STATE OF NEW YORK

5551

2017-2018 Regular Sessions

IN SENATE

April 11, 2017

Introduced by Sen. LATIMER -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to authorize the village of Port Chester to offer an optional twenty year retirement plan to a certain police officer employed by such village

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

Section 1. Notwithstanding any other provision of law to the contrary, Michael Sprague, a member of the New York state and local police and fire retirement system, who was appointed as a police officer with the village of Port Chester on January 7, 2013, and who, through no fault of his own, failed to file a timely application to participate in the special twenty year retirement plan contained in section 384-d of the retirement and social security law resulting in the crediting of his service with the village of Port Chester in the general retirement plan contained in section 375-i of such law, shall be given full credit in the special twenty year retirement plan for such service upon the election of the village of Port Chester to assume the additional cost of such service. Thereafter, Michael Sprague may elect to be covered by the provisions of section 384-d of the retirement and social security law, and shall be entitled to the full rights and benefits associated with coverage under such section, by filing a request to the effect with the state comptroller within one year of the effective date of this act.

§ 2. All employer past service costs associated with implementing the provisions of this act shall be borne by the village of Port Chester and may be amortized over a ten year period.

§ 3. This act shall take effect immediately.

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

This bill will allow Michael Sprague, a police officer employed by the Village of Port Chester, to elect to become covered under the provisions of Sections 384-d.

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

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If this legislation is enacted during the 2017 legislative session, we anticipate that there will be an increase of approximately $7,500 in the annual contributions of the Village of Port Chester for the fiscal year ending March 31, 2018. In future years, this cost will vary as the billing rates and salaries of Michael Sprague change.

In addition to the annual contributions discussed above, there will be a one-time past service cost of $49,900 which will be borne by Village of Port Chester as a one-time payment, assuming that payment will be made February 1, 2018. If the Village of Port Chester elects to amortize this cost over a 10 year period, the past service cost for the first year would be approximately $6,640.

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 April 7, 2017, and intended for use only during the 2017 Legislative Session, is Fiscal Note No. 2017-78, prepared by the Actuary for the New York State and Local Retirement System.