

STATE OF NEW YORK

8038

2025-2026 Regular Sessions

IN SENATE

May 15, 2025

Introduced by Sen. C. RYAN -- 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 enacting the "State Police Retention act"; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "State Police Retention act".

3 § 2. The retirement and social security law is amended by adding a new
4 section 381-c to read as follows:

5 § 381-c. Deferred retirement option plan payable to members and offi-
6 cers of the division of state police. a. Deferred retirement option
7 plan. Deferred retirement option plan, (hereinafter referred to as
8 "DROP"), is a retirement plan under which an eligible member may elect
9 to participate, deferring receipt of retirement benefits while continu-
10 ing employment with the division of state police. For the purposes of
11 this section, an "eligible member" is any member or officer employed by
12 the division of state police. During the period of continued employment,
13 the eligible member's monthly retirement benefit shall be deferred and
14 held by the retirement system on behalf of the member plus interest at
15 an effective rate of one and one-half percent for the specific period of
16 participation in DROP as provided in subdivision c of this section. Upon
17 completion of the DROP period, the eligible member shall receive the
18 total amount of retirement benefits deferred under DROP without optional
19 modification as permitted by subdivisions d and e of this section and
20 shall begin to receive the previously determined normal service retire-
21 ment benefit with optional modification as further provided in subdivi-
22 sion d of this section.

23 b. Participation in DROP. Any eligible member who is currently
24 employed by the division of state police and qualifies to retire pursu-

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

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1 ant to section three hundred eighty-one-b of this title by reason of
2 completing twenty years of creditable service may elect to participate
3 in DROP.

4 c. Election in DROP. Such election shall be on a form prepared by the
5 comptroller and may be for any period of time not less than twelve
6 months or more than thirty-six months duration. Any member who elects to
7 participate in DROP shall be considered retired on the day following the
8 expiration of the DROP period, provided, however, that all loans and
9 excess contributions shall be resolved by the date of entry into DROP.
10 Upon expiration of the time period selected by the eligible member, such
11 member's participation in DROP shall terminate.

12 d. Benefits payable under DROP. (1) Effective with the date of partic-
13 ipation in DROP, the eligible member's normal service retirement benefit
14 shall be calculated, using creditable service and final average salary
15 as if the effective date of retirement was the date of entry into DROP.
16 The amount deferred pursuant to DROP shall be calculated based upon the
17 eligible member's zero option retirement allowance until such member has
18 obtained the applicable maximum service retirement limit based upon
19 years of service. Any additional participation in DROP after a member
20 has obtained the maximum service retirement limit based upon years of
21 service shall be calculated based upon sixty percent of the member's
22 full annual retirement allowance. In addition, for the purposes of this
23 section, the annual retirement allowance for any member electing DROP
24 shall be calculated using a three-year final average salary as defined
25 elsewhere in this article. The eligible member shall, however, elect
26 such member's optional retirement benefit at the completion of the DROP
27 period.

28 (2) If the eligible member dies prior to completion of the period of
29 participation in DROP, the eligible member shall be treated as if such
30 DROP election did not exist. In lieu of the DROP payment, a death bene-
31 fit shall be payable consistent with the terms of this chapter and all
32 salary and service reported for such eligible member during the DROP
33 period shall be considered in calculating the eligible member's death
34 benefit.

35 (3) If the eligible member is approved for disability benefits
36 provided in this chapter during the DROP period, the eligible member
37 shall be treated as if the DROP election did not exist. In lieu of the
38 DROP payment, a disability retirement benefit shall be payable consist-
39 ent with the terms of this chapter and all salary and service reported
40 for such eligible member during the DROP period shall be considered in
41 calculating the eligible member's disability retirement benefit.

42 (4) If an eligible member otherwise fails to complete such member's
43 period of service as elected pursuant to subdivision c of this section,
44 the eligible member shall be treated as if such DROP election did not
45 exist. In lieu of the DROP payment, the normal service retirement bene-
46 fit shall be payable consistent with the terms of this chapter and all
47 salary and service reported for such eligible member during the DROP
48 period shall be considered in calculating the eligible member's service
49 retirement benefit.

50 (5) If an eligible member remains employed after such member's partic-
51 ipation in DROP is terminated, such member shall forfeit all DROP bene-
52 fits and continue employment as if such DROP election did not exist.
53 Such member shall then be eligible to elect DROP consistent with the
54 terms of this section.

55 (6) If an eligible member is approved for disability benefits after
56 benefits payable pursuant to DROP have been paid, the eligible member

1 may elect to receive the disability benefits in lieu of DROP benefits,
2 but such disability benefits shall be actuarially adjusted for any bene-
3 fits paid under DROP.

4 e. Method of payment. At the conclusion of the member's participation
5 in DROP, the retirement system shall pay the deferred service retirement
6 benefits in one of the following methods as elected by the member:

7 (1) Lump sum: All accrued DROP benefits, plus interest, less withhold-
8 ing as required by the internal revenue service, shall be paid to the
9 DROP participant or eligible beneficiary or as otherwise determined by
10 operation of law;

11 (2) Direct rollover: All accrued DROP benefits, plus interest, shall
12 be paid from the retirement system to a custodian of the eligible
13 retirement plan or other eligible plan or account as provided pursuant
14 to the internal revenue code as directed by the member or eligible bene-
15 ficiary;

16 (3) Partial lump sum: A portion of the DROP benefits shall be paid to
17 the DROP participant or eligible beneficiary, less withholding required
18 by the internal revenue service and the remaining DROP benefits may be
19 rolled over as otherwise permitted by the internal revenue code.

20 For purposes of this subdivision, the term "eligible beneficiary" is
21 one who qualifies to rollover benefits from a qualified benefit plan or
22 account as provided by the internal revenue code. The forms of payment
23 provided by this subdivision shall comply with the minimum distribution
24 requirements of the internal revenue code.

25 f. Regulations. The comptroller shall prescribe such rules and regu-
26 lations as may be necessary for the effective administration and imple-
27 mentation of the provisions of this section.

28 § 3. This act shall take effect immediately and shall expire five
29 years after it shall have become a law when upon such date the
30 provisions of this act shall be deemed repealed; provided, however, that
31 the expiration of this act shall not prevent a member who has duly
32 elected to participate in DROP pursuant to the provisions of this act
33 from completing the full period of DROP selected.