STATE OF NEW YORK

5964--A

2021-2022 Regular Sessions

IN SENATE

March 24, 2021

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- 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 to allow a continuous service credit for peace officers of the unified court system who were laid off because of economy measures

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

Section 1. Notwithstanding any other provision of law, rule or regulation to the contrary, any active member of the New York state and local employees' retirement system, who was a peace officer of the unified court system suspended in 1991 because of economy measures taken by the unified court system, and who returned to service as a peace officer of the unified court system in 1992, shall be eligible to file a written request with the New York state and local employees' retirement system, within one year of the effective date of this act, to purchase service credit with such system for the period of time the member's employment was suspended. Such member shall have at least five years of credited service, not including service credited in this act, to be eligible to receive the credit authorized by this act. A member who is eligible to purchase service credit pursuant to this act shall pay such retirement system a sum equal to the product of the number of months of service being claimed and three percent of such member's annual rate of pay immediately preceding the date that the member's employment was suspended, plus five percent annual interest to the date such payment is paid. To be eligible to receive credit pursuant to this act, a member shall make application for such credit before his or her effective date of retirement.

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

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§ 2. Any additional costs for this act shall be borne by the state of New York.

§ 3. This act shall take effect immediately.

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

This bill would allow any member of the New York State and Local Employees' Retirement System (ERS) who was suspended from employment as a peace officer of the unified court system in 1991 due to certain economy measures, and who subsequently returned to service in 1992, to purchase service credit with the ERS for the period of time the member's employment was suspended. To be eligible for any additional service credit, a member must have accrued at least 5 years of service credit, not including service credited under this bill. The member will be required to pay a sum equal to the product of the number of months of service being claimed and three percent of their annual rate of pay immediately preceding the date their employment was suspended, plus interest at 5% to the date of payment. This bill would not be consistent with New York State and Local Retirement System policy of granting service credit only when a salary has been paid.

Insofar as it would affect the ERS, if this legislation is enacted during the 2022 legislative session it is estimated that the past service cost will average approximately 18 percent of an affected member's compensation for each year of additional service granted. This cost will be borne entirely by the State of New York.

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 21, 2022, and intended for use only during the 2022 Legislative Session, is Fiscal Note No. 2022-29, prepared by the Actuary for the New York State and Local Retirement System.