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IN SENATE

May 1, 2020

Introduced by Sen. HOYLMAN -- 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 discharged LGBT veterans

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

Section 1. Paragraph a of subdivision 29 of section 2 of the retire ment and social security law is amended to read as follows:
a. (1) Has been honorably discharged or released therefrom under
honorable circumstances, or (2) has a qualifying condition, as defined

5 in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, or (3) is a discharged LGBT veteran, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, and

10 § 2. Paragraph d of subdivision 29-a of section 2 of the retirement 11 and social security law, as amended by chapter 528 of the laws of 1964, 12 is amended to read as follows:

d. Credit under this section shall not accrue to a person who is released from active duty under conditions other than honorable, <u>unless</u> <u>such person has a qualifying condition, as defined in section three</u> <u>hundred fifty of the executive law, and has received a discharge other</u> <u>than bad conduct or dishonorable from such service, or is a discharged</u> <u>LGBT veteran, as defined in section three hundred fifty of the executive</u> <u>law, and has received a discharge other than bad conduct or dishonorable</u> <u>from such service</u>.

§ 3. Subdivision 31 of section 2 of the retirement and social security law, as amended by chapter 616 of the laws of 1995, is amended to read as follows:

31. "Service in world war II." (1) Military service during the period commencing July first, nineteen hundred forty, and terminating December thirty-first, nineteen hundred forty-six, as a member of the armed forces of the United States, or service by one who was employed by the War Shipping Administration or Office of Defense Transportation or their

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

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agents as a merchant seaman documented by the United States Coast Guard 1 2 or Department of Commerce, or as a civil servant employed by the United 3 States Army Transport Service (later redesignated as the United States Army Transportation Corps, Water Division) or the Naval Transportation 4 5 Service; and who served satisfactorily as a crew member during the periб od of armed conflict, December seventh, nineteen hundred forty-one, to 7 August fifteenth, nineteen hundred forty-five, aboard merchant vessels 8 in oceangoing, i.e., foreign, intercoastal, or coastwise service as such 9 terms are defined under federal law (46 USCA 10301 & 10501) and further 10 include "near foreign" voyages between the United States and Canada, to 11 Mexico, or the West Indies via ocean routes, or public vessels in oceangoing service or foreign waters and who has received a Certificate of 12 13 Release or Discharge from Active Duty and a discharge certificate, or an 14 Honorable Service Certificate/Report of Casualty, from the Department of 15 Defense, or service by one who served as a United States civilian 16 employed by the American Field Service and served overseas under United 17 States Armies and United States Army Groups in world war II during the 18 period of armed conflict, December seventh, nineteen hundred forty-one through May eighth, nineteen hundred forty-five, and who (i) was 19 20 discharged or released therefrom under honorable conditions, or (ii) has 21 a qualifying condition, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or 22 dishonorable from such service, or (iii) is a discharged LGBT veteran, 23 as defined in section three hundred fifty of the executive law, and has 24 25 received a discharge other than bad conduct or dishonorable from such 26 service, or service by one who served as a United States civilian Flight 27 Crew and Aviation Ground Support Employee of Pan American World Airways or one of its subsidiaries or its affiliates and served overseas as a 28 29 result of Pan American's contract with Air Transport Command or Naval Transport Service during the period of armed conflict, December 30 Air 31 fourteenth, nineteen hundred forty-one through August fourteenth, nine-32 teen hundred forty-five, and who (iv) was discharged or released there-33 from under honorable conditions, or (v) has a qualifying condition, as 34 defined in section three hundred fifty of the executive law, and has 35 received a discharge other than bad conduct or dishonorable from such 36 service, or (vi) is a discharged LGBT veteran, as defined in section 37 three hundred fifty of the executive law, and has received a discharge 38 other than bad conduct or dishonorable from such service, or of any 39 person who: 40

40 a. (i) Has been honorably discharged or released therefrom under 41 honorable circumstances, or (ii) has a qualifying condition, as defined 42 in section three hundred fifty of the executive law, and has received a 43 discharge other than bad conduct or dishonorable from such service, or 44 (iii) is a discharged LGBT veteran, as defined in section three hundred 45 fifty of the executive law, and has received a discharge other than bad 46 conduct or dishonorable from such service, and

b. Was a resident of this state at the time of his entrance into such armed forces, or, if not a resident of this state at that time, was then or thereafter became an employee of a participating employer created by and deriving its powers from an agreement between this state and any other state and was a resident of such other state at the time of his entrance into such armed forces, and

53 c. Was either a member of the retirement system and an employee of the 54 state or of a participating employer at the time he entered such armed 55 forces or became such employee and such member while in such armed forc-56 es on or before July first, nineteen hundred forty-eight, or became such 3

employee while in such armed forces and subsequently became such member 1 2 on or before July first, nineteen hundred forty-eight, or was an employ-3 ee of an employer which was not a participating employer at the time he 4 entered such armed forces but which elected to become a participating 5 employer while he was absent on military duty, or was an employee of the б state or of a participating employer or was a teacher as defined in 7 article eleven of the education law at the time of his entrance into the 8 armed forces and became a member of the retirement system subsequent to 9 separation or discharge from the armed services, and

10 d. Returned to the employment of the state or a participating employ-11 within one year following discharge or release or completion of er, advanced education provided under the servicemen's readjustment act of 12 13 nineteen hundred forty-four, certified on a world war II military 14 service certificate, and allowable as provided in section forty-one of 15 this article. Such service shall not include any periods during which 16 civil compensation was received by the member under the provisions of section two hundred forty-two of the military law, or section six of 17 chapter six hundred eight of the laws of nineteen hundred fifty-two; or 18 19 (2) Military service, not in excess of three years and not otherwise 20 creditable under paragraph one hereof, rendered on active duty in the 21 armed forces of the United States during the period commencing July first, nineteen hundred forty, and terminating December thirty-first, 22 nineteen hundred forty-six, or service by one who was employed by the 23 War Shipping Administration or Office of Defense Transportation or their 24 25 agents as a merchant seaman documented by the United States Coast Guard 26 or Department of Commerce, or as a civil servant employed by the United 27 States Army Transport Service (later redesignated as the United States Army Transportation Corps, Water Division) or the Naval Transportation 28 29 Service; and who served satisfactorily as a crew member during the peri-30 od of armed conflict, December seventh, nineteen hundred forty-one, to 31 August fifteenth, nineteen hundred forty-five, aboard merchant vessels 32 in oceangoing, i.e., foreign, intercoastal, or coastwise service as such 33 terms are defined under federal law (46 USCA 10301 & 10501) and further 34 to include "near foreign" voyages between the United States and Canada, 35 Mexico, or the West Indies via ocean routes, or public vessels in ocean-36 going service or foreign waters and who has received a Certificate of 37 Release or Discharge from Active Duty and a discharge certificate, or an 38 Honorable Service Certificate/Report of Casualty, from the Department of 39 Defense, or service by one who served as a United States civilian employed by the American Field Service and served overseas under United 40 41 States Armies and United States Army Groups in world war II during the 42 period of armed conflict, December seventh, nineteen hundred forty-one 43 through May eighth, nineteen hundred forty-five, and who (i) was 44 discharged or released therefrom under honorable conditions, or (ii) has 45 a qualifying condition, as defined in section three hundred fifty of the 46 executive law, and has received a discharge other than bad conduct or 47 dishonorable from such service, or (iii) is a discharged LGBT veteran, as defined in section three hundred fifty of the executive law, and has 48 received a discharge other than bad conduct or dishonorable from such 49 50 service, or service by one who served as a United States civilian Flight 51 Crew and Aviation Ground Support Employee of Pan American World Airways 52 or one of its subsidiaries or its affiliates and served overseas as a 53 result of Pan American's contract with Air Transport Command or Naval 54 Air Transport Service during the period of armed conflict, December 55 fourteenth, nineteen hundred forty-one through August fourteenth, nine-56 teen hundred forty-five, and who (iv) was discharged or released thereS. 8280

from under honorable conditions, or (v) has a qualifying condition, as 1 defined in section three hundred fifty of the executive law, and has 2 received a discharge other than bad conduct or dishonorable from such 3 4 service, or (vi) is a discharged LGBT veteran, as defined in section 5 three hundred fifty of the executive law, and has received a discharge б other than bad conduct or dishonorable from such service, by a person who was a resident of New York state at the time of entry into such 7 8 service and at the time of being discharged therefrom (vii) under honor-9 able circumstances, or (viii) with a qualifying condition, as defined in 10 section three hundred fifty of the executive law, and received a 11 discharge other than bad conduct or dishonorable from such service, or (ix) as a discharged LGBT veteran, as defined in section three hundred 12 13 fifty of the executive law, and received a discharge other than bad 14 conduct or dishonorable from such service, or, if not a resident of this 15 state at such times was then or thereafter became an employee of a 16 participating employer created by and deriving its powers from an agree-17 ment between this state and any other state, and was a resident of such 18 other state at the time of entry into and discharge from such service, 19 and who makes the payments required by subdivision k of section forty-20 one of this article. 21 However, no military service shall be creditable under this paragraph 22 two in the case of a member under an existing plan permitting retirement upon twenty years of creditable service who is receiving a federal 23 pension (other than for disability) based upon a minimum of twenty years 24 25 full time active military service in the armed forces of the United of 26 States nor shall any military service be creditable in the case of a 27 member under any other plan who is receiving a military pension (other 28 than for disability) for military service in the armed forces of the 29 United States. 30 4. Subparagraph (c) of paragraph 8 of subdivision a of section 80-a § 31 of the retirement and social security law, as added by chapter 219 of 32 the laws of 1968, is amended to read as follows: 33 (c) In the case of a senator or assemblyman, service, not in excess of 34 three years and not otherwise creditable under subparagraph (b) of this 35 paragraph [eight], rendered on active duty in the armed forces of the 36 United States during the period commencing July first, nineteen hundred 37 forty, and terminating December thirty-first, nineteen hundred fortysix, by a person who (i) was a resident of the state at the time of 38 entry into service and at the time of being discharged therefrom under 39 honorable circumstances, or (ii) has a qualifying condition, as defined 40 in section three hundred fifty of the executive law, and was a resident 41 42 of the state at the time of entry into service and at the time of 43 receiving a discharge other than bad conduct or dishonorable from such 44 service, or (iii) is a discharged LGBT veteran, as defined in section 45 three hundred fifty of the executive law, and was a resident of the 46 state at the time of entry into service and at the time of receiving a 47 discharge other than bad conduct or dishonorable from such service.

§ 5. Subdivision (i) of section 89-a of the retirement and social security law, as added by chapter 996 of the laws of 1966 and such section as renumbered by chapter 1059 of the laws of 1968, is amended to read as follows:

(i) In computing the twenty-five years of total service of a member pursuant to this section full credit shall be given and full allowance shall be made for service of such member in time of war after world war I as defined in section two of this chapter, provided such member at the time of his entrance into the military service of the United States was

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then a resident of this state and in the service of a sheriffs depart-1 2 ment and (1) had been honorably discharged or released under honorable 3 circumstances from such military service, or (2) has a qualifying condi-4 tion, as defined in section three hundred fifty of the executive law, 5 and received a discharge other than bad conduct or dishonorable from б such service, or (3) is a discharged LGBT veteran, as defined in section 7 three hundred fifty of the executive law, and received a discharge other 8 than bad conduct or dishonorable from such service, and such member 9 returned to the service of a sheriffs department within the time limited 10 by section two of this chapter. 11 § 6. Paragraph a of subdivision 29 of section 302 of the retirement 12 and social security law, as added by chapter 1000 of the laws of 1966, 13 is amended to read as follows: 14 a. (1) Has been honorably discharged or released therefrom under honorable circumstances, or (2) has a qualifying condition, as defined 15 in section three hundred fifty of the executive law, and has received a 16 discharge other than bad conduct or dishonorable from such service, or 17 (3) is a discharged LGBT veteran, as defined in section three hundred 18 19 fifty of the executive law, and has received a discharge other than bad 20 conduct or dishonorable from such service, and 21 § 7. Paragraph d of subdivision 29-a of section 302 of the retirement 22 and social security law, as added by chapter 1000 of the laws of 1966, is amended to read as follows: 23 d. Credit under this section shall not accrue to a person who is 24 25 released from active duty under conditions other than honorable, unless 26 such person has a qualifying condition, as defined in section three 27 hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, or is a discharged 28 LGBT veteran, as defined in section three hundred fifty of the executive 29 30 law, and has received a discharge other than bad conduct or dishonorable 31 from such service. 32 8. Subdivision 31 of section 302 of the retirement and social secu-S rity law, as amended by chapter 616 of the laws of 1995, subparagraph c 33 34 of paragraph 1 as amended by chapter 476 of the laws of 2018, is amended 35 to read as follows: 36 "Service in world war II." (1) Military service during the period 31. 37 commencing July first, nineteen hundred forty, and terminating December thirty-first, nineteen hundred forty-six, as a member of the armed forc-38 es of the United States, or service by one who was employed by the War 39 Shipping Administration or Office of Defense Transportation or their 40 41 agents as a merchant seaman documented by the United States Coast Guard 42 or Department of Commerce, or as a civil servant employed by the United 43 States Army Transport Service (later redesignated as the United States 44 Army Transportation Corps, Water Division) or the Naval Transportation 45 Service; and who served satisfactorily as a crew member during the peri-46 od of armed conflict, December seventh, nineteen hundred forty-one, to 47 August fifteenth, nineteen hundred forty-five, aboard merchant vessels 48 in oceangoing, i.e., foreign, intercoastal, or coastwise service as such 49 terms are defined under federal law (46 USCA 10301 & 10501) and further 50 to include "near foreign" voyages between the United States and Canada, 51 Mexico, or the West Indies via ocean routes, or public vessels in oceangoing service or foreign waters and who has received a Certificate of 52 Release or Discharge from Active Duty and a discharge certificate, or an 53 54 Honorable Service Certificate/Report of Casualty, from the Department of 55 Defense, or service by one who served as a United States civilian 56 employed by the American Field Service and served overseas under United

States Armies and United States Army Groups in world war II during the 1 2 period of armed conflict, December seventh, nineteen hundred forty-one 3 through May eighth, nineteen hundred forty-five, and who (i) was 4 discharged or released therefrom under honorable conditions, or (ii) has 5 a qualifying condition, as defined in section three hundred fifty of the б executive law, and has received a discharge other than bad conduct or 7 dishonorable from such service, or (iii) is a discharged LGBT veteran, 8 as defined in section three hundred fifty of the executive law, and has 9 received a discharge other than bad conduct or dishonorable from such 10 service, or service by one who served as a United States civilian Flight 11 Crew and Aviation Ground Support Employee of Pan American World Airways or one of its subsidiaries or its affiliates and served overseas as a 12 13 result of Pan American's contract with Air Transport Command or Naval 14 Air Transport Service during the period of armed conflict, December fourteenth, nineteen hundred forty-one through August fourteenth, nine-15 16 teen hundred forty-five, and who (iv) was discharged or released there-17 from under honorable conditions, or (v) has a qualifying condition, as defined in section three hundred fifty of the executive law, and has 18 19 received a discharge other than bad conduct or dishonorable from such 20 service, or (vi) is a discharged LGBT veteran, as defined in section 21 three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, or of any 22 23 person who:

a. (i) Has been honorably discharged or released therefrom under honorable circumstances, or (ii) has a qualifying condition, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, or (iii) is a discharged LGBT veteran, as defined in section three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, and

b. Was a resident of this state at the time of his entrance into such armed forces, or, if not a resident of this state at that time, was then or thereafter became an employee of a participating employer created by and deriving its powers from an agreement between this state and any other state and was a resident of such other state at the time of his entrance into such armed forces, and

37 Was either a member of the New York state and local employees' c. 38 retirement system and an employee of the state or of a participating employer of such system at the time he or she entered such armed forces 39 or became such employee and such member while in such armed forces on or 40 41 before July first, nineteen hundred forty-eight, or became such employee 42 while in such armed forces and subsequently became such member on or 43 before July first, nineteen hundred forty-eight, or was an employee of 44 an employer which was not a participating employer at the time he or she 45 entered such armed forces but which elected to become a participating 46 employer while he or she was absent on military duty, or was an employee 47 of the state or of a participating employer or was a teacher as defined in article eleven of the education law at the time of his or her 48 49 entrance into the armed forces and became a member of the police and 50 fire retirement system subsequent to separation or discharge from the armed services, and 51

52 d. Returned to the employment of the state or a participating employ-53 er, within one year following discharge or release or completion of 54 advanced education provided under the servicemen's readjustment act of 55 nineteen hundred forty-four, certified on a world war II military 56 service certificate, and allowable as provided in section forty-one of

this article. Such service shall not include any periods during which 1 2 civil compensation was received by the member under the provisions of 3 section two hundred forty-two of the military law, or section six of 4 chapter six hundred eight of the laws of nineteen hundred fifty-two; or 5 (2) Military service, not in excess of three years and not otherwise б creditable under paragraph one hereof, rendered on active duty in the 7 armed forces of the United States during the period commencing July 8 first, nineteen hundred forty, and terminating December thirty-first, 9 nineteen hundred forty-six, or service by one who was employed by the War Shipping Administration or Office of Defense Transportation or their 10 11 agents as a merchant seaman documented by the United States Coast Guard or Department of Commerce, or as a civil servant employed by the United 12 13 States Army Transport Service (later redesignated as the United States 14 Army Transportation Corps, Water Division) or the Naval Transportation 15 Service; and who served satisfactorily as a crew member during the peri-16 od of armed conflict, December seventh, nineteen hundred forty-one, to 17 August fifteenth, nineteen hundred forty-five, aboard merchant vessels in oceangoing, i.e., foreign, intercoastal, or coastwise service as such 18 19 terms are defined under federal law (46 USCA 10301 & 10501) and further 20 include "near foreign" voyages between the United States and Canada, to 21 Mexico, or the West Indies via ocean routes, or public vessels in ocean-22 going service or foreign waters and who has received a Certificate of 23 Release or Discharge from Active Duty and a discharge certificate, or an Honorable Service Certificate/Report of Casualty, from the Department of 24 25 Defense, or service by one who served as a United States civilian 26 employed by the American Field Service and served overseas under United 27 States Armies and United States Army Groups in world war II during the period of armed conflict, December seventh, nineteen hundred forty-one 28 29 through May eighth, nineteen hundred forty-five, and who (i) was 30 discharged or released therefrom under honorable conditions, or (ii) has 31 a qualifying condition, as defined in section three hundred fifty of the 32 executive law, and has received a discharge other than bad conduct or dishonorable from such service, or (iii) is a discharged LGBT veteran, 33 34 as defined in section three hundred fifty of the executive law, and has 35 received a discharge other than bad conduct or dishonorable from such 36 service, or service by one who served as a United States civilian Flight 37 Crew and Aviation Ground Support Employee of Pan American World Airways or one of its subsidiaries or its affiliates and served overseas as a 38 39 result of Pan American's contract with Air Transport Command or Naval Transport Service during the period of armed conflict, December 40 Air 41 fourteenth, nineteen hundred forty-one through August fourteenth, nine-42 teen hundred forty-five, and who (iv) was discharged or released there-43 from under honorable conditions, or (v) has a qualifying condition, as 44 defined in section three hundred fifty of the executive law, and has 45 received a discharge other than bad conduct or dishonorable from such 46 service, or (vi) is a discharged LGBT veteran, as defined in section 47 three hundred fifty of the executive law, and has received a discharge other than bad conduct or dishonorable from such service, or by a person 48 who was a resident of New York state at the time of entry into such 49 service and at the time of being discharged therefrom (vii) under honor-50 51 able circumstances, or (viii) with a qualifying condition, as defined in 52 section three hundred fifty of the executive law, and received a 53 discharge other than bad conduct or dishonorable from such service, or 54 (ix) as a discharged LGBT veteran, as defined in section three hundred fifty of the executive law, and received a discharge other than bad 55 56 conduct or dishonorable from such service, or, if not a resident of this

1 state at such times was then or thereafter became an employee of a 2 participating employer created by and deriving its powers from an agree-3 ment between this state and any other state, and was a resident of such 4 other state at the time of entry into and discharge from such service, 5 and who makes the payments required by subdivision k of section three 6 hundred forty-one of this chapter.

7 However, no military service shall be creditable under this paragraph 8 two in the case of a member under an existing plan permitting retirement 9 upon twenty years of creditable service who is receiving a federal pension (other than for disability) based upon a minimum of twenty years 10 11 of military service in the armed forces of the United States nor shall such military service be creditable in the case of a member under any 12 13 other plan who is receiving a military pension (other than for disabili-14 ty) for such service.

15 § 9. Subdivision 1 of section 1000 of the retirement and social secu-16 rity law, as amended by chapter 41 of the laws of 2016, is amended to 17 read as follows:

18 1. A member, upon application to such retirement system, may obtain a 19 total not to exceed three years of service credit for up to three years 20 of military duty, as defined in section two hundred forty-three of the 21 military law, if the member (a) was honorably discharged from the military, or (b) has a qualifying condition, as defined in section three 22 hundred fifty of the executive law, and has received a discharge other 23 than bad conduct or dishonorable from such service, or (c) is a 24 discharged LGBT veteran, as defined in section three hundred fifty of 25 26 the executive law, and has received a discharge other than bad conduct 27 or dishonorable from such service.

§ 10. This act shall take effect one year after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.

FISCAL NOTE. --

This bill would extend the benefits of Section 1000 of Retirement and Social Security Law to any member of a public retirement system in New York State who has a qualifying condition or is a discharged LGBT veteran as defined section 350 of the Executive Law. The total service credit granted for any military service shall not exceed three years. Members must have at least five years of credited service (not including military service). Tier 1-5 members would be required to make a payment of three percent of their most recent compensation per year of additional service credit granted by this bill. Tier 6 members would be required to make a payment of six percent of their most recent compensation per year of additional service credit.

If this bill is enacted, insofar as this proposal affects the New York State and Local Employees' Retirement System (ERS), it is estimated that the past service cost will average approximately 15% (12% for Tier 6) of an affected members' compensation for each year of additional service credit that is purchased.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (PFRS), it is estimated that the past service cost will average approximately 19% (16% for Tier 6) of an affected members' compensation for each year of additional service that is purchased.

The exact number of current members as well as future members who could be affected by this legislation cannot be readily determined.

ERS costs would be borne entirely by the State of New York. Since a member can apply for this service credit at any time prior to retirement, a precise cost can't be determined until each member, as well as future members, applies for the service credit. Every year a cost will be determined (and billed to the State) based on those benefiting from this provision.

PFRS costs would be shared by the State of New York and 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, 2019 actuarial valuation. Distributions and other statistics can be found in the 2019 Report of the Actuary and the 2019 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017, 2018 and 2019 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, 2019 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 January 22, 2020, and intended for use only during the 2020 Legislative Session, is Fiscal Note No. 2020-27, prepared by the Actuary for the New York State and Local Retirement System.