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

10745

I N A S S E M B L Y

April 19, 2010

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to maximum computed service retirement benefit for Triborough bridge and tunnel members

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

Section 1. Paragraph 4 of subdivision c of section 445-d of the retirement and social security law, as added by chapter 472 of the laws of 1995, is amended to read as follows:

4. the maximum retirement benefit computed without optional modification payable to that participant upon his or her retirement for service as such a participant shall equal that payable upon completion of thirty years of service, EXCEPT THAT THE MAXIMUM SERVICE RETIREMENT BENEFIT COMPUTED WITHOUT OPTIONAL MODIFICATION SHALL EQUAL THAT PAYABLE UPON COMPLETION OF THIRTY-TWO YEARS OF SERVICE.

S 2. Subparagraph (ii) of paragraph 2 of subdivision c of section 604-c of the retirement and social security law, as amended by chapter 693 of the laws of 2003, is amended to read as follows:

(ii) The maximum pension computed without optional modification payable pursuant to subparagraph (i) of this paragraph shall equal that payable upon completion of thirty years of service, EXCEPT THAT THE MAXIMUM SERVICE RETIREMENT BENEFIT COMPUTED WITHOUT OPTIONAL MODIFICATION SHALL EQUAL THAT PAYABLE UPON COMPLETION OF THIRTY-TWO YEARS OF SERVICE.

S 3. This act shall take effect immediately.

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

PROVISIONS OF PROPOSED LEGISLATION: This proposed legislation would amend Retirement and Social Security Law ("RSSL") Sections 445-d and 604-c to increase the number of years of service to be credited for retirement benefit purposes of certain members of the New York City Employees' Retirement System ("NYCERS") employed by the Triborough Bridge and Tunnel Authority ("TBTA") who participate in the Twenty-Year

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

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and Age Fifty Retirement Program for TBTA Members ("TBTA 50/20 Program").

The Effective Date of the proposed legislation would be the date of enactment.

IMPACT ON BENEFITS: Currently, service retirement benefits of Tier II and Tier IV TBTA participants in the TBTA 50/20 Program are based upon credited service to a maximum of 30 years.

This proposed legislation would increase the maximum to 32 years.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES OF BENEFITS: With respect to NYCERS and based on the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the Actuarial Present Value of Benefits ("APVB") by approximately $1.3 million as of June 30, 2008.

FINANCIAL IMPACT - ANNUAL EMPLOYER COSTS AND EMPLOYER CONTRIBUTIONS: With respect to NYCERS, based on the actuarial assumptions and methods in effect as of June 30, 2008, the enactment of this proposed legislation would increase annual employer costs by approximately $170,000 per year.

If enacted during the 2010 Legislative Session before June 30, 2010, increased employer contributions to NYCERS would begin Fiscal Year 2010.

If enacted during the 2010 Legislative Session after June 30, 2010 and before June 30, 2011, increased employer contributions would begin Fiscal Year 2011.

Increases in employer contributions would be comparable to the estimated increase in employer costs.

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

The proposed legislation could potentially alter/postpone anticipated retirement dates for those TBTA 50/20 program participants with 30 or more years of credited service. The financial effect of this has not been measured in this Fiscal Note.

CENSUS DATA: The calculation of estimated changes in APVB, employer costs and employer contributions presented herein is based upon the census data for active TBTA 50/20 Program participants, including 2 Tier II TBTA members with salaries of approximately $0.1 million and 1,411 Tier IV TBTA members with salaries of approximately $100.9 million included in the June 30, 2008 (Lag) actuarial valuation of NYCERS.

ACTUARIAL ASSUMPTIONS AND METHODS: Additional APVB, employer costs and employer contributions have been computed as of June 30, 2008 based upon the actuarial assumptions and methods in effect for the June 30, 2008 (Lag) actuarial valuation of NYCERS for use in determining the Fiscal Year 2010 employer contributions.

The actuarial assumptions used in the valuation in regards to probabilities of retirement were not modified.

The development of the APVB assumes that all impacted TBTA 50/20 Program participants would still be active participants in that Program.

Additional annual employer costs and employer contributions have been estimated assuming the additional APVB would be financed through future normal contributions.

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 2010 Legislative Session. It is Fiscal Note 2010-06, dated February 10, 2010, prepared by the Chief Actuary for the New York City Employees' Retirement System.