S T A T E O F N E W Y O R K

2343--A

2009-2010 Regular Sessions

I N S E N A T E

February 18, 2009

Introduced by Sens. SAVINO, ADDABBO, DIAZ, MONSERRATE, ONORATO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general municipal law and the retirement and social security law, in relation to increasing certain special accidental death benefits

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision c of section 208-f of the general municipal law, as amended by chapter 76 of the laws of 2008, is amended to read as follows:

c. Commencing July first, two thousand [eight] NINE the special accidental death benefit paid to a widow or widower or the deceased member's children under the age of eighteen or, if a student, under the age of twenty-three, if the widow or widower has died, shall be escalated by adding thereto an additional percentage of the salary of the deceased member (as increased pursuant to subdivision b of this section) in accordance with the following schedule:

calendar year of death of the deceased member	per centum
1977 or prior	[150.0%] 157.5%
1978	[142.7%] 150.0%
1979	[135.7%] 142.7%
1980	[128.8%] 135.7%
1981	[122.1%] 128.8%
1982	[115.7%] 122.1%
1983	[109.4%] 115.7%
1984	[103.3%] 109.4%

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

LBD07040-04-9

1985	[97.4%] 103.3%
1986	[91.6%] 97.4%
1987	[86.0%] 91.6%
1988	[80.6%] 86.0%
1989	[75.4%] 80.6%
1990	[70.2%] 75.4%
1991	[65.3%] 70.2%
1992	[60.5%] 65.3%
1993	[55.8%] 60.5%
1994	[51.3%] 55.8%
1995	[46.9%] 51.3%
1996	[42.6%] 46.9%
1997	[38.4%] 42.6%
1998	[34.4%] 38.4%
1999	[30.5%] 34.4%
2000	[26.7%] 30.5%
2001	[23.0%] 26.7%
2002	[19.4%] 23.0%
2003	[15.9%] 19.4%
2004	[12.6%] 15.9%
2005	[9.3%] 12.6%
2006	[6.1%] 9.3%
2007	[3.0%] 6.1%
2008	[0.0%] 3.0%
2009	0.0%

S 2. Subdivision c of section 361-a of the retirement and social security law, as amended by chapter 76 of the laws of 2008, is amended to read as follows:

c. Commencing July first, two thousand [eight] NINE the special accidental death benefit paid to a widow or widower or the deceased member's children under the age of eighteen or, if a student, under the age of twenty-three, if the widow or widower has died, shall be escalated by adding thereto an additional percentage of the salary of the deceased member, as increased pursuant to subdivision b of this section, in accordance with the following schedule:

calendar year of death of the deceased member	per centum
1977 or prior	[150.0%] 157.5%
1978	[142.7%] 150.0%
1979	[135.7%] 142.7%
1980	[128.8%] 135.7%
1981	[122.1%] 128.8%
1982	[115.7%] 122.1%
1983	[109.4%] 115.7%
1984	[103.3%] 109.4%
1985	[97.4%] 103.3%
1986	[91.6%] 97.4%
1987	[86.0%] 91.6%
1988	[80.6%] 86.0%
1989	[75.4%] 80.6%
1990	[70.2%] 75.4%
1991	[65.3%] 70.2%
1992	[60.5%] 65.3%
1993	[55.8%] 60.5%
1994	[51.3%] 55.8%
1995	[46.9%] 51.3%

1996	[42.6%]	46.9%
1997	[38.4%]	42.6%
1998	[34.4%]	38.4%
1999	[30.5%]	34.4%
2000	[26.7%]	30.5%
2001	[23.0%]	26.7%
2002	[19.4%]	23.0%
2003	[15.9%]	19.4%
2004	[12.6%]	15.9%
2005	[9.3%]	12.6%
2006	[6.1%]	9.3%
2007	[3.0%]	6.1%
2008	[0.0%]	3.0%
2009	0.0%	

S 3. This act shall take effect July 1, 2009.

FISCAL NOTE.--This bill would amend both the General Municipal Law and the Retirement and Social Security Law to increase the salary used in the computation of the special accidental death benefit by 3% in cases where the date of death was before 2009.

Insofar as this bill would amend the Retirement and Social Security Law, it is estimated that there would be an additional annual cost of approximately $322,000 above the approximately $7.1 million current annual cost of this benefit. This cost would be shared by the State of New York and all participating employers of the New York State and Local Police and Fire Retirement System.

This estimate, dated January 27, 2009 and intended of use only during the 2009 Legislative Session, is Fiscal Note No. 2009-115, prepared by the Actuary for the New York State and Local Police and Fire Retirement System.

FISCAL NOTE.--PROVISIONS OF PROPOSED LEGISLATION - OVERVIEW: With respect to the City of New York (the "City"), this proposed legislation would amend General Municipal Law ("GML") Section 208-f.c to increase certain Special Accidental Death Benefits ("SADB") for line-of-duty widows/widowers and/or children of former uniformed employees of the City and the New York City Health and Hospitals Corporation who were members of the New York City Retirement Systems ("NYCRS").

In addition, the proposed legislation would amend Retirement and Social Security Law Section 361-a.c to cover such SADB of the survivors of former members who were employed in the New York State Police Department or as a New York State Firefighter.

The Effective Date of the proposed legislation is July 1, 2009.

IMPACT ON BENEFITS - SADB RECIPIENTS: The proposed legislation would impact the SADB payable to certain survivors of NYCRS members who were employed in uniformed positions at one of the following employers:

New York City Police Department,
New York City Fire Department,
New York City Housing Authority-Police Officer,
New York City Transit Authority-Police Officer,
New York City Department of Correction-Correction Officer,
New York City-Emergency Medical Technician ("EMT"),
New York City Health and Hospitals Corporation-EMT,
New York City Triborough Bridge and Tunnel Authority-Bridge and Tunnel Employee, and such employees were members of one of the following NYCRS:

* New York City Employees' Retirement System ("NYCERS"),
* New York City Police Pension Fund ("POLICE"), or
* New York City Fire Pension Fund ("FIRE").

DESCRIPTION OF BENEFITS PAYABLE: Under the GML, the SADB is defined to equal:

The salary of the deceased member at date of death less:

- Any death benefit paid by the NYCRS to the member's survivors,
- Any death benefit paid by Social Security to the member's survivors, and
- Any Worker's Compensation benefit paid to the member's survivors.

The SADB is paid to the deceased member's surviving widow or widower, if alive. If the widow/widower is no longer alive, then the SADB is paid to the deceased member's children under the age of eighteen or while attending school up to the age of twenty-three.

Under the proposed legislation, the SADB would be escalated effective July 1, 2009 to provide an increase of approximately 3.0% in the total benefits payable to the deceased member's surviving line-of-duty widows/widowers/children.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES OF BENEFITS ("APVB"): Under the actuarial assumptions and methods as noted herein, the enactment of this proposed legislation would result in an increase in additional APVB with respect to NYCRS members of approximately $22.6 million as of June 30, 2009.

FINANCIAL IMPACT - EMPLOYER CONTRIBUTIONS: As these SADB are provided on a pay-as-you-go basis, the additional annual employer payments expected to be paid during the first year, if the proposed legislation is enacted, would equal approximately $2.2 million.

Note: This represents an average increase of approximately 5.1% in the annual rate of SADB being paid.

The SADB payment are made by the City and are reimbursed by the State of New York.

OTHER COSTS: The enactment of this proposed legislation would also be expected to result in modest increases in administrative expenses of NYCERS, POLICE, FIRE, the employers and certain New York City agencies.

CENSUS DATA: The financial impact of the proposed legislation is based upon the census date for such widows, widowers and children provided by the NYCRS.

For NYCERS, data for SADB recipients consisted of 29 survivors of deceased members as of June 30, 2008 with SADB payable at a rate of approximately $1.0 million as of September 1, 2008.

For POLICE, data for SADB recipients consisted of 287 survivors of deceased members as of June 30, 2008 with SADB payable at a rate of approximately $12.0 million as of September 1, 2008.

For FIRE, data for SADB recipients consisted of 611 survivors of deceased members as of June 30, 2008 with SADB payable at a rate of approximately $30.2 million as of September 1, 2008.

ACTUARIAL ASSUMPTIONS AND METHODS: Additional APVB have been computed based on the actuarial assumptions and methods in effect for the June 30, 2008 (Lag) actuarial valuations of NYCERS, POLICE and FIRE for use in determining the Preliminary Fiscal Year 2010 Employer Contributions.

In addition, it has also been assumed that the average age and the estimated percentage increase in benefits for widows/widowers in receipt of benefits as of June 30, 2009 would be comparable with that for the widows/widowers and/or children in receipt of benefits as of June 30, 2008.

STATEMENT OF ACTUARIAL OPINION: I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

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

FISCAL NOTE IDENTIFICATION: This estimate is intended for use only during the 2009 Legislative Session. It is fiscal Note 2009-05, dated March 26, 2009, prepared by the Chief Actuary for the New York City Employees' Retirement System, the New York City Police Pension Fund and the New York City Fire Pension Fund.