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I N S E N A T E

February 9, 2016

Introduced by Sens. CROCI, BOYLE, LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to recalculation of earned benefits for certain members enrolled in an optional retirement plan

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

1 Section 1. Section 384-d of the retirement and social security law is
2 amended by adding a new subdivision z to read as follows:
3 Z. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, RETIRED
4 MEMBERS, WHO WERE EMPLOYED BY THE COUNTY OF SUFFOLK, A PARTICIPATING
5 EMPLOYER IN THE NEW YORK STATE AND LOCAL POLICE AND FIRE RETIREMENT
6 SYSTEM, WHICH PREVIOUSLY ELECTED TO OFFER THE OPTIONAL TWENTY YEAR
7 RETIREMENT PLAN, ESTABLISHED PURSUANT TO THIS SECTION, AND WHO WERE
8 EMPLOYED AS POLICE OFFICERS BY SUCH COUNTY PURSUANT TO A COLLECTIVE
9 BARGAINING AGREEMENT AS OF THE FIRST OF JANUARY, TWO THOUSAND ELEVEN AND
10 SEPARATED FROM SERVICE PRIOR TO THE FIRST OF APRIL, TWO THOUSAND
11 FIFTEEN, UPON ELECTION OF SUCH COUNTY, SHALL HAVE ANY AMOUNTS PAID AS
12 COMPENSATORY TIME UPON THE MEMBERS' SEPARATION PURSUANT TO THE THEN-EX-
13 ISTING COLLECTIVE BARGAINING AGREEMENT INCLUDED IN THE CALCULATION OF
14 THEIR FINAL AVERAGE SALARY. THE COUNTY OF SUFFOLK MAY ELECT TO PROVIDE
15 ADDITIONAL BENEFITS PURSUANT TO THIS SUBDIVISION BY FILING WITH THE
16 STATE COMPTROLLER, ON OR BEFORE, THE THIRTY-FIRST OF DECEMBER, TWO THOU-
17 SAND SIXTEEN, BY RESOLUTION OF ITS LOCAL LEGISLATIVE BODY. THEREAFTER,
18 SUCH POLICE OFFICERS MAY ELECT TO HAVE THEIR RETIREMENT BENEFIT RECALCU-
19 LATED PURSUANT TO THIS SECTION AND SHALL BE ENTITLED TO FULL RIGHTS AND
20 BENEFITS ASSOCIATED WITH COVERAGE UNDER THIS SECTION EFFECTIVE AS OF THE
21 DATE OF THEIR RETIREMENT, BY FILING A REQUEST TO THAT EFFECT WITH THE
22 STATE COMPTROLLER ON OR BEFORE THE THIRTIETH OF JUNE, TWO THOUSAND
23 SEVENTEEN.
24 S 2. All past service costs associated with implementing the
25 provisions of this act shall be borne by the county of Suffolk and may
26 be amortized over a period of ten years.

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

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1 S 3. In the event there is a conflict between the provisions of this
2 act and the provisions of any other law or code to the contrary, the
3 provisions of this act shall govern.

4 S 4. This act shall take effect immediately.

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

This bill will permit any amounts paid as compensatory time upon the separation of service of certain Suffolk County police officers pursuant to the collective bargaining agreement as of January 1, 2011 to be included in the calculation of their final average salary. Such officers must have separated from service prior to April 1, 2015 and will have their retirement benefit recalculated from their date of retirement.

If this bill is enacted, there will be an immediate past service cost of approximately \$3.27 million to \$4.84 million which would be borne by Suffolk County as a one-time payment. This estimated cost assumes a payment date of February 1, 2017. If this cost were amortized over a period of 10 years, the cost for each year including interest would be approximately \$460,000-\$644,000.

These estimated costs are based on 387 retired officers with a total compensatory time payment of \$1.2 million, as provided by Suffolk County.

An exact cost will be determined after enactment of this bill and a recalculation of each affected officers retirement benefit.

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, 2015 actuarial valuation. Distributions and other statistics can be found in the 2015 Report of the Actuary and the 2015 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015 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, 2015 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 December 4, 2015 and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-9, prepared by the Actuary for the New York State and Local Police and Fire Retirement System.