STATE OF NEW YORK

9540

IN ASSEMBLY

March 20, 2024

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to eligibility for retirement benefits for certain members of the unified court system

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

Section 1. Subdivision a of section 503 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

a. The normal service retirement benefit specified in section five hundred four of this article shall be payable to general members, other than elective members, who have met the minimum service requirements upon retirement and attainment of age sixty-two, provided, however, a general member who is a peace officer employed by the unified court system or a member of a teachers' retirement system may retire without reduction of [~~his or her~~] **such member's** retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service. For members who become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the normal service retirement benefits specified in section five hundred four of this article shall be payable to general members, other than elective members, who have met the minimum service requirements upon retirement and attainment of age sixty-three**; provided that, a member who is a peace officer employed by the unified court system may retire without reduction of such member's retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service**.

§ 2. Subdivisions a and a-1 of section 603 of the retirement and social security law, subdivision a as amended and subdivision a-1 as added by chapter 18 of the laws of 2012, are amended to read as follows:

a. The service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum service requirements upon retirement and attainment of age sixty-

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

LBD08385-03-4

two, other than members who are eligible for early service retirement pursuant to subdivision c of section six hundred four-b of this article, subdivision c of section six hundred four-c of this article, subdivision d of section six hundred four-d of this article, subdivision c of section six hundred four-e of this article, subdivision c of section six hundred four-f of this article, subdivision c of section six hundred four-g of this article, subdivision c of section six hundred four-h of this article or subdivision c of section six hundred four-i of this article, provided, however, a member of a teachers' retirement system or the New York state and local employees' retirement system who first joins such system before January first, two thousand ten or a member who is a uniformed court officer or peace officer employed by the unified court system [~~who first becomes a member of the New York state and local employees' retirement system before April first, two thousand twelve~~] may retire without reduction of [~~his or her~~] **such member's** retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service, provided, however, that a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system on or after January first, two thousand ten and retires without reduction of [~~his or her~~] **such member's** retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service pursuant to this section shall be required to make the member contributions required by subdivision f of section six hundred thirteen of this article for all years of credited and creditable service, provided further that the [~~the~~] preceding provisions of this subdivision shall not apply to a New York city revised plan member.

a-1. For members who first become a member of a public retirement system of the state on or after April first, two thousand twelve, **except for uniformed court officers or peace officers employed by the unified court system,** the service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum service requirements upon retirement and have attained age sixty-three.

§ 3. Subdivisions a and b-1 of section 604 of the retirement and social security law, subdivision a as amended and subdivision b-1 as added by chapter 18 of the laws of 2012, are amended to read as follows:

a. The service retirement benefit at normal retirement age for a member with less than twenty years of credited service, or less than twenty-five years credited service for a member who joins the New York state teachers' retirement system on or after January first, two thousand ten, shall be a retirement allowance equal to one-sixtieth of final average salary times years of credited service. Normal retirement age for members who first become members of a public retirement system of the state on or after April first, two thousand twelve shall be age sixty-three**; except that the normal retirement age shall be sixty-two for a member who is a peace officer or uniformed court officer employed by the unified court system**.

b-1. Notwithstanding any other provision of law to the contrary, the service retirement benefit for members with twenty or more years of [~~credit~~] **credited** service who first become a member of a public retirement system of the state on or after April first, two thousand twelve at age sixty-three**, or at age sixty-two for uniformed court officers or peace officers employed by the unified court system,** shall be a pension equal to the sum of thirty-five per centum and one-fiftieth of final

average salary for each year of service in excess of twenty times final average salary times years of credited service. In no event shall any retirement benefit payable without optional modification be less than the actuarially equivalent annuitized value of the member's contributions accumulated with interest at five percent per annum compounded annually to the date of retirement.

§ 4. Paragraph 3 of subdivision i of section 603 of the retirement and social security law, as added by chapter 18 of the laws of 2012, is amended to read as follows:

3. A member of a public retirement system of the state who has met the minimum service requirement, but who is not a New York city transit authority member, as defined in paragraph one of subdivision a of section six hundred four-b of this article, may retire prior to normal retirement age, but no earlier than attainment of age fifty-five, in which event, the amount of [~~his or her~~] **such member's** retirement benefit computed without optional modification shall be reduced by six and one-half per centum for each year by which early retirement precedes age sixty-three**; provided, however, that for a member who is a uniformed court officer or peace officer employed by the unified court system, the retirement benefit computed without optional modification shall be reduced in accordance with paragraph one of this subdivision**.

§ 5. Notwithstanding any other provision of law to the contrary, none of the provisions of this act shall be subject to the appropriation requirement of section 25 of the retirement and social security law.

§ 6. This act shall take effect immediately; provided that the amendments to subdivision a of section 603 of the retirement and social security law made by section two of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith.

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

This bill would allow any Tier 6 member who is a uniformed court officer or peace officer employed by the unified court system to retire without early age reduction upon attaining 30 years of creditable service and age 55. It would also reduce the normal retirement age from 63 to 62 and lessen the reductions in benefits for those who retire prior to normal retirement age.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), the increased costs would be borne entirely by the State of New York. If this bill were enacted during the 2024 Legislative Session, the increase in the present value of benefits would be approximately $34.2 million.

In the NYSLERS, this benefit improvement will be funded by (1) billing a past service cost to cover retrospective benefit increases and (2) increasing the billing rates charged annually to cover prospective benefit increases, as follows:

(1) To fund retrospective costs, the State of New York will be required to pay $18.9 million as of March 1, 2025.

(2) To fund prospective costs, the annual contribution required of the State of New York will include a separate itemized charge equal to 1.0% of billable salary reported to the NYSLERS for the affected members, or approximately $2.2 million beginning in fiscal year ending March 31, 2025. This **permanent annual cost will increase** as Tier 6 salary grows and will vary in subsequent billing cycles with changes in the billing rate.

These estimated costs are based on 2,207 affected members employed by New York State, with annual salary of approximately $166 million as of March 31, 2023.

Summary of relevant resources:

Membership data as of March 31, 2023 was used in measuring the impact of the proposed change, the same data used in the April 1, 2023 actuarial valuation. Distributions and other statistics can be found in the 2023 Report of the Actuary and the 2023 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2023 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, 2023 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 March 8, 2024, and intended for use only during the 2024 Legislative Session, is Fiscal Note No. 2024-92, prepared by the Actuary for the New York State and Local Retirement System.