

# STATE OF NEW YORK

4540

2017-2018 Regular Sessions

## IN SENATE

February 16, 2017

Introduced by Sen. YOUNG -- 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 authorizing participating employers in the New York state and local police and fire retirement system offering an optional twenty year retirement plan for its police officers and firefighters, to offer such plan on a non-contributory basis

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

1 Section 1. The retirement and social security law is amended by adding  
2 a new article 26 to read as follows:

### ARTICLE 26

#### BENEFIT ENHANCEMENTS

#### Section 1400. Non-contributory basis.

##### 1401. Collective bargaining.

##### 1402. Past service costs.

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8 § 1400. Non-contributory basis. (a) Notwithstanding the provisions of  
9 this chapter or any other law to the contrary, a participating employer  
10 in the New York state and local police and fire retirement system may  
11 elect to provide its employees who are members of the optional twenty  
12 year retirement plan for police and firefighters eligibility to partic-  
13 ipate on a non-contributory basis.

14 (b) No member who participates in this non-contributory retirement  
15 plan shall be entitled to a refund of previous contributions made to the  
16 contributory twenty year retirement plan.

17 § 1401. Collective bargaining. A demand in collective bargaining nego-  
18 tiations for the additional benefit provided by section fourteen hundred  
19 of this article shall not be subject to the provisions of paragraph (b)  
20 or (c) of subdivision four of section two hundred nine of the civil  
21 service law, nor shall such demand be subject to any provision for  
22 interest arbitration contained in any local law, resolution or ordinance

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

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1 adopted by any governmental entity pursuant to subdivision one of  
2 section two hundred twelve of the civil service law.

3 § 1402. Past service costs. Any participating employer that elects the  
4 additional benefits provided by this article may also elect to pay the  
5 past service cost associated with this benefit in ten annual install-  
6 ments.

7 § 2. This act shall take effect immediately.

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

This bill will allow employers in the New York State and Local Police and Fire Retirement System which have elected to provide their employees with the benefits of the 20 year contributory retirement plan to elect to provide eligibility for their employees to participate on a non-contributory basis. Any member who participates on a non-contributory basis will not be entitled to a refund of previous member contributions.

If this bill is enacted, there will be an increase in the annual contributions of electing employers on behalf of their Tiers 3, 5 and 6 members. For the fiscal year ending March 31, 2017, the contribution increases, as a percentage of salary, will be 0.3% for tier 3 384-d, 1.0% for tier 3 384-e, 3.5% for tier 5 384-d, 3.6% for tier 5 384-e, 6.7% for tier 6 384-d and 6.7% for tier 6 384-e. These additional annual costs will be borne by the employers which elect to provide this benefit.

There will not be a past service cost.

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, 2016 actuarial valuation. Distributions and other statistics can be found in the 2016 Report of the Actuary and the 2016 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015 and 2016 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, 2016 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 16, 2017, and intended for use only during the 2017 Legislative Session, is Fiscal Note No. 2017-52, prepared by the Actuary for the New York State and Local Retirement System.