

# STATE OF NEW YORK

6978

2019-2020 Regular Sessions

## IN ASSEMBLY

March 29, 2019

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

AN ACT to amend the retirement and social security law, in relation to calculating the final average salary of justices and judges within the New York state unified court system

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

1 Section 1. Subdivision 9 of section 2 of the retirement and social  
2 security law is amended by adding a new paragraph d to read as follows:

3 d. In the case of a member who:

4 (1) served as an elected or appointed justice or judge of the New York  
5 state unified court system, and

6 (2) was paid pursuant to the salary set by the commission of judicial  
7 compensation, and

8 (3) shall have served at least three years of the judicial term to  
9 which he or she was appointed or elected, such term shall mean, at the  
10 option of such member, the last salary set by the commission on judicial  
11 compensation for the year in which said member last served.

12 § 2. Section 443 of the retirement and social security law is amended  
13 by adding a new subdivision h to read as follows:

14 h. Notwithstanding the provisions of subdivisions a and b of this  
15 section, with respect to a member who served as an elected or appointed  
16 justice or judge of the New York state unified court system, who was  
17 paid pursuant to the salary set by the commission on judicial compen-  
18 sation, and who shall have served at least three years of the judicial  
19 term to which he or she was appointed or elected, the final average  
20 salary shall mean, at the option of such member, the last salary set by  
21 the commission on judicial compensation for the year in which said  
22 member last served.

23 § 3. Section 512 of the retirement and social security law is amended  
24 by adding a new subdivision e to read as follows:

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

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e. Notwithstanding the provisions of subdivisions a and b of this section, with respect to a member who served as an elected or appointed justice or judge of the New York state unified court system, who was paid pursuant to the salary set by the commission on judicial compensation, and who shall have served at least three years of the judicial term to which he or she was appointed or elected, the final average salary shall mean, at the option of such member, the last salary set by the commission on judicial compensation for the year in which said member last served.

§ 4. Section 608 of the retirement and social security law is amended by adding a new subdivision f to read as follows:

f. Notwithstanding the provisions of subdivisions a and b of this section, with respect to a member who served as an elected or appointed justice or judge of the New York state unified court system, who was paid pursuant to the salary set by the commission on judicial compensation, and who shall have served at least three years of the judicial term to which he or she was appointed or elected, the final average salary shall mean, at the option of such member, the last salary set by the commission on judicial compensation for the year in which said member last served.

§ 5. All past service costs associated with the implementation of this act shall be borne by the state.

§ 6. This act shall take effect immediately.

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

This bill will allow any member who served as an elected or appointed justice or judge of the New York State Unified Court System to have their final average salary determined using the rate of salary set by the Commission on Judicial Compensation for the year in which the member last served.

If this legislation is enacted during the 2019 legislative session, it is estimated that there will be an increase of approximately \$1.9 million in the annual contributions of the state of New York for the fiscal year ending March 31, 2020. In future years, this cost will vary as the billing rates and salaries of the affected members change.

In addition to the annual contributions discussed above, it is estimated that there will be a past service cost of \$57.4 million which will be borne by the state of New York as a one-time payment, assuming that such payment will be made on March 1, 2020.

This estimate is based on a group of 1,205 affected members with a salary for the fiscal year ending March 31, 2018 of approximately \$216 million. A list of eligible job titles was provided by the Office of Court Administration.

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 March 21, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-54, prepared by the Actuary for the New York State and Local Retirement System.