STATE OF NEW YORK

6367

2019-2020 Regular Sessions

IN SENATE

June 6, 2019

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

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:

Section 1. Section 8 of part A of 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, as amended by chapter 263 of the laws of 2016, is amended to read as follows:

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

(b) Notwithstanding any other provision of law to the contrary, any member of a retirement system within New York state who became a member of such system on or after July 1, 2009 and before January 10, 2010 and subsequently become a member of the New York state and local police and fire retirement system and thereafter transferred his or her membership in the first retirement system to the New York state and local police and fire retirement system may elect to be covered by the provisions of article [~~twenty-two~~] **22** of the retirement and social security law effec-

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

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tive on the date of membership in the first retirement system. Such member shall also be permitted to elect any special retirement plan available to him or her. Any contributions for previous pension benefits shall not be refunded.

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

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

§ 2. No employee contributions made to the New York state and local police and fire retirement system by any police officer or firefighter who elects to make such change in plan coverage pursuant to this act shall be returned to such officer or firefighter. Such employee contribution shall be used to offset any past service costs incurred by operation of the provisions of this act.

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

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

This proposal is expected to affect 231 active members earning a salary 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 valuation. 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.