STATE OF NEW YORK

6502--A

2017-2018 Regular Sessions

IN ASSEMBLY

March 7, 2017

Introduced by M. of A. ABBATE, D'URSO, WEPRIN -- Multi-Sponsored by -- M. of A. McDONOUGH -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the administrative code of the city of New York, in relation to allowing certain members of the New York city police pension fund to receive service credit for their service in the New York city police department cadet program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision h of section 13-218 of the administrative code of the city of New York, as added by chapter 594 of the laws of 2000, is relettered subdivision i and a new subdivision j is added to read as follows:

j. (1) Notwithstanding any provision of law to the contrary, upon election, any member of the police pension fund, subchapter two of this chapter who is subject to article fourteen of the retirement and social security law, and served in the New York city police department cadet program shall receive credit in such police pension fund, subchapter two of this chapter, for the period of service in the New York city police department cadet program. Any member who was not a member of the retirement system shall receive such credit by paying into the police pension fund additional member contributions plus interest, at a rate of five percent, which would have been paid or credited had such member been a member of the police pension fund, subchapter two of this chapter, from his or her date of appointment as a New York city police department cadet, provided such payment is made within five years after the effective date of this subdivision, or within five years after commencement of membership in the New York city police pension fund, whichever is

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

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later. Any such member who was a member of the New York city employees' retirement system while serving in the New York city police department cadet program shall receive such credit in the police pension fund by requesting a transfer of credit within five years after this subdivision shall take effect, or within five years after commencement of membership in the New York city police pension fund, whichever is later. Upon such request, the reserve on the benefits allowable to such member as the result of employer contributions, including the reserve-for-increased-take-home-pay, if any, and the accumulated deductions of such member, shall thereupon be transferred from the New York city employees' retirement system to the police pension fund within one year from the date of such request.

(2) The period of such service transferred or purchased pursuant to paragraph one of this subdivision shall be deemed to be service in the police force for purposes of eligibility for benefits and to determine the amounts of benefits under the police pension fund.

(3) Any member of the police pension fund, subchapter two of this chapter, who acquires service credit by reason of the provisions of this subdivision shall be entitled to all rights benefits and privileges to which he or she would have been entitled had his or her current membership begun upon appointment as a New York city police department cadet, as well as any other right, benefit or entitlement of a similarly situated member of such pension fund with equal total service credit consisting only of service in the uniformed force of the police department.

§ 2. This act shall take effect immediately.

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

We have estimated the impact of the Cadet Bill, a copy of which is attached, on the projected employer contributions. The table below summarizes the resulting contributions by year.

(in millions)

Year	Annual Cost
2018	5.1
2019	5.4
2020	5.6
2021	5.9
2022	6.1

These estimates are based on headcounts, as summarized below:

Year	Open Competitive	Promotional
2009	5	180
2010	3	164
2011	1	68
2012	1	52
2013	0	35
2014	2	14
2015	5	73
2016 (partial year)	2	22

For the sake of projection, we assumed that from 2016 to 2020 (the time period that impacts costs from 2018 to 2022), we would continue to see cadets enter the plan with past service. We assumed for each year that 2 cadets would enter as Open Competitive hires and 50 cadets would enter through Promotional hire channels. Note, the new Cadets are all

subject to the Tier 6 plan provisions, with no opportunity for Tier reassignment.

We also assumed that Promotional hires would enter with 1.25 years of past service on average and Open Competitive hires would have 0.83 years of service, which is 2/3 of the amount of the Promotional hires. In addition, we had to make assumptions about the Tier Reinstatement Rates, as summarized in the table below:

Year	Tier Reinstatement Rates	Resulting Tier
2009	100%	All Tier Reinstate to Tier 2
2010	100%	All Tier Reinstate to Tier 2
2011	50%	50% Tier Reinstate to Tier 2 (7/1/2009 change date)
2012	100%	All Tier Reinstate to Tier 3
2013	100%	All Tier Reinstate to Tier 3
2014	25%	25% Tier Reinstate to Tier 3 (4/1/2012 change date)
2015	0%	Tier 6
2016	0%	Tier 6

All other assumptions are consistent with our current understanding of the actuarial assumptions employed by the New York City Office of the Actuary to illustrate expected contribution impact.

The undersigned is familiar with the immediate and long-term aspects of pension calculations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.