

# STATE OF NEW YORK

10950

## IN ASSEMBLY

May 29, 2018

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

AN ACT to amend the retirement and social security law, in relation to providing county correction officers with a special optional twenty year retirement plan

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 article 14-C to read as follows:

### ARTICLE 14-C

#### OPTIONAL RETIREMENT PLAN FOR COUNTY CORRECTION OFFICERS OR DEPUTY SHERIFFS PERFORMING AS CORRECTION OFFICERS

##### Section 561. Definitions.

7 562. Optional twenty year retirement plan for certain members  
8 whose employer elects to provide same.

9 563. Additional pension benefit for members of optional twenty  
10 year retirement plan.

11 564. Consistent provisions.

##### § 561. Definitions. For purposes of this article:

13 (a) "Member" shall mean a person who is employed as a county  
14 correction officer or a deputy sheriff who is engaged directly in  
15 correction officer duties that aggregate fifty per centum of their  
16 service by a county which elects by resolution or local law, duly  
17 adopted, to provide the benefits as authorized by this article.

18 (b) "Retirement system" shall mean the New York state and local  
19 employees' retirement system.

20 (c) "Creditable service" shall include any and all services performed  
21 as a sheriff, undersheriff or deputy sheriff, or correction officer.  
22 Credit for service as a member or officer of the state police or as a  
23 paid fireman, policeman or officer of any organized fire department or  
24 police force or department of any county, city, village, town, fire  
25 district or police district, shall also be deemed to be creditable  
26 service and shall be included in computing years of total service for  
27 retirement pursuant to this section, provided such service was performed

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

LBD04153-04-7

1 by the member while contributing to the retirement system pursuant to  
2 the provisions of this article or article eight of this chapter.

3 § 562. Optional twenty year retirement plan for certain members whose  
4 employer elects to provide same. (a) Any member of the retirement system  
5 may elect to become a member pursuant to the provisions of this section  
6 within one year after he or she becomes a member, if his or her employer  
7 has elected to make the benefits provided by this section available to  
8 members, or within one year after his or her employer elects to make the  
9 benefits provided by this section available to its members.

10 (b) Elections made pursuant to this section shall be in writing and  
11 shall be duly acknowledged and filed with the comptroller. Any member  
12 who files such an election pursuant to this section may withdraw it  
13 after it has been filed for at least a year. Such withdrawal shall be by  
14 written notice duly acknowledged and filed with the comptroller.

15 (c) A member participating on the basis of this section at the time of  
16 retirement shall be entitled to retire after the completion of twenty  
17 years of total creditable service or upon the attainment of age sixty-  
18 two, by filing an application therefor in a manner similar to that  
19 provided in this chapter.

20 (i) Upon completion of twenty years of such service and upon retire-  
21 ment, each such member shall receive a pension sufficient to provide him  
22 or her with a retirement allowance equal to one-fortieth of his or her  
23 final average salary for each year of total creditable services for  
24 which he or she is otherwise entitled but not exceeding in the aggregate  
25 one-half of his or her final average salary.

26 (ii) Upon attainment of age sixty-two and upon retirement without  
27 completion of twenty years of such service, each such member shall  
28 receive a pension sufficient to provide him or her with a retirement  
29 allowance equal to one-fortieth of his or her final average salary for  
30 each year of creditable service. Every such member shall also be enti-  
31 tled to an additional pension equal to the pension for any other credit-  
32 able service rendered as otherwise provided for in this chapter. This  
33 latter pension shall not increase the total allowance to more than one-  
34 half of his or her final average salary.

35 (d) The increased pensions to such members, as provided by this  
36 section, shall be paid from additional contributions made by the partic-  
37 ipating employer on account of such members. The actuary of the retire-  
38 ment system shall compute the additional contribution required for each  
39 member who elects to receive the special benefits provided under this  
40 section. Such additional contributions shall be computed on the basis of  
41 contributions during the prospective service of such member which will  
42 cover the liability of the retirement system for such extra pensions.  
43 Upon approval of the comptroller, such additional contributions shall be  
44 certified by him or her to the chief fiscal officer or the participating  
45 employer. The amount thereof shall be included in the annual appropri-  
46 ation of the participating employer. Such amount shall be paid on the  
47 warrant of the chief fiscal officer of the participating employer to the  
48 pension accumulation fund of the retirement system.

49 (e) In computing the twenty years of completed service of a member,  
50 full credit shall be given for military service as defined in subdivi-  
51 sions twenty-nine-a and thirty of section three hundred two of this  
52 chapter.

53 (f) Every member participating on the basis of this section shall be  
54 separated from the service on the last day of the calendar month next  
55 succeeding the calendar month in which he or she attains age sixty-two,  
56 provided, however, that such a member who attained the age of sixty-two

1 before his or her employer elected to make the benefits provided by this  
2 section available to him or her, or who attains the age of sixty-two  
3 within one month after his or her employer makes such benefits avail-  
4 able, to be eligible for a pension computed in accordance with the  
5 provisions of this section, shall be separated from the service within  
6 three months after his or her employer makes such benefits available.

7 (g) The provisions of this section shall be controlling notwithstanding  
8 any other provision of this article to the contrary.

9 (h) The benefits of this section shall be available only to those  
10 members whose employer elects to provide such benefits by adopting a  
11 resolution or local law to such effect and filing a certified copy ther-  
12 eof with the comptroller.

13 (i) The benefits provided by this section shall be payable to a  
14 member, unless at the date of retirement such member would otherwise be  
15 entitled to a greater benefit under other provisions of this chapter had  
16 he or she withdrawn from this section, in which event such greater bene-  
17 fits shall be payable.

18 § 563. Additional pension benefit for members of optional twenty year  
19 retirement plan. (a) A participating employer which has elected, or  
20 which elects to provide the benefits of the optional twenty year retire-  
21 ment plan for its employees as specified in this article may elect to  
22 make contributions for the purpose of providing an additional pension  
23 pursuant to this section for members in its employ who are entitled to a  
24 pension pursuant to section five hundred sixty-two of this article.  
25 Every member employed by an employer which has elected the provisions of  
26 section five hundred sixty-two of this article and this section may  
27 elect to be covered by the provisions of this section by filing with the  
28 comptroller, a duly executed and acknowledged form prepared by the comp-  
29 troller for that purpose.

30 (b) Upon retirement, each such member shall receive, for each year of  
31 service in excess of twenty, an additional pension which shall be equal  
32 to one-sixtieth of his or her final average salary; provided, however,  
33 that the total allowance payable pursuant to this section shall not  
34 exceed three-quarters of such member's final average salary.

35 § 564. Consistent provisions. Nothing contained in this article shall  
36 be construed to otherwise affect the applicability of article eleven,  
37 fourteen or fifteen of this chapter. Any other provisions of this chap-  
38 ter relating to mandatory contribution to the retirement system based  
39 upon a member's date of membership in such system shall not be deemed to  
40 be affected by the provisions of this article, and any member who on the  
41 effective date of this article is not required to contribute shall not  
42 be required to make any contributions as a result of this section. For  
43 those members required to contribute to the retirement system, such  
44 contribution shall be treated in the same manner as specified for such  
45 members in article fourteen or fifteen of this chapter.

46 § 2. Any past service payments required of a county as a result of the  
47 adoption of the benefits permitted by this act may be amortized over a  
48 period of up to ten years at the option of such county.

49 § 3. This act shall take effect immediately.

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

This bill will allow any county to elect to provide their correction  
officers and deputy sheriffs who are engaged in correction officer  
duties to become covered by the provisions of a special 20 year retire-  
ment plan, which will provide a benefit of one-half of final average  
salary upon retirement. The county may also elect an additional benefit

of one sixtieth of final average salary for each year of service in excess of 20 years, not to exceed 15 such years.

If this bill is enacted, the increase in the annual contributions of a county electing to provide these benefits will depend on the salary and plan coverage of the affected members in its employ. For the 20 year plan, the additional annual cost will be:

Current Plan	Tier 3&4	Tier 5	Tier 6
25-year	4.7%	5.0%	5.5%
Age 55	7.0%	7.5%	7.1%

For the 20 year plan with additional sixtieths, the additional annual cost will be:

Current Plan	Tier 3&4	Tier 5	Tier 6
25-year	5.2%	5.7%	6.4%
Age 55	7.5%	8.2%	8.0%

These costs are stated as of the fiscal year ending March 31, 2019, as a percent of affected corrections officers' salary. In future years, this annual cost will vary as the billing rates of these plans change.

In addition to the annual contributions discussed above, there will be an immediate past service cost for the affected officers which would depend on the current salary, plan, age and length of service of the officers, as well as on the proposed plan. This cost may be amortized over a period of up to 10 years as determined by the employing county which elects the benefit.

#### Summary of relevant sources:

The membership date 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 December 8, 2017, and intended for use only during the 2018 Legislative Session, is Fiscal Note No. 2018-12, prepared by the Actuary for the New York State and Local Retirement System.