

STATE OF NEW YORK

5924--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 -- 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 service retirement benefits for members of the New York city fire department pension fund and the New York city police pension fund

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

1 Section 1. Section 505 of the retirement and social security law, as
2 amended by chapter 18 of the laws of 2012, is amended to read as
3 follows:

4 § 505. Service retirement benefits; police/fire members, New York city
5 uniformed correction/sanitation revised plan members and investigator
6 revised plan members. a. The normal service retirement benefit for
7 police/fire members, New York city uniformed correction/sanitation
8 revised plan members and investigator revised plan members at normal
9 retirement age shall be a pension equal to fifty percent of final aver-
10 age salary, less fifty percent of the primary social security retirement
11 benefit commencing at age sixty-two, as provided in section five hundred
12 eleven of this article, except that for police/fire members of the New
13 York city fire department pension fund or the New York city police
14 pension fund, the normal service retirement benefit shall not be reduced
15 by the primary social security retirement benefit commencing at age
16 sixty-two as provided in section five hundred eleven of this article.

17 b. The early service retirement benefit for police/fire members, New
18 York city uniformed correction/sanitation revised plan members and
19 investigator revised plan members shall be a pension equal to two and
20 one-tenths percent of final average salary times years of credited
21 service at the completion of twenty years of service or upon attainment
22 of age sixty-two, increased by one-third of one percent of final average

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

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1 salary for each month of service in excess of twenty years, but not in
2 excess of fifty percent of final average salary, less fifty percent of
3 the primary social security retirement benefit commencing at age sixty-
4 two as provided in section five hundred eleven of this article,
5 provided, however, that New York city police/fire revised plan members,
6 New York city uniformed correction/sanitation revised plan members and
7 investigator revised plan members shall not be eligible to retire for
8 service prior to the attainment of twenty years of credited service, and
9 provided further that for police/fire members of the New York city fire
10 department pension fund or the New York city police pension fund, the
11 early service retirement benefit shall not be reduced by the primary
12 social security retirement benefit commencing at age sixty-two as
13 provided in section five hundred eleven of this article.

14 c. A police/fire member, a New York city uniformed
15 correction/sanitation revised plan member or an investigator revised
16 plan member who retires with twenty-two years of credited service or
17 less may become eligible for annual escalation of the service retirement
18 benefit if he elects to have the payment of his benefit commence on the
19 date he would have completed twenty-two years and one month or more of
20 service. In such event, the service retirement benefit shall equal two
21 percent of final average salary for each year of credited service, less
22 fifty percent of the primary social security retirement benefit commenc-
23 ing at age sixty-two as provided in section five hundred eleven of this
24 article, except that for police/fire members of the New York city fire
25 department pension fund or the New York city police pension fund, the
26 service retirement benefit shall not be reduced by the primary social
27 security retirement benefit commencing at age sixty-two as provided in
28 section five hundred eleven of this article.

29 § 2. Section 511 of the retirement and social security law is amended
30 by adding a new subdivision h to read as follows:

31 h. This section shall not apply to police/fire members of the New York
32 city fire department pension fund or the New York city police pension
33 fund who receive a service retirement benefit pursuant to section five
34 hundred five of this article or a deferred vested benefit pursuant to
35 section five hundred sixteen of this article.

36 § 3. Subdivision c of section 516 of the retirement and social securi-
37 ty law, as amended by chapter 18 of the laws of 2012, is amended to read
38 as follows:

39 c. The deferred vested benefit of police/fire members, New York city
40 police/fire revised plan members, New York city uniformed
41 correction/sanitation revised plan members or investigator revised plan
42 members shall be a pension commencing at early retirement age equal to
43 two and one-tenths percent of final average salary times years of cred-
44 ited service, less fifty percent of the primary social security retire-
45 ment benefit commencing at age sixty-two, as provided in section five
46 hundred eleven of this article, except that for police/fire members of
47 the New York city fire department pension fund or the New York city
48 police pension fund, the service retirement benefit shall not be reduced
49 by the primary social security retirement benefit commencing at age
50 sixty-two as provided in section five hundred eleven of this article. A
51 police/fire member, a New York city police/fire revised plan member, a
52 New York city uniformed correction/sanitation revised plan member or
53 investigator revised plan member may elect to receive his vested benefit
54 commencing at early retirement age or age fifty-five. If the vested
55 benefit commences before early retirement age, the benefit shall be
56 reduced by one-fifteenth for each year, if any, that the member's early

1 retirement age is in excess of age sixty, and by one-thirtieth for each
2 additional year by which the vested benefit commences prior to early
3 retirement age. If such vested benefit is deferred until after such
4 member's normal retirement age, the benefit shall be computed and
5 subject to annual escalation in the same manner as provided for an early
6 retirement benefit pursuant to subdivision c of section five hundred
7 five of this article.

8 § 4. This act shall take effect on the sixtieth day after it shall
9 have become a law.

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

We have estimated the impact of the cost of removing the social security offset for all Tier 3 members (including Tier 3 Original, Tier 3 Revised, and Tier 3 Enhanced members) on the projected employer contributions of the New York City Police Pension Fund.

The table below summarizes the additional contributions that result from this change by year.

(in millions)

Year	Annual Cost
2020	17.9
2021	20.7
2022	23.6
2023	26.9
2024	30.0

The assumptions used in this analysis were those released by the New York City Office of the Actuary on January 2, 2019 in the "Proposed Changes in Actuarial Assumptions and Methods Used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for the New York City Police Pension Fund" document, and subsequently approved by the Police Pension Fund's Board on March 6, 2019. The data used to determine the cost was provided by the Police Pension Fund and was a snapshot of the active plan participants as of July 1, 2018.

This fiscal note, dated May 22, 2019, is intended only for use in the 2019 legislative session.

The source of this fiscal note is Heidi E. Andorfer, FSA, EA, MAAA, Foster & Foster, Actuaries and Consultants, who is familiar with the immediate and long-term aspects of pension calculations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.