

STATE OF NEW YORK

6102--A

2017-2018 Regular Sessions

IN SENATE

May 11, 2017

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- 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 the establishment of a twenty-five year retirement program for members of the New York city employees' retirement system employed as fire protection inspectors and associate fire protection inspectors; and to amend the retirement and social security law, in relation to the establishment of twenty-five year retirement programs for such members who are subject to articles 11 and 15 of such law

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

1 Section 1. The administrative code of the city of New York is amended
2 by adding a new section 13-157.5 to read as follows:

3 § 13-157.5 Twenty-five year retirement program for fire protection
4 inspector members. a. Definitions. The following words and phrases as
5 used in this section shall have the following meanings unless a differ-
6 ent meaning is plainly required by the context.

7 1. "Fire protection inspector member" shall mean a member of the
8 retirement system who is employed by the city of New York or by the New
9 York city fire department in a title whose duties are those of a fire
10 protection inspector or associate fire protection inspector, or in a
11 title whose duties require the supervision of employees whose duties are
12 those of a fire protection inspector or associate fire protection
13 inspector.

14 2. "Twenty-five year retirement program" shall mean all the terms and
15 conditions of this section.

16 3. "Starting date of the twenty-five year retirement program" shall
17 mean the date of enactment of this section.

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

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1 4. "Participant in the twenty-five year retirement program" shall mean
2 any fire protection inspector member who, under the applicable
3 provisions of subdivision b of this section, is entitled to the rights,
4 benefits and privileges and is subject to the obligations of the twenty-
5 five year retirement program as applicable to him or her.

6 5. "Discontinued member" shall mean a participant in the twenty-five
7 year retirement program who, while he or she was a fire protection
8 inspector member, discontinued service as such a member and has a right
9 to a deferred vested benefit under the provisions of subdivision d of
10 this section.

11 6. "Allowable service as a fire protection inspector member" shall
12 mean (i) all service while employed by the city of New York or by the
13 New York city fire department in a title whose duties are those of a
14 fire protection inspector or associate fire protection inspector, and
15 (ii) with respect to an individual who was employed upon the effective
16 date of this section or thereafter in a title whose duties are those of
17 a fire protection inspector or associate fire protection inspector, all
18 such service subsequent thereto in a title whose duties require the
19 supervision of employees whose duties are those of a fire protection
20 inspector or associate fire protection inspector in the New York city
21 fire department.

22 b. Participation in the twenty-five year retirement program. 1.
23 Subject to the provisions of paragraphs five and six of this subdivi-
24 sion, any person who is a fire protection inspector member on the start-
25 ing date of the twenty-five year retirement program may elect to become
26 a participant in the twenty-five year retirement program by filing,
27 within one hundred eighty days after the starting date of the twenty-
28 five year retirement program, a duly executed application for such
29 participation with the retirement system of which such person is a
30 member, provided he or she is such a fire protection inspector member on
31 the date such application is filed.

32 2. Subject to the provisions of paragraphs five and six of this subdivi-
33 vision, any person who becomes a fire protection inspector member after
34 the starting date of the twenty-five year retirement program may elect
35 to become a participant in the twenty-five year retirement program by
36 filing, within one hundred eighty days after becoming such a fire
37 protection inspector member, a duly executed application for such
38 participation with the retirement system of which such person is a
39 member, provided he or she is such a fire protection inspector member on
40 the date such application is filed.

41 3. Any election to be a participant in the twenty-five year retirement
42 program shall be irrevocable.

43 4. Where any participant in the twenty-five year retirement program
44 shall cease to be employed as a fire protection inspector member, he or
45 she shall cease to be such a participant and, during any period in which
46 such person is not so employed, he or she shall not be a participant in
47 the twenty-five year retirement program and shall not be eligible for
48 the benefits of subdivision c of this section.

49 5. Where any participant in the twenty-five year retirement program
50 terminates service as a fire protection inspector member and returns to
51 such service as a fire protection inspector at a later date, he or she
52 shall again become such a participant on that date.

53 6. Notwithstanding any other provision of law to the contrary, any
54 person who is eligible to become a participant in the twenty-five year
55 retirement program pursuant to paragraph one or two of this subdivision
56 for the full one hundred eighty day period provided for in such applica-

1 ble paragraph and who fails to timely file a duly executed application
2 for such participation with the retirement system, shall not thereafter
3 be eligible to become a participant in such program.

4 c. Service retirement benefits. 1. A participant in the twenty-five
5 year retirement program:

6 (i) who has completed twenty-five or more years of allowable service
7 as a fire protection inspector member; and

8 (ii) who files with the retirement system an application for service
9 retirement setting forth at what time, not less than thirty days subse-
10 quent to the execution and filing thereof, he or she desires to be
11 retired; and

12 (iii) who shall be a participant in the twenty-five year retirement
13 program at the time so specified for his or her retirement; shall be
14 retired pursuant to the provisions of this section affording early
15 service retirement.

16 2. Notwithstanding any other provision of law to the contrary, the
17 early service retirement benefit for a participant in the twenty-five
18 year retirement program who retires pursuant to paragraph one of this
19 subdivision shall be a retirement allowance consisting of:

20 (i) an amount, on account of the required minimum period of service,
21 equal to the sums of (a) an annuity which shall be the actuarial equiv-
22 alent of the accumulated deductions from his or her pay during such
23 period, (b) a pension for increased-take-home-pay which shall be the
24 actuarial equivalent of the reserve for increased-take-home-pay to which
25 he or she may be entitled for such period, and (c) a pension which, when
26 added to such annuity and such pension for increased-take-home-pay,
27 produces a retirement allowance equal to fifty-five percent of the sala-
28 ry earned or earnable in the year prior to his or her retirement; plus

29 (ii) an amount for each additional year of allowable service as a fire
30 protection inspector member, or fraction thereof, beyond such required
31 minimum period of service equal to one and seven-tenths percent of the
32 salary earned or earnable in the year prior to his or her retirement for
33 such allowable service during the period from the completion of twenty-
34 five years of allowable service as a fire protection inspector member to
35 the date of retirement.

36 d. Vesting. 1. A participant in the twenty-five year retirement
37 program who: (i) discontinues service as a fire protection inspector
38 member, other than by death or retirement; and (ii) prior to such
39 discontinuance, completed five but less than twenty-five years of allow-
40 able city service; and (iii) does not withdraw in whole or in part his
41 or her accumulated member contributions pursuant to section 13-141 of
42 this chapter, shall be entitled to receive a deferred vested benefit as
43 provided in this subdivision.

44 2. (i) Upon such discontinuance under the conditions and in compliance
45 with the provisions of paragraph one of this subdivision, such deferred
46 vested benefit shall vest automatically.

47 (ii) Such vested benefit shall become payable on the earliest date on
48 which such discontinued member could have retired for service if such
49 discontinuance had not occurred.

50 3. Such deferred vested benefit shall be a retirement allowance
51 consisting of an amount equal to two and two-tenths percent of such
52 discontinued member's salary earned or earnable in the year prior to his
53 or her discontinuance, multiplied by the number of years of allowable
54 service as a fire protection member.

55 e. Member contributions. All fire protection inspector members of the
56 twenty-five year retirement program shall be required to make member

1 contributions and additional member contributions in accordance with and
2 subject to the same rights, privileges, obligations and procedures as
3 govern the member contributions and additional member contributions
4 required by subdivision d of section four hundred forty-five-j of the
5 retirement and social security law.

6 For the purpose of applying under this subdivision, such subdivision d
7 of section four hundred forty-five-j of the retirement and social secu-
8 rity law to a fire protection inspector member of the twenty-five year
9 retirement program who is subject to the provisions of this section, and
10 is not subject to the provisions of article eleven of the retirement and
11 social security law, the term "credited service," as used in such subdi-
12 vision, shall be deemed to mean allowable service as a fire protection
13 inspector member.

14 § 2. Subdivision a of section 444 of the retirement and social securi-
15 ty law, as amended by section 141 of subpart B of part C of chapter 62
16 of the laws of 2011, is amended to read as follows:

17 a. Except as provided in subdivision c of section four hundred forty-
18 five-a of this article, subdivision c of section four hundred forty-
19 five-b of this article, subdivision c of section four hundred forty-
20 five-c of this article, subdivision c of section four hundred forty-
21 forty-five-d of this article as added by chapter four hundred seventy-
22 two of the laws of nineteen hundred ninety-five, subdivision c of
23 section four hundred forty-five-e of this article, subdivision c of
24 section four hundred forty-five-f of this article [~~and~~], subdivision c
25 of section four hundred forty-five-h of this article and subdivision c
26 of section four hundred forty-five-j, the maximum retirement benefit
27 computed without optional modification provided to a member of a retire-
28 ment system who is subject to the provisions of this article, other than
29 a police officer, a firefighter, an investigator member of the New York
30 city employees' retirement system, a member of the uniformed personnel
31 in institutions under the jurisdiction of the New York city department
32 of correction who receives a performance of duty disability retirement
33 allowance, a member of the uniformed personnel in institutions under the
34 jurisdiction of the department of corrections and community supervision
35 or a security hospital treatment assistant, as those terms are defined
36 in subdivision i of section eighty-nine of this chapter, who receives a
37 performance of duty disability retirement allowance, a member of a
38 teachers' retirement system, New York city employees' retirement system,
39 New York city board of education retirement system or a member of the
40 New York state and local employees' retirement system or a member of the
41 New York city employees' retirement system or New York city board of
42 education retirement system employed as a special officer, parking
43 control specialist, school safety agent, campus peace officer, taxi and
44 limousine inspector or a police communications member and who receives a
45 performance of duty disability pension, from funds other than those
46 based on a member's own or increased-take-home-pay contributions, shall,
47 before any reduction for early retirement, be sixty per centum of the
48 first fifteen thousand three hundred dollars of final average salary,
49 and fifty per centum of final average salary in excess of fifteen thou-
50 sand three hundred dollars, and forty per centum of final average salary
51 in excess of twenty-seven thousand three hundred dollars, provided,
52 however, that the benefits provided by subdivision c of section four
53 hundred forty-five-d of this article as added by chapter four hundred
54 seventy-two of the laws of nineteen hundred ninety-five based upon the
55 additional member contributions required by subdivision d of such
56 section four hundred forty-five-d shall be subject to the maximum

1 retirement benefit computations set forth in this section. The maximum
2 retirement benefit computed without optional modification payable to a
3 police officer, an investigator member of the New York city employees'
4 retirement system or a firefighter shall equal that payable upon
5 completion of thirty years of service, except that the maximum service
6 retirement benefit computed without optional modification shall equal
7 that payable upon completion of thirty-two years of service.

8 § 3. Subdivision a of section 445 of the retirement and social securi-
9 ty law, as amended by chapter 295 of the laws of 2007, is amended to
10 read as follows:

11 a. No member of a retirement system who is subject to the provisions
12 of this article shall retire without regard to age, exclusive of retire-
13 ment for disability, unless he or she is a policeman, an investigator
14 member of the New York city employees' retirement system, fireman,
15 correction officer, a qualifying member as defined in section eighty-
16 nine-t, as added by chapter six hundred fifty-seven of the laws of nine-
17 teen hundred ninety-eight, of this chapter, sanitation man, a special
18 officer (including persons employed by the city of New York in the title
19 urban park ranger or associate urban park ranger), school safety agent,
20 campus peace officer or a taxi and limousine commission inspector member
21 of the New York city employees' retirement system or the New York city
22 board of education retirement system, a dispatcher member of the New
23 York city employees' retirement system, a police communications member
24 of the New York city employees' retirement system, an EMT member of the
25 New York city employees' retirement system, a deputy sheriff member of
26 the New York city employees' retirement system, a fire protection
27 inspector member of the New York city employees' retirement system, a
28 correction officer of the Westchester county correction department as
29 defined in section eighty-nine-e of this chapter or employed in Suffolk
30 county as a peace officer, as defined in section eighty-nine-s, as added
31 by chapter five hundred eighty-eight of the laws of nineteen hundred
32 ninety-seven, of this chapter, employed in Suffolk county as a
33 correction officer, as defined in section eighty-nine-f of this chapter,
34 or employed in Nassau county as a correction officer, uniformed
35 correction division personnel, sheriff, undersheriff or deputy sheriff,
36 as defined in section eighty-nine-g of this chapter, or employed in
37 Nassau county as an ambulance medical technician, an ambulance medical
38 technician/supervisor or a member who performs ambulance medical techni-
39 cian related services, as defined in section eighty-nine-s, as amended
40 by chapter five hundred seventy-eight of the laws of nineteen hundred
41 ninety-eight, of this chapter, or employed in Nassau county as a peace
42 officer, as defined in section eighty-nine-s, as added by chapter five
43 hundred ninety-five of the laws of nineteen hundred ninety-seven, of
44 this chapter, or employed in Albany county as a sheriff, undersheriff,
45 deputy sheriff, correction officer or identification officer, as defined
46 in section eighty-nine-h of this chapter or is employed in St. Lawrence
47 county as a sheriff, undersheriff, deputy sheriff or correction officer,
48 as defined in section eighty-nine-i of this chapter or is employed in
49 Orleans county as a sheriff, undersheriff, deputy sheriff or correction
50 officer, as defined in section eighty-nine-l of this chapter or is
51 employed in Jefferson county as a sheriff, undersheriff, deputy sheriff
52 or correction officer, as defined in section eighty-nine-j of this chap-
53 ter or is employed in Onondaga county as a deputy sheriff-jail division
54 competitively appointed or as a correction officer, as defined in
55 section eighty-nine-k of this chapter or is employed in a county which
56 makes an election under subdivision j of section eighty-nine-p of this

1 chapter as a sheriff, undersheriff, deputy sheriff or correction officer
2 as defined in such section eighty-nine-p or is employed in Broome County
3 as a sheriff, undersheriff, deputy sheriff or correction officer, as
4 defined in section eighty-nine-m of this chapter or is a Monroe county
5 deputy sheriff-court security, or deputy sheriff-jailor as defined in
6 section eighty-nine-n, as added by chapter five hundred ninety-seven of
7 the laws of nineteen hundred ninety-one, of this chapter or is employed
8 in Greene county as a sheriff, undersheriff, deputy sheriff or
9 correction officer, as defined in section eighty-nine-o of this chapter
10 or is a traffic officer with the town of Elmira as defined in section
11 eighty-nine-q of this chapter or is employed by Suffolk county as a park
12 police officer, as defined in section eighty-nine-r of this chapter or
13 is a peace officer employed by a county probation department as defined
14 in section eighty-nine-t, as added by chapter six hundred three of the
15 laws of nineteen hundred ninety-eight, of this chapter or is employed in
16 Rockland county as a deputy sheriff-civil as defined in section eighty-
17 nine-v of this chapter as added by chapter four hundred forty-one of the
18 laws of two thousand one, or is employed in Rockland county as a superi-
19 or correction officer as defined in section eighty-nine-v of this chap-
20 ter as added by chapter five hundred fifty-six of the laws of two thou-
21 sand one or is a paramedic employed by the police department in the town
22 of Tonawanda and retires under the provisions of section eighty-nine-v
23 of this chapter, as added by chapter four hundred seventy-two of the
24 laws of two thousand one, or is a county fire marshal, supervising fire
25 marshal, fire marshal, assistant fire marshal, assistant chief fire
26 marshal or chief fire marshal employed by the county of Nassau as
27 defined in section eighty-nine-w of this chapter and is in a plan which
28 permits immediate retirement upon completion of a specified period of
29 service without regard to age. Except as provided in subdivision c of
30 section four hundred forty-five-a of this article, subdivision c of
31 section four hundred forty-five-b of this article, subdivision c of
32 section four hundred forty-five-c of this article, subdivision c of
33 section four hundred forty-five-d of this article, subdivision c of
34 section four hundred forty-five-e of this article, subdivision c of
35 section four hundred forty-five-f of this article [~~and~~], subdivision c
36 of section four hundred forty-five-h of this article, and subdivision c
37 of section four hundred forty-five-j of this article, a member in such a
38 plan and such an occupation, other than a policeman or investigator
39 member of the New York city employees' retirement system or a fireman,
40 shall not be permitted to retire prior to the completion of twenty-five
41 years of credited service; provided, however, if such a member in such
42 an occupation is in a plan which permits retirement upon completion of
43 twenty years of service regardless of age, he or she may retire upon
44 completion of twenty years of credited service and prior to the
45 completion of twenty-five years of service, but in such event the bene-
46 fit provided from funds other than those based on such a member's own
47 contributions shall not exceed two per centum of final average salary
48 per each year of credited service.

49 § 4. The retirement and social security law is amended by adding a new
50 section 445-j to read as follows:

51 § 445-j. Optional twenty-five year improved benefit retirement program
52 for fire protection inspector members. a. Definitions. The following
53 words and phrases as used in this section shall have the following mean-
54 ings unless a different meaning is plainly required by the context.

55 1. "Retirement system" shall mean the New York city employees' retire-
56 ment system.

1 2. "Fire protection inspector member" shall mean (i) a member of the
2 retirement system who is subject to the provisions of this article, who
3 is employed by the city of New York or by the New York city fire depart-
4 ment in a title whose duties are those of a fire protection inspector or
5 associate fire protection inspector; and (ii) a member of the retirement
6 system who, on the date this act shall take effect or thereafter, was
7 employed by the city of New York or by the New York city fire department
8 in a title whose duties are those of a fire protection inspector or
9 associate fire protection inspector and who, subsequent thereto, became
10 employed by the city of New York or by the New York city fire department
11 in a title whose duties require the supervision of employees whose
12 duties are those of a fire protection inspector or associate fire
13 protection inspector.

14 3. "Twenty-five year improved benefit retirement program" shall mean
15 all the terms and conditions of this section.

16 4. "Starting date of the twenty-five year improved benefit retirement
17 program" shall mean the date of enactment of the act which added this
18 section, as such date is certified pursuant to section forty-one of the
19 legislative law.

20 5. "Participant in the twenty-five year improved benefit retirement
21 program" shall mean any fire protection inspector member who, under the
22 applicable provisions of subdivision b of this section, is entitled to
23 the rights, benefits and privileges and is subject to the obligations of
24 the twenty-five year improved benefit retirement program, as applicable
25 to him or her.

26 6. "Administrative code" shall mean the administrative code of the
27 city of New York.

28 7. "Accumulated deductions" shall mean accumulated deductions as
29 defined in subdivision eleven of section 13-101 of the administrative
30 code.

31 8. "Optional retirement provisions" shall mean the right to retire and
32 receive a retirement allowance under this section upon the completion of
33 twenty-five years of allowable service.

34 9. "Allowable service" for purposes of this section shall mean (1) all
35 service while employed by the city of New York or by the New York city
36 fire department in a title whose duties are those of a fire protection
37 inspector or associate fire protection inspector, and (2) with respect
38 to an individual who was employed upon the effective date of this
39 section or thereafter in a title whose duties are those of a fire
40 protection inspector or associate fire protection inspector, all such
41 service subsequent thereto in a title whose duties require the super-
42 vision of employees whose duties are those of a fire protection inspec-
43 tor or associate fire protection inspector.

44 b. Election of twenty-five year improved benefit retirement program.
45 1. Subject to the provisions of paragraph five and six of this subdivi-
46 sion, any person who is a fire protection inspector member on the start-
47 ing date of the twenty-five year improved benefit retirement program may
48 elect to become a participant in the twenty-five year improved benefit
49 retirement program by filing, within one hundred eighty days after such
50 starting date, a duly executed application for such participation with
51 the retirement system, provided that he or she is such a fire protection
52 inspector member on the date such application is filed.

53 2. Subject to the provision of paragraphs five and six of this subdivi-
54 sion, any person who becomes a fire protection inspector member after
55 the starting date of the twenty-five year improved benefit retirement
56 program may elect to become a participant in the twenty-five year

1 improved benefit retirement program by filing, within one hundred eighty
2 days after becoming such a fire protection inspector member, a duly
3 executed application for such participation with the retirement system,
4 provided that he or she is such a fire protection inspector member on
5 the date such application is filed.

6 3. Any election to be a participant in the twenty-five year improved
7 benefit retirement program shall be irrevocable.

8 4. Where any participant in the twenty-five year improved benefit
9 retirement program shall cease to hold a position as a fire protection
10 inspector member, he or she shall cease to be such a participant and,
11 during any period in which such a person does not hold such a fire
12 protection inspector position, he or she shall not be a participant in
13 the twenty-five year improved benefit retirement program and shall not
14 be eligible for the benefits of subdivision c of this section.

15 5. Where any participant in the twenty-five year improved benefit
16 retirement program terminates service as a fire protection inspector
17 member and returns to such service as a fire protection inspector member
18 at a later date, he or she shall again become such a participant on that
19 date.

20 6. Notwithstanding any other provision of law to the contrary, any
21 person who is eligible to become a participant in the twenty-five year
22 improved benefit retirement program pursuant to paragraph one or two of
23 this subdivision for the full one hundred eighty day period provided for
24 in such applicable paragraph and who fails to timely file a duly
25 executed application for such participation with the retirement system,
26 shall not thereafter be eligible to become a participant in such
27 program.

28 c. Service retirement benefits. Notwithstanding any other provision of
29 law to the contrary, where a participant in the twenty-five year
30 improved benefit retirement program, who is otherwise qualified for a
31 retirement allowance pursuant to the optional retirement provision set
32 forth in subdivision a of this section, has made and/or paid, while he
33 or she is a fire protection inspector member, all additional member
34 contributions and interest (if any) required by subdivision d of this
35 section, then:

36 1. that participant, while he or she remains participant, shall not be
37 subject to the provisions of subdivision a of section four hundred
38 forty-five of this chapter; and

39 2. if that participant, while such a participant, retires for service,
40 he or she shall not be subject to the provisions of section four hundred
41 forty-four of this chapter; and

42 3. his or her retirement allowance shall be an amount, on account of
43 the required minimum period of service, equal to the sum of (i) an annu-
44 ity which shall be the actuarial equivalent of the accumulated
45 deductions from his or her pay during such period, (ii) a pension for
46 increased-take-home-pay which shall be the actuarial equivalent of the
47 reserve for increased-take-home-pay to which he or she may be entitled,
48 for such period, and (iii) a pension which, when added to such annuity
49 and such pension for increased-take-home-pay, produces a retirement
50 allowance equal to fifty percent of his or her final average salary,
51 plus an amount for each additional year of allowable service as a fire
52 protection inspector member, or fraction thereof, beyond such required
53 minimum period of service equal to two percent of his or her final aver-
54 age salary for such allowable service as a fire protection inspector
55 member during the period from completion of twenty-five years of allow-
56 able service as a fire protection inspector member to the date of

1 retirement but not to exceed more than five years of additional service
2 as a fire protection inspector member.

3 d. Additional member contributions. 1. In addition to the member
4 contributions required pursuant to section 13-125 or 13-162 of the
5 administrative code of the city of New York, each participant in the
6 twenty-five year improved benefit retirement program shall contribute,
7 subject to the applicable provisions of section 13-125.2 of the adminis-
8 trative code of the city of New York, an additional six percent of his
9 or her compensation earned from allowable service as a fire protection
10 inspector member, as a participant in the twenty-five year improved
11 benefit retirement program, rendered on and after the starting date of
12 the improved benefit retirement program, and all allowable service as a
13 fire protection inspector member after such person ceases to be a
14 participant, but before he or she again becomes a participant pursuant
15 to paragraph five of subdivision b of this section. A participant in
16 the twenty-five year improved benefit retirement program shall contrib-
17 ute additional member contributions until the later of the date as of
18 which he or she is eligible to retire with thirty years of allowable
19 service as a fire protection inspector member under such retirement
20 program, or the first anniversary of the starting date of the twenty-
21 five year improved benefit retirement program. The additional contrib-
22 utions required by this section shall be in lieu of additional member
23 contributions required by subdivision d of section four hundred forty-
24 five-d of this chapter, as added by chapter ninety-six of the laws of
25 nineteen hundred ninety-five, and no member paying additional contrib-
26 utions pursuant to this section shall be required to pay additional
27 contributions pursuant to such subdivision d of section four hundred
28 forty-five-d of this chapter.

29 2. Commencing with the first full payroll period after each person
30 becomes a participant in the twenty-five year improved benefit retire-
31 ment program, additional member contributions at the rate specified in
32 paragraph one of this subdivision shall be deducted, subject to the
33 applicable provisions of section 13-125.2 of the administrative code of
34 the city of New York, from the compensation of such participant on each
35 and every payroll of such participant for each and every payroll period
36 for which he or she is such a participant.

37 3. (i) Subject to the provisions of subparagraph (ii) of this para-
38 graph, where any additional member contributions required by paragraph
39 one of this subdivision are not paid by deductions from a participant's
40 compensation pursuant to paragraph two of this subdivision:

41 (A) that participant shall be charged with a contribution deficiency
42 consisting of such unpaid amounts, together with interest thereon,
43 compounded annually; and

44 (B) such interest on each amount of undeducted contributions shall
45 accrue from the end of the payroll period for which such amount would
46 have been deducted from compensation if he or she had been a participant
47 at the beginning of that payroll period and such deductions had been
48 required for such payroll period until such amount is paid to the
49 retirement system; and

50 (C) (1) interest on each such amount included in such participant's
51 contribution deficiency pursuant to this subparagraph shall be calcu-
52 lated as if such additional member contributions never had been paid by
53 such participant, and such interest shall accrue from the end of the
54 payroll period to which an amount of such additional member contribution
55 is attributable, compounded annually, until such amount is paid to the
56 retirement system;

1 (2) the rate of interest to be applied to each such amount during the
2 period for which interest accrues on that amount shall be equal to the
3 rate or rates of interest required by law to be used during that same
4 period to credit interest on the accumulated deductions of retirement
5 system members;

6 (ii) Except as provided in subparagraph (iii) of this paragraph, no
7 interest shall be due on any unpaid additional contributions which are
8 not attributable to the period prior to the first full payroll period
9 referred to in paragraph two of this subdivision;

10 (iii) Should any person who, pursuant to paragraph seven of this
11 subdivision has withdrawn any additional member contributions (and any
12 interest paid thereon) again become a participant in the twenty-five
13 year improved benefit retirement program pursuant to paragraph five of
14 subdivision b of this section, an appropriate amount shall be included
15 in such participant's contribution deficiency (including interest there-
16 on as calculated pursuant to this paragraph) for any credited service
17 with respect to which such person received a refund of additional member
18 contributions (including any amount of an unpaid loan balance deemed to
19 have been returned to such person pursuant to paragraph seven of this
20 subdivision), as if such additional member contributions never had been
21 paid.

22 4. The board of trustees of the retirement system may, consistent with
23 the provisions of this subdivision, promulgate regulations for the
24 payment of the additional member contributions required by this subdivi-
25 sion, and any interest thereon, by a participant in the twenty-five year
26 improved benefit retirement program (including the deduction of such
27 contributions, and any interest thereon, from his or her compensation).

28 5. Where a participant who is otherwise eligible for service retire-
29 ment pursuant to subdivision c of this section did not, prior to the
30 effective date of retirement, pay the entire amount of a contribution
31 deficiency chargeable to him or her pursuant to paragraph three of this
32 subdivision, or repay the entire amount of a loan of his or her addi-
33 tional member contributions pursuant to paragraph eight of this subdivi-
34 sion (including accrued interest on such loan), that participant, never-
35 theless, shall be eligible to retire pursuant to subdivision c of this
36 section, provided, however, that where such participant is not entitled
37 to a refund of additional member contributions pursuant to paragraph
38 seven of this subdivision, such participant's service retirement benefit
39 calculated pursuant to the applicable provisions of subdivision c of
40 this section shall be reduced by a life annuity (calculated in accord-
41 ance with the method set forth in subdivision i of section six hundred
42 thirteen-b of this chapter) which is actuarially equivalent to: (i) the
43 amount of any unpaid contribution deficiency chargeable to such member
44 pursuant to paragraph three of this subdivision; plus (ii) the amount of
45 any unpaid balance of a loan of his or her additional member contrib-
46 utions pursuant to paragraph eight of this subdivision (including
47 accrued interest on such loan).

48 6. Subject to the provisions of paragraph five of this subdivision,
49 where a participant has not paid in full any contribution deficiency
50 chargeable to him or her pursuant to paragraph three of this subdivi-
51 sion, and a benefit, other than a refund of a member's accumulated
52 deductions or a refund of additional member contributions pursuant to
53 paragraph seven of this subdivision, becomes payable by the retirement
54 system to the participant or to his or her designated beneficiary or
55 estate, the actuarial equivalent of any such unpaid amount shall be
56 deducted from the benefit otherwise payable.

1 7. (i) All additional member contributions required by this subdivi-
2 sion (and any interest thereon) which are received by the retirement
3 system shall be paid into its contingent reserve fund and shall be the
4 property of the retirement system. Such additional member contributions
5 (and any interest thereon) shall not for any purpose be deemed to be
6 member contributions or accumulated deductions of a member of the
7 retirement system under section 13-125 or 13-162 of the administrative
8 code of the city of New York while he or she is a participant in the
9 twenty-five year improved benefit retirement program or otherwise.

10 (ii) Should a participant in the twenty-five year improved benefit
11 retirement program, who has rendered less than fifteen years of credited
12 service cease to hold a position as a fire protection inspector member
13 for any reason whatsoever, his or her accumulated additional member
14 contributions made pursuant to this subdivision (together with any
15 interest thereon paid to the retirement system) which remain credited to
16 such participant's account may be withdrawn by him or her pursuant to
17 procedures promulgated in regulations of the board of trustees of the
18 retirement system, together with interest thereon at the rate of inter-
19 est required by law to be used to credit interest on the accumulated
20 deductions of retirement system members compounded annually.

21 (iii) Notwithstanding any other provision of law to the contrary,

22 (A) no person shall be permitted to withdraw from the retirement
23 system any additional member contributions paid pursuant to this subdivi-
24 sion or any interest paid thereon, except pursuant to and in accord-
25 ance with the preceding subparagraphs of this paragraph; and

26 (B) no person, while he or she is a participant in the twenty-five
27 year improved benefit retirement program, shall be permitted to withdraw
28 any such additional member contributions or any interest paid thereon
29 pursuant to any of the preceding subparagraphs of this paragraph or
30 otherwise.

31 8. A participant in the twenty-five year improved benefit retirement
32 program shall be permitted to borrow from his or her additional member
33 contributions, including any interest paid thereon, which are credited
34 to the additional contributions account established for such participant
35 in the contingent reserve fund of the retirement system. The borrowing
36 from such additional member contributions pursuant to this paragraph
37 shall be governed by the same rights, privileges, obligations and proce-
38 dures set forth in section six hundred thirteen-b of this chapter which
39 govern the borrowing by members subject to article fifteen of this chap-
40 ter of member contributions made pursuant to section six hundred thir-
41 teen of this chapter. The board of trustees of the retirement system
42 may, consistent with the provisions of this subdivision and the
43 provisions of section six hundred thirteen-b of this chapter as made
44 applicable to this subdivision, promulgate regulations governing the
45 borrowing of such addition member contributions.

46 9. Wherever a person has an unpaid balance of a loan of his or her
47 additional member contributions pursuant to paragraph eight of this
48 subdivision at the time he or she becomes entitled to a refund of his or
49 her additional member contributions pursuant to subparagraph (ii) of
50 paragraph seven of this subdivision, the amount of such unpaid loan
51 balance (including accrued interest) shall be deemed to have been
52 returned to such member, and the refund of such additional contributions
53 shall be the net amount of such contributions, together with interest
54 thereon in accordance with the provisions of such subparagraph.

55 10. Notwithstanding any other provision of law to the contrary, the
56 provisions of section one hundred thirty-eight-b of this chapter shall

1 not be applicable to the additional member contributions which are
2 required by this subdivision.

3 11. Notwithstanding any other provision of law to the contrary, the
4 additional member contributions which are required by this subdivision
5 shall not be reduced under any program for increased-take-home-pay.

6 e. The provisions of this section shall not be construed to provide
7 benefits to any participant in the twenty-five year improved benefit
8 retirement program which are greater than those which would be received
9 by a similarly situated member who is entitled to benefits under the
10 provisions of section 13-157.2 of the administrative code, but who is
11 not governed by the provisions of this article.

12 § 5. The retirement and social security law is amended by adding a new
13 section 604-j to read as follows:

14 § 604-j. Twenty-five year retirement program for fire protection
15 inspector members. a. Definitions. The following words and phrases as
16 used in this section shall have the following meanings unless a differ-
17 ent meaning is plainly required by the context.

18 1. "Fire protection inspector member" shall mean a member who is
19 employed by the city of New York or by the New York city fire department
20 in a title whose duties are those of a fire protection inspector or
21 associate fire protection inspector; or in a title whose duties require
22 the supervision of employees whose duties are those of a fire protection
23 inspector or associate fire protection inspector.

24 2. "Twenty-five year retirement program" shall mean all the terms and
25 conditions of this section.

26 3. "Starting date of the twenty-five year retirement program" shall
27 mean the date of enactment of this section.

28 4. "Participant in the twenty-five year retirement program" shall mean
29 any fire protection inspector member who, under the applicable
30 provisions of subdivision b of this section, is entitled to the rights,
31 benefits and privileges and is subject to the obligations of the twen-
32 ty-five year retirement program, as applicable to him or her.

33 5. "Discontinued member" shall mean a participant in the twenty-five
34 year retirement program who, while he or she was a fire protection
35 inspector member, discontinued service as such a member and has a right
36 to a deferred vested benefit under subdivision d of this section.

37 6. "Administrative code" shall mean the administrative code of the
38 city of New York.

39 7. "Allowable service as a fire protection inspector member" shall
40 mean all service as a fire protection inspector member.

41 b. Participation in twenty-five year retirement program. 1. Subject to
42 the provisions of paragraphs six and seven of this subdivision, any
43 person who is a fire protection inspector member on the starting date of
44 the twenty-five year retirement program and who, as such a fire
45 protection inspector member or otherwise, last became subject to the
46 provisions of this article prior to such starting date, may elect to
47 become a participant in the twenty-five year retirement program by
48 filing, within one hundred eighty days after the starting date of the
49 twenty-five year retirement program, a duly executed application for
50 such participation with the retirement system of which such person is a
51 member, provided he or she is such a fire protection inspector member on
52 the date such application is filed.

53 2. Subject to the provisions of paragraphs six and seven of this
54 subdivision, any person who becomes a fire protection inspector member
55 after the starting date of the twenty-five year retirement program and
56 who, as such a fire protection inspector member or otherwise, last

1 became subject to the provisions of this article prior to such starting
2 date, may elect to become a participant in the twenty-five year retire-
3 ment program by filing, within one hundred eighty days after becoming
4 such a fire protection inspector member, a duly executed application for
5 such participation with the retirement system for which such person is a
6 member, provided that he or she is such a fire protection inspector
7 member on the date such application is filed.

8 3. Each fire protection inspector member, other than a fire protection
9 inspector member subject to paragraph one or two of this subdivision,
10 who becomes subject to the provisions of this article on or after the
11 starting date of the twenty-five year retirement program shall become a
12 participant in the twenty-five year retirement program on the date he or
13 she becomes such a fire protection inspector member. Provided, however,
14 a person subject to this paragraph, and who has exceeded age twenty-five
15 upon employment as a fire protection inspector member, shall be exempt
16 from participation in the improved twenty-five year retirement program
17 if such person elects not to participate by filing a duly executed form
18 with the retirement system within one hundred eighty days of becoming a
19 fire protection inspector member.

20 4. Any election to be a participant in the twenty-five year retirement
21 program shall be irrevocable.

22 5. Where any participant in the twenty-five year retirement program
23 shall cease to be employed as a fire protection member, he or she shall
24 cease to be such a participant and, during any period in which such
25 person is not so employed, he or she shall not be a participant in the
26 twenty-five year retirement program and shall not be eligible for the
27 benefits of subdivision c of this section.

28 6. Where any participant in the twenty-five year retirement program
29 terminates service as a fire protection inspector member and returns to
30 such service as a fire protection inspector member at a later date, he
31 or she shall again become such a participant on that date.

32 7. Notwithstanding any other provision of the law to the contrary, any
33 person who is eligible to elect to become a participant in the twenty-
34 five year retirement program pursuant to paragraph one or two of this
35 subdivision for the full one hundred eighty day period provided for in
36 such applicable paragraph and who fails to timely file a duly executed
37 application for such participation with the retirement system, shall not
38 thereafter be eligible to become a participant in such program.

39 c. Service retirement benefits. 1. A participant in the twenty-five
40 year retirement program:

41 (i) who has completed twenty-five or more years of allowable service
42 as a fire protection member, and

43 (ii) who has paid, before the effective date of retirement, all addi-
44 tional member contributions and interest (if any) required by subdivi-
45 sion e of this section; and

46 (iii) who files with the retirement system of which he or she is a
47 member an application for service retirement setting forth at what time,
48 not less than thirty days subsequent to the execution and filing there-
49 of, he or she desires to be retired; and

50 (iv) who shall be a participant in the twenty-five year retirement
51 program at the time so specified for his or her retirement, shall be
52 retired pursuant to the provisions of this section affording early
53 service retirement.

54 2. Notwithstanding an other provision of law to the contrary, and
55 subject to the provisions of paragraph six of subdivision e of this
56 section, the early service retirement benefit for participants in the

1 twenty-five year retirement program who retire pursuant to paragraph one
2 of this subdivision shall be a retirement allowance consisting of:

3 (i) an amount, on account of the required minimum period of service,
4 equal to fifty percent of his or her final average salary; plus

5 (ii) an amount on account of allowable service as a fire protection
6 member, or fraction thereof, beyond such required minimum period of
7 service equal to two percent of his or her final salary for such allow-
8 able service as a fire protection member during the period from
9 completion of twenty-five years of allowable service as a fire
10 protection member to the date of retirement but not to exceed more than
11 five years of additional service as a fire protection member.

12 d. Vesting. 1. A participant in the twenty-five year retirement
13 program:

14 (i) who discontinues service as such a participant, other than by
15 death or retirement; and

16 (ii) in the case of a participant who is not a New York city revised
17 plan member, who prior to such discontinuance, completed five but less
18 than than twenty-five years of allowable service as a fire protection
19 member or, in the case of a participant who is a New York city revised
20 plan member, who prior to such discontinuance, completed ten but less
21 than twenty-five years of allowable service as a fire protection member;
22 and

23 (iii) who, subject to the provisions of paragraph seven of subdivision
24 e of this section, has paid, prior to such discontinuance, all addi-
25 tional member contributions and interest (if any) required by subdivi-
26 sion e of this section; and

27 (iv) who does not withdraw in whole or in part his or her accumulated
28 member contributions pursuant to section six hundred thirteen of this
29 article unless such participant thereafter returns to public service and
30 repays the amounts so withdrawn, together with interest, pursuant to
31 such section six hundred thirteen; shall be entitled to receive a
32 deferred vested benefit as provided in this subdivision.

33 2. (i) Upon such discontinuance under the conditions and in compliance
34 with the provisions of paragraph one of this subdivision, such deferred
35 vested benefit shall vest automatically.

36 (ii) In the case of a participant who is not a New York city revised
37 plan member, such vested benefit shall become payable on the earliest
38 date on which such discontinued member could have retired for service if
39 such discontinuance had not occurred or, in the case of a participant
40 who is a New York city revised plan member, such vested benefit shall
41 become payable at age sixty-three. Subject to the provisions of para-
42 graph seven of subdivision e of this section, such deferred vested bene-
43 fit shall be a retirement allowance consisting of an amount equal to two
44 percent of such discontinued member's final average salary, multiplied
45 by the number of years of allowable service.

46 e. Additional member contributions. 1. In addition to the member
47 contributions required by section six hundred thirteen of this article,
48 each participant in the twenty-five year retirement program shall
49 contribute to the retirement system of which he or she is a member
50 (subject to the applicable provisions of subdivision d of section six
51 hundred thirteen of this article) an additional six percent of his or
52 her compensation earned from (i) all allowable service, as a participant
53 in the twenty-five year retirement program, rendered on or after the
54 starting date of the twenty-five year retirement program, and (ii) all
55 allowable service after such person ceases to be a participant, but
56 before he or she again becomes a participant pursuant to paragraph six

1 of subdivision b of this section. The additional contributions required
2 by this section shall be in lieu of additional member contributions
3 required by subdivision d of section six hundred four-c of this chapter
4 as added by chapter ninety-six of the laws of nineteen hundred ninety-
5 five, and no member making additional contributions pursuant to this
6 section shall be required to make contributions pursuant to such subdivi-
7 vision d of section six hundred four-c of this chapter.

8 2. A participant in the twenty-five year retirement program shall
9 contribute additional member contributions until the later of (i) the
10 first anniversary of the starting date of the twenty-five year retire-
11 ment program, or (ii) the date on which he or she completes thirty years
12 of allowable service as a fire protection inspector member.

13 3. Commencing with the first full payroll period after each person
14 becomes a participant in the twenty-five year retirement program, addi-
15 tional member contributions at the rate specified in paragraph one of
16 this subdivision shall be deducted (subject to the applicable provisions
17 of subdivision d of section six hundred thirteen of this article) from
18 the compensation of such participant on each and every payroll of such
19 participant for each and every payroll period for which he or she is
20 such a participant.

21 4. (i) Each participant in the twenty-five year retirement program
22 shall be charged with a contribution deficiency consisting of the total
23 amounts of additional member contributions such person is required to
24 make pursuant to paragraphs one and two of this subdivision which are
25 not deducted from his or her compensation pursuant to paragraph three of
26 this subdivision, if any, together with interest thereon, compounded
27 annually, and computed in accordance with the provisions of subpara-
28 graphs (ii) and (iii) of this paragraph.

29 (ii)(A) The interest required to be paid on each such amount specified
30 in subparagraph (i) of this paragraph shall accrue from the end of the
31 payroll period for which such amount would have been deducted from
32 compensation if he or she had been a participant at the beginning of
33 that payroll period and such deduction had been required for such
34 payroll period, until such amount is paid to the retirement system.

35 (B) The rate of interest to be applied to each such amount during the
36 period for which interest accrues on that amount shall be equal to the
37 rate or rates of interest required by law to be used during that same
38 period to credit interest on the accumulated deductions of retirement
39 system members.

40 (iii) Except as otherwise provided in paragraph five of this subdivi-
41 sion, no interest shall be due on any unpaid additional member contrib-
42 utions which are not attributable to a period prior to the first full
43 payroll period referred to in paragraph three of this subdivision.

44 5. (i) Should any person who, pursuant to subparagraph (ii) of para-
45 graph ten of this subdivision, has received a refund of his or her addi-
46 tional member contribution including any interest paid on such contrib-
47 utions, again become a participant in the twenty-five year retirement
48 program pursuant to paragraph six of subdivision b of this section, an
49 appropriate amount shall be included in such participant's contribution
50 deficiency (including interest thereon as calculated pursuant to subpar-
51 agraph (ii) of this paragraph) for any allowable service for which such
52 person received a refund of such additional member contributions
53 (including any amount of an unpaid loan balance deemed to have been
54 returned to such person pursuant to paragraph twelve of this subdivi-
55 sion), as if such additional member contributions never had been paid.

1 (ii) (A) Interest on a participant's additional member contributions
2 included in such participant's contribution deficiency pursuant to
3 subparagraph (i) of this paragraph shall be calculated as if such addi-
4 tional member contributions had never been paid by such participant, and
5 such interest shall accrue from the end of the payroll period to which
6 an amount of such additional member contributions is attributable, until
7 such amount is paid to the retirement system.

8 (B) The rate of interest to be applied to each such amount during the
9 period for which interest accrues on that amount shall be five percent
10 per annum, compounded annually.

11 6. Where a participant who is otherwise eligible for service retire-
12 ment pursuant to subdivision c of this section did not, prior to the
13 effective date of retirement, pay the entire amount of a contribution
14 deficiency chargeable to him or her pursuant to paragraphs four and five
15 of this subdivision, or repay the entire amount of a loan of his or her
16 additional member contributions pursuant to paragraph eleven of this
17 subdivision (including accrued interest on such loan), that participant,
18 nevertheless, shall be eligible to retire pursuant to subdivision c of
19 this section, provided, however, that such participant's service retire-
20 ment benefit calculated pursuant to paragraph two of such subdivision c
21 shall be reduced by a life annuity (calculated in accordance with the
22 method set forth in subdivision i of section six hundred thirteen-b of
23 this article) which is actuarially equivalent to:

24 (i) the amount of any unpaid contribution deficiency chargeable to
25 such member pursuant to paragraphs four and five of this subdivision;
26 plus

27 (ii) the amount of any unpaid balance of a loan of his or her addi-
28 tional member contributions pursuant to paragraph eleven of this subdivi-
29 vision (including accrued interest on such loan).

30 7. Where a participant who is otherwise eligible for a vested right to
31 a deferred benefit pursuant to subdivision d of this section did not,
32 prior to the date of discontinuance of service, pay the entire amount of
33 a contribution deficiency chargeable to him or her pursuant to para-
34 graphs four and five of this subdivision, or repay the entire amount of
35 a loan of his or her additional member contributions pursuant to para-
36 graph eleven of this subdivision (including accrued interest on such
37 loan), that participant, nevertheless, shall have a vested right to a
38 deferred benefit pursuant to subdivision d of this section provided,
39 however, that the deferred vested benefit calculated pursuant to para-
40 graph three of subdivision d shall be reduced by a life annuity (calcu-
41 lated in accordance with the method set forth in subdivision i of
42 section six hundred thirteen-b of this article) which is actuarially
43 equivalent to:

44 (i) the amount of any unpaid contribution chargeable to such member
45 pursuant to paragraphs four and five of this subdivision; plus

46 (ii) the amount of any unpaid balance of a loan of his or her addi-
47 tional member contributions pursuant to paragraph eleven of this subdivi-
48 vision (including accrued interest on such a loan).

49 8. The head of a retirement system which includes participants in the
50 twenty-five year retirement program in its membership may, consistent
51 with the provisions of this subdivision, promulgate regulations for the
52 payment of such additional member contributions, and any interest there-
53 on, by such participants (including the deduction of such contributions,
54 and any interest thereon, from the participant's compensation).

55 9. Subject to the provisions of paragraphs six and seven of this
56 subdivision, where a participant has not paid in full any contribution

1 deficiency chargeable to him or her pursuant to paragraphs four and five
2 of this subdivision, and a benefit, other than a refund of member
3 contributions pursuant to section six hundred thirteen of this article
4 or a refund of additional member contributions pursuant to subparagraph
5 (ii) of paragraph ten of this subdivision, becomes payable under this
6 article to the participant or to his or her designated beneficiary or
7 estate, the actuarial equivalent of any such unpaid amount shall be
8 deducted from the benefit otherwise payable.

9 10. (i) Such additional member contributions (and any interest there-
10 on) shall be paid into the contingent reserve fund of the retirement
11 system of which the participant is a member and shall not for any
12 purpose be deemed to be member contributions or accumulated contrib-
13 utions of a member under section six hundred thirteen of this article or
14 otherwise while he or she is a participant in the twenty-five year
15 retirement program or otherwise.

16 (ii) Should a participant in the twenty-five year retirement program
17 who has rendered less than fifteen years of credited service cease to
18 hold a position as a fire protection inspector member for any reason
19 whatsoever, his or her accumulated additional member contributions made
20 pursuant to this subdivision (together with any interest thereon paid to
21 the retirement system) may be withdrawn by him or her pursuant to proce-
22 dures promulgated in regulations of the board of trustees of the retire-
23 ment system, together with interest thereon at the rate of five percent
24 per annum, compounded annually.

25 (iii) Notwithstanding any other provision of law to the contrary, (A)
26 no person shall be permitted to withdraw from the retirement system any
27 additional member contributions paid pursuant to this subdivision or any
28 interest paid thereon, except pursuant to and in accordance with the
29 preceding subparagraphs of this paragraph; and (B) no person, while he
30 or she is a participant in the twenty-five year retirement program,
31 shall be permitted to withdraw any such additional member contributions
32 or any interest paid thereon pursuant to any of the preceding subpara-
33 graphs of this paragraph or otherwise.

34 11. A participant in the twenty-five year retirement program shall be
35 permitted to borrow from his or her additional member contributions
36 (including any interest paid thereon) which are credited to the addi-
37 tional contributions account established for such participant in the
38 contingent reserve fund of the retirement system. The borrowing from
39 such additional member contributions pursuant to this paragraph shall be
40 governed by the rights, privileges, obligations and procedures set forth
41 in section six hundred thirteen-b of this article which govern the
42 borrowing of member contributions made pursuant to section six hundred
43 thirteen of this article. The board of trustees of the retirement system
44 may, consistent with the provisions of this subdivision and the
45 provisions of section six hundred thirteen-b of this article as made
46 applicable to this subdivision, promulgate regulations governing the
47 borrowing of such additional member contributions.

48 12. Whenever a person has an unpaid balance of a loan or his or her
49 additional member contributions pursuant to paragraph eleven of this
50 subdivision at the time he or she becomes entitled to a refund of his or
51 her additional member contributions pursuant to subparagraph (ii) of
52 paragraph ten of this subdivision, the amount of such unpaid loan
53 balance (including accrued interest) shall be deemed to have been
54 returned to such member, and the refund of such additional contributions
55 shall be the net amount of such contribution, together with interest
56 thereon in accordance with the provisions of such subparagraph (ii).

1 § 6. Subdivision d of section 613 of the retirement and social securi-
2 ty law is amended by adding a new paragraph 12 to read as follows:

3 12. (i) The city of New York shall, in the case of a fire protection
4 inspector member (as defined in paragraph one of subdivision a of
5 section six hundred four-j of this article) who is a participant in the
6 twenty-five year retirement program (as defined in paragraph four of
7 subdivision a of such section six hundred four-j), pick up and pay to
8 the retirement system of which such participant is a member all addi-
9 tional member contributions which otherwise would be required to be
10 deducted from such member's compensation pursuant to paragraphs one and
11 two of subdivision e of such section six hundred four-j (not including
12 any additional member contributions due for any period prior to the
13 first full payroll period referred to in paragraph three of such subdivi-
14 vision e), and shall effect such pick up in each and every payroll of
15 such participant for each and every payroll period with respect to which
16 such paragraph three would otherwise require such deductions.

17 (ii) An amount equal to the amount of additional contributions picked
18 up pursuant to this paragraph shall be deducted by such employer from
19 the compensation of such member (as such compensation would be in the
20 absence of a pick up program applicable to him or her) and shall not be
21 paid to such member.

22 (iii) The additional member contributions picked up pursuant to this
23 paragraph for any such member shall be paid by such employer in lieu of
24 an equal amount of additional member contributions otherwise required to
25 be paid by such member under the applicable provisions of subdivision e
26 of section six hundred four-j of this article, and shall be deemed to be
27 and treated as employer contributions pursuant to section 414(h) of the
28 Internal Revenue Code.

29 (iv) For the purpose of determining the retirement system rights,
30 benefits and privileges of any member whose additional member contrib-
31 utions are picked up pursuant to this paragraph, such picked up addi-
32 tional member contributions shall be deemed to be and treated as part of
33 such member's additional member contributions under the applicable
34 provisions of subdivision e of section six hundred four-j of this arti-
35 cle.

36 (v) With the exception of federal income tax treatment, the additional
37 member contributions picked up pursuant to subparagraph (i) of this
38 paragraph shall for all other purposes, including computation of retire-
39 ment benefits and contributions by employers and employees, be deemed
40 employee salary. Nothing contained in this subdivision shall be
41 construed as superseding the provisions of section four hundred thirty-
42 one of this chapter, or any similar provision of law which limits the
43 salary base for computing retirement benefits payable by a public
44 retirement system.

45 § 7. Section 13-125.2 of the administrative code of the city of New
46 York is amended by adding a new subdivision a-9 to read as follows:

47 a-9. Notwithstanding any other provision of law to the contrary, on or
48 after the starting date for pick up, the employer responsible for pick
49 up shall, in the case of a fire protection inspector member (as defined
50 in paragraph two of subdivision a of section four hundred forty-five-j
51 of the retirement and social security law) who is a participant in the
52 twenty-five year improved benefit retirement program (as defined in
53 paragraph three of such subdivision a), pick up and pay to retirement
54 system all additional member contributions which otherwise would be
55 required to be deducted from such member's compensation pursuant to
56 subdivision d of such section four hundred forty-five-j, and shall

1 effect such pick up on each and every payroll of such participant for
2 each and every payroll period with respect to which such subdivision d
3 would otherwise require such deductions.

4 § 8. Subparagraph (ii) of paragraph 1 of subdivision c of section
5 13-125.2 of the administrative code of the city of New York, as amended
6 by chapter 682 of the laws of 2003, is amended to read as follows:

7 (ii) the determination of the amount of such member's Tier I or Tier
8 II nonuniformed-force member contributions eligible for pick up by the
9 employer or additional member contributions required to be picked up
10 pursuant to subdivision a-one, subdivision a-two, subdivision a-three,
11 subdivision a-four, subdivision a-five, subdivision a-six, subdivision
12 a-seven ~~[ex]~~, subdivision a-eight or subdivision a-nine of this section;
13 and

14 § 9. Subdivision d of section 13-125.2 of the administrative code of
15 the city of New York is amended by adding a new paragraph 2-h to read as
16 follows:

17 (2-h) For the purpose of determining the retirement system rights,
18 benefits and privileges of any member who is a participant in the twenty-
19 five year retirement program (as defined in paragraph two of subdivi-
20 sion a of section 13-157.5 of this chapter), the additional member
21 contributions of such participant picked up pursuant to subdivision
22 a-nine of this section shall be deemed to be and treated as a part of
23 such member's additional contributions under subdivision e of such
24 section 13-157.5.

25 § 10. Paragraph 3 of subdivision d of section 13-125.2 of the adminis-
26 trative code of the city of New York, as amended by chapter 682 of the
27 laws of 2003, is amended to read as follows:

28 (3) Interest on contributions picked up for any Tier I or Tier II
29 non-uniformed-force member pursuant to this section (other than addi-
30 tional member contributions picked up pursuant to subdivision a-one,
31 subdivision a-two, subdivision a-three, subdivision a-four, subdivision
32 a-five, subdivision a-six, subdivision a-seven ~~[ex]~~, subdivision a-eight
33 or subdivision a-nine of this section) shall accrue in favor of the
34 member and be payable to the retirement system at the same rate, for the
35 same time periods, in the same manner and under the same circumstances
36 as interest would be required to accrue in favor of the member and be
37 payable to the retirement system on such contributions if they were made
38 by such member in the absence of a pick up program applicable to such
39 member under the provisions of this section.

40 § 11. Subdivision a of section 603 of the retirement and social secu-
41 rity law, as amended by chapter 18 of the laws of 2012, is amended to
42 read as follows:

43 a. The service retirement benefit specified in section six hundred
44 four of this article shall be payable to members who have met the mini-
45 mum service requirements upon retirement and attainment of age sixty-
46 two, other than members who are eligible for early service retirement
47 pursuant to subdivision c of section six hundred four-b of this article,
48 subdivision c of section six hundred four-c of this article, subdivision
49 d of section six hundred four-d of this article, subdivision c of
50 section six hundred four-e of this article, subdivision c of section six
51 hundred four-f of this article, subdivision c of section six hundred
52 four-g of this article, subdivision c of section six hundred four-h of
53 this article ~~[ex]~~, subdivision c of section six hundred four-i of this
54 article, or subdivision c of section six hundred four-j of this article
55 provided, however, a member of a teachers' retirement system or the New
56 York state and local employees' retirement system who first joins such

1 system before January first, two thousand ten or a member who is a
2 uniformed court officer or peace officer employed by the unified court
3 system who first becomes a member of the New York state and local
4 employees' retirement system before April first, two thousand twelve may
5 retire without reduction of his or her retirement benefit upon attain-
6 ment of at least fifty-five years of age and completion of thirty or
7 more years of service, provided, however, that a uniformed court officer
8 or peace officer employed by the unified court system who first becomes
9 a member of the New York state and local employees' retirement system on
10 or after January first, two thousand ten and retires without reduction
11 of his or her retirement benefit upon attainment of at least fifty-five
12 years of age and completion of thirty or more years of service pursuant
13 to this section shall be required to make the member contributions
14 required by subdivision f of section six hundred thirteen of this arti-
15 cle for all years of credited and creditable service, provided further
16 that the the preceding provisions of this subdivision shall not apply to
17 a New York city revised plan member.

18 § 12. Nothing contained in sections six and eleven of this act shall
19 be construed to create any contractual right with respect to members to
20 whom such sections apply. The provisions of such sections are intended
21 to afford members the advantages of certain benefits contained in the
22 internal revenue code, and the effectiveness and existence of such
23 sections and benefits they confer are completely contingent thereon.

24 § 13. This act shall take effect immediately, provided, however that:

25 (a) the amendments to subdivision a of section 603 of the retirement
26 and social security law made by section eleven of this act shall not
27 affect the expiration of such subdivision and shall be deemed to expire
28 therewith;

29 (b) the provisions of section six of this act shall remain in force
30 and effect only so long as, pursuant to federal law, contributions
31 picked up under such section are not includable as gross income of a
32 member for federal income tax purposes until distributed or made avail-
33 able to the member; and

34 (c) the amendments to section 13-125.2 of the administrative code of
35 the city of New York made by sections seven, eight, nine and ten of this
36 act shall not affect the expiration of such provisions as provided for
37 in section 16 of chapter 681 of the laws of 1992, as amended.

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

PROVISIONS OF PROPOSED LEGISLATION: This proposed legislation would
amend Administrative Code of the City of New York (ACNY) Section
13-125.2 and Retirement and Social Security Law (RSSL) Sections 444,
445, 603 and 613, and add ACNY Section 13-157.5 and RSSL Sections 445-j
and 604-j to establish a 25-Year Retirement Program for Fire Protection
Inspectors (FPI 25-Year Plan) for each tier.

The Effective Date of the proposed legislation is the date of enact-
ment.

MEMBERS ELIGIBLE TO JOIN: Those members whose duties are one of the
following are eligible to participate in the FPI 25-Year Plan:

- * Fire Protection Inspector
- * Associate Fire Protection Inspector
- * Supervisor of employees whose duties are those of a fire protection
inspector, and
- * Supervisor of employees whose duties are those of an associate fire
protection inspector.

For purposes of this Fiscal Note, these members are collectively
referred to as "Fire Inspectors."

Participation in the FPI 25-Year Plan is optional for anyone who is eligible to participate in the plan on the date of enactment by filing an election form within 180 days of enactment. Anyone who is a member of the New York City Employees' Retirement System (NYCERS) on the date of enactment and subsequently becomes employed as a Fire Inspector has 180 days to elect to join the FPI 25-Year Plan.

Any Fire Inspector who becomes a Tier 6 NYCERS member after the date of enactment is mandated into the plan. However, if the member exceeds age 25 upon being mandated into the FPI 25-Year Plan, the member has the option not to participate.

IMPACT OF BENEFITS: Currently, Fire Inspectors generally participate in one of the NYCERS general plans (basic Tier 4 62/5 Plan, Tier 6 63/10 Plan or Improved Tier 4 57/5, 55/25 Plans). (Note that since there is only one Tier 2 Fire Inspector remaining, the following summary of the FPI 25-Year Plan is for Tier 4 and Tier 6 members only).

The proposed legislation would provide the following benefits to Fire Inspectors under the FPI 25-Year Plan:

- * Service retirement benefit: Upon attaining 25 years of service, a benefit equal to 50% of Final Average Salary (FAS) for the first 25 years of Allowable Service plus 2% of FAS for each additional year of Allowable Service up to a maximum of 30 years of such service.

- * Final Average Salary: Three Year Average (FAS3) for Tier 4 members and Five Year Average (FAS5) for Tier 6 members.

- * Vested benefit:

- * Eligibility is:

- * At least five, but less than 25, years of allowable service for Tier 4, and

- * At least 10, but less than 25, years of allowable service for Tier 6.

- * Payable at:

- * The date the member would have completed 25 years of allowable service for Tier 4, and

- * Age 63 for Tier 6.

- * Amount:

- * 2% of FAS for each year of allowable service.

- * Other benefits: Members of the proposed FPI 25-Year Plan are entitled to the same disability and death benefits as other Tier 4 and Tier 6 members under the respective basic plans.

ADDITIONAL MEMBER CONTRIBUTIONS: Members of the FPI 25-Year Plan are required to make, in addition to the 3% Basic Member Contributions, Additional Member Contributions equal to 6% of compensation for all allowable service as a Plan participant on and after the starting date of the FPI 25-Year Plan for a maximum of 30 years.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES: With respect to NYCERS and based on the anticipated group of members joining the FPI 25-Year Plan and the actuarial assumptions and methods described herein, if the proposed legislation is enacted, the Actuarial Present Value (APV) of Benefits (APVB) would increase by approximately \$1.0 million, consisting of APV of member contributions of approximately \$0.3 million, and APV of future employer contributions of approximately \$0.7 million.

Under the Entry Age Actuarial Cost Method used to determine the employer contributions to NYCERS, there would be an increase in the Unfunded Actuarial Accrued Liability (UAAL) of approximately \$1.6 million offset by a decrease in the APV of future employer Normal Cost of \$0.9 million.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with ACNY Section 13.638.2(k-2), the new UAAL estimated to be \$1.6 million attributable to benefit changes is to be amortized as determined by the Actuary but generally over the remaining working lifetime of those impacted by the benefit changes. As of June 30, 2016, the remaining working lifetime of the Fire Inspectors assumed to join the FPI 25-Year Plan is approximately 5 years.

Based on the actuarial assumptions and methods described below, the enactment of this proposed legislation would increase annual employer contributions by approximately \$385,000 per year.

The increase in employer contributions has been estimated assuming that the increase in UAAL would be financed over a 5-year period (4 payments under One-Year Lag Methodology) using level dollar payments.

Regarding the timing of these increased contributions, if the Effective Date of the proposed legislation is on or before June 30, 2017, then the increase in employer contributions would first be reflected in Fiscal Year 2019.

OTHER COSTS: Not measured in this Fiscal Note are the following:

- * The initial, additional administrative costs of NYCERS and other New York City agencies to implement the proposed legislation.

- * The impact of this proposed legislation on Other Postemployment Benefit (OPEB) costs.

CENSUS DATA: The starting census data used for the calculations presented herein is that of the Preliminary June 30, 2016 (Lag) actuarial valuation of NYCERS. Under the One Year Lag Methodology (OYLM), this was used to determine the Preliminary Fiscal Year 2018 employer contributions for members who are eligible for and who could potentially benefit from this proposed legislation.

The 29 Fire Inspectors as of June 30, 2016 assumed to join the FPI 25-Year Plan had an average age of approximately 55, average service of approximately 26 years and an average salary of approximately \$74,800.

ACTUARIAL ASSUMPTIONS AND METHODS: The additional employer contributions presented herein have been calculated based on the 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 NYCERS.

To determine the impact of the elective nature of the proposed legislation a subgroup of Fire Inspectors was developed on the basis of who could potentially benefit actuarially. The net APV of future employer costs (i.e., the APVB less the APV of future member contributions) of each member's benefit was determined under their current plan and under the FPI 25-Year Plan. If the net APV of future employer cost under the FPI 25-Year Plan was greater than or equal to the APV of future employer cost under the member's current plan, the member was deemed to benefit actuarially.

Based on this analysis, it was determined that those who have the option of joining the FPI Plan upon becoming a NYCERS member in the future will not actuarially benefit in the Plan. Therefore, it is assumed that these future members who have the option of joining the Plan will choose to not participate in the Plan, and that future Plan participation will be limited to those hired at the age of 25 or younger because they will be mandated into the Plan. Since it is expected that very few, if any, Fire Inspectors will be hired at the age of 25 or younger, the costs presented in this Fiscal Note are borne only from current NYCERS members who are assumed to benefit from, and thus opt to join, the FPI 25-Year Plan.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for, and independent of, the New York City Pension Funds and Retirement Systems. I am a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

FISCAL NOTE IDENTIFICATION: This Fiscal Note 2017-24 dated May 31, 2017, was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2017 Legislative Session.