

John Black

From: LRS ALERT <VMMAIL@LBDC.STATE.NY.US>
Sent: Friday, August 19, 2016 5:11 PM
To: LRSAlert@LBDC.STATE.NY.US
Subject: S07174B

Same as alert

A10369A - Abbate

Relates to persons joining a public retirement system on or after July 1, 2009 and before January 10, 2010

08/19/16 signed chap.263

<p>S 7174-B GOLDEN Same as <u>A 10369-A</u> Abbate ON FILE: 06/08/16 Retirement TITLE....Relates to persons joining a public retirement system on or after July 1, 2009 and before January 10, 2010 04/05/16 REFERRED TO CIVIL SERVICE AND PENSIONS 05/27/16 AMEND AND RECOMMIT TO CIVIL SERVICE AND PENSIONS 05/27/16 PRINT NUMBER 7174A 06/08/16 AMEND AND RECOMMIT TO CIVIL SERVICE AND PENSIONS 06/08/16 PRINT NUMBER 7174B 06/16/16 COMMITTEE DISCHARGED AND COMMITTED TO RULES 06/16/16 ORDERED TO THIRD READING CAL.1867 06/16/16 SUBSTITUTED BY A10369A A10369 Abbate AMEND=A 05/24/16 referred to governmental employees 06/08/16 reported referred to ways and means 06/08/16 reported referred to rules 06/08/16 amend and recommit to rules 10369a 06/14/16 reported 06/14/16 rules report cal.249 06/14/16 ordered to third reading rules cal.249 06/14/16 passed assembly 06/14/16 delivered to senate 06/14/16 REFERRED TO RULES 06/16/16 SUBSTITUTED FOR S7174B 06/16/16 3RD READING CAL.1867 06/16/16 PASSED SENATE 06/16/16 RETURNED TO ASSEMBLY 08/08/16 delivered to governor 08/19/16 signed chap.263</p>	<p>A10369-A Abbate Same as <u>S 7174-B</u> GOLDEN Retirement and Social Security Law TITLE....Relates to persons joining a public retirement system on or after July 1, 2009 and before January 10, 2010 05/24/16referred to governmental employees 06/08/16reported referred to ways and means 06/08/16reported referred to rules 06/08/16amend and recommit to rules 10369a 06/14/16reported 06/14/16rules report cal.249 06/14/16ordered to third reading rules cal.249 06/14/16passed assembly 06/14/16delivered to senate 06/14/16REFERRED TO RULES 06/16/16SUBSTITUTED FOR S7174B 06/16/163RD READING CAL.1867 06/16/16PASSED SENATE 06/16/16RETURNED TO ASSEMBLY 08/08/16delivered to governor 08/19/16signed chap.263</p>
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STATE OF NEW YORK

7174--B

IN SENATE

April 5, 2016

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 504 of the laws of 2009 amending the retirement and social security law and other laws relating to establishing police and fire retirement provisions, in relation to persons joining a public retirement system on or after July 1, 2009 and before January 10, 2010

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

1 Section 1. Section 8 of part A of chapter 504 of the laws of 2009
2 amending the retirement and social security law and other laws relating
3 to establishing police and fire retirement provisions, is amended to
4 read as follows:

5 § 8. (a) Notwithstanding any provision of law to the contrary, nothing
6 in this act shall limit the eligibility of any member of an employee
7 organization to join a special retirement plan open to him or her pursu-
8 ant to a collectively negotiated agreement with any state or local
9 government employer, where such agreement is in effect on the effective
10 date of this act and so long as such agreement remains in effect there-
11 after; provided, however, that any such eligibility shall not apply upon
12 termination of such agreement for employees otherwise subject to the
13 provisions of article twenty-two of the retirement and social security
14 law.

15 (b) Notwithstanding any other provision of law to the contrary, any
16 member of a retirement system within New York state who became a member
17 of such system on or after July 1, 2009 and before January 10, 2010 and
18 subsequently become a member of the New York state and local police and
19 fire retirement system and thereafter transferred his or her membership
20 in the first retirement system to the New York state and local police
21 and fire retirement system may elect to be covered by the provisions of

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

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1 article twenty-two of the retirement and social security law effective
2 on the date of membership in the first retirement system. Such member
3 shall also be permitted to elect any special retirement plan available
4 to him or her. Any contributions for previous pension benefits shall not
5 be refunded.

6 § 2. This act shall take effect immediately.

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

This bill would amend Chapter 504 of the Laws of 2009 to allow an individual who became a member of a public retirement system on or after July 1, 2009 and before January 10, 2010 and who transferred membership into the New York State and Local Police and Fire Retirement System (PFRS) to elect to be covered by the provisions of Article 22 of the Retirement and Social Security Law. Such member would also be allowed to elect to become covered by any plan that would have been available to such member had such member been covered under Article 22 on or after July 1, 2009 and before January 10, 2010. Any member who becomes covered under a non-contributory plan would no longer be required to make member contributions.

If this bill is enacted, there would not be any cost to the State of New York and the participating employers in the New York State and Local Police and Fire Retirement System.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2015 actuarial valuation. Distributions and other statistics can be found in the 2015 Report of the Actuary and the 2015 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015 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, 2015 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This estimate, dated June 7, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-112, prepared by the Actuary for the New York State and Local Retirement System.

**NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1**

BILL NUMBER: S7174B

SPONSOR: GOLDEN

TITLE OF BILL: An act to amend chapter 504 of the laws of 2009 amending the retirement and social security law and other laws relating to establishing police and fire retirement provisions, in relation to persons joining a public retirement system on or after July 1, 2009 and before January 10, 2010

PURPOSE:

After the veto of the New York State Police & Fire Retirement system Tier II, there was a period from July 1st, 2009 through January 10th, 2010 that placed newly hired police officers and firefighters in the Tier III system. Once the enactment of Tier V took effect, it allowed these members the ability to opt in to Tier V. This option expired in 2010. There are now situations where members are being hired as police officers and fire fighters, who had previous credit in the retirement system and have been placed in the tier that coincides with their original starting date in the pension system. The members who started with the retirement system during the above mentioned period can only be placed back in Tier III, since the option to go into Tier V has expired. If this bill is enacted, the member will have the option to be placed into the Tier V system; the same option the members originally had in 2010.

SUMMARY OF PROVISIONS:

This bill would amend the Retirement and Social Security Law to allow certain members the ability to establish Tier V benefits.

JUSTIFICATION:

Members who are hired as public employees and placed into the retirement system have the right to obtain the benefits and privileges of the original date of entry into the system. In some instances, when a member moves from one public employment career to another, it changes the pension tier that they were originally placed in. The Constitution, which protects any diminishment of pension rights, allows the member to use his or her original starting date. The members that use the original starting dates of June 30th, 2009 through January 10th 2010 can only be placed in Tier III because during that period a new pension tier to replace Tier II had yet to be developed. Once Tier V came into existence, the members at that time were allowed to opt in to Tier V. This bill would create the same option. Furthermore, placing these members into Tier V rather than Tier III would be a cost savings to both the State and participating municipalities because the contribution rate for

the Tier III plan is greater than that of Tier V.

LEGISLATIVE HISTORY:

The option this bill allows was available in 2010.

FISCAL IMPLICATIONS:

See The Bill.

EFFECTIVE DATE: