

STATE OF NEW YORK

9994

IN ASSEMBLY

April 29, 2022

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

AN ACT to amend the retirement and social security law, the education law and the administrative code of the city of New York, in relation to providing cost-of-living adjustments

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

1 Section 1. Subdivision f of section 78-a of the retirement and social
2 security law, as added by chapter 125 of the laws of 2000, is amended to
3 read as follows:

4 f. Commencing September first, two thousand, all retired members who
5 have retired prior to the calendar year nineteen hundred ninety-seven
6 and who meet the eligibility criteria set forth in subdivision a of this
7 section shall be paid an adjusted benefit in monthly installments on the
8 basis provided for in this subdivision. Said adjusted benefit shall be
9 equal to a percentage of the change in consumer price index (all urban
10 consumers, CPI-U, U.S. city average, all items, 1982-84=100), published
11 by the United States bureau of labor statistics, measured from the year
12 of retirement through calendar year nineteen hundred ninety-seven
13 according to the following schedule:

14	Year of retirement	Percentage
15	1968 through 1996	50%
16	1966 and 1967	55%
17	1965	60%
18	1964	65%
19	1963	70%
20	1962	80%
21	1961	90%
22	prior to 1961	100%

23 Said adjusted benefit shall be computed on a base benefit amount not to
24 exceed eighteen thousand dollars of the retirement allowance otherwise
25 payable, computed without optional modification. Any benefit received

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

LBD10513-09-2

1 pursuant to this subdivision shall be in lieu of any benefit received
2 pursuant to section seventy-eight of this title.

3 Commencing September first, two thousand twenty-two, all retired
4 members who have retired prior to the calendar year nineteen hundred
5 ninety-seven and who meet the eligibility criteria set forth in subdivi-
6 sion a of this section shall be paid an adjusted benefit in monthly
7 installments on the basis provided for in this subdivision. Said
8 adjusted benefit shall be equal to a percentage of the change in consum-
9 er price index (all urban consumers, CPI-U, U.S. city average, all
10 items, 1982-84=100), published by the United States bureau of labor
11 statistics, measured from the year of retirement through calendar year
12 nineteen hundred ninety-seven according to the following schedule:

<u>Year of retirement</u>	<u>Percentage</u>
<u>1973 through 1996</u>	<u>50%</u>
<u>1971 and 1972</u>	<u>55%</u>
<u>1970</u>	<u>60%</u>
<u>1969</u>	<u>65%</u>
<u>1968</u>	<u>70%</u>
<u>1967</u>	<u>80%</u>
<u>1966</u>	<u>90%</u>
<u>prior to 1966</u>	<u>100%</u>

22 Said adjusted benefit commencing September first, two thousand twenty-
23 two, shall be computed on the base benefit amount of the retirement
24 allowance otherwise payable, computed without optional modification, set
25 forth herein above. Any benefit received pursuant to this subdivision
26 shall be in lieu of any benefit received pursuant to section seventy-
27 eight of this title.

28 § 2. Subdivision f of section 378-a of the retirement and social secu-
29 rity law, as added by chapter 125 of the laws of 2000, is amended to
30 read as follows:

31 f. Commencing September first, two thousand, all retired members who
32 have retired prior to the calendar year nineteen hundred ninety-seven
33 and who meet the eligibility criteria set forth in subdivision a of this
34 section shall be paid an adjusted benefit in monthly installments on the
35 basis provided for in this subdivision. Said adjusted benefit shall be
36 equal to a percentage of the change in consumer price index (all urban
37 consumers, CPI-U, U.S. city average, all items, 1982-84=100), published
38 by the United States bureau of labor statistics, measured from the year
39 of retirement through calendar year nineteen hundred ninety-seven
40 according to the following schedule:

<u>Year of retirement</u>	<u>Percentage</u>
<u>1968 through 1996</u>	<u>50%</u>
<u>1966 and 1967</u>	<u>55%</u>
<u>1965</u>	<u>60%</u>
<u>1964</u>	<u>65%</u>
<u>1963</u>	<u>70%</u>
<u>1962</u>	<u>80%</u>
<u>1961</u>	<u>90%</u>
<u>prior to 1961</u>	<u>100%</u>

50 Said adjusted benefit shall be computed on a base benefit amount not to
51 exceed eighteen thousand dollars of the retirement allowance otherwise
52 payable, computed without optional modification. Any benefit received
53 pursuant to this subdivision shall be in lieu of any benefit received
54 pursuant to section three hundred seventy-eight of this title.

Commencing September first, two thousand twenty-two, all retired members who have retired prior to the calendar year nineteen hundred ninety-seven and who meet the eligibility criteria set forth in subdivision a of this section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said adjusted benefit shall be equal to a percentage of the change in consumer price index (all urban consumers, CPI-U, U.S. city average, all items, 1982-84=100), published by the United States bureau of labor statistics, measured from the year of retirement through calendar year nineteen hundred ninety-seven according to the following schedule:

<u>Year of retirement</u>	<u>Percentage</u>
<u>1973 through 1996</u>	<u>50%</u>
<u>1971 and 1972</u>	<u>55%</u>
<u>1970</u>	<u>60%</u>
<u>1969</u>	<u>65%</u>
<u>1968</u>	<u>70%</u>
<u>1967</u>	<u>80%</u>
<u>1966</u>	<u>90%</u>
<u>prior to 1966</u>	<u>100%</u>

Said adjusted benefit commencing September first, two thousand twenty-two, shall be computed on the base benefit amount of the retirement allowance otherwise payable, computed without optional modification, set forth herein above. Any benefit received pursuant to this subdivision shall be in lieu of any benefit received pursuant to section three hundred seventy-eight of this title.

§ 3. Subdivision f of section 532-a of the education law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

f. Commencing September first, two thousand, all retired members who have retired prior to the calendar year nineteen hundred ninety-seven and who meet the eligibility criteria set forth in subdivision a of this section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said adjusted benefit shall be equal to a percentage of the change in consumer price index (all urban consumers, CPI-U, U.S. city average, all items, 1982-84=100), published by the United States bureau of labor statistics, measured from the year of retirement through calendar year nineteen hundred ninety-seven according to the following schedule:

Year of retirement	Percentage
1968 through 1996	50%
1966 and 1967	55%
1965	60%
1964	65%
1963	70%
1962	80%
1961	90%
prior to 1961	100%

Said adjusted benefit shall be computed on a base benefit amount not to exceed eighteen thousand dollars of the retirement allowance otherwise payable, computed without optional modification excluding any annuity derived from voluntary contributions made by members, except those made pursuant to elections under subdivision one of section five hundred eleven-a or paragraph c of subdivision three of section five hundred sixteen of this article. Any benefits received pursuant to this subdivision shall be in lieu of any benefits received pursuant to section five hundred thirty-two of this article, unless such benefits are in excess

1 of those provided by this section, in which case such benefits shall be
2 paid by the retirement system pursuant to such provision.

3 Commencing September first, two thousand twenty-two, all retired
4 members who have retired prior to the calendar year nineteen hundred
5 ninety-seven and who meet the eligibility criteria set forth in subdivi-
6 sion a of this section shall be paid an adjusted benefit in monthly
7 installments on the basis provided for in this subdivision. Said
8 adjusted benefit shall be equal to a percentage of the change in consum-
9 er price index (all urban consumers, CPI-U, U.S. city average, all
10 items, 1982-84=100), published by the United States bureau of labor
11 statistics, measured from the year of retirement through calendar year
12 nineteen hundred ninety-seven according to the following schedule:

<u>Year of retirement</u>	<u>Percentage</u>
<u>1973 through 1996</u>	<u>50%</u>
<u>1971 and 1972</u>	<u>55%</u>
<u>1970</u>	<u>60%</u>
<u>1969</u>	<u>65%</u>
<u>1968</u>	<u>70%</u>
<u>1967</u>	<u>80%</u>
<u>1966</u>	<u>90%</u>
<u>prior to 1966</u>	<u>100%</u>

22 Said adjusted benefit, commencing September first, two thousand twenty-
23 two, shall be computed on a base benefit amount not to exceed eighteen
24 thousand dollars of the retirement allowance otherwise payable, computed
25 without optional modification, set forth herein above. Any benefit
26 received pursuant to this subdivision shall be in lieu of any benefit
27 received pursuant to section five hundred thirty-two of this article,
28 unless such benefits are in excess of those provided by this section, in
29 which case such benefits shall be paid by the retirement system pursuant
30 to such provision.

31 § 4. Subdivision f of section 13-696 of the administrative code of the
32 city of New York, as added by chapter 125 of the laws of 2000, is
33 amended to read as follows:

34 f. Commencing September first, two thousand, all retired members who
35 have retired prior to the calendar year nineteen hundred ninety-seven
36 and who meet the eligibility criteria set forth in subdivision a of this
37 section shall be paid an adjusted benefit in monthly installments on the
38 basis provided for in this subdivision. Said adjusted benefit shall be
39 equal to a percentage of the change in consumer price index (all urban
40 consumers, CPI-U, U.S. city average, all items, 1982-84=100), published
41 by the United States bureau of labor statistics, measured from the year
42 of retirement through calendar year nineteen hundred ninety-seven
43 according to the following schedule:

Year of retirement	Percentage
1968 through 1996	50%
1966 and 1967	55%
1965	60%
1964	65%
1963	70%
1962	80%
1961	90%
prior to 1961	100%

53 Said adjusted benefit shall be computed on a base benefit amount not to
54 exceed eighteen thousand dollars of the annual fixed retirement allow-
55 ance otherwise payable, computed without optional modification. Any

benefit received pursuant to this subdivision shall be in lieu of any benefit received pursuant to chapter three hundred ninety of the laws of nineteen hundred ninety-eight, and any preceding provision of law providing for supplementation.

Commencing September first, two thousand twenty-two, all retired members who have retired prior to the calendar year nineteen hundred ninety-seven and who meet the eligibility criteria set forth in subdivision a of this section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said adjusted benefit shall be equal to a percentage of the change in consumer price index (all urban consumers, CPI-U, U.S. city average, all items, 1982-84=100), published by the United States bureau of labor statistics, measured from the year of retirement through calendar year nineteen hundred ninety-seven according to the following schedule:

<u>Year of retirement</u>	<u>Percentage</u>
<u>1973 through 1996</u>	<u>50%</u>
<u>1971 and 1972</u>	<u>55%</u>
<u>1970</u>	<u>60%</u>
<u>1969</u>	<u>65%</u>
<u>1968</u>	<u>70%</u>
<u>1967</u>	<u>80%</u>
<u>1966</u>	<u>90%</u>
<u>prior to 1966</u>	<u>100%</u>

Said adjusted benefit, commencing September first, two thousand twenty-two, shall be computed on the base benefit amount of the retirement allowance otherwise payable, computed without optional modification, set forth herein above. Any benefit received pursuant to this subdivision shall be in lieu of any benefit received pursuant to section 13-695 of this article.

§ 5. This act shall take effect immediately.

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

This bill would provide an increase in the defined benefit cost-of-living adjustment (COLA) for New York public retirement systems. Starting with a payment in September 2022, additional payments will be made for those members who retired after 1960 and prior to 1973.

Insofar as this bill affects the New York State and Local Employees' Retirement System, pursuant to Section 25 of the Retirement and Social Security Law, the increased costs would be borne entirely by the State of New York and would require an itemized appropriation sufficient to pay the cost of the provision. If this bill were enacted, the increase in the present value of benefits would be approximately \$106,000.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (PFRS), the increased costs would be shared by the State of New York and the participating employers in the PFRS. If this bill were enacted, the increase in the present value of benefits would be approximately \$475,000. The estimated first year cost would be approximately \$9,800 to the State of New York and approximately \$38,000 to the participating employers in the PFRS.

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 December 28, 2021, and intended for use only during the 2022 Legislative Session, is Fiscal Note No. 2022-38, prepared by the Actuary for the New York State and Local Retirement System.