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

7884

I N S E N A T E

May 20, 2016

Introduced by Sen. GOLDEN -- 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 disability retirement benefits for the presumption of post-traumatic stress disorder for certain titles

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

Section 1. The retirement and social security law is amended by adding a new section 605-f to read as follows:

S 605-F. DISABILITY RETIREMENT FOR NEW YORK CITY FIRE ALARM DISPATCHERS AND SUPERVISING FIRE ALARM DISPATCHER LEVELS ONE AND TWO. 1. A MEMBER EMPLOYED AS A NEW YORK CITY FIRE ALARM DISPATCHER, A NEW YORK CITY SUPERVISING FIRE ALARM DISPATCHER LEVEL ONE OR A NEW YORK CITY SUPERVISING FIRE ALARM DISPATCHER LEVEL TWO SHALL BE ENTITLED TO DISABILITY RETIREMENT ALLOWANCE, IF, AT THE TIME APPLICATION THEREFOR IS FILED, SUCH MEMBER IS PHYSICALLY OR MENTALLY INCAPACITATED FOR PERFORMANCE OF DUTY AS A RESULT OF CONTRACTING POST-TRAUMATIC STRESS DISORDER WHILE SO EMPLOYED AND AS A RESULT OF HIS OR HER EMPLOYMENT.

2. NOTWITHSTANDING ANY PROVISION OF THIS CHAPTER OR OF ANY GENERAL, SPECIAL OR LOCAL LAW TO THE CONTRARY, ANY MEMBER WHO IS A NEW YORK CITY FIRE ALARM DISPATCHER, A NEW YORK CITY SUPERVISING FIRE ALARM DISPATCHER LEVEL ONE OR A NEW YORK CITY SUPERVISING FIRE ALARM DISPATCHER LEVEL TWO WHO IS DIAGNOSED AS SUFFERING FROM POST-TRAUMATIC STRESS DISORDER RESULTING IN DISABILITY TO SUCH FIRE ALARM DISPATCHER, PRESENTLY EMPLOYED, AND WHO SHALL HAVE SUSTAINED SUCH DISABILITY WHILE SO EMPLOYED, SHALL HAVE SUCH DIAGNOSIS BE PRESUMPTIVE EVIDENCE THAT SUCH DISABILITY WAS INCURRED IN THE PERFORMANCE AND DISCHARGE OF DUTY, UNLESS THE CONTRARY BE PROVEN BY COMPETENT EVIDENCE.

3. THE ANNUAL RETIREMENT ALLOWANCE PAYABLE SHALL BE EQUAL TO THE THREE-QUARTERS OF HIS OR HER FINAL AVERAGE SALARY, SUBJECT TO SECTION 13-176 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK.

S 2. This act shall take effect immediately.

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

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

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PROVISIONS OF PROPOSED LEGISLATION: The proposed legislation would amend the Retirement and Social Security Law (RSSL) to add a new Section 605-f that would provide a disability retirement allowance to members of the New York City Employees' Retirement System (NYCERS) who are Fire Alarm Dispatchers and Supervising Fire Alarm Dispatchers, if such member is physically or mentally incapacitated for performance of duty as a result of contracting post-traumatic stress disorder (PTSD) while so employed and as a result of his or her employment.

In determining whether the PTSD occurred while employed and as a result of his or her employment, the diagnosis of PTSD will be presumptive evidence that such disability was incurred in the performance and discharge of duty, unless the contrary can be proven by competent evidence.

The amount of the annual retirement allowance payable will be equal to 75% of the member's final average salary.

FINANCIAL IMPACT - OVERVIEW: There is no data available to estimate the number of members who might be diagnosed with PTSD and potentially benefit from this proposed legislation. Therefore, the estimated financial impact has been calculated on a "per event" basis equal to the increase in the Actuarial Present Value (APV) of Benefits (APVB) for an average member who is diagnosed with PTSD as the result of the enactment of the proposed legislation. In determining the increase in the APVB, it has been assumed that 50% of the members who would retire with PTSD were those who would have retired under an Ordinary Disability Retirement benefit and that the remaining 50% of members who would retire with PTSD were those who would have continued working if the proposed legislation were not passed.

With respect to an individual member, the additional cost of this proposed legislation could vary greatly depending on the member's length of service, age and salary history.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES: Based on the census data and assumptions herein, the enactment of this proposed legislation would increase the APVB by approximately $360,000 for each occurrence of PTSD as of June 30, 2016.

FINANCIAL IMPACT - ADDITIONAL EMPLOYER CONTRIBUTIONS: Enactment of this proposed legislation would increase employer contributions, where such amount would depend on the number of members affected as well as other characteristics including the age, years of service, and salary history of the member.

Based on the Actuary's actuarial assumptions and methods in effect as of June 30, 2015, the enactment of this proposed legislation is estimated to increase annual employer contributions by approximately $43,000 for each Accidental Disability Retirement due to PTSD. With respect to the timing, increases in employer contributions would depend upon when members would retire due to PTSD.

CENSUS DATA: As of June 30, 2015, the total number of Fire Alarm Dispatchers and Supervising Fire Alarm Dispatchers who could potentially benefit from this proposed legislation is 181. The census data used for estimates of APVB and employer contributions herein is a subgroup consisting of 120 NYCERS Tier 4 active members who currently participate in the Dispatchers 25-Year plan and were included in the June 30, 2015 (Lag) actuarial valuations of NYCERS to determine the Preliminary Fiscal Year 2017 employer contributions. These 120 members had an average age of approximately 40, average service of approximately 12.5 years, and average salary of approximately $70,000 as of June 30, 2015.

ACTUARIAL ASSUMPTIONS AND METHODS: The additional APV of benefits and employer contributions presented herein have been estimated as of June 30, 2015 using the actuarial assumptions and methods used to determine the Preliminary Fiscal Year 2017 employer contributions of NYCERS.

As there is no data currently available to estimate the number of members who might be diagnosed with PTSD, the financial impact would be recognized at the time of the event. Consequently, changes in employer contributions have been estimated assuming that the increase in the APV of Future Employer Contributions will be financed over a time period comparable to that used for actuarial losses under the Entry Age Actuarial Cost Method. Using this approach, the Additional APV of Future Employer Contributions would be amortized over a closed 15-year period (14 payments under the One-Year Lag Methodology) using level dollar payments.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for the New York City Retirement Systems. I am an Associate of the Society of Actuaries, a Fellow of the Conference of Consulting 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 Fiscal Note 2016-20, dated April 18, 2016, was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2016 Legislative Session.