

PROGRAM BILL # 32

S. _____
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

RETISSLA
(Relates to persons joining certain
public retirement systems after
April 1, 2012)

R & SS. pension; after 4/1/2012

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' retire-
ment system, the New York city
teachers' retirement system, the New
York city board of education retire-

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal

s20 Adams	s44 Farley	s58 Kennedy	s54 Nozzolico	s28 Serrano
s15 Addabbo	s02 Flanagan	s34 Klein	s53 O'Mara	s51 Seward
s55 Alesi	s08 Fuschillo	s26 Krueger	s37 Oppenheimer	s09 Skelos
s11 Avella	s59 Gallivan	s24 Lanza	s21 Parker	s14 Smith
s40 Ball	s12 Gianaris	s39 Larkin	s13 Peralta	s25 Squadron
s42 Bonacic	s22 Golden	s01 LaValle	s30 Perkins	s16 Stavisky
s46 Breslin	s47 Griffo	s52 Libous	s61 Ranzenhofer	s35 Stewart-
s38 Carlucci	s60 Grisanti	s45 Little	s48 Ritchie	Cousins
s50 DeFrancisco	s06 Hannon	s05 Marcellino	s33 Rivera	s49 Valesky
s32 Diaz	s36 Hassell-	s07 Martins	s56 Robach	s57 Young
s17 Dilan	Thompson	s62 Maziarz	s41 Saland	s03 Zeldin
s29 Duane	s10 Huntley	s43 McDonald	s19 Sampson	s27
s31 Espaillat	s04 Johnson	s18 Montgomery	s23 Savino	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a107 Crouch	a095 Jaffee	a052 Millman	a012 Saladino
a092 Abinanti	a014 Curran	a057 Jeffries	a015 Montesano	a113 Sayward
a105 Amedore	a063 Cusick	a135 Johns	a132 Morelle	a029 Scarborough
a084 Arroyo	a045 Cymbrowitz	a112 Jordan	a039 Moya	a016 Schimel
a035 Aubry	a034 DenDekker	a099 Katz	a003 Murray	a140 Schimminger
a124 Barclay	a081 Dinowitz	a074 Kavanagh	a037 Nolan	a064 Silver
a040 Barron	a114 Duprey	a065 Kellner	a128 Oaks	a027 Simanowitz
a082 Benedetto	a004 Englebright	a129 Kolb	a069 O'Donnell	a036 Simotas
a122 Blankenbush	a054 Espinal	a025 Lancman	a051 Ortiz	a146 Smardz
a055 Boyland	a071 Farrell	a091 Latimer	a136 Palmesano	a079 Stevenson
a008 Boyle	a123 Finch	a013 Lavine	a088 Paulin	a011 Sweeney
a026 Braunstein	a007 Fitzpatrick	a050 Lentol	a141 Peoples-	a110 Tedisco
a044 Brennan	a137 Friend	a125 Lifton	Stokes	a115 Tenny
a116 Brindisi	a143 Gabryszak	a072 Linares	a058 Perry	a002 Thiele
a131 Bronson	a090 Galef	a127 Lopez, P.	a087 Pretlow	a061 Titone
a046 Brook-Krasny	a133 Gantt	a053 Lopez, V.	a073 Quart	a031 Titus
a147 Burling	a077 Gibson	a001 Losquadro	a021 Ra	a062 Tobacco
a117 Butler	a149 Giglio	a126 Lupardo	a097 Rabbitt	a148 Walter
a101 Cahill	a066 Click	a111 Magee	a009 Raia	a041 Weinstein
a096 Calhoun	a023 Goldfeder	a120 Magnarelli	a006 Ramos	a020 Weisenberg
a043 Camara	a150 Goodell	a059 Maisel	a134 Reillich	a024 Weprin
a106 Canestrari	a075 Gottfried	a060 Malliotakis	a109 Reilly	a070 Wright
a089 Castelli	a005 Graf	a030 Markey	a178 Rivera, J.	a094 Zebrowski
a086 Castro	a098 Gunther	a019 McDonough	a080 Rivera, N.	a093
a138 Ceretto	a130 Hanna	a104 McEneny	a076 Rivera, P.	a100
a033 Clark	a139 Hawley	a017 McKeivitt	a119 Roberts	a103
a047 Colton	a083 Heastie	a108 McLaughlin	a056 Robinson	a145
a010 Conte	a028 Hevesi	a022 Meng	a068 Rodriguez	
a032 Cook	a048 Hikind	a121 Miller, D.	a067 Rosenthal	
a142 Corwin	a018 Hooper	a102 Miller, J.	a118 Russell	
a085 Crespo	a042 Jacobs	a038 Miller, M.	a144 Ryan	

1) Single House Bill (introduced and printed separately in either or both
houses). Uni-Bill (introduced simultaneously in both houses and printed as one
bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2 signed
copies of bill and 4 copies of memorandum in support (single house); or 4 signed
copies of bill and 8 copies of memorandum in support (uni-bill).

ment 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
15 pension costs are of substantial state concern and must be remedied
16 immediately.

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

22 § 1-a. Paragraph 1 of subdivision j of section 41 of the retirement
23 and social security law, as amended by chapter 397 of the laws of 2009,
24 is amended to read as follows:

25 1. In addition to any other service credit to which he or she is enti-
26 tled, a member who meets the requirements set forth in paragraphs two
27 and three of this subdivision shall be granted one day of additional
28 service credit for each day of accumulated unused sick leave which he or

1 she has at time of retirement for service, but such credit shall not (a)
2 exceed one hundred sixty-five days, (b) be considered in meeting any
3 service or age requirements prescribed in this chapter, and (c) be
4 considered in computing final average salary. However, for an executive
5 branch member designated managerial or confidential pursuant to article
6 fourteen of the civil service law or in the collective negotiating units
7 established by article fourteen of the civil service law designated the
8 professional, scientific and technical services unit, the rent regu-
9 lation services negotiating unit, the security services negotiating
10 unit, the security supervisors negotiating unit, the state university
11 professional services negotiating unit, the administrative services
12 negotiating unit, the institutional services negotiating unit, the oper-
13 ational services negotiating unit and the division of military and naval
14 affairs negotiating unit such service credit limitation provided in
15 subparagraph (a) of this paragraph shall not exceed two hundred days.
16 For a nonjudicial officer or employee of the unified court system not in
17 a collective negotiating unit or in a collective negotiating unit speci-
18 fied in section one of chapter two hundred three of the laws of two
19 thousand four, for employees of the New York state dormitory authority,
20 for employees of the New York state thruway authority, the New York
21 state canal corporation and the state university construction fund and
22 for employees of the New York liquidation bureau such service credit
23 limitation provided in subparagraph (a) of this paragraph shall not
24 exceed two hundred days. For members who first become members of a
25 public retirement system of the state on or after April first, two thou-
26 sand twelve, such credit shall not exceed one hundred days.

27 § 2. Subdivisions a and b of section 376 of the retirement and social
28 security law, subdivision a as amended by chapter 389 of the laws of

1 1998 and subdivision b as amended by chapter 371 of the laws of 1969,
2 are amended to read as follows:

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

5 1. who has credit for at least five years of total service, or

6 2. who has credit for at least five years of total service, including
7 a minimum of five years of member service during which the member
8 contributed to the system and/or participated in an increased-take-home-
9 pay or non-contributory plan, and who does not withdraw his or her accu-
10 mulated contributions, shall be entitled to make application pursuant to
11 section three hundred seventy of this article for a vested retirement
12 allowance to be effective on or after the first day of the month follow-
13 ing his or her attainment of sixty years of age, or sixty-three years of
14 age for a member who first becomes a member of the New York state and
15 local police and fire retirement system on or after April first, two
16 thousand twelve. The retirement allowance provided by this section
17 shall vest automatically upon such discontinuance of service by such
18 member.

19 3. In the case of such a member who discontinues service other than by
20 death or retirement after March thirty-first, nineteen hundred sixty-
21 six, who had been contributing toward and/or participating in an
22 increased-take-home-pay or non-contributory plan for retirement on a
23 basis other than retirement at age sixty for five years preceding his or
24 her discontinuance of service, he or she shall be entitled to make
25 application for a vested retirement allowance to be effective on or
26 after the first day of the month following his or her attainment of
27 fifty-five years of age, or sixty-three years of age for a member who

1 first becomes a member of the New York state and local police and fire
2 retirement system on or after April first, two thousand twelve.

3 b. The vested retirement allowance shall be computed and paid in
4 accordance with the provisions of the plan of which the member had been
5 a participant provided, however, that if the service fraction used to
6 compute the retirement allowance or the pension provides a benefit
7 greater than that which would have been provided had the service frac-
8 tion one-sixtieth been used to compute the benefit, the service frac-
9 tion one-sixtieth shall be used to compute the vested retirement allowance
10 unless such plan shall specify another fraction to be used to compute
11 the vested retirement allowance. The vested retirement allowance shall
12 not be paid before the member attains age fifty-five, or sixty-three
13 years of age for a member who first becomes a member of the New York
14 state and local police and fire retirement system on or after April
15 first, two thousand twelve.

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

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

26 § 4. Subdivisions 5, 7, 12, 17 and 24 of section 501 of the retirement
27 and social security law, subdivisions 5, 12 and 17 as added by chapter
28 890 of the laws of 1976, subdivision 7 as amended by chapter 408 of the

1 laws of 2000 and subdivision 24 as amended by section 1 of part B of
2 chapter 504 of the laws of 2009, are amended to read as follows:

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

8 7. "Eligible beneficiary" for the purposes of section five hundred
9 nine of this article shall mean the following persons or classes of
10 persons in the order set forth: (a) a surviving spouse who has not
11 renounced survivorship rights in a separation agreement, until remar-
12 riage, (b) surviving children until age twenty-five, (c) dependent
13 parents, determined under regulations promulgated by the comptroller,
14 (d) any other person who qualified as a dependent on the final federal
15 income tax return of the member or the return filed in the year imme-
16 diately preceding the year of death, until such person reaches twenty-
17 one years of age and (e) with respect to members of the New York city
18 employees' retirement system (other than a New York city uniformed
19 correction/sanitation revised plan member or an investigator revised
20 plan member) and the board of education retirement system of the city of
21 New York, a person whom the member shall have nominated in the form of a
22 written designation, duly acknowledged and filed with the head of the
23 retirement system for the purpose of section five hundred eight of this
24 article. In the event that a class of eligible beneficiaries consists of
25 more than one person, benefits shall be divided equally among the
26 persons in such class. For the purposes of section five hundred eight of
27 this article the term "eligible beneficiary" shall mean such person as
28 the member shall have nominated to receive the benefits provided in this

1 article. To be effective, such a nomination must be in the form of a
2 written designation, duly acknowledged and filed with the head of the
3 retirement system for this specific purpose. In the event such desig-
4 nated beneficiary does not survive him, or if he shall not have so
5 designated a beneficiary, such benefits shall be payable to the deceased
6 member's estate or as provided in section one thousand three hundred ten
7 of the surrogate's court procedure act.

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

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

17 24. "Wages" shall mean regular compensation earned by and paid to a
18 member by a public employer, except that for members who first join the
19 state and local employees' retirement system on or after January first,
20 two thousand ten, overtime compensation paid in any year in excess of
21 the overtime ceiling, as defined by this subdivision, shall not be
22 included in the definition of wages. "Overtime compensation" shall mean,
23 for purposes of this section, compensation paid under any law or policy
24 under which employees are paid at a rate greater than their standard
25 rate for additional hours worked beyond those required, including
26 compensation paid under section one hundred thirty-four of the civil
27 service law and section ninety of the general municipal law. The "over-
28 time ceiling" shall mean fifteen thousand dollars per annum on January

1 first, two thousand ten, and shall be increased by three percent each
2 year thereafter, provided, however, that for members who first become
3 members of the New York state and local employees' retirement system on
4 or after April first, two thousand twelve, "overtime ceiling" shall mean
5 fifteen thousand dollars per annum on April first, two thousand twelve,
6 and shall be increased each year thereafter by a percentage to be deter-
7 mined annually by reference to the consumer price index (all urban
8 consumers, CPI-U, U.S. city average, all items, 1982-84=100), published
9 by the United States bureau of labor statistics, for each applicable
10 calendar year. Said percentage shall equal the annual inflation as
11 determined from the increase in the consumer price index in the one year
12 period ending on the December thirty-first prior to the cost-of-living
13 adjustment effective on the ensuing April first. For the purpose of
14 calculation a member's primary federal social security retirement or
15 disability benefit, wages shall, in any calendar year, be limited to the
16 portion of the member's wages which would be subject to tax under
17 section three thousand one hundred twenty-one of the internal revenue
18 code of nineteen hundred fifty-four, or any predecessor or successor
19 provision relating thereto, if such member was employed by a private
20 employer. For members who first become members of the New York state
21 and local employees' retirement system on or after the effective date of
22 the chapter of the laws of two thousand twelve which amended this subdi-
23 vision, the following items shall not be included in the definition of
24 wages: (a) wages in excess of the annual salary paid to the governor
25 pursuant to section three of article four of the state constitution, (b)
26 lump sum payments for deferred compensation, sick leave, accumulated
27 vacation or other credits for time not worked, (c) any form of termi-
28 nation pay, (d) any additional compensation paid in anticipation of

1 retirement, and (e) in the case of employees who receive wages from
2 three or more employers in a twelve month period, the wages paid by the
3 third and each successive employer.

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

6 25. "New York city uniformed correction/sanitation revised plan
7 member" shall mean a member who becomes subject to the provisions of
8 this article on or after April first, two thousand twelve, and who is a
9 member of either the uniformed force of the New York city department of
10 correction or the uniformed force of the New York city department of
11 sanitation.

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

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

23 § 6. Intentionally omitted.

24 § 7. Subdivisions a, c and d of section 503 of the retirement and
25 social security law, subdivision a as amended by chapter 662 of the laws
26 of 1988, subdivision c as amended by section 143 of subpart B of part C
27 of chapter 62 of the laws of 2011 and subdivision d as added by chapter
28 890 of the laws of 1976, are amended to read as follows:

1 a. The normal service retirement benefit specified in section five
2 hundred four of this article shall be payable to general members, other
3 than elective members, who have met the minimum service requirements
4 upon retirement and attainment of age sixty-two, provided, however, a
5 general member who is a peace officer employed by the unified court
6 system or a member of a teachers' retirement system may retire without
7 reduction of his or her retirement benefit upon attainment of at least
8 fifty-five years of age and completion of thirty or more years of
9 service. For members who become members of the New York state and local
10 employees' retirement system on or after April first, two thousand
11 twelve, the normal service retirement benefits specified in section five
12 hundred four of this article shall be payable to general members, other
13 than elective members, who have met the minimum service requirements
14 upon retirement and attainment of age sixty-three.

15 c. A general member shall be eligible for early service retirement at
16 age fifty-five with five years of credited service. A general member in
17 the uniformed correction force of the New York city department of
18 correction, who is not eligible for early service retirement pursuant to
19 subdivision c of section five hundred four-a of this article or subdivi-
20 sion c of section five hundred four-b of this article or subdivision c
21 of section five hundred four-d of this article, or a general member in
22 the uniformed personnel in institutions under the jurisdiction of the
23 department of corrections and community supervision, as defined in
24 subdivision i of section eighty-nine of this chapter or serving in
25 institutions who is also in a title defined in such subdivision and who
26 has made an election pursuant to the provisions of article seventeen of
27 this chapter, shall also be eligible for early service retirement after
28 twenty-five years of credited service, provided, however, that the

1 provisions of this subdivision and subdivision a of this section shall
2 not apply to a New York city uniformed correction/sanitation revised
3 plan member or an investigator revised plan member.

4 d. The normal service retirement benefit specified in section five
5 hundred five of this article shall be paid to police/fire members, New
6 York city uniformed correction/sanitation revised plan members and
7 investigator revised plan members without regard to age upon retirement
8 after twenty-two years of service. Early service retirement shall be
9 permitted upon retirement after twenty years of credited service or
10 attainment of age sixty-two, provided, however, that New York city
11 police/fire revised plan members, New York city uniformed
12 correction/sanitation revised plan members and investigator revised plan
13 members shall not be eligible to retire for service prior to the attain-
14 ment of twenty years of credited service.

15 § 8. Subdivisions a, c and d of section 504 of the retirement and
16 social security law, subdivision a as added by chapter 890 of the laws
17 of 1976, subdivision c as amended by section 3 of part B of chapter 504
18 of the laws of 2009 and subdivision d as amended by section 144 of
19 subpart B of part C of chapter 62 of the laws of 2011, are amended to
20 read as follows:

21 a. The service retirement benefit for general members at normal
22 retirement age with twenty or more years of credited service shall be a
23 pension equal to one-fiftieth of final average salary times years of
24 credited service, not in excess of thirty years, less fifty percent of
25 the primary social security retirement benefit as provided in section
26 five hundred eleven of this article. The service retirement benefit for
27 general members at normal retirement age with twenty or more years of
28 service who first become members of the New York state and local employ-

1 ees' retirement system on or after April first, two thousand twelve at
2 normal retirement age shall be a pension equal to the sum of thirty-five
3 per centum and one-fiftieth of final average salary for each year of
4 service in excess of twenty, but not in excess of thirty, times final
5 average salary times years of credited service.

6 c. The early service retirement benefit for general members, except
7 for general members whose early retirement benefit is specified in
8 subdivision d of this section, shall be the service retirement benefit
9 specified in subdivision a or b of this section, as the case may be,
10 without social security offset, reduced by one-fifteenth for each of the
11 first two years by which early retirement precedes age sixty-two, plus a
12 further reduction of: (1) one-thirtieth; or (2) one-twentieth for
13 members who first join the New York state and local employees' retire-
14 ment system on or after January first, two thousand ten, for each year
15 by which early retirement precedes age sixty, provided however, that for
16 members who first become members of the New York state and local employ-
17 ees' retirement system on or after the effective date of the chapter of
18 the laws of two thousand twelve which amended this subdivision, the
19 early service retirement benefit for general members, except for general
20 members whose early retirement benefit is specified in subdivision d of
21 this section, shall be the service retirement benefit specified in
22 subdivision a or b of this section, as the case may be, without social
23 security offset, reduced by six and one-half per centum for each year by
24 which early retirement precedes age sixty-three. At age sixty-two, the
25 benefit shall be reduced by fifty percent of the primary social security
26 retirement benefit, as provided in section five hundred eleven of this
27 article.

1 d. The early service retirement benefit for general members in the
2 uniformed correction force of the New York city department of
3 correction, who are not entitled to an early service retirement benefit
4 pursuant to subdivision c of section five hundred four-a of this article
5 or subdivision c of section five hundred four-b of this article or
6 subdivision c of section five hundred four-d of this article, or for
7 general members in the uniformed personnel in institutions under the
8 jurisdiction of the department of corrections and community supervision,
9 as defined in subdivision i of section eighty-nine of this chapter,
10 shall be a pension equal to one-fiftieth of final average salary times
11 years of credited service at the completion of twenty-five years of
12 service, but not in excess of fifty percent of final average salary,
13 provided, however, that the provisions of this section shall not apply
14 to a New York city uniformed correction/sanitation revised plan member.

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

17 4-a. Notwithstanding any other provision of this subdivision or any
18 other provision of law to the contrary, no member of the uniformed force
19 of the New York city department of correction who is a New York city
20 uniformed correction/sanitation revised plan member shall be a partic-
21 ipant in the twenty-year retirement program.

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

25 4-a. Notwithstanding any other provision of this subdivision or any
26 other provision of law to the contrary, no member of the uniformed force
27 of the New York city department of correction who is a New York city

1 uniformed correction/sanitation revised plan member shall be a partic-
2 ipant in the twenty-year retirement program for captains and above.

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

6 1-a. Notwithstanding any other provision of this subdivision or any
7 other provision of law to the contrary, no member of the uniformed force
8 of the New York city department of correction who is a New York city
9 uniformed correction/sanitation revised plan member shall be a partic-
10 ipant in the twenty-year retirement program.

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

13 § 505. Service retirement benefits; police/fire members, New York city
14 uniformed correction/sanitation revised plan members and investigator
15 revised plan members. a. The normal service retirement benefit for
16 police/fire members, New York city uniformed correction/sanitation
17 revised plan members and investigator revised plan members at normal
18 retirement age shall be a pension equal to fifty percent of final aver-
19 age salary, less fifty percent of the primary social security retirement
20 benefit commencing at age sixty-two, as provided in section five hundred
21 eleven of this article.

22 b. The early service retirement benefit for police/fire members, New
23 York city uniformed correction/sanitation revised plan members and
24 investigator revised plan members shall be a pension equal to two and
25 one-tenths percent of final average salary times years of credited
26 service at the completion of twenty years of service or upon attainment
27 of age sixty-two, increased by one-third of one percent of final average
28 salary for each month of service in excess of twenty years, but not in

1 excess of fifty percent of final average salary, less fifty percent of
2 the primary social security retirement benefit commencing at age sixty-
3 two as provided in section five hundred eleven of this article,
4 provided, however, that New York city police/fire revised plan members,
5 New York city uniformed correction/sanitation revised plan members and
6 investigator revised plan members shall not be eligible to retire for
7 service prior to the attainment of twenty years of credited service.

8 c. A police/fire member, a New York city uniformed
9 correction/sanitation revised plan member or an investigator revised
10 plan member who retires with twenty-two years of credited service or
11 less may become eligible for annual escalation of the service retirement
12 benefit if he elects to have the payment of his benefit commence on the
13 date he would have completed twenty-two years and one month or more of
14 service. In such event, the service retirement benefit shall equal two
15 percent of final average salary for each year of credited service, less
16 fifty percent of the primary social security retirement benefit commenc-
17 ing at age sixty-two as provided in section five hundred eleven of this
18 article.

19 § 13. Subdivisions b and c of section 507 of the retirement and social
20 security law, subdivision b as amended by chapter 489 of the laws of
21 2008 and subdivision c as amended by chapter 513 of the laws of 2010,
22 are amended to read as follows:

23 b. A police/fire member in active service, a New York city uniformed
24 correction/sanitation revised plan member in active service or an inves-
25 tigator revised plan member in active service, or a vested member inca-
26 pacitated as the result of a qualifying World Trade Center condition as
27 defined in section two of this chapter, who is not eligible for a normal
28 service retirement benefit shall be eligible for the accidental disabil-

1 ity benefit either as provided in subdivision a of this section or if
2 such member is physically or mentally incapacitated for performance of
3 duty as the natural and proximate result of an accident sustained in
4 such active service and not caused by such member's own willful negli-
5 gence.

6 c. In the case of a member of a retirement system other than the New
7 York state and local employees' retirement system, the New York state
8 teachers' retirement system, the New York city employees' retirement
9 system, the New York city board of education retirement system or the
10 New York city teachers' retirement system, or in the case of a member of
11 the New York city employees' retirement system who is a New York city
12 uniformed correction/sanitation revised plan member or an investigator
13 revised plan member, the accidental disability benefit hereunder shall
14 be a pension equal to two percent of final average salary times years of
15 credited service which such member would have attained if employment had
16 continued until such member's full escalation date, not in excess of the
17 maximum years of service creditable for the normal service retirement
18 benefit, less (i) fifty percent of the primary social security disabili-
19 ty benefit, if any, as provided in section five hundred eleven of this
20 article, and (ii) one hundred percent of any workers' compensation bene-
21 fits payable.

22 In the case of a member of the New York state and local employees'
23 retirement system, the New York state teachers' retirement system, the
24 New York city employees' retirement system (other than a New York city
25 uniformed correction/sanitation revised plan member or an investigator
26 revised plan member), the New York city board of education retirement
27 system or the New York city teachers' retirement system, the accidental
28 disability benefit hereunder shall be a pension equal to sixty percent

1 of final average salary, less (i) fifty percent of the primary social
2 security disability benefit, if any, as provided in section five hundred
3 eleven of this article, and (ii) one hundred percent of any workers'
4 compensation benefits payable. In the event a disability retiree from
5 any retirement system is not eligible for the primary social security
6 disability benefit and continues to be eligible for disability benefits
7 hereunder, such disability benefit shall be reduced by one-half of such
8 retiree's primary social security retirement benefit, commencing at age
9 sixty-two, in the same manner as provided for service retirement bene-
10 fits under section five hundred eleven of this article.

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

15 [Application] Subject to the provisions of subdivision e of this
16 section, application for a disability retirement allowance for a member
17 in the uniformed personnel in institutions under the jurisdiction of the
18 department of corrections and community supervision of New York state as
19 defined in subdivision i of section eighty-nine of this chapter or for a
20 member serving in institutions who is also in a title defined in such
21 subdivision and who has made an election pursuant to the provisions of
22 article seventeen of this chapter or the New York city department of
23 correction may be made by:

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

26 e. Notwithstanding the preceding subdivisions of this section to the
27 contrary, this section shall not apply to a member of the uniformed

1 force of the New York city department of correction who is a New York
2 city uniformed correction/sanitation revised plan member.

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

6 a. Any member in the uniformed personnel in institutions under the
7 jurisdiction of the New York city department of correction, who becomes
8 physically or mentally incapacitated for the performance of duties as
9 the natural and proximate result of an injury, sustained in the perform-
10 ance or discharge of his or her duties by, or as a natural and proximate
11 result of, an act of any inmate or any person confined in an institution
12 under the jurisdiction of the department of correction or the department
13 of health, or by any person who has been committed to such institution
14 by any court shall be paid a performance of duty disability retirement
15 allowance equal to three-quarters of final average salary, subject to
16 the provisions of section 13-176 of the administrative code of the city
17 of New York, provided, however, that the provisions of this section
18 shall not apply to a member of the uniformed force of the New York city
19 department of correction who is a New York city uniformed
20 correction/sanitation revised plan member.

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

24 b. A member of a retirement system subject to the provisions of this
25 article who is a policeman, fireman, correction officer, investigator
26 revised plan member or sanitation man and is in a plan which permits
27 immediate retirement upon completion of a specified period of service
28 without regard to age or who is subject to the provisions of section

1 five hundred four or five hundred five of this article, shall upon
2 completion of ninety days of service be covered for financial protection
3 in the event of death in service pursuant to this subdivision. Such
4 death benefit shall be equal to three times the member's salary raised
5 to the next highest multiple of one thousand dollars, but in no event
6 shall it exceed three times the maximum salary specified in section one
7 hundred thirty of the civil service law or, in the case of a member of a
8 retirement system other than the New York city employees' retirement
9 system, or in the case of a member of the New York city employees'
10 retirement system who is a New York city uniformed correction/sanitation
11 revised plan member or an investigator revised plan member, the specific
12 limitations specified for age of entrance into service contained in
13 subparagraphs (b), (c), (d), (e) and (f) of paragraph two of subdivision
14 a of this section.

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

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

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

27 f. This section shall not apply to general members in the uniformed
28 correction force of the New York city department of correction or to

1 uniformed personnel in institutions under the jurisdiction of the
2 department of corrections and community supervision and security hospi-
3 tal treatment assistants, as those terms are defined in subdivision i of
4 section eighty-nine of this chapter, provided, however, that the
5 provisions of this section shall apply to a New York city uniformed
6 correction/sanitation revised plan member.

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

11 § 512. Final average salary. a. A member's final average salary shall
12 be the average wages earned by such a member during any three consec-
13 utive years which provide the highest average wage; provided, however,
14 if the wages earned during any year included in the period used to
15 determine final average salary exceeds that of the average of the previ-
16 ous two years by more than ten percent, the amount in excess of ten
17 percent shall be excluded from the computation of final average salary.
18 [Where] Notwithstanding the preceding provisions of this subdivision to
19 the contrary, for a member who first becomes a member of the New York
20 state and local employees' retirement system on or after April first,
21 two thousand twelve, or for a New York city police/fire revised plan
22 member, a New York city uniformed correction/sanitation revised plan
23 member or an investigator revised plan member, a member's final average
24 salary shall be the average wages earned by such a member during any
25 five consecutive years which provide the highest average wage; provided,
26 however, if the wages earned during any year included in the period used
27 to determine final average salary exceeds that of the average of the
28 previous four years by more than ten percent, the amount in excess of

1 ten percent shall be excluded from the computation of final average
2 salary. In determining final average salary pursuant to any provision of
3 this subdivision, where the period used to determine final average sala-
4 ry is the period which immediately precedes the date of retirement, any
5 month or months (not in excess of twelve) which would otherwise be
6 included in computing final average salary but during which the member
7 was on authorized leave of absence at partial pay or without pay shall
8 be excluded from the computation of final average salary and the month
9 or an equal number of months immediately preceding such period shall be
10 substituted in lieu thereof.

11 b. Notwithstanding the provisions of subdivision a of this section,
12 with respect to members of the New York state employees' retirement
13 system who first become members of the New York state and local employ-
14 ees' retirement system before April first, two thousand twelve, the New
15 York state and local police and fire retirement system and the New York
16 city teachers' retirement system, a member's final average salary shall
17 be equal to one-third of the highest total wages earned during any
18 continuous period of employment for which the member was credited with
19 three years of service credit; provided, however, if the wages earned
20 during any year of credited service included the period used to deter-
21 mine final average salary exceeds the average of the wages of the previ-
22 ous two years of credited service by more than ten percent, the amount
23 in excess of ten percent shall be excluded from the computation of final
24 average salary. For members who first become a member of the New York
25 state and local employees' retirement system on or after April first,
26 two thousand twelve, with respect to members of the New York state and
27 local employees' retirement system, a member's final average salary
28 shall be equal to one-fifth of the highest total wages earned during any

1 continuous period of employment for which the member was credited with
2 five years of service credit; provided, however, if the wages earned
3 during any year of credited service included the period used to deter-
4 mine final average salary exceeds the average of the wages of the previ-
5 ous four years of credited service by more than ten percent, the amount
6 in excess of ten percent shall be excluded from the computation of final
7 average salary.

8 c. Notwithstanding the provisions of subdivisions a and b of this
9 section, the final average salary of an employee who has been a member
10 of the New York city employees' retirement system (other than a New York
11 city correction/sanitation revised plan member or an investigator
12 revised plan member) or the New York city teachers' retirement system
13 for less than one year shall be the projected one year salary, with the
14 calculation based upon a twelve month projection of the sums earned in
15 the portion of the year worked. If a member has been employed for more
16 than one year but less than two years, then the member's final average
17 salary shall be the average of the first year and projected second year
18 earnings based upon the calculation above, and if more than two years,
19 but less than three years, then one-third the total of the first two
20 years of employment plus the projected third year's earnings, calculated
21 as indicated above.

22 d. Subject to the provisions of subdivision c of this section, and
23 notwithstanding the provisions of subdivision a of this section, with
24 respect to members of the New York city employees' retirement system
25 (other than a New York city uniformed correction/sanitation revised plan
26 member or an investigator revised plan member) and the New York city
27 board of education retirement system who are subject to the provisions
28 of this article, a member's final average salary shall be determined

1 pursuant to the provisions of paragraph thirteen of subdivision e of
2 section 13-638.4 of the administrative code of the city of New York.

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

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

25 § 22. Intentionally omitted.

26 § 23. Subdivisions c and d of section 516 of the retirement and social
27 security law, subdivision c as added by chapter 890 of the laws of 1976
28 and subdivision d as amended by section 148 of subpart B of part C of

1 chapter 62 of the laws of 2011, are amended and a new subdivision e is
2 added to read as follows:

3 c. The deferred vested benefit of police/fire members, New York city
4 police/fire revised plan members, New York city uniformed
5 correction/sanitation revised plan members or investigator revised plan
6 members shall be a pension commencing at early retirement age equal to
7 two and one-tenths percent of final average salary times years of cred-
8 ited service, less fifty percent of the primary social security retire-
9 ment benefit commencing at age sixty-two, as provided in section five
10 hundred eleven of this article. A police/fire member, a New York city
11 police/fire revised plan member, a New York city uniformed
12 correction/sanitation revised plan member or investigator revised plan
13 member may elect to receive his vested benefit commencing at early
14 retirement age or age fifty-five. If the vested benefit commences before
15 early retirement age, the benefit shall be reduced by one-fifteenth for
16 each year, if any, that the member's early retirement age is in excess
17 of age sixty, and by one-thirtieth for each additional year by which the
18 vested benefit commences prior to early retirement age. If such vested
19 benefit is deferred until after such member's normal retirement age, the
20 benefit shall be computed and subject to annual escalation in the same
21 manner as provided for an early retirement benefit pursuant to subdivi-
22 sion c of section five hundred five of this article.

23 d. The deferred vested benefit of general members in the uniformed
24 correction force of the New York city department of correction, who are
25 not entitled to a deferred vested benefit under subdivision d of section
26 five hundred four-a of this article or under subdivision d of section
27 five hundred four-b of this article or under subdivision d of section
28 five hundred four-d of this article, or of general members in the

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

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

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

8 a. Members shall contribute three percent of annual wages to the
9 retirement system in which they have membership, provided that such
10 contributions shall not be required for more than thirty years, for
11 general members, or twenty-five years, for police/fire members, except
12 that beginning April first, two thousand thirteen for members who first
13 become members of the New York state and local employees' retirement
14 system on or after April first, two thousand twelve, the rate at which
15 each such member shall contribute in any current plan year (April first
16 to March thirty-first) shall be determined by reference to the wages of
17 such member in the second plan year (April first to March thirty-first)
18 preceding such current plan year as follows:

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

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

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

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

4 5. 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 state and local employees'
9 retirement system, such member shall contribute a percentage of annual
10 wages in accordance with the preceding schedule based upon a projection
11 of annual wages provided by the employer.

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

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

19 b. A member of the New York state and local employees' retirement
20 system, the New York state and local police and fire retirement system,
21 the New York city employees' retirement system or the New York city
22 board of education retirement system in active service who has credit
23 for at least one year of member service may borrow, no more than once
24 during each twelve month period, an amount not exceeding seventy-five
25 percent of the total contributions made pursuant to section five hundred
26 seventeen of this article (including interest credited at the rate set
27 forth in subdivision c of such section five hundred seventeen compounded
28 annually) and not less than one thousand dollars, provided, however,

1 that the provisions of this section shall not apply to a New York city
2 uniformed correction/sanitation revised plan member or an investigator
3 revised plan member.

4 § 26. Intentionally omitted.

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

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

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

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

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

20 1. "Wages" shall mean regular compensation earned by and paid to a
21 member by a public employer, except that for members who first join the
22 New York state and local employees' retirement system or the New York
23 state teachers' retirement system on or after January first, two thou-
24 sand ten, overtime compensation paid in any year in excess of the over-
25 time ceiling, as defined by this subdivision, shall not be included in
26 the definition of wages. "Overtime compensation" shall mean, for
27 purposes of this section, compensation paid under any law or policy
28 under which employees are paid at a rate greater than their standard

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

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

3 m. "New York city revised plan member" shall mean a member of the New
4 York city employees' retirement system, the New York city teachers'
5 retirement system or the board of education retirement system of the
6 city of New York who becomes subject to the provisions of this article
7 on or after April first, two thousand twelve.

8 § 29-a. Subdivision b-1 of section 602 of the retirement and social
9 security law, as added by section 2 of part C of chapter 504 of the laws
10 of 2009, is amended to read as follows:

11 b-1. (1) Notwithstanding the provisions of subdivision a or b of this
12 section or any other provision of law to the contrary, (i) a member of
13 the New York city teachers' retirement system who holds a position
14 represented by the recognized teacher organization for collective
15 bargaining purposes, and who became subject to the provisions of this
16 article after the effective date of this subdivision, or (ii) a member
17 of the New York city board of education retirement system who holds a
18 position represented by the recognized teacher organization for collec-
19 tive bargaining purposes, and who became subject to the provisions of
20 this article after the effective date of this subdivision, shall not be
21 eligible for service retirement benefits hereunder until such member has
22 rendered a minimum of ten years of credited service.

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

1 § 30. Intentionally omitted.

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

6 a. The service retirement benefit specified in section six hundred
7 four of this article shall be payable to members who have met the mini-
8 mum service requirements upon retirement and attainment of age sixty-
9 two, other than members who are eligible for early service retirement
10 pursuant to subdivision c of section six hundred four-b of this article,
11 subdivision c of section six hundred four-c of this article, subdivision
12 d of section six hundred four-d of this article, subdivision c of
13 section six hundred four-e of this article, subdivision c of section six
14 hundred four-f of this article, subdivision c of section six hundred
15 four-g of this article, subdivision c of section six hundred four-h of
16 this article or subdivision c of section six hundred four-i of this
17 article, provided, however, a member of a teachers' retirement system or
18 the New York state and local employees' retirement system who first
19 joins such system before January first, two thousand ten or a member who
20 is a uniformed court officer or peace officer employed by the unified
21 court system who first becomes a member of the New York state and local
22 employees' retirement system before April first, two thousand twelve may
23 retire without reduction of his or her retirement benefit upon attain-
24 ment of at least fifty-five years of age and completion of thirty or
25 more years of service, provided, however, that a uniformed court officer
26 or peace officer employed by the unified court system who first becomes
27 a member of the New York state and local employees' retirement system on
28 or after January first, two thousand ten and retires without reduction

1 of his or her retirement benefit upon attainment of at least fifty-five
2 years of age and completion of thirty or more years of service pursuant
3 to this section shall be required to make the member contributions
4 required by subdivision f of section six hundred thirteen of this arti-
5 cle for all years of credited and creditable service, provided further
6 that the the preceding provisions of this subdivision shall not apply to
7 a New York city revised plan member.

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

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

16 3. A member of a public retirement system of the state who has met the
17 minimum service requirement, but who is not a New York city transit
18 authority member, as defined in paragraph one of subdivision a of
19 section six hundred four-b of this article, may retire prior to normal
20 retirement age, but no earlier than attainment of age fifty-five, in
21 which event, the amount of his or her retirement benefit computed with-
22 out optional modification shall be reduced by six and one-half per
23 centum for each year by which early retirement precedes age sixty-three.

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

27 t. Members who join the New York state teachers' retirement system on
28 or after January first, two thousand ten, shall be eligible to retire

1 without reduction of his or her retirement benefit upon attainment of at
2 least fifty-seven years of age and completion of thirty or more years of
3 service. Members who retire pursuant to the provisions of this subdivi-
4 sion shall be required to make the member contributions required by
5 subdivision g of section six hundred thirteen of this article for all
6 years of credited and creditable service. The provisions of this subdivi-
7 vision shall not apply to members who first become a member of the New
8 York state teachers' retirement system on or after April first, two
9 thousand twelve.

10 § 33-a. Subdivision a of section 604 of the retirement and social
11 security law, as amended by section 8-b of part B of chapter 504 of the
12 laws of 2009, is amended to read as follows:

13 a. The service retirement benefit at normal retirement age for a
14 member with less than twenty years of credited service, or less than
15 twenty-five years credited service for a member who joins the New York
16 state teachers' retirement system on or after January first, two thou-
17 sand ten, shall be a retirement allowance equal to one-sixtieth of final
18 average salary times years of credited service. Normal retirement age
19 for members who first become members of a public retirement system of
20 the state on or after April first, two thousand twelve shall be age
21 sixty-three.

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

24 b-1. Notwithstanding any other provision of law to the contrary, the
25 service retirement benefit for members with twenty or more years of
26 credit service who first become a member of a public retirement system
27 of the state on or after April first, two thousand twelve at age sixty-
28 three shall be a pension equal to the sum of thirty-five per centum and

1 one-fiftieth of final average salary for each year of service in excess
2 of twenty times final average salary times years of credited service.
3 In no event shall any retirement benefit payable without optional
4 modification be less than the actuarially equivalent annuitized value of
5 the member's contributions accumulated with interest at five percent per
6 annum compounded annually to the date of retirement.

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

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

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

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

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

23 (iv) does not withdraw in whole or in part his or her accumulated
24 member contributions pursuant to section six hundred thirteen of this
25 article unless such participant thereafter returns to public service and
26 repays the amounts so withdrawn, together with interest, pursuant to
27 such section six hundred thirteen of this article; shall be entitled to

1 receive a deferred vested benefit as provided in section six hundred
2 twelve of this article.

3 § 36. Subparagraph (ii) of paragraph 3 of subdivision d of section
4 604-b of the retirement and social security law, as added by chapter 352
5 of the laws of 1997, is amended to read as follows:

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

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

15 2-a. Notwithstanding any other provision of this subdivision or any
16 other provision of law to the contrary, no member who becomes subject to
17 the provisions of this article on or after the effective date of this
18 paragraph shall be a participant in the twenty-five-year early retire-
19 ment program.

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

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

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

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

1 a New York city revised plan member, has completed ten but less than
2 twenty years of credited service; and

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

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

12 § 39. Subparagraph (ii) of paragraph 2 of subdivision d of section
13 604-c of the retirement and social security law, as added by chapter 472
14 of the laws of 1995, is amended to read as follows:

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

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

24 3-a. Notwithstanding any other provision of this subdivision or any
25 other provision of law to the contrary, no member who becomes subject to
26 the provisions of this article on or after the effective date of this
27 paragraph shall be a participant in the age fifty-seven retirement
28 program.

1 § 41. Paragraph 1 of subdivision d of section 604-e of the retirement
2 and social security law, as added by chapter 576 of the laws of 2000, 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 allowable service as a dispatcher member or,
10 in the case of a participant who is a New York city revised plan member,
11 who prior to such discontinuance, completed ten but less than twenty-
12 five years of allowable service as a dispatcher member; 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 § 42. Subparagraph (ii) of paragraph 2 of subdivision d of section
24 604-e of the retirement and social security law, as added by chapter 576
25 of the laws of 2000, 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

1 service if such discontinuance had not occurred or, in the case of a
2 participant who is a New York city revised plan member, such vested
3 benefit shall become payable at age sixty-three.

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

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

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

10 (ii) in the case of a participant who is not a New York city revised
11 plan member, who prior to such discontinuance, completed five but less
12 than twenty-five years of allowable service as an EMT member or, in the
13 case of a participant who is a New York city revised plan member, who
14 prior to such discontinuance, completed ten but less than twenty-five
15 years of allowable service as an EMT member; and

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

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

26 § 44. Subparagraph (ii) of paragraph 2 of subdivision d of section
27 604-e of the retirement and social security law, as added by chapter 577
28 of the laws of 2000, is amended to read as follows:

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

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

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

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

13 (ii) in the case of a participant who is not a New York city revised
14 plan member, who prior to such discontinuance, completed five but less
15 than twenty-five years of credited service or, in the case of a partic-
16 ipant who is a New York city revised plan member, who prior to such
17 discontinuance, completed ten but less than twenty-five years of credit-
18 ed service; and

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

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

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

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

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

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

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

16 (ii) in the case of a participant who is not a New York city revised
17 plan member, who prior to such discontinuance, completed five but less
18 than twenty-five years of allowable service as a special officer, park-
19 ing control specialist, school safety agent, campus peace officer or
20 taxi and limousine inspector member or, in the case of a participant who
21 is a New York city revised plan member, who prior to such discontin-
22 uance, completed ten but less than twenty-five years of allowable
23 service as a special officer, parking control specialist, school safety
24 agent, campus peace officer or taxi and limousine inspector member; and

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

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

7 § 48. Subparagraph (ii) of paragraph 2 of subdivision d of section
8 604-f of the retirement and social security law, as added by chapter 582
9 of the laws of 2001, is amended to read as follows:

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

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

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

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

22 (ii) in the case of a participant who is not a New York city revised
23 plan member, who prior to such discontinuance, completed five but less
24 than twenty-five years of credited service or, in the case of a partic-
25 ipant who is a New York city revised plan member, who prior to such
26 discontinuance, completed ten but less than twenty-five years of credit-
27 ed service; and

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

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

11 § 50. Subparagraph (ii) of paragraph 2 of subdivision d of section
12 604-g of the retirement and social security law, as added by chapter 414
13 of the laws of 2002, 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 § 51. Paragraph 1 of subdivision d of section 604-h of the retirement
21 and social security law, as added by chapter 682 of the laws of 2003, is
22 amended to read as follows:

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

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

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

1 ipant who is a New York city revised plan member, who prior to such
2 discontinuance, completed ten but less than twenty-five years of credit-
3 ed service; and

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

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

14 § 52. Subparagraph (ii) of paragraph 2 of subdivision d of section
15 604-h of the retirement and social security law, as added by chapter 682
16 of the laws of 2003, is amended to read as follows:

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

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

26 5-a. Notwithstanding any other provision of this subdivision or any
27 other provision of law to the contrary, no member who becomes subject to
28 the provisions of this article on or after the effective date of this

1 paragraph shall be a participant in the age fifty-five retirement
2 program.

3 § 54. Subdivisions a, b, c and d of section 608 of the retirement and
4 social security law, subdivision a as amended by chapter 379 of the laws
5 of 1986, subdivisions b and c as amended by chapter 286 of the laws of
6 2010 and subdivision d as added by chapter 749 of the laws of 1992, are
7 amended to read as follows:

8 a. [A] For members who first become members of a public retirement
9 system of the state before April first, two thousand twelve, a member's
10 final average salary shall be the average wages earned by such a member
11 during any three consecutive years which provide the highest average
12 wage; provided, however, if the wages earned during any year included in
13 the period used to determine final average salary exceeds that of the
14 average of the previous two years by more than ten percent, the amount
15 in excess of ten percent shall be excluded from the computation of final
16 average salary. For members who first become members of the New York
17 state and local employees' retirement system or the New York state
18 teachers' retirement system on or after April first, two thousand
19 twelve, a member's final average salary shall be the average wages
20 earned by such member during any five consecutive years which provide
21 the highest average wage; provided, however, if the wages earned during
22 any year included in the period used to determine final average salary
23 exceeds that of the average of the previous four years by more than ten
24 percent, the amount in excess of ten percent shall be excluded from the
25 computation of final average salary. Where the period used to determine
26 final average salary is the period which immediately precedes the date
27 of retirement, any month or months (not in excess of twelve) which would
28 otherwise be included in computing final average salary but during which

1 the member was on authorized leave of absence at partial pay or without
2 pay shall be excluded from the computation of final average salary and
3 the month or an equal number of months immediately preceding such period
4 shall be substituted in lieu thereof.

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

1 c. Notwithstanding the provisions of subdivisions a and b of this
2 section, the final average salary of an employee who has been a member
3 of the New York city employees' retirement system or the New York city
4 teachers' retirement system for less than one year shall be the project-
5 ed one year salary, with the calculation based upon a twelve month
6 projection of the sums earned in the portion of the year worked. If a
7 member has been employed for more than one year but less than two years,
8 then the member's final average salary shall be the average of the first
9 year and projected second year earnings based upon the calculation
10 above, and if more than two years, but less than three years, then one-
11 third the total of the first two years of employment plus the projected
12 third year's earnings, calculated as indicated above, provided that this
13 subdivision shall not apply to a New York city revised plan member of
14 the New York city employees' retirement system or a New York city
15 revised plan member of the New York city teachers' retirement system.

16 d. Subject to the provisions of subdivision c of this section, and
17 notwithstanding the provisions of subdivision a of this section, with
18 respect to members of the New York city employees' retirement system and
19 the New York city board of education retirement system who are subject
20 to the provisions of this article, a member's final average salary shall
21 be determined pursuant to the provisions of paragraph fourteen of subdi-
22 vision e of section 13-638.4 of the administrative code of the city of
23 New York, provided, however, that the applicable provisions and limita-
24 tions of the term "wages", as defined in subdivision 1 of section six
25 hundred one of this article, shall apply to such determinations of final
26 average salary.

1 § 55. Paragraph 2 of subdivision b of section 609 of the retirement
2 and social security law, as amended by section 8-c of part B of chapter
3 504 of the laws of 2009, is amended to read as follows:

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

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

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

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

11 a. Except as provided in subdivision a-1 of this section, a member who
12 has five or more years of credited service, or ten or more years of
13 credited service for a member who first joined the New York state and
14 local employees' retirement system or the New York state teachers'
15 retirement system on or after January first, two thousand ten, upon
16 termination of employment, other than a member who is entitled to a
17 deferred vested benefit pursuant to any other provision of this article,
18 shall be entitled to a deferred vested benefit at normal retirement age
19 computed in accordance with the provisions of section six hundred four
20 of this article. Except as provided in subdivision a-1 of this section,
21 a member of a teachers' retirement system or the New York state and
22 local employees' retirement system who has five or more years of credit-
23 ed service, or ten or more years of credited service for a member who
24 first becomes a member of the New York state and local employees'
25 retirement system or the New York state teachers' retirement system on
26 or after January first, two thousand ten, upon termination of employment
27 shall be entitled to a deferred vested benefit prior to normal retire-
28 ment age, but no earlier than age fifty-five, computed in accordance

1 with the provisions of subdivision i of section six hundred three of
2 this article as amended by section eight of part B of chapter five
3 hundred four of the laws of two thousand nine. Anything to the contrary
4 notwithstanding, a member of a public retirement system of the state who
5 first became a member of such system on or after April first, two thou-
6 sand twelve must have at least ten years of credited service in order to
7 qualify for a deferred vested benefit under this section; such member
8 shall not be entitled to such benefit prior to the member's attainment
9 of age sixty-three; and such deferred vested benefit shall be computed
10 pursuant to subdivision b-1 of section six hundred four of this article.

11 a-1. Notwithstanding the provisions of subdivision a of this section
12 or any other provision of law to the contrary, (i) a member of the New
13 York city teachers' retirement system who holds a position represented
14 by the recognized teacher organization for collective bargaining
15 purposes, who became subject to the provisions of this article after the
16 effective date of this subdivision, and who has ten or more years of
17 credited service, or (ii) a member of the New York city board of educa-
18 tion retirement system who holds a position represented by the recog-
19 nized teacher organization for collective bargaining purposes, who
20 became subject to the provisions of this article after the effective
21 date of this subdivision, and who has ten or more years of credited
22 service, other than such a member of either of such retirement systems
23 who is entitled to a deferred vested benefit pursuant to any other
24 provision of this article, shall, upon termination of employment, be
25 entitled to a deferred vested benefit at normal retirement age computed
26 in accordance with the provisions of section six hundred four of this
27 article. Notwithstanding the provisions of subdivision a of this
28 section or any other provision of law to the contrary, a member of the

1 New York city teachers' retirement system who holds a position repres-
2 ented by the recognized teacher organization for collective bargaining
3 purposes, who became subject to the provisions of this article after the
4 effective date of this subdivision, and who has ten or more years of
5 credited service, shall, upon termination of employment, be entitled to
6 a deferred vested benefit prior to normal retirement age, but no earlier
7 than age fifty-five, computed in accordance with the provisions of
8 subdivision i of section six hundred three of this article, provided,
9 however, that any such member of either of such retirement systems who
10 is a New York city revised plan member shall be required to have at
11 least ten years of credited service in order to be eligible for a
12 deferred vested benefit, such member shall not be entitled to payability
13 of such benefit prior to attainment of age sixty-three and such deferred
14 vested benefit shall be computed pursuant to subdivision b-1 of section
15 six hundred four of this article.

16 § 58. Paragraphs 1 and 2 of subdivision a and subdivisions f and g of
17 section 613 of the retirement and social security law, paragraph 1 of
18 subdivision a as amended and paragraph 2 of subdivision a as added by
19 chapter 10 of the laws of 2000, subdivisions f and g as added by section
20 9-a of part B of chapter 504 of the laws of 2009, are amended to read as
21 follows:

22 1. Except as provided by paragraph two of this subdivision, members
23 shall contribute three percent of annual wages to the retirement system
24 in which they have membership, except that beginning April first, two
25 thousand thirteen for members who first become members of a public
26 retirement system of the state on or after April first, two thousand
27 twelve, the rate at which each such member shall contribute in any
28 current plan year (April first to March thirty-first) shall be deter-

1 mined by reference to the wages of such member in the second plan year
2 (April first to March thirty-first) preceding such current plan year as
3 follows:

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

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

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

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

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

17 Notwithstanding the foregoing, during each of the first three plan
18 years (April first to March thirty-first) in which such member has
19 established membership in a public retirement system of the state, such
20 member shall contribute a percentage of annual wages in accordance with
21 the preceding schedule based upon a projection of annual wages provided
22 by the employer.

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

27 2. A member of the New York city employees' retirement system who is
28 eligible to be a participant in the twenty-five-year and age fifty-five

1 retirement program, as defined by paragraph five of subdivision a of
2 section six hundred four-b of this article shall contribute two percent
3 of annual wages to such system effective on the starting date of the
4 elimination of additional member contributions, as defined in an
5 election made pursuant to paragraph ten of subdivision e of section six
6 hundred four-b of this article, except that beginning April first, two
7 thousand thirteen for members who first become members of the New York
8 city employees' retirement system on or after April first, two thousand
9 twelve, the rate at which each such member shall contribute in any
10 current plan year (April first to March thirty-first) shall be deter-
11 mined by reference to the wages of such member in the second plan year
12 (April first to March thirty-first) preceding such current plan year as
13 follows:

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

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

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

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

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

27 Notwithstanding the foregoing, during each of the first three plan
28 years (April first to March thirty-first) in which such member has

1 established membership in the New York city employees' retirement
2 system, such member shall contribute a percentage of annual wages in
3 accordance with the preceding schedule based upon a projection of annual
4 wages provided by the employer.

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

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

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

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

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

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

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

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

14 g. Members who first join the New York state teachers' retirement
15 system on or after January first, two thousand ten shall contribute
16 three and one-half percent of annual wages to the New York state teach-
17 ers' retirement system, except that beginning April first, two thousand
18 thirteen for members who first become members of the New York state
19 teachers' retirement system on or after April first, two thousand
20 twelve, the rate at which each such member shall contribute in any
21 current plan year (July first to June thirtieth) shall be determined by
22 reference to the wages of such member in the second plan year (July
23 first to June thirtieth) preceding such current plan year as follows:

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

26 2. members with wages greater than forty-five thousand per annum, but
27 not more than fifty-five thousand per annum shall contribute three and
28 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 but
5 not more than one hundred thousand per annum shall contribute five and
6 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 (July first to June thirtieth) in which such member has estab-
11 lished membership in the New York state teachers' retirement system,
12 such member shall contribute a percentage of annual wages in accordance
13 with the preceding schedule based upon a projection of annual wages
14 provided by the employer.

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

20 § 59. Intentionally omitted.

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

24 § 650. Application. This article shall apply to a member of the New
25 York city employees' retirement system (i) who holds the position of
26 bridge and tunnel officer, sergeant or lieutenant with the Triborough
27 bridge and tunnel authority, and has received or receives an appointment
28 to at least one such position from a competitive civil service list; or

1 (ii) who holds the position of assistant bridge and tunnel maintainer,
2 bridge and tunnel maintainer, senior bridge and tunnel maintainer or
3 laborer with the Triborough bridge and tunnel authority, provided,
4 however, that this article shall not apply to a New York city revised
5 plan member (as defined in subdivision m of section six hundred one of
6 this chapter).

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

11 1. Subject to the provisions of paragraph one-a of this subdivision,
12 and except as provided in paragraph one-b of this subdivision, an eligi-
13 ble member (i) with a date of membership in a retirement system on or
14 after July twenty-seventh, nineteen hundred seventy-six and (ii) who has
15 ten or more years of membership or ten or more years of credited service
16 with a retirement system under the provisions of article fourteen or
17 fifteen of this chapter shall not be required to contribute to a retire-
18 ment system pursuant to section five hundred seventeen or six hundred
19 thirteen of this chapter as of the cessation date.

20 1-a. Notwithstanding the provisions of paragraph one of this subdivi-
21 sion or any other provision of law to the contrary, and except as
22 provided in paragraph one-b of this subdivision, a member of the New
23 York city teachers' retirement system or the New York city board of
24 education retirement system:

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

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

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

8 1-b. The provisions of this subdivision shall not apply to a New York
9 city uniformed correction/sanitation revised plan member (as defined in
10 subdivision twenty-five of section five hundred one of this chapter), an
11 investigator revised plan member (as defined in subdivision twenty-seven
12 of section five hundred one of this chapter) or a New York city revised
13 plan member (as defined in subdivision m of section six hundred one of
14 this chapter).

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

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

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

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

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

8 § 1204. Member contributions. Members who are subject to the
9 provisions of this article shall contribute three percent of annual
10 wages to the retirement system in which they have membership, except
11 that beginning April first, two thousand thirteen for members who first
12 become members of the New York state and local police and fire retire-
13 ment system on or after April first, two thousand twelve, the rate at
14 which each such member shall contribute in any current plan year (April
15 first to March thirty-first) shall be determined by reference to the
16 wages of such member in the second plan year (April first to March thir-
17 ty-first) preceding such current plan year as follows:

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

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

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

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

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

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

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

26 § 66. Intentionally omitted.

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

1 § 1209. Final average salary. For members who first become members of
2 the New York state and local police and fire retirement system on or
3 after April first, two thousand twelve, a member's final average salary
4 shall be equal to one-fifth of the highest total wages earned by such
5 member during any continuous period of employment for which the member
6 was credited with five years of service credit; provided, however, if
7 the wages earned during any year of credited service included in the
8 period used to determine final average salary exceeds the average of the
9 wages of the previous four years of credited service by more than ten
10 percent, the amount in excess of ten percent shall be excluded from the
11 computation of final average salary. Wages in excess of the annual sala-
12 ry paid to the governor pursuant to section three of article four of the
13 state constitution shall be excluded from the computation of final aver-
14 age salary for members who first become members of the New York state
15 and local police and fire retirement system on or after April first, two
16 thousand twelve.

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

19 § 1210. Wages. For members who first become members of the New York
20 state and local police and fire retirement system on or after April
21 first, two thousand twelve, the following items shall not be included in
22 the definition of wages: a. wages in excess of the annual salary paid
23 to the governor pursuant to section three of article four of the state
24 constitution, b. lump sum payments for deferred compensation, sick
25 leave, accumulated vacation or other credits for time not worked, c. any
26 form of termination pay, d. any additional compensation paid in antic-
27 ipation of retirement, and e. in the case of employees who receive wages

1 from three or more employers in a twelve month period, the wages paid by
2 the third and each successive employer.

3 § 69. Intentionally omitted.

4 § 70. Intentionally omitted.

5 § 71. Intentionally omitted.

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

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

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

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

3 (b) 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 (c) 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 (d) members with wages greater than seventy-five thousand per annum
10 but not more than one hundred thousand per annum shall contribute five
11 and three-quarters per centum of annual wages; and

12 (e) 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 (January first to December thirty-first) in which such member has
16 established membership in the Education Department Optional Retirement
17 Program, such employee shall contribute a percent of annual wages in
18 accordance with the preceding schedule based upon a projection of annual
19 wages provided by the employer.

20 § 72-a. Section 390 of the education law is amended by adding two new
21 subdivisions 3-a and 8-a to read as follows:

22 3-a. Beginning July first, two thousand thirteen, the term "eligible
23 employees" shall also mean any person excluded from or not encompassed
24 within a negotiating unit within the meaning of article fourteen of the
25 civil service law who would otherwise be entitled to receive a benefit
26 under the retirement and social security law or the education law
27 initially hired on or after July first, two thousand thirteen with esti-
28 mated annual wages of seventy-five thousand per annum or greater. Such

1 estimate of annual wages to determine eligibility for the purposes of
2 this subdivision shall be provided by the employer. For the purposes of
3 this subdivision, a newly hired state employee whose immediate preceding
4 employment was with another department, division, or agency of the state
5 shall not be deemed to be an eligible employee.

6 8-a. Beginning July first, two thousand thirteen, the term "electing
7 employer" shall also mean any public employer within the state of New
8 York that employs one or more employees who have elected to participate
9 in the optional retirement program established pursuant to this article.

10 § 72-b. Section 392 of the education law is amended by adding a new
11 subdivision 1-a to read as follows:

12 1-a. Employer contributions. In the case of any electing employee
13 excluded from or not encompassed within a negotiating unit within the
14 meaning of article fourteen of the civil service law initially hired on
15 or after July first, two thousand thirteen, the state and the electing
16 employer shall, during the continuance of his or her employment, make
17 contributions at the rate of eight per centum of his or her salary.

18 § 73. Paragraph (c) of subdivision 2 of section 392 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 state 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

1 nine for a member who joined the optional retirement program established
2 pursuant to this article before April first, two thousand twelve and who
3 has ten or more years of membership in such optional retirement program,
4 the state shall contribute two-thirds of the three percent employee
5 contribution required pursuant to the provisions of this section on
6 behalf of such employee; and (3) on and after April first, two thousand
7 ten for a member who joined the optional retirement program established
8 pursuant to this article before April first, two thousand twelve and who
9 has ten or more years of membership in such optional retirement program,
10 the state shall contribute the three percent employee contribution
11 required pursuant to the provisions of this section on behalf of such
12 employee. The provisions of this paragraph shall not apply to any
13 electing employee who becomes a member of the optional retirement
14 program on or after April first, two thousand twelve.

15 (d) Notwithstanding any other law to the contrary, beginning April
16 first, two thousand thirteen any electing employee appointed on or after
17 April first, two thousand twelve, the rate at which each such employee
18 shall contribute in any current plan year (January first to December
19 thirty-first) shall be determined by reference to the wages of such
20 member in the second plan year (January first to December thirty-first)
21 preceding such current plan year as follows:

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

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

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

4 (iv) 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 (v) 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 State University Optional Retirement
12 Program, such employee shall contribute a percent of annual wages in
13 accordance with the preceding schedule based upon a projection of annual
14 wages provided by the employer.

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

18 (c) Notwithstanding any other provision of this section or any other
19 law to the contrary, (1) on and after April first, two thousand eight
20 for a member who joined the optional retirement program established
21 pursuant to this article before April first, two thousand twelve and who
22 has ten or more years of membership in such optional retirement program,
23 the city shall contribute one-third of the three percent employee
24 contribution required pursuant to the provisions of this section on
25 behalf of such employee; and (2) on and after April first, two thousand
26 nine for a member who joined the optional retirement program established
27 pursuant to this article before April first, two thousand twelve and who
28 has ten or more years of membership in such optional retirement program,

1 the city shall contribute two-thirds of the three percent employee
2 contribution required pursuant to the provisions of this section on
3 behalf of such employee; and (3) on and after April first, two thousand
4 ten for a member who joined the optional retirement program established
5 pursuant to this article before April first, two thousand twelve and who
6 has ten or more years of membership in such optional retirement program,
7 the city shall contribute the three percent employee contribution
8 required pursuant to the provisions of this section on behalf of such
9 employee. The provisions of this paragraph shall not apply to any elect-
10 ing employee who becomes a member of the optional retirement program on
11 or after April first, two thousand twelve.

12 (d) Notwithstanding any other law to the contrary, beginning April
13 first, two thousand thirteen any electing employee appointed on or after
14 April first, two thousand twelve, the rate at which each such employee
15 shall contribute in any current plan year (January first to December
16 thirty-first) shall be determined by reference to the wages of such
17 member in the second plan year (January first to December thirty-first)
18 preceding such current plan year as follows:

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

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

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

1 (4) 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 (5) 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 (January first to December thirty-first) in which such member has
8 established membership in the Board of Higher Education Optional Retire-
9 ment Program, such employee shall contribute a percent of annual wages
10 in accordance with the preceding schedule based upon a projection of
11 annual wages provided by the employer.

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

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

1 ing to election to decrease member contributions by contributions due on
2 account of social security coverage).

3 (c) In the case of any uniformed force member (1) who is both a member
4 of the uniformed correction force and a Tier III member, or (2) who is
5 both a member of the uniformed force of the department of sanitation and
6 a Tier III member, the term "normal rate of contribution as a uniformed
7 force member" shall mean the percentage of the annual wages of such
8 member required to be deducted from such member's wages by subdivision a
9 of section five hundred seventeen of the retirement and social security
10 law, as his or her member contributions.

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

14 (b) a uniformed force member who is not required to contribute during
15 such payroll period because he or she is a Tier III member who, having
16 contributed for thirty years, or who, in the case of a New York city
17 uniformed correction/sanitation revised plan member (as defined in
18 subdivision twenty-five of section five hundred one of the retirement
19 and social security law), having contributed for twenty-five years, has
20 discontinued member contributions pursuant to subdivision a of section
21 five hundred seventeen of the retirement and social security law.

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

25 (c) In the case of any contributing uniformed force member who is both
26 (1) a member of the uniformed correction force (as defined in subdivi-
27 sion thirty-nine of this section) or the uniformed force of the depart-
28 ment of sanitation (as defined in subdivision sixty-two of this section)

1 and (2) a Tier III member (as defined in subdivision seventy-three of
2 this section), the term "uniformed force member contributions eligible
3 for pick up by the employer" shall mean the amount which, in the absence
4 of a pick up program applicable to such member pursuant to section
5 13-125.1 of this chapter, would be required to be deducted from the
6 wages of such member for such payroll period pursuant to subdivision a
7 of section five hundred seventeen of the retirement and social security
8 law as his or her required member contributions for such payroll period.

9 § 78. Paragraph 14 of subdivision e of section 13-638.4 of the admin-
10 istrative code of the city of New York, as added by chapter 749 of the
11 laws of 1992, is amended to read as follows:

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

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

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

7 (ii) Subject to the provisions of subdivision f of this section where
8 those provisions are applicable, and notwithstanding the provisions of
9 subdivisions a and c of section six hundred eight of the RSSL, for a
10 tier IV member of NYCERS who is a New York city revised plan member (as
11 defined in subdivision m of section six hundred one of the RSSL) or a
12 tier IV member of BERS who is a New York city revised plan member, the
13 term "final average salary", as used in article fifteen of the RSSL,
14 shall be equal to one-fifth of the highest total wages earned by such
15 member during any continuous period of employment for which the member
16 was credited with five years of service credit; provided that if the
17 wages earned during any year of credited service included in the period
18 used to determine final average salary exceeds the average of the wages
19 of the previous four years of credited service by more than ten percent,
20 the amount in excess of ten percent shall be excluded from the computa-
21 tion of final average salary, provided further that "wages", as used in
22 this paragraph, shall mean the applicable provisions and limitations of
23 the term "wages", as defined in subdivision 1 of section six hundred one
24 of the RSSL.

25 § 78-a. Section 63-c of the executive law is amended by adding a new
26 subdivision 5 to read as follows:

27 5. Notwithstanding any other law to the contrary, including without
28 limitation; section sixty-four of this article; the education law; the

1 retirement and social security law and the administrative code of the
2 city of New York, the portion of all money received by the attorney
3 general in connection with the settlement of an action arising out of
4 the management, operation, investments of or otherwise in connection
5 with a retirement or other fund established pursuant to the education
6 law, the retirement and social security law or the administrative code
7 of the city of New York attributable to the harm suffered by such fund
8 shall be deposited into such fund.

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

16 § 80. Notwithstanding any provision of law to the contrary, nothing in
17 this act shall limit the rights accruing to employees pursuant to a
18 collective bargaining agreement for the unexpired term of such agreement
19 or the eligibility of any member of an employee organization to join a
20 special retirement plan open to him or her pursuant to a collectively
21 negotiated agreement with any state or local government employer, where
22 such agreement is in effect on the effective date of this act and so
23 long as such agreement remains in effect thereafter; provided, however,
24 that any such eligibility shall not apply upon termination of such
25 agreement for employees otherwise subject to the provisions of article
26 22 of the retirement and social security law, provided further that this
27 section shall not be construed as authorizing any member who first joins
28 a public retirement system of the state (as defined in subdivision 23 of

1 section 501 of the retirement and social security law) on or after April
2 1, 2012 to become a participant in any of the special plans established
3 by section 504-a, 504-b, 504-d, 604-a, 604-c (as added by chapter 96 of
4 the laws of 1995), 604-d or 604-i of the retirement and social security
5 law or section 13-157.1 or 13-157.4 of the administrative code of the
6 city of New York.

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

9 § 81-a. The retirement and social security law is amended by adding a
10 new section 25 to read as follows:

11 § 25. Appropriations in retirement bills. The state shall make a
12 payment to the retirement system in an amount equal to the value of the
13 benefits associated with prior service upon the enactment of a bill
14 which enacts or amends any provision of law relating to a retirement
15 system or plan of the state of New York or of any of its political
16 subdivisions. The state may amortize such payment over a five year peri-
17 od at a rate of interest to be determined by the retirement system. Such
18 bill shall contain an itemized appropriation from the state's general
19 fund beginning for the fiscal year in which such amendment becomes
20 effective and which shall not be used for any other purpose, sufficient
21 to disburse a minimum of the first of five such amortization payments
22 plus the present value of the benefits provided to employees of the
23 state or its political subdivisions by the bill for the current fiscal
24 year. The state shall continue to pay for the cost of the benefits as
25 provided by the bill to the state and its political subdivisions on an
26 ongoing basis. Such appropriation from the state's general fund shall
27 only be required when a bill is enacted on a statewide basis. In addi-
28 tion, such appropriation from the state's general fund shall not be

1 required when the benefits provided by a particular bill must be elected
2 by a participating employer, local government, or school district.

3 § 81-b. The retirement and social security law is amended by adding
4 three new articles 23, 24, and 25 to read as follows:

5 ARTICLE 23

6 BENEFIT ENHANCEMENTS

7 Section 1300. Definitions.

8 1301. Election of benefit enhancements.

9 1302. Benefit enhancements.

10 1303. Additional member contributions.

11 1304. Election not collectively bargained.

12 § 1300. Definitions. The following words and phrases as used in this
13 article shall have the following meanings unless a different meaning is
14 plainly required by the context:

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

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

25 § 1301. Election of benefit enhancements. a. The state of New York may
26 elect to provide its employees the benefit enhancements provided for in
27 section thirteen hundred two of this article.

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

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

12 § 1302. Benefit enhancements. Notwithstanding any other law to the
13 contrary, eligible employees shall be permitted to retire, without
14 penalty, upon reaching age fifty-seven and completing at least thirty
15 years of credited service. Employees retiring pursuant to this section
16 shall receive a pension allowance equal to the sum of thirty-five per
17 centum and one-fiftieth of final average salary for each year of service
18 in excess of twenty times final average salary times years of credited
19 service.

20 § 1303. Additional member contributions. Upon election by the state of
21 New York, the retirement system shall require additional member contrib-
22 utions to be paid by all eligible employees. The additional member
23 contributions to be paid by eligible employees shall be of a level so
24 that no additional contributions shall be paid by the state to cover the
25 cost of such additional benefits. Additional member contributions made
26 pursuant to this section shall be in addition to member contributions
27 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-

1 er the benefit enhancements provided for in section thirteen hundred
2 twelve of this article.

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

6 § 1312. Benefit enhancements. Notwithstanding any other law to the
7 contrary, eligible employees shall be permitted to retire, without
8 penalty, upon reaching age fifty-seven and completing at least thirty
9 years of credited service. Employees retiring pursuant to this section
10 shall receive a pension allowance equal to the sum of thirty-five per
11 centum and one-fiftieth of final average salary for each year of service
12 in excess of twenty times final average salary times years of credited
13 service.

14 § 1313. Additional member contributions. Upon election by the state of
15 New York, the retirement system shall require additional member contrib-
16 utions to be paid by all eligible employees. The additional member
17 contributions to be paid by eligible employees shall be of a level so
18 that no additional contributions shall be paid by the state or partic-
19 ipating employers in the retirement system to cover the cost of such
20 additional benefits. Additional member contributions made pursuant to
21 this section shall be in addition to member contributions made pursuant
22 to other provisions of this chapter.

23 § 1314. Election not collectively bargained. The determination to
24 make an election in accordance with this article shall not be deemed to
25 be, or to relate to or affect, a term and condition of employment within
26 the meaning of article fourteen of the civil service law or any local
27 law enacted in furtherance thereof.

1 ARTICLE 25

2 BENEFIT ENHANCEMENTS

3 Section 1320. Definitions.

4 1321. Election of benefit enhancements.

5 1322. Benefit enhancements.

6 1323. Additional member contributions.

7 1324. Election not collectively bargained.

8 § 1320. Definitions. The following words and phrases as used in this
9 article shall have the following meanings unless a different meaning is
10 plainly required by the context:

11 a. "Retirement system" shall mean the New York city employees' retire-
12 ment system, the New York city teachers' retirement system, and the New
13 York city board of education retirement system.

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

21 § 1321. Election of benefit enhancements. a. The city of New York may
22 elect to provide its employees the benefit enhancements provided for in
23 section thirteen hundred twenty-two of this article.

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

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

8 § 1322. Benefit enhancements. Notwithstanding any other law to the
9 contrary, eligible employees shall be eligible to receive benefits spec-
10 ified by the mayor of the city of New York, provided that the petition
11 provided pursuant to subdivision c of section thirteen hundred twenty-
12 one of this article requested the election of such benefits.

13 § 1323. Additional member contributions. Upon election by the city of
14 New York, the retirement system shall require additional member contrib-
15 utions to be paid by all eligible employees. The additional member
16 contributions to be paid by eligible employees shall be of a level so
17 that no additional contributions shall be paid by the city of New York
18 to cover the cost of such additional benefits. Additional member
19 contributions made pursuant to this section shall be in addition to
20 member contributions paid pursuant to other provisions of this chapter.

21 § 1324. Election not collectively bargained. The determination to
22 make an election in accordance with this article shall not be deemed to
23 be, or to relate to or affect, a term and condition of employment within
24 the meaning of article fourteen of the civil service law or any local
25 law enacted in furtherance thereof.

26 § 82. Severability clause. If any clause, sentence, paragraph, subdi-
27 vision, section or part of this act shall be adjudged by any court of
28 competent jurisdiction to be invalid, such judgment shall not affect,

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

7 § 83. This act shall take effect April 1, 2012, provided that the
8 amendments to subdivision a of section 603 of the retirement and social
9 security law made by section thirty-one of this act shall be subject to
10 the expiration and reversion of such subdivision pursuant to section 13
11 of chapter 682 of the laws of 2003, as amended, provided, further that
12 the amendments to subdivisions 86, 87 and 89 of section 13-101 of the
13 administrative code of the city of New York made by sections seventy-
14 five, seventy-six and seventy-seven of this act shall not affect the
15 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 Rate</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%
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	FY 2013
	Total Contribution	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	X%
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. 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.