STATE OF NEW YORK

10059

IN ASSEMBLY

April 29, 2022

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

AN ACT to amend the retirement and social security law, in relation to increasing the amount of years of military service credit a member may purchase

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

Section 1. Subdivisions 1 and 4 of section 1000 of the retirement and social security law, as amended by chapter 41 of the laws of 2016, are amended to read as follows:

1. A member, upon application to such retirement system, may obtain a total not to exceed [~~three~~] ten years of service credit for up to [~~three~~] ten years of military duty, as defined in section two hundred forty-three of the military law, if the member was honorably discharged from the military.

4. In no event shall the credit granted pursuant to this section, when added to credit granted for military service with any retirement system of this state pursuant to this or any other provision of law, exceed a total of [~~three~~] ten years.

§ 2. This act shall take effect immediately.

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

This bill would amend the current military law to allow for a member to obtain up to a total of ten years of service credit for up to ten years of military duty if the member was honorably discharged. The current maximum is three years of service credit. 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 EmployeesÆ Retirement System (NYSLERS), it is estimated that the past service cost will be 20% (17% for Tier 6) of an affected

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

LBD13322-02-2

member's compensation for each year of service credit that is purchased. For the NYSLERS, this cost would be borne entirely by the State of New York.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), it is estimated that the past service cost will be 29% (26% for Tier 6) of an affected member's compensation for each year of service credit that is purchased. For the NYSLPFRS, this cost would be shared by the State of New York and the participating employers of the NYSLPFRS.

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

Summary of relevant resources:

Membership data as of March 31, 2021 was used in measuring the impact of the proposed change, the same data used in the April 1, 2021 actuarial valuation. Distributions and other statistics can be found in the 2021 Report of the Actuary and the 2021 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2020 and 2021 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, 2021 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 27, 2022, and intended for use only during the 2022 Legislative Session, is Fiscal Note No. 2022-2, prepared by the Actuary for the New York State and Local Retirement System.