

STATE OF NEW YORK

S. 6735

A. 9558

SENATE - ASSEMBLY

March 15, 2012

IN SENATE -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY -- Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the retirement and social security law, the education law and the administrative code of the city of New York, in relation to persons joining the New York state and local employees' retirement system, the New York state and local police and fire retirement system, the New York state teachers' retirement system, the New York city employees' retirement system, the New York city teachers' retirement system, the New York city board of education retirement system, the New York city police pension fund, or the New York city fire pension fund on or after April 1, 2012; to amend the executive law, in relation to action by the people for illegal receipt or disposition of public funds or other property; and to amend the retirement and social security law, in relation to benefit enhancements

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

1 Section 1. Legislative findings and intent. The legislature finds that
2 the state's current pension system is financially unsustainable result-
3 ing in fiscal instability for the state, local governments and school
4 districts. Most alarmingly, the dramatic growth in pension costs has
5 resulted in a greater stress on the already overburdened taxpayer.
6 Moreover, there is a significant state interest to reform the city of
7 New York's pension system. Rapid and unsustainable growth of the city of
8 New York's pension costs has a deleterious effect on the city, but as
9 importantly, on the financial security of the entire state. As the
10 financial capital of the world, the entire state relies heavily on the
11 fiscal stability and growth of the city of New York. The ever-increasing
12 and dramatic increases in pension costs in the city of New York, howev-
13 er, are destabilizing the fiscal and economic stability of the city of
14 New York and therefore the state. Thus, rapidly growing New York city

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

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1 pension costs are of substantial state concern and must be remedied
2 immediately.

3 It is incumbent on the state to implement common sense long-term
4 structural reform of the current pension system for future employees.
5 These reforms will not only protect the benefits of the public employ-
6 ees, but will provide financial stability to the state government, local
7 governments and school districts and taxpayers across this state.

8 § 1-a. Paragraph 1 of subdivision j of section 41 of the retirement
9 and social security law, as amended by chapter 397 of the laws of 2009,
10 is amended to read as follows:

11 1. In addition to any other service credit to which he or she is enti-
12 tled, a member who meets the requirements set forth in paragraphs two
13 and three of this subdivision shall be granted one day of additional
14 service credit for each day of accumulated unused sick leave which he or
15 she has at time of retirement for service, but such credit shall not (a)
16 exceed one hundred sixty-five days, (b) be considered in meeting any
17 service or age requirements prescribed in this chapter, and (c) be
18 considered in computing final average salary. However, for an executive
19 branch member designated managerial or confidential pursuant to article
20 fourteen of the civil service law or in the collective negotiating units
21 established by article fourteen of the civil service law designated the
22 professional, scientific and technical services unit, the rent regu-
23 lation services negotiating unit, the security services negotiating
24 unit, the security supervisors negotiating unit, the state university
25 professional services negotiating unit, the administrative services
26 negotiating unit, the institutional services negotiating unit, the oper-
27 ational services negotiating unit and the division of military and naval
28 affairs negotiating unit such service credit limitation provided in
29 subparagraph (a) of this paragraph shall not exceed two hundred days.
30 For a nonjudicial officer or employee of the unified court system not in
31 a collective negotiating unit or in a collective negotiating unit speci-
32 fied in section one of chapter two hundred three of the laws of two
33 thousand four, for employees of the New York state dormitory authority,
34 for employees of the New York state thruway authority, the New York
35 state canal corporation and the state university construction fund and
36 for employees of the New York liquidation bureau such service credit
37 limitation provided in subparagraph (a) of this paragraph shall not
38 exceed two hundred days. For members who first become members of a
39 public retirement system of the state on or after April first, two thou-
40 sand twelve, such credit shall not exceed one hundred days.

41 § 2. Subdivisions a and b of section 376 of the retirement and social
42 security law, subdivision a as amended by chapter 389 of the laws of
43 1998 and subdivision b as amended by chapter 371 of the laws of 1969,
44 are amended to read as follows:

45 a. A member who discontinues service other than by death or retire-
46 ment:

- 47 1. who has credit for at least five years of total service, or
- 48 2. who has credit for at least five years of total service, including
49 a minimum of five years of member service during which the member
50 contributed to the system and/or participated in an increased-take-home-
51 pay or non-contributory plan, and who does not withdraw his or her accu-
52 mulated contributions, shall be entitled to make application pursuant to
53 section three hundred seventy of this article for a vested retirement
54 allowance to be effective on or after the first day of the month follow-
55 ing his or her attainment of sixty years of age, or sixty-three years of
56 age for a member who first becomes a member of the New York state and



1 local police and fire retirement system on or after April first, two
2 thousand twelve. The retirement allowance provided by this section
3 shall vest automatically upon such discontinuance of service by such
4 member.

5 3. In the case of such a member who discontinues service other than by
6 death or retirement after March thirty-first, nineteen hundred sixty-
7 six, who had been contributing toward and/or participating in an
8 increased-take-home-pay or non-contributory plan for retirement on a
9 basis other than retirement at age sixty for five years preceding his or
10 her discontinuance of service, he or she shall be entitled to make
11 application for a vested retirement allowance to be effective on or
12 after the first day of the month following his or her attainment of
13 fifty-five years of age, or sixty-three years of age for a member who
14 first becomes a member of the New York state and local police and fire
15 retirement system on or after April first, two thousand twelve.

16 b. The vested retirement allowance shall be computed and paid in
17 accordance with the provisions of the plan of which the member had been
18 a participant provided, however, that if the service fraction used to
19 compute the retirement allowance or the pension provides a benefit
20 greater than that which would have been provided had the service frac-
21 tion one-sixtieth been used to compute the benefit, the service fraction
22 one-sixtieth shall be used to compute the vested retirement allowance
23 unless such plan shall specify another fraction to be used to compute
24 the vested retirement allowance. The vested retirement allowance shall
25 not be paid before the member attains age fifty-five, or sixty-three
26 years of age for a member who first becomes a member of the New York
27 state and local police and fire retirement system on or after April
28 first, two thousand twelve.

29 § 3. Subdivision e of section 440 of the retirement and social securi-
30 ty law, as added by chapter 285 of the laws of 1997, is amended to read
31 as follows:

32 e. Notwithstanding any other provision of law to the contrary, the
33 provisions and limitations of this article shall apply, as may be appro-
34 priate, to all investigator members of the New York city employees'
35 retirement system who last joined such retirement system on or after
36 July first, nineteen hundred seventy-six, and prior to the effective
37 date of the chapter of the laws of two thousand twelve which amended
38 this subdivision.

39 § 4. Subdivisions 5, 7, 12, 17 and 24 of section 501 of the retirement
40 and social security law, subdivisions 5, 12 and 17 as added by chapter
41 890 of the laws of 1976, subdivision 7 as amended by chapter 408 of the
42 laws of 2000 and subdivision 24 as amended by section 1 of part B of
43 chapter 504 of the laws of 2009, are amended to read as follows:

44 5. "Early retirement age" shall mean age fifty-five, for general
45 members, and the age on which a member completes or would have completed
46 twenty years of service, for police/fire members, New York city
47 uniformed correction/sanitation revised plan members and investigator
48 revised plan members.

49 7. "Eligible beneficiary" for the purposes of section five hundred
50 nine of this article shall mean the following persons or classes of
51 persons in the order set forth: (a) a surviving spouse who has not
52 renounced survivorship rights in a separation agreement, until remar-
53 riage, (b) surviving children until age twenty-five, (c) dependent
54 parents, determined under regulations promulgated by the comptroller,
55 (d) any other person who qualified as a dependent on the final federal
56 income tax return of the member or the return filed in the year imme-

diately preceding the year of death, until such person reaches twenty-one years of age and (e) with respect to members of the New York city employees' retirement system (other than a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member) and the board of education retirement system of the city of New York, a person whom the member shall have nominated in the form of a written designation, duly acknowledged and filed with the head of the retirement system for the purpose of section five hundred eight of this article. In the event that a class of eligible beneficiaries consists of more than one person, benefits shall be divided equally among the persons in such class. For the purposes of section five hundred eight of this article the term "eligible beneficiary" shall mean such person as the member shall have nominated to receive the benefits provided in this article. To be effective, such a nomination must be in the form of a written designation, duly acknowledged and filed with the head of the retirement system for this specific purpose. In the event such designated beneficiary does not survive him, or if he shall not have so designated a beneficiary, such benefits shall be payable to the deceased member's estate or as provided in section one thousand three hundred ten of the surrogate's court procedure act.

12. "General member" shall mean a member subject to the provisions of this article who is not a police/fire member, a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member.

17. "Normal retirement age" shall be age sixty-two, for general members, and the age at which a member completes or would have completed twenty-two years of service, for police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members.

24. "Wages" shall mean regular compensation earned by and paid to a member by a public employer, except that for members who first join the state and local employees' retirement system on or after January first, two thousand ten, overtime compensation paid in any year in excess of the overtime ceiling, as defined by this subdivision, shall not be included in the definition of wages. "Overtime compensation" shall mean, for purposes of this section, compensation paid under any law or policy under which employees are paid at a rate greater than their standard rate for additional hours worked beyond those required, including compensation paid under section one hundred thirty-four of the civil service law and section ninety of the general municipal law. The "overtime ceiling" shall mean fifteen thousand dollars per annum on January first, two thousand ten, and shall be increased by three percent each year thereafter, provided, however, that for members who first become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, "overtime ceiling" shall mean fifteen thousand dollars per annum on April first, two thousand twelve, and shall be increased each year thereafter by a percentage to be determined annually by reference to the consumer price index (all urban consumers, CPI-U, U.S. city average, all items, 1982-84=100), published by the United States bureau of labor statistics, for each applicable calendar year. Said percentage shall equal the annual inflation as determined from the increase in the consumer price index in the one year period ending on the December thirty-first prior to the cost-of-living adjustment effective on the ensuing April first. For the purpose of calculation a member's primary federal social security retirement or disability benefit, wages shall, in any calendar year, be limited to the



1 portion of the member's wages which would be subject to tax under
2 section three thousand one hundred twenty-one of the internal revenue
3 code of nineteen hundred fifty-four, or any predecessor or successor
4 provision relating thereto, if such member was employed by a private
5 employer. For members who first become members of the New York state
6 and local employees' retirement system on or after the effective date of
7 the chapter of the laws of two thousand twelve which amended this subdi-
8 vision, the following items shall not be included in the definition of
9 wages: (a) wages in excess of the annual salary paid to the governor
10 pursuant to section three of article four of the state constitution, (b)
11 lump sum payments for deferred compensation, sick leave, accumulated
12 vacation or other credits for time not worked, (c) any form of termi-
13 nation pay, (d) any additional compensation paid in anticipation of
14 retirement, and (e) in the case of employees who receive wages from
15 three or more employers in a twelve month period, the wages paid by the
16 third and each successive employer.

17 § 5. Section 501 of the retirement and social security law is amended
18 by adding three new subdivisions 25, 26 and 27 to read as follows:

19 25. "New York city uniformed correction/sanitation revised plan
20 member" shall mean a member who becomes subject to the provisions of
21 this article on or after April first, two thousand twelve, and who is a
22 member of either the uniformed force of the New York city department of
23 correction or the uniformed force of the New York city department of
24 sanitation.

25 26. "New York city police/fire revised plan member" shall mean a
26 police/fire member who becomes subject to the provisions of this article
27 on or after April first, two thousand twelve, and who is a member of
28 either the New York city police pension fund or the New York city fire
29 department pension fund.

30 27. "Investigator revised plan member" shall mean an investigator
31 member of the New York city employees' retirement system who is a police
32 officer as defined in paragraph (g) of subdivision thirty-four of
33 section 1.20 of the criminal procedure law, and who becomes subject to
34 the provisions of this article on or after April first, two thousand
35 twelve.

36 § 6. Intentionally omitted.

37 § 7. Subdivisions a, c and d of section 503 of the retirement and
38 social security law, subdivision a as amended by chapter 662 of the laws
39 of 1988, subdivision c as amended by section 143 of subpart B of part C
40 of chapter 62 of the laws of 2011 and subdivision d as added by chapter
41 890 of the laws of 1976, are amended to read as follows:

42 a. The normal service retirement benefit specified in section five
43 hundred four of this article shall be payable to general members, other
44 than elective members, who have met the minimum service requirements
45 upon retirement and attainment of age sixty-two, provided, however, a
46 general member who is a peace officer employed by the unified court
47 system or a member of a teachers' retirement system may retire without
48 reduction of his or her retirement benefit upon attainment of at least
49 fifty-five years of age and completion of thirty or more years of
50 service. For members who become members of the New York state and local
51 employees' retirement system on or after April first, two thousand
52 twelve, the normal service retirement benefits specified in section five
53 hundred four of this article shall be payable to general members, other
54 than elective members, who have met the minimum service requirements
55 upon retirement and attainment of age sixty-three.



1 c. A general member shall be eligible for early service retirement at
2 age fifty-five with five years of credited service. A general member in
3 the uniformed correction force of the New York city department of
4 correction, who is not eligible for early service retirement pursuant to
5 subdivision c of section five hundred four-a of this article or subdivi-
6 sion c of section five hundred four-b of this article or subdivision c
7 of section five hundred four-d of this article, or a general member in
8 the uniformed personnel in institutions under the jurisdiction of the
9 department of corrections and community supervision, as defined in
10 subdivision i of section eighty-nine of this chapter or serving in
11 institutions who is also in a title defined in such subdivision and who
12 has made an election pursuant to the provisions of article seventeen of
13 this chapter, shall also be eligible for early service retirement after
14 twenty-five years of credited service, provided, however, that the
15 provisions of this subdivision and subdivision a of this section shall
16 not apply to a New York city uniformed correction/sanitation revised
17 plan member or an investigator revised plan member.

18 d. The normal service retirement benefit specified in section five
19 hundred five of this article shall be paid to police/fire members, New
20 York city uniformed correction/sanitation revised plan members and
21 investigator revised plan members without regard to age upon retirement
22 after twenty-two years of service. Early service retirement shall be
23 permitted upon retirement after twenty years of credited service or
24 attainment of age sixty-two, provided, however, that New York city
25 police/fire revised plan members, New York city uniformed
26 correction/sanitation revised plan members and investigator revised plan
27 members shall not be eligible to retire for service prior to the attain-
28 ment of twenty years of credited service.

29 § 8. Subdivisions a, c and d of section 504 of the retirement and
30 social security law, subdivision a as added by chapter 890 of the laws
31 of 1976, subdivision c as amended by section 3 of part B of chapter 504
32 of the laws of 2009 and subdivision d as amended by section 144 of
33 subpart B of part C of chapter 62 of the laws of 2011, are amended to
34 read as follows:

35 a. The service retirement benefit for general members at normal
36 retirement age with twenty or more years of credited service shall be a
37 pension equal to one-fiftieth of final average salary times years of
38 credited service, not in excess of thirty years, less fifty percent of
39 the primary social security retirement benefit as provided in section
40 five hundred eleven of this article. The service retirement benefit for
41 general members at normal retirement age with twenty or more years of
42 service who first become members of the New York state and local employ-
43 ees' retirement system on or after April first, two thousand twelve at
44 normal retirement age shall be a pension equal to the sum of thirty-five
45 per centum and one-fiftieth of final average salary for each year of
46 service in excess of twenty, but not in excess of thirty, times final
47 average salary times years of credited service.

48 c. The early service retirement benefit for general members, except
49 for general members whose early retirement benefit is specified in
50 subdivision d of this section, shall be the service retirement benefit
51 specified in subdivision a or b of this section, as the case may be,
52 without social security offset, reduced by one-fifteenth for each of the
53 first two years by which early retirement precedes age sixty-two, plus a
54 further reduction of: (1) one-thirtieth; or (2) one-twentieth for
55 members who first join the New York state and local employees' retire-
56 ment system on or after January first, two thousand ten, for each year



1 by which early retirement precedes age sixty, provided however, that for
2 members who first become members of the New York state and local employ-
3 ees' retirement system on or after the effective date of the chapter of
4 the laws of two thousand twelve which amended this subdivision, the
5 early service retirement benefit for general members, except for general
6 members whose early retirement benefit is specified in subdivision d of
7 this section, shall be the service retirement benefit specified in
8 subdivision a or b of this section, as the case may be, without social
9 security offset, reduced by six and one-half per centum for each year by
10 which early retirement precedes age sixty-three. At age sixty-two, the
11 benefit shall be reduced by fifty percent of the primary social security
12 retirement benefit, as provided in section five hundred eleven of this
13 article.

14 d. The early service retirement benefit for general members in the
15 uniformed correction force of the New York city department of
16 correction, who are not entitled to an early service retirement benefit
17 pursuant to subdivision c of section five hundred four-a of this article
18 or subdivision c of section five hundred four-b of this article or
19 subdivision c of section five hundred four-d of this article, or for
20 general members in the uniformed personnel in institutions under the
21 jurisdiction of the department of corrections and community supervision,
22 as defined in subdivision i of section eighty-nine of this chapter,
23 shall be a pension equal to one-fiftieth of final average salary times
24 years of credited service at the completion of twenty-five years of
25 service, but not in excess of fifty percent of final average salary,
26 provided, however, that the provisions of this section shall not apply
27 to a New York city uniformed correction/sanitation revised plan member.

28 § 9. Subdivision b of section 504-a of the retirement and social secu-
29 rity law is amended by adding a new paragraph 4-a to read as follows:

30 4-a. Notwithstanding any other provision of this subdivision or any
31 other provision of law to the contrary, no member of the uniformed force
32 of the New York city department of correction who is a New York city
33 uniformed correction/sanitation revised plan member shall be a partic-
34 ipant in the twenty-year retirement program.

35 § 10. Subdivision b of section 504-b of the retirement and social
36 security law is amended by adding a new paragraph 4-a to read as
37 follows:

38 4-a. Notwithstanding any other provision of this subdivision or any
39 other provision of law to the contrary, no member of the uniformed force
40 of the New York city department of correction who is a New York city
41 uniformed correction/sanitation revised plan member shall be a partic-
42 ipant in the twenty-year retirement program for captains and above.

43 § 11. Subdivision b of section 504-d of the retirement and social
44 security law is amended by adding a new paragraph 1-a to read as
45 follows:

46 1-a. Notwithstanding any other provision of this subdivision or any
47 other provision of law to the contrary, no member of the uniformed force
48 of the New York city department of correction who is a New York city
49 uniformed correction/sanitation revised plan member shall be a partic-
50 ipant in the twenty-year retirement program.

51 § 12. Section 505 of the retirement and social security law, as added
52 by chapter 890 of the laws of 1976, is amended to read as follows:

53 § 505. Service retirement benefits; police/fire members, New York city
54 uniformed correction/sanitation revised plan members and investigator
55 revised plan members. a. The normal service retirement benefit for
56 police/fire members, New York city uniformed correction/sanitation



1 revised plan members and investigator revised plan members at normal
2 retirement age shall be a pension equal to fifty percent of final aver-
3 age salary, less fifty percent of the primary social security retirement
4 benefit commencing at age sixty-two, as provided in section five hundred
5 eleven of this article.

6 b. The early service retirement benefit for police/fire members, New
7 York city uniformed correction/sanitation revised plan members and
8 investigator revised plan members shall be a pension equal to two and
9 one-tenths percent of final average salary times years of credited
10 service at the completion of twenty years of service or upon attainment
11 of age sixty-two, increased by one-third of one percent of final average
12 salary for each month of service in excess of twenty years, but not in
13 excess of fifty percent of final average salary, less fifty percent of
14 the primary social security retirement benefit commencing at age sixty-
15 two as provided in section five hundred eleven of this article,
16 provided, however, that New York city police/fire revised plan members,
17 New York city uniformed correction/sanitation revised plan members and
18 investigator revised plan members shall not be eligible to retire for
19 service prior to the attainment of twenty years of credited service.

20 c. A police/fire member, a New York city uniformed
21 correction/sanitation revised plan member or an investigator revised
22 plan member who retires with twenty-two years of credited service or
23 less may become eligible for annual escalation of the service retirement
24 benefit if he elects to have the payment of his benefit commence on the
25 date he would have completed twenty-two years and one month or more of
26 service. In such event, the service retirement benefit shall equal two
27 percent of final average salary for each year of credited service, less
28 fifty percent of the primary social security retirement benefit commenc-
29 ing at age sixty-two as provided in section five hundred eleven of this
30 article.

31 § 13. Subdivisions b and c of section 507 of the retirement and social
32 security law, subdivision b as amended by chapter 489 of the laws of
33 2008 and subdivision c as amended by chapter 513 of the laws of 2010,
34 are amended to read as follows:

35 b. A police/fire member in active service, a New York city uniformed
36 correction/sanitation revised plan member in active service or an inves-
37 tigator revised plan member in active service, or a vested member inca-
38 pacitated as the result of a qualifying World Trade Center condition as
39 defined in section two of this chapter, who is not eligible for a normal
40 service retirement benefit shall be eligible for the accidental disabili-
41 ty benefit either as provided in subdivision a of this section or if
42 such member is physically or mentally incapacitated for performance of
43 duty as the natural and proximate result of an accident sustained in
44 such active service and not caused by such member's own willful negli-
45 gence.

46 c. In the case of a member of a retirement system other than the New
47 York state and local employees' retirement system, the New York state
48 teachers' retirement system, the New York city employees' retirement
49 system, the New York city board of education retirement system or the
50 New York city teachers' retirement system, or in the case of a member of
51 the New York city employees' retirement system who is a New York city
52 uniformed correction/sanitation revised plan member or an investigator
53 revised plan member, the accidental disability benefit hereunder shall
54 be a pension equal to two percent of final average salary times years of
55 credited service which such member would have attained if employment had
56 continued until such member's full escalation date, not in excess of the

1 maximum years of service creditable for the normal service retirement
2 benefit, less (i) fifty percent of the primary social security disabili-
3 ty benefit, if any, as provided in section five hundred eleven of this
4 article, and (ii) one hundred percent of any workers' compensation bene-
5 fits payable.

6 In the case of a member of the New York state and local employees'
7 retirement system, the New York state teachers' retirement system, the
8 New York city employees' retirement system (other than a New York city
9 uniformed correction/sanitation revised plan member or an investigator
10 revised plan member), the New York city board of education retirement
11 system or the New York city teachers' retirement system, the accidental
12 disability benefit hereunder shall be a pension equal to sixty percent
13 of final average salary, less (i) fifty percent of the primary social
14 security disability benefit, if any, as provided in section five hundred
15 eleven of this article, and (ii) one hundred percent of any workers'
16 compensation benefits payable. In the event a disability retiree from
17 any retirement system is not eligible for the primary social security
18 disability benefit and continues to be eligible for disability benefits
19 hereunder, such disability benefit shall be reduced by one-half of such
20 retiree's primary social security retirement benefit, commencing at age
21 sixty-two, in the same manner as provided for service retirement bene-
22 fits under section five hundred eleven of this article.

23 § 14. The opening paragraph of subdivision a of section 507-a of the
24 retirement and social security law, as amended by section 145 of subpart
25 B of part C of chapter 62 of the laws of 2011, is amended to read as
26 follows:

27 [Application] Subject to the provisions of subdivision e of this
28 section, application for a disability retirement allowance for a member
29 in the uniformed personnel in institutions under the jurisdiction of the
30 department of corrections and community supervision of New York state as
31 defined in subdivision i of section eighty-nine of this chapter or for a
32 member serving in institutions who is also in a title defined in such
33 subdivision and who has made an election pursuant to the provisions of
34 article seventeen of this chapter or the New York city department of
35 correction may be made by:

36 § 15. Section 507-a of the retirement and social security law is
37 amended by adding a new subdivision e to read as follows:

38 e. Notwithstanding the preceding subdivisions of this section to the
39 contrary, this section shall not apply to a member of the uniformed
40 force of the New York city department of correction who is a New York
41 city uniformed correction/sanitation revised plan member.

42 § 16. Subdivision a of section 507-c of the retirement and social
43 security law, as added by chapter 622 of the laws of 1997, is amended to
44 read as follows:

45 a. Any member in the uniformed personnel in institutions under the
46 jurisdiction of the New York city department of correction, who becomes
47 physically or mentally incapacitated for the performance of duties as
48 the natural and proximate result of an injury, sustained in the perform-
49 ance or discharge of his or her duties by, or as a natural and proximate
50 result of, an act of any inmate or any person confined in an institution
51 under the jurisdiction of the department of correction or the department
52 of health, or by any person who has been committed to such institution
53 by any court shall be paid a performance of duty disability retirement
54 allowance equal to three-quarters of final average salary, subject to
55 the provisions of section 13-176 of the administrative code of the city
56 of New York, provided, however, that the provisions of this section



1 shall not apply to a member of the uniformed force of the New York city
2 department of correction who is a New York city uniformed
3 correction/sanitation revised plan member.

4 § 17. Subdivision b of section 508 of the retirement and social secu-
5 rity law, as amended by chapter 601 of the laws of 1997, is amended to
6 read as follows:

7 b. A member of a retirement system subject to the provisions of this
8 article who is a policeman, fireman, correction officer, investigator
9 revised plan member or sanitation man and is in a plan which permits
10 immediate retirement upon completion of a specified period of service
11 without regard to age or who is subject to the provisions of section
12 five hundred four or five hundred five of this article, shall upon
13 completion of ninety days of service be covered for financial protection
14 in the event of death in service pursuant to this subdivision. Such
15 death benefit shall be equal to three times the member's salary raised
16 to the next highest multiple of one thousand dollars, but in no event
17 shall it exceed three times the maximum salary specified in section one
18 hundred thirty of the civil service law or, in the case of a member of a
19 retirement system other than the New York city employees' retirement
20 system, or in the case of a member of the New York city employees'
21 retirement system who is a New York city uniformed correction/sanitation
22 revised plan member or an investigator revised plan member, the specific
23 limitations specified for age of entrance into service contained in
24 subparagraphs (b), (c), (d), (e) and (f) of paragraph two of subdivision
25 a of this section.

26 § 18. Paragraph 2 of subdivision b of section 510 of the retirement
27 and social security law, as added by chapter 890 of the laws of 1976, is
28 amended to read as follows:

29 2. The first day of the month following the date on which a member
30 completes or would have completed twenty-five years of credited service,
31 with respect to service retirement benefits for police/fire members and
32 their beneficiaries, New York city uniformed correction/sanitation
33 revised plan members and their beneficiaries or investigator revised
34 plan members and their beneficiaries.

35 § 19. Subdivision f of section 511 of the retirement and social secu-
36 rity law, as amended by section 147 of subpart B of part C of chapter 62
37 of the laws of 2011, is amended to read as follows:

38 f. This section shall not apply to general members in the uniformed
39 correction force of the New York city department of correction or to
40 uniformed personnel in institutions under the jurisdiction of the
41 department of corrections and community supervision and security hospi-
42 tal treatment assistants, as those terms are defined in subdivision i of
43 section eighty-nine of this chapter, provided, however, that the
44 provisions of this section shall apply to a New York city uniformed
45 correction/sanitation revised plan member.

46 § 20. Section 512 of the retirement and social security law, as
47 amended by chapter 379 of the laws of 1986, subdivisions b and c as
48 amended by chapter 286 of the laws of 2010 and subdivision d as added by
49 chapter 749 of the laws of 1992, is amended to read as follows:

50 § 512. Final average salary. a. A member's final average salary shall
51 be the average wages earned by such a member during any three consec-
52 utive years which provide the highest average wage; provided, however,
53 if the wages earned during any year included in the period used to
54 determine final average salary exceeds that of the average of the previ-
55 ous two years by more than ten percent, the amount in excess of ten
56 percent shall be excluded from the computation of final average salary.

1 [Where] Notwithstanding the preceding provisions of this subdivision to
2 the contrary, for a member who first becomes a member of the New York
3 state and local employees' retirement system on or after April first,
4 two thousand twelve, or for a New York city police/fire revised plan
5 member, a New York city uniformed correction/sanitation revised plan
6 member or an investigator revised plan member, a member's final average
7 salary shall be the average wages earned by such a member during any
8 five consecutive years which provide the highest average wage; provided,
9 however, if the wages earned during any year included in the period used
10 to determine final average salary exceeds that of the average of the
11 previous four years by more than ten percent, the amount in excess of
12 ten percent shall be excluded from the computation of final average
13 salary. In determining final average salary pursuant to any provision of
14 this subdivision, where the period used to determine final average sala-
15 ry is the period which immediately precedes the date of retirement, any
16 month or months (not in excess of twelve) which would otherwise be
17 included in computing final average salary but during which the member
18 was on authorized leave of absence at partial pay or without pay shall
19 be excluded from the computation of final average salary and the month
20 or an equal number of months immediately preceding such period shall be
21 substituted in lieu thereof.

22 b. Notwithstanding the provisions of subdivision a of this section,
23 with respect to members of the New York state employees' retirement
24 system who first become members of the New York state and local employ-
25 ees' retirement system before April first, two thousand twelve, the New
26 York state and local police and fire retirement system and the New York
27 city teachers' retirement system, a member's final average salary shall
28 be equal to one-third of the highest total wages earned during any
29 continuous period of employment for which the member was credited with
30 three years of service credit; provided, however, if the wages earned
31 during any year of credited service included the period used to deter-
32 mine final average salary exceeds the average of the wages of the previ-
33 ous two years of credited service by more than ten percent, the amount
34 in excess of ten percent shall be excluded from the computation of final
35 average salary. For members who first become a member of the New York
36 state and local employees' retirement system on or after April first,
37 two thousand twelve, with respect to members of the New York state and
38 local employees' retirement system, a member's final average salary
39 shall be equal to one-fifth of the highest total wages earned during any
40 continuous period of employment for which the member was credited with
41 five years of service credit; provided, however, if the wages earned
42 during any year of credited service included the period used to deter-
43 mine final average salary exceeds the average of the wages of the previ-
44 ous four years of credited service by more than ten percent, the amount
45 in excess of ten percent shall be excluded from the computation of final
46 average salary.

47 c. Notwithstanding the provisions of subdivisions a and b of this
48 section, the final average salary of an employee who has been a member
49 of the New York city employees' retirement system (other than a New York
50 city correction/sanitation revised plan member or an investigator
51 revised plan member) or the New York city teachers' retirement system
52 for less than one year shall be the projected one year salary, with the
53 calculation based upon a twelve month projection of the sums earned in
54 the portion of the year worked. If a member has been employed for more
55 than one year but less than two years, then the member's final average
56 salary shall be the average of the first year and projected second year



1 earnings based upon the calculation above, and if more than two years,
2 but less than three years, then one-third the total of the first two
3 years of employment plus the projected third year's earnings, calculated
4 as indicated above.

5 d. Subject to the provisions of subdivision c of this section, and
6 notwithstanding the provisions of subdivision a of this section, with
7 respect to members of the New York city employees' retirement system
8 (other than a New York city uniformed correction/sanitation revised plan
9 member or an investigator revised plan member) and the New York city
10 board of education retirement system who are subject to the provisions
11 of this article, a member's final average salary shall be determined
12 pursuant to the provisions of paragraph thirteen of subdivision e of
13 section 13-638.4 of the administrative code of the city of New York.

14 § 21. Subdivision h of section 513 of the retirement and social secu-
15 rity law, as added by chapter 477 of the laws of 2005, is amended to
16 read as follows:

17 h. Notwithstanding any other provision of this section, any general
18 member in the uniformed correction force of the New York city department
19 of [corrections] correction who is absent without pay for a child care
20 leave of absence pursuant to regulations of the New York city department
21 of [corrections] correction shall be eligible for credit for such period
22 of child care leave provided such member files a claim for such service
23 credit with the retirement system by December thirty-first, two thousand
24 five or within ninety days of the termination of the child care leave,
25 whichever is later, and contributes to the retirement system an amount
26 which such member would have contributed during the period of such child
27 care leave, together with interest thereon. Service credit provided
28 pursuant to this subdivision shall not exceed one year of credit for
29 each period of authorized child care leave. In the event there is a
30 conflict between the provisions of this subdivision and the provisions
31 of any other law or code to the contrary, the provisions of this subdi-
32 vision shall govern, provided, however, that the provisions of this
33 subdivision shall not apply to a member of the uniformed force of the
34 New York city department of correction who is a New York city uniformed
35 correction/sanitation revised plan member.

36 § 22. Intentionally omitted.

37 § 23. Subdivisions c and d of section 516 of the retirement and social
38 security law, subdivision c as added by chapter 890 of the laws of 1976
39 and subdivision d as amended by section 148 of subpart B of part C of
40 chapter 62 of the laws of 2011, are amended and a new subdivision e is
41 added to read as follows:

42 c. The deferred vested benefit of police/fire members, New York city
43 police/fire revised plan members, New York city uniformed
44 correction/sanitation revised plan members or investigator revised plan
45 members shall be a pension commencing at early retirement age equal to
46 two and one-tenths percent of final average salary times years of cred-
47 ited service, less fifty percent of the primary social security retire-
48 ment benefit commencing at age sixty-two, as provided in section five
49 hundred eleven of this article. A police/fire member, a New York city
50 police/fire revised plan member, a New York city uniformed
51 correction/sanitation revised plan member or investigator revised plan
52 member may elect to receive his vested benefit commencing at early
53 retirement age or age fifty-five. If the vested benefit commences before
54 early retirement age, the benefit shall be reduced by one-fifteenth for
55 each year, if any, that the member's early retirement age is in excess
56 of age sixty, and by one-thirtieth for each additional year by which the

1 vested benefit commences prior to early retirement age. If such vested
2 benefit is deferred until after such member's normal retirement age, the
3 benefit shall be computed and subject to annual escalation in the same
4 manner as provided for an early retirement benefit pursuant to subdivi-
5 sion c of section five hundred five of this article.

6 d. The deferred vested benefit of general members in the uniformed
7 correction force of the New York city department of correction, who are
8 not entitled to a deferred vested benefit under subdivision d of section
9 five hundred four-a of this article or under subdivision d of section
10 five hundred four-b of this article or under subdivision d of section
11 five hundred four-d of this article, or of general members in the
12 uniformed personnel in institutions under the jurisdiction of the
13 department of corrections and community supervision, as defined in
14 subdivision i of section eighty-nine of this chapter, with twenty or
15 more years of credited service shall be a pension commencing at normal
16 retirement age equal to one-fiftieth of final average salary times years
17 of credited service, not in excess of thirty years, or for members who
18 first become members of the New York state and local employees' retire-
19 ment system on or after April first, two thousand twelve, a pension
20 equal to the sum of thirty-five per centum and one-fiftieth of final
21 average salary for each year of service in excess of twenty, but not in
22 excess of thirty, times final average salary times years of credited
23 service. The deferred vested benefit of general members in the
24 uniformed correction force of the New York city department of
25 correction, who are not entitled to a deferred vested benefit under
26 subdivision d of section five hundred four-a of this article or under
27 subdivision d of section five hundred four-b of this article or under
28 subdivision d of section five hundred four-d of this article, or of
29 general members in the uniformed personnel in institutions under juris-
30 diction of the department of corrections and community supervision, as
31 defined in subdivision i of section eighty-nine of this chapter, with
32 less than twenty years of credited service shall be a pension commencing
33 at normal retirement age equal to one-sixtieth of final average salary
34 times years of credited service. Such deferred vested benefit may be
35 paid in the form of an early service retirement benefit, or may be post-
36 poned until after normal retirement age, in which event the benefit will
37 be subject to reduction or escalation as provided in subdivision c of
38 section five hundred four of this article.

39 e. In no event shall the vested retirement allowance payable without
40 optional modification be less than the actuarial equivalent of the total
41 which results from the member's contributions accumulated with interest
42 at five percent per annum compounded annually to the date of retirement.

43 § 24. Subdivision a of section 517 of the retirement and social secu-
44 rity law, as added by chapter 890 of the laws of 1976, is amended to
45 read as follows:

46 a. Members shall contribute three percent of annual wages to the
47 retirement system in which they have membership, provided that such
48 contributions shall not be required for more than thirty years, for
49 general members, or twenty-five years, for police/fire members, except
50 that beginning April first, two thousand thirteen for members who first
51 become members of the New York state and local employees' retirement
52 system on or after April first, two thousand twelve, the rate at which
53 each such member shall contribute in any current plan year (April first
54 to March thirty-first) shall be determined by reference to the wages of
55 such member in the second plan year (April first to March thirty-first)
56 preceding such current plan year as follows:



1 1. members with wages of forty-five thousand dollars per annum or less
2 shall contribute three per centum of annual wages;

3 2. members with wages greater than forty-five thousand per annum, but
4 not more than fifty-five thousand per annum shall contribute three and
5 one-half per centum of annual wages;

6 3. members with wages greater than fifty-five thousand per annum, but
7 not more than seventy-five thousand per annum shall contribute four and
8 one-half per centum of annual wages;

9 4. members with wages greater than seventy-five thousand per annum but
10 not more than one hundred thousand per annum shall contribute five and
11 three-quarters per centum of annual wages; and

12 5. members with wages greater than one hundred thousand per annum
13 shall contribute six per centum of annual wages.

14 Notwithstanding the foregoing, during each of the first three plan
15 years (April first to March thirty-first) in which such member has
16 established membership in the New York state and local employees'
17 retirement system, such member shall contribute a percentage of annual
18 wages in accordance with the preceding schedule based upon a projection
19 of annual wages provided by the employer.

20 The head of each retirement system shall promulgate such regulations
21 as may be necessary and appropriate with respect to the deduction of
22 such contribution from members' wages and for the maintenance of any
23 special fund or funds with respect to amounts so contributed.

24 § 25. Subdivision b of section 517-c of the retirement and social
25 security law, as amended by chapter 171 of the laws of 2011, is amended
26 to read as follows:

27 b. A member of the New York state and local employees' retirement
28 system, the New York state and local police and fire retirement system,
29 the New York city employees' retirement system or the New York city
30 board of education retirement system in active service who has credit
31 for at least one year of member service may borrow, no more than once
32 during each twelve month period, an amount not exceeding seventy-five
33 percent of the total contributions made pursuant to section five hundred
34 seventeen of this article (including interest credited at the rate set
35 forth in subdivision c of such section five hundred seventeen compounded
36 annually) and not less than one thousand dollars, provided, however,
37 that the provisions of this section shall not apply to a New York city
38 uniformed correction/sanitation revised plan member or an investigator
39 revised plan member.

40 § 26. Intentionally omitted.

41 § 27. Paragraphs 4 and 5 of subdivision a of section 600 of the
42 retirement and social security law, as amended by chapter 370 of the
43 laws of 1996, are amended and a new paragraph 6 is added to read as
44 follows:

45 4. Members qualified for participation in the uniformed transit police
46 force plan or housing police force plan in the New York city employees'
47 retirement [systems] system; [and]

48 5. Investigator [member] members of the New York city employees'
49 retirement system[.]; and

50 6. Members of the uniformed force of the New York city department of
51 sanitation who join or rejoin a public retirement system of the state on
52 or after April first, two thousand twelve.

53 § 28. Subdivision 1 of section 601 of the retirement and social secu-
54 rity law, as amended by section 5 of part B of chapter 504 of the laws
55 of 2009, is amended to read as follows:

1 1. "Wages" shall mean regular compensation earned by and paid to a
2 member by a public employer, except that for members who first join the
3 New York state and local employees' retirement system or the New York
4 state teachers' retirement system on or after January first, two thou-
5 sand ten, overtime compensation paid in any year in excess of the over-
6 time ceiling, as defined by this subdivision, shall not be included in
7 the definition of wages. "Overtime compensation" shall mean, for
8 purposes of this section, compensation paid under any law or policy
9 under which employees are paid at a rate greater than their standard
10 rate for additional hours worked beyond those required, including
11 compensation paid under section one hundred thirty-four of the civil
12 service law and section ninety of the general municipal law. The "over-
13 time ceiling" shall mean fifteen thousand dollars per annum on January
14 first, two thousand ten, and shall be increased by three per cent each
15 year thereafter, provided, however, that for members who first become
16 members of a public retirement system of the state on or after April
17 first, two thousand twelve, "overtime ceiling" shall mean fifteen thou-
18 sand dollars per annum on April first, two thousand twelve, and shall be
19 increased each year thereafter by a percentage to be determined annually
20 by reference to the consumer price index (all urban consumers, CPI-U,
21 U.S. city average, all items, 1982-84=100), published by the United
22 States bureau of labor statistics, for each applicable calendar year.
23 Said percentage shall equal the annual inflation as determined from the
24 increase in the consumer price index in the one year period ending on
25 the December thirty-first prior to the cost-of-living adjustment effec-
26 tive on the ensuing April first. For members who first join a public
27 retirement system of the state on or after April first, two thousand
28 twelve, the following items shall not be included in the definition of
29 wages: 1. wages in excess of the annual salary paid to the governor
30 pursuant to section three of article four of the state constitution, 2.
31 lump sum payments for deferred compensation, sick leave, accumulated
32 vacation or other credits for time not worked, 3. any form of termi-
33 nation pay, 4. any additional compensation paid in anticipation of
34 retirement, and 5. in the case of employees who receive wages from three
35 or more employers in a twelve month period, the wages paid by the third
36 and each successive employer.

37 § 29. Section 601 of the retirement and social security law is amended
38 by adding a new subdivision m to read as follows:

39 m. "New York city revised plan member" shall mean a member of the New
40 York city employees' retirement system, the New York city teachers'
41 retirement system or the board of education retirement system of the
42 city of New York who becomes subject to the provisions of this article
43 on or after April first, two thousand twelve.

44 § 29-a. Subdivision b-1 of section 602 of the retirement and social
45 security law, as added by section 2 of part C of chapter 504 of the laws
46 of 2009, is amended to read as follows:

47 b-1. (1) Notwithstanding the provisions of subdivision a or b of this
48 section or any other provision of law to the contrary, (i) a member of
49 the New York city teachers' retirement system who holds a position
50 represented by the recognized teacher organization for collective
51 bargaining purposes, and who became subject to the provisions of this
52 article after the effective date of this subdivision, or (ii) a member
53 of the New York city board of education retirement system who holds a
54 position represented by the recognized teacher organization for collec-
55 tive bargaining purposes, and who became subject to the provisions of
56 this article after the effective date of this subdivision, shall not be



1 eligible for service retirement benefits hereunder until such member has
2 rendered a minimum of ten years of credited service.

3 (2) Notwithstanding the provisions of subdivision a or b of this
4 section or any other provision of law to the contrary, a member who
5 first joins a public retirement system of the state on or after April
6 first, two thousand twelve shall not be eligible for service retirement
7 benefits hereunder until such member has rendered a minimum of ten years
8 of credited service.

9 § 30. Intentionally omitted.

10 § 31. Subdivision a of section 603 of the retirement and social secu-
11 rity law, as amended by section 7 of part B of chapter 504 of the laws
12 of 2009, is amended and a new subdivision a-1 is added to read as
13 follows:

14 a. The service retirement benefit specified in section six hundred
15 four of this article shall be payable to members who have met the mini-
16 mum service requirements upon retirement and attainment of age sixty-
17 two, other than members who are eligible for early service retirement
18 pursuant to subdivision c of section six hundred four-b of this article,
19 subdivision c of section six hundred four-c of this article, subdivision
20 d of section six hundred four-d of this article, subdivision c of
21 section six hundred four-e of this article, subdivision c of section six
22 hundred four-f of this article, subdivision c of section six hundred
23 four-g of this article, subdivision c of section six hundred four-h of
24 this article or subdivision c of section six hundred four-i of this
25 article, provided, however, a member of a teachers' retirement system or
26 the New York state and local employees' retirement system who first
27 joins such system before January first, two thousand ten or a member who
28 is a uniformed court officer or peace officer employed by the unified
29 court system who first becomes a member of the New York state and local
30 employees' retirement system before April first, two thousand twelve may
31 retire without reduction of his or her retirement benefit upon attain-
32 ment of at least fifty-five years of age and completion of thirty or
33 more years of service, provided, however, that a uniformed court officer
34 or peace officer employed by the unified court system who first becomes
35 a member of the New York state and local employees' retirement system on
36 or after January first, two thousand ten and retires without reduction
37 of his or her retirement benefit upon attainment of at least fifty-five
38 years of age and completion of thirty or more years of service pursuant
39 to this section shall be required to make the member contributions
40 required by subdivision f of section six hundred thirteen of this arti-
41 cle for all years of credited and creditable service, provided further
42 that the the preceding provisions of this subdivision shall not apply to
43 a New York city revised plan member.

44 a-1. For members who first become a member of a public retirement
45 system of the state on or after April first, two thousand twelve, the
46 service retirement benefit specified in section six hundred four of this
47 article shall be payable to members who have met the minimum service
48 requirements upon retirement and have attained age sixty-three.

49 § 32. Subdivision i of section 603 of the retirement and social secu-
50 rity law, as amended by section 8 of part B of chapter 504 of the laws
51 of 2009, is amended by adding a new paragraph 3 to read as follows:

52 3. A member of a public retirement system of the state who has met the
53 minimum service requirement, but who is not a New York city transit
54 authority member, as defined in paragraph one of subdivision a of
55 section six hundred four-b of this article, may retire prior to normal
56 retirement age, but no earlier than attainment of age fifty-five, in



1 which event, the amount of his or her retirement benefit computed with-
2 out optional modification shall be reduced by six and one-half per
3 centum for each year by which early retirement precedes age sixty-three.

4 § 33. Subdivision t of section 603 of the retirement and social secu-
5 rity law, as added by section 8-a of part B of chapter 504 of the laws
6 of 2009, is amended to read as follows:

7 t. Members who join the New York state teachers' retirement system on
8 or after January first, two thousand ten, shall be eligible to retire
9 without reduction of his or her retirement benefit upon attainment of at
10 least fifty-seven years of age and completion of thirty or more years of
11 service. Members who retire pursuant to the provisions of this subdivi-
12 sion shall be required to make the member contributions required by
13 subdivision g of section six hundred thirteen of this article for all
14 years of credited and creditable service. The provisions of this subdivi-
15 vision shall not apply to members who first become a member of the New
16 York state teachers' retirement system on or after April first, two
17 thousand twelve.

18 § 33-a. Subdivision a of section 604 of the retirement and social
19 security law, as amended by section 8-b of part B of chapter 504 of the
20 laws of 2009, is amended to read as follows:

21 a. The service retirement benefit at normal retirement age for a
22 member with less than twenty years of credited service, or less than
23 twenty-five years credited service for a member who joins the New York
24 state teachers' retirement system on or after January first, two thou-
25 sand ten, shall be a retirement allowance equal to one-sixtieth of final
26 average salary times years of credited service. Normal retirement age
27 for members who first become members of a public retirement system of
28 the state on or after April first, two thousand twelve shall be age
29 sixty-three.

30 § 34. Section 604 of the retirement and social security law is amended
31 by adding a new subdivision b-1 to read as follows:

32 b-1. Notwithstanding any other provision of law to the contrary, the
33 service retirement benefit for members with twenty or more years of
34 credit service who first become a member of a public retirement system
35 of the state on or after April first, two thousand twelve at age sixty-
36 three shall be a pension equal to the sum of thirty-five per centum and
37 one-fiftieth of final average salary for each year of service in excess
38 of twenty times final average salary times years of credited service.
39 In no event shall any retirement benefit payable without optional
40 modification be less than the actuarially equivalent annuitized value of
41 the member's contributions accumulated with interest at five percent per
42 annum compounded annually to the date of retirement.

43 § 35. Paragraph 1 of subdivision d of section 604-b of the retirement
44 and social security law, as amended by chapter 10 of the laws of 2000,
45 is amended to read as follows:

46 1. A participant in the twenty-five-year and age fifty-five retirement
47 program who:

48 (i) discontinues city-service and service as a member of the New York
49 city transit authority other than by death or retirement; and

50 (ii) in the case of a participant who is not a New York city revised
51 plan member, prior to such discontinuance, completed five but less than
52 twenty-five years of allowable service in the transit authority or, in
53 the case of a participant who is a New York city revised plan member,
54 has completed ten but less than twenty-five years of allowable service
55 in the transit authority prior to such discontinuance; and

1 (iii) has paid, prior to such discontinuance, all additional member
2 contributions and interest, if any, required by subdivision e of this
3 section; and

4 (iv) does not withdraw in whole or in part his or her accumulated
5 member contributions pursuant to section six hundred thirteen of this
6 article unless such participant thereafter returns to public service and
7 repays the amounts so withdrawn, together with interest, pursuant to
8 such section six hundred thirteen of this article; shall be entitled to
9 receive a deferred vested benefit as provided in section six hundred
10 twelve of this article.

11 § 36. Subparagraph (ii) of paragraph 3 of subdivision d of section
12 604-b of the retirement and social security law, as added by chapter 352
13 of the laws of 1997, is amended to read as follows:

14 (ii) [Such] In the case of a participant who is not a New York city
15 revised plan member, such vested benefit shall become payable on the
16 earliest date on which such discontinued member could have retired for
17 service if such discontinuance had not occurred or, in the case of a
18 participant who is a New York city revised plan member, such vested
19 benefit shall become payable at age sixty-three.

20 § 37. Subdivision b of section 604-c of the retirement and social
21 security law, as added by chapter 96 of the laws of 1995, is amended by
22 adding a new paragraph 2-a to read as follows:

23 2-a. Notwithstanding any other provision of this subdivision or any
24 other provision of law to the contrary, no member who becomes subject to
25 the provisions of this article on or after the effective date of this
26 paragraph shall be a participant in the twenty-five-year early retire-
27 ment program.

28 § 38. Paragraph 1 of subdivision d of section 604-c of the retirement
29 and social security law, as amended by chapter 659 of the laws of 1999,
30 is amended to read as follows:

31 1. A participant in the twenty-year/age fifty retirement program who:

32 (i) discontinues service as a Triborough bridge and tunnel member,
33 other than by death or retirement; and

34 (ii) in the case of a participant who is not a New York city revised
35 plan member, prior to such discontinuance, completed five but less than
36 twenty years of credited service or, in the case of a participant who is
37 a New York city revised plan member, has completed ten but less than
38 twenty years of credited service; and

39 (iii) has paid, prior to such discontinuance, all additional member
40 contributions and interest (if any) required by subdivision e of this
41 section; and

42 (iv) does not withdraw in whole or in part his or her accumulated
43 member contributions pursuant to section six hundred thirteen of this
44 article unless such participant thereafter returns to public service and
45 repays the amounts so withdrawn, together with interest, pursuant to
46 such section six hundred thirteen; shall be entitled to receive a
47 deferred vested benefit as provided in this subdivision.

48 § 39. Subparagraph (ii) of paragraph 2 of subdivision d of section
49 604-c of the retirement and social security law, as added by chapter 472
50 of the laws of 1995, is amended to read as follows:

51 (ii) [Such] In the case of a participant who is not a New York city
52 revised plan member, such vested benefit shall become payable on the
53 earliest date on which such discontinued member could have retired for
54 service if such discontinuance had not occurred or, in the case of a
55 participant who is a New York city revised plan member, such vested
56 benefit shall become payable at age sixty-three.



1 § 40. Subdivision c of section 604-d of the retirement and social
2 security law is amended by adding a new paragraph 3-a to read as
3 follows:

4 3-a. Notwithstanding any other provision of this subdivision or any
5 other provision of law to the contrary, no member who becomes subject to
6 the provisions of this article on or after the effective date of this
7 paragraph shall be a participant in the age fifty-seven retirement
8 program.

9 § 41. Paragraph 1 of subdivision d of section 604-e of the retirement
10 and social security law, as added by chapter 576 of the laws of 2000, is
11 amended to read as follows:

12 1. A participant in the twenty-five year retirement program:

13 (i) who discontinues service as such a participant, other than by
14 death or retirement; and

15 (ii) in the case of a participant who is not a New York city revised
16 plan member, who prior to such discontinuance, completed five but less
17 than twenty-five years of allowable service as a dispatcher member or,
18 in the case of a participant who is a New York city revised plan member,
19 who prior to such discontinuance, completed ten but less than twenty-
20 five years of allowable service as a dispatcher member; and

21 (iii) who, subject to the provisions of paragraph seven of subdivision
22 e of this section, has paid, prior to such discontinuance, all addi-
23 tional member contributions and interest (if any) required by subdivi-
24 sion e of this section; and

25 (iv) who does not withdraw in whole or in part his or her accumulated
26 member contributions pursuant to section six hundred thirteen of this
27 article unless such participant thereafter returns to public service and
28 repays the amounts so withdrawn, together with interest, pursuant to
29 such section six hundred thirteen; shall be entitled to receive a
30 deferred vested benefit as provided in this subdivision.

31 § 42. Subparagraph (ii) of paragraph 2 of subdivision d of section
32 604-e of the retirement and social security law, as added by chapter 576
33 of the laws of 2000, is amended to read as follows:

34 (ii) [Such] In the case of a participant who is not a New York city
35 revised plan member, such vested benefit shall become payable on the
36 earliest date on which such discontinued member could have retired for
37 service if such discontinuance had not occurred or, in the case of a
38 participant who is a New York city revised plan member, such vested
39 benefit shall become payable at age sixty-three.

40 § 43. Paragraph 1 of subdivision d of section 604-e of the retirement
41 and social security law, as added by chapter 577 of the laws of 2000, is
42 amended to read as follows:

43 1. A participant in the twenty-five year retirement program:

44 (i) who discontinues service as such a participant, other than by
45 death or retirement; and

46 (ii) in the case of a participant who is not a New York city revised
47 plan member, who prior to such discontinuance, completed five but less
48 than twenty-five years of allowable service as an EMT member or, in the
49 case of a participant who is a New York city revised plan member, who
50 prior to such discontinuance, completed ten but less than twenty-five
51 years of allowable service as an EMT member; and

52 (iii) who, subject to the provisions of paragraph seven of subdivision
53 e of this section, has paid, prior to such discontinuance, all addi-
54 tional member contributions and interest (if any) required by subdivi-
55 sion e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

§ 44. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-e of the retirement and social security law, as added by chapter 577 of the laws of 2000, is amended to read as follows:

(ii) [Such] In the case of a participant who is not a New York city revised plan member, such vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred or, in the case of a participant who is a New York city revised plan member, such vested benefit shall become payable at age sixty-three.

§ 45. Paragraph 1 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 559 of the laws of 2001, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) in the case of a participant who is not a New York city revised plan member, who prior to such discontinuance, completed five but less than twenty-five years of credited service or, in the case of a participant who is a New York city revised plan member, who prior to such discontinuance, completed ten but less than twenty-five years of credited service; and

(iii) who, subject to the provisions of paragraph seven of subdivision e of this section, has paid, prior to such discontinuance, all additional member contributions and interest (if any) required by subdivision e of this section; and

(iv) who does not withdraw in whole or in part his or her accumulated member contributions pursuant to section six hundred thirteen of this article unless such participant thereafter returns to public service and repays the amounts so withdrawn, together with interest, pursuant to such section six hundred thirteen; shall be entitled to receive a deferred vested benefit as provided in this subdivision.

§ 46. Subparagraph (ii) of paragraph 2 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 559 of the laws of 2001, is amended to read as follows:

(ii) [Such] In the case of a participant who is not a New York city revised plan member, such vested benefit shall become payable on the earliest date on which such discontinued member could have retired for service if such discontinuance had not occurred or, in the case of a participant who is a New York city revised plan member, such vested benefit shall become payable at age sixty-three.

§ 47. Paragraph 1 of subdivision d of section 604-f of the retirement and social security law, as added by chapter 582 of the laws of 2001, is amended to read as follows:

1. A participant in the twenty-five year retirement program:

(i) who discontinues service as such a participant, other than by death or retirement; and

(ii) in the case of a participant who is not a New York city revised plan member, who prior to such discontinuance, completed five but less than twenty-five years of allowable service as a special officer, parking control specialist, school safety agent, campus peace officer or

1 taxi and limousine inspector member or, in the case of a participant who
2 is a New York city revised plan member, who prior to such discontin-
3 uance, completed ten but less than twenty-five years of allowable
4 service as a special officer, parking control specialist, school safety
5 agent, campus peace officer or taxi and limousine inspector member; and

6 (iii) who, subject to the provisions of paragraph seven of subdivision
7 e of this section, has paid, prior to such discontinuance, all addi-
8 tional member contributions and interest, if any, required by subdivi-
9 sion e of this section; and

10 (iv) who does not withdraw in whole or in part his or her accumulated
11 member contributions pursuant to section six hundred thirteen of this
12 article unless such participant thereafter returns to public service and
13 repays the amounts so withdrawn, together with interest, pursuant to
14 such section six hundred thirteen; shall be entitled to receive a
15 deferred vested benefit as provided in this subdivision.

16 § 48. Subparagraph (ii) of paragraph 2 of subdivision d of section
17 604-f of the retirement and social security law, as added by chapter 582
18 of the laws of 2001, is amended to read as follows:

19 (ii) [Such] In the case of a participant who is not a New York city
20 revised plan member, such vested benefit shall become payable on the
21 earliest date on which such discontinued member could have retired for
22 service if such discontinuance had not occurred or, in the case of a
23 participant who is a New York city revised plan member, such vested
24 benefit shall become payable at age sixty-three.

25 § 49. Paragraph 1 of subdivision d of section 604-g of the retirement
26 and social security law, as added by chapter 414 of the laws of 2002, is
27 amended to read as follows:

28 1. A participant in the twenty-five year/age fifty retirement program:

29 (i) who discontinues service as such a participant, other than by
30 death or retirement; and

31 (ii) in the case of a participant who is not a New York city revised
32 plan member, who prior to such discontinuance, completed five but less
33 than twenty-five years of credited service or, in the case of a partic-
34 ipant who is a New York city revised plan member, who prior to such
35 discontinuance, completed ten but less than twenty-five years of credit-
36 ed service; and

37 (iii) who, subject to the provisions of paragraph seven of subdivision
38 e of this section, has paid, prior to such discontinuance, all addi-
39 tional member contributions and interest (if any) required by subdivi-
40 sion e of this section; and

41 (iv) who does not withdraw in whole or in part his or her accumulated
42 member contributions pursuant to section six hundred thirteen of this
43 article unless such participant thereafter returns to public service and
44 repays the amounts so withdrawn, together with interest, pursuant to
45 such section six hundred thirteen; shall be entitled to receive a
46 deferred vested benefit as provided in this subdivision.

47 § 50. Subparagraph (ii) of paragraph 2 of subdivision d of section
48 604-g of the retirement and social security law, as added by chapter 414
49 of the laws of 2002, is amended to read as follows:

50 (ii) [Such] In the case of a participant who is not a New York city
51 revised plan member, such vested benefit shall become payable on the
52 earliest date on which such discontinued member could have retired for
53 service if such discontinuance had not occurred or, in the case of a
54 participant who is a New York city revised plan member, such vested
55 benefit shall become payable at age sixty-three.



1 § 51. Paragraph 1 of subdivision d of section 604-h of the retirement
2 and social security law, as added by chapter 682 of the laws of 2003, is
3 amended to read as follows:

4 1. A participant in the twenty-five year retirement program:

5 (i) who discontinues service as such a participant, other than by
6 death or retirement; and

7 (ii) in the case of a participant who is not a New York city revised
8 plan member, who prior to such discontinuance, completed five but less
9 than twenty-five years of credited service or, in the case of a partic-
10 ipant who is a New York city revised plan member, who prior to such
11 discontinuance, completed ten but less than twenty-five years of credit-
12 ed service; and

13 (iii) who, subject to the provisions of paragraph seven of subdivision
14 e of this section, has paid, prior to such discontinuance, all addi-
15 tional member contributions and interest (if any) required by subdivi-
16 sion e of this section; and

17 (iv) who does not withdraw in whole or in part his or her accumulated
18 member contributions pursuant to section six hundred thirteen of this
19 article unless such participant thereafter returns to public service and
20 repays the amounts so withdrawn, together with interest, pursuant to
21 such section six hundred thirteen; shall be entitled to receive a
22 deferred vested benefit as provided in this subdivision.

23 § 52. Subparagraph (ii) of paragraph 2 of subdivision d of section
24 604-h of the retirement and social security law, as added by chapter 682
25 of the laws of 2003, is amended to read as follows:

26 (ii) [Such] In the case of a participant who is not a New York city
27 revised plan member, such vested benefit shall become payable on the
28 earliest date on which such discontinued member could have retired for
29 service if such discontinuance had not occurred or, in the case of a
30 participant who is a New York city revised plan member, such vested
31 benefit shall become payable at age sixty-three.

32 § 53. Subdivision b of section 604-i of the retirement and social
33 security law is amended by adding a new paragraph 5-a to read as
34 follows:

35 5-a. Notwithstanding any other provision of this subdivision or any
36 other provision of law to the contrary, no member who becomes subject to
37 the provisions of this article on or after the effective date of this
38 paragraph shall be a participant in the age fifty-five retirement
39 program.

40 § 54. Subdivisions a, b, c and d of section 608 of the retirement and
41 social security law, subdivision a as amended by chapter 379 of the laws
42 of 1986, subdivisions b and c as amended by chapter 286 of the laws of
43 2010 and subdivision d as added by chapter 749 of the laws of 1992, are
44 amended to read as follows:

45 a. [A] For members who first become members of a public retirement
46 system of the state before April first, two thousand twelve, a member's
47 final average salary shall be the average wages earned by such a member
48 during any three consecutive years which provide the highest average
49 wage; provided, however, if the wages earned during any year included in
50 the period used to determine final average salary exceeds that of the
51 average of the previous two years by more than ten percent, the amount
52 in excess of ten percent shall be excluded from the computation of final
53 average salary. For members who first become members of the New York
54 state and local employees' retirement system or the New York state
55 teachers' retirement system on or after April first, two thousand
56 twelve, a member's final average salary shall be the average wages

1 earned by such member during any five consecutive years which provide
2 the highest average wage; provided, however, if the wages earned during
3 any year included in the period used to determine final average salary
4 exceeds that of the average of the previous four years by more than ten
5 percent, the amount in excess of ten percent shall be excluded from the
6 computation of final average salary. Where the period used to determine
7 final average salary is the period which immediately precedes the date
8 of retirement, any month or months (not in excess of twelve) which would
9 otherwise be included in computing final average salary but during which
10 the member was on authorized leave of absence at partial pay or without
11 pay shall be excluded from the computation of final average salary and
12 the month or an equal number of months immediately preceding such period
13 shall be substituted in lieu thereof.

14 b. Notwithstanding the provisions of subdivision a of this section,
15 with respect to members who first became members of the New York state
16 and local employees' retirement system and the New York city teachers'
17 retirement system before April first, two thousand twelve, a member's
18 final average salary shall be equal to one-third of the highest total
19 wages earned by such member during any continuous period of employment
20 for which the member was credited with three years of service credit;
21 provided, however, if the wages earned during any year of credited
22 service included in the period used to determine final average salary
23 exceeds the average of the wages of the previous two years of credited
24 service by more than ten percent, the amount in excess of ten percent
25 shall be excluded from the computation of final average salary. With
26 respect to members who first become members of the New York state and
27 local employees' retirement system and the New York city teachers'
28 retirement system on or after April first, two thousand twelve, a
29 member's final average salary shall be equal to one-fifth of the highest
30 total wages earned by such member during any continuous period of
31 employment for which the member was credited with five years of service
32 credit; provided, however, if the wages earned during any year of cred-
33 ited service included in the period used to determine final average
34 salary exceeds the average of the wages of the previous four years of
35 credited service by more than ten percent, the amount in excess of ten
36 percent shall be excluded from the computation of final average salary.

37 c. Notwithstanding the provisions of subdivisions a and b of this
38 section, the final average salary of an employee who has been a member
39 of the New York city employees' retirement system or the New York city
40 teachers' retirement system for less than one year shall be the project-
41 ed one year salary, with the calculation based upon a twelve month
42 projection of the sums earned in the portion of the year worked. If a
43 member has been employed for more than one year but less than two years,
44 then the member's final average salary shall be the average of the first
45 year and projected second year earnings based upon the calculation
46 above, and if more than two years, but less than three years, then one-
47 third the total of the first two years of employment plus the projected
48 third year's earnings, calculated as indicated above, provided that this
49 subdivision shall not apply to a New York city revised plan member of
50 the New York city employees' retirement system or a New York city
51 revised plan member of the New York city teachers' retirement system.

52 d. Subject to the provisions of subdivision c of this section, and
53 notwithstanding the provisions of subdivision a of this section, with
54 respect to members of the New York city employees' retirement system and
55 the New York city board of education retirement system who are subject
56 to the provisions of this article, a member's final average salary shall

1 be determined pursuant to the provisions of paragraph fourteen of subdi-
2 vision e of section 13-638.4 of the administrative code of the city of
3 New York, provided, however, that the applicable provisions and limita-
4 tions of the term "wages", as defined in subdivision 1 of section six
5 hundred one of this article, shall apply to such determinations of final
6 average salary.

7 § 55. Paragraph 2 of subdivision b of section 609 of the retirement
8 and social security law, as amended by section 8-c of part B of chapter
9 504 of the laws of 2009, is amended to read as follows:

10 2. Previous service credit shall not be granted unless such member
11 applies therefor and repays the amount refunded by a public retirement
12 system of the state for service rendered after July first, nineteen
13 hundred seventy-six together with interest through the date of repayment
14 at the rate of five percent per annum compounded annually and three
15 percent of the wages earned for service prior to that date together with
16 interest from July first, nineteen hundred seventy-six through the date
17 of payment at the rate of five percent per annum compounded annually and
18 three percent of the wages earned for service which predates the date of
19 entry into the retirement system together with interest at the rate of
20 five percent per annum compounded annually from the date of such service
21 until the date of payment. Anything in this paragraph to the contrary
22 notwithstanding, in order to obtain credit for previous service, members
23 who first join the New York state teachers' retirement system on or
24 after January first, two thousand ten shall pay three and one-half
25 percent of wages earned for service which predates the date of entry
26 into the retirement system together with interest at the rate of five
27 percent per annum compounded annually from the date of such service
28 until the date of payment. Anything in this paragraph to the contrary
29 notwithstanding, in order to obtain credit for previous service, members
30 who first join a public retirement system of the state on or after April
31 first, two thousand twelve shall pay six percent of wages earned for
32 service which predates the date of entry into the retirement system
33 together with interest at the rate of five percent per annum compounded
34 annually from the date of such service until the date of payment.

35 § 56. Section 609 of the retirement and social security law is amended
36 by adding a new subdivision h to read as follows:

37 h. Notwithstanding any other provision of law to the contrary, a New
38 York city revised plan member shall not receive service credit for any
39 undocumented sick leave that may be credited toward terminal leave.

40 § 57. Subdivisions a and a-1 of section 612 of the retirement and
41 social security law, subdivision a as separately amended by section 9 of
42 part B and section 3 of part C of chapter 504 of the laws of 2009 and
43 subdivision a-1 as added by section 4 of part C of chapter 504 of the
44 laws of 2009, are amended to read as follows:

45 a. Except as provided in subdivision a-1 of this section, a member who
46 has five or more years of credited service, or ten or more years of
47 credited service for a member who first joined the New York state and
48 local employees' retirement system or the New York state teachers'
49 retirement system on or after January first, two thousand ten, upon
50 termination of employment, other than a member who is entitled to a
51 deferred vested benefit pursuant to any other provision of this article,
52 shall be entitled to a deferred vested benefit at normal retirement age
53 computed in accordance with the provisions of section six hundred four
54 of this article. Except as provided in subdivision a-1 of this section,
55 a member of a teachers' retirement system or the New York state and
56 local employees' retirement system who has five or more years of credit-



1 ed service, or ten or more years of credited service for a member who
2 first becomes a member of the New York state and local employees'
3 retirement system or the New York state teachers' retirement system on
4 or after January first, two thousand ten, upon termination of employment
5 shall be entitled to a deferred vested benefit prior to normal retire-
6 ment age, but no earlier than age fifty-five, computed in accordance
7 with the provisions of subdivision i of section six hundred three of
8 this article as amended by section eight of part B of chapter five
9 hundred four of the laws of two thousand nine. Anything to the contrary
10 notwithstanding, a member of a public retirement system of the state who
11 first became a member of such system on or after April first, two thou-
12 sand twelve must have at least ten years of credited service in order to
13 qualify for a deferred vested benefit under this section; such member
14 shall not be entitled to such benefit prior to the member's attainment
15 of age sixty-three; and such deferred vested benefit shall be computed
16 pursuant to subdivision b-1 of section six hundred four of this article.

17 a-1. Notwithstanding the provisions of subdivision a of this section
18 or any other provision of law to the contrary, (i) a member of the New
19 York city teachers' retirement system who holds a position represented
20 by the recognized teacher organization for collective bargaining
21 purposes, who became subject to the provisions of this article after the
22 effective date of this subdivision, and who has ten or more years of
23 credited service, or (ii) a member of the New York city board of educa-
24 tion retirement system who holds a position represented by the recog-
25 nized teacher organization for collective bargaining purposes, who
26 became subject to the provisions of this article after the effective
27 date of this subdivision, and who has ten or more years of credited
28 service, other than such a member of either of such retirement systems
29 who is entitled to a deferred vested benefit pursuant to any other
30 provision of this article, shall, upon termination of employment, be
31 entitled to a deferred vested benefit at normal retirement age computed
32 in accordance with the provisions of section six hundred four of this
33 article. Notwithstanding the provisions of subdivision a of this
34 section or any other provision of law to the contrary, a member of the
35 New York city teachers' retirement system who holds a position repres-
36 ented by the recognized teacher organization for collective bargaining
37 purposes, who became subject to the provisions of this article after the
38 effective date of this subdivision, and who has ten or more years of
39 credited service, shall, upon termination of employment, be entitled to
40 a deferred vested benefit prior to normal retirement age, but no earlier
41 than age fifty-five, computed in accordance with the provisions of
42 subdivision i of section six hundred three of this article, provided,
43 however, that any such member of either of such retirement systems who
44 is a New York city revised plan member shall be required to have at
45 least ten years of credited service in order to be eligible for a
46 deferred vested benefit, such member shall not be entitled to payability
47 of such benefit prior to attainment of age sixty-three and such deferred
48 vested benefit shall be computed pursuant to subdivision b-1 of section
49 six hundred four of this article.

50 § 58. Paragraphs 1 and 2 of subdivision a and subdivisions f and g of
51 section 613 of the retirement and social security law, paragraph 1 of
52 subdivision a as amended and paragraph 2 of subdivision a as added by
53 chapter 10 of the laws of 2000, subdivisions f and g as added by section
54 9-a of part B of chapter 504 of the laws of 2009, are amended to read as
55 follows:



1 1. Except as provided by paragraph two of this subdivision, members
2 shall contribute three percent of annual wages to the retirement system
3 in which they have membership, except that beginning April first, two
4 thousand thirteen for members who first become members of a public
5 retirement system of the state on or after April first, two thousand
6 twelve, the rate at which each such member shall contribute in any
7 current plan year (April first to March thirty-first) shall be deter-
8 mined by reference to the wages of such member in the second plan year
9 (April first to March thirty-first) preceding such current plan year as
10 follows:

11 (i) members with wages of forty-five thousand dollars per annum or
12 less shall contribute three per centum of annual wages;

13 (ii) members with wages greater than forty-five thousand per annum,
14 but not more than fifty-five thousand per annum shall contribute three
15 and one-half per centum of annual wages;

16 (iii) members with wages greater than fifty-five thousand per annum,
17 but not more than seventy-five thousand per annum shall contribute four
18 and one-half per centum of annual wages;

19 (iv) members with wages greater than seventy-five thousand per annum
20 but not more than one hundred thousand per annum shall contribute five
21 and three-quarters per centum of annual wages; and

22 (v) members with wages greater than one hundred thousand per annum
23 shall contribute six per centum of annual wages.

24 Notwithstanding the foregoing, during each of the first three plan
25 years (April first to March thirty-first) in which such member has
26 established membership in a public retirement system of the state, such
27 member shall contribute a percentage of annual wages in accordance with
28 the preceding schedule based upon a projection of annual wages provided
29 by the employer.

30 The head of each retirement system shall promulgate such regulations
31 as may be necessary and appropriate with respect to the deduction of
32 such contribution from members' wages and for the maintenance of any
33 special fund or funds with respect to amounts so contributed.

34 2. A member of the New York city employees' retirement system who is
35 eligible to be a participant in the twenty-five-year and age fifty-five
36 retirement program, as defined by paragraph five of subdivision a of
37 section six hundred four-b of this article shall contribute two percent
38 of annual wages to such system effective on the starting date of the
39 elimination of additional member contributions, as defined in an
40 election made pursuant to paragraph ten of subdivision e of section six
41 hundred four-b of this article, except that beginning April first, two
42 thousand thirteen for members who first become members of the New York
43 city employees' retirement system on or after April first, two thousand
44 twelve, the rate at which each such member shall contribute in any
45 current plan year (April first to March thirty-first) shall be deter-
46 mined by reference to the wages of such member in the second plan year
47 (April first to March thirty-first) preceding such current plan year as
48 follows:

49 (i) members with wages of forty-five thousand dollars per annum or
50 less shall contribute three per centum of annual wages;

51 (ii) members with wages greater than forty-five thousand per annum,
52 but not more than fifty-five thousand per annum shall contribute three
53 and one-half per centum of annual wages;

54 (iii) members with wages greater than fifty-five thousand per annum,
55 but not more than seventy-five thousand per annum shall contribute four
56 and one-half per centum of annual wages;

1 (iv) members with wages greater than seventy-five thousand per annum
2 but not more than one hundred thousand per annum shall contribute five
3 and three-quarters per centum of annual wages; and

4 (v) members with wages greater than one hundred thousand per annum
5 shall contribute six per centum of annual wages.

6 Notwithstanding the foregoing, during each of the first three plan
7 years (April first to March thirty-first) in which such member has
8 established membership in the New York city employees' retirement
9 system, such member shall contribute a percentage of annual wages in
10 accordance with the preceding schedule based upon a projection of annual
11 wages provided by the employer.

12 f. Anything in subdivision a of this section to the contrary notwith-
13 standing a member employed as a uniformed court officer or peace officer
14 in the unified court system who first joins the New York state and local
15 employees' retirement system on or after January first, two thousand ten
16 shall contribute four percent of annual wages to the New York state and
17 local employees' retirement system, except that beginning April first,
18 two thousand thirteen for members who first become members of the New
19 York state and local employees' retirement system on or after April
20 first, two thousand twelve, the rate at which each such member shall
21 contribute in any current plan year (April first to March thirty-first)
22 shall be determined by reference to the wages of such member in the
23 second plan year (April first to March thirty-first) preceding such
24 current plan year as follows:

25 1. members with wages of forty-five thousand dollars per annum or less
26 shall contribute three per centum of annual wages;

27 2. members with wages greater than forty-five thousand per annum, but
28 not more than fifty-five thousand per annum shall contribute three and
29 one-half per centum of annual wages;

30 3. members with wages greater than fifty-five thousand per annum, but
31 not more than seventy-five thousand per annum shall contribute four and
32 one-half per centum of annual wages;

33 4. members with wages greater than seventy-five thousand per annum but
34 not more than one hundred thousand per annum shall contribute five and
35 three-quarters per centum of annual wages; and

36 5. members with wages greater than one hundred thousand per annum
37 shall contribute six per centum of annual wages.

38 Notwithstanding the foregoing, during each of the first three plan
39 years (April first to March thirty-first) in which such member has
40 established membership in the New York state and local employees'
41 retirement system, such member shall contribute a percentage of annual
42 wages in accordance with the preceding schedule based upon a projection
43 of annual wages provided by the employer.

44 The head of the New York state and local employees' retirement system
45 shall promulgate such regulations as may be necessary and appropriate
46 with respect to the deduction of such contribution from members' wages
47 and for the maintenance of any special fund or funds with respect to
48 amounts so contributed.

49 g. Members who first join the New York state teachers' retirement
50 system on or after January first, two thousand ten shall contribute
51 three and one-half percent of annual wages to the New York state teach-
52 ers' retirement system, except that beginning April first, two thousand
53 thirteen for members who first become members of the New York state
54 teachers' retirement system on or after April first, two thousand
55 twelve, the rate at which each such member shall contribute in any
56 current plan year (July first to June thirtieth) shall be determined by

1 reference to the wages of such member in the second plan year (July
2 first to June thirtieth) preceding such current plan year as follows:

3 1. members with wages of forty-five thousand dollars per annum or less
4 shall contribute three per centum of annual wages;

5 2. members with wages greater than forty-five thousand per annum, but
6 not more than fifty-five thousand per annum shall contribute three and
7 one-half per centum of annual wages;

8 3. members with wages greater than fifty-five thousand per annum, but
9 not more than seventy-five thousand per annum shall contribute four and
10 one-half per centum of annual wages;

11 4. members with wages greater than seventy-five thousand per annum but
12 not more than one hundred thousand per annum shall contribute five and
13 three-quarters per centum of annual wages; and

14 5. members with wages greater than one hundred thousand per annum
15 shall contribute six per centum of annual wages.

16 Notwithstanding the foregoing, during each of the first three plan
17 years (July first to June thirtieth) in which such member has estab-
18 lished membership in the New York state teachers' retirement system,
19 such member shall contribute a percentage of annual wages in accordance
20 with the preceding schedule based upon a projection of annual wages
21 provided by the employer.

22 The head of the New York state teachers' retirement system shall
23 promulgate such regulations as may be necessary and appropriate with
24 respect to the deduction of such contribution from members' wages and
25 for the maintenance of any special fund or funds with respect to amounts
26 so contributed.

27 § 59. Intentionally omitted.

28 § 60. Section 650 of the retirement and social security law, as
29 amended by chapter 746 of the laws of 1989, is amended to read as
30 follows:

31 § 650. Application. This article shall apply to a member of the New
32 York city employees' retirement system (i) who holds the position of
33 bridge and tunnel officer, sergeant or lieutenant with the Triborough
34 bridge and tunnel authority, and has received or receives an appointment
35 to at least one such position from a competitive civil service list; or
36 (ii) who holds the position of assistant bridge and tunnel maintainer,
37 bridge and tunnel maintainer, senior bridge and tunnel maintainer or
38 laborer with the Triborough bridge and tunnel authority, provided,
39 however, that this article shall not apply to a New York city revised
40 plan member (as defined in subdivision m of section six hundred one of
41 this chapter).

42 § 61. Paragraphs 1 and 1-a of subdivision b of section 911 of the
43 retirement and social security law, paragraph 1 as amended by section 5
44 and paragraph 1-a as added by section 6 of part C of chapter 504 of the
45 laws of 2009, are amended to read as follows:

46 1. Subject to the provisions of paragraph one-a of this subdivision,
47 and except as provided in paragraph one-b of this subdivision, an eligi-
48 ble member (i) with a date of membership in a retirement system on or
49 after July twenty-seventh, nineteen hundred seventy-six and (ii) who has
50 ten or more years of membership or ten or more years of credited service
51 with a retirement system under the provisions of article fourteen or
52 fifteen of this chapter shall not be required to contribute to a retire-
53 ment system pursuant to section five hundred seventeen or six hundred
54 thirteen of this chapter as of the cessation date.

55 1-a. Notwithstanding the provisions of paragraph one of this subdivi-
56 sion or any other provision of law to the contrary, and except as

1 provided in paragraph one-b of this subdivision, a member of the New
2 York city teachers' retirement system or the New York city board of
3 education retirement system:

4 (i) who is a twenty-seven year participant in the age fifty-five
5 retirement program (as defined in paragraph twelve of subdivision a of
6 section six hundred four-i of this chapter), and

7 (ii) who becomes subject to the provisions of article fifteen of this
8 chapter after the effective date of this paragraph, shall contribute to
9 a retirement system pursuant to section six hundred thirteen of this
10 chapter until he or she has completed twenty-seven years of credited
11 service.

12 § 62. Subdivision b of section 911 of the retirement and social secu-
13 urity law is amended by adding a new paragraph 1-b to read as follows:

14 1-b. The provisions of this subdivision shall not apply to a New York
15 city uniformed correction/sanitation revised plan member (as defined in
16 subdivision twenty-five of section five hundred one of this chapter), an
17 investigator revised plan member (as defined in subdivision twenty-seven
18 of section five hundred one of this chapter) or a New York city revised
19 plan member (as defined in subdivision m of section six hundred one of
20 this chapter).

21 § 63. Section 1000 of the retirement and social security law is
22 amended by adding a new subdivision 10 to read as follows:

23 10. Anything to the contrary in subdivision four of this section
24 notwithstanding, to obtain such credit, a member who first joins a
25 public retirement system of the state on or after April first, two thou-
26 sand twelve shall pay such retirement system, for deposit in the fund
27 used to accumulate employer contributions, a sum equal to the product of
28 the number of years of military service being claimed and six percent of
29 such member's compensation earned during the twelve months of credited
30 service immediately preceding the date that the member made application
31 for credit pursuant to this section.

32 § 64. Section 1202 of the retirement and social security law is
33 amended by adding a new subdivision c to read as follows:

34 c. In no event shall the vested retirement allowance payable without
35 optional modification be less than the actuarial equivalent of the total
36 which results from the member's contributions accumulated with interest
37 at five percent per annum compounded annually to the date of retirement.

38 § 65. Section 1204 of the retirement and social security law, as added
39 by section 1 of part A of chapter 504 of the laws of 2009, is amended to
40 read as follows:

41 § 1204. Member contributions. Members who are subject to the
42 provisions of this article shall contribute three percent of annual
43 wages to the retirement system in which they have membership, except
44 that beginning April first, two thousand thirteen for members who first
45 become members of the New York state and local police and fire retire-
46 ment system on or after April first, two thousand twelve, the rate at
47 which each such member shall contribute in any current plan year (April
48 first to March thirty-first) shall be determined by reference to the
49 wages of such member in the second plan year (April first to March thir-
50 ty-first) preceding such current plan year as follows:

51 a. members with wages of forty-five thousand dollars per annum or less
52 shall contribute three per centum of annual wages;

53 b. members with wages greater than forty-five thousand per annum, but
54 not more than fifty-five thousand per annum shall contribute three and
55 one-half per centum of annual wages;



1 c. members with wages greater than fifty-five thousand per annum, but
2 not more than seventy-five thousand per annum shall contribute four and
3 one-half per centum of annual wages;

4 d. members with wages greater than seventy-five thousand per annum but
5 not more than one hundred thousand per annum shall contribute five and
6 three-quarters per centum of annual wages; and

7 e. members with wages greater than one hundred thousand per annum
8 shall contribute six per centum of annual wages.

9 Notwithstanding the foregoing, during each of the first three plan
10 years (April first to March thirty-first) in which such member has
11 established membership in the New York state and local police and fire
12 retirement system, such member shall contribute a percentage of annual
13 wages in accordance with the preceding schedule based upon a projection
14 of annual wages provided by the employer. Effective April first, two
15 thousand twelve, all members subject to the provisions of this article
16 shall not be required to make member contributions on annual wages
17 excluded from the calculation of final average salary pursuant to
18 section 1203 of this article. Nothing in this section, however, shall be
19 construed or deemed to allow members to receive a refund of any member
20 contributions on such wages paid prior to April first, two thousand
21 twelve.

22 Members who are enrolled in a retirement plan that limits the amount
23 of creditable service a member can accrue shall not be required to make
24 contributions pursuant to this section after accruing the maximum amount
25 of service credit allowed by the retirement plan in which they are
26 enrolled. The state comptroller shall promulgate such regulations as may
27 be necessary and appropriate with respect to the deduction of such
28 contribution from members' wages and for the maintenance of any special
29 fund or funds with respect to amounts so contributed. In no way shall
30 the member contributions made pursuant to this section be used to
31 provide for pension increases or annuities of any kind.

32 § 66. Intentionally omitted.

33 § 67. The retirement and social security law is amended by adding a
34 new section 1209 to read as follows:

35 § 1209. Final average salary. For members who first become members of
36 the New York state and local police and fire retirement system on or
37 after April first, two thousand twelve, a member's final average salary
38 shall be equal to one-fifth of the highest total wages earned by such
39 member during any continuous period of employment for which the member
40 was credited with five years of service credit; provided, however, if
41 the wages earned during any year of credited service included in the
42 period used to determine final average salary exceeds the average of the
43 wages of the previous four years of credited service by more than ten
44 percent, the amount in excess of ten percent shall be excluded from the
45 computation of final average salary. Wages in excess of the annual sala-
46 ry paid to the governor pursuant to section three of article four of the
47 state constitution shall be excluded from the computation of final aver-
48 age salary for members who first become members of the New York state
49 and local police and fire retirement system on or after April first, two
50 thousand twelve.

51 § 68. The retirement and social security law is amended by adding a
52 new section 1210 to read as follows:

53 § 1210. Wages. For members who first become members of the New York
54 state and local police and fire retirement system on or after April
55 first, two thousand twelve, the following items shall not be included in
56 the definition of wages: a. wages in excess of the annual salary paid

1 to the governor pursuant to section three of article four of the state
2 constitution, b. lump sum payments for deferred compensation, sick
3 leave, accumulated vacation or other credits for time not worked, c. any
4 form of termination pay, d. any additional compensation paid in antic-
5 ipation of retirement, and e. in the case of employees who receive wages
6 from three or more employers in a twelve month period, the wages paid by
7 the third and each successive employer.

8 § 69. Intentionally omitted.

9 § 70. Intentionally omitted.

10 § 71. Intentionally omitted.

11 § 72. Subdivision 2 of section 182 of the education law, as added by
12 chapter 1076 of the laws of 1968, is amended to read as follows:

13 2. Employee contributions. In the case of any electing employee,
14 contributions at the rate of three [percentum] per centum of his state
15 salary shall be deducted by the state comptroller as the employee
16 contribution, provided however, that such employee contribution shall be
17 made by the state in accordance with subdivision one of this section
18 during such period as (a) either section seventy-a of the retirement and
19 social security law or section five hundred twenty-eight of [the educa-
20 tion law] this title provides that the contribution of each member of
21 the New York state employees' retirement system or the New York state
22 teachers' retirement system in the employ of the state shall be reduced
23 by at least eight [percentum] per centum of his compensation, or (b)
24 employee contributions to either such system are no longer required by
25 reason of such system becoming noncontributory for state employees.

26 Notwithstanding any other law to the contrary, beginning April first,
27 two thousand thirteen any electing employee appointed on or after April
28 first, two thousand twelve, the rate at which each such employee shall
29 contribute in any current plan year (January first to December thirty-
30 first) shall be determined by reference to the wages of such member in
31 the second plan year (January first to December thirty-first) preceding
32 such current plan year as follows:

33 (a) members with wages of forty-five thousand dollars per annum or
34 less shall contribute three per centum of annual wages;

35 (b) members with wages greater than forty-five thousand per annum, but
36 not more than fifty-five thousand per annum shall contribute three and
37 one-half per centum of annual wages;

38 (c) members with wages greater than fifty-five thousand per annum, but
39 not more than seventy-five thousand per annum shall contribute four and
40 one-half per centum of annual wages;

41 (d) members with wages greater than seventy-five thousand per annum
42 but not more than one hundred thousand per annum shall contribute five
43 and three-quarters per centum of annual wages; and

44 (e) members with wages greater than one hundred thousand per annum
45 shall contribute six per centum of annual wages.

46 Notwithstanding the foregoing, during each of the first three plan
47 years (January first to December thirty-first) in which such member has
48 established membership in the Education Department Optional Retirement
49 Program, such employee shall contribute a percent of annual wages in
50 accordance with the preceding schedule based upon a projection of annual
51 wages provided by the employer.

52 § 72-a. Section 390 of the education law is amended by adding two new
53 subdivisions 3-a and 8-a to read as follows:

54 3-a. Beginning July first, two thousand thirteen, the term "eligible
55 employees" shall also mean any person excluded from or not encompassed
56 within a negotiating unit within the meaning of article fourteen of the



1 civil service law who would otherwise be entitled to receive a benefit
2 under the retirement and social security law or the education law
3 initially hired on or after July first, two thousand thirteen with esti-
4 mate of annual wages of seventy-five thousand per annum or greater. Such
5 estimate of annual wages to determine eligibility for the purposes of
6 this subdivision shall be provided by the employer. For the purposes of
7 this subdivision, a newly hired state employee whose immediate preceding
8 employment was with another department, division, or agency of the state
9 shall not be deemed to be an eligible employee.

10 8-a. Beginning July first, two thousand thirteen, the term "electing
11 employer" shall also mean any public employer within the state of New
12 York that employs one or more employees who have elected to participate
13 in the optional retirement program established pursuant to this article.

14 § 72-b. Section 392 of the education law is amended by adding a new
15 subdivision 1-a to read as follows:

16 1-a. Employer contributions. In the case of any electing employee
17 excluded from or not encompassed within a negotiating unit within the
18 meaning of article fourteen of the civil service law initially hired on
19 or after July first, two thousand thirteen, the state and the electing
20 employer shall, during the continuance of his or her employment, make
21 contributions at the rate of eight per centum of his or her salary.

22 § 73. Paragraph (c) of subdivision 2 of section 392 of the education
23 law, as added by chapter 617 of the laws of 2007, is amended and a new
24 paragraph (d) is added to read as follows:

25 (c) Notwithstanding any other provision of this section or any other
26 law to the contrary, (1) on and after April first, two thousand eight
27 for a member who joined the optional retirement program established
28 pursuant to this article before April first, two thousand twelve and who
29 has ten or more years of membership in such optional retirement program,
30 the state shall contribute one-third of the three percent employee
31 contribution required pursuant to the provisions of this section on
32 behalf of such employee; and (2) on and after April first, two thousand
33 nine for a member who joined the optional retirement program established
34 pursuant to this article before April first, two thousand twelve and who
35 has ten or more years of membership in such optional retirement program,
36 the state shall contribute two-thirds of the three percent employee
37 contribution required pursuant to the provisions of this section on
38 behalf of such employee; and (3) on and after April first, two thousand
39 ten for a member who joined the optional retirement program established
40 pursuant to this article before April first, two thousand twelve and who
41 has ten or more years of membership in such optional retirement program,
42 the state shall contribute the three percent employee contribution
43 required pursuant to the provisions of this section on behalf of such
44 employee. The provisions of this paragraph shall not apply to any
45 electing employee who becomes a member of the optional retirement
46 program on or after April first, two thousand twelve.

47 (d) Notwithstanding any other law to the contrary, beginning April
48 first, two thousand thirteen any electing employee appointed on or after
49 April first, two thousand twelve, the rate at which each such employee
50 shall contribute in any current plan year (January first to December
51 thirty-first) shall be determined by reference to the wages of such
52 member in the second plan year (January first to December thirty-first)
53 preceding such current plan year as follows:

54 (i) members with wages of forty-five thousand dollars per annum or
55 less shall contribute three per centum of annual wages;



1 (ii) members with wages greater than forty-five thousand per annum,
2 but not more than fifty-five thousand per annum shall contribute three
3 and one-half per centum of annual wages;

4 (iii) members with wages greater than fifty-five thousand per annum,
5 but not more than seventy-five thousand per annum shall contribute four
6 and one-half per centum of annual wages;

7 (iv) members with wages greater than seventy-five thousand per annum
8 but not more than one hundred thousand per annum shall contribute five
9 and three-quarters per centum of annual wages; and

10 (v) members with wages greater than one hundred thousand per annum
11 shall contribute six per centum of annual wages.

12 Notwithstanding the foregoing, during each of the first three plan
13 years (January first to December thirty-first) in which such member has
14 established membership in the State University Optional Retirement
15 Program, such employee shall contribute a percent of annual wages in
16 accordance with the preceding schedule based upon a projection of annual
17 wages provided by the employer.

18 § 74. Paragraph (c) of subdivision 2 of section 6252 of the education
19 law, as added by chapter 617 of the laws of 2007, is amended and a new
20 paragraph (d) is added to read as follows:

21 (c) Notwithstanding any other provision of this section or any other
22 law to the contrary, (1) on and after April first, two thousand eight
23 for a member who joined the optional retirement program established
24 pursuant to this article before April first, two thousand twelve and who
25 has ten or more years of membership in such optional retirement program,
26 the city shall contribute one-third of the three percent employee
27 contribution required pursuant to the provisions of this section on
28 behalf of such employee; and (2) on and after April first, two thousand
29 nine for a member who joined the optional retirement program established
30 pursuant to this article before April first, two thousand twelve and who
31 has ten or more years of membership in such optional retirement program,
32 the city shall contribute two-thirds of the three percent employee
33 contribution required pursuant to the provisions of this section on
34 behalf of such employee; and (3) on and after April first, two thousand
35 ten for a member who joined the optional retirement program established
36 pursuant to this article before April first, two thousand twelve and who
37 has ten or more years of membership in such optional retirement program,
38 the city shall contribute the three percent employee contribution
39 required pursuant to the provisions of this section on behalf of such
40 employee. The provisions of this paragraph shall not apply to any elect-
41 ing employee who becomes a member of the optional retirement program on
42 or after April first, two thousand twelve.

43 (d) Notwithstanding any other law to the contrary, beginning April
44 first, two thousand thirteen any electing employee appointed on or after
45 April first, two thousand twelve, the rate at which each such employee
46 shall contribute in any current plan year (January first to December
47 thirty-first) shall be determined by reference to the wages of such
48 member in the second plan year (January first to December thirty-first)
49 preceding such current plan year as follows:

50 (1) members with wages of forty-five thousand dollars per annum or
51 less shall contribute three per centum of annual wages;

52 (2) members with wages greater than forty-five thousand per annum, but
53 not more than fifty-five thousand per annum shall contribute three and
54 one-half per centum of annual wages;

1 (3) members with wages greater than fifty-five thousand per annum, but
2 not more than seventy-five thousand per annum shall contribute four and
3 one-half per centum of annual wages;

4 (4) members with wages greater than seventy-five thousand per annum
5 but not more than one hundred thousand per annum shall contribute five
6 and three-quarters per centum of annual wages; and

7 (5) members with wages greater than one hundred thousand per annum
8 shall contribute six per centum of annual wages.

9 Notwithstanding the foregoing, during each of the first three plan
10 years (January first to December thirty-first) in which such member has
11 established membership in the Board of Higher Education Optional Retire-
12 ment Program, such employee shall contribute a percent of annual wages
13 in accordance with the preceding schedule based upon a projection of
14 annual wages provided by the employer.

15 § 75. Paragraphs (b) and (c) of subdivision 86 of section 13-101 of
16 the administrative code of the city of New York, as added by chapter 114
17 of the laws of 1989, are amended to read as follows:

18 (b) In the case of a uniformed force member who is a member of the
19 uniformed force of the department of sanitation and is not a Tier III
20 member (as defined in subdivision seventy-three of this section) or a
21 Tier IV member (as defined in subdivision seventy-six of this section),
22 the term "normal rate of contribution as a uniformed force member" shall
23 mean the proportion of such member's earnable compensation required to
24 be deducted from his or her compensation by the applicable provisions of
25 sections 13-125, 13-154, 13-159 and 13-160 of this chapter as his or her
26 member contributions, exclusive of any increase in such contributions
27 pursuant to subdivision d, e, or f of section 13-125 of this chapter, or
28 any decrease in such contributions on account of any program for
29 increased-take-home-pay or pursuant to subdivision one of section one
30 hundred thirty-eight-b of the retirement and social security law (relat-
31 ing to election to decrease member contributions by contributions due on
32 account of social security coverage).

33 (c) In the case of any uniformed force member (1) who is both a member
34 of the uniformed correction force and a Tier III member, or (2) who is
35 both a member of the uniformed force of the department of sanitation and
36 a Tier III member, the term "normal rate of contribution as a uniformed
37 force member" shall mean the percentage of the annual wages of such
38 member required to be deducted from such member's wages by subdivision a
39 of section five hundred seventeen of the retirement and social security
40 law, as his or her member contributions.

41 § 76. Paragraph (b) of subdivision 87 of section 13-101 of the admin-
42 istrative code of the city of New York, as added by chapter 114 of the
43 laws of 1989, is amended to read as follows:

44 (b) a uniformed force member who is not required to contribute during
45 such payroll period because he or she is a Tier III member who, having
46 contributed for thirty years, or who, in the case of a New York city
47 uniformed correction/sanitation revised plan member (as defined in
48 subdivision twenty-five of section five hundred one of the retirement
49 and social security law), having contributed for twenty-five years, has
50 discontinued member contributions pursuant to subdivision a of section
51 five hundred seventeen of the retirement and social security law.

52 § 77. Paragraph (c) of subdivision 89 of section 13-101 of the admin-
53 istrative code of the city of New York, as added by chapter 114 of the
54 laws of 1989, is amended to read as follows:

55 (c) In the case of any contributing uniformed force member who is both
56 (1) a member of the uniformed correction force (as defined in subdivi-

1 sion thirty-nine of this section) or the uniformed force of the depart-
2 ment of sanitation (as defined in subdivision sixty-two of this section)
3 and (2) a Tier III member (as defined in subdivision seventy-three of
4 this section), the term "uniformed force member contributions eligible
5 for pick up by the employer" shall mean the amount which, in the absence
6 of a pick up program applicable to such member pursuant to section
7 13-125.1 of this chapter, would be required to be deducted from the
8 wages of such member for such payroll period pursuant to subdivision a
9 of section five hundred seventeen of the retirement and social security
10 law as his or her required member contributions for such payroll period.
11 § 78. Paragraph 14 of subdivision e of section 13-638.4 of the admin-
12 istrative code of the city of New York, as added by chapter 749 of the
13 laws of 1992, is amended to read as follows:

14 (14) (i) Subject to the provisions of subdivision f of this section
15 and the provisions of subdivision c of section six hundred eight of the
16 RSSL, where those provisions are applicable, and notwithstanding the
17 provisions of subdivision a of section six hundred eight of the RSSL,
18 for a tier IV member of NYCERS who is not a New York city revised plan
19 member (as defined in subdivision m of section six hundred one of the
20 RSSL) or for a tier IV member of BERS who is not a New York city revised
21 plan member, the term "final average salary", as used in article fifteen
22 of the RSSL, shall be equal to the greater of:

23 [(i)] (A) one-third of the highest total wages earned by such member
24 during any continuous period of employment for which the member was
25 credited with three years of service credit; provided that if the wages
26 earned during any year of credited service included in the period used
27 to determine final average salary exceeds the average of the wages of
28 the previous two years of credited service by more than ten percent, the
29 amount in excess of ten percent shall be excluded from the computation
30 of final average salary; or

31 [(ii)] (B) the total wages earned during any six consecutive years
32 from service for which the member received service credit divided by the
33 amount of such service credit earned during that six-year period,
34 provided, however, that "wages", as used in this paragraph, shall mean
35 the applicable provisions and limitations of the term "wages", as
36 defined in subdivision 1 of section six hundred one of the RSSL.

37 (ii) Subject to the provisions of subdivision f of this section where
38 those provisions are applicable, and notwithstanding the provisions of
39 subdivisions a and c of section six hundred eight of the RSSL, for a
40 tier IV member of NYCERS who is a New York city revised plan member (as
41 defined in subdivision m of section six hundred one of the RSSL) or a
42 tier IV member of BERS who is a New York city revised plan member, the
43 term "final average salary", as used in article fifteen of the RSSL,
44 shall be equal to one-fifth of the highest total wages earned by such
45 member during any continuous period of employment for which the member
46 was credited with five years of service credit; provided that if the
47 wages earned during any year of credited service included in the period
48 used to determine final average salary exceeds the average of the wages
49 of the previous four years of credited service by more than ten percent,
50 the amount in excess of ten percent shall be excluded from the computa-
51 tion of final average salary, provided further that "wages", as used in
52 this paragraph, shall mean the applicable provisions and limitations of
53 the term "wages", as defined in subdivision 1 of section six hundred one
54 of the RSSL.

55 § 78-a. Section 63-c of the executive law is amended by adding a new
56 subdivision 5 to read as follows:

1 5. Notwithstanding any other law to the contrary, including without
2 limitation; section sixty-four of this article; the education law; the
3 retirement and social security law and the administrative code of the
4 city of New York, the portion of all money received by the attorney
5 general in connection with the settlement of an action arising out of
6 the management, operation, investments of or otherwise in connection
7 with a retirement or other fund established pursuant to the education
8 law, the retirement and social security law or the administrative code
9 of the city of New York attributable to the harm suffered by such fund
10 shall be deposited into such fund.

11 § 79. Nothing contained in sections seventy-five, seventy-six and
12 seventy-seven of this act shall be construed to create any contractual
13 right with respect to members to whom such sections apply. The
14 provisions of such sections are intended to afford members the advan-
15 tages of certain benefits contained in the internal revenue code, and
16 the effectiveness and existence of such sections and benefits they
17 confer are completely contingent thereon.

18 § 80. Notwithstanding any provision of law to the contrary, nothing in
19 this act shall limit the rights accruing to employees pursuant to a
20 collective bargaining agreement for the unexpired term of such agreement
21 or the eligibility of any member of an employee organization to join a
22 special retirement plan open to him or her pursuant to a collectively
23 negotiated agreement with any state or local government employer, where
24 such agreement is in effect on the effective date of this act and so
25 long as such agreement remains in effect thereafter; provided, however,
26 that any such eligibility shall not apply upon termination of such
27 agreement for employees otherwise subject to the provisions of article
28 22 of the retirement and social security law, provided further that this
29 section shall not be construed as authorizing any member who first joins
30 a public retirement system of the state (as defined in subdivision 23 of
31 section 501 of the retirement and social security law) on or after April
32 1, 2012 to become a participant in any of the special plans established
33 by section 504-a, 504-b, 504-d, 604-a, 604-c (as added by chapter 96 of
34 the laws of 1995), 604-d or 604-i of the retirement and social security
35 law or section 13-157.1 or 13-157.4 of the administrative code of the
36 city of New York.

37 § 81. No enhancement, increase or other alteration or change in the
38 benefit structure provided herein shall be authorized.

39 § 81-a. The retirement and social security law is amended by adding a
40 new section 25 to read as follows:

41 § 25. Appropriations in retirement bills. The state shall make a
42 payment to the retirement system in an amount equal to the value of the
43 benefits associated with prior service upon the enactment of a bill
44 which enacts or amends any provision of law relating to a retirement
45 system or plan of the state of New York or of any of its political
46 subdivisions. The state may amortize such payment over a five year peri-
47 od at a rate of interest to be determined by the retirement system. Such
48 bill shall contain an itemized appropriation from the state's general
49 fund beginning for the fiscal year in which such amendment becomes
50 effective and which shall not be used for any other purpose, sufficient
51 to disburse a minimum of the first of five such amortization payments
52 plus the present value of the benefits provided to employees of the
53 state or its political subdivisions by the bill for the current fiscal
54 year. The state shall continue to pay for the cost of the benefits as
55 provided by the bill to the state and its political subdivisions on an
56 ongoing basis. Such appropriation from the state's general fund shall

1 only be required when a bill is enacted on a statewide basis. In addi-
2 tion, such appropriation from the state's general fund shall not be
3 required when the benefits provided by a particular bill must be elected
4 by a participating employer, local government, or school district.

5 § 81-b. The retirement and social security law is amended by adding
6 three new articles 23, 24, and 25 to read as follows:

7 ARTICLE 23

8 BENEFIT ENHANCEMENTS

9 Section 1300. Definitions.

10 1301. Election of benefit enhancements.

11 1302. Benefit enhancements.

12 1303. Additional member contributions.

13 1304. Election not collectively bargained.

14 § 1300. Definitions. The following words and phrases as used in this
15 article shall have the following meanings unless a different meaning is
16 plainly required by the context:

17 a. "Retirement system" shall mean the New York state and local employ-
18 ees' retirement system and the New York state teachers' retirement
19 system.

20 b. "Eligible employee", subject to the limitations of section thirteen
21 hundred two of this article, shall mean a state employee that becomes a
22 member of a retirement system who first became a member of such system
23 on or after April first, two thousand twelve who is identified as eligi-
24 ble to receive the benefit enhancements provided for in this article
25 upon election by the state of New York pursuant to section thirteen
26 hundred one of this article.

27 § 1301. Election of benefit enhancements. a. The state of New York may
28 elect to provide its employees the benefit enhancements provided for in
29 section thirteen hundred two of this article.

30 b. A separate election to provide benefit enhancements pursuant to
31 subdivision a of this section must be made for each specific collective
32 bargaining organization, recognized or certified pursuant to article
33 fourteen of the civil service law.

34 c. Such election is made by the governor to the retirement system upon
35 receipt of a request from the collective bargaining organization, recog-
36 nized or certified pursuant to article fourteen of the civil service law
37 to represent such eligible employees. No such petition shall be
38 required for employees who are not represented for the purposes of
39 collective bargaining subject to the limitation provided in section nine
40 hundred two of this chapter.

41 § 1302. Benefit enhancements. Notwithstanding any other law to the
42 contrary, eligible employees shall be permitted to retire, without
43 penalty, upon reaching age fifty-seven and completing at least thirty
44 years of credited service. Employees retiring pursuant to this section
45 shall receive a pension allowance equal to the sum of thirty-five per
46 centum and one-fiftieth of final average salary for each year of service
47 in excess of twenty times final average salary times years of credited
48 service.

49 § 1303. Additional member contributions. Upon election by the state of
50 New York, the retirement system shall require additional member contrib-
51 utions to be paid by all eligible employees. The additional member
52 contributions to be paid by eligible employees shall be of a level so
53 that no additional contributions shall be paid by the state to cover the
54 cost of such additional benefits. Additional member contributions made
55 pursuant to this section shall be in addition to member contributions
56 made pursuant to other provisions of this chapter.



1 § 1304. Election not collectively bargained. The determination to
2 make an election in accordance with this article shall not be deemed to
3 be, or to relate to or affect, a term and condition of employment within
4 the meaning of article fourteen of the civil service law or any local
5 law enacted in furtherance thereof.

6 ARTICLE 24

7 BENEFIT ENHANCEMENTS

8 Section 1310. Definitions.

9 1311. Election of benefit enhancements.

10 1312. Benefit enhancements.

11 1313. Additional member contributions.

12 1314. Election not collectively bargained.

13 § 1310. Definitions. The following words and phrases as used in this
14 article shall have the following meanings unless a different meaning is
15 plainly required by the context:

16 a. "Retirement system" shall mean the New York state and local employ-
17 ees' retirement system and the New York state teachers' retirement
18 system.

19 b. "Eligible employee", subject to the limitations of section thirteen
20 hundred twelve of this article, shall mean a member of a retirement
21 system who first became a member of such system on or after April first,
22 two thousand twelve who is identified as eligible to receive the benefit
23 enhancements provided for in this article upon election by the state of
24 New York pursuant to section thirteen hundred eleven of this article.

25 § 1311. Election of benefit enhancements. a. The state of New York may
26 elect to provide employees who hold a position represented by the recog-
27 nized collective bargaining units affiliated with the New York state
28 united teachers employee organization as certified by his or her employ-
29 er the benefit enhancements provided for in section thirteen hundred
30 twelve of this article.

31 b. Such election is made by the governor to the retirement system upon
32 receipt of a request by the New York state united teachers employee
33 organization.

34 § 1312. Benefit enhancements. Notwithstanding any other law to the
35 contrary, eligible employees shall be permitted to retire, without
36 penalty, upon reaching age fifty-seven and completing at least thirty
37 years of credited service. Employees retiring pursuant to this section
38 shall receive a pension allowance equal to the sum of thirty-five per
39 centum and one-fiftieth of final average salary for each year of service
40 in excess of twenty times final average salary times years of credited
41 service.

42 § 1313. Additional member contributions. Upon election by the state of
43 New York, the retirement system shall require additional member contrib-
44 utions to be paid by all eligible employees. The additional member
45 contributions to be paid by eligible employees shall be of a level so
46 that no additional contributions shall be paid by the state or partic-
47 ipating employers in the retirement system to cover the cost of such
48 additional benefits. Additional member contributions made pursuant to
49 this section shall be in addition to member contributions made pursuant
50 to other provisions of this chapter.

51 § 1314. Election not collectively bargained. The determination to
52 make an election in accordance with this article shall not be deemed to
53 be, or to relate to or affect, a term and condition of employment within
54 the meaning of article fourteen of the civil service law or any local
55 law enacted in furtherance thereof.



ARTICLE 25BENEFIT ENHANCEMENTSSection 1320. Definitions.1321. Election of benefit enhancements.1322. Benefit enhancements.1323. Additional member contributions.1324. Election not collectively bargained.

§ 1320. Definitions. The following words and phrases as used in this article shall have the following meanings unless a different meaning is plainly required by the context:

a. "Retirement system" shall mean the New York city employees' retirement system, the New York city teachers' retirement system, and the New York city board of education retirement system.

b. "Eligible employee", subject to the limitations of section thirteen hundred twenty-two of this article, shall mean a member of a retirement system who first became a member of such system on or after April first, two thousand twelve who is identified as eligible to receive the benefit enhancements provided for in this article upon election by the city of New York pursuant to section thirteen hundred twenty-one of this article.

§ 1321. Election of benefit enhancements. a. The city of New York may elect to provide its employees the benefit enhancements provided for in section thirteen hundred twenty-two of this article.

b. A separate election to provide benefit enhancements pursuant to subdivision a of this section must be made for each specific collective bargaining organization, recognized or certified pursuant to article fourteen of the civil service law.

c. Such election may be made at the sole discretion of the mayor of the city of New York to the retirement systems upon receipt of a request from the collective bargaining organization, recognized or certified pursuant to article fourteen of the civil service law to represent such eligible employees. No such petition shall be required for employees who are not represented for the purposes of collective bargaining subject to the limitation provided in section nine hundred two of this chapter.

§ 1322. Benefit enhancements. Notwithstanding any other law to the contrary, eligible employees shall be eligible to receive benefits specified by the mayor of the city of New York, provided that the petition provided pursuant to subdivision c of section thirteen hundred twenty-one of this article requested the election of such benefits.

§ 1323. Additional member contributions. Upon election by the city of New York, the retirement system shall require additional member contributions to be paid by all eligible employees. The additional member contributions to be paid by eligible employees shall be of a level so that no additional contributions shall be paid by the city of New York to cover the cost of such additional benefits. Additional member contributions made pursuant to this section shall be in addition to member contributions paid pursuant to other provisions of this chapter.

§ 1324. Election not collectively bargained. The determination to make an election in accordance with this article shall not be deemed to be, or to relate to or affect, a term and condition of employment within the meaning of article fourteen of the civil service law or any local law enacted in furtherance thereof.

§ 82. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in



1 its operation to the clause, sentence, paragraph, subdivision, section
 2 or part thereof directly involved in the controversy in which such judg-
 3 ment shall have been rendered. It is hereby declared to be the intent of
 4 the legislature that this act would have been enacted even if such
 5 invalid provisions had not been included herein.

6 § 83. This act shall take effect April 1, 2012, provided that the
 7 amendments to subdivision a of section 603 of the retirement and social
 8 security law made by section thirty-one of this act shall be subject to
 9 the expiration and reversion of such subdivision pursuant to section 13
 10 of chapter 682 of the laws of 2003, as amended, provided, further that
 11 the amendments to subdivisions 86, 87 and 89 of section 13-101 of the
 12 administrative code of the city of New York made by sections seventy-
 13 five, seventy-six and seventy-seven of this act shall not affect the
 14 expiration of such subdivisions and shall be deemed to expire therewith.

FISCAL NOTE.--Pursuant to Section 50 of the Legislative Law, the
 fiscal note that must be appended in its entirety to this bill is:

This bill would amend various sections of the Education Law, the
 Retirement and Social Security Law, and the Administrative Code of the
 City of New York to implement a new retirement benefit structure for
 members who first join a public retirement system of the state or New
 York City on or after April 1, 2012. The following provisions are with
 respect to members of the New York State Teachers' Retirement System.
 Members would be eligible for an unreduced retirement benefit upon
 attainment of age 63. Benefits would be vested after ten years of cred-
 ited service. Members would be permitted to receive a reduced retirement
 benefit as early as age 55 with a reduction of 6.5% per year for each
 year that commencement precedes age 63. The retirement benefit formula
 for members whose years of service are less than 20 would be equal to
 one-sixtieth of final average salary times years of service. The
 retirement benefit formula for those members whose years of service is
 20 or more would be equal to 1.75% times years of service up to 20, and
 2.0% times years of service in excess of 20. Final average salary would
 be determined as the average of the highest five consecutive years of
 salary. Salary in excess of ten percent over the average of the four
 previous years would not be included in the final average salary.
 Members would be required to contribute between three and six percent of
 annual salary each year based upon their earnings in the second plan
 year preceding the current year in accordance with the schedule below:

<u>Wages Earned</u>	<u>Member Contribution Rat</u>
\$45,000 or less	3.00%
Greater than \$45,000 but not greater than \$55,000	3.50%
Greater than \$55,000 but not greater than \$75,000	4.50%
Greater than \$75,000 but not greater than \$100,000	5.75%
Greater than \$100,000	6.00%

Wages in excess of the annual salary paid to the Governor pursuant to
 the state constitution are not includable. Additionally in the case of
 members who work for multiple employers, only salary received from two
 employers is includable.

In Article 23-a of the bill, if NYSUT petitions the Governor to add
 the provisions of this section, and the Governor so elects, then a 57/30
 benefit enhancement is added in which eligible members may retire with
 an unreduced benefit upon reaching age 57 provided they have completed
 at least 30 years of credited service. Upon election of this section,
 NYSTRS shall determine the cost of this provision, and the member
 contribution rate shall be increased by this amount, such that there is
 no additional cost to employers due to the provisions of this section.



The current required employer contribution rate for the New York State Teachers' Retirement System is 11.11% of pay, applicable to 7/1/11 - 6/30/12 member salaries and to be collected in the fall of 2012. This rate is estimated to increase to 11.84% for the 7/1/12 - 6/30/13 fiscal year. This rate is applicable to the salaries of all members, regardless of tier. In that this proposed benefit structure is only applicable to members joining on or after April 1, 2012, it will be several years before it has a noticeable impact on the employer contribution rate. The cost savings impact of this change will become more significant with time as the number of post-4/1/12 members grows as a percentage of the total membership.

Our "new entrant rate", a hypothetical employer contribution rate that would occur if we started a new Retirement System without any assets, is equal to 10.9% of pay under the Tier 4 benefit structure and 7.9% of pay under the Tier 5 benefit structure, in accordance with the actuarial assumptions adopted by the Retirement Board on October 27, 2011. This can be thought of as the long-term expected cost of the benefit structure, based on current actuarial assumptions. For the proposed new benefit structure as described above, this new entrant rate would be equal to 4.6% of pay.

With respect to the breakdown of the total plan cost into employer and employee portions, the long-term expected total cost of the benefit structure for Tier 4 breaks down approximately as 89/11 employer/employee, for Tier 5 the split is 69/31 employer/employee, and for the Tier 6 benefit structure proposed here the split would be 49/51 employer/employee, based on current actuarial assumptions. Of course the employee contribution rate is fixed, while the employer contribution rate is variable as employers are responsible for overall funding and assume all risks and benefits associated with investment performance and demographic experience. The actual employer cost in a given year could be higher or lower than the cost projected above depending on how actual investment returns and demographic experience differ from what is projected.

The source of this estimate is Fiscal Note 2012-23 dated March 14, 2012 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2012 Legislative Session. I, Richard A. Young, am the 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.--This bill would require new members who first join public retirement systems in New York State on or after April 1, 2012 to become covered under the provisions of a new defined benefit plan. New non-unionized members who first join public retirement systems in New York State on or after July 1, 2013 would have the option of joining an existing defined contribution plan.

Insofar as this bill would affect the New York State and Local Employees Retirement System (ERS), the significant design changes to the current defined benefit plan include:

1. Beginning April 1, 2013, employee contributions of X% of pay for all years of service, (except members enrolled in a plan that limits the amount of creditable service that may be accrued would not be required to contribute after accruing the maximum amount of creditable service under such plan), where the X% applies for a fiscal year and is determined as follows:

Annual Pensionable salary	X%
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as of 3/31/two fiscal years prior	
up to \$45,000.00	3.00%
\$45,000.01 to \$55,000.00	3.50%
\$55,000.01 to \$75,000.00	4.50%
\$75,000.01 to \$100,000.00	5.75%
\$100,000.01 or more	6.00%

2. The service retirement benefit would be one-sixtieth (1.67%) of FAS for less than 20 years of creditable service, OR, when creditable service is 20 years or more, 35% plus one-fiftieth (2.00%) of FAS for service credit in excess of 20 years,

3. Members in regular plans (where retirement eligibility requires the attainment of a certain age as well as the accumulation of a certain amount of service credit) must attain age 63 before they may receive an unreduced service retirement benefit. Retirement with reductions can commence at age 55 with the application of an early age reduction factor at a rate of 6.5% per year.

4. Final average salary (FAS) would be based on a 5 year average, with no year's salary permitted to exceed 10% of the average of the previous 4 year's salary,

5. Reportable salary (for a fiscal year) may not exceed the salary of the Governor of the state of New York, which currently is set in law to be \$179,000 (the reportable salary would change when the Governor's salary does) and pensionable salary applies on salary from no more than two employers per fiscal year,

6. Lump sum vacation pay, any form of termination pay and additional compensation paid in anticipation of retirement would no longer be included in a member's final average salary,

7. Service credit for unused sick leave time is capped at 100 days,

8. An early age retirement starting at age 57 for those with 30 or more years of creditable service is potentially provided to petitioning bargaining units subject to approval by the Governor of the state of New York with the enhanced benefit paid for by an additional employee contribution yet to be determined.

If this bill is enacted, NYSLRS would calculate new plan rates for all ERS members who first enter on or after April 1, 2012. The long term expected annual employer normal contribution rate for new general members would be approximately 5.7% of payroll. The long term expected annual employer total contribution rate for new general members (includes Group Term Life Insurance and the administrative rate) would be approximately 6.4% of payroll.

For fiscal year 2013, the total contribution rate for new general members (includes Group Term Life Insurance and the administrative rate) would be approximately 10.0% of payroll. The FY 2013 contributions assume that the new tier will be added to the existing ERS plan, and does not become its own, independent plan.

For ERS members in retirement plans that allow retirement without regard to age, the long term expected and FY 2013 contributions would vary by plan with a representative set of the larger plans given in the table below (with the general plan for tiers 5 and 6 included for reference):

Plan	Long Term Expected Total Contribution	FY 2013 Contribution
Tier 5 General	9.4%	14.9%
Tier 6 General	6.4%	10.0%
Tier 5 Non-State COs	10.6%	17.5%
Tier 6 Non-State COs	7.2%	11.5%



Tier 5 State COs	12.1%	19.8%
Tier 6 State COs	8.8%	14.2%
Tier 5 Sheriffs (553)	16.2%	26.5%
Tier 6 Sheriffs (553)	12.9%	20.9%

Insofar as this bill would affect the New York State and Local Police and Fire Retirement System (PFRS), the significant design changes to the defined benefit plan include:

1. Beginning April 1, 2013, employee contributions of X% of pay for all years of service, (except members enrolled in a plan that limits the amount of creditable service that may be accrued would not be required to contribute after accruing the maximum amount of creditable service under such plan), where the X% applies for a fiscal year and is determined as follows:

Annual Pensionable salary as of 3/31/two fiscal years prior up to \$45,000.00	X%
\$45,000.01 to \$55,000.00	3.00%
\$55,000.01 to \$75,000.00	3.50%
\$75,000.01 to \$100,000.00	4.50%
\$100,000.01 or more	5.75%
	6.00%

2. Final average salary (FAS) would be based on a 5 year average, with no year's salary permitted to exceed 10% of the average of the previous 4 year's salary,

3. Reportable salary (for a fiscal year) may not exceed the salary of the Governor of the state of New York, which currently is set in law to be \$179,000 (the reportable salary would change when the Governor's salary does) and pensionable salary applies on salary from no more than two employers per fiscal year,

4. Any form of termination pay and additional compensation paid in anticipation of retirement would no longer be included in a member's final average salary,

5. Members in regular plans (where retirement eligibility requires the attainment of a certain age as well as the accumulation of a certain amount of service credit) must attain age 63 before they may receive a service retirement benefit,

6. Service credit for unused sick leave time is capped at 100 days, If this bill is enacted, NYSLRS would calculate new plan rates for all PFRS members who first enter on or after April 1, 2012. For PFRS members in retirement plans that allow retirement without regard to age, the long term expected and FY 2013 contributions would vary by plan with a representative set of the larger plans given in the table below. The FY 2013 contributions assume that the new tier will be added to the existing PFRS plan, and does not become its own, independent plan.

Plan	Long Term Expected Total Contribution	FY 2013 Contribution
Tier 5 384D	14.8%	20.1%
Tier 6 384D	10.5%	14.1%
Tier 5 384E	15.1%	20.5%
Tier 6 384E	10.8%	14.5%
T5 State Police	16.2%	22.1%
T6 State Police	11.1%	15.0%

There would also be additional administrative expenses to inform employers and new members of the new plan provisions and to modify automated systems. Employee contributions would now be a function of base salary instead of one fixed rate. To implement these employee contribution rate changes the modification of NYSLRS automated systems would be



substantial with an associated implementation expense estimated at \$3 to 5 million. The more complicated system would be more challenging to maintain, apply, and explain, resulting in estimated annual ongoing expenses in the millions of dollars. The state and each of the approximately 3,000 participating employers would have to modify their methods for withholding employee contributions, which could also lead to total expenses in the millions of dollars. Lastly, the bill contains no appropriation to support the additional payroll administrative expense to the Office of the State Comptroller or the implementation and ongoing expenses of NYSLRS related to the new tier.

This bill would provide new members who first join public retirement systems in New York State on or after July 1, 2013 the option to become covered under an existing defined contribution plan in lieu of the defined benefit plan.

There would be additional NYSLRS administrative expenses to inform employers and new members of the option. These expenses are expected to be small.

Summary of relevant resources:

Data: March 31, 2011 Actuarial Year End File with distributions of membership and other statistics displayed in the 2011 Report of the Actuary and 2011 Comprehensive Annual Financial Report.

Assumptions and Methods: 2010 and 2011 Annual Report to the Comptroller on Actuarial Assumptions, Codes Rules and Regulations of the State of New York: Audit and Control.

Market Assets and GASB Disclosures: March 31, 2011 New York State and Local Retirement System Financial Statements and Supplementary Information.

Valuations of Benefit Liabilities and Actuarial Assets: summarized in the 2011 Actuarial Valuations report.

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 March 14, 2012, and intended for use only during the 2012 Legislative Session, is Fiscal Note No. 2012-117, prepared by the Actuary for the ERS and PFRS.

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

This bill would require new members who first join any of the five New York City pension systems on or after April 1, 2012 to become covered under the provisions of a new defined benefit plan, Tier 6. The significant design elements of the plan are:

For non-uniformed employees:

1. Retirement age 63.
2. Benefit formula:
 - 1.75% for each year of service up to 20 years
 - 2.0% for each year of service from 20 years to 30 years
 - 2.0% for each year of service beyond 30 years
3. Employee Contributions:

Employee Salaries	Contribution %
Less than \$45,000	3%
\$45,000-55,000	3.5%
\$55,000-75,000	4.5%
\$75,000-100,000	5.75%
\$100,000+	6%

4. Vesting after 10 years of service
5. Final Average Salary (FAS) computed on a 5-year average with a 4 year look-back for years in excess of 10% above the preceding years.
6. Cap maximum pensionable earnings at the Governor's salary.



7. An early retirement option for employees under 63 years of age which allows them to retire as young as age 55 with a 6.5% reduction in the benefit per year for each year below age 63.

For employees who are members of the uniformed forces:

All employees covered by these provisions would receive benefits as described under the section of the law that sets out the Tier 3 provisions. Additionally, the Final Average Salary (FAS) is computed on a 5-year average with a 4 year look-back for years in excess of 10% above the preceding years.

The impact of this legislation on City's Fiscal Year 2015 would be a savings of approximately \$49 million. The total impact on the City's budget over the next 30 years would be a savings of approximately \$21 billion.

This estimate, dated March 14, 2012, and intended for use only during the 2012 Legislative Session, was prepared by the city of New York office of management and budget.

