

STATE OF NEW YORK

6130--A

Cal. No. 928

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. KAMINSKY -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- reported favorably from said committee, ordered to first and second report, amended on second report, ordered to a third reading, and to be reprinted as amended, retaining its place in the order of third reading

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

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

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1 contributions, and if it were not reduced by reason of the member's
2 election to decrease his annuity contributions to the retirement system
3 in order to apply the amount of such reduction in payment of his
4 contributions for old-age and survivors insurance coverage.

5 Upon completion of twenty-five years service, an additional pension,
6 if required, of such amount as shall be necessary to increase the total
7 amount of the benefits provided herein to one-half of his final average
8 salary. The pension provided by this ~~[sub-paragraph]~~ subparagraph shall
9 be payable only if a member retires from service on or before the last
10 day of the calendar month next succeeding the calendar month in which he
11 attains age ~~[sixty-two]~~ sixty-five. Provided, however, that in the case
12 of any member who attained the age of ~~[sixty-two]~~ sixty-five before or
13 within one month after his employer first elected to assume all or part
14 of the additional cost of service as provided by paragraph two of subdi-
15 vision d of this section, to be eligible for additional pension credit
16 under this ~~[sub-paragraph]~~ subparagraph, his service shall be terminated
17 and he shall retire within three months after his employer so elects or
18 on or before December thirty-first, nineteen hundred sixty-eight, which-
19 ever shall last occur.

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

47 k. Any officer or member of such organized fire department or organ-
48 ized police force or department, may, within one year after he becomes
49 such officer or member or within one year after his employer assumes the
50 additional cost therefor, whichever shall last occur, elect to receive
51 the additional benefits provided for by subdivision i ~~[hereof]~~ of this
52 section. Any officer or member who elects to receive such benefits shall
53 be separated from service on the first day of the calendar month next
54 succeeding his attainment of age ~~[sixty-two]~~ sixty-five and the
55 completion of twenty-five years of service, provided, however, that in
56 the case of any officer or member who attained the age of ~~[sixty-two]~~

1 ~~sixty-five~~ before his employer assumed the additional cost therefor, or
2 who attains the age of [~~sixty-two~~] ~~sixty-five~~ within one month after his
3 employer assumes the additional cost therefor, to be eligible for addi-
4 tional pension credit under subdivision i of this section, his service
5 shall be terminated and he shall be retired within three months after
6 his employer assumes the additional cost therefor, or on or before
7 December thirty-first, nineteen hundred sixty-eight, whichever shall
8 last occur, and provided further that a member who is a chief or
9 commanding officer of a police department or police force shall retire
10 on the first day of the calendar month next succeeding his attainment of
11 age sixty-five; a member who is a chief or commanding officer of a
12 police department or police force, who attained age sixty-five before
13 his employer elected to provide this added benefit and has rendered
14 twenty-five years of total creditable service, shall retire on or before
15 December thirty-first, nineteen hundred sixty-eight, or within one year
16 after his employer assumes the additional cost therefor, whichever shall
17 last occur.

18 § 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, 2018 actuarial valuation. Distributions and other statistics can be found in the 2018 Report of the Actuary and the 2018 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017 and 2018 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, 2018 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 fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated May 16, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-118, prepared by the Actuary for the New York State and Local Retirement System.