STATE OF NEW YORK

8723

IN SENATE

March 4, 2024

Introduced by Sen. O'MARA -- 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, in relation to the retirement of traffic officers with the town of Elmira

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

Section 1. Subdivisions b, c, g, and h of section 89-q of the retirement and social security law, as added by chapter 158 of the laws of 1995, are amended and a new subdivision k is added to read as follows:

b. Such member shall be entitled to retire upon the completion of twenty-five years of total creditable service**, or twenty years of total creditable service if such member has submitted an application pursuant to subdivision k of this section,** by filing an application therefor in the manner provided for in section seventy of this article.

c. Upon completion of twenty-five years of such service**, or twenty years of such service if such member has submitted an application pursuant to subdivision k of this section,** and upon retirement, each such member shall receive a pension which, together with an annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement and an additional pension which is the actuarial equivalent of the reserved-for-increased-take-home-pay to which he may then be entitled shall be sufficient to provide him with a retirement allowance equal to one-half of his final average salary.

g. A member contributing on the basis of this section at the time of retirement, may retire after the completion of twenty-five years of total creditable service**, or twenty years of total creditable service if such member has submitted an application pursuant to subdivision k of this section.** Application therefor may be filed in a manner similar to that provided in section seventy of this article. Upon completion of twenty-five years of such service**, or twenty years of such service if such member has submitted an application pursuant to subdivision k of this section,** and upon retirement, each such member shall receive a pension which, together with an annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement and an additional pension which is the actuarial equivalent of the reserved-for-increased-take-home-pay to which he may then be entitled

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

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shall be sufficient to provide him with a retirement allowance equal to one-half of his final average salary.

h. In computing the twenty-five years of total service of a member pursuant to this section, or twenty years of total service of a member pursuant to this section if such member has submitted an application pursuant to subdivision k of this section, full credit shall be given and full allowance shall be made for service of such member in time of war after World War I as defined in section two of this chapter, provided such member at the time of his entrance into the armed forces was in the service of the town of Elmira.

k. Notwithstanding any provision of this section to the contrary, a member employed as a traffic officer with the town of Elmira traffic district number one shall have the option to opt into a twenty-year retirement plan under this section, instead of the standard twenty-five-year retirement plan under this section; provided, however, that such traffic officer submits an application therefore within one year after the effective date of this subdivision, or within one year of such officer's first day of employment as a traffic officer with the town of Elmira traffic district number one. No person shall be authorized to opt into a twenty-year retirement plan under this section unless the town of Elmira has first passed a resolution authorizing traffic officers employed with the town of Elmira traffic district number one to opt into such twenty-year retirement plan in accordance with the provisions of this section.

§ 2. Subdivision m of section 603 of the retirement and social security law, as added by chapter 158 of the laws of 1995, is amended to read as follows:

m. The service retirement benefit specified in section six hundred four of this article shall be payable to members with twenty-five years of creditable service, or twenty years of creditable service for members who have submitted an application pursuant to subdivision k of section eighty-nine-q of this chapter, without regard to age, who are traffic officers with the town of Elmira as defined in section eighty-nine-q of this chapter if: (i) such members have met the minimum service requirements upon retirement, and (ii) in the case of a member subject to the provisions of article fourteen of this chapter, such member files an election therefor which provides that he or she will be subject to the provisions of this article and to none of the provisions of such article fourteen. Such election, which shall be irrevocable, shall be in writing, duly executed and shall be filed with the comptroller on or before September first, nineteen hundred ninety-six. For the purposes of this subdivision, the term "creditable service" shall have the meaning as so defined in both sections eighty-nine-q and six hundred one of this chapter.

§ 3. Subdivision n of section 604 of the retirement and social security law, as added by chapter 158 of the laws of 1995, is amended to read as follows:

n. The early service retirement benefit for a member who is a traffic officer with the town of Elmira as defined in section eighty-nine-q of this chapter shall be a pension equal to one-fiftieth of final average salary times years of credited service at the completion of twenty-five years of service as such traffic officer, or twenty years of service as such traffic officer if such traffic officer has submitted an application pursuant to subdivision k of section eighty-nine-q of this chapter, but not exceeding one-half of his or her final average salary.

§ 4. All costs associated with the implementation of this act shall be borne by the town of Elmira.

§ 5. This act shall take effect on the first of January next succeeding the date upon which it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.

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

This bill would modify section 89-q of the Retirement and Social Security Law to allow members of the New York State and Local Employees' Retirement System employed as traffic officers by the Town of Elmira Traffic District Number 1 to elect to be covered by a twenty-year retirement plan providing a benefit of one-half of final average salary (FAS), without regard to age. Currently, such members are permitted to retire upon completion of twenty-five years of creditable service with a benefit of one-half of FAS.

If this bill is enacted during the 2024 Legislative Session, we anticipate that there will be an increase of approximately $15,000 in the annual contributions of the Town of Elmira for the fiscal year ending March 31, 2025. In future years this cost will vary but is expected to average 4.3% of salary annually.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $141,000 which will be borne by the Town of Elmira as a one-time payment. This estimate assumes that payment will be made on February 1, 2025.

To opt into the twenty-year retirement plan, members must submit an application within one year of the effective date of this bill or within one year of entering employment with the Town of Elmira Traffic District Number 1 as a traffic officer. The bill will not be effective until the first of January next succeeding the date it becomes law.

These estimated costs are based on 6 affected members employed by the Town of Elmira, with annual salary of approximately $300,000 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 February 21, 2024, and intended for use only during the 2024 Legislative Session, is Fiscal Note No. 2024-100, prepared by the Actuary for the New York State and Local Retirement System.