

# STATE OF NEW YORK

9943

## IN ASSEMBLY

February 27, 2018

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

AN ACT relating to granting retroactive eligibility to apply for  
enhanced Tier 3 status to former New York City police officer Mark  
Rivera

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

1 Section 1. Notwithstanding the provisions of any general or special  
2 law, rule or regulation to the contrary, Mark Rivera who was previously  
3 employed by the New York City police department as a police officer and  
4 was a Tier 3 member of the Police Pension Fund at the time of his death  
5 on March 21, 2015 shall be eligible to apply for membership in Enhanced  
6 Tier 3, if within one year from the effective date of this act, Abigail  
7 Rivera, the widow of Mark Rivera, shall file with the retirement system  
8 an application for membership Enhanced Tier 3 of the Police Pension  
9 Fund, and Abigail Rivera may also file for any retirement options or  
10 death benefits that would have been available to Mark Rivera if he had  
11 been a member of Enhanced Tier 3 on the date of his death. Any amounts  
12 paid by the police pension fund to Mark Rivera, his estate or Abigail  
13 Rivera prior to the filing of the application for benefits pursuant to  
14 this act shall be deducted from the benefit payable thereafter.

15 § 2. All costs pursuant to this act shall be borne by the City of New  
16 York.

17 § 3. This act shall take effect immediately.

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

SUMMARY OF BILL: The proposed legislation would permit Ms. Rivera,  
within one year of the effective date, to posthumously elect the Tier 3  
Enhanced Plan on behalf of her deceased husband, and to apply for any  
benefits applicable to such Plan.

Effective Date for this proposed legislation: Upon enactment.

BACKGROUND - GENERAL: Mark Rivera died as a Tier 3 Revised member of  
the New York City Police Pension Fund (POLICE) on March 21, 2015. His  
surviving spouse, Ms. Rivera, received an ordinary death benefit equal  
to a lump sum benefit based on salary and member contributions according

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

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to the provisions of a Tier 3 revised member.

After his death, beginning in September 8, 2016, certain Tier 3 Revised members could elect to join the Tier 3 Enhanced Plan which, among other things, extended the statutory presumptions contained in the Heart Bill (General Municipal Law (GML) § 207-k) to Enhanced Plan members pursuant to Chapter 298 of the Laws of 2016. Tier 3 police officers became eligible to participate in the Enhanced Plan on April 10, 2017 pursuant to Part SSS of Chapter 59 of the Laws of 2017.

If this legislation is passed, Officer Rivera's death could potentially be deemed as a Line of Duty death under such presumption, entitling his spouse to receive an Accidental Death Benefit pursuant to Retirement and Social Security Law (RSSL) Section 509 and a Special Accidental Death Benefit (SADB) under GML Section 208-f, less any amount previously paid as an ordinary death benefit.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES: The estimated financial impact of this proposal has been calculated as of June 30, 2017 equal to (1) minus (2), where:

(1) is the sum of the Accidental Death and SADB benefits Officer Rivera's spouse would have received from March 21, 2015 through June 30, 2017 and the actuarial present value of the retirement benefits expected to be received by his spouse in the future if this proposed legislation were enacted, and

(2) is the value of the amount of ordinary death benefits already paid.

Based on the actuarial assumptions and methods described herein, the enactment of this proposed legislation, to the extent Ms. Rivera is awarded the Accidental Death and SADB benefits for her lifetime, would increase the Actuarial Present Value of Benefits (APVB) and the Unfunded Accrued Liability (UAL) of POLICE by approximately \$1.9 million as of June 30, 2017. This calculation does not reflect the offset for a Social Security death benefit, if any, payable to Ms. Rivera.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with Section 13.638.2(k-2) of the Administrative Code of the City of New York (ACCNYS), new UAL attributable to benefit changes are to be amortized as determined by the Actuary but generally over the remaining working lifetime of those impacted by the benefit changes.

For this proposed legislation, since Officer Rivera is deceased and therefore has no remaining working lifetime, the entire increase in UAL of \$1.9 million would be recognized in the first year.

CENSUS DATA: These estimates are based on data provided by POLICE which was not audited but was checked for reasonableness. Below is a summary of the data provided:

- \* Ordinary Death Benefit Lump Sum: \$167,000
- \* Accidental Death Benefit (City): \$25,343
- \* SADB (State): \$58,854

CONTRIBUTION TIMING: If enacted during the 2018 Legislative Session before June 30, 2018, the benefits payable to Ms. Rivera would likely first be reflected in the June 30, 2018 census data. In accordance with the One-Year Lag Methodology used to determine employer contributions, increased employer contributions will be reflected in Fiscal Year 2020.

OTHER COSTS: Not measured in this Fiscal Note is the impact on administrative costs.

ACTUARIAL ASSUMPTIONS AND METHODS: Additional APVB, UAL, and employer contributions presented herein has been calculated based on the same actuarial assumptions and methods in effect for the June 30, 2016 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2018

employer contributions of POLICE, including an annual Actuarial Interest Rate (AIR) assumption of 7.0% (net of Investment Expenses). Please note these assumptions and methods are subject to change as this valuation is not considered final until the end of the City's Fiscal Year 2018.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for, and independent of, the New York City Retirement Systems and Pension Funds. I am a Fellow of the Society of Actuaries, an Enrolled Actuary under the Employee Retirement Income and Security Act of 1974 (ERISA), a Member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. To the best of my knowledge, the results contained herein have been prepared in accordance with generally accepted actuarial principles and procedures and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

FISCAL NOTE IDENTIFICATION: This Fiscal Note 2018-05 dated February 16, 2018, was prepared by the Chief Actuary for the New York City Police Pension Fund. This estimate is intended for use only during the 2018 Legislative Session.