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

6879--A

I N S E N A T E

February 22, 2010

Introduced by Sen. SAVINO -- 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 305 of the laws of 2009, is amended to read as follows:

c. Commencing July first, two thousand [nine] TEN 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	[157.5%] 165.2%
1978	[150.0%] 157.5%
1979	[142.7%] 150.0%
1980	[135.7%] 142.7%
1981	[128.8%] 135.7%
1982	[122.1%] 128.8%
1983	[115.7%] 122.1%
1984	[109.4%] 115.7%
1985	[103.3%] 109.4%
1986	[97.4%] 103.3%
1987	[91.6%] 97.4%
1988	[86.0%] 91.6%

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

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1989	[80.6%] 86.0%
1990	[75.4%] 80.6%
1991	[70.2%] 75.4%
1992	[65.3%] 70.2%
1993	[60.5%] 65.3%
1994	[55.8%] 60.5%
1995	[51.3%] 55.8%
1996	[46.9%] 51.3%
1997	[42.6%] 46.9%
1998	[38.4%] 42.6%
1999	[34.4%] 38.4%
2000	[30.5%] 34.4%
2001	[26.7%] 30.5%
2002	[23.0%] 26.7%
2003	[19.4%] 23.0%
2004	[15.9%] 19.4%
2005	[12.6%] 15.9%
2006	[9.3%] 12.6%
2007	[6.1%] 9.3%
2008	[3.0%] 6.1%
2009	[0.0%] 3.0%
2010	0.0%

S 2. Subdivision c of section 361-a of the retirement and social security law, as amended by chapter 305 of the laws of 2009, is amended to read as follows:

c. Commencing July first, two thousand [nine] TEN 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	[157.5%] 165.2%
1978	[150.0%] 157.5%
1979	[142.7%] 150.0%
1980	[135.7%] 142.7%
1981	[128.8%] 135.7%
1982	[122.1%] 128.8%
1983	[115.7%] 122.1%
1984	[109.4%] 115.7%
1985	[103.3%] 109.4%
1986	[97.4%] 103.3%
1987	[91.6%] 97.4%
1988	[86.0%] 91.6%
1989	[80.6%] 86.0%
1990	[75.4%] 80.6%
1991	[70.2%] 75.4%
1992	[65.3%] 70.2%
1993	[60.5%] 65.3%
1994	[55.8%] 60.5%
1995	[51.3%] 55.8%
1996	[46.9%] 51.3%
1997	[42.6%] 46.9%
1998	[38.4%] 42.6%

1999	[34.4%]	38.4%
2000	[30.5%]	34.4%
2001	[26.7%]	30.5%
2002	[23.0%]	26.7%
2003	[19.4%]	23.0%
2004	[15.9%]	19.4%
2005	[12.6%]	15.9%
2006	[9.3%]	12.6%
2007	[6.1%]	9.3%
2008	[3.0%]	6.1%
2009	[0.0%]	3.0%
2010		0.0%

S 3. This act shall take effect July 1, 2010.

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 2010.

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 $345,000 above the approximately $7.7 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 February 5, 2010 and intended for use only during the 2010 Legislative Session, is Fiscal Note No. 2010-112, 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 and certain former employees of the Triborough Bridge and Tunnel Authority who were members of certain New York City Retirement Systems ("NYCERS").

In addition, the proposed legislation would amend Retirement and Social Security Law Section 361-a.c to cover such SADB for certain survivors of deceased members of the New York State and Local Police and Fire Retirement System.

The Effective Date of the proposed legislation would be July 1, 2010.

IMPACT ON BENEFITS - SADB RECIPIENTS: The proposed legislation would impact the SADB payable to certain survivors of 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"), and

who were employed at one of the following employers in certain positions:

* New York City Police Department - Uniformed Position,
* New York City Fire Department - Uniformed Position,
* New York City Housing Authority - Uniformed Position,
* New York City Transit Authority - Uniformed Position,
* New York City Department of Correction - Uniformed Position,
* New York City - Unformed Position as Emergency Medical Technician ("EMT),

* New York City Health and Hospitals Corporation - Uniformed Position as EMT, or

* Triborough Bridge and Tunnel Authority - Bridge and Tunnel Position.

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

The salary of the deceased member at date of death (or, in certain instances, a greater salary based on rank or other status) less:

* Any death benefit as adjusted by any Supplementation or Cost-of-Living Adjustment ("COLA") 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 until age eighteen or while attending school until age twenty-three.

The GML also provides that the SADB is subject to escalation based on years since the date of death. Each year since Calendar Year 1979 the SADB has been increased by an additional percentage of Final Salary.

Under the proposed legislation, the additional percentage of Final Salary to be effective July 1, 2010 would be 3.0%.

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 for the additional Final Salary to be effective July 1, 2010 with respect to NYCRS members. This increase in APVB would be approximately $23.6 million as of June 30, 2010.

FINANCIAL IMPACT - EMPLOYER PAYMENTS: 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 $2.3 million.

Note: These additional payments represent an increase of approximately 5.0% in the annual rate of SADB being paid.

The SADB payments are made by the NYCRS who are reimbursed by the City who is then 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 data for such widows, widowers and children provided by the NYCRS and adjusted, as necessary, to prepare the computations and for consistency with other data.

The following table shows, by Retirement System as of June 30, 2009, the number of deceased members with eligible survivors and the estimated annual SADB rate prior to the increase proposed to be effective as of July 1, 2010.

Table 1
SADB Census Data as of June 30, 2009
($ Millions)

Retirement System	Number of Deceased Members with Eligible Survivors	Annual SADB Rate Prior to Proposed July 1, 2010 Increase
NYCERS	29	$ 1.1
POLICE	288	12.6
FIRE	611	31.9

Total	928	$45.6

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

In addition, it has also been assumed that the average age and the estimated percentage increase in benefits for survivors in receipt of benefits as of June 30, 2010 would be comparable with that for the survivors in receipt of benefits as of June 30, 2009.

The increase in estimated additional APVB was computed based on the additional Final Salary as of July 1, 2010 that was assumed to remain level in the future.

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 2010-08, dated March 11, 2010, 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.