

STATE OF NEW YORK

6521

2019-2020 Regular Sessions

IN ASSEMBLY

March 11, 2019

Introduced by M. of A. KOLB, MONTESANO, STEC, GIGLIO -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to university police communications and security specialists I

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

Section 1. Subdivision 11 of section 302 of the retirement and social security law is amended by adding a new paragraph k to read as follows:

k. Service as a university police communications and security specialist I employed by the state university of New York.

§ 2. Section 383-d of the retirement and social security law, as added by chapter 561 of the laws of 2015, is amended to read as follows:

§ 383-d. Alternative retirement benefits for university police officers appointed by the state university or university police communications and security specialist I employed by the state university. a. As used in this section, the term "university police officer" shall mean a person who is so appointed pursuant to paragraph 1 of subdivision two of section three hundred fifty-five of the education law.

b. Notwithstanding any other provision of law providing for transfers between retirement systems, any university police officer or university police communications and security specialist I in the service of the state university who is a member of the New York state employees' retirement system may transfer to the New York state and local police and fire retirement system and shall receive credit pursuant to and be entitled to the retirement benefits afforded in accordance with this section. Upon any such transfer the member shall be entitled to the amount of service which would have been deemed creditable had such member been subject to such system during the course of his or her membership within such system. Contributions to such system shall be made in accordance with appropriate provisions of law relating thereto. Application for [~~such~~] transfer by a university police officer must be

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

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made to the state comptroller on or before December thirty-first, two thousand fifteen, and applications by university police communications and security specialist I must be made to the state comptroller on or before December thirty-first, two thousand twenty-one. The provisions of section three hundred forty-three of this article shall apply to any member making application for transfer under this subdivision.

c. Any university police officer or university police communications and security specialist I in the service of the state university who elects or is required to contribute under this section shall contribute to the New York state and local police and fire retirement system on the basis of retirement upon his or her:

1. Completion of twenty-five years of total creditable service; or

2. Attainment of age sixty as a university police officer or university police communications and security specialist I in the service of the state university, if prior thereto, on an allowance of one-fiftieth of his or her final average salary for each year of total creditable service not in excess of twenty-five years. Such election shall be in writing and shall be duly executed and filed with the comptroller.

d. Every employee entering or re-entering service as a university police officer or university police communications and security specialist I in the service of the state university on or after the effective date of this section shall contribute on the basis provided for by this section.

e. A member who is required to contribute in accordance with this section shall contribute, in lieu of the proportion of compensation as provided in section three hundred twenty-one of this article, a proportion of his or her compensation similarly determined. Such latter proportion shall be computed to provide at the time when he or she shall first become eligible for retirement under this section, an annuity equal to one-one hundredth of his or her final average salary for each year of service as a member prior to the attainment of the age when he or she shall first become eligible for retirement. Such member's rate of contribution pursuant to this section shall be appropriately reduced pursuant to section three hundred seventy-a of this article for such period of time as his or her employer contributes pursuant to such section toward pensions-providing-for-increased-take-home-pay. No such member shall be required to continue contributions after completing twenty-five years of such service.

f. A member contributing on the basis of this section, at the time of retirement, shall be entitled to retire after the completion of twenty-five years of total creditable service or upon the attainment of age sixty by filing an application therefor in a manner similar to that provided in section three hundred seventy of this article. He or she shall receive, on retirement, a retirement allowance consisting of:

1. An annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement, plus

2. A pension which, together with such annuity and a pension which is the actuarial equivalent of the reserve-for-increased-take-home-pay to which he or she may then be entitled, if any, shall equal one-fiftieth of his or her final average salary for each year of creditable service in such service. This pension shall not exceed the amount needed to make the total amount of the benefits provided under this paragraph and paragraph one of this subdivision equal to one-half of final average salary.

3. An additional pension equal to the pension for any creditable service rendered while not employed as a university police officer or university police communications and security specialist I in the

1 service of the state university as provided under paragraphs two and
2 three of subdivision a of section three hundred seventy-five of this
3 article. This pension shall:

4 (i) Be payable only if such member has attained age sixty at the time
5 of retirement and has not completed twenty-five years of service as a
6 university police officer or university police communications and secu-
7 rity specialist I in the service of the state university for which he or
8 she receives credit under this article, and

9 (ii) Not increase the total allowance to more than he or she would
10 have received had his or her total service been rendered as a university
11 police officer or university police communications and security special-
12 ist I in the service of the state university. For the purpose only of
13 determining the amount of the pension provided herein, the annuity shall
14 be computed as it would be:

15 (A) if not reduced by the actuarial equivalent of any outstanding
16 loan, and

17 (B) if not increased by the actuarial equivalent of any additional
18 contributions, and

19 (C) if not reduced by reason of the member's election to decrease his
20 or her annuity contributions to the retirement system in order to apply
21 the amount of such reduction in payment of his or her contributions for
22 old-age and survivors insurance coverage.

23 g. The increased pensions to a university police officer or university
24 police communications and security specialist I in the service of the
25 state university, as provided by this section, shall be paid from addi-
26 tional contributions made by the state on account of such members. The
27 actuary of the retirement system shall compute the additional contrib-
28 ution of each member who elects to receive the special benefits provided
29 under this section. Such additional contributions shall be computed on
30 the basis of contributions during the prospective service of such member
31 which will cover the liability of the retirement system for such extra
32 pensions. Upon approval by the comptroller, such additional contrib-
33 utions shall be certified by him or her to the chancellor of the state
34 university. The amount thereof shall be included in the annual appropri-
35 ation of the state for the state university. Such amount shall be paid
36 on the warrant of the comptroller to the pension accumulation fund of
37 the retirement system.

38 h. In computing the twenty-five years of completed service of a
39 university police officer or university police communications and secu-
40 rity specialist I in the service of the state university, full credit
41 shall be given and full allowance shall be made for service of such
42 member in war after World War I as defined in section two of this chap-
43 ter, provided such member at the time of his ~~or~~ or her entrance into
44 the armed forces was in state service, and full credit and full allow-
45 ance shall be made for service as a university peace officer prior to
46 the effective date of chapter four hundred twenty-four of the laws of
47 nineteen hundred ninety-eight.

48 i. The provisions of this section shall be controlling notwithstanding
49 any provision in this article to the contrary.

50 j. Notwithstanding any provision of subdivision d, e or i of this
51 section to the contrary, a member who is in the collective negotiating
52 unit designated as the agency police services unit and established
53 pursuant to article fourteen of the civil service law and who has
54 elected or is required to contribute in accordance with this section
55 may, on or before March thirty-first, two thousand sixteen, elect to
56 come under the provisions of section three hundred seventy-five-h of

1 this article. Such election shall be duly executed and filed with the
2 comptroller.

3 k. Commencing with the effective date of this section and in a manner
4 determined by the head of the retirement system, the state, as employer,
5 shall make contributions to the retirement system to fund the past
6 service liability costs associated with the implementation of this
7 section as those costs are calculated by the retirement system actuary.
8 Such contributions may, at the election of the employer, be amortized
9 over a ten year period.

10 § 3. No employee contributions made to the New York state and local
11 employees' retirement system by any university police communications and
12 security specialist I who elects to transfer pursuant to this act shall
13 be returned to such officer. Such employee contributions shall be used
14 to offset any past service costs incurred by operation of the provisions
15 of this act.

16 § 4. Notwithstanding subdivision h of section 343 of the retirement
17 and social security law, the provisions of subdivisions c and d of
18 section 343 of the retirement and social security law shall apply and
19 the employer contributions reserve shall be transferred from the appro-
20 priate fund or funds of the New York state and local employees' retire-
21 ment system to the New York state and local police and fire retirement
22 system.

23 § 5. This act shall take effect immediately.

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

This bill would allow any member in the job title University Police Communications and Security Specialist 1 (formerly State University Campus Public Safety Officers) to elect to transfer from the New York State and Local Employees' Retirement System (ERS) to the New York State and Local Police and Fire Retirement System (PFRS) and to be covered by the provisions of a new twenty-five (25) year half pay retirement plan, with additional one-sixtieths of final average salary for each year of service in excess of twenty-five (25) years, but not exceeding fifteen (15) such years. For Tiers 2, 5, and 6 members, the additional one-sixtieths can't exceed seven (7) such years. There will be no refund of member contributions for officers who elect to transfer from ERS to PFRS.

If this bill is enacted, we anticipate that there will be an increase of approximately \$200,000 in the annual contributions of the State of New York for the fiscal year ending March 31, 2020.

In addition to the annual contributions discussed above, it is estimated that there will be an immediate past service cost of \$890,000 which would be borne by the State of New York, assuming that payment will be made on March 1, 2020. If this cost is amortized over 10 years, the cost for the first year, including interest, would be \$118,000.

This cost estimate relies upon information from the New York State Department of Civil Service, provided by the office of Assemblymember Kolb, used to identify 80 affected members with a total estimated billing salary of approximately \$4.2 million for the fiscal year ending 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 February 21, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-56, prepared by the Actuary for the New York State and Local Retirement System.