

# STATE OF NEW YORK

9770

## IN SENATE

May 29, 2024

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to provide a temporary retirement incentive for certain members of the New York state teachers' retirement system

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

1 Section 1. This act enacts into law components of legislation that  
2 would establish an age 55/25 temporary retirement incentive for certain  
3 public employees.

4 § 2. Legislative findings. The legislature finds and declares that the  
5 retirement benefit for certain public employees who are above age 55 and  
6 with 25 years of service provided for in this act is intended only to be  
7 temporary in nature for employees who are eligible to receive and quali-  
8 fy for the applicable benefit during the applicable time periods speci-  
9 fied in this act. Further, nothing in this act shall be construed to  
10 create an expectation of a future or continuing retirement benefit for  
11 any public employee who is not eligible to receive and qualify for the  
12 retirement benefits herein during the applicable time periods.

13 § 3. Definitions. As used in this act, unless the context clearly  
14 requires otherwise:

15 (a) "Retirement system" means the New York state teachers' retirement  
16 system.

17 (b) "Teachers' retirement system" means the New York state teachers'  
18 retirement system.

19 (c) "Educational employer" means a participating employer which is a  
20 school district, a board of cooperative educational services, a voca-  
21 tional education and extension board, an institution for the instruction  
22 of the deaf and of the blind as enumerated in section 4201 of the educa-  
23 tion law, or a school district as enumerated in section 1 of chapter 566  
24 of the laws of 1967, as amended.

25 (d) "Eligible employee" means a person who is a member of the teach-  
26 ers' retirement system, who is an employee of an educational employer,  
27 who holds a position represented by the recognized collective bargaining  
28 units affiliated with the New York state united teachers employee organ-

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

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1 ization as certified by their employer, and who has attained the age of  
2 55 and has at least 25 years of creditable service in the retirement  
3 system. For the purposes of this act, the term "eligible employee"  
4 shall be deemed to include building level administrators, including, but  
5 not limited to, principals and assistant principals.

6 (e) "Active service" means service while being paid on the payroll,  
7 provided that (i) a leave of absence with pay shall be deemed active  
8 service; (ii) other approved leave without pay not to exceed twelve  
9 weeks from March 1, 2024 and the commencement of the designated open  
10 period; and (iii) the period of time subsequent to the June 2024 school  
11 term and on or before August 31, 2024 for a teacher (or other employee  
12 as defined in this act, employed on a school-year basis) who is other-  
13 wise in active service on the effective date of this act shall be deemed  
14 active service.

15 (f) "Open period" means the period beginning with the commencement  
16 date as defined in subdivision (g) of this section and shall be 60 days  
17 in length. For educational employers who make election after June 30,  
18 2024, the open period shall begin immediately after such election, and  
19 shall not extend beyond August 31, 2024. For the purposes of retirement  
20 pursuant to this act, a service retirement application must be filed  
21 with the appropriate retirement system not less than 14 days prior to  
22 the effective date of retirement to become effective, unless a shorter  
23 time period is permitted under law.

24 (g) "Commencement date" means the first day the retirement benefit  
25 mandated by this act shall be made available, which shall mean a date or  
26 dates on or after the effective date of this act to be determined by the  
27 educational employer which elects to participate pursuant to section  
28 four of this act, but no sooner than June 30, 2024.

29 § 4. On or after June 30, 2024 an educational employer may elect to  
30 provide its employees the retirement incentive authorized by this act by  
31 the adoption of a resolution of its governing body. A copy of such  
32 resolution shall be filed with the appropriate retirement system. The  
33 resolution shall be accompanied by the affidavit of the school board  
34 president or trustee or other comparable official certifying the validi-  
35 ty of such resolution.

36 § 5. Notwithstanding any other provision of law, any eligible employee  
37 serving in an eligible title who (a) has been continuously in the active  
38 service of an educational employer who has elected to participate in the  
39 retirement incentive provided in section six of this act, pursuant to  
40 section four of this act, from March 1, 2024 to the date immediately  
41 prior to the commencement date of the applicable open period, (b) files  
42 an application for service retirement that is effective during the open  
43 period, and (c) is otherwise eligible for a service retirement as of the  
44 effective date of the application for retirement shall be entitled to  
45 the retirement benefit provided in section six of this act.

46 § 6. Notwithstanding any other provision of law, any eligible employee  
47 who is: (a) a member of the teachers' retirement system, and (b) enti-  
48 tled to retirement benefits pursuant to section five of this act may  
49 retire during the open period without the reduction of their retirement  
50 benefit that would otherwise be imposed by article 11 or 15 of the  
51 retirement and social security law if such eligible employee has  
52 attained the age of 55 and has completed at least 25 or more years of  
53 creditable service. An eligible employee who is covered by the  
54 provisions of article 11 or 15 of the retirement and social security law  
55 shall retire under the provisions of article 11 or 15 of the retirement  
56 and social security law.

1 § 7. The pension benefit costs of section six of this act shall be  
2 paid by employers as provided by applicable law for the retirement  
3 system covered by this act over a period not to exceed five years  
4 commencing in the state fiscal year ending March 31, 2026.

5 § 8. Notwithstanding any other provision of law, this act shall have  
6 no impact on retirement incentives, options or inducements offered as  
7 part of a contractual agreement between an eligible employee and an  
8 educational employer which were negotiated prior to the effective date  
9 of this act.

10 § 9. Severability clause. If any clause, sentence, paragraph, subdi-  
11 vision, section or part of this act shall be adjudged by any court of  
12 competent jurisdiction to be invalid, such judgment shall not affect,  
13 impair, or invalidate the remainder thereof, but shall be confined in  
14 its operation to the clause, sentence, paragraph, subdivision, section  
15 or part thereof directly involved in the controversy in which such judg-  
16 ment shall have been rendered. It is hereby declared to be the intent of  
17 the legislature that this act would have been enacted even if such  
18 invalid provisions had not been included herein.

19 § 10. This act shall take effect immediately.

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

This bill would provide a temporary retirement incentive to eligible members of the New York State Teachers' Retirement System during fiscal year 2024-2025. This incentive would permit eligible members of an employer who has elected to participate to retire without an early retirement reduction upon attainment of at least age 55 with 25 years of service. Currently attainment of at least age 55 with 30 years of service, or at least age 62 with five years of service, are required to retire without reduction for Tiers 2, 3 and 4 members. Tier 5 members currently must be at least age 57 with 30 years of service, or at least age 62 with five years of service, to retire without reduction. Finally, Tier 6 members are currently required to attain age 63 with five years of service to retire without reduction. To receive this benefit, a member of an employer who has elected to participate must retire during the designated 60-day open period, beginning on or after June 30, 2024 and not extending beyond August 31, 2024. To be eligible, a member must be an employee of an educational employer and hold a position represented by one of the recognized collective bargaining units affiliated with the New York State United Teachers (NYSUT) as certified by his or her employer. To participate in this retirement incentive, the educational employer must be a school district, a board of cooperative educational services, a vocational education and extension board, an institution for the instruction of the deaf and of the blind as enumerated in Section 4201 of the Education Law or a school district as enumerated in Section 1 of Chapter 566 of the Laws of 1967. Employers who elect to participate would pay the cost of the retirement incentive over a period not to exceed five years, beginning in the state fiscal year ending March 31, 2026.

The annual cost, over a five-year period, to the participating employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be \$64.8 million or 0.33% of payroll if this bill is enacted. Employers who do not elect to participate would not incur a cost.

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, except rates of retirement which have been modified to reflect anticipated participation in the incentives.

The source of this estimate is Fiscal Note 2024-34 dated May 23, 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.