# STATE OF NEW YORK

10715--A

# IN ASSEMBLY

May 15, 2018

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to the equalization of retirement benefits for police officers across New York state

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

Section 1. Subdivision c of section 500 of the retirement and social security law, as amended by section 9-a of part A of chapter 504 of the laws of 2009, is amended to read as follows:

c. If the comptroller certifies that the contribution rate under this article for any participating employer who is participating on the effective date hereof would be at least one percent higher than the rate which would be applicable to such employer for an employee who is subject to article eleven of this chapter and who was hired prior to July first, nineteen hundred seventy-six, the provisions of this article shall not apply with respect to such participating employer, provided, however that members who first join the New York state and local police and fire retirement system on or after January first, two thousand ten **and police/fire members, as that term is defined in section five hundred one of this article, who have made an election to be subject to the provisions of article twenty-two of this chapter pursuant to subdivision b or c of section twelve hundred five of this chapter,** shall not be subject to the provisions of this article. In such event, the provisions of article eleven and article twenty-two of this chapter shall continue to be applicable to such participating employer and its employees, as provided in section four hundred fifty-one of this chapter. If, as a result of actuarial experience, such employer's contribution rate should increase to the extent that it is not at least one percent lower than the contribution rate under this article, then, upon certification of such fact by the comptroller, the provisions of this subdivision shall no longer apply with respect to the employees of such employer who thereafter first join or rejoin a public retirement system.

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

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§ 2. Section 1200 of the retirement and social security law, as added by section 1 of part A of chapter 504 of the laws of 2009, is amended to read as follows:

§ 1200. Definitions. For purposes of this article the terms:

a. "Member" shall mean a person who is employed as a police officer or firefighter by any employer **other than the city of New York** who first joins [~~the~~] **a** retirement system on or after January first, two thousand ten **or a police/fire member, as that term is defined in section five hundred one of this chapter, who has made an election, pursuant to subdivision b or c of section twelve hundred five of this article, to be subject to the provisions of this article**.

b. "Retirement system" shall mean the New York state and local police and fire retirement system**, the New York city police pension fund, or the New York city fire department pension fund**.

§ 3. Section 1201 of the retirement and social security law, as added by section 1 of part A of chapter 504 of the laws of 2009, is amended to read as follows:

§ 1201. Applicability. Notwithstanding any provision of law to the contrary, the provisions of this article shall be applicable to all [~~employees in the retirement system who first joined such system on or after January first, two thousand ten~~] **members of a retirement system as those terms are defined in section twelve hundred of this article**.

§ 4. Section 1202 of the retirement and social security law is amended by adding a new subdivision d to read as follows:

**d. Notwithstanding anything to the contrary in any other law, the amount of the vested retirement benefit for any member who has made an election to be subject to the provisions of this article pursuant to subdivision b or c of section twelve hundred five of this article, shall be equal to one-sixtieth of the member's final average salary on the date of his or her discontinuance of service, multiplied by a number equal to the number of years of service credited to the member on the date of such discontinuance.**

§ 5. Section 1204 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

§ 1204. Member contributions. Members who are subject to the provisions of this article shall contribute three percent of annual wages to the retirement system in which they have membership, except that beginning April first, two thousand thirteen for members who first become members of the New York state and local police and fire retirement system on or after April first, two thousand twelve**; for members who have made an election to be subject to the provisions of this article pursuant to subdivision b of section twelve hundred five of this article, beginning on the date that such election is filed with the administrative head of the retirement system; and for members who have made an election to be subject to the provisions of this article pursuant to subdivision c of section twelve hundred five of this article, beginning on the date that the member joins the retirement system**, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:

a. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;

b. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;

c. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;

d. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and

e. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.

Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first) in which such member has established membership in [~~the New York state and local police and fire~~] a retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Effective April first, two thousand twelve, all members subject to the provisions of this article shall not be required to make member contributions on annual wages excluded from the calculation of final average salary pursuant to section [~~1203~~] twelve hundred three of this article. Nothing in this section, however, shall be construed or deemed to allow members to receive a refund of any member contributions on such wages paid prior to April first, two thousand twelve.

Members who are enrolled in a retirement plan that limits the amount of creditable service a member can accrue shall not be required to make contributions pursuant to this section after accruing the maximum amount of service credit allowed by the retirement plan in which they are enrolled. The state comptroller, or for the New York city police pension fund and the New York city fire department pension fund, the board of trustees, shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed. In no way shall the member contributions made pursuant to this section be used to provide for pension increases or annuities of any kind.

§ 6. Section 1205 of the retirement and social security law, as added by section 1 of part A of chapter 504 of the laws of 2009, is amended to read as follows:

§ 1205. Recalculation of benefits. a. Notwithstanding any other provision of law, any member who has joined the New York state and local police and fire retirement system pursuant to the provisions of article fourteen of this chapter on or after July first, two thousand nine may elect to have his or her retirement benefits calculated pursuant to this article by filing within one hundred twenty days of the effective date of [~~this section~~] the chapter of the laws of two thousand eighteen that amended this subdivision a request for such calculation with the retirement system in the form and manner prescribed by the state comptroller.

b. Notwithstanding any provision of law to the contrary, any police/fire member, as that term is defined in section five hundred one of this chapter who joined the New York state and local police and fire retirement system between July first, two thousand nine and December thirty-first, two thousand ten, or who joined the New York city police pension fund or the New York city fire department pension fund between July first, two thousand nine and the effective date of this subdivision may make an irrevocable election that shall be duly executed and filed

with the administrative head of the retirement system no later than one hundred twenty days after the effective date of this subdivision to be subject to the provisions of this article and have his or her retirement benefits calculated pursuant to this article. Nothing in this subdivision, however, shall be construed or deemed to allow a police/fire member who makes an irrevocable election pursuant to this subdivision to receive a refund of any member contributions for credited service that occurred before the date that such election is filed by a police/fire member with the New York city police pension fund or New York city fire department pension fund, as applicable to such member.

c. Notwithstanding any provision to the contrary, any police/fire member, as that term is defined in section five hundred one of this chapter, who first becomes a member of the New York city police pension fund or the New York city fire department pension fund after the effective date of this subdivision may make an irrevocable election that shall be duly executed and filed with the administrative head of the retirement system no later than thirty days after joining the retirement system to be subject to the provisions of this article and have his or her retirement benefits calculated pursuant to this article.

§ 7. Section 1206 of the retirement and social security law, as added by section 1 of part A of chapter 504 of the laws of 2009, is amended to read as follows:

§ 1206. Conflicting provisions. Except as otherwise provided in this article, or in conflict therewith, the provisions of article eleven of this chapter and title thirteen of the administrative code of the city of New York, including any plan that has been elected by the employer or is otherwise applicable under article eight of this chapter or title thirteen of the administrative code of the city of New York shall govern the retirement benefits provided under this article. In the event of any conflict between the provisions of this article and any other provision of law, this article shall govern.

§ 8. Paragraph 2 of subdivision a of section 1207 of the retirement and social security law, as added by chapter 303 of the laws of 2017, is amended to read as follows:

2. A member who first joins such system on or after January first, two thousand eighteen in active service who has credit for at least one year of member service may borrow, no more than once during each twelve month period, an amount, not less than one thousand dollars and which would not cause the balance owed pursuant to this section, including any amounts borrowed then outstanding, to exceed (i) fifty percent of the member's total contributions made pursuant to section [~~five hundred seventeen of this chapter~~] twelve hundred four of this article or any other article of this chapter (including interest credited at the rate set forth in subdivision c of [~~such~~] section five hundred seventeen of this chapter compounded annually); or (ii) fifty thousand dollars, whichever is less.

§ 9. Section 1209 of the retirement and social security law, as added by chapter 18 of the laws of 2012, is amended to read as follows:

§ 1209. Final average salary. For members who first become members of the New York state and local police and fire retirement system on or after April first, two thousand twelve, and members who have made an election to be subject to the provisions of this article pursuant to subdivision b or c of section twelve hundred five of this article, a member's final average salary shall be equal to one-fifth of the highest total wages earned by such member during any continuous period of employment for which the member was credited with five years of service

credit; provided, however, if the wages earned during any year of credited service included in the period used to determine final average salary exceeds the average of the wages of the previous four years of credited service by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary. Wages in excess of the annual salary paid to the governor pursuant to section three of article four of the state constitution shall be excluded from the computation of final average salary for members who first become members of the New York state and local police and fire retirement system on or after April first, two thousand twelve.

§ 10. Section 1210 of the retirement and social security law, as added by chapter 18 of the laws of 2012, is amended to read as follows:

§ 1210. Wages. For members who first become members of the New York state and local police and fire retirement system on or after April first, two thousand twelve, **and members who have made an election to be subject to the provisions of this article pursuant to subdivision b or c of section twelve hundred five of this article,** the following items shall not be included in the definition of wages: a. wages in excess of the annual salary paid to the governor pursuant to section three of article four of the state constitution, b. lump sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked, c. any form of termination pay, d. any additional compensation paid in anticipation of retirement, and e. in the case of employees who receive wages from three or more employers in a twelve month period, the wages paid by the third and each successive employer.

§ 11. This act shall take effect immediately.

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

This bill would allow certain police and fire employees who are members of certain public retirement systems to become covered under the provisions of Article 22 of the Retirement and Social Security Law. Insofar as this bill affects the New York State and Local Police and Fire Retirement System (PFRS), an individual who became a PFRS member on or after July 1, 2009 and before January 9, 2010 to elect to be covered by the provisions of Article 22 of the Retirement and Social Security Law. Any member who becomes covered under a non-contributory plan would no longer be required to make member contributions. Affected members shall not receive a refund of their member contributions.

If this bill is enacted, there would not be any cost to the State of New York and the participating employers in the New York State and Local Police and Fire Retirement System.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2017 actuarial valuation. Distributions and other statistics can be found in the 2017 Report of the Actuary and the 2017 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, and 2017 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2017 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This estimate, dated March 13, 2018, and intended for use only during the 2018 Legislative Session, is Fiscal Note No. 2018-74, prepared by the Actuary for the New York State and Local Retirement System.

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

SUMMARY OF BILL: The proposed legislation would amend Article 22 of the Retirement and Social Security Law (RSSL) to permit existing and incoming New York City Police Pension Fund (POLICE) and New York City Fire Department Pension Fund (FIRE) members subject to Article 14 of the RSSL (the Article 14 or Current Plans) to voluntarily elect, within certain time periods, a new retirement plan. The proposed legislation would provide these members with benefits, subject to RSSL Article 22 restrictions, pursuant to relevant Tier 2 provisions in Title 13 of the Administrative Code of the City of New York (ACCNY) as limited by RSSL Article 11 (the Article 22 or Proposed Plan).

The new Article 22 Plan would provide similar service, death, and disability benefits, including applicable statutory presumptions for Accident Disability Retirement (ADR), ADR benefit calculations, and Ordinary Disability Retirement (ODR) benefit calculations, as those provided to Tier 2 POLICE and FIRE members. However, all benefits and obligations would be subject to Article 22 provisions, including restrictions on pensionable wages and Final Average Salary (FAS), as well as member contribution rates enacted by Chapter 18 of the laws of 2012.

The Article 22 Plan would provide neither annuity nor increased-take-home-pay (ITHP) benefits, would not apply Article 14 social security offsets, and would apply, or continue to apply where applicable, cost-of-living adjustments under Chapter 125 of the laws of 2000 (COLA) rather than any applicable Article 14 escalation. Article 22 POLICE and FIRE members would remain eligible to receive Variable Supplements Fund (VSF) benefits, would also become eligible, subject to certain restrictions, to take loans on member contributions, would be subject to a lower vested benefit calculation, and would be entitled to earlier service and vested retirement payability.

Effective Date: Upon enactment.

For purposes of this Fiscal Note, POLICE, and FIRE members subject to Article 14 of the RSSL, which include New York City Police/Fire, Revised Plan and Enhanced Plan Members, as defined in RSSL Section 501, will be collectively referred to as Article 14 POLICE and FIRE Members. All Article 14 POLICE and FIRE Members who elect the Article 22 Plan will be referred to as Article 22 POLICE and FIRE Members.

IMPACT ON ELIGIBILITY FOR BENEFITS: Existing Article 14 POLICE and FIRE Members would have 120 days from the enactment of the proposed legislation to elect to participate in the Article 22 Plan. Incoming Article 14 POLICE and FIRE Members would have 30 days from appointment to elect to participate in the Article 22 Plan. The changes in eligibility requirements to receive benefits between the Article 14 Plans and the Article 22 Plan are summarized below.

Contributions:

* The Current Plans, depending on title and plan, require contribution rates equal to 3% of salary, plus up to an additional 3% of salary for Enhanced Plan participation, until the earlier of separation or 25 years of service.

* The Proposed Plan requires contribution rates for all pensionable service and salary that are based on historical salary, or projected salary, bands as follows:

| Annual Wages During Plan Year | Contribution Rate |
|---|---|
| Up to $45,000 | 3.00% |
| $45,001 to $55,000 | 3.50% |
| $55,001 to $75,000 | 4.50% |
| $75,001 to $100,000 | 5.75% |
| Greater than $100,000 | 6.00% |

Allowable Service Credit:

* Current Plans restrict service credit to City and State uniformed Police and Fire service, which includes certain military service.

* Under the Proposed Plan, Article 22 POLICE and FIRE Members would, in addition to City and State uniformed Police and Fire service, be permitted to use certain prior uniformed or peace officer service with the New York City Employees' Retirement System or the State retirement systems, along with certain Child Care Leave purchased pursuant to Chapter 594 of the Laws of 2000, as allowable service credit.

Minimum Service Credit Requirements:

* The Current Plans require 20 years of service for an early service retirement, 22 years for a normal service retirement, and 25 years of service, or deferral of payability to such point in time, for a service retirement with full escalation.

* The Proposed Plan would reduce the minimum requirement for a service retirement for Article 22 POLICE and FIRE Members to 20 years of service.

Vesting:

* In the Current Plans, members are required to complete five years of service before becoming eligible to receive, upon payability, a vested benefit.

* In the Proposed Plan, members are required to complete 10 years of service before becoming eligible to receive, upon payability, a vested benefit.

ODR:

* The Current Plans require five years of service to be eligible to apply for ODR.

* The Proposed Plan permits an application for ODR regardless of years of service.

ADR:

* In the Current Plans, non-Enhanced Plan Members must waive applicable statutory presumptions to apply for disability retirement. Enhanced Plan Members are eligible to utilize applicable presumptions for purposes of ADR.

* Under the Proposed Plan, all Article 22 POLICE and FIRE Members would be eligible for applicable statutory presumptions for purposes of ADR benefits upon becoming Article 22 Plan Members.

Death Benefits:

* Eligibility for Ordinary Death Benefits (ODB) and Accidental Death Benefits (ADB) would remain unchanged.

IMPACT ON BENEFITS PAYABLE: Under the proposed legislation, the benefits provided would neither include an annuity component nor a benefit due to ITHP currently available to Tier 2 POLICE and FIRE Members, would not be subject to any applicable social security offset applied to certain Article 14 Plan benefits, and would apply, or continue to apply where applicable, COLA rather than escalation (for those currently eligible to receive escalation). The remaining significant changes in

benefit calculations between the Article 14 Plans and the Article 22 Plan are summarized below.

Pensionable Wages:

* In the Current Plans, wages are generally not limited, except as described below, for purposes of calculating the FAS.

* The Proposed Plan limits wages to the Governor's annual salary for purposes of determining member contributions and the FAS, and limits from the FAS any overtime earnings that exceed 15% of annual wages.

FAS Calculation:

* In the Current Plans, the FAS, depending on Plan and type of retirement, is either a three-year average (FAS3) or a five-year average (FAS5), and if the wages earned in one year of the FAS exceed the average of the previous two or four years, respectively, by more than 10%, the amount exceeding 10% is excluded from the FAS.

* In the Proposal Plan, all members are subject to a FAS5 for all retirement benefits, and if the wages earned in one year of the FAS exceed the average of the previous four years by more 10%, the amount exceeding 10% is excluded from the FAS.

Service Retirement Benefit Calculation:

* Current Plans limit service credit to City and State Uniformed Police and Fire service, and cap the service retirement benefit at 50% of the FAS at 22 years of service (with full escalation at 25 years of service or deferred payability until such time).

* The Proposed Plan would permit Article 22 POLICE and FIRE Members to retire at 50% of FAS5 after 20 years of service, and provide an additional benefit of 1/60th of total earnings after their respective 20th anniversary of allowable service credit plus 75% times 1/60th of FAS5 for all prior non-uniform City and State service.

ADR Benefit Calculation:

* Current Plans provide ADR benefits ranging from 50% to 75% of either a FAS3 or FAS5.

* The Proposed Plan would provide Article 22 POLICE and Fire Members with an ADR benefit of 75% of FAS5, plus 1/60th of total earnings after their respective 20th anniversary of allowable service credit.

ODR Benefit Calculation:

* Current Plans provide ODR benefits of 33-1/3% of either a FAS3 or FAS5.

* The Proposed Plan would provide Article 22 POLICE and FIRE Members with less than 10 years service with an ODR benefit of 33-1/3% of FAS5, with 10 or more years of service with an ODR benefit of 50% of FAS5, and with 20 or more years of service an ODR benefit of 1/40th of FAS5 multiplied by years of service.

Vested Retirement Benefit Calculation:

* Current Plans provide vested retirement benefits, after 5 years of service, of 2.1% of FAS3 or FAS5 times years of service, payable without escalation at what would have been the member's 20th anniversary of allowable service credit, or payable with partial or full escalation, respectively, on the 22nd or 25th anniversary.

* The Proposed Plan would permit Article 22 POLICE and FIRE Members to receive vested benefits, after 10 years of service, of 1/60th of FAS5 multiplied by years of service, plus 75% of 1/60th of FAS5 for all prior non-uniform City and State service, at what would have been the member's 20th anniversary of allowable service credit. However, in no event shall a vested benefit be less than the actuarial equivalent of accumulated member contributions with 5% interest compounded annually.

ODB Calculation:

* Current Plans provide an ODB of three times salary rounded up to the nearest $1,000.

* The Proposed Plan would provide Article 22 POLICE and FIRE Members with less than 20 years of service an ODB of three times salary rounded up to the nearest $1,000, and a death gamble for those with 20 or more years of service. A death gamble is a lump sum present value equivalent of a presumed lifetime service retirement benefit of the deceased member.

ADB Calculation:

* The ADB calculation, aside from the FAS applied, is essentially the same in the Current and Proposed Plans comprised of 50% of salary and the Special Accidental Death Benefit (SADB), which, when combined with the ADB, is approximately 100% of a determined salary.

FINANCIAL IMPACT - CHANGES IN PROJECTED EMPLOYER CONTRIBUTIONS: In accordance with ACCNY Section 13-638.2(k-2), new Unfunded Accrued Liability (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, if this proposed legislation is enacted, the remaining working lifetime of Article 14 POLICE and FIRE members, assuming Article 22 Plan participation, is approximately 15 years and 21 years, respectively.

For this proposed legislation the change in UAL was amortized over a 15-year period (14 payments under the OYLM) for POLICE and over a 21-year period (20 payments under the OYLM) for FIRE using level dollar payments.

Since it cannot be precisely determined how many Article 14 POLICE and FIRE Members will elect to participate in the Article 22 Plan, results are shown assuming that all existing and incoming Article 14 POLICE and FIRE Members will elect to participate in the Article 22 Plan.

The following Table 1 presents an estimate of the increases in the employer contributions to POLICE and FIRE for Fiscal Years 2019 through 2023 due to the changes in provisions for Article 22 POLICE and FIRE Members based on the applicable actuarial assumptions and methods noted herein:

TABLE 1

| Fiscal Year | Increase in Employer Contributions* ($ Millions) |
|---|---|
| 2019 | $19.1 |
| 2020 | 24.1 |
| 2021 | 29.3 |
| 2022 | 34.5 |
| 2023 | 39.8 |

* The increase in employer contributions is, in part, due to the shorter expected working lifetime of Article 22 POLICE and FIRE members which decreases the period over which the costs are spread.

CONTRIBUTION TIMING: For purposes of this Fiscal Note, it is assumed that the changes in the employer contributions would be reflected for the first time in the June 30, 2017 actuarial valuations of POLICE and FIRE. Under the One-Year Lag Methodology (OYLM), the first fiscal year in which these changes in benefits would impact employer contributions would be Fiscal Year 2019.

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

* The initial, additional administrative costs of POLICE and FIRE 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 the census data used in the Preliminary June 30, 2017 (Lag) actuarial valuations of POLICE and FIRE to determine the Preliminary Fiscal Year 2019 employer contributions.

The Article 14 POLICE Members had an average age of approximately 29.7 years, average service of approximately 3.3 years, and an average salary of approximately $75,000 as of June 30, 2017. The Article 14 FIRE Members had an average age of approximately 30.0 years, average service of approximately 2.2 years, and an average salary of approximately $59,000 as of June 30, 2017.

ACTUARIAL ASSUMPTIONS AND METHODS: The additional employer contributions presented herein have been calculated based on the same 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 POLICE and FIRE. Please note these assumptions and methods are subject to change as this valuation is not considered final until the end of the Fiscal Year 2019.

In determining the change in employer contributions, the probabilities of accidental disability used to value the Proposed Plan equal those currently used for Tier 2 POLICE and FIRE members who are not eligible for World Trade Center benefits.

For purposes of estimating the impact of substituting COLA for escalation for certain Article 22 POLICE and FIRE Members, an assumption of 2.5% was used for escalation, which is consistent with the underlying Consumer Price Inflation (CPI) assumption of 2.5% per year. This compares with the current COLA assumption of 1.5% per year (i.e. 50% of CPI adjusted to recognize a 1.0% minimum and 3.0% maximum) on the first $18,000 of benefit.

New entrants were projected to replace the members expected to leave the active population to maintain a steady-state population. New entrant salaries and future salary increases are consistent with those to be used in projections for the New York City Office of Management and Budget in April 2018 (Preliminary Projections).

The following Table 2a presents the total number of active employees of POLICE used in the projections, assuming a level work force, and the cumulative number (i.e. net of withdrawals) of Article 14 POLICE Members as of each June 30 from 2017 through 2021.

TABLE 2a

| June 30 | Tier 1 & 2 | Tier 3 | Total |
|---|---|---|---|
| 2017 | 23,334 | 12,831 | 36,165 |
| 2018 | 21,227 | 14,938 | 36,165 |
| 2019 | 19,345 | 16,820 | 36,165 |
| 2020 | 17,799 | 18,366 | 36,165 |
| 2021 | 16,017 | 20,148 | 36,165 |

The following Table 2b presents the total number of active employees of FIRE used in the projections, assuming a level work force, and the cumulative number (i.e. net of withdrawals) of Article 14 FIRE Members as of each June 30 from 2017 through 2021.

TABLE 2b

| June 30 | Tier 1 & 2 | Tier 3 | Total |
|---|---|---|---|
| 2017 | 8,581 | 2,510 | 11,091 |
| 2018 | 7,995 | 3,096 | 11,091 |
| 2019 | 7,485 | 3,606 | 11,091 |
| 2020 | 7,001 | 4,090 | 11,091 |
| 2021 | 6,557 | 4,534 | 11,091 |

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 2018-31 dated May 30, 2018, was prepared by the Chief Actuary for the New York City Police Pension Fund and the New York City Fire Pension Fund. This estimate is intended for use only during the 2018 Legislative Session.