STATE OF NEW YORK

8748

2025-2026 Regular Sessions

IN ASSEMBLY

June 2, 2025

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

AN ACT to amend the retirement and social security law, in relation to military service qualifying for military service credit

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

Section 1. Subdivisions 1 and 4 of section 1000 of the retirement and social security law, subdivision 1 as amended by chapter 585 of the laws of 2022 and subdivision 4 as amended by chapter 41 of the laws of 2016, are amended to read as follows:

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

4. In no event shall the credit granted pursuant to this section, when added to credit granted for military service with any retirement system of this state pursuant to this or any other provision of law, **excluding service credit granted under section two hundred forty-two of the military law,** exceed a total of three years.

§ 2. This act shall take effect immediately.

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

This bill amends Section 1000 of the Retirement and Social Security Law to reference Section 1 of the Veterans' Services Law for the definitions of qualifying condition and discharged LGBT veteran. It would

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

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also exempt service credit granted under Section 242 of the Military Law from the three-year limit on military service which can be purchased as service credit.

It is not possible to determine the number of eligible current and future members, or the additional military service credit each member may purchase under this bill. Therefore, it is not possible to estimate the annual increase in the employers' cost for this bill. Whatever increase in liability arises for service credited under this bill above that paid for by the member would be included in the cost that would be shared by employers through the employer contribution rate.

It is estimated that the cost, expressed as a percentage of a member's salary for the additional year of service credit a member purchases under this bill is as follows:

Cost per year of Service Purchased
(as a percentage of the member's salary)

Tier(s)	1-4	5	6
Cost	12.5%	11.2%	9.7%
Member Contribution offset	3.0%	3.0%	6.0%
Net cost to participating employers	9.5%	8.2%	3.7%

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 2025-13 dated March 21, 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.

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

This bill would allow individuals who are eligible for service credit under Section 1000 of the Retirement and Social Security Law (RSSL) to purchase up to three years of service credit without consideration of service purchased under §242 of the Military Law. Currently, the maximum of three years allowed under §1000 of the RSSL is reduced for any service credited under §242 of the Military Law.

Insofar as this proposal affects the New York State and Local Employees' Retirement System (NYSLERS), pursuant to Section 25 of the RSSL, all increased costs would be borne entirely by the State of New York and would require an annual itemized appropriation sufficient to pay the costs of this provision. If enacted during the 2025 Legislative Session, it is estimated that such costs 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 proposal affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), all costs would be shared by the State of New York and the local participating employers in NYSLPFRS. If enacted during the 2025 Legislative Session, it is estimated that the

past service cost will be 22% (19% 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 and future members who could be affected by this legislation cannot be readily determined.

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 February 24, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-70. 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.