

STATE OF NEW YORK

6102--B

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 -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- 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.

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

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

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

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

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

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

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

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

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

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

55 6. Notwithstanding any other provision of law to the contrary, any
56 person who is eligible to become a participant in the twenty-five year

1 retirement program pursuant to paragraph one or two of this subdivision
2 for the full one hundred eighty day period provided for in such applica-
3 ble paragraph and who fails to timely file a duly executed application
4 for such participation with the retirement system, shall not thereafter
5 be eligible to become a participant in such program.

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

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

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

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

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

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

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

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

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

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

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

1 e. Member contributions. All fire protection inspector members of the
2 twenty-five year retirement program shall be required to make member
3 contributions and additional member contributions in accordance with and
4 subject to the same rights, privileges, obligations and procedures as
5 govern the member contributions and additional member contributions
6 required by subdivision d of section four hundred forty-five-j of the
7 retirement and social security law.

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

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

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

1 additional member contributions required by subdivision d of such
2 section four hundred forty-five-d shall be subject to the maximum
3 retirement benefit computations set forth in this section. The maximum
4 retirement benefit computed without optional modification payable to a
5 police officer, an investigator member of the New York city employees'
6 retirement system or a firefighter shall equal that payable upon
7 completion of thirty years of service, except that the maximum service
8 retirement benefit computed without optional modification shall equal
9 that payable upon completion of thirty-two years of service.

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

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

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

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

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

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

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

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

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

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

28 6. "Administrative code" shall mean the administrative code of the
29 city of New York.

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

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

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

46 b. Election of twenty-five year improved benefit retirement program.

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

55 2. Subject to the provision of paragraphs five and six of this subdivi-
56 vision, any person who becomes a fire protection inspector member after

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

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

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

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

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

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

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

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

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

1 member during the period from completion of twenty-five years of allow-
2 able service as a fire protection inspector member to the date of
3 retirement but not to exceed more than five years of additional service
4 as a fire protection inspector member.

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

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

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

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

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

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

1 is attributable, compounded annually, until such amount is paid to the
2 retirement system;

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

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

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

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

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

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

1 estate, the actuarial equivalent of any such unpaid amount shall be
2 deducted from the benefit otherwise payable.

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

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

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

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

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

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

48 9. Wherever a person has an unpaid balance of a loan of his or her
49 additional member contributions pursuant to paragraph eight 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 seven 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 contributions, together with interest
56 thereon in accordance with the provisions of such subparagraph.

1 10. Notwithstanding any other provision of law to the contrary, the
2 provisions of section one hundred thirty-eight-b of this chapter shall
3 not be applicable to the additional member contributions which are
4 required by this subdivision.

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

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

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

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

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

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

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

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

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

39 6. "Administrative code" shall mean the administrative code of the
40 city of New York.

41 7. "Allowable service as a fire protection inspector member" shall
42 mean all service as a fire protection inspector member.

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

55 2. Subject to the provisions of paragraphs six and seven of this
56 subdivision, any person who becomes a fire protection inspector member

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

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

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

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

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

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

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

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

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

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

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

1 2. Notwithstanding an other provision of law to the contrary, and
2 subject to the provisions of paragraph six of subdivision e of this
3 section, the early service retirement benefit for participants in the
4 twenty-five year retirement program who retire pursuant to paragraph one
5 of this subdivision shall be a retirement allowance consisting of:

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

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

15 d. Vesting. 1. A participant in the twenty-five year retirement
16 program:

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

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

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

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

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

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

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

1 starting date of the twenty-five year retirement program, and (ii) all
2 allowable service after such person ceases to be a participant, but
3 before he or she again becomes a participant pursuant to paragraph six
4 of subdivision b of this section. The additional contributions required
5 by this section shall be in lieu of additional member contributions
6 required by subdivision d of section six hundred four-c of this chapter
7 as added by chapter ninety-six of the laws of nineteen hundred ninety-
8 five, and no member making additional contributions pursuant to this
9 section shall be required to make contributions pursuant to such subdivi-
10 vision d of section six hundred four-c of this chapter.

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

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

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

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

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

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

47 5. (i) Should any person who, pursuant to subparagraph (ii) of para-
48 graph ten of this subdivision, has received a refund of his or her addi-
49 tional member contribution including any interest paid on such contrib-
50 utions, again become a participant in the twenty-five year retirement
51 program pursuant to paragraph six of subdivision b of this section, an
52 appropriate amount shall be included in such participant's contribution
53 deficiency (including interest thereon as calculated pursuant to subpara-
54 graph (ii) of this paragraph) for any allowable service for which such
55 person received a refund of such additional member contributions
56 (including any amount of an unpaid loan balance deemed to have been

1 returned to such person pursuant to paragraph twelve of this subdivi-
2 sion), as if such additional member contributions never had been paid.

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

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

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

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

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

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

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

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

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

1 9. Subject to the provisions of paragraphs six and seven of this
2 subdivision, where a participant has not paid in full any contribution
3 deficiency chargeable to him or her pursuant to paragraphs four and five
4 of this subdivision, and a benefit, other than a refund of member
5 contributions pursuant to section six hundred thirteen of this article
6 or a refund of additional member contributions pursuant to subparagraph
7 (ii) of paragraph ten of this subdivision, becomes payable under this
8 article to the participant or to his or her designated beneficiary or
9 estate, the actuarial equivalent of any such unpaid amount shall be
10 deducted from the benefit otherwise payable.

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

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

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

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

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

1 shall be the net amount of such contribution, together with interest
2 thereon in accordance with the provisions of such subparagraph (ii).

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

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

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

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

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

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

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

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

1 required to be deducted from such member's compensation pursuant to
2 subdivision d of such section four hundred forty-five-j, and shall
3 effect such pick up on each and every payroll of such participant for
4 each and every payroll period with respect to which such subdivision d
5 would otherwise require such deductions.

6 § 8. Subparagraph (ii) of paragraph 1 of subdivision c of section
7 13-125.2 of the administrative code of the city of New York, as amended
8 by chapter 682 of the laws of 2003, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUMMARY OF BILL: This proposed legislation would amend Administrative Code of the City of New York (ACCNY) Section 13-125.2 and Retirement and Social Security Law (RSSL) Sections 444, 445, 603, and 613, and add ACCNY 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.

Effective Date: Upon enactment.

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

Any Fire Inspector who becomes a NYCERS member after the date of enactment is mandated into the Tier 6 FPI 25-Year Plan. However, if the member exceeds age 25 upon being mandated into the FPI 25-Year Plan, the member has the option, within 180 days of becoming a Fire Inspector, to elect not to participate.

IMPACT ON BENEFITS: Currently, Fire Inspectors generally participate in one of the NYCERS general plans (i.e. 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:

- * Tier 4: Three Year Average (FAS3).

- * Tier 6: Five Year Average (FAS5).

- * Vested benefit:

- * Eligibility is:

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

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

- * Payable at:

- * Tier 4: The date the member would have completed 25 years of allowable service.

- * Tier 6: Age 63.

- * Amount:

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

- * Other benefits: Members of the proposed FPI 25-Year Plans 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 an FPI 25-Year Plan are required to make, in addition to the Tier 4 Basic Member Contributions (BMC) of 3% and the Tier 6 BMC ranging from 3% to 6% depending on defined salary scales. 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 Plans until the later of 30 years of service or the first anniversary of enactment of the Plans.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES: Based on the anticipated group of members joining the FPI 25-Year Plans and the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the Actuarial Present Value (APV) of Benefits (APVB) by approximately \$0.9 million, and increase the APV of member

contributions of approximately \$0.3 million, resulting in an increase in the APV of future employer contributions of approximately \$0.6 million.

Under the Entry Age Normal cost method used to determine the employer contributions to NYCERS, there would be an increase in the Unfunded Accrued Liability (UAL) of approximately \$0.9 million offset by a decrease in the APV of future employer Normal Cost of \$0.3 million.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with ACCNY Section 13-638.2(k-2), 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. As of June 30, 2017, the remaining working lifetime of the Fire Inspectors assumed to join the FPI 25-Year Plans is approximately five years.

For the purposes of this Fiscal Note, the increase in UAL was amortized over a five-year period (four payments under the One-Year Lag Methodology) using level dollar payments. This payment plus the increase in the Normal Cost results in an increase in annual employer contributions of approximately \$342,000 each year, beginning in Fiscal Year 2020.

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.

CONTRIBUTION TIMING: For the purposes of this Fiscal Note, it is assumed that the changes in the APV of future employer contributions and annual employer contributions would be reflected for the first time in the June 30, 2018 actuarial valuation of NYCERS. In accordance with the One-Year Lag Methodology (OYLM) used to determine employer contributions, the increase in employer contributions would first be reflected in Fiscal Year 2020.

CENSUS DATA: The estimates presented herein are based on the census data used in the Preliminary June 30, 2017 (Lag) actuarial valuation of NYCERS to determine the Preliminary Fiscal Year 2019 employer contributions.

The 30 Fire Inspectors as of June 30, 2017 assumed to join the FPI 25-Year Plans had an average age of approximately 55.9 years, average service of approximately 25.6 years, and an average salary of approximately \$79,900.

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the UAL, APV of future employer contributions, and annual employer contributions presented herein have been calculated based on the actuarial assumptions and methods in effect for the June 30, 2017 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2019 employer contributions of NYCERS. Please note that these assumptions and methods are subject to change as this valuation is not considered final until the end of Fiscal Year 2019.

To determine the impact of the elective nature of the proposed legislation, a subgroup of NYCERS Fire Inspectors was developed based on 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 applicable FPI 25-Year Plan. If the net APV of future employer cost under the FPI 25-Year Plans 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 generally not benefit under the Plan (i.e. they will have a decrease in APV of future employer costs as compared to the Tier 6 63/10 Plan they would otherwise participate in, absent this proposed legislation). 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 applicable FPI-25 Year Plan.

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 2018-34 dated June 11, 2018, was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2018 Legislative Session.