STATE OF NEW YORK

6372--A

2017-2018 Regular Sessions

IN SENATE

May 11, 2017

Introduced by Sen. AVELLA -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT granting retroactive membership in the 55/25 plan for tier 4 members in the New York city employees' retirement system to Hal Greenberg

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

Section 1. Notwithstanding any other law to the contrary, Hal Greenberg, who was employed by the New York city department of employment on June 28, 1995, and who is currently employed by the triborough bridge and tunnel authority and a tier 6 member of the New York city employees' retirement system, who through no fault of his own did not become a member of the New York city employees' retirement system's 55/25 plan for tier 4 members on June 28, 1995 when the New York city employee's retirement system offered a 90 day enrollment window into the 55/25 plan for tier 4 members shall be deemed to have been a member of the New York city employees' retirement system's 55/25 plan for tier 4 members on such date he could have enrolled and shall be granted membership into the 55/25 plan for tier 4 members, provided that an application is filed with the head of the New York city employees' retirement system within one year from the effective date of this act.

§ 2. All costs attributable to this act shall be borne by the city of New York.

§ 3. This act shall take effect immediately.

Fiscal Note. -- Pursuant to Legislative Law, Section 50:

PROVISIONS OF PROPOSED LEGISLATION: The proposed legislation would authorize the New York City Employees' Retirement System (NYCERS) to accept an application from Hal Greenberg within one year from the date on which this proposed legislation is enacted to be granted membership

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

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in the 55/25 Retirement Plan for Tier 4 Members (NYCERS 55/25 Plan) as if he has elected to join that plan when it was originally offered to him on June 28, 1995.

BACKGROUND: Mr. Greenberg initially joined the NYCERS 62/5 Retirement Plan for Tier 4 members (NYCERS Tier 4 62/5 Plan) in 1989. In 2010 he transferred his membership to the New York State and Local Retirement System (NYSLRS). Later, in April 2013, he returned to City employment and joined TBTA 20-Year/Age 50 Retirement Plan for Tier 6 Members (TBTA 50/20 Plan).

For purposes of this Fiscal Note we have assumed that Mr. Greenberg will transfer his State membership back to NYCERS, giving him approximately 28 years of service in the NYCERS Tier 4 62/5 Plan (22 years of NYCERS Tier 4 service, 3 years of NYSLRS and 3 years of NYCERS Tier 6 service) and that he will **not** make the additional employee contributions he would have been required to make had he been a member of the NYCERS 55/25 plan.

The Effective Date of the proposed legislation would be the Date of Enactment.

FINANCIAL IMPACT - ACTUARIAL PRESENT VALUES: The estimated financial impact of this proposal as a June 30, 2016 has been calculated as follows: (1) the benefits Mr. Greenberg would receive as a Tier 4 member in the NYCERS 55/25 Plan if this proposed legislation were enacted, less (2) the benefits Mr. Greenberg would be entitled to receive as a member in the NYCERS Tier 4 62/5 Plan assuming he transfers his NYSLRS membership to NYCERS.

As a Tier 4 member in the NYCERS 55/25 Plan Mr. Greenberg would have been required to make additional member contributions of approximately $49,000. Since he has made contributions of approximately $26,000 as a NYCERS Tier 6 member in the TBTA 50/20 Plan, he would owe an additional $23,000 to meet the required contribution amount as of June 30, 2016.

Based on the actuarial assumptions and methods described herein, and assuming that Mr. Greenberg does not pay the additional member contributions of $23,000, the enactment of this proposed legislation would increase the Actuarial Present Value (APV) of future employer contributions by approximately $142,000 as of June 30, 2016.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with Section 13.638.2(k-2) of the Administrative Code of the City of New York (ACNY), new UAAL attributable to benefit changes are to be amortized as determined by the Actuary but generally as a level dollar amount over the remaining working lifetime of those impacted by the benefit changes.

Based on the Actuary's actuarial assumptions and methods in effect on June 30, 2016 and amortizing the increase in the UAAL over Mr. Greenberg's expected remaining working lifetime of 6 years (5 payments under the one year lag methodology) results in an increase in employer contributions of approximately $41,000 per year.

OTHER COSTS: Not measured in this Fiscal Note is the impact on administrative costs or Other Postemployment Benefit (OPEB) costs.

ACTUARIAL ASSUMPTIONS AND METHODS: All results presented herein have been calculated based on the Actuary's actuarial assumptions and methods in effect for the Preliminary June 30, 2016 (Lag) actuarial valuation used to determine the Preliminary Fiscal Year 2018 employer contributions of NYCERS.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for, and independent of, the New York City Pension Funds and Retirement Systems. I am a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries and a Member of the American Academy

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

FISCAL NOTE IDENTIFICATION: This Fiscal Note 2017-27 dated June 5, 2017, was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2017 Legislative Session.