

# STATE OF NEW YORK

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5653

2023-2024 Regular Sessions

## IN SENATE

March 10, 2023

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Introduced by Sen. JACKSON -- 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 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:

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

4 a. The normal service retirement benefit specified in section five  
5 hundred four of this article shall be payable to general members, other  
6 than elective members, who have met the minimum service requirements  
7 upon retirement and attainment of age sixty-two, provided, however, a  
8 general member who is a peace officer employed by the unified court  
9 system or a member of a teachers' retirement system may retire without  
10 reduction of his or her retirement benefit upon attainment of at least  
11 fifty-five years of age and completion of thirty or more years of  
12 service. For members who become members of the New York state and local  
13 employees' retirement system on or after April first, two thousand  
14 twelve, the normal service retirement benefits specified in section five  
15 hundred four of this article shall be payable to general members, other  
16 than elective members, who have met the minimum service requirements  
17 upon retirement and attainment of age sixty-three; provided that, a  
18 member who is a peace officer employed by the unified court system may  
19 retire without reduction of his or her retirement benefit upon attain-  
20 ment of at least fifty-five years of age and completion of thirty or  
21 more years of service.

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

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

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1 a. The service retirement benefit specified in section six hundred  
2 four of this article shall be payable to members who have met the mini-  
3 mum service requirements upon retirement and attainment of age sixty-  
4 two, other than members who are eligible for early service retirement  
5 pursuant to subdivision c of section six hundred four-b of this article,  
6 subdivision c of section six hundred four-c of this article, subdivision  
7 d of section six hundred four-d of this article, subdivision c of section six  
8 hundred four-e of this article, subdivision c of section six  
9 hundred four-f of this article, subdivision c of section six hundred  
10 four-g of this article, subdivision c of section six hundred four-h of  
11 this article or subdivision c of section six hundred four-i of this  
12 article, provided, however, a member of a teachers' retirement system or  
13 the New York state and local employees' retirement system who first  
14 joins such system before January first, two thousand ten or a member who  
15 is a uniformed court officer or peace officer employed by the unified  
16 court system [~~who first becomes a member of the New York state and local~~  
17 ~~employees' retirement system before April first, two thousand twelve~~]  
18 may retire without reduction of his or her retirement benefit upon  
19 attainment of at least fifty-five years of age and completion of thirty  
20 or more years of service, provided, however, that a uniformed court  
21 officer or peace officer employed by the unified court system who first  
22 becomes a member of the New York state and local employees' retirement  
23 system on or after January first, two thousand ten and retires without  
24 reduction of his or her retirement benefit upon attainment of at least  
25 fifty-five years of age and completion of thirty or more years of  
26 service pursuant to this section shall be required to make the member  
27 contributions required by subdivision f of section six hundred thirteen  
28 of this article for all years of credited and creditable service,  
29 provided further that the [~~the~~] preceding provisions of this subdivision  
30 shall not apply to a New York city revised plan member.

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

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

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

52 b-1. Notwithstanding any other provision of law to the contrary, the  
53 service retirement benefit for members with twenty or more years of  
54 [~~credit~~] credited service who first become a member of a public retire-  
55 ment system of the state on or after April first, two thousand twelve at  
56 age sixty-three, or at age sixty-two for uniformed court officers or

1 peace officers employed by the unified court system, shall be a pension  
2 equal to the sum of thirty-five per centum and one-fiftieth of final  
3 average salary for each year of service in excess of twenty times final  
4 average salary times years of credited service. In no event shall any  
5 retirement benefit payable without optional modification be less than  
6 the actuarially equivalent annuitized value of the member's contribu-  
7 tions accumulated with interest at five percent per annum compounded  
8 annually to the date of retirement.

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

12 3. A member of a public retirement system of the state who has met the  
13 minimum service requirement, but who is not a New York city transit  
14 authority member, as defined in paragraph one of subdivision a of  
15 section six hundred four-b of this article, may retire prior to normal  
16 retirement age, but no earlier than attainment of age fifty-five, in  
17 which event, the amount of his or her retirement benefit computed with-  
18 out optional modification shall be reduced by six and one-half per  
19 centum for each year by which early retirement precedes age sixty-three;  
20 provided, however, that for a member who is a uniformed court officer or  
21 peace officer employed by the unified court system, the retirement bene-  
22 fit computed without optional modification shall be reduced in accord-  
23 ance with paragraph one of this subdivision.

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

27 § 6. This act shall take effect immediately; provided that the amend-  
28 ments to subdivision a of section 603 of the retirement and social secu-  
29 rity law made by section two of this act shall not affect the expiration  
30 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 offi-  
cer 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 2023  
legislative session, the increase in the present value of benefits would  
be approximately \$27.2 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 bene-  
fit increases, as follows:

(1) To fund retrospective costs, the State of New York will be  
required to pay \$12.2 million as of March 1, 2024.

(2) To fund prospective costs, the annual contribution required of the  
State of New York will increase approximately 1.0% of billable salary  
reported to the NYSLERS for the affected members, or an estimated \$1.6  
million beginning in fiscal year ending March 31, 2024. This permanent  
annual cost will vary in subsequent billing cycles with changes in the  
billing rate and will increase as the salary of the affected members  
increases.

These estimated costs are based on 1,979 affected members employed by the Unified Court System as uniformed court officers or peace officers, with annual salary of approximately \$133.7 million as of March 31, 2022.

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 10, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-76, prepared by the Actuary for the New York State and Local Retirement System.