

# STATE OF NEW YORK

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## IN SENATE

July 17, 2020

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Introduced by Sens. GRIFFO, BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT in relation to enabling public employers to offer certain temporary retirement incentives for certain public employees

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

1 Section 1. Legislative findings. The legislature finds and declares  
2 that the state is experiencing economic difficulties and in order to  
3 avoid layoffs of public employees, a retirement incentive is necessary.  
4 However, nothing in this act shall be construed to create an expectation  
5 of a future or continuing retirement benefit for any public employee who  
6 is not eligible to receive and qualify for the retirement benefits in  
7 this act during the applicable time periods.

8 § 2. Definitions. For purposes of this act, the following terms shall  
9 have the following meanings:

10 (a) "Retirement system" means the New York state and local employees'  
11 retirement system, the New York state teachers' retirement system, the  
12 New York city teachers' retirement system, the New York city board of  
13 education retirement system or the New York city employees' retirement  
14 system, exclusive of the retirement plans established pursuant to  
15 sections 13-156 and 13-157 of the administrative code of the city of New  
16 York.

17 (b) "State employer" means:

18 (1) the executive branch of the state;

19 (2) the state-operated institutions of the state university of New  
20 York;

21 (3) the statutory and contract colleges operated pursuant to section  
22 357 of the education law;

23 (4) the state university construction fund (hereinafter referred to in  
24 this act as the "fund");

25 (5) a cooperative extension association (hereinafter referred to in  
26 this act as the "association");

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

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1 (6) the city university of New York as defined in subdivision 2 of  
2 section 6202 of the education law;

3 (7) the unified court system;

4 (8) the senate;

5 (9) the assembly; and

6 (10) joint legislative employers.

7 (c) "Participating employer" means an employer, other than a state  
8 employer, which participates in a retirement system. Such term shall  
9 include a community college operating under the program of state univer-  
10 sity of New York.

11 (d) "Educational employer" means a participating employer which is a  
12 school district, a board of cooperative educational services, a voca-  
13 tional education and extension board, an institution for the instruction  
14 of the deaf and of the blind pursuant to section 4201 of the education  
15 law, or a school district pursuant to section 1 of chapter 566 of the  
16 laws of 1967, as amended.

17 (e) (1) "Eligible employee" means a person who is a member of a  
18 retirement system who is an employee in the executive branch of a state  
19 employer or an employee of a state employer or a participating employer  
20 who has attained fifty years of age and has at least twenty-five years  
21 of creditable service or has attained fifty-five years of age and has at  
22 least ten years of creditable service in a retirement system, but such  
23 term shall not include the following persons:

24 (i) elected officials, judges or justices appointed to or serving in a  
25 court of record and acting village justices;

26 (ii) chief administrative officers of participating employers which  
27 participate in a teachers' retirement system;

28 (iii) officers described in sections 4, 41-a, 46, 61, 70, 70-a, 169  
29 (including those officers whose salary is established pursuant to salary  
30 plans described in subdivision 3 of section 169), 180 and subdivision 1  
31 of section 41 of the executive law and any agency or department head  
32 appointed by the governor, comptroller or attorney general;

33 (iv) appointed members of boards or commissions, any of whose members  
34 are appointed by the governor or by another state officer or body;

35 (v) nonjudicial officers and employees of the unified court system,  
36 unless the chief administrator of the courts elects as provided herein,  
37 which election shall cover only nonjudicial officers and employees hold-  
38 ing positions in any title in the classified service of the unified  
39 court system;

40 (vi) officers or employees of the senate unless the senate adopts a  
41 resolution authorizing the temporary president to file the election as  
42 provided in this subdivision;

43 (vii) officers or employees of the assembly unless the assembly adopts  
44 a resolution authorizing the speaker of the assembly to file the  
45 election as provided in this subdivision; and

46 (viii) officers or employees of joint legislative employers unless:

47 a. with respect to officers or employees of the legislative library,  
48 legislative messenger service, legislative health service, legislative  
49 ethics committee, the legislative bill drafting commission, and the  
50 joint line of the legislative task force on demographic research and  
51 reapportionment, the senate and assembly adopt a concurrent resolution  
52 authorizing the temporary president of the senate and the speaker of the  
53 assembly to jointly file an election as provided in this subdivision;

54 b. with respect to officers or employees of components of the senate  
55 as identified pursuant to section 90 of the legislative law, the senate  
56 adopts a resolution authorizing the temporary president to file an

1 election for officers or employees of those components designated in  
2 such resolution; and

3 c. with respect to officers or employees of components of the assembly  
4 as identified pursuant to section 90 of the legislative law, the assem-  
5 bly adopts a resolution authorizing the speaker of the assembly to file  
6 an election for officers or employees of those components designated in  
7 such resolution.

8 (2) Any election under subparagraphs (v) through (viii) of paragraph  
9 one of this subdivision to make available the retirement incentive  
10 provided by this act shall be in writing and filed with the state comp-  
11 troller not later than ninety days after the effective date of this act.  
12 Notwithstanding any other provision of this act, each such filing shall  
13 specify the commencement date of the open period.

14 (3) For the purposes of paragraph (vi), (vii) or (viii) of paragraph  
15 one of this subdivision, an employee of the legislature shall be as such  
16 term is defined in section 7-a, 7-b or 7-d of the legislative law or by  
17 any other provision of law which classifies employees of an entity to be  
18 legislative employees for all purposes, but shall not include senators  
19 or members of the assembly. The term "joint legislative employer" shall  
20 mean legislative commissions, committees, task forces, councils or simi-  
21 lar bodies whose membership is comprised of both senators and assembly  
22 members, or which consist of commissioners, or the majority of whose  
23 membership is appointed by one or more of the following: the temporary  
24 president of the senate, the speaker of the assembly, the minority lead-  
25 er of the senate, and/or the minority leader of the assembly. The tempo-  
26 rary president of the senate and the speaker of the assembly shall be  
27 the joint legislative employer of the employees of the legislature  
28 referred to in sections 7-a and 7-b of the legislative law.

29 (f) "College faculty" means an employee, not in the classified  
30 service, of a state employer described in paragraphs 2, 3, 4, 5 and 6 of  
31 subdivision (b) of this section or of a community college who is a  
32 member of a teachers' retirement system, or the New York state and local  
33 employees' retirement system.

34 (g) "Active service" means service while being paid on the payroll,  
35 provided that:

36 (1) a leave of absence with pay shall be deemed active service;

37 (2) other approved leave without pay not to exceed twelve weeks from  
38 February 1, 2020 and the commencement of the designated open period; and

39 (3) the period of time subsequent to the June 2020 school term and on  
40 or before August 31, 2020 for a teacher (or other employee employed on a  
41 school-year basis) who is otherwise in active service on the effective  
42 date of this act shall be deemed active service.

43 (h) "Open period" means the period beginning with the commencement  
44 date as defined in subdivision (i) of this section and shall be ninety  
45 days in length, provided however that there shall be only one such open  
46 period and any such period shall not extend beyond September 30, 2020  
47 for a state employer and December 31, 2020 for a participating employer.  
48 For educational employers who make election after July 15, 2020, the  
49 open period shall begin immediately after such election, and shall not  
50 extend beyond October 15, 2020. For the purposes of retirement pursuant  
51 to this act, a service retirement application shall be filed with the  
52 appropriate retirement system not less than fourteen days prior to the  
53 effective date of retirement to become effective, unless a shorter peri-  
54 od of time is permitted under law.

55 (i) "Commencement date" means the first day the retirement benefit  
56 mandated by this act shall be made available, which shall mean a date or

1 dates on or after the effective date of this act to be determined by the  
2 director of state operations for the executive branch of the state, or  
3 for any other state employer or any participating employer which elects  
4 to participate pursuant to section four of this act, a date on or after  
5 the effective date of this act, provided, however, that for an educa-  
6 tional employer which elects to participate pursuant to subdivision (d)  
7 of this section, the commencement date shall be July 15, 2020 or imme-  
8 diately after election of the retirement incentive for educational  
9 employers who elect after July 15, 2020 and provided, further that for  
10 participating employers which elect to participate pursuant to section  
11 four of this act, except the city of New York and participating employ-  
12 ers which are not empowered to act by local law, the commencement date  
13 shall be November 1, 2020. The director of state operations shall notify  
14 the head of the appropriate retirement system of the date of the open  
15 period applicable to employees of the executive branch or of a state  
16 employer prior to the commencement date.

17 § 3. (a) A state employer which elects to participate pursuant to  
18 section four of this act, a participating employer which is not  
19 empowered to act by local law which elects to participate pursuant to  
20 section four of this act, or the city of New York, if it elects to  
21 participate pursuant to section four of this act shall establish a  
22 commencement date for the retirement benefit established under section  
23 six of this act in the following manner:

24 (1) for the executive branch, the director of state operations shall  
25 establish the commencement date in writing to the appropriate retirement  
26 system;

27 (2) for state employers described in paragraphs 2, 3, 4, 5 and 6 of  
28 subdivision (b) of section two of this act and participating employers  
29 that are not empowered to act by local law, its governing body shall  
30 adopt a resolution establishing a commencement date;

31 (3) for state employers described in paragraphs 7, 8, 9 and 10 of  
32 subdivision (b) of section two of this act, the person or persons who  
33 make the election to offer the retirement incentive shall establish a  
34 commencement date in writing to the appropriate retirement system; and

35 (4) for the city of New York, the chief executive officer shall issue  
36 an executive order establishing the commencement date, provided, howev-  
37 er, no executive order, in the case of the city of New York issued  
38 pursuant to this section, shall in any manner supersede any local char-  
39 ter. A copy of any such resolution or executive order in the case of  
40 the city of New York establishing a commencement date shall be filed  
41 with the appropriate retirement system or systems, and, if applicable,  
42 on forms provided by such system. The resolution or executive order in  
43 the case of the city of New York shall be accompanied by the affidavit  
44 of the chief executive officer or other comparable official certifying  
45 the commencement date.

46 (b) A state employer, participating employer which is not empowered to  
47 act by local law which elects to participate pursuant to section four of  
48 this act, or the city of New York if it elects to participate pursuant  
49 to section four of this act shall be required to establish a commence-  
50 ment date under subdivision (a) of this section for the retirement bene-  
51 fit established under section six of this act. In the event that a state  
52 employer, a participating employer which is not empowered to act by  
53 local law which elects to participate pursuant to section four of this  
54 act, or the city of New York if it elects to participate pursuant to  
55 section four of this act fails to establish a commencement date for the  
56 retirement benefit established under section six of this act, the

1 commencement date for the eligible employees of a state employer shall  
2 be July 15, 2020. The commencement date for the eligible employees of  
3 all other employers referenced in this subdivision shall be September 1,  
4 2020.

5 § 4. On or before September 1, 2020, a participating employer or a  
6 state employer described in paragraphs 2, 3, 4, 5 and 6 of subdivision  
7 (b) of section two of this act may elect to provide its employees the  
8 retirement incentive authorized by this act by:

9 (a) the enactment of a local law; or

10 (b) in the case of a participating employer which is not so empowered  
11 to act by local law or a state employer described in paragraphs 2, 3, 4,  
12 5 and 6 of subdivision (b) of section two of this act, by the adoption  
13 of a resolution of its governing body, provided however, no local law or  
14 resolution enacted pursuant to this section shall in any manner super-  
15 sede any local charter, provided further, that for an educational  
16 employer such election shall be made thirty days after the effective  
17 date of this act. For a community college operating under the program  
18 of state university of New York, such election shall be made by the  
19 board of trustees of such community college subject to the approval of  
20 its sponsor. A copy of such law or resolution shall be filed with the  
21 appropriate retirement system or systems, and, if applicable, on forms  
22 provided by such system. The local law or resolution shall be accompa-  
23 nied by the affidavit of the chief executive officer or other comparable  
24 official certifying the validity of such local law or resolution. The  
25 executive branch of the state shall be deemed to have made an election  
26 under this section upon its enactment.

27 § 5. Notwithstanding any other provision of law, any eligible employee  
28 who has been continuously in the active service of a state employer or  
29 of a participating employer from February 1, 2020 to the date immedi-  
30 ately prior to the commencement date of the applicable open period, files  
31 an application for service retirement that is effective during the open  
32 period, and is eligible for a service retirement pursuant to this act  
33 because he or she has attained the age of fifty and has at least twen-  
34 ty-five years of creditable service or has attained the age of fifty-  
35 five and has at least ten years of creditable service, as of the effec-  
36 tive date of the application for retirement shall be entitled to the  
37 retirement benefit provided in section six of this act.

38 § 6. (a) Notwithstanding any other provision of law, an eligible  
39 employee who is a member of a retirement system and who is entitled to a  
40 retirement benefit pursuant to section five of this act may retire  
41 during the open period without the reduction of his or her retirement  
42 benefit that would otherwise be imposed by article 11 or 15 of the  
43 retirement and social security law if he or she has attained the age of  
44 fifty and has completed at least twenty-five years of creditable service  
45 or has attained the age of fifty-five and has completed at least ten  
46 years of creditable service. An eligible employee who is covered by the  
47 provisions of articles 11 and 15 of the retirement and social security  
48 law shall retire under the provisions of articles 11 and 15 of the  
49 retirement and social security law.

50 (b) The director of state operations, the chief executive officer of  
51 the city of New York, or chief executive officer or governing board, as  
52 appropriate, of the participating employer may deny participation in the  
53 retirement benefit provided by subdivision (a) of this section if the  
54 director of state operations, the chief executive officer of New York  
55 city or the chief executive officer or governing board of the partic-  
56 ipating employer makes a determination that the employee holds a posi-

tion that is deemed critical to the maintenance of public health and safety.

(c) The action of the director of state operations, the chief executive officer of the city of New York, or chief executive officer or governing board, as appropriate, of the participating employer in denying the retirement benefit provided for in subdivision (a) of this section to any individual shall be subject to review in the manner provided for in article 78 of the civil practice law and rules. Such action for review pursuant to article 78 of the civil practice law and rules shall only be commenced by the individual that was denied the retirement benefit provided by subdivision (a) of this section.

(d) After making any such determination under subdivision (b) of this section, the director of state operations, the chief executive officer of the city of New York and the chief executive officer or governing board, as appropriate, of the participating employer shall notify the appropriate retirement system or teachers' retirement system of its determination.

§ 7. The pension benefit costs of section six of this act shall be paid by employers as provided by applicable law for each retirement system covered by this act over a period not to exceed five years commencing in the state fiscal year ending March 31, 2022.

§ 8. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 9. This act shall take effect immediately.

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

This bill would provide a temporary retirement incentive to retirement system members throughout the state and NYC during fiscal year 2020-2021. This fiscal note concerns its impact on the New York State Teachers' Retirement System. This incentive would permit eligible members to retire without an early retirement reduction upon attainment of at least age 50 with 25 years of service, or at least age 55 with 10 years of service. Currently attainment of at least age 55 with 30 years of service, or at least age 62 with five years of service are required in order to retire without reduction for Tiers 2, 3 and 4 members. Tier 5 members currently must be at least age 57 with 30 years of service, or at least age 62 with ten years of service in order to retire without reduction. Currently Tier 6 members are required to attain age 63 with ten years of service in order to retire without reduction. In order to receive this benefit, a member of an employer who has elected to participate must retire during the designated open period, beginning on or after July 15, 2020 and not extending beyond October 15, 2020. In order to participate in this retirement incentive, the educational employer must be a school district, a board of cooperative educational services, a vocational education and extension board, an institution for the instruction of the deaf and of the blind as enumerated in Section 4201 of the Education Law or a school district as enumerated in Section 1 of Chapter 566 of the Laws of 1967. Chief administrative officers of educational employers are not eligible to participate in this retirement incentive. Employers who elect to participate would pay the cost of the

retirement incentive over a period not to exceed five years, beginning in the state fiscal year ending March 31, 2022.

The estimated increase in the present value of benefits due to this temporary retirement incentive is approximately \$1.025 billion. The estimated annual cost, over a five-year period, to the participating employers of members of the New York State Teachers' Retirement System for this retirement incentive benefit is estimated to be \$274.0 million, or 1.61% of payroll if this bill is enacted. Employers who elect to participate in this retirement incentive will be billed for their individual members who retire under the incentive.

Member data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's Comprehensive Annual Financial Report (CAFR). System assets are as reported in the System's financial statements, and can also be found in the CAFR. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2020-33 dated August 4, 2020 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2020 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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

This bill would allow retirement at age 50 for certain members of the New York State and Local Employees' Retirement System, New York State Teachers Retirement System, New York City Teachers Retirement System, New York City Board of Education and the New York City Employees' Retirement System who have accrued at least 25 years of creditable service. It would also eliminate the early retirement reductions for members who have attained age 55 and have accrued at least 10 years of creditable service.

The exact number of members who would be affected by this cannot be readily determined.

If this bill is enacted, the additional cost for each member who receives these benefits will vary depending on the member's age, years of service, plans and final average salary. Eliminating the early age reductions for members retiring after attaining age 55 with at least 10 years of service credit is estimated to cost (on average for the group) 130% of the member's final average salary. Extending retirement eligibility to members who have attained age 50 with at least 25 years of service credit is estimated to cost (on average for the group) 130% of the member's final average salary. The estimated costs are identical. The final costs will be borne by each employer electing the incentive.

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, 2019 actuarial valuation. Distributions and other statistics can be found in the 2019 Report of the Actuary and the 2019 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017, 2018, and 2019 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, 2019 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 July 13, 2020, and intended for use only during the 2020 Legislative Session, is Fiscal Note No. 2020-128, prepared by the Actuary for the New York State and Local Retirement System.

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

SUMMARY OF BILL: This proposed legislation, as it relates to the New York City Retirement Systems (NYCRS), would provide for a temporary Early Retirement Incentive Program (ERI Program) to allow certain members of the New York City Employees' Retirement System (NYCERS), the New York City Teachers' Retirement System (TRS), and the New York City Board of Education Retirement System (BERS), who meet enumerated criteria, to elect immediate unreduced retirement.

The ERI Program is contingent upon a participating employer electing the ERI on or before September 1, 2020, but no later than 90 days after the effective date of the proposed legislation. Eligible NYCRS members would have a 90-day open period following the commencement date to retire under the ERI Program which would remove the application of early retirement reduction factors contained in Articles 11 and 15 for qualifying members.

A member is eligible to participate in the ERI Program if he or she is age 50 or older and has at least 25 years of service, or is age 55 or older and has at least 10 years of service. In addition, members must also:

- \* Be in continuous active service from February 1, 2020 to the date immediately preceding the commencement date of the open period;

- \* File for service retirement that is effective within the open period.

For purposes of this Fiscal Note, members covered by Article 14 are assumed to not benefit from the proposed legislation and have therefore been excluded.

Effective Date: Upon enactment

FINANCIAL IMPACT - OVERVIEW: There is no credible data available to estimate the number of members who will retire under the ERI Program and potentially benefit from this proposed legislation. Therefore, the estimated financial impact has been calculated on a per event basis equal to the average increase in the Present Value of future employer contributions and in the annual employer contributions for members who would benefit from the proposed legislation.

The Present Value of future employer contributions is the net result of the increase in the Present Value of Future Benefits (PVFB) and the decrease in the Present Value of future member contributions.

For the purposes of this Fiscal Note, the increase in Present Value of future employer contributions was amortized over a five-year period (four payments under the One-Year Lag Methodology (OYLM)) using level dollar payments, the maximum allowable period under the proposed legislation. This amortized value is the estimated increase in annual employer contributions.



There will also be future savings in Employer Contributions assuming that these members are not replaced. This additional savings is not included here.

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 - SUMMARY: Based on the census data and the actuarial assumptions and methods described herein, the enactment of this proposed legislation would result in an increase in the Present Value of Employer Contributions and annual employer contributions. The estimated pension financial impact has been calculated as the average increase per person. A breakdown of the financial impact by NYCERS is shown in the table below:

NYCERS	Additional Present Value of Future Employer Contributions (\$ Per Person)	Estimated Annual Employer Contributions (\$ Per Person)
NYCERS	\$98,200	\$30,000
TRS	49,800	15,200
BERS	76,800	23,400
Average	\$86,500	\$26,400

CONTRIBUTION TIMING: For the purposes of this Fiscal Note, it is assumed that the changes in the Present Value of future employer contributions and annual employer contributions would be reflected for the first time in the Final June 30, 2019 actuarial valuations of NYCERS, TRS, and BERS. In accordance with the OYLM used to determine employer contributions, the increase in employer contributions would first be reflected in Fiscal Year 2021.

CENSUS DATA: The estimates presented herein are based on the census data used in the Preliminary June 30, 2019 (Lag) actuarial valuations of NYCERS, TRS, and BERS to determine the Preliminary Fiscal Year 2021 employer contributions.

The table below contains the census data for members who meet the eligibility requirements and would be impacted by the proposed legislation (Potential Elections), and for a subset of those members who would benefit actuarially (Assumed to Elect).

Census Data				
Potential Elections	<u>Count</u>	<u>AvgAge</u>	<u>AvgSvc</u>	<u>AvgSalary</u>
NYCERS	24,764	56.8	23.7	\$86,900
TRS	12,554	56.5	20.2	99,600
BERS	2,147	57.1	20.1	63,300
Total	39,465	56.7	22.4	\$89,700
Assumed to Elect	<u>Count</u>	<u>AvgAge</u>	<u>AvgSvc</u>	<u>AvgSalary</u>
NYCERS	18,185	56.7	26.8	\$88,000
TRS	5,529	55.1	25.2	109,500
BERS	1,031	57.5	25.8	67,600
Total	24,745	56.4	26.4	\$92,000

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the Present Value of future employer contributions and annual employer contributions presented herein have been calculated based on the actuarial assumptions and methods in effect for the June 30, 2019 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2021 employer contributions of NYCERS, TRS, and BERS.

To determine the impact of the elective nature of the proposed legislation, a subgroup based on who could potentially benefit actuarially was used. The Present Value of future employer costs (i.e. the PVFB less the Present Value of future member contributions) of each member's benefit was determined under their current plan and as if retiring immediately under the ERI Program. If the Present Value of future employer cost under the ERI Program was greater than or equal to the Present Value of future employer cost under the member's current plan, then the member was deemed to benefit actuarially.

Based on this analysis, the costs presented in this Fiscal Note are borne only from current NYCERS, TRS, and BERS members who are assumed to benefit from, and thus opt to retire under the ERI Program.

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, TRS, and BERS, 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 offsetting reduction in salary due to retirements earlier than expected.

- \* The impact of potential new hires replacing members who retire due to the ERI Program.

- \* The initial, additional administrative costs 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 2020-58 dated August 13, 2020 was prepared by the Chief Actuary for the New York City Employees' Retirement System, the New York City Teachers' Retirement System, and the New York City Board of Education Retirement System. This estimate is intended for use only during the 2020 Legislative Session.