

STATE OF NEW YORK

S. 4153

A. 3435

2023-2024 Regular Sessions

SENATE - ASSEMBLY

February 3, 2023

IN SENATE -- Introduced by Sens. THOMAS, SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

IN ASSEMBLY -- Introduced by M. of A. SILLITTI -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to increasing the amount of years of military service credit a member may purchase

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

Section 1. Subdivisions 1 and 4 of section 1000 of the retirement and social security law, as amended by chapter 41 of the laws of 2016, are amended to read as follows:

1. A member, upon application to such retirement system, may obtain a total not to exceed [~~three~~] ten years of service credit for up to [~~three~~] ten years of military duty, as defined in section two hundred forty-three of the military law, if the member was honorably discharged from the military.

4. In no event shall the credit granted pursuant to this section, when added to credit granted for military service with any retirement system of this state pursuant to this or any other provision of law, exceed a total of [~~three~~] ten years.

§ 2. Subdivision 1 of section 1000 of the retirement and social security law, as amended by chapter 585 of the laws of 2022, is amended to read as follows:

1. A member, upon application to such retirement system, may obtain a total not to exceed [~~three~~] ten years of service credit for up to [~~three~~] ten years of military duty, as defined in section two hundred forty-three of the military law, if the member (a) was honorably discharged from the military, or (b) has a qualifying condition, as

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

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1 defined in section three hundred fifty of the executive law, and has
2 received a discharge other than bad conduct or dishonorable from such
3 service, or (c) is a discharged LGBT veteran, as defined in section
4 three hundred fifty of the executive law, and has received a discharge
5 other than bad conduct or dishonorable from such service.

6 § 3. This act shall take effect immediately; provided that section two
7 of this act shall take effect on the same date and in the same manner as
8 chapter 585 of the laws of 2022, takes effect.

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

This bill would amend the current military law to allow for a member to obtain up to a total of ten years of service credit for up to ten years of military duty if the member was honorably discharged. The current maximum is three years of service credit. Members must have at least five years of credited service (not including military service). Tier 1-5 members would be required to make a payment of three percent of their most recent compensation per year of additional service credit granted by this bill. Tier 6 members would be required to make a payment of six percent of their most recent compensation per year of additional service credit.

If this bill is enacted, insofar as this proposal affects the New York State and Local Employees' Retirement System (NYSLERS), it is estimated that the past service cost will be 20% (17% for Tier 6) of an affected member's compensation for each year of service credit that is purchased. For the NYSLERS, this cost would be borne entirely by the State of New York.

Insofar as this proposal affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), it is estimated that the past service cost will be 29% (26% for Tier 6) of an affected member's compensation for each year of service credit that is purchased. For the NYSLPFRS, this cost would be shared by the State of New York and the participating employers of the NYSLPFRS.

The exact number of current members as well as future members who could be affected by this legislation cannot be readily determined.

Summary of relevant resources:

Membership data as of March 31, 2022 was used in measuring the impact of the proposed change, the same data used in the April 1, 2022 actuarial valuation. Distributions and other statistics can be found in the 2022 Report of the Actuary and the 2022 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2020, 2021, and 2022 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, 2022 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 January 25, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-25, prepared by the Actuary for the New York State and Local Retirement System.