

STATE OF NEW YORK

6840

2025-2026 Regular Sessions

IN SENATE

March 25, 2025

Introduced by Sen. SCARCELLA-SPANTON -- 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
increasing the amount of years of military service credit a member may
purchase

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

1 Section 1. Subdivision 4 of section 1000 of the retirement and social
2 security law, as amended by chapter 41 of the laws of 2016, is amended
3 to read as follows:

4 4. In no event shall the credit granted pursuant to this section, when
5 added to credit granted for military service with any retirement system
6 of this state pursuant to this or any other provision of law, exceed a
7 total of [~~three~~ **four**] years.

8 § 2. Subdivision 1 of section 1000 of the retirement and social secu-
9 rity law, as amended by chapter 585 of the laws of 2022, is amended to
10 read as follows:

11 1. A member, upon application to such retirement system, may obtain a
12 total not to exceed [~~three~~ **four**] years of service credit for up to
13 [~~three~~ **four**] years of military duty, as defined in section two hundred
14 forty-three of the military law, if the member (a) was honorably
15 discharged from the military, or (b) has a qualifying condition, as
16 defined in section three hundred fifty of the executive law, and has
17 received a discharge other than bad conduct or dishonorable from such
18 service, or (c) is a discharged LGBT veteran, as defined in section
19 three hundred fifty of the executive law, and has received a discharge
20 other than bad conduct or dishonorable from such service.

21 § 3. Notwithstanding any provision of law to the contrary, none of the
22 provisions of this act shall be subject to the appropriation requirement
23 of section 25 of the retirement and social security law.

24 § 4. This act shall take effect immediately.

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

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

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This bill would amend the current military law to allow for a member to obtain up to a total of four years of service credit for up to four years of military duty if the member was honorably discharged. The current maximum is three years of service credit. Members must have at least five years of credited service (not including military service). For each year of additional service credit granted by this bill, Tier 1-5 members would be required to pay 3% member contributions and Tier 6 would pay 6% contributions.

The provisions of Section 25 of the Retirement and Social Security Law shall not apply.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), the increased costs would be shared by the State of New York and the local participating employers in NYSLERS. If this bill were enacted during the 2025 Legislative Session, it is estimated that the past service cost will be 18% (15% for Tier 6) of an affected member's compensation for each year of service credit that is purchased.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the increased costs would be shared by the State of New York and the local participating employers in NYSLPFRS. If this bill were enacted during the 2025 Legislative Session, it is estimated that the past service cost will be 23% (20% for Tier 6) of an affected member's compensation for each year of service credit that is purchased.

Further, we anticipate some additional administrative costs to implement the provisions of this legislation.

The exact number of current members as well as future members who could be affected by this legislation cannot be readily determined. Through December 31, 2024, approximately 12,200 members have purchased military service credit pursuant to Chapter 41 of the Laws of 2016, with a total cost of approximately \$436 million. It is estimated that, had this proposal been law since 2016, approximately 8,400 of these members could have purchased a fourth year of military service credit for an additional cost of approximately \$120 million.

Summary of relevant resources:

Membership data as of March 31, 2024 was used in measuring the impact of the proposed change, the same data used in the April 1, 2024 actuarial valuation. Distributions and other statistics can be found in the 2024 Report of the Actuary and the 2024 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2024 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, 2024 New York State and Local Retirement System Financial Statements and Supplementary Information.

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 24, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-98. As Chief Actuary of the New York State and Local Retirement System, I, Aaron Schottin Young, hereby certify that this analysis complies with applicable Actuarial Standards of Practice as well as the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion of the American Academy of Actuaries, of which I am a member.