

VETO MESSAGE - No. 249

TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 3340-A, entitled:

"AN ACT to amend the retirement and social security law, in relation to retirement and benefits for certain employees"

NOT APPROVED

This bill would amend the Retirement and Social Security Law to allow Tier III correction officers and Tier III security hospital treatment assistants ("SHTAs") the option to elect, when the benefit would be greater, to retire under the provisions of Tier IV. Currently, these employees are enrolled in the 25-year retirement plan that does not credit prior non-security service for a public employer. In order to retire, these employees must either: (1) work 25 years in an appropriate security title; or (2) return to a non-security job and re-enter the Tier IV retirement plan to gain the benefit of their non-security service. Under this bill, a correction officer or SHTA could elect Tier IV membership and retire at age 55 by satisfying the 30-year service requirement using both security and non-security service. The bill would take effect immediately.

While the sponsors raise a legitimate equity concern, the fiscal note attached to the bill indicates that the State would be required to make a one-time payment of \$70 million to the retirement system to account for prior service costs. The actual costs of the bill could be even larger. An identical bill introduced in 2003 (Assembly Bill No. 1054-A) included a fiscal note indicating a \$200 million one-time charge to the State of New York, together with an additional cost of \$9.9 million.

In view of the bill's substantial fiscal impact and the concern that the true cost of the bill may be even higher, I am constrained to disapprove the bill.

The bill is disapproved.

(signed) GEORGE E. PATAKI
