

# STATE OF NEW YORK

6785

2017-2018 Regular Sessions

## IN ASSEMBLY

March 17, 2017

Introduced by M. of A. KOLB, MONTESANO, OAKS, STEC, GIGLIO -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to campus public safety officers

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

1 Section 1. Subdivision 11 of section 302 of the retirement and social  
2 security law is amended by adding a new paragraph k to read as follows:

3 k. Service as a campus public safety officer employed by the state  
4 university of New York.

5 § 2. Section 383-d of the retirement and social security law, as added  
6 by chapter 561 of the laws of 2015, is amended to read as follows:

7 § 383-d. Alternative retirement benefits for university police offi-  
8 cers appointed by the state university or campus public safety officers  
9 employed by the state university. a. As used in this section, the term  
10 "university police officer" shall mean a person who is so appointed  
11 pursuant to paragraph 1 of subdivision two of section three hundred  
12 fifty-five of the education law.

13 b. Notwithstanding any other provision of law providing for transfers  
14 between retirement systems, any university police officer or campus  
15 public safety officer in the service of the state university who is a  
16 member of the New York state employees' retirement system may transfer  
17 to the New York state and local police and fire retirement system and  
18 shall receive credit pursuant to and be entitled to the retirement bene-  
19 fits afforded in accordance with this section. Upon any such transfer  
20 the member shall be entitled to the amount of service which would have  
21 been deemed creditable had such member been subject to such system  
22 during the course of his or her membership within such system. Contrib-  
23 utions to such system shall be made in accordance with appropriate  
24 provisions of law relating thereto. Application for [~~such~~] transfer by  
25 a university police officer must be made to the state comptroller on or  
26 before December thirty-first, two thousand fifteen, and applications by  
27 campus public safety officers must be made to the state comptroller on  
28 or before December thirty-first, two thousand nineteen. The provisions

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

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1 of section three hundred forty-three of this article shall apply to any  
2 member making application for transfer under this subdivision.

3 c. Any university police officer or campus public safety officer in  
4 the service of the state university who elects or is required to  
5 contribute under this section shall contribute to the New York state and  
6 local police and fire retirement system on the basis of retirement upon  
7 his or her:

8 1. Completion of twenty-five years of total creditable service; or

9 2. Attainment of age sixty as a university police officer or campus  
10 public safety officer in the service of the state university, if prior  
11 thereto, on an allowance of one-fiftieth of his or her final average  
12 salary for each year of total creditable service not in excess of twen-  
13 ty-five years. Such election shall be in writing and shall be duly  
14 executed and filed with the comptroller.

15 d. Every employee entering or re-entering service as a university  
16 police officer or campus public safety officer in the service of the  
17 state university on or after the effective date of this section shall  
18 contribute on the basis provided for by this section.

19 e. A member who is required to contribute in accordance with this  
20 section shall contribute, in lieu of the proportion of compensation as  
21 provided in section three hundred twenty-one of this article, a propor-  
22 tion of his or her compensation similarly determined. Such latter  
23 proportion shall be computed to provide at the time when he or she shall  
24 first become eligible for retirement under this section, an annuity  
25 equal to one-one hundredth of his or her final average salary for each  
26 year of service as a member prior to the attainment of the age when he  
27 or she shall first become eligible for retirement. Such member's rate of  
28 contribution pursuant to this section shall be appropriately reduced  
29 pursuant to section three hundred seventy-a of this article for such  
30 period of time as his or her employer contributes pursuant to such  
31 section toward pensions-providing-for-increased-take-home-pay. No such  
32 member shall be required to continue contributions after completing  
33 twenty-five years of such service.

34 f. A member contributing on the basis of this section, at the time of  
35 retirement, shall be entitled to retire after the completion of twenty-  
36 five years of total creditable service or upon the attainment of age  
37 sixty by filing an application therefor in a manner similar to that  
38 provided in section three hundred seventy of this article. He or she  
39 shall receive, on retirement, a retirement allowance consisting of:

40 1. An annuity which shall be the actuarial equivalent of his or her  
41 accumulated contributions at the time of his or her retirement, plus

42 2. A pension which, together with such annuity and a pension which is  
43 the actuarial equivalent of the reserve-for-increased-take-home-pay to  
44 which he or she may then be entitled, if any, shall equal one-fiftieth  
45 of his or her final average salary for each year of creditable service  
46 in such service. This pension shall not exceed the amount needed to make  
47 the total amount of the benefits provided under this paragraph and para-  
48 graph one of this subdivision equal to one-half of final average salary.

49 3. An additional pension equal to the pension for any creditable  
50 service rendered while not employed as a university police officer or  
51 campus public safety officer in the service of the state university as  
52 provided under paragraphs two and three of subdivision a of section  
53 three hundred seventy-five of this article. This pension shall:

54 (i) Be payable only if such member has attained age sixty at the time  
55 of retirement and has not completed twenty-five years of service as a  
56 university police officer or campus public safety officer in the service

1 of the state university for which he or she receives credit under this  
2 article, and

3 (ii) Not increase the total allowance to more than he or she would  
4 have received had his or her total service been rendered as a university  
5 police officer or campus public safety officer in the service of the  
6 state university. For the purpose only of determining the amount of the  
7 pension provided herein, the annuity shall be computed as it would be:

8 (A) if not reduced by the actuarial equivalent of any outstanding  
9 loan, and

10 (B) if not increased by the actuarial equivalent of any additional  
11 contributions, and

12 (C) if not reduced by reason of the member's election to decrease his  
13 or her annuity contributions to the retirement system in order to apply  
14 the amount of such reduction in payment of his or her contributions for  
15 old-age and survivors insurance coverage.

16 g. The increased pensions to a university police officer or campus  
17 public safety officer in the service of the state university, as  
18 provided by this section, shall be paid from additional contributions  
19 made by the state on account of such members. The actuary of the  
20 retirement system shall compute the additional contribution of each  
21 member who elects to receive the special benefits provided under this  
22 section. Such additional contributions shall be computed on the basis of  
23 contributions during the prospective service of such member which will  
24 cover the liability of the retirement system for such extra pensions.  
25 Upon approval by the comptroller, such additional contributions shall be  
26 certified by him or her to the chancellor of the state university. The  
27 amount thereof shall be included in the annual appropriation of the  
28 state for the state university. Such amount shall be paid on the warrant  
29 of the comptroller to the pension accumulation fund of the retirement  
30 system.

31 h. In computing the twenty-five years of completed service of a  
32 university police officer or campus public safety officer in the service  
33 of the state university, full credit shall be given and full allowance  
34 shall be made for service of such member in war after World War I as  
35 defined in section two of this chapter, provided such member at the time  
36 of his ~~or~~ or her entrance into the armed forces was in state service,  
37 and full credit and full allowance shall be made for service as a  
38 university peace officer prior to the effective date of chapter four  
39 hundred twenty-four of the laws of nineteen hundred ninety-eight.

40 i. The provisions of this section shall be controlling notwithstanding  
41 any provision in this article to the contrary.

42 j. Notwithstanding any provision of subdivision d, e or i of this  
43 section to the contrary, a member who is in the collective negotiating  
44 unit designated as the agency police services unit and established  
45 pursuant to article fourteen of the civil service law and who has  
46 elected or is required to contribute in accordance with this section  
47 may, on or before March thirty-first, two thousand sixteen, elect to  
48 come under the provisions of section three hundred seventy-five-h of  
49 this article. Such election shall be duly executed and filed with the  
50 comptroller.

51 k. Commencing with the effective date of this section and in a manner  
52 determined by the head of the retirement system, the state, as employer,  
53 shall make contributions to the retirement system to fund the past  
54 service liability costs associated with the implementation of this  
55 section as those costs are calculated by the retirement system actuary.

1 Such contributions may, at the election of the employer, be amortized  
2 over a ten year period.

3 § 3. No employee contributions made to the New York state and local  
4 employees' retirement system by any campus public safety officer who  
5 elects to transfer pursuant to this act shall be returned to such offi-  
6 cer. Such employee contributions shall be used to offset any past  
7 service costs incurred by operation of the provisions of this act.

8 § 4. Notwithstanding subdivision h of section 343 of the retirement  
9 and social security law, the provisions of subdivisions c and d of  
10 section 343 of the retirement and social security law shall apply and  
11 the employer contributions reserve shall be transferred from the appro-  
12 priate fund or funds of the New York state and local employees' retire-  
13 ment system to the New York state and local police and fire retirement  
14 system.

15 § 5. This act shall take effect immediately.

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

This bill would allow State University Campus Public Safety Officers to elect to transfer to the New York State and Local Police and Fire Retirement System and to be covered by the provisions of a new twenty-five (25) year half pay retirement plan, with additional one-sixtieths of final average salary for each year of service in excess of twenty-five (25) years, but not exceeding fifteen (15) such years. For Tiers 2, 5, and 6 members, the additional one-sixtieths can't exceed seven (7) such years. There will be no refund of Article 14 or Article 15 member contributions for officers who elect to transfer to the Police and Fire Retirement System.

If this bill is enacted, we anticipate that there will be an increase of approximately \$210,000 in the annual contributions of the State of New York for the fiscal year ending March 31, 2018.

In addition to the annual contributions discussed above, it is estimated that there will be an immediate past service cost of \$855,000 which would be borne by the State of New York, assuming that payment will be made on March 1, 2018. If this cost is amortized over 10 years, the cost for the first year, including interest, would be \$114,000.

These estimated costs are based on 86 State University Campus Public Safety Officers with a total estimated billing salary of approximately \$4.3 million for the fiscal year ending March 31, 2016.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2016 actuarial valuation. Distributions and other statistics can be found in the 2016 Report of the Actuary and the 2016 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015 and 2016 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2016 New York State and Local Retirement System Financial Statements and Supplementary Information.

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

This estimate, dated February 28, 2017, and intended for use only during the 2017 Legislative Session, is Fiscal Note No. 2017-69, prepared by the Actuary for the New York State and Local Retirement System.