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

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I N A S S E M B L Y

February 25, 2016

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

AN ACT to amend the retirement and social security law, in relation to campus public safety officers

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 j to read as follows:

J. SERVICE AS A CAMPUS PUBLIC SAFETY OFFICER EMPLOYED BY THE STATE UNIVERSITY OF NEW YORK.

S 2. Section 383-d of the retirement and social security law, as added by chapter 561 of the laws of 2015, is amended to read as follows:

S 383-d. Alternative retirement benefits for university police officers appointed by the state university OR CAMPUS PUBLIC SAFETY OFFICERS EMPLOYED BY THE STATE UNIVERSITY. a. As used in this section, the term "university police officer" shall mean a person who is so appointed pursuant to paragraph l of subdivision two of section three hundred fifty-five of the education law.

b. Notwithstanding any other provision of law providing for transfers between retirement systems, any university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university who is a member of the New York state employees' retirement system may transfer to the New York state and local police and fire retirement system and shall receive credit pursuant to and be entitled to the retirement benefits afforded in accordance with this section. Upon any such transfer the member shall be entitled to the amount of service which would have been deemed creditable had such member been subject to such system during the course of his or her membership within such system. Contributions to such system shall be made in accordance with appropriate provisions of law relating thereto. Application for [such] transfer BY A UNIVERSITY POLICE OFFICER must be made to the state comptroller on or before December thirty-first, two thousand fifteen, AND APPLICATIONS BY CAMPUS PUBLIC SAFETY OFFICERS MUST BE MADE TO THE STATE COMPTROLLER ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND EIGHTEEN. The provisions

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

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of section three hundred forty-three of this article shall apply to any member making application for transfer under this subdivision.

c. Any university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university who elects or is required to contribute under this section shall contribute to the New York state and local police and fire retirement system on the basis of retirement upon his or her:

1. Completion of twenty-five years of total creditable service; or

2. Attainment of age sixty as a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university, if prior thereto, on an allowance of one-fiftieth of his or her final average salary for each year of total creditable service not in excess of twenty-five years. Such election shall be in writing and shall be duly executed and filed with the comptroller.

d. Every employee entering or re-entering service as a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university on or after the effective date of this section shall contribute on the basis provided for by this section.

e. A member who is required to contribute in accordance with this section shall contribute, in lieu of the proportion of compensation as provided in section three hundred twenty-one of this article, a proportion of his or her compensation similarly determined. Such latter proportion shall be computed to provide at the time when he or she shall first become eligible for retirement under this section, an annuity equal to one-one hundredth of his or her final average salary for each year of service as a member prior to the attainment of the age when he or she shall first become eligible for retirement. Such member's rate of contribution pursuant to this section shall be appropriately reduced pursuant to section three hundred seventy-a of this article for such period of time as his or her employer contributes pursuant to such section toward pensions-providing-for-increased-take-home-pay. No such member shall be required to continue contributions after completing twenty-five years of such service.

f. A member contributing on the basis of this section, at the time of retirement, shall be entitled to retire after the completion of twenty-five years of total creditable service or upon the attainment of age sixty by filing an application therefor in a manner similar to that provided in section three hundred seventy of this article. He or she shall receive, on retirement, a retirement allowance consisting of:

1. An annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement, plus

2. A pension which, together with such annuity and a pension which is the actuarial equivalent of the reserve-for-increased-take-home-pay to which he or she may then be entitled, if any, shall equal one-fiftieth of his or her final average salary for each year of creditable service in such service. This pension shall not exceed the amount needed to make the total amount of the benefits provided under this paragraph and paragraph one of this subdivision equal to one-half of final average salary.

3. An additional pension equal to the pension for any creditable service rendered while not employed as a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university as provided under paragraphs two and three of subdivision a of section three hundred seventy-five of this article. This pension shall:

(i) Be payable only if such member has attained age sixty at the time of retirement and has not completed twenty-five years of service as a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service

of the state university for which he or she receives credit under this article, and

(ii) Not increase the total allowance to more than he or she would have received had his or her total service been rendered as a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university. For the purpose only of determining the amount of the pension provided herein, the annuity shall be computed as it would be:

(A) if not reduced by the actuarial equivalent of any outstanding loan, and

(B) if not increased by the actuarial equivalent of any additional contributions, and

(C) if not reduced by reason of the member's election to decrease his or her annuity contributions to the retirement system in order to apply the amount of such reduction in payment of his or her contributions for old-age and survivors insurance coverage.

g. The increased pensions to a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university, as provided by this section, shall be paid from additional contributions made by the state on account of such members. The actuary of the retirement system shall compute the additional contribution of each member who elects to receive the special benefits provided under this section. Such additional contributions shall be computed on the basis of contributions during the prospective service of such member which will cover the liability of the retirement system for such extra pensions. Upon approval by the comptroller, such additional contributions shall be certified by him or her to the chancellor of the state university. The amount thereof shall be included in the annual appropriation of the state for the state university. Such amount shall be paid on the warrant of the comptroller to the pension accumulation fund of the retirement system.

h. In computing the twenty-five years of completed service of a university police officer OR CAMPUS PUBLIC SAFETY OFFICER in the service of the state university, full credit shall be given and full allowance shall be made for service of such member in war after World War I as defined in section two of this chapter, provided such member at the time of his [of] OR her entrance into the armed forces was in state service, and full credit and full allowance shall be made for service as a university peace officer prior to the effective date of chapter four hundred twenty-four of the laws of nineteen hundred ninety-eight.

i. The provisions of this section shall be controlling notwithstanding any provision in this article to the contrary.

j. Notwithstanding any provision of subdivision d, e or i of this section to the contrary, a member who is in the collective negotiating unit designated as the agency police services unit and established pursuant to article fourteen of the civil service law and who has elected or is required to contribute in accordance with this section may, on or before March thirty-first, two thousand sixteen, elect to come under the provisions of section three hundred seventy-five-h of this article. Such election shall be duly executed and filed with the comptroller.

k. Commencing with the effective date of this section and in a manner determined by the head of the retirement system, the state, as employer, shall make contributions to the retirement system to fund the past service liability costs associated with the implementation of this section as those costs are calculated by the retirement system actuary.

Such contributions may, at the election of the employer, be amortized over a ten year period.

S 3. No employee contributions made to the New York state and local employees' retirement system by any campus public safety officer who elects to transfer pursuant to this act shall be returned to such officer. Such employee contributions shall be used to offset any past service costs incurred by operation of the provisions of this act.

S 4. Notwithstanding subdivision h of section 343 of the retirement and social security law, the provisions of subdivisions c and d of section 343 of the retirement and social security law shall apply and the employer contributions reserve shall be transferred from the appropriate fund or funds of the New York state and local employees' retirement system to the New York state and local police and fire retirement system.

S 5. This act shall take effect immediately.

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

This bill would allow State University Campus Public Safety Officers to elect to transfer to the New York State and Local Police and Fire Retirement System and to be covered by the provisions of a new twenty-five (25) year half pay retirement plan, with additional one-sixtieths of final average salary for each year of service in excess of twenty-five (25) years, but not exceeding fifteen (15) such years. For Tiers 2, 5, and 6 members, the additional one-sixtieths can not exceed seven (7) such years. There will be no refund of Article 14 or Article 15 member contributions for officers who elect to transfer to the Police and Fire Retirement System.

If this bill is enacted, we anticipate that there will be an increase of approximately $150,000 in the annual contributions of the State of New York for the fiscal year ending March 31, 2017.

In addition to the annual contributions discussed above, it is estimated that there will be an immediate past service cost of $748,000 which would be borne by the State of New York, assuming that payment will be made on March 1, 2017. If this cost is amortized over 10 years, the cost for the first year, including interest, would be $99,500.

These estimated costs are based on 66 State University Campus Public Safety Officers with a total estimated salary of approximately $3.5 million for the fiscal year ending March 31, 2015.

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 February 4, 2016, and intended for use only during the 2016 Legislative Session, is Fiscal Note No. 2016-53, prepared by the Actuary for the New York State and Local Retirement System.