

STATE OF NEW YORK

5631--A

2021-2022 Regular Sessions

IN SENATE

March 15, 2021

Introduced by Sen. GOUNARDES -- 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

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 g 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 g. Notwithstanding any other provision of law, effective the first day
5 of September, two thousand twenty-two, the surviving spouse of a
6 deceased retired member who retired under an option which provides that
7 benefits are to be continued for life to the surviving spouse after the
8 death of the retired member, shall be entitled to receive benefits
9 pursuant to this section. Said benefits shall be [~~fifty~~] one hundred
10 percent of the monthly benefits which the pensioner would be receiving
11 pursuant to this section if living, and shall commence (i) with a
12 payment for the month of September, two thousand twenty-two, or (ii) the
13 month following the death of the deceased retired member, whichever is
14 later.

15 § 2. Subdivision g of section 378-a of the retirement and social secu-
16 rity law, as added by chapter 125 of the laws of 2000, is amended to
17 read as follows:

18 g. Notwithstanding any other provision of law, effective the first day
19 of September, two thousand twenty-two, the surviving spouse of a
20 deceased retired member who retired under an option which provides that
21 benefits are to be continued for life to the surviving spouse after the
22 death of the retired member, shall be entitled to receive benefits

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

LBD09819-03-1

1 pursuant to this section. Said benefits shall be [~~fifty~~] one hundred
2 percent of the monthly benefits which the pensioner would be receiving
3 pursuant to this section if living, and shall commence (i) with a
4 payment for the month of September, two thousand twenty-two, or (ii) the
5 month following the death of the deceased retired member, whichever is
6 later.

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

9 g. Notwithstanding any other provision of law, effective the first day
10 of September, two thousand twenty-two, the surviving spouse of a
11 deceased retired member who retired under an option which provides that
12 benefits are to be continued for life to the surviving spouse after the
13 death of the retired member, shall be entitled to receive benefits
14 pursuant to this section. Said benefits shall be [~~fifty~~] one hundred
15 percent of the monthly benefits which the pensioner would be receiving
16 pursuant to this section if living, and shall commence (i) with a
17 payment for the month of September, two thousand twenty-two, or (ii) the
18 month following the death of the deceased retired member, whichever is
19 later.

20 § 4. Subdivision g of section 13-696 of the administrative code of the
21 city of New York, as added by chapter 125 of the laws of 2000, is
22 amended to read as follows:

23 g. Notwithstanding any other provision of law, effective the first day
24 of September, two thousand twenty-two, the surviving spouse of a
25 deceased retired member of the New York city employees' retirement
26 system, the New York city teachers' retirement system, the New York city
27 police pension fund, the New York city fire department pension fund or
28 the New York city board of education retirement system who retired under
29 an option which provides that benefits are to be continued for life to
30 the surviving spouse after the death of the member, shall be entitled to
31 receive a benefit pursuant to this section. Said benefit shall be
32 [~~fifty~~] one hundred percent of the monthly benefit which the pensioner
33 would be receiving if living, and shall commence (i) with a payment for
34 the month of September, two thousand twenty-two, or (ii) the month
35 following the death of the deceased retired member, whichever is later.

36 § 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, the cost-of-living benefit payable to a surviving spouse who is eligible for COLA will be increased from fifty percent to one hundred percent of the benefit that the pensioner would have received.

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 \$1.2 billion.

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 \$123 million. The estimated first year cost would be approximately \$2.5 million to the State of New York and approximately \$10 million to the participating employers in the PFRS.

Summary of relevant resources:

Membership data as of March 31, 2020 was used in measuring the impact of the proposed change, the same data used in the April 1, 2020 actuarial valuation. Distributions and other statistics can be found in the 2020 Report of the Actuary and the 2020 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2020 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, 2020 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 10, 2021, and intended for use only during the 2021 Legislative Session, is Fiscal Note No. 2021-99, prepared by the Actuary for the New York State and Local Retirement System.

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

In as much as it would impact the New York State Teachers' Retirement System (NYSTRS) this bill (legislative bill draft 09819-01-1) would amend subdivision g of Section 532-a of the Education Law to increase the cost-of-living adjustment (COLA) benefit and "catch-up" supplemental benefit to the surviving spouse of an eligible deceased retired member. The COLA and "catch-up" supplemental survivor benefit would be equal to 100% of the monthly benefit which the retired member would be receiving if living. The current COLA and "catch-up" supplemental survivor benefit is equal to 50% of the benefit. This benefit improvement would be effective in September of 2022.

The annual cost to the employers of members of NYSTRS for this benefit is estimated to be \$44.9 million or .26% of payroll if this bill is enacted.

Member data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's Annual Report. System assets and GASB disclosures are reported in the System's financial statements, and can also be found in the System's Annual Report. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2021-30 dated May 5, 2021 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2021 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.