

STATE OF NEW YORK

5455

2019-2020 Regular Sessions

IN SENATE

May 1, 2019

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

AN ACT to amend the retirement and social security law and the administrative code of the city of New York, in relation to the establishment of twenty-five year retirement programs for members of the New York city employees' retirement system employed as fire protection inspectors and associate fire protection inspectors

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

1 Section 1. Subdivision a of section 444 of the retirement and social
2 security law, as amended by section 141 of subpart B of part C of chap-
3 ter 62 of the laws of 2011, is amended to read as follows:

4 a. Except as provided in subdivision c of section four hundred forty-
5 five-a of this article, subdivision c of section four hundred forty-
6 five-b of this article, subdivision c of section four hundred forty-
7 five-c of this article, subdivision c of section four hundred
8 forty-five-d of this article as added by chapter four hundred seventy-
9 two of the laws of nineteen hundred ninety-five, subdivision c of
10 section four hundred forty-five-e of this article, subdivision c of
11 section four hundred forty-five-f of this article [~~and~~], subdivision c
12 of section four hundred forty-five-h of this article and subdivision c
13 of section four hundred forty-five-j of this article, the maximum
14 retirement benefit computed without optional modification provided to a
15 member of a retirement system who is subject to the provisions of this
16 article, other than a police officer, a firefighter, an investigator
17 member of the New York city employees' retirement system, a member of
18 the uniformed personnel in institutions under the jurisdiction of the
19 New York city department of correction who receives a performance of
20 duty disability retirement allowance, a member of the uniformed person-
21 nel in institutions under the jurisdiction of the department of
22 corrections and community supervision or a security hospital treatment

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

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1 assistant, as those terms are defined in subdivision i of section eight-
2 y-nine of this chapter, who receives a performance of duty disability
3 retirement allowance, a member of a teachers' retirement system, New
4 York city employees' retirement system, New York city board of education
5 retirement system or a member of the New York state and local employees'
6 retirement system or a member of the New York city employees' retirement
7 system or New York city board of education retirement system employed as
8 a special officer, parking control specialist, school safety agent,
9 campus peace officer, taxi and limousine inspector or a police communi-
10 cations member and who receives a performance of duty disability
11 pension, from funds other than those based on a member's own or
12 increased-take-home-pay contributions, shall, before any reduction for
13 early retirement, be sixty per centum of the first fifteen thousand
14 three hundred dollars of final average salary, and fifty per centum of
15 final average salary in excess of fifteen thousand three hundred
16 dollars, and forty per centum of final average salary in excess of twen-
17 ty-seven thousand three hundred dollars, provided, however, that the
18 benefits provided by subdivision c of section four hundred forty-five-d
19 of this article as added by chapter four hundred seventy-two of the laws
20 of nineteen hundred ninety-five based upon the additional member
21 contributions required by subdivision d of such section four hundred
22 forty-five-d shall be subject to the maximum retirement benefit computa-
23 tions set forth in this section. The maximum retirement benefit computed
24 without optional modification payable to a police officer, an investi-
25 gator member of the New York city employees' retirement system or a
26 firefighter shall equal that payable upon completion of thirty years of
27 service, except that the maximum service retirement benefit computed
28 without optional modification shall equal that payable upon completion
29 of thirty-two years of service.

30 § 2. Subdivision a of section 445 of the retirement and social securi-
31 ty law, as amended by chapter 476 of the laws of 2018, is amended to
32 read as follows:

33 a. No member of a retirement system who is subject to the provisions
34 of this article shall retire without regard to age, exclusive of retire-
35 ment for disability, unless he or she is a police officer, an investi-
36 gator member of the New York city employees' retirement system, fire-
37 fighter, correction officer, a qualifying member as defined in section
38 eighty-nine-t, as added by chapter six hundred fifty-seven of the laws
39 of nineteen hundred ninety-eight, of this chapter, sanitation worker, a
40 special officer (including persons employed by the city of New York in
41 the title urban park ranger or associate urban park ranger), school
42 safety agent, campus peace officer or a taxi and limousine commission
43 inspector member of the New York city employees' retirement system or
44 the New York city board of education retirement system, a dispatcher
45 member of the New York city employees' retirement system, a police
46 communications member of the New York city employees' retirement system,
47 an EMT member of the New York city employees' retirement system, a depu-
48 ty sheriff member of the New York city employees' retirement system, a
49 fire protection inspector member of the New York city employees' retire-
50 ment system, a correction officer of the Westchester county correction
51 department as defined in section eighty-nine-e of this chapter or
52 employed in Suffolk county as a peace officer, as defined in section
53 eighty-nine-s, as added by chapter five hundred eighty-eight of the laws
54 of nineteen hundred ninety-seven, of this chapter, employed in Suffolk
55 county as a correction officer, as defined in section eighty-nine-f of
56 this chapter, or employed in Nassau county as a correction officer,

1 uniformed correction division personnel, sheriff, undersheriff or deputy
2 sheriff, as defined in section eighty-nine-g of this chapter, or
3 employed in Nassau county as an ambulance medical technician, an ambu-
4 lance medical technician/supervisor or a member who performs ambulance
5 medical technician related services, as defined in section
6 eighty-nine-s, as amended by chapter five hundred seventy-eight of the
7 laws of nineteen hundred ninety-eight, of this chapter, or employed in
8 Nassau county as a peace officer, as defined in section eighty-nine-s,
9 as added by chapter five hundred ninety-five of the laws of nineteen
10 hundred ninety-seven, of this chapter, or employed in Albany county as a
11 sheriff, undersheriff, deputy sheriff, correction officer or identifica-
12 tion officer, as defined in section eighty-nine-h of this chapter or is
13 employed in St. Lawrence county as a sheriff, undersheriff, deputy sher-
14 iff or correction officer, as defined in section eighty-nine-i of this
15 chapter or is employed in Orleans county as a sheriff, undersheriff,
16 deputy sheriff or correction officer, as defined in section
17 eighty-nine-l of this chapter or is employed in Jefferson county as a
18 sheriff, undersheriff, deputy sheriff or correction officer, as defined
19 in section eighty-nine-j of this chapter or is employed in Onondaga
20 county as a deputy sheriff-jail division competitively appointed or as a
21 correction officer, as defined in section eighty-nine-k of this chapter
22 or is employed in a county which makes an election under subdivision j
23 of section eighty-nine-p of this chapter as a sheriff, undersheriff,
24 deputy sheriff or correction officer as defined in such section eighty-
25 nine-p or is employed in Broome County as a sheriff, undersheriff, depu-
26 ty sheriff or correction officer, as defined in section eighty-nine-m of
27 this chapter or is a Monroe county deputy sheriff-court security, or
28 deputy sheriff-jailor as defined in section eighty-nine-n, as added by
29 chapter five hundred ninety-seven of the laws of nineteen hundred nine-
30 ty-one, of this chapter or is employed in Greene county as a sheriff,
31 undersheriff, deputy sheriff or correction officer, as defined in
32 section eighty-nine-o of this chapter or is a traffic officer with the
33 town of Elmira as defined in section eighty-nine-q of this chapter or is
34 employed by Suffolk county as a park police officer, as defined in
35 section eighty-nine-r of this chapter or is a peace officer employed by
36 a county probation department as defined in section eighty-nine-t, as
37 added by chapter six hundred three of the laws of nineteen hundred nine-
38 ty-eight, of this chapter or is employed in Rockland county as a deputy
39 sheriff-civil as defined in section eighty-nine-v of this chapter as
40 added by chapter four hundred forty-one of the laws of two thousand one,
41 or is employed in Rockland county as a superior correction officer as
42 defined in section eighty-nine-v of this chapter as added by chapter
43 five hundred fifty-six of the laws of two thousand one or is a paramedic
44 employed by the police department in the town of Tonawanda and retires
45 under the provisions of section eighty-nine-v of this chapter, as added
46 by chapter four hundred seventy-two of the laws of two thousand one, or
47 is a county fire marshal, supervising fire marshal, fire marshal,
48 assistant fire marshal, assistant chief fire marshal or chief fire
49 marshal employed by the county of Nassau as defined in section eighty-
50 nine-w of this chapter and is in a plan which permits immediate retire-
51 ment upon completion of a specified period of service without regard to
52 age. Except as provided in subdivision c of section four hundred forty-
53 five-a of this article, subdivision c of section four hundred forty-
54 five-b of this article, subdivision c of section four hundred forty-
55 five-c of this article, subdivision c of section four hundred
56 forty-five-d of this article, subdivision c of section four hundred

1 forty-five-e of this article, subdivision c of section four hundred
2 forty-five-f of this article [~~and~~], subdivision c of section four
3 hundred forty-five-h of this article, and subdivision c of section four
4 hundred forty-five-j of this article, a member in such a plan and such
5 an occupation, other than a police officer or investigator member of the
6 New York city employees' retirement system or a firefighter, shall not
7 be permitted to retire prior to the completion of twenty-five years of
8 credited service; provided, however, if such a member in such an occupa-
9 tion is in a plan which permits retirement upon completion of twenty
10 years of service regardless of age, he or she may retire upon completion
11 of twenty years of credited service and prior to the completion of twen-
12 ty-five years of service, but in such event the benefit provided from
13 funds other than those based on such a member's own contributions shall
14 not exceed two per centum of final average salary per each year of cred-
15 ited service.

16 § 3. The retirement and social security law is amended by adding a new
17 section 445-j to read as follows:

18 § 445-j. Optional twenty-five year improved benefit retirement program
19 for fire protection inspector members. a. Definitions. The following
20 words and phrases as used in this section shall have the following mean-
21 ings unless a different meaning is plainly required by the context.

22 1. "Retirement system" shall mean the New York city employees' retire-
23 ment system.

24 2. "Fire protection inspector member" shall mean (i) a member of the
25 retirement system who is subject to the provisions of this article, who
26 is employed by the city of New York or by the New York city fire depart-
27 ment in a title whose duties are those of a fire protection inspector or
28 associate fire protection inspector; and (ii) a member of the retirement
29 system who, on the effective date of this section or thereafter, was
30 employed by the city of New York or by the New York city fire department
31 in a title whose duties are those of a fire protection inspector or
32 associate fire protection inspector and who, subsequent thereto, became
33 employed by the city of New York or by the New York city fire department
34 in a title whose duties require the supervision of employees whose
35 duties are those of a fire protection inspector or associate fire
36 protection inspector.

37 3. "Twenty-five year improved benefit retirement program" shall mean
38 all the terms and conditions of this section.

39 4. "Starting date of the twenty-five year improved benefit retirement
40 program" shall mean the effective date of this section, as such date is
41 certified pursuant to section forty-one of the legislative law.

42 5. "Participant in the twenty-five year improved benefit retirement
43 program" shall mean any fire protection inspector member who, under the
44 applicable provisions of subdivision b of this section, is entitled to
45 the rights, benefits and privileges and is subject to the obligations of
46 the twenty-five year improved benefit retirement program, as applicable
47 to him or her.

48 6. "Administrative code" shall mean the administrative code of the
49 city of New York.

50 7. "Accumulated deductions" shall mean accumulated deductions as
51 defined in subdivision eleven of section 13-101 of the administrative
52 code.

53 8. "Optional retirement provisions" shall mean the right to retire and
54 receive a retirement allowance under this section upon the completion of
55 twenty-five years of credited service.

1 9. "Credited service" for purposes of this section shall mean all
2 service as a fire protection inspector member.

3 b. Election of twenty-five year improved benefit retirement program.

4 1. Subject to the provisions of paragraphs five and six of this subdivi-
5 sion, any person who is a fire protection inspector member on the start-
6 ing date of the twenty-five year improved benefit retirement program may
7 elect to become a participant in the twenty-five year improved benefit
8 retirement program by filing, within one hundred eighty days after such
9 starting date, a duly executed application for such participation with
10 the retirement system, provided he or she is such a fire protection
11 inspector member on the date such application is filed.

12 2. Subject to the provision of paragraphs five and six of the this
13 subdivision, any person who becomes a fire protection inspector member
14 after the starting date of the twenty-five year improved benefit retire-
15 ment program may elect to become a participant in the twenty-five year
16 improved benefit retirement program by filing, within one hundred eighty
17 days after becoming such a fire protection inspector member, a duly
18 executed application for such participation with the retirement system,
19 provided he or she is such a fire protection inspector member on the
20 date such application is filed.

21 3. Any election to be a participant in the twenty-five year improved
22 benefit retirement program shall be irrevocable.

23 4. Where any participant in the twenty-five year improved benefit
24 retirement program shall cease to hold a position as a fire protection
25 inspector member, he or she shall cease to be such a participant and,
26 during any period in which such a person does not hold such a fire
27 protection inspector position, he or she shall not be a participant in
28 the twenty-five year improved benefit retirement program and shall not
29 be eligible for the benefits of subdivision c of this section.

30 5. Where any participant in the twenty-five year improved benefit
31 retirement program terminates service as a fire protection inspector
32 member and returns to such service as a fire protection inspector member
33 at a later date, he or she shall again become such a participant on that
34 date.

35 6. Notwithstanding any other provision of law to the contrary, any
36 person who is eligible to become a participant in the twenty-five year
37 improved benefit retirement program pursuant to paragraph one or two of
38 this subdivision for the full one hundred eighty day period provided for
39 in such applicable paragraph and who fails to timely file a duly
40 executed application for such participation with the retirement system,
41 shall not thereafter be eligible to become a participant in such
42 program.

43 c. Service retirement benefits. Notwithstanding any other provision of
44 law to the contrary, where a participant in the twenty-five year
45 improved benefit retirement program, who is otherwise qualified for a
46 retirement allowance pursuant to the optional retirement provision set
47 forth in subdivision a of this section, has made and/or paid, while he
48 or she is a fire protection inspector member, all additional member
49 contributions and interest (if any) required by subdivision d of this
50 section, then:

51 1. that participant, while he or she remains a participant, shall not
52 be subject to the provisions of subdivision a of section four hundred
53 forty-five of this article; and

54 2. if that participant, while such a participant, retires from
55 service, he or she shall not be subject to the provisions of section
56 four hundred forty-four of this article; and

1 3. his or her retirement allowance shall be an amount, on account of
2 the required minimum period of service, equal to the sum of (i) an annu-
3 ity which shall be the actuarial equivalent of the accumulated
4 deductions from his or her pay during such period, (ii) a pension for
5 increased-take-home-pay which shall be the actuarial equivalent of the
6 reserve for increased-take-home-pay to which he or she may be entitled,
7 for such period, and (iii) a pension which, when added to such annuity
8 and such pension for increased-take-home-pay, produces a retirement
9 allowance equal to fifty percent of his or her final average salary,
10 plus an amount for each additional year of allowable service as a fire
11 protection inspector member, or fraction thereof, beyond such required
12 minimum period of service equal to two percent of his or her final aver-
13 age salary for such allowable service as a fire protection inspector
14 member during the period from completion of twenty-five years of allow-
15 able service as a fire protection inspector member to the date of
16 retirement but not to exceed more than five years of additional service
17 as a fire protection inspector member.

18 d. Additional member contributions. 1. In addition to the member
19 contributions required pursuant to section 13-125 or 13-162 of the
20 administrative code, each participant in the twenty-five year improved
21 benefit retirement program shall contribute, subject to the applicable
22 provisions of section 13-125.2 of the administrative code, an additional
23 six and twenty-five one-hundredths percent of his or her compensation
24 earned from all allowable service as a fire protection inspector member,
25 as a participant in the twenty-five year improved benefit retirement
26 program, rendered on and after the starting date of the improved benefit
27 retirement program, and all allowable service as a fire protection
28 inspector member after such person ceases to be a participant, but
29 before he or she again becomes a participant pursuant to paragraph five
30 of subdivision b of this section. A participant in the twenty-five year
31 improved benefit retirement program shall contribute additional member
32 contributions until the later of the date as of which he or she is
33 eligible to retire with thirty years of allowable service as a fire
34 protection inspector member under such retirement program, or the first
35 anniversary of the starting date of the twenty-five year improved bene-
36 fit retirement program. The additional contributions required by this
37 section shall be in lieu of additional member contributions required by
38 subdivision d of section four hundred forty-five-d of this chapter, as
39 added by chapter ninety-six of the laws of nineteen hundred ninety-five,
40 and no member paying additional contributions pursuant to this section
41 shall be required to pay additional contributions pursuant to such
42 subdivision d of section four hundred forty-five-d of this article.

43 2. Commencing with the first full payroll period after each person
44 becomes a participant in the twenty-five year improved benefit retire-
45 ment program, additional member contributions at the rate specified in
46 paragraph one of this subdivision shall be deducted, subject to the
47 applicable provisions of section 13-125.2 of the administrative code,
48 from the compensation of such participant on each and every payroll of
49 such participant for each and every payroll period for which he or she
50 is such a participant.

51 3. (i) Subject to the provisions of subparagraph (ii) of this para-
52 graph, where any additional member contributions required by paragraph
53 one of this subdivision are not paid by deductions from a participant's
54 compensation pursuant to paragraph two of this subdivision:

1 (A) that participant shall be charged with a contribution deficiency
2 consisting of such unpaid amounts, together with interest thereon,
3 compounded annually; and

4 (B) such interest on each amount of undeducted contributions shall
5 accrue from the end of the payroll period for which such amount would
6 have been deducted from compensation if he or she had been a participant
7 at the beginning of that payroll period and such deductions had been
8 required for such payroll period until such amount is paid to the
9 retirement system; and

10 (C) (1) interest on each such amount included in such participant's
11 contribution deficiency pursuant to this subparagraph shall be calcu-
12 lated as if such additional member contributions never had been paid by
13 such participant, and such interest shall accrue from the end of the
14 payroll period to which an amount of such additional member contribution
15 is attributable, compounded annually, until such amount is paid to the
16 retirement system;

17 (2) the rate of interest to be applied to each such amount during the
18 period for which interest accrues on that amount shall be equal to the
19 rate or rates of interest required by law to be used during that same
20 period to credit interest on the accumulated deductions of retirement
21 system members;

22 (ii) Except as provided in subparagraph (iii) of this paragraph, no
23 interest shall be due on any unpaid additional contributions which are
24 not attributable to the period prior to the first full payroll period
25 referred to in paragraph two of this subdivision;

26 (iii) Should any person who, pursuant to paragraph seven of this
27 subdivision has withdrawn any additional member contributions (and any
28 interest paid thereon) again become a participant in the twenty-five
29 year improved benefit retirement program pursuant to paragraph five of
30 subdivision b of this section, an appropriate amount shall be included
31 in such participant's contribution deficiency (including interest there-
32 on as calculated pursuant to this paragraph) for any credited service
33 with respect to which such person received a refund of additional member
34 contributions (including any amount of an unpaid loan balance deemed to
35 have been returned to such person pursuant to paragraph seven of this
36 subdivision), as if such additional member contributions never had been
37 paid.

38 4. The board of trustees of the retirement system may, consistent with
39 the provisions of this subdivision, promulgate regulations for the
40 payment of the additional member contributions required by this subdivi-
41 sion, and any interest thereon, by a participant in the twenty-five year
42 improved benefit retirement program (including the deduction of such
43 contributions, and any interest thereon, from his or her compensation).

44 5. Where a participant who is otherwise eligible for service retire-
45 ment pursuant to subdivision c of this section did not, prior to the
46 effective date of retirement, pay the entire amount of a contribution
47 deficiency chargeable to him or her pursuant to paragraph three of this
48 subdivision, or repay the entire amount of a loan of his or her addi-
49 tional member contributions pursuant to paragraph eight of this subdivi-
50 sion (including accrued interest on such loan), that participant, never-
51 theless, shall be eligible to retire pursuant to subdivision c of this
52 section, provided, however, that where such participant is not entitled
53 to a refund of additional member contributions pursuant to paragraph
54 seven of this subdivision, such participant's service retirement benefit
55 calculated pursuant to the applicable provisions of subdivision c of
56 this section shall be reduced by a life annuity (calculated in accord-

1 ance with the method set forth in subdivision i of section six hundred
2 thirteen-b of this chapter) which is actuarially equivalent to (i) the
3 amount of any unpaid contribution deficiency chargeable to such member
4 pursuant to paragraph three of this subdivision; plus (ii) the amount of
5 any unpaid balance of a loan of his or her additional member contrib-
6 utions pursuant to paragraph eight of this subdivision (including
7 accrued interest on such loan).

8 6. Subject to the provisions of paragraph five of this subdivision,
9 where a participant has not paid in full any contribution deficiency
10 chargeable to him or her pursuant to paragraph three of this subdivi-
11 sion, and a benefit, other than a refund of a member's accumulated
12 deductions or a refund of additional member contributions pursuant to
13 paragraph seven of this subdivision, becomes payable by the retirement
14 system to the participant or to his or her designated beneficiary or
15 estate, the actuarial equivalent of any such unpaid amount shall be
16 deducted from the benefit otherwise payable.

17 7. (i) All additional member contributions required by this subdivi-
18 sion (and any interest thereon) which are received by the retirement
19 system shall be paid into its contingent reserve fund and shall be the
20 property of the retirement system. Such additional member contributions
21 (and any interest thereon) shall not for any purpose be deemed to be
22 member contributions or accumulated deductions of a member of the
23 retirement system under section 13-125 or 13-162 of the administrative
24 code while he or she is a participant in the twenty-five year improved
25 benefit retirement program or otherwise.

26 (ii) Should a participant in the twenty-five year improved benefit
27 retirement program, who has rendered less than fifteen years of credited
28 service cease to hold a position as a fire protection inspector member
29 for any reason whatsoever, his or her accumulated additional member
30 contributions made pursuant to this subdivision (together with any
31 interest thereon paid to the retirement system) which remain credited to
32 such participant's account may be withdrawn by him or her pursuant to
33 procedures promulgated in regulations of the board of trustees of the
34 retirement system, together with interest thereon at the rate of inter-
35 est required by law to be used to credit interest on the accumulated
36 deductions of retirement system members compounded annually.

37 (iii) Notwithstanding any other provision of law to the contrary, (A)
38 no person shall be permitted to withdraw from the retirement system any
39 additional member contributions paid pursuant to this subdivision or any
40 interest paid thereon, except pursuant to and in accordance with the
41 preceding subparagraphs of this paragraph; and

42 (B) no person, while he or she is a participant in the twenty-five
43 year improved benefit retirement program, shall be permitted to withdraw
44 any such additional member contributions or any interest paid thereon
45 pursuant to any of the preceding subparagraphs of this paragraph or
46 otherwise.

47 8. A participant in the twenty-five year improved benefit retirement
48 program shall be permitted to borrow from his or her additional member
49 contributions, including any interest paid thereon, which are credited
50 to the additional contributions account established for such participant
51 in the contingent reserve fund of the retirement system. The borrowing
52 from such additional member contributions pursuant to this paragraph
53 shall be governed by the same rights, privileges, obligations and proce-
54 dures set forth in section six hundred thirteen-b of this chapter which
55 govern the borrowing by members subject to article fifteen of this chap-
56 ter of member contributions made pursuant to section six hundred thir-

1 teen of this chapter. The board of trustees of the retirement system
2 may, consistent with the provisions of this subdivision and the
3 provisions of section six hundred thirteen-b of this chapter as made
4 applicable to this subdivision, promulgate regulations governing the
5 borrowing of such additional member contributions.

6 9. Wherever a person has an unpaid balance of a loan of his or her
7 additional member contributions pursuant to paragraph eight of this
8 subdivision at the time he or she becomes entitled to a refund of his or
9 her additional member contributions pursuant to subparagraph (ii) of
10 paragraph seven of this subdivision, the amount of such unpaid loan
11 balance (including accrued interest) shall be deemed to have been
12 returned to such member, and the refund of such additional contributions
13 shall be the net amount of such contributions, together with interest
14 thereon in accordance with the provisions of such subparagraph.

15 10. Notwithstanding any other provision of law to the contrary, the
16 provisions of section one hundred thirty-eight-b of this chapter shall
17 not be applicable to the additional member contributions which are
18 required by this subdivision.

19 11. Notwithstanding any other provision of law to the contrary, the
20 additional member contributions which are required by this subdivision
21 shall not be reduced under any program for increased-take-home-pay.

22 e. The provisions of this section shall not be construed to provide
23 benefits to any participant in the twenty-five year improved benefit
24 retirement program which are greater than those which would be received
25 by a similarly situated member who is entitled to benefits under the
26 provisions of section 13-157.2 of the administrative code, but who is
27 not governed by the provisions of this article.

28 § 4. The retirement and social security law is amended by adding a new
29 section 604-j to read as follows:

30 § 604-j. Twenty-five year retirement program for fire protection
31 inspector members. a. Definitions. The following words and phrases as
32 used in this section shall have the following meanings unless a differ-
33 ent meaning is plainly required by the context.

34 1. "Fire protection inspector member" shall mean a member who is
35 employed by the city of New York or by the New York city fire department
36 in a title whose duties are those of a fire protection inspector or
37 associate fire protection inspector; or in a title whose duties require
38 the supervision of employees whose duties are those of a fire protection
39 inspector or associate fire protection inspector.

40 2. "Twenty-five year retirement program" shall mean all the terms and
41 conditions of this section.

42 3. "Starting date of the twenty-five year retirement program" shall
43 mean the effective date of this section.

44 4. "Participant in the twenty-five year retirement program" shall mean
45 any fire protection inspector member who, under the applicable
46 provisions of subdivision b of this section, is entitled to the rights,
47 benefits and privileges and is subject to the obligations of the twen-
48 ty-five year retirement program, as applicable to him or her.

49 5. "Discontinued member" shall mean a participant in the twenty-five
50 year retirement program who, while he or she was a fire protection
51 inspector member, discontinued service as such a member and has a right
52 to a deferred vested benefit under subdivision d of this section.

53 6. "Administrative code" shall mean the administrative code of the
54 city of New York.

55 7. "Allowable service as a fire protection inspector member" shall
56 mean all service as a fire protection inspector member.

1 b. Participation in the twenty-five year retirement program. 1.
2 Subject to the provisions of paragraphs six and seven of this subdivi-
3 sion, any person who is a fire protection inspector member on the start-
4 ing date of the twenty-five year retirement program and who, as such a
5 fire protection inspector member or otherwise, last became subject to
6 the provisions of this article prior to such starting date, may elect to
7 become a participant in the twenty-five year retirement program by
8 filing, within one hundred eighty days after the starting date of the
9 twenty-five year retirement program, a duly executed application for
10 such participation with the retirement system of which such person is a
11 member, provided he or she is such a fire protection inspector member on
12 the date such application is filed.

13 2. Subject to the provisions of paragraphs six and seven of this
14 subdivision, any person who becomes a fire protection inspector member
15 after the starting date of the twenty-five year retirement program and
16 who, as such a fire protection inspector member or otherwise, last
17 became subject to the provisions of this article prior to such starting
18 date, may elect to become a participant in the twenty-five year retire-
19 ment program by filing, within one hundred eighty days after becoming
20 such a fire protection inspector member, a duly executed application for
21 such participation with the retirement system for which such person is a
22 member, provided he or she is such a fire protection inspector member on
23 the date such application is filed.

24 3. Each fire protection inspector member, other than a fire protection
25 inspector member subject to paragraph one or two of this subdivision,
26 who becomes subject to the provisions of this article on or after the
27 starting date of the twenty-five year retirement program shall become a
28 participant in the twenty-five year retirement program on the date he or
29 she becomes such a fire protection inspector member. Provided, however,
30 a person subject to this paragraph, and who has exceeded age twenty-five
31 upon employment as a fire protection inspector member, shall be exempt
32 from participation in the improved twenty-five year retirement program
33 if such person elects not to participate by filing a duly executed form
34 with the retirement system within one hundred eighty days of becoming a
35 fire protection inspector member.

36 4. Any election to be a participant in the twenty-five year retirement
37 program shall be irrevocable.

38 5. Where any participant in the twenty-five year retirement program
39 shall cease to be employed as a fire protection inspector member, he or
40 she shall cease to be such a participant and, during any period in which
41 such person is not so employed, he or she shall not be a participant in
42 the twenty-five year retirement program and shall not be eligible for
43 the benefits of subdivision c of this section.

44 6. Where any participant in the twenty-five year retirement program
45 terminates service as a fire protection inspector member and returns to
46 such service as a fire protection inspector member at a later date, he
47 or she shall again become such a participant on that date.

48 7. Notwithstanding any other provision of the law to the contrary, any
49 person who is eligible to elect to become a participant in the twenty-
50 five year retirement program pursuant to paragraph one or two of this
51 subdivision for the full one hundred eighty day period provided for in
52 such applicable paragraph and who fails to timely file a duly executed
53 application for such participation with the retirement system, shall not
54 thereafter be eligible to become a participant in such program.

55 c. Service retirement benefits. 1. A participant in the twenty-five
56 year retirement program:

1 (i) who has completed twenty-five or more years of allowable service
2 as a fire protection inspector member; and

3 (ii) who has paid, before the effective date of retirement, all addi-
4 tional member contributions and interest (if any) required by subdivi-
5 sion e of this section; and

6 (iii) who files with the retirement system of which he or she is a
7 member an application for service retirement setting forth at what time,
8 not less than thirty days subsequent to the execution and filing there-
9 of, he or she desires to be retired; and

10 (iv) who shall be a participant in the twenty-five year retirement
11 program at the time so specified for his or her retirement; shall be
12 retired pursuant to the provisions of this section affording early
13 service retirement.

14 2. Notwithstanding the provisions of subdivision a-1 of section six
15 hundred three of this article, or any other provision of law to the
16 contrary, and subject to the provisions of paragraph six of subdivi-
17 sion e of this section, the early service retirement benefit for participants
18 in the twenty-five year retirement program who retire pursuant to para-
19 graph one of this subdivision shall be a retirement allowance consisting
20 of:

21 (i) an amount, on account of the required minimum period of service,
22 equal to fifty percent of his or her final average salary; plus

23 (ii) an amount on account of allowable service as a fire protection
24 inspector member, or fraction thereof, beyond such required minimum
25 period of service equal to two percent of his or her final salary for
26 such allowable service as a fire protection inspector member during the
27 period from completion of twenty-five years of allowable service as a
28 fire protection inspector member to the date of retirement but not to
29 exceed more than five years of additional service as a fire protection
30 inspector member.

31 d. Vesting. 1. A participant in the twenty-five year retirement
32 program:

33 (i) who discontinues service as such a participant, other than by
34 death or retirement; and

35 (ii) in the case of a participant who is not a New York city revised
36 plan member, who prior to such discontinuance, completed five but less
37 than twenty-five years of allowable service as a fire protection inspec-
38 tor member or, in the case of a participant who is a New York city
39 revised plan member, who prior to such discontinuance, completed ten but
40 less than twenty-five years of allowable service as a fire protection
41 inspector member; and

42 (iii) who, subject to the provisions of paragraph seven of subdivi-
43 sion e of this section, has paid, prior to such discontinuance, all addi-
44 tional member contributions and interest (if any) required by subdivi-
45 sion e of this section; and

46 (iv) who does not withdraw in whole or in part his or her accumulated
47 member contributions pursuant to section six hundred thirteen of this
48 article unless such participant thereafter returns to public service and
49 repays the amounts so withdrawn, together with interest, pursuant to
50 such section six hundred thirteen; shall be entitled to receive a
51 deferred vested benefit as provided in this subdivision.

52 2. (i) Upon such discontinuance under the conditions and in compliance
53 with the provisions of paragraph one of this subdivision, such deferred
54 vested benefit shall vest automatically.

55 (ii) In the case of a participant who is not a New York city revised
56 plan member, such vested benefit shall become payable on the earliest

1 date on which such discontinued member could have retired for service if
2 such discontinuance had not occurred or, in the case of a participant
3 who is a New York city revised plan member, such vested benefit shall
4 become payable at age sixty-three. Subject to the provisions of para-
5 graph seven of subdivision e of this section, such deferred vested bene-
6 fit shall be a retirement allowance consisting of an amount equal to two
7 percent of such discontinued member's final average salary, multiplied
8 by the number of years of credited service.

9 e. Additional member contributions. 1. In addition to the member
10 contributions required by section six hundred thirteen of this article,
11 each participant in the twenty-five year retirement program shall
12 contribute to the retirement system of which he or she is a member
13 (subject to the applicable provisions of subdivision d of section six
14 hundred thirteen of this article and subject to the limitation provided
15 for in paragraph two of this subdivision) an additional six and twenty-
16 five one-hundredths percent of his or her compensation earned from (i)
17 all allowable service, as a participant in the twenty-five year retire-
18 ment program, rendered on or after the starting date of the twenty-five
19 year retirement program, and (ii) all allowable service after such
20 person ceases to be a participant, but before he or she again becomes a
21 participant pursuant to paragraph six of subdivision b of this section.
22 The additional contributions required by this section shall be in lieu
23 of additional member contributions required by subdivision d of section
24 six hundred four-c of this article, as added by chapter ninety-six of
25 the laws of nineteen hundred ninety-five, and no member making addi-
26 tional contributions pursuant to this section shall be required to make
27 contributions pursuant to such subdivision d of section six hundred
28 four-c of this article. Notwithstanding the foregoing provisions of this
29 paragraph, the additional member contribution required to be paid by
30 each participant pursuant to this paragraph shall not exceed the
31 percentage of his or her compensation that, when added to the contrib-
32 ution made pursuant to subdivision d of section six hundred thirteen of
33 this article, equals nine and twenty-five one-hundredths percent of that
34 compensation.

35 2. A participant in the twenty-five year retirement program shall
36 contribute additional member contributions until the later of (i) the
37 first anniversary of the starting date of the twenty-five year retire-
38 ment program, or (ii) the date on which he or she completes thirty years
39 of allowable service as a fire protection inspector member.

40 3. Commencing with the first full payroll period after each person
41 becomes a participant in the twenty-five year retirement program, addi-
42 tional member contributions at the rate specified in paragraph one of
43 this subdivision shall be deducted (subject to the applicable provisions
44 of subdivision d of section six hundred thirteen of this article) from
45 the compensation of such participant on each and every payroll of such
46 participant for each and every payroll period for which he or she is
47 such a participant.

48 4. (i) Each participant in the twenty-five year retirement program
49 shall be charged with a contribution deficiency consisting of the total
50 amounts of additional member contributions such person is required to
51 make pursuant to paragraphs one and two of this subdivision which are
52 not deducted from his or her compensation pursuant to paragraph three of
53 this subdivision, if any, together with interest thereon, compounded
54 annually, and computed in accordance with the provisions of subpara-
55 graphs (ii) and (iii) of this paragraph.

1 (ii) (A) The interest required to be paid on each such amount speci-
2 fied in subparagraph (i) of this paragraph shall accrue from the end of
3 the payroll period for which such amount would have been deducted from
4 compensation if he or she had been a participant at the beginning of
5 that payroll period and such deduction had been required for such
6 payroll period, until such amount is paid to the retirement system.

7 (B) The rate of interest to be applied to each such amount during the
8 period for which interest accrues on that amount shall be equal to the
9 rate or rates of interest required by law to be used during that same
10 period to credit interest on the accumulated deductions of retirement
11 system members.

12 (iii) Except as otherwise provided in paragraph five of this subdivi-
13 sion, no interest shall be due on any unpaid additional member contrib-
14 utions which are not attributable to a period prior to the first full
15 payroll period referred to in paragraph three of this subdivision.

16 5. (i) Should any person who, pursuant to subparagraph (ii) of para-
17 graph ten of this subdivision, has received a refund of his or her addi-
18 tional member contribution including any interest paid on such contrib-
19 utions, again become a participant in the twenty-five year retirement
20 program pursuant to paragraph six of subdivision b of this section, an
21 appropriate amount shall be included in such participant's contribution
22 deficiency (including interest thereon as calculated pursuant to subpar-
23 agraph (ii) of this paragraph) for any credited service for which such
24 person received a refund of such additional member contributions
25 (including any amount of an unpaid loan balance deemed to have been
26 returned to such person pursuant to paragraph twelve of this subdivi-
27 sion), as if such additional member contributions never had been paid.

28 (ii)(A) Interest on a participant's additional member contributions
29 included in such participant's contribution deficiency pursuant to
30 subparagraph (i) of this paragraph shall be calculated as if such addi-
31 tional member contributions had never been paid by such participant, and
32 such interest shall accrue from the end of the payroll period to which
33 an amount of such additional member contributions is attributable, until
34 such amount is paid to the retirement system.

35 (B) The rate of interest to be applied to each such amount during the
36 period for which interest accrues on that amount shall be five percent
37 per annum, compounded annually.

38 6. Where a participant who is otherwise eligible for service retire-
39 ment pursuant to subdivision c of this section did not, prior to the
40 effective date of retirement, pay the entire amount of a contribution
41 deficiency chargeable to him or her pursuant to paragraphs four and five
42 of this subdivision, or repay the entire amount of a loan of his or her
43 additional member contributions pursuant to paragraph eleven of this
44 subdivision (including accrued interest on such loan), that participant,
45 nevertheless, shall be eligible to retire pursuant to subdivision c of
46 this section, provided, however, that such participant's service retire-
47 ment benefit calculated pursuant to paragraph two of such subdivision c
48 of this section shall be reduced by a life annuity (calculated in
49 accordance with the method set forth in subdivision i of section six
50 hundred thirteen-b of this article) which is actuarially equivalent to:

51 (i) the amount of any unpaid contribution deficiency chargeable to
52 such member pursuant to paragraphs four and five of this subdivision;
53 plus

54 (ii) the amount of any unpaid balance of a loan of his or her addi-
55 tional member contributions pursuant to paragraph eleven of this subdivi-
56 vision (including accrued interest on such loan).

7. Where a participant who is otherwise eligible for a vested right to a deferred benefit pursuant to subdivision d of this section did not, prior to the date of discontinuance of service, pay the entire amount of a contribution deficiency chargeable to him or her pursuant to paragraphs four and five of this subdivision, or repay the entire amount of a loan of his or her additional member contributions pursuant to paragraph eleven of this subdivision (including accrued interest on such loan), that participant, nevertheless, shall have a vested right to a deferred benefit pursuant to subdivision d of this section provided, however, that the deferred vested benefit calculated pursuant to paragraph two of subdivision d of this section shall be reduced by a life annuity (calculated in accordance with the method set forth in subdivision i of section six hundred thirteen-b of this article) which is actuarially equivalent to:

(i) the amount of any unpaid contribution chargeable to such member pursuant to paragraphs four and five of this subdivision; plus

(ii) the amount of any unpaid balance of a loan of his or her additional member contributions pursuant to paragraph eleven of this subdivision (including accrued interest on such a loan).

8. The head of a retirement system which includes participants in the twenty-five year retirement program in its membership may, consistent with the provisions of this subdivision, promulgate regulations for the payment of such additional member contributions, and any interest thereon, by such participants (including the deduction of such contributions, and any interest thereon, from the participant's compensation).

9. Subject to the provisions of paragraphs six and seven of this subdivision, where a participant has not paid in full any contribution deficiency chargeable to him or her pursuant to paragraphs four and five of this subdivision, and a benefit, other than a refund of member contributions pursuant to section six hundred thirteen of this article or a refund of additional member contributions pursuant to subparagraph (ii) of paragraph ten of this subdivision, becomes payable under this article to the participant or to his or her designated beneficiary or estate, the actuarial equivalent of any such unpaid amount shall be deducted from the benefit otherwise payable.

10. (i) Such additional member contributions (and any interest thereon) shall be paid into the contingent reserve fund of the retirement system of which the participant is a member and shall not for any purpose be deemed to be member contributions or accumulated contributions of a member under section six hundred thirteen of this article or otherwise while he or she is a participant in the twenty-five year retirement program or otherwise.

(ii) Should a participant in the twenty-five year retirement program who has rendered less than fifteen years of credited service cease to hold a position as a fire protection inspector member for any reason whatsoever, his or her accumulated additional member contributions made pursuant to this subdivision (together with any interest thereon paid to the retirement system) may be withdrawn by him or her pursuant to procedures promulgated in regulations of the board of trustees of the retirement system, together with interest thereon at the rate of five percent per annum, compounded annually.

(iii) Notwithstanding any other provision of law to the contrary, (A) no person shall be permitted to withdraw from the retirement system any additional member contributions paid pursuant to this subdivision or any interest paid thereon, except pursuant to and in accordance with the preceding subparagraphs of this paragraph; and (B) no person, while he

1 or she is a participant in the twenty-five year retirement program,
2 shall be permitted to withdraw any such additional member contributions
3 or any interest paid thereon pursuant to any of the preceding subpara-
4 graphs of this paragraph or otherwise.

5 11. A participant in the twenty-five year retirement program shall be
6 permitted to borrow from his or her additional member contributions
7 (including any interest paid thereon) which are credited to the addi-
8 tional contributions account established for such participant in the
9 contingent reserve fund of the retirement system. The borrowing from
10 such additional member contributions pursuant to this paragraph shall be
11 governed by the rights, privileges, obligations and procedures set forth
12 in section six hundred thirteen-b of this article which govern the
13 borrowing of member contributions made pursuant to section six hundred
14 thirteen of this article. The board of trustees of the retirement system
15 may, consistent with the provisions of this subdivision and the
16 provisions of section six hundred thirteen-b of this article as made
17 applicable to this subdivision, promulgate regulations governing the
18 borrowing of such additional member contributions.

19 12. Whenever a person has an unpaid balance of a loan or his or her
20 additional member contributions pursuant to paragraph eleven of this
21 subdivision at the time he or she becomes entitled to a refund of his or
22 her additional member contributions pursuant to subparagraph (ii) of
23 paragraph ten of this subdivision, the amount of such unpaid loan
24 balance (including accrued interest) shall be deemed to have been
25 returned to such member, and the refund of such additional contributions
26 shall be the net amount of such contribution, together with interest
27 thereon in accordance with the provisions of such subparagraph (ii).

28 § 5. Subdivision d of section 613 of the retirement and social securi-
29 ty law is amended by adding a new paragraph 12 to read as follows:

30 12. (i) The city of New York shall, in the case of a fire protection
31 inspector member (as defined in paragraph one of subdivision a of
32 section six hundred four-j of this article) who is a participant in the
33 twenty-five year retirement program (as defined in paragraph four of
34 subdivision a of such section six hundred four-j), pick up and pay to
35 the retirement system of which such participant is a member all addi-
36 tional member contributions which otherwise would be required to be
37 deducted from such member's compensation pursuant to paragraphs one and
38 two of subdivision e of such section six hundred four-j of this article
39 (not including any additional member contributions due for any period
40 prior to the first full payroll period referred to in such paragraph
41 three of such subdivision e), and shall effect such pick up in each and
42 every payroll of such participant for each and every payroll period with
43 respect to which such paragraph three would otherwise require such
44 deductions.

45 (ii) An amount equal to the amount of additional contributions picked
46 up pursuant to this paragraph shall be deducted by such employer from
47 the compensation of such member (as such compensation would be in the
48 absence of a pick up program applicable to him or her hereunder) and
49 shall not be paid to such member.

50 (iii) The additional member contributions picked up pursuant to this
51 paragraph for any such member shall be paid by such employer in lieu of
52 an equal amount of additional member contributions otherwise required to
53 be paid by such member under the applicable provisions of subdivision e
54 of section six hundred four-j of this article, and shall be deemed to be
55 and treated as employer contributions pursuant to section 414(h) of the
56 Internal Revenue Code.

1 (iv) For the purpose of determining the retirement system rights,
2 benefits and privileges of any member whose additional member contrib-
3 utions are picked up pursuant to this paragraph, such picked up addi-
4 tional member contributions shall be deemed to be and treated as part of
5 such member's additional member contributions under the applicable
6 provisions of subdivision e of section six hundred four-j of this arti-
7 cle.

8 (v) With the exception of federal income tax treatment, the additional
9 member contributions picked up pursuant to subparagraph (i) of this
10 paragraph shall for all other purposes, including computation of retire-
11 ment benefits and contributions by employers and employees, be deemed
12 employee salary. Nothing contained in this subdivision shall be
13 construed as superseding the provisions of section four hundred thirty-
14 one of this chapter, or any similar provision of law which limits the
15 salary base for computing retirement benefits payable by a public
16 retirement system.

17 § 6. Section 13-125.2 of the administrative code of the city of New
18 York is amended by adding a new subdivision a-9 to read as follows:

19 a-9. Notwithstanding any other provision of law to the contrary, on or
20 after the starting date for pick up, the employer responsible for pick
21 up shall, in the case of a fire protection inspector member (as defined
22 in paragraph two of subdivision a of section four hundred forty-five-j
23 of the retirement and social security law) who is a participant in the
24 twenty-five year improved benefit retirement program (as defined in
25 paragraph three of such subdivision a), pick up and pay to the retire-
26 ment system all additional member contributions which otherwise would be
27 required to be deducted from such member's compensation pursuant to
28 subdivision d of such section four hundred forty-five-j, and shall
29 effect such pick up on each and every payroll of such participant for
30 each and every payroll period with respect to which such subdivision d
31 would otherwise require such deductions.

32 § 7. Subparagraph (ii) of paragraph 1 of subdivision c of section
33 13-125.2 of the administrative code of the city of New York, as amended
34 by chapter 682 of the laws of 2003, is amended to read as follows:

35 (ii) the determination of the amount of such member's Tier I or Tier
36 II nonuniformed-force member contributions eligible for pick up by the
37 employer or additional member contributions required to be picked up
38 pursuant to subdivision a-one, subdivision a-two, subdivision a-three,
39 subdivision a-four, subdivision a-five, subdivision a-six, subdivision
40 a-seven or subdivision a-eight of this section, or subdivision a-nine of
41 this section; and

42 § 8. Subdivision d of section 13-125.2 of the administrative code of
43 the city of New York is amended by adding a new paragraph 2-h to read as
44 follows:

45 (2-h) For the purpose of determining the retirement system rights,
46 benefits and privileges of any member who is a participant in the twen-
47 ty-five year retirement program (as defined in paragraph three of subdi-
48 vision a of section four hundred forty-five-j of the retirement and
49 social security law), the additional member contributions of such
50 participant picked up pursuant to subdivision a-nine of this section
51 shall be deemed to be and treated as a part of such member's additional
52 contributions under subdivision d of such section four hundred forty-
53 five-j.

54 § 9. Paragraph 3 of subdivision d of section 13-125.2 of the adminis-
55 trative code of the city of New York, as amended by chapter 682 of the
56 laws of 2003, is amended to read as follows:

(3) Interest on contributions picked up for any Tier I or Tier II non-uniformed-force member pursuant to this section (other than additional member contributions picked up pursuant to subdivision a-one, subdivision a-two, subdivision a-three, subdivision a-four, subdivision a-five, subdivision a-six, subdivision a-seven ~~[ex]~~, subdivision a-eight, or subdivision a-nine of this section) shall accrue in favor of the member and be payable to the retirement system at the same rate, for the same time periods, in the same manner and under the same circumstances as interest would be required to accrue in favor of the member and be payable to the retirement system on such contributions if they were made by such member in the absence of a pick up program applicable to such member under the provisions of this section.

§ 10. Subdivision a of section 603 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

a. The service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum service requirements upon retirement and attainment of age sixty-two, other than members who are eligible for early service retirement pursuant to subdivision c of section six hundred four-b of this article, subdivision c of section six hundred four-c of this article, subdivision d of section six hundred four-d of this article, subdivision c of section six hundred four-e of this article, subdivision c of section six hundred four-f of this article, subdivision c of section six hundred four-g of this article, subdivision c of section six hundred four-h of this article ~~[ex]~~ subdivision c of section six hundred four-i of this article, or subdivision c of section six hundred four-j of this article, provided, however, a member of a teachers' retirement system or the New York state and local employees' retirement system who first joins such system before January first, two thousand ten or a member who is a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system before April first, two thousand twelve may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service, provided, however, that a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system on or after January first, two thousand ten and retires without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service pursuant to this section shall be required to make the member contributions required by subdivision f of section six hundred thirteen of this article for all years of credited and creditable service, provided further that the ~~[the]~~ preceding provisions of this subdivision shall not apply to a New York city revised plan member.

§ 11. Nothing contained in sections five and ten of this act shall be construed to create any contractual right with respect to members to whom such sections apply. The provisions of such sections are intended to afford members the advantages of certain benefits contained in the internal revenue code, and the effectiveness and existence of such sections and benefits they confer are completely contingent thereon.

§ 12. This act shall take effect immediately, provided, however that:

(a) The provisions of sections five and ten of this act shall remain in full force and effect only so long as, pursuant to federal law, contributions picked up under such sections are not includable as gross

1 income of a member for federal income tax purposes until distributed or
2 made available to the member; provided that the New York city employees'
3 retirement system shall notify the legislative bill drafting commission
4 upon the occurrence of such a change in federal law ruling affecting the
5 provisions of this act in order that the commission may maintain an
6 accurate and timely effective data base of the official text of the laws
7 of the state of New York in furtherance of effectuating the provisions
8 of section 44 of the legislative law and section 70-b of the public
9 officers law;

10 (b) The amendments to section 13-125.2 of the administrative code of
11 the city of New York made by sections six, seven, eight, and nine of
12 this act shall not affect the expiration of such section and shall be
13 deemed to expire therewith; and

14 (c) The amendments to subdivision a of section 603 of the retirement
15 and social security law made by section ten of this act shall not affect
16 the expiration of such subdivision and shall be deemed to expire there-
17 with.

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

SUMMARY OF BILL: This proposed legislation would amend Administrative Code of the City of New York (ACCNY) Section 13-125.2 and Retirement and Social Security Law (RSSL) Sections 444, 445, 603, and 613, and add ACCNY Section 13-157.5 and RSSL Sections 445-j and 604-j to establish a 25-Year Retirement Program for Fire Protection Inspectors (FPI 25-Year Plan) for each tier.

Effective Date: Upon enactment.

MEMBERS ELIGIBLE TO JOIN: Members whose duties are one of the following are eligible to participate in the FPI 25-Year Plan:

- * Fire Protection Inspector,
- * Associate Fire Protection Inspector,
- * Supervisor of employees whose duties are those of a fire protection inspector, and
- * Supervisor of employees whose duties are those of an associate fire protection inspector.

For purposes of this Fiscal Note, these members are collectively referred to as "Fire Inspectors."

Participation in an applicable FPI 25-Year Plan is optional for anyone who is eligible to participate in such Plan on the date of enactment by filing an election form within 180 days of enactment. Anyone who is an existing member of the New York City Employees' Retirement System (NYCERS) on the date of enactment and subsequently becomes employed as a Fire Inspector also has 180 days to elect to join the applicable FPI 25-Year Plan.

Any Fire Inspector who becomes a NYCERS member after the date of enactment is mandated into the Tier 6 FPI 25-Year Plan. However, if the member exceeds age 25 upon being mandated into the FPI 25-Year Plan, the member has the option, within 180 days of becoming a Fire Inspector, to elect not to participate.

IMPACT ON BENEFITS: Currently, Fire Inspectors generally participate in one of the NYCERS general plans (i.e. basic Tier 4 62/5 Plan, Tier 6 63/10 Plan or Improved Tier 4 57/5, 55/25 Plans). Note that since there is only one Tier 2 Fire Inspector remaining, the following summary of the FPI 25-Year Plan is for Tier 4 and Tier 6 members only.

The proposed legislation, if enacted, would provide the following benefits to Fire Inspectors under the FPI 25-Year Plan:

- * Service retirement benefit:

- * 50% of Final Average Salary (FAS) for the first 25 years of Allowable Service, plus
- * 2% of FAS for each additional year of Allowable Service, or fraction thereof, exceeding 25 years up to a maximum of 30 years of such service.
- * Final Average Salary:
 - * Tier 4 - Three Year Average (FAS3).
 - * Tier 6 - Five Year Average (FAS5).
- * Vested benefit:
- * Eligibility:
 - * Tier 4 - At least five, but less than 25, years of allowable service.
 - * Tier 6 - At least 10, but less than 25, years of allowable service.
- * Payable at:
 - * Tier 4 - The date the member would have completed 25 years of allowable service.
 - * Tier 6 - Age 63.
- * Amount:
 - * 2% of FAS for each year of allowable service.
- * Other benefits: Members of the proposed FPI 25-Year Plans are entitled to the same disability and death benefits as other Tier 4 and Tier 6 members under the respective basic plans.

ADDITIONAL MEMBER CONTRIBUTIONS: Members of an FPI 25-Year Plan are required to make, in addition to the Tier 4 Basic Member Contributions (BMC) of 3% and the Tier 6 BMC ranging from 3% to 6% depending on defined salary scales, Additional Member Contributions (AMC) equal to 6.25% of compensation for all service as a Plan participant on and after the starting date of the Plan until the later of the one-year anniversary of the effective date of the Plans or 30 years of credited service. In no event shall BMCs plus AMCs exceed 9.25% of salary.

FINANCIAL IMPACT - PRESENT VALUES: Based on the anticipated group of members joining the FPI 25-Year Plans and the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the Present Value of Future Benefits (PVFB) by approximately \$2.7 million, and increase the Present Value of member contributions of approximately \$1.2 million. The net result is an increase in the Present Value of future employer contributions of approximately \$1.5 million.

Under the Entry Age Normal cost method used to determine the employer contributions to NYCERS, there would be an increase in the Unfunded Accrued Liability (UAL) of approximately \$2.0 million offset by a decrease in the Present Value of future employer Normal Cost of \$0.5 million.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with Administrative Code of the City of New York (ACCNYS) Section 13-638.2(k-2), new UAL attributable to benefit changes are to be amortized as determined by the Actuary but generally over the remaining working lifetime of those impacted by the benefit changes. As of June 30, 2018, the remaining working lifetime of the Fire Inspectors assumed to join the FPI 25-Year Plans is approximately 8 years.

For the purposes of this Fiscal Note, the increase in UAL was amortized over an 8-year period (7 payments under the One-Year Lag Methodology) using level dollar payments. This payment plus the increase in the Normal Cost results in an increase in annual employer contributions of approximately \$454,000 each year.

OTHER COSTS: 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.

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 June 30, 2019 actuarial valuation of NYCERS. In accordance with the One-Year Lag Methodology (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, 2018 (Lag) actuarial valuation of NYCERS to determine the Preliminary Fiscal Year 2020 employer contributions.

The 69 Fire Inspectors as of June 30, 2018 assumed to join the FPI 25-Year Plans had an average age of approximately 50.3 years, average service of approximately 20.0 years, and an average salary of approximately \$77,400.

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, 2018 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2020 employer contributions of NYCERS.

To determine the impact of the elective nature of the proposed legislation, a subgroup of NYCERS Fire Inspectors was developed based on who could potentially benefit actuarially. The net 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 under the FPI 25-Year Plan. If the net Present Value of future employer cost under the FPI 25-Year Plan was greater than or equal to the Present Value of future employer cost under the member's current plan, the member was deemed to benefit actuarially.

Based on this analysis, it was determined that those members who are mandated into the FPI 25-Year Plan in the future will generally not benefit under the Plan (i.e. they will have a decrease in Present Value of future employer costs as compared to the Tier 6 63/10 Plan they would otherwise participate in, absent this proposed legislation), and therefore the costs presented in this Fiscal Note are borne only from current NYCERS members who are assumed to benefit from, and thus opt to join, the FPI-25 Year Plan.

RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend highly on the actuarial assumptions and methods used and are subject to change based on the realization of potential investment, demographic, 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.

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 2019-09 dated April 23, 2019 was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2019 Legislative Session.