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

5325

2013-2014 Regular Sessions

I N A S S E M B L Y

February 22, 2013

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

AN ACT to amend the retirement and social security law, in relation to retirement benefits for employees of the state office of fire prevention and control

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

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

I. SERVICE IN THE POSITIONS OF STATE FIRE ADMINISTRATOR, DEPUTY STATE FIRE ADMINISTRATOR AND FIRE PROTECTION SPECIALISTS I, II AND III IN THE STATE OFFICE OF FIRE PREVENTION AND CONTROL.

S 2. Subdivision c of section 340 of the retirement and social security law is amended by adding a new paragraph 2-c to read as follows:

2-C. STATE FIRE ADMINISTRATORS, DEPUTY STATE FIRE ADMINISTRATORS AND FIRE PROTECTION SPECIALISTS I, II AND III EMPLOYED IN THE STATE OFFICE OF FIRE PREVENTION AND CONTROL SHALL HAVE ONE YEAR FROM THE EFFECTIVE DATE OF THIS SUBDIVISION TO MAKE APPLICATION FOR MEMBERSHIP IN THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM AND UPON FILING SUCH AN APPLICATION SHALL BE TRANSFERRED TO THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT SYSTEM AND SHALL BE COVERED BY SECTION THREE HUNDRED EIGHTY-FOUR-D OF THIS ARTICLE NOTWITHSTANDING THE PROVISIONS OF SECTION THREE HUNDRED FORTY-THREE OF THIS TITLE. UPON REQUEST FOR A TRANSFER OF CREDIT, THE RESERVE ON SUCH MEMBER'S BENEFITS SHALL BE DETERMINED BY THE ACTUARY AND SHALL BE TRANSFERRED FROM THE APPROPRIATE FUND OF THE FIRST SYSTEM TO THE APPROPRIATE FUND OF THE SECOND SYSTEM. STATE OFFICE OF FIRE PREVENTION AND CONTROL EMPLOYEES TRANSFERRED PURSUANT TO THIS PARAGRAPH MUST SERVE ONE YEAR UNDER THE NEW PLAN BEFORE THEY MAY RECEIVE A GREATER SERVICE RETIREMENT BENEFIT THAN THEY WOULD HAVE RECEIVED HAD THEY NOT TRANSFERRED TO SUCH NEW PLAN.

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

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S 3. Section 384-d of the retirement and social security law is amended by adding a new subdivision z to read as follows:

Z. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, SERVICE AS A STATE FIRE ADMINISTRATOR, DEPUTY STATE FIRE ADMINISTRATOR OR FIRE PROTECTION SPECIALIST I, II OR III EMPLOYED BY THE STATE OFFICE OF FIRE PREVENTION AND CONTROL SHALL BE INCLUDED FOR THE PURPOSES OF COMPUTING POLICE OR FIRE SERVICE FOR RETIREMENT PURSUANT TO THIS SECTION.

S 4. The costs attributable to this act shall be borne by the state of New York.

S 5. Notwithstanding any other provision of law, any employee transferring service pursuant to the provisions of this act shall not lose credit for any service as a result of such transfer.

S 6. This act shall take effect immediately.

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

This bill would allow certain employees in the State Office of Fire Prevention and Control to transfer to the New York State and Local Police and Fire Retirement System and to be covered by the provisions of Section 384-d, the twenty (20) year half pay retirement plan.

If this bill is enacted, we anticipate that there will be an increase of approximately $570,000 in the annual contributions of the State of New York for the fiscal year ending March 31, 2014.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $4.67 million which would be borne by the State of New York as a one time payment, assuming a payment date of March 1, 2014.

It should be noted that in addition to the increase in annual contributions given above, there would be increases in annual contributions for future members who would be Tier 6 members of the New York State and Local Police and Fire Retirement System rather than Tier 6 members of the New York State and Local Employees' Retirement System.

These estimated costs are based on one hundred (100) affected State Office of Fire Prevention and Control employees, with a total estimated salary of approximately $6.8 million for the fiscal year ending March 31, 2012.

Summary of relevant resources:

Data: March 31, 2012 Actuarial Year End File with distributions of membership and other statistics displayed in the 2012 Report of the Actuary and 2012 Comprehensive Annual Financial Report.

Assumptions and Methods: 2010, 2011 and 2012 Annual Report to the Comptroller on Actuarial Assumptions, Codes Rules and Regulations of the State of New York: Audit and Control.

Market Assets and GASB Disclosures: March 31, 2012 New York State and Local Retirement System Financial Statements and Supplementary Information.

Valuations of Benefit Liabilities and Actuarial Assets: summarized in the 2012 Actuarial Valuations report.

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 December 18, 2012 and intended for use only during the 2013 Legislative Session, is Fiscal Note No. 2013-23, prepared by the Actuary for the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.