STATE OF NEW YORK

6060

2021-2022 Regular Sessions

IN SENATE

April 1, 2021

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

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:

Section 1. Subdivision f 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:

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:

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%

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

LBD10513-02-1

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

б Commencing September first, two thousand twenty-one, all retired members who have retired prior to the calendar year nineteen hundred 7 8 ninety-seven and who meet the eligibility criteria set forth in subdivi-9 sion a of this section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said 10 11 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 12 items, 1982-84=100), published by the United States bureau of labor 13 14 statistics, measured from the year of retirement through calendar year 15 nineteen hundred ninety-seven according to the following schedule:

16	<u>Year of retirement</u>	<u>Percentage</u>
17	<u>1973 through 1996</u>	<u>50%</u>
18	<u>1971</u> and <u>1972</u>	<u>55%</u>
19	<u>1970</u>	<u>60%</u>
20	<u>1969</u>	<u>65%</u>
21	<u>1968</u>	<u>70%</u>
22	<u>1967</u>	<u>80%</u>
23	<u>1966</u>	<u>90%</u>
24	<u>prior to 1966</u>	<u>100%</u>

Said adjusted benefit commencing September first, two thousand twentyone, 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 seventyeight of this title.

31 § 2. Subdivision f of section 378-a of the retirement and social secu-32 rity law, as added by chapter 125 of the laws of 2000, is amended to 33 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 and who meet the eligibility criteria set forth in subdivision a of this 36 section shall be paid an adjusted benefit in monthly installments on the 37 basis provided for in this subdivision. Said adjusted benefit shall be 38 equal to a percentage of the change in consumer price index (all urban 39 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:

44	Year of retirement	Percentage
45	1968 through 1996	50%
46	1966 and 1967	55%
47	1965	60%
48	1964	65%
49	1963	70%
50	1962	80%
51	1961	90%
52	prior to 1961	100%
53	Said adjusted benefit shall	he computed on a base benefit

53 Said adjusted benefit shall be computed on a base benefit amount not to 54 exceed eighteen thousand dollars of the retirement allowance otherwise S. 6060

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1		al modification. Any benefit received
2		shall be in lieu of any benefit received
3	pursuant to section three hundre	
4	Commencing September first,	two thousand twenty-one, all retired
5	members who have retired prior to	<u>o the calendar year nineteen hundred</u>
б	ninety-seven and who meet the el	igibility criteria set forth in subdivi-
7		l be paid an adjusted benefit in monthly
8		vided for in this subdivision. Said
9		to a percentage of the change in consum-
10		onsumers, CPI-U, U.S. city average, all
11	-	y the United States bureau of labor
12		year of retirement through calendar year
13		cording to the following schedule:
14^{13}		
	Year of retirement	Percentage
15	<u>1973 through 1996</u>	<u>50%</u>
16	<u>1971</u> and <u>1972</u>	<u>55%</u>
17	<u>1970</u>	<u>60%</u>
18	<u>1969</u>	<u>65%</u>
19	<u>1968</u>	<u>70%</u>
20	<u>1967</u>	<u>80%</u>
21	<u>1966</u>	<u>90%</u>
22	<u>prior to 1966</u>	<u>100%</u>
23		September first, two thousand twenty-
24		he base benefit amount of the retirement
25		puted without optional modification, set
26		received pursuant to this subdivision
27		nefit received pursuant to section three
28	hundred seventy-eight of this ti	
29		532-a of the education law, as added by
30	chapter 125 of the laws of 2000,	
31	f. Commencing September firs	t, two thousand, all retired members who
32	have retired prior to the calendary	ar year nineteen hundred ninety-seven
33	and who meet the eligibility cri	teria set forth in subdivision a of this
34	section shall be paid an adjuste	d benefit in monthly installments on the
35	basis provided for in this sub	division. Said adjusted benefit shall be
36	—	nge in consumer price index (all urban
37		rage, all items, 1982-84=100), published
38		abor statistics, measured from the year
39	of retirement through calendar	
40	according to the following sched	
41	Year of retirement	Percentage
42	1968 through 1996	50%
43	1966 and 1967	55%
44	1965	60%
45	1964	65%
45 46	1963	70%
40 47	1963	80%
	1962	
48		90%
49 50	prior to 1961	100%
50		omputed on a base benefit amount not to
51		rs of the retirement allowance otherwise
52		al modification excluding any annuity
53		tions made by members, except those made
54		ivision one of section five hundred
55	eleven-a or paragraph c of s	ubdivision three of section five hundred

1 sixteen of this article. Any benefits received pursuant to this subdivi-2 sion shall be in lieu of any benefits received pursuant to section five 3 hundred thirty-two of this article, unless such benefits are in excess 4 of those provided by this section, in which case such benefits shall be 5 paid by the retirement system pursuant to such provision.

6 Commencing September first, two thousand twenty-one, all retired members who have retired prior to the calendar year nineteen hundred 7 8 ninety-seven and who meet the eligibility criteria set forth in subdivi-9 sion a of this section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said 10 adjusted benefit shall be equal to a percentage of the change in consum-11 er price index (all urban consumers, CPI-U, U.S. city average, all 12 items, 1982-84=100), published by the United States bureau of labor 13 14 statistics, measured from the year of retirement through calendar year 15 nineteen hundred ninety-seven according to the following schedule:

16	<u>Year of retirement</u>	<u>Percentage</u>
17	<u>1973</u> through 1996	<u>50%</u>
18	<u>1971</u> and <u>1972</u>	<u>55%</u>
19	<u>1970</u>	<u>60%</u>
20	<u>1969</u>	<u>65%</u>
21	<u>1968</u>	<u>70%</u>
22	<u>1967</u>	<u>80%</u>
23	<u>1966</u>	<u>90%</u>
24	<u>prior to 1966</u>	<u>100%</u>

Said adjusted benefit, commencing September first, two thousand twentyone, 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 five hundred thirty-two of this article.

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:

f. Commencing September first, two thousand, all retired members who 34 35 have retired prior to the calendar year nineteen hundred ninety-seven and who meet the eligibility criteria set forth in subdivision a of this 36 37 section shall be paid an adjusted benefit in monthly installments on the basis provided for in this subdivision. Said adjusted benefit shall be 38 equal to a percentage of the change in consumer price index (all urban 39 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:

44	Year of retirement	Percentage
45	1968 through 1996	50%
46	1966 and 1967	55%
47	1965	60%
48	1964	65%
49	1963	70%
50	1962	80%
51	1961	90%
52	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 1 benefit received pursuant to this subdivision shall be in lieu of any 2 benefit received pursuant to chapter three hundred ninety of the laws of 3 nineteen hundred ninety-eight, and any preceding provision of law 4 providing for supplementation.

5 Commencing September first, two thousand twenty-one, all retired б members who have retired prior to the calendar year nineteen hundred 7 ninety-seven and who meet the eliqibility criteria set forth in subdivi-8 sion a of this section shall be paid an adjusted benefit in monthly 9 installments on the basis provided for in this subdivision. Said 10 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 11 items, 1982-84=100), published by the United States bureau of labor 12 13 statistics, measured from the year of retirement through calendar year 14 <u>nineteen hundred ninety-seven according to the following schedule:</u> e

15	<u>Year of retirement</u>	Percentage
16	<u>1973 through 1996</u>	<u>50%</u>
17	<u>1971 and 1972</u>	<u>55%</u>
18	<u>1970</u>	<u>60%</u>
19	<u>1969</u>	<u>65%</u>
20	<u>1968</u>	<u>70%</u>
21	<u>1967</u>	<u>80%</u>
22	<u>1966</u>	<u>90%</u>
23	<u>prior to 1966</u>	<u>100%</u>

Said adjusted benefit, commencing September first, two thousand twentyone, 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

28 shall be in lieu of any benefit received pursuant to section 13-695 of

29 this article.

30 § 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-ofliving adjustment (COLA) for New York public retirement systems. Starting with a payment in September 2021, 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 \$124,000.

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 \$584,000. The estimated first year cost would be approximately \$12,000 to the State of New York and approximately \$52,000 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 April 1, 2021, and intended for use only during the 2021 Legislative Session, is Fiscal Note No. 2021-109, prepared by the Actuary for the New York State and Local Retirement System.