STATE OF NEW YORK

7120

2023-2024 Regular Sessions

IN SENATE

May 18, 2023

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

AN ACT in relation to authorizing Thomas Collins to file a request for change of benefit coverage with the New York state teachers' retirement system

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

Section 1. Notwithstanding any other provision of law, Thomas Collins, who is currently a member of the New York state teachers' retirement system, who retired from Pearl River School District on July 1, 2010, and who since his date of retirement has been receiving the largest possible retirement benefit under the maximum retirement benefit election, and who, for reasons not ascribable to his own negligence, even upon notice in 2010 from the retirement system of his election of the maximum retirement benefit election, failed to change his retirement option election prior to the expiration of the thirty days in accordance with article 11 of the education law and to nominate his wife as the beneficiary of the one hundred percent survivor option, shall be authorized to change said maximum retirement option to the one hundred percent survivor option, if within one year of the effective date of this act, he shall file a written request on a form prescribed by the New York state teachers' retirement system with the head of said retirement system. Such change of benefit coverage shall be deemed to become effective on July 1, 2010.

§ 2. Any costs attributable to implementation of the retirement election option change, authorized by section one of this act, and the recovery for the overpayment received by Thomas Collins since his date of retirement to change his election from the maximum benefit to the one hundred percent joint and survivor option with Sandra Collins as the beneficiary, shall be borne by Thomas Collins. The costs shall be calculated from the date of his retirement, July 1, 2010, to the date his new

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

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retirement option election, filed in accordance with section one of this act, is deemed effective with the System and upon receipt of his payment for making said election. Any other costs attributable to the implementation of this act shall be borne by the employers of members of the New York state teachers' retirement system.

§ 3. This act shall take effect immediately.

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

This bill would allow Thomas Collins, a retired member of the New York State Teachers' Retirement System, who elected the maximum single life benefit upon his date of retirement of July 1, 2010 to change his retirement benefit to the 100% joint and survivor option benefit designating his spouse Sandra Collins as beneficiary of such optional form of benefit. The 100% joint and survivor benefit would be effective as of his date of retirement. Mr. Collins would be required to re-pay to the Retirement System the excess of the maximum single life benefit over the 100% joint and survivor option benefit that he has received from his date of retirement through the effective date of the change in his benefit. Mr. Collins must file a written request with the head of the New York State Teachers' Retirement System within one year of the effective date of this act.

The total cost of this benefit cannot be determined. If this bill is enacted the Retirement System will be providing a survivor benefit to Mr. Collins' spouse. The ultimate cost of this benefit will be determined by how long Mr. Collins and his spouse live. Mr. Collins would be responsible for repaying the overpayments he has received, which total approximately $121,000. Allowing retired members to change their benefit option after retirement weakens the pooling of longevity risk and the pricing of the options and would potentially result in actuarial losses.

Member data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's Annual Report. 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.

The source of this estimate is Fiscal Note 2023-30 dated April 18, 2023 prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2023 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.