STATE OF NEW YORK

5904--A

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- recommitted to the Committee on in accordance with Senate Rule 6, sec. 8 -- 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 disability retirement benefits for the presumption of post-traumatic stress disorder for certain titles

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

Section 1. The retirement and social security law is amended by adding a new section 605-f to read as follows:

§ 605-f. Disability retirement for certain dispatchers. 1. A member employed as a county 911 dispatcher, a county 911 dispatcher supervisor, a New York city fire alarm dispatcher, a New York city supervising fire alarm dispatcher level one or a New York city supervising fire alarm dispatcher level two shall be entitled to disability retirement allowance, if, at the time application therefor is filed, such member is physically or mentally incapacitated for performance of duty as a result of contracting post-traumatic stress disorder while so employed and as a result of his or her employment.

2. Notwithstanding any provision of this chapter or of any general, special or local law to the contrary, any member who is a county 911 dispatcher, a county 911 dispatcher supervisor, a New York city fire alarm dispatcher, a New York city supervising fire alarm dispatcher level one or a New York city supervising fire alarm dispatcher level two who is diagnosed as suffering from post-traumatic stress disorder resulting in disability to such fire alarm dispatcher, presently employed, and who shall have sustained such disability while so employed, shall have such diagnosis be presumptive evidence that such

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

LBD09485-03-0

disability was incurred in the performance and discharge of duty, unless the contrary be proven by competent evidence.

3. The annual retirement allowance payable shall be equal to the three-quarters of his or her final average salary.

§ 2. This act shall take effect immediately.

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

SUMMARY OF BILL: This proposed legislation would amend the Retirement and Social Security Law (RSSL) to add a new Section 605-f to provide a rebuttable statutory presumption to Tier 4 and 6 members of the New York City Employees' Retirement System (NYCERS) who are Fire Alarm Dispatchers and Supervising Fire Alarm Dispatchers, and who become physically or mentally incapacitated for performance of duty due to post-traumatic stress disorder (PTSD).

In determining whether disabling PTSD was caused by employment as a Dispatcher, the diagnosis of PTSD would be presumptive evidence that such disability was incurred in the performance and discharge of duty, unless the contrary is proven by competent evidence.

The amount of the annual retirement allowance payable in the event the presumption is not rebutted will be 75% of the Dispatcher member's final average salary.

Effective Date: Upon enactment.

FINANCIAL IMPACT - OVERVIEW: There is no data available to estimate the number of members who might develop and become disabled by PTSD, and potentially benefit from this proposed legislation. Therefore, the estimated financial impact has been calculated on a per event basis equal to the increase in the Present Value of Future Benefits (PVFB) for an average member who is diagnosed with PTSD as the result of the enactment of the proposed legislation. In determining the increase in the PVFB, it has been assumed that 50% of the members who would retire with PTSD were those who would have retired under an Ordinary Disability Retirement benefit and that the remaining 50% of members who would retire with PTSD were those who would have continued working if the proposed legislation were not passed.

With respect to an individual member, the additional cost of this proposed legislation could vary greatly depending on the member's length of service, age, and salary history.

FINANCIAL IMPACT - PRESENT VALUES: Based on the census data and the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the PVFB by approximately $410,000, on average for each occurrence of PTSD.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: Enactment of this proposed legislation would increase employer contributions, where such amount would depend on the number of members affected as well as other characteristics including the age, years of service, and salary history of the member.

As there is no data currently available to estimate the number of members who might be diagnosed with disabling PTSD, the financial impact would be recognized at the time of event. Consequently, changes in employer contributions have been estimated assuming that the increase in the PVFB will be financed over a time period comparable to that used for actuarial losses under the Entry Age Normal cost method. Using this approach, the additional PVFB would be amortized over a closed 15-year period (14 payments under the One-Year Lag Methodology) using level dollar payments.

Based on the Actuary's actuarial assumptions and methods in effect as of June 30, 2018, the enactment of this proposed legislation is esti-

mated to increase annual employer contributions by approximately $48,000 for each Accident Disability Retirement due to PTSD. With respect to the timing, increases in employer contributions would depend upon when members would retire due to PTSD but, generally, increased employer contributions will first occur the second fiscal year following approval of the Accident Disability Retirement.

CENSUS DATA: The estimates presented herein are based on the census data used in the Preliminary June 30, 2018 (Lag) actuarial valuation of NYCERS to determine the Preliminary Fiscal Year 2020 employer contributions updated to reflect the change in demographics as of June 30, 2019.

The 217 Fire Alarm Dispatchers and Supervising Fire Alarm Dispatchers who participate in NYCERS as of June 30, 2019 had an average age of approximately 38.6 years, average service of approximately 10.4 years, and an average salary of approximately $71,300. This group consisted of 140 Tier 4 active members and 77 Tier 6 active members.

As of June 30, 2018, there were 183 Fire Alarm Dispatchers and Supervising Fire Alarm Dispatchers with an average age of approximately 40.0 years, average service of approximately 11.5 years, and an average salary of approximately $74,200. This group consisted of 146 Tier 4 active members and 37 Tier 6 active members.

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the PVFB and annual employer contributions presented herein have been calculated based on the actuarial assumptions and methods in effect for the June 30, 2018 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2020 employer contributions of NYCERS.

RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend highly on the realization of the actuarial assumptions used, as well as certain demographic characteristics of NYCERS and other exogenous factors such as investment, contribution, and other risks. If actual experience deviates from actuarial assumptions, the actual costs could differ from those presented herein. Costs are also dependent on the actuarial methods used, and therefore different actuarial methods could produce different results. Quantifying these risks is beyond the scope of this Fiscal Note.

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.

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, 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 2020-10 dated March 2, 2020 was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2020 Legislative Session.