STATE OF NEW YORK

6422

2023-2024 Regular Sessions

IN ASSEMBLY

April 6, 2023

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

AN ACT to provide for the payment of retirement benefits to certain members of the New York state employees' retirement system who reentered public service pursuant to chapter 666 of the laws of 1990

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

Section 1. Notwithstanding the provisions of chapter 666 of the laws of 1990, as amended, or any other provision of law to the contrary, a member the New York state employees' retirement system who was entitled to elect to be deemed retroactively to have transferred his or her membership in the New York state police and fire retirement system from which he or she retired to such other retirement system in which he or she would otherwise have been entitled to membership and who has paid in full the necessary pro rata contributions, plus interest as determined by the actuary pursuant to chapter 666 of the laws of 1990, as amended, shall be entitled to receive a retirement allowance computed on the basis of the total service credit to which such retiree was entitled at the time of his or her earlier retirement and the total service credit earned in the retirement system to which he or she transferred provided such member retired from such previous public employment before January 1, 1980.

§ 2. This act shall take effect immediately.

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

This bill would allow members who retired under a special 20 or 25-year retirement plan from the New York State and Local Police and Fire Retirement System (PFRS) before January 1, 1980 and returned to work in the New York State and Local Employees' Retirement System (ERS) to transfer their PFRS service credit into the ERS and receive a pension based on the combined service as long as the necessary contributions plus interest were made as set forth under Chapter 666 of the Laws of

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

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1990. Currently, these pensions are actuarially reduced for the pension payments received while retired from the PFRS and actively working in the ERS.

The number of retirees who could be affected by this legislation cannot be readily determined. To benefit from the provisions of this legislation, an eligible retiree must file a written request to the New York State Comptroller within one year of the effective date of the act.

If this bill is enacted during the 2023 legislative session, pursuant to Section 25 of the Retirement and Social Security Law, those costs arising in the ERS would be borne solely by the State of New York. The cost for the one retiree known to benefit from this legislation is approximately $58,300. This estimate assumes that payment will be made on March 1, 2024. Similar costs for other impacted individuals can be expected and will be calculated and billed to the State of New York when application is made.

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 31, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-65, prepared by the Actuary for the New York State and Local Retirement System.