STATE OF NEW YORK

8969

IN SENATE

September 9, 2020

Introduced by Sen. BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT providing for the extension of NYSLRS service credit for any service credit lost due to either furlough or layoff of a member from the period beginning when executive order 202 of 2020 was issued through December 31, 2020

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

Section 1. Notwithstanding any provision of law to the contrary, any state employee who is a member of the New York state and local retirement system who has been furloughed or dismissed from employment between the period beginning on the date a state disaster emergency was declared pursuant to executive order 202 of 2020 through December 31, 2020 and has lost New York state and local retirement system service credit as a result, shall be eligible for service credit for the amount of time such member has been furloughed or dismissed during such period. Such extension of service credit shall apply to full-time, part-time and seasonal members. Such members shall have at least five years of credited service, not including service credited in this act, to be eligible to receive the credit authorized pursuant to this act.

§ 2. This act shall take effect immediately.

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

This bill would allow any full-time, part-time or seasonal State employee who was furloughed or dismissed from employment during the period beginning on the date a disaster emergency was declared in the State of New York pursuant to Executive Order 202 of 2020 and ending on December 31, 2020 to be granted service credit with the New York State and Local Retirement System (NYSLRS) as if no period of unemployment occurred. To be eligible for this additional service credit, a member must have accrued at least 5 years of service credit, not including service credited under this bill. This bill would not be consistent with NYSLRS's policy of granting service credit only when a salary has been paid.

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

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Insofar as it would affect the New York State and Local Employees' Retirement System, if this bill is enacted during the 2020 legislative session it is estimated that the past service cost will average approximately 18 percent of an affected member's compensation for each year of additional service that is granted.

Insofar as it would affect the New York State and Local Employees' Police and Fire Retirement System, if this bill is enacted during the 2020 legislative session it is estimated that the past service cost will average approximately 22 percent of an affected member's compensation for each year of additional service that is granted.

All costs arising from this bill would be shared by the State of New York and all of the participating employers in the NYSLRS.

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 September 4, 2020, and intended for use only during the 2020 Legislative Session, is Fiscal Note No. 2020-135, prepared by the Actuary for the New York State and Local Retirement System.