

# STATE OF NEW YORK

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7920--C

2019-2020 Regular Sessions

## IN ASSEMBLY

May 28, 2019

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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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 504 of the laws of 2009 amending the retirement and social security law and other laws relating to establishing police and fire retirement provisions, in relation to a special retirement plan for certain members of the New York state and local police and fire retirement system

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

1 Section 1. Section 8 of part A of chapter 504 of the laws of 2009  
2 amending the retirement and social security law and other laws relating  
3 to establishing police and fire retirement provisions, as amended by  
4 chapter 263 of the laws of 2016, is amended to read as follows:

5 § 8. (a) Notwithstanding any provision of law to the contrary, nothing  
6 in this act shall limit the eligibility of any member of an employee  
7 organization to join a special retirement plan open to him or her pursu-  
8 ant to a collectively negotiated agreement with any state or local  
9 government employer, where such agreement is in effect on the effective  
10 date of this act and so long as such agreement remains in effect there-  
11 after; provided, however, that any such eligibility shall not apply upon  
12 termination of such agreement for employees otherwise subject to the  
13 provisions of article [~~twenty-two~~] 22 of the retirement and social secu-  
14 rity law.

15 (b) Notwithstanding any other provision of law to the contrary, any  
16 member of a retirement system within New York state who became a member  
17 of such system on or after July 1, 2009 and before January 10, 2010 and  
18 subsequently become a member of the New York state and local police and

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

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1 fire retirement system and thereafter transferred his or her membership  
 2 in the first retirement system to the New York state and local police  
 3 and fire retirement system may elect to be covered by the provisions of  
 4 article [~~twenty-two~~] 22 of the retirement and social security law effec-  
 5 tive on the date of membership in the first retirement system. Such  
 6 member shall also be permitted to elect any special retirement plan  
 7 available to him or her. Any contributions for previous pension benefits  
 8 shall not be refunded.

9 (c) Notwithstanding any other provision of law to the contrary any  
 10 member of the New York state and local police and fire retirement system  
 11 who became a member on or after July 1, 2009 and before January 9, 2010  
 12 may join a special retirement plan open to him or her pursuant to a  
 13 collective negotiated agreement with any state or local government  
 14 employer, where such agreement was in effect on or after July 1, 2009  
 15 and before January 9, 2010 or such agreement was expired but continued  
 16 pursuant to section 209 of the civil service law on or after July 1,  
 17 2009 and before January 9, 2010.

18 (d) Any member of the New York state and local police and fire retire-  
 19 ment system who elects coverage of a special retirement plan pursuant to  
 20 subdivision (c) of this section shall be considered a member subject to  
 21 all the terms and conditions of article 11 of the retirement and social  
 22 security law.

23 § 2. No employee contributions made to the New York state and local  
 24 police and fire retirement system by any police officer or firefighter  
 25 who elects to make such change in plan coverage pursuant to this act  
 26 shall be returned to such officer or firefighter. Such employee contrib-  
 27 ution shall be used to offset any past service costs incurred by opera-  
 28 tion of the provisions of this act.

29 § 3. This act shall take effect immediately.

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

This bill would amend Chapter 504 of the Laws of 2009 to allow indi-  
 viduals who became a member of the New York State and Local Police and  
 Fire Retirement System (PFRS) on or after July 1, 2009 and before Janu-  
 ary 9, 2010, to make an irrevocable election to become covered by the  
 provisions of Tier 2. Any member who elects to become covered would not  
 receive a refund of member contributions.

If this bill is enacted during the 2019 legislative session, there  
 will be an increase in annual contributions made to PFRS on behalf of  
 affected members by such member's employers based upon the current and  
 resulting plan coverage. For the fiscal year ending March 31, 2020,  
 anticipated increases in employer contribution rates, as a percent of  
 salary, are approximately

Current Plan			
Resulting			
Tier 2 Plan	Tier 3	Tier 5	Tier 5
		Contributory	Non-Contrib
384-d	0.1%	4.5%	1.1%
384-e	0.9%	4.5%	1.1%
381-b	2.8%	4.6%	

In future years, these costs will vary as billing rates and salaries  
 change.

This proposal is expected to affect 231 active members earning a sala-  
 ry of approximately \$21.6 million as of March 31, 2018.

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, 2018 actuarial valu-

ation. Distributions and other statistics can be found in the 2018 Report of the Actuary and the 2018 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017 and 2018 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, 2018 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 fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated May 16, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-112, prepared by the Actuary for the New York State and Local Retirement System.