

STATE OF NEW YORK

10875

IN ASSEMBLY

May 25, 2018

Introduced by M. of A. ORTIZ -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to a twenty-five year retirement plan for New York city probation officers

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

1 Section 1. The retirement and social security law is amended by adding
2 a new section 604-j to read as follows:

3 § 604-j. Twenty-five year retirement plan for New York city probation
4 officers. a. Definitions. The following words and phrases as used in
5 this section shall have the following meanings unless a different mean-
6 ing is plainly required by the context.

7 1. "Probation officer" shall mean a member (as defined in subdivision
8 e of section six hundred one of this article) who is a peace officer
9 employed by the New York city department of probation.

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

12 3. "Starting date of the twenty-five year retirement program" shall
13 mean the effective date of this section, as such date is certified
14 pursuant to section forty-one of the legislative law.

15 4. "Participant in the twenty-five year retirement program" shall mean
16 any probation officer member who, under the applicable provisions of
17 subdivision b of this section, is entitled to the rights, benefits and
18 privileges and is subject to the obligations of the twenty-five year
19 retirement program, as applicable to him or her.

20 5. "Discontinued member" shall mean a participant in the twenty-five
21 year retirement program who, while he or she was a probation officer
22 member, discontinued service as such a member and has a right to a
23 deferred vested benefit under subdivision d of this section.

24 6. "Administrative code" shall mean the administrative code of the
25 city of New York.

26 b. Participation in twenty-five year retirement program. 1. Subject to
27 the provisions of paragraphs six and seven of this subdivision, any
28 person who is a probation officer member on the starting date of the

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

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

10 2. Subject to the provisions of paragraphs six and seven of this
11 subdivision, any person who becomes a probation officer member after the
12 starting date of the twenty-five year retirement program and who, as
13 such a probation officer member or otherwise, last became subject to the
14 provisions of this article prior to such starting date, may elect to
15 become a participant in the twenty-five year retirement program by
16 filing, within one hundred eighty days after becoming such a probation
17 officer member, a duly executed application for such participation with
18 the retirement system for which such person is a member, provided he or
19 she is such a probation officer member on the date such application is
20 filed.

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

23 4. Each probation officer member who becomes subject to any of the
24 provisions of this article on or after the starting date of the twenty-
25 five year retirement program shall become a participant in the twenty-
26 five year retirement program on the date he or she becomes such a
27 probation officer member.

28 5. Where any participant in the twenty-five year retirement program
29 shall cease to be employed by the city of New York as a probation offi-
30 cer member, he or she shall cease to be such a participant and, during
31 any period in which such person is not so employed, he or she shall not
32 be a participant in the twenty-five year retirement program and shall
33 not be eligible for the benefits of subdivision c of this section.

34 6. Where any participant in the twenty-five year retirement program
35 terminates service as a probation officer member and returns to such
36 service as a probation officer member at a later date, he or she shall
37 again become such a participant on that date.

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

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

47 (i) who has completed twenty-five or more years of credited service;
48 and

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

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

1 (iv) who shall be a participant in the twenty-five year retirement
2 program at the time so specified for his or her retirement; shall be
3 retired pursuant to the provisions of this section affording early
4 service retirement.

5 2. (i) Notwithstanding any other provision of law to the contrary, and
6 subject to the provisions of paragraph six of subdivision e of this
7 section, the early service retirement benefit for participants in the
8 twenty-five year retirement program who retire pursuant to paragraph one
9 of this subdivision shall be a retirement allowance consisting of:

10 (A) an amount, on account of the required minimum period of service,
11 equal to fifty-five percent of his or her final average salary; plus

12 (B) an amount on account of credited service, or fraction thereof,
13 beyond such required minimum period of service equal to one and seven-
14 tenths percent of his or her final salary;

15 (ii) The maximum retirement allowance computed without optional
16 modification payable pursuant to subparagraph (i) of this paragraph
17 shall equal that payable upon completion of thirty years of service.

18 d. Vesting. 1. A participant in the twenty-five year retirement
19 program:

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

22 (ii) in the case of a participant who is not a New York city revised
23 plan member, who prior to such discontinuance, completed five but less
24 than twenty-five years of credited service or, in the case of a partic-
25 ipant who is a New York city revised plan member, who prior to such
26 discontinuance, completed ten but less than twenty-five years of credit-
27 ed service; and

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

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

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

41 (ii) In the case of a participant who is not a New York city revised
42 plan member, such vested benefit shall become payable on the earliest
43 date on which such discontinued member could have retired for service if
44 such discontinuance had not occurred or, in the case of a participant
45 who is a New York city revised plan member, such vested benefit shall
46 become payable at age sixty-three.

47 3. Subject to the provisions of paragraph seven of subdivision e of
48 this section, such deferred vested benefit shall be a retirement allow-
49 ance consisting of an amount equal to two and two-tenths percent of such
50 discontinued member's final average salary, multiplied by the number of
51 years of credited service.

52 e. Additional member contributions. 1. In addition to the member
53 contributions required by section six hundred thirteen of this article,
54 each participant in the twenty-five year retirement program shall
55 contribute to the retirement system of which he or she is a member
56 (subject to the applicable provisions of subdivision d of section six

1 hundred thirteen of this article) an additional six and three-quarters
2 percent of his or her compensation earned from (i) all credited service,
3 as a participant in the twenty-five year retirement program, rendered on
4 or after the starting date of the twenty-five year retirement program,
5 and (ii) all credited service after such person ceases to be a partic-
6 ipant, but before he or she again becomes a participant pursuant to
7 paragraph six of subdivision b of this section. The additional contrib-
8 utions required by this subdivision shall be in lieu of additional
9 member contributions required by (i) subdivision d of section six
10 hundred four-c of this article, as added by chapter ninety-six of the
11 laws of nineteen hundred ninety-five, or (ii) subdivision f of section
12 six hundred four-d of this article, and no member making contributions
13 pursuant to this section shall be required to make contributions pursu-
14 ant to either such subdivision d of section six hundred four-c of this
15 article, or such subdivision f of section six hundred four-d of this
16 article.

17 2. A participant in the twenty-five year retirement program shall
18 contribute additional member contributions until the later of (i) the
19 first anniversary of the starting date of the twenty-five year retire-
20 ment program, or (ii) the date on which he or she completes thirty years
21 of credited service as a probation officer member.

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

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

38 (ii) (A) The interest required to be paid on each such amount speci-
39 fied in subparagraph (i) of this paragraph shall accrue from the end of
40 the payroll period for which such amount would have been deducted from
41 compensation if he or she had been a participant at the beginning of
42 that payroll period and such deduction had been required for such
43 payroll period, until such amount is paid to the retirement system.

44 (B) The rate of interest to be applied to each such amount during the
45 period for which interest accrues on that amount shall be equal to the
46 rate or rates of interest required by law to be used during that same
47 period to credit interest on the accumulated deductions of retirement
48 system members.

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

53 5. (i) Should any person who, pursuant to subparagraph (ii) of para-
54 graph ten of this subdivision, has received a refund of his or her addi-
55 tional member contributions including any interest paid on such contrib-
56 utions, again become a participant in the twenty-five year retirement

1 program pursuant to paragraph six of subdivision b of this section, an
2 appropriate amount shall be included in such participant's contribution
3 deficiency (including interest thereon as calculated pursuant to subpar-
4 agraph (ii) of this paragraph) for any credited service for which such
5 person received a refund of such additional member contributions
6 (including any amount of an unpaid loan balance deemed to have been
7 returned to such person pursuant to this subdivision), as if such addi-
8 tional member contributions never had been paid.

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

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

19 6. Where a participant who is otherwise eligible for service retire-
20 ment pursuant to subdivision c of this section did not, prior to the
21 effective date of retirement, pay the entire amount of a contribution
22 deficiency chargeable to him or her pursuant to paragraphs four and five
23 of this subdivision, that participant, nevertheless, shall be eligible
24 to retire pursuant to subdivision c of this section, provided, however,
25 that such participant's service retirement benefit calculated pursuant
26 to paragraph two of such subdivision c shall be reduced by a life annu-
27 ity (calculated in accordance with the method set forth in subdivision i
28 of section six hundred thirteen-b of this article) which is actuarially
29 equivalent to the amount of any unpaid contribution deficiency chargea-
30 ble to such member pursuant to paragraphs four and five of this subdivi-
31 sion.

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, he or she nevertheless, shall
37 be eligible for a vested right to a deferred benefit pursuant to subdivi-
38 vision d of this section, provided, however, that the deferred vested
39 benefit calculated pursuant to paragraph three of such subdivision d
40 shall be reduced by a life annuity (calculated in accordance with the
41 method set forth in subdivision i of section six hundred thirteen-b of
42 this article) which is actuarially equivalent to the amount of any
43 unpaid contribution deficiency chargeable to such member pursuant to
44 paragraphs four and five of this subdivision.

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

51 9. Subject to the provisions of paragraphs six and seven of this
52 subdivision, where a participant has not paid in full any contribution
53 deficiency chargeable to him or her pursuant to paragraphs four and five
54 of this subdivision, and a benefit, other than a refund of member
55 contributions pursuant to section six hundred thirteen of this article
56 or a refund of additional member contributions pursuant to subparagraph

1 (ii) of paragraph ten of this subdivision, becomes payable under this
2 article to the participant or to his or her designated beneficiary or
3 estate, the actuarial equivalent of any such unpaid amount shall be
4 deducted from the benefit otherwise payable.

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

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

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

30 11. No member of a public retirement system shall be permitted to
31 borrow any portion of the additional member contributions (including any
32 interest paid thereon by the participant) which are subject to this
33 subdivision.

34 § 2. Subdivision a of section 603 of the retirement and social securi-
35 ty law, as amended by chapter 18 of the laws of 2012, is amended to read
36 as follows:

37 a. The service retirement benefit specified in section six hundred
38 four of this article shall be payable to members who have met the mini-
39 mum service requirements upon retirement and attainment of age sixty-
40 two, other than members who are eligible for early service retirement
41 pursuant to subdivision c of section six hundred four-b of this article,
42 subdivision c of section six hundred four-c of this article, subdivision
43 d of section six hundred four-d of this article, subdivision c of
44 section six hundred four-e of this article, subdivision c of section six
45 hundred four-f of this article, subdivision c of section six hundred
46 four-g of this article, subdivision c of section six hundred four-h of
47 this article [~~e~~], subdivision c of section six hundred four-i of this
48 article or subdivision d of section six hundred four-j of this article,
49 provided, however, a member of a teachers' retirement system or the New
50 York state and local employees' retirement system who first joins such
51 system before January first, two thousand ten or a member who is a
52 uniformed court officer or peace officer employed by the unified court
53 system who first becomes a member of the New York state and local
54 employees' retirement system before April first, two thousand twelve may
55 retire without reduction of his or her retirement benefit upon attain-
56 ment of at least fifty-five years of age and completion of thirty or

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

12 § 3. Subdivision a of section 603 of the retirement and social securi-
13 ty law, as amended by chapter 19 of the laws of 2008, is amended to read
14 as follows:

15 a. The service retirement benefit specified in section six hundred
16 four of this article shall be payable to members who have met the mini-
17 mum service requirements upon retirement and attainment of age sixty-
18 two, other than members who are eligible for early service retirement
19 pursuant to subdivision c of section six hundred four-b of this article,
20 subdivision c of section six hundred four-c of this article, subdivision
21 d of section six hundred four-d of this article, subdivision c of
22 section six hundred four-e of this article, subdivision c of section six
23 hundred four-f of this article, subdivision c of section six hundred
24 four-g of this article, subdivision c of section six hundred four-h of
25 this article [~~or~~], subdivision c of section six hundred four-i of this
26 article or subdivision d of section six hundred four-j of this article
27 provided, however, a member who is a peace officer employed by the
28 unified court system or a member of a teachers' retirement system or the
29 New York state and local employees' retirement system may retire without
30 reduction of his or her retirement benefit upon attainment of at least
31 fifty-five years of age and completion of thirty or more years of
32 service.

33 § 4. This act shall take effect January 1, 2019, provided that the
34 amendments to subdivision a of section 603 of the retirement and social
35 security law made by section two of this act shall not affect the expi-
36 ration and reversion of such subdivision pursuant to subdivision (b) of
37 section 13 of chapter 682 of the laws of 2003, as amended, when upon
38 such date the provisions of section three of this act shall take effect.

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

SUMMARY OF BILL: This proposed legislation would amend certain provisions of the Retirement and Social Security Law (RSSL) to establish a 25-Year Retirement Program for Tier 4 and Tier 6 New York City Employees' Retirement System (NYCERS) members who are employed in the title of Probation Officers (Probation 25-Year Plan).

Effective Date: January 1, 2019.

MEMBERS ELIGIBLE TO JOIN: NYCERS members who are employed as Probation Officers (peace officers with the New York City Department of Probation).

Participation in the Probation 25-Year Plan is optional for anyone who is eligible to participate in the Plan on the date of enactment, and for anyone who is a member of NYCERS on the date of enactment and subsequently becomes eligible to participate in the plan by becoming a Probation Officer, by filing an election form within 180 days of enactment for existing Probation Officers or within 180 days of becoming a Probation Officer for existing NYCERS members. Once an election is made to participate in the Plan, the election is irrevocable.

Any Probation Officer who becomes a Tier 6 NYCERS member after the date of enactment would be mandated into the Probation 25-Year Plan.

IMPACT ON BENEFITS: Currently, Probation Officers are generally eligible to 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). The proposed legislation would provide the following benefits to Probation Officers who participate in the Probation 25-Year Plan:

- * Service retirement benefit:
 - * 55% of Final Average Salary (FAS) for the first 25 years of any NYCERS credited service, plus
 - * 1.7% of FAS for each additional year of credited service, or fraction thereof, exceeding 25 years 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:
 - * Tier 4 - At least five, but less than 25, years of credited service
 - * Tier 6 - At least 10, but less than 25, years of credited service
 - * Payable at:
 - * Tier 4 - The date the member would have completed 25 years of credited service
 - * Tier 6 - Age 63
 - * Amount:
 - * 2.2% of FAS for each year of credited service
- * Other benefits: Members of the proposed Probation 25-Year Plan are entitled to the same disability and death benefits as other Tier 4 and Tier 6 members under the respective basic plans.

ADDITIONAL MEMBER CONTRIBUTIONS: Members of the Probation 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 6.75% of compensation for all service as a Plan participant on and after the stating date of the Plan until the later of January 1, 2020 or 30 years of credited service.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES: Based on the anticipated group of members joining the Probation 25-Year Plan 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 \$24.0 million, and increase the APV of member contributions of approximately \$6.0 million, resulting in an increase in the APV of future employer contributions of approximately \$18.0 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 \$22.7 million offset by a decrease in the APV of future employer Normal Cost of \$4.6 million.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with Administrative Code of the City of New York (ACCNYS) 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 Probation Officers assumed to join the Probation 25-Year Plan is approximately five years.

For the purpose 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 \$7.7 million each year, beginning in Fiscal Year 2021.

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, 2019 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 2021.

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 395 NYCERS Probation Officers as of June 30, 2017 assumed to join the Probation 25-Year Plan had an average age of approximately 54.0 years, average service of approximately 24.5 years, and an average salary of approximately \$77,700.

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the 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 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 Probation Officers 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 Probation 25-Year Plan. If the net APV of future employer cost under the Probation 25-Year Plan was greater than or equal to the APV of future employer cost under the member's current plan, the member was deemed to benefit actuarially.

Based on this analysis, it was determined that those members who are mandated into the Probation 25-Year Plan 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), and therefore 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 Probation 25-Year Plan.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for, and independent of, the New York City Retirement System 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 Stand-

ards 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 2018-27 dated May 18, 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.