STATE OF NEW YORK

3144--B

2023-2024 Regular Sessions

IN SENATE

January 27, 2023

Introduced by Sens. MANNION, HARCKHAM, HINCHEY, LANZA, MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- 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 law enforcement officers; and providing for the repeal of such provisions upon the expiration thereof

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 4 to read as follows:

4. Notwithstanding the provisions of subdivisions one and two of this section, the earnings limitation for the year two thousand twenty-four and thereafter shall be sixty-five thousand dollars for a retired law enforcement officer employed as a law enforcement officer after such retirement. For the purposes of this section, "retired law enforcement officer" shall mean a retired police officer, a retired state trooper, or a retired deputy sheriff.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed January 1, 2029.

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

Insofar as it would affect the New York State and Local Retirement System (NYSLRS), this bill would allow retired police officers and deputy sheriffs to be reemployed in a law enforcement capacity with an annual salary of $65,000 or less to continue to receive their full retirement benefit for the 5-year period beginning January 1, 2024 and ending December 31, 2028. Currently, the post-retirement earnings limit is $35,000.

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

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If this bill were enacted during the 2023 legislative session, the direct cost incurred would be the retiree's post-retirement earnings more than $35,000 each calendar year, not to exceed the full pension benefit paid by the NYSLRS during that period.

The number of members and retirees who could be affected by this legislation cannot be readily determined. For each retiree hired pursuant to this proposal, an annual cost of $30,000 is expected.

In addition to the direct costs quoted above, insofar as this proposal disrupts the usual pattern and timing of employee turnover (that is, if members retire earlier than expected and participating employers hire a retiree instead of a new billable member), shifts in member behavior could generate losses that increase the average billing rate in 20-year and 25-year service-based plans from 27.8% to 40.4%. The actual increase in billing rates will depend upon member and employer utilization, with the rate above representing an upper maximum.

All costs will be shared by the State of New York and all participating employers in the NYSLRS and spread over future billing cycles. Since this proposal exclusively benefits retirees, the increased costs are primarily attributable to retirees from Tiers 1 - 4. Approximately half the contributions required to fund this proposal will be collected on salary reported for current members of Tier 6.

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 March 30, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-3, prepared by the Actuary for the New York State and Local Retirement System.