STATE OF NEW YORK

6468

2021-2022 Regular Sessions

IN ASSEMBLY

March 17, 2021

Introduced by M. of A. BARRETT, COLTON, ZEBROWSKI -- 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 supplemental military retirement allowances for members of public retirement systems of the state

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

Section 1. Section 1000 of the retirement and social security law is amended by adding a new subdivision 8-a to read as follows:

8-a. A person who retired prior to May thirty-first, two thousand seventeen and who would have been entitled to the provisions of this section, may make application to such retirement system no later than December thirty-first, two thousand twenty-two for a supplemental military retirement allowance pursuant to this subdivision. The supplemental retirement allowance provided by this subdivision shall be in lieu of any benefit otherwise provided pursuant to this section and any credit granted for military service with any retirement system of this state pursuant to any other section of law. Upon receipt of an application, the retirement system shall determine the amount of service credit such person would have been entitled to receive pursuant to subdivisions one and two of this section, subject to the limitations contained in this section. The supplemental military retirement allowance shall equal the retirement allowance of such person, computed without optional modification and not to exceed fifteen thousand dollars, multiplied by twenty-five one-hundredths of one percent per month of the service credit as determined pursuant to this subdivision. One-twelfth of the supplemental military retirement allowance shall be added to the retirement allowance of such person each month. The benefit payable pursuant to this section shall commence on the next retirement allowance payable at least thirty days after the receipt of an application from such

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

LBD09719-02-1

person. For the purposes of this subdivision, retirement allowance shall exclude any annuity derived from voluntary contributions made by the individual, 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 the education law, but shall include any cost of living adjustment derived from sections seventy-eight-a and three hundred seventy-eight-a of this chapter or section five hundred thirty-two-a of the education law, as applicable. The benefit payable pursuant to this subdivision shall be payable for the life of the retired member only, except that the surviving spouse of a deceased member who retired under an option providing a benefit to be continued for life to the surviving spouse after the death of the member shall be entitled to receive fifty percent of the monthly benefit that the retired member would be receiving pursuant to this subdivision, if living, commencing with the next retirement allowance payable at least thirty days after receipt of an application from the retired member for the benefit or payable after the death of the retired member.

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

b. Said cost-of-living adjustment shall be a percentage of the annual retirement allowance otherwise payable, computed without optional modification, but including any benefit derived from subdivision f of this section [~~and~~]**,** any prior year's cost-of-living adjustment derived from this section **and the amount of any supplemental military retirement allowance derived from subdivision eight-a of section one thousand of this chapter**. Said percentage is set forth in subdivision d of this section.

§ 3. Subdivision b of section 378-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

b. Said cost-of-living adjustment shall be a percentage of the annual retirement allowance otherwise payable, computed without optional modification, but including any benefit derived from subdivision f of this section [~~and~~]**,** any prior year's cost-of-living adjustment derived from this section **and the amount of any supplemental military retirement allowance derived from subdivision eight-a of section one thousand of this chapter**. Said percentage is set forth in subdivision d of this section.

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

b. Said cost-of-living adjustment shall be a percentage of the annual 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, but including any benefit derived from subdivision f of this section [~~and~~]**,** any prior year's cost-of-living adjustment derived from this section **and the amount of any supplemental military retirement allowance derived from subdivision eight-a of section one thousand of the retirement and social security law**. Said percentage is set forth in subdivision d of this section.

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

b. Said cost-of-living adjustment shall be a percentage of the annual fixed retirement allowance otherwise payable, computed without optional modification, but including any benefit derived from subdivision f of this section [~~and~~], any prior year's cost-of-living adjustment derived from this section **and the amount of any supplemental military allowance derived from subdivision eight-a of section one thousand of the retirement and social security law**. Said percentage is set forth in subdivision d of this section.

§ 6. This act shall take effect immediately.

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

This bill would amend Section 1000 of the Retirement and Social Security Law to give veterans who retired prior to May 31, 2017, a supplemental pension equal to their first $15,000 of single life allowance together with any cost of living adjustment, multiplied by 3% per year for up to three (3) years of such service credit for military service that would have been eligible if the member retired on or after such date. The surviving spouse of such a retired veteran who chose a continued life benefit to the spouse shall receive half of what the deceased member would have received. There would not be any payment required by an affected retiree or surviving spouse for this supplemental pension. Such retiree may make application for the supplemental pension no later than December 31, 2022 and the payment of the benefit will begin with the next monthly pension payment payable at least 30 days after receipt of the application.

The exact number of retirees that could be affected by this legislation cannot be readily determined.

ERS Costs: Pursuant to Section 25 of the Retirement and Social Security Law, the increased cost to the New York State and Local Employees' Retirement System would be borne entirely by the State of New York and would require an itemized appropriation sufficient to pay the cost of the provision. Once a retiree applies for this benefit a cost will be generated, which will be billed to the State.

PFRS Costs: These costs would be shared by the State of New York and 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 February 19, 2021, and intended for use only during the 2021 Legislative Session, is Fiscal Note No. 2021-92, prepared by the Actuary for the New York State and Local Retirement System.