STATE OF NEW YORK

6419--B

2023-2024 Regular Sessions

IN ASSEMBLY

April 6, 2023

Introduced by M. of A. STIRPE, GUNTHER, McDONALD, BURDICK, OTIS, BRABENEC, MAHER, BUTTENSCHON -- read once and referred to the Committee on Governmental Employees -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to increasing the earning limitations for retired persons in positions of public service

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

Section 1. Section 212 of the retirement and social security law is amended by adding a new subdivision 2-a to read as follows:

2-a. Notwithstanding the provisions of subdivision two of this section, the earnings limitation for retired persons in a position of public service shall be increased to fifty thousand dollars from the year two thousand twenty-four and thereafter.

§ 2. This act shall take effect immediately.

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

This bill would add a new subdivision 2-a to Section 212 of the Retirement and Social Security Law to increase the earnings-after-retirement limitation to $50,000 for retired members who return to work in positions of public employment for calendar year 2024 and thereafter. Currently this earnings limitation is $35,000.

This increase in the earnings-after-retirement limit is expected to have an impact on the Retirement System's patterns of retirement and it is expected that some members will retire earlier than they otherwise would have. Earlier retirement generally increases plan costs since members will be receiving their benefits for a longer period. If retirement patterns shift more than expected, there will be additional costs.

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

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The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $87.6 million or 0.45% of payroll if this bill is enacted.

Member data is from the System's most recent actuarial valuation files as of June 30, 2023, consisting of data provided by the employers to the Retirement System. The most recent data distributions and statistics can be found in the System's Annual Report for fiscal year ended June 30, 2023. System assets are as 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 as of June 30, 2023.

The source of this estimate is Fiscal Note 2024-15 dated March 8, 2024 prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2024 Legislative Session. I, Richard A. Young, am the Chief 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.