STATE OF NEW YORK

3404--B

2021-2022 Regular Sessions

IN SENATE

January 29, 2021

Introduced by Sen. BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 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. Notwithstanding any provision of law to the contrary, none of the provisions of this act shall be subject to section 25 of the retirement and social security law.

§ 3. This act shall take effect immediately.

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

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

LBD04782-05-2

This bill would allow any member of the New York State and Local Retirement System (NYSLRS) 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 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 the NYSLRS's policy of granting service credit only when a salary has been paid.

Insofar as it would affect the New York State and Local Employees' Retirement System, if this bill is enacted during the 2022 legislative session it is estimated that the past service cost will average approximately 21 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 Police and Fire Retirement System, if this bill is enacted during the 2022 legislative session it is estimated that the past service cost will average approximately 25 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:

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 February 10, 2022, and intended for use only during the 2022 Legislative Session, is Fiscal Note No. 2022-70, prepared by the Actuary for the New York State and Local Retirement System.