STATE OF NEW YORK

8179

2025-2026 Regular Sessions

IN ASSEMBLY

May 5, 2025

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

AN ACT relating to recalibrating the final average salary retirement calculations in the New York state teachers' retirement system for Joanne Halverson

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

Section 1. Notwithstanding any other law to the contrary, Joanne Halverson, who was employed as a teacher with South Country school district with a start date in September of 1999, and who is currently an active member of the New York state teachers' retirement system and is set to retire in June of 2025. During the Covid-19 pandemic, through no fault of her own, her salaries and benefits were significantly decreased as a result of extracurricular events and summer schools being closed. Her salary was substantially reduced in the 2020-2021 year, and thereby, negatively impacted her final average salary (FAS), which generally would be the highest average of wages earned during any continuous period of employment for which a teacher was credited with the last three years of service. Based on the current Tiers III FAS calculation, the earnings in 2020-2021 did not exceed the average of the previous two years by more than ten percent, thus the amount shall be included in her FAS calculation.

§ 2. No contributions made to the New York state teachers' retirement system shall be returned or refunded to Joanne Halverson pursuant to this act.

§ 3. All past service costs associated with the implementation of this act shall be borne by all participating employers in the New York state teachers' retirement system.

§ 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 remove the exclusion of salary increases greater than 10% of the average of the prior two years' in calculating the final average salary of Joanne Halverson when she retires in June of 2025. This exclusion is required as part of the definition of final average salary in accordance with Retirement and Social Security Law Section 608. Ms. Halverson's salary dipped in the 2020-21 fiscal year due to the cancellation of extracurricular activities during Covid.

The annual cost to the employers of members of the New York State Teachers' Retirement System is estimated to be approximately $6,000 if this bill is enacted. However, if the removal of the salary limitation is extended to all members this would change the definition of final average salary and would generate non-negligible costs.

Member data is from the System's most recent actuarial valuation files as of June 30, 2024, consisting of data provided by the employers to the Retirement System. The most recent data distributions and statistics can be found in the System's Annual Report for fiscal year ended June 30, 2024. 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 will be provided in the System's Actuarial Valuation Report as of June 30, 2024.

The source of this estimate is Fiscal Note 2025-17 dated April 7, 2025 prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2025 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.