

STATUS:

S8339-A ROBACH

Retirement and Social Security Law

TITLE....Allows members of the NYS LP&FRS who file for service retirement to elect an optional form of retirement which would provide a lump sum payment

06/16/06 REFERRED TO RULES
06/19/06 AMEND (T) AND RECOMMIT TO RULES
06/19/06 PRINT NUMBER 8339A
06/20/06 ORDERED TO THIRD READING CAL.2016
06/22/06 PASSED SENATE
06/22/06 DELIVERED TO ASSEMBLY
06/22/06 referred to ways and means
06/23/06 substituted for a11939a
06/23/06 ordered to third reading rules cal.1449
06/23/06 passed assembly
06/23/06 returned to senate
09/01/06 DELIVERED TO GOVERNOR
09/13/06 SIGNED CHAP.735

SUMMARY:

ROBACH

Add Art 21 S1100, R & SS L

Allows members of the NYS LP&FRS who file for service retirement to elect an optional form of retirement which would provide a lump sum payment equal to their annual retirement allowance computed without optional modification and a smaller annual retirement allowance.

EFF. DATE 09/13/2006 (SEE TABLE)

Chapter

**B takes effect 4/1/2008
and shall expire
4/1/2013 when upon**

**such date the
provisions of this act
shall be deemed
repealed**

VOTING:

[06/22/06](#) S8339-A Senate Vote

Aye: 61 Nay: 0

06/23/06 S8339-A Assembly Vote Yes: 136 No : 0

Yes Abbate	Yes Alessi	Yes Alfano	Yes Arroyo
Yes Aubertine	Yes Aubry	Yes Bacalles	Yes Barclay
Yes Barra	Yes Benedetto	Yes Benjamin	Yes Bing
Yes Boyland	Yes Boyle	Yes Bradley	Yes Brennan
Yes Brodsky	Yes Brown	Yes Burling	Yes Butler
Yes Cahill	Yes Calhoun	Yes Camara	Yes Canestrari
Yes Carrozza	Yes Casale P	Yes Christensen	Yes Clark
ER Cohen	Yes Cole	Yes Colton	Yes Conte
Yes Cook	Yes Crouch	Yes Cusick	Yes Cymbrowitz
Yes DelMonte	Yes Destito	Yes Diaz L	Yes Diaz R
Yes DiNapoli	Yes Dinowitz	Yes Eddington	Yes Englebright
Yes Errigo	Yes Espaillat	Yes Farrell	Yes Fields
Yes Finch	Yes Fitzpatrick	Yes Friedman	Yes Galef
Yes Gantt	Yes Gianaris	Yes Giglio	Yes Glick
Yes Gordon	Yes Gottfried	Yes Grannis	Yes Green
Yes Greene	Yes Gunther A	Yes Hawley	Yes Hayes
Yes Heastie	Yes Hevesi	ER Hikind	ER Hooker

ER Hooper	Yes Hoyt	Yes Ignizio	Yes Jacobs
Yes John	Yes Kirwan	Yes Kolb	Yes Koon
Yes Lafayette	Yes Latimer	Yes Lavelle	Yes Lavine
Yes Lentol	Yes Lifton	Yes Lopez	Yes Lupardo
Yes Magee	Yes Magnarelli	Yes Maisel	Yes Manning
Yes Markey	Yes Mayersohn	Yes McDonald	Yes McDonough
Yes McEneny	Yes McKeivitt	ER McLaughlin	ER Meng
Yes Miller	Yes Millman	ER Mirones	Yes Morelle
Yes Nolan	Yes Oaks	Yes O'Donnell	Yes O'Mara
Yes Ortiz	ER Ortloff	Yes Parment	ER Paulin
Yes Peoples	Yes Peralta	Yes Perry	Yes Pheffer
Yes Powell	Yes Pretlow	Yes Quinn	Yes Rabbitt
Yes Raia	Yes Ramos	Yes Reilich	Yes Reilly
ER Rivera J	Yes Rivera N	Yes Rivera P	ER Robinson
Yes Rosenthal	Yes Saladino	Yes Sayward	Yes Scarborough
Yes Schimminger	Yes Schroeder	Yes Scozzafava	Yes Seminerio
Yes Stephens	Yes Sweeney	Yes Tedisco	Yes Thiele
Yes Titus	Yes Tokasz	Yes Tonko	Yes Towns
Yes Townsend	Yes Walker	Yes Weinstein	Yes Weisenberg
Yes Weprin	Yes Wright	ER Zebrowski	Yes Mr. Speaker

06/22/06 S8339-A Senate Vote Aye: 61 Nay: 0

Aye Alesi	Aye Andrews	Aye Balboni	Aye Bonacic
Aye Breslin	Aye Bruno	Aye Connor	Aye Coppola
Aye DeFrancisco	Aye Diaz	Aye Dilan	Aye Duane
Aye Farley	Aye Flanagan	Aye Fuschillo	Aye Golden
Aye Gonzalez	Aye Hannon	Aye Hassell-	Aye Johnson

Thompson

Aye Klein	Aye Krueger	Aye Kruger	Aye Larkin
Aye LaValle	Aye Leibell	Aye Libous	Aye Little
Aye Maltese	Aye Marcellino	Aye Marchi	Aye Maziarz
Aye Meier	Exc Montgomery	Aye Morahan	Aye Nozzolio
Aye Onorato	Aye Oppenheimer	Aye Padavan	Aye Parker
Aye Paterson	Aye Rath	Aye Robach	Aye Sabini
Aye Saland	Aye Sampson	Aye Savino	Aye Schneiderman
Aye Serrano	Aye Seward	Aye Skelos	Aye Smith A
Aye Smith M	Aye Spano	Aye Stachowski	Aye Stavisky
Aye Trunzo	Aye Valesky	Aye Volker	Aye Winner
Aye Wright	Aye Young		

BILL TEXT:

STATE OF NEW YORK

8339--A

IN SENATE

June 16, 2006

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

AN ACT to amend the retirement and social security law, in relation to permitting certain members of the New York state and local police and fire retirement system to receive a partial lump sum distribution upon retirement; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. The retirement and social security law is amended by adding
2 a new article 21 to read as follows:

3 **ARTICLE 21**

4 **LUMP SUM OPTION AT RETIREMENT**

5 **Section 1100. Lump sum option at retirement.**

6 **§ 1100. Lump sum option at retirement. Certain eligible members of the**
7 **New York state and local police and fire retirement system may elect an**
8 **optional form of retirement pursuant to the terms of this article that**
9 **provides for a partial lump sum at retirement with a reduced service**
10 **retirement allowance as hereinafter provided:**

11 **1. To be eligible, a member must retire with a service retirement**
12 **benefit under a plan that allows retirement at twenty or twenty-five**
13 **years of service, regardless of age. In addition, the member must have**
14 **been eligible to retire with a service retirement benefit for at least**
15 **one year prior to the actual date of retirement.**

16 **2. An eligible member may elect to receive a lump sum and a smaller**
17 **annual retirement allowance. Such lump sum shall not be eligible for any**
18 **cost-of-living adjustments paid pursuant to section three hundred seven-**
19 **ty-eight-a of this chapter.**

20 **a. Any member who files for retirement after being eligible to retire**
21 **for one year may elect to receive a five percent lump sum payment of the**
22 **actuarial equivalent of his or her retirement allowance at the time of**
23 **retirement.**

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

LBD17120-06-6

S. 8339--A

2

1 **b. Any member who files for retirement after being eligible to retire**
2 **for two years may elect to receive a ten percent lump sum payment of the**
3 **actuarial equivalent of his or her retirement allowance at the time of**
4 **retirement.**

5 **c. Any member who files for retirement after being eligible to retire**
6 **for three years may elect to receive a fifteen percent lump sum payment**
7 **of the actuarial equivalent of his or her retirement allowance at the**
8 **time of retirement.**

9 **3. The smaller annual retirement allowance remaining after receipt of**
10 **the lump sum shall be determined by the actuary using mortality tables**
11 **and interest rates determined for this purpose and in effect on the date**
12 **of retirement.**

13 **4. Any lump sum paid pursuant to this article is subject to withhold-**
14 **ing as required by the internal revenue service and such lump sum may be**
15 **rolled over as otherwise permitted by the internal revenue code.**

16 **5. The comptroller shall promulgate rules and regulations to implement**
17 **the provisions of this article.**

18 § 2. This act shall take effect April 1, 2008 and shall expire April
19 1, 2013 when upon such date the provisions of this act shall be deemed
20 repealed.

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

This bill would allow certain members of the New York state and local
police and fire retirement system (PFRS) who are covered under the
provisions of a plan that allows retirement at 20 or 25 years of service

regardless of age and who file for a service retirement to elect an optional form of retirement which would provide for a partial lump sum payment at retirement, and a smaller annual retirement allowance thereafter. Such lump sum shall not be eligible for any cost of living adjustments. A member who files for service retirement after being eligible to retire for 1, 2 or 3 or more years shall be eligible to receive a partial lump sum of up to 5%, 10% or 15%, respectively, of the present value of their actuarially determined retirement allowance. These provisions will be effective on April 1, 2008, and will expire April 1, 2013.

If this bill is enacted, there would be administrative costs associated with redesigned estimate and option forms. There would not be costs associated with the lump sum payment options since payments would be determined on an actuarially equivalent basis.

This estimate, dated June 19, 2006, and intended for use only during the 2006 legislative session, is fiscal note no. 2006-341, prepared by the actuary for the New York state and local police and fire retirement system.

SPONSORS MEMO:

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

BILL NUMBER: S8339A

SPONSOR: ROBACH

TITLE OF BILL: An act to amend the retirement and social security law, in relation to permitting certain members of the New York state and local police and fire retirement system to receive a partial lump sum distribution upon retirement; and providing for the repeal of such provisions upon expiration thereof

PURPOSE:

To provide certain members of the New York State Police and Fire retirement system and an additional retirement option. Members of this retirement system, who have accumulated years beyond the minimum required for the individual's retirement, would be able to select a partial lump sum payment. This payment would be based on 3% of the member's retirement allowance per year, for each year accumulated after being eligible to retire, up to a maximum of 15% at five years of service after being eligible to retire. The member's retirement allowance will be reduced by the percentage received in the partial lump sum. This partial lump sum

payment shall be paid to the member upon separation from service in accordance with the rules and regulations of the NYS Comptroller.

SUMMARY OF PROVISIONS:

Amends the retirement and social security law by adding a new article 21

JUSTIFICATION:

The creation of an additional retirement option for police officers and firefighters is beneficial to New York State. This bill, in effect, establishes a program for the retention of police officers and firefighters. The roles of police officers and firefighters have expanded greatly in the wake of changing world events. The need to retain highly trained and experienced law enforcement officers is essential in the wake of the terrorist attacks of September 11, 2001. Also this bill would ensure that the most experienced members of the law enforcement homeland security team, sworn and unsworn, would remain on the front line of defense. The retention of police officers and firefighters will be achieved without any fiscal impact, and is imperative to the mission of homeland security in the state of New York.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

See fiscal note.

EFFECTIVE DATE:

April 1, 2008

CHAPTER TEXT:

LAWS OF NEW YORK, 2006

CHAPTER 735

(See FISCAL NOTE at end of Chapter.)

AN ACT to amend the retirement and social security law, in relation to permitting certain members of the New York state and local police and fire retirement system to receive a partial lump sum distribution upon retirement; and providing for the repeal of such provisions upon expiration thereof

Became a law September 13, 2006, with the approval of the Governor.

Passed by a majority vote, three-fifths being present.

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

Section 1. The retirement and social security law is amended by adding a new article 21 to read as follows:

ARTICLE 21

LUMP SUM OPTION AT RETIREMENT

Section 1100. Lump sum option at retirement.

§ 1100. Lump sum option at retirement. Certain eligible members of the New York state and local police and fire retirement system may elect an optional form of retirement pursuant to the terms of this article that provides for a partial lump sum at retirement with a reduced service retirement allowance as hereinafter provided:

1. To be eligible, a member must retire with a service retirement benefit under a plan that allows retirement at twenty or twenty-five years of service, regardless of age. In addition, the member must have been eligible to retire with a service retirement benefit for at least one year prior to the actual date of retirement.

2. An eligible member may elect to receive a lump sum and a smaller annual retirement allowance. Such lump sum shall not be eligible for any cost-of-living adjustments paid pursuant to section three hundred seven-ty-eight-a of this chapter.

a. Any member who files for retirement after being eligible to retire for one year may elect to receive a five percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time of retirement.

b. Any member who files for retirement after being eligible to retire for two years may elect to receive a ten percent lump sum payment of the actuarial equivalent of his or her retirement allowance at the time of retirement.

c. Any member who files for retirement after being eligible to retire for three years may elect to receive a fifteen percent lump sum

payment
of the actuarial equivalent of his or her retirement allowance at
the
time of retirement.

3. The smaller annual retirement allowance remaining after
receipt of
the lump sum shall be determined by the actuary using mortality
tables
and interest rates determined for this purpose and in effect on the
date
of retirement.

EXPLANATION--Matter in *italics* is new; matter in brackets [-] is old
law

to be omitted.

CHAP. 735

2

4. Any lump sum paid pursuant to this article is subject to
withhold-
ing as required by the internal revenue service and such lump sum
may be
rolled over as otherwise permitted by the internal revenue code.

5. The comptroller shall promulgate rules and regulations to
implement
the provisions of this article.

§ 2. This act shall take effect April 1, 2008 and shall expire
April
1, 2013 when upon such date the provisions of this act shall be
deemed
repealed.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:
This bill would allow certain members of the New York state and
local
police and fire retirement system (PFRS) who are covered under
the
provisions of a plan that allows retirement at 20 or 25 years of
service
regardless of age and who file for a service retirement to
elect an
optional form of retirement which would provide for a partial lump
sum
payment at retirement, and a smaller annual retirement allowance
there-
after. Such lump sum shall not be eligible for any cost of
living
adjustments. A member who files for service retirement after
being
eligible to retire for 1, 2 or 3 or more years shall be eligible
to
receive a partial lump sum of up to 5%, 10% or 15%, respectively, of
the
present value of their actuarially determined retirement
allowance.

These provisions will be effective on April 1, 2008, and will expire April 1, 2013.

If this bill is enacted, there would be administrative costs associated with redesigned estimate and option forms. There would not be costs associated with the lump sum payment options since payments would be determined on an actuarially equivalent basis.

This estimate, dated June 19, 2006, and intended for use only during the 2006 legislative session, is fiscal note no. 2006-341, prepared by the actuary for the New York state and local police and fire retirement system.

The Legislature of the STATE OF NEW YORK **ss:**

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this

session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
SILVER

Temporary President of the Senate
Assembly

SHELDON

Speaker of the