement System, pursuant to Section 25 of the Retirement and Social Security Law, the increased costs would be borne entirely by the State of New York and would require an itemized appropriation sufficient to pay the cost of the provision. If this bill were enacted, the increase in the present value of benefits would be approximately $418 million.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (PFRS), the increased costs would be shared by the State of New York and the participating employers in the PFRS. If this bill were enacted, the increase in the present value of benefits would be approximately $77 million. The estimated first year cost would be approximately $1.8 million to the State of New York and approximately $7.5 million to 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, 2017 actuarial valuation. Distributions and other statistics can be found in the 2017 Report of the Actuary and the 2017 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, and 2017 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, 2017 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 19, 2018, and intended for use only during the 2018 Legislative Session, is Fiscal Note No. 2018-37, prepared by the Actuary for the New York State and Local Retirement System.