

STATE OF NEW YORK

6039--A

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law and the administrative code of the city of New York, in relation to establishing disability retirement benefits for certain members who suffer any condition or impairment of health caused by diseases of the lung

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

1 Section 1. The retirement and social security law is amended by adding
2 a new section 605-f to read as follows:

3 § 605-f. Disability retirement for certain New York city members. a.
4 For the purposes of this section, a "New York city member" shall mean a
5 member employed in any of the following titles: associate transit
6 customer service specialist two, assistant train dispatcher, collection
7 supervisor one, dispatcher one, dispatcher rapid transit operations,
8 electrical supervisor, electronic supervisor, locomotive engine instruc-
9 tor supervisor, maintenance of way instructor supervisor, maintenance
10 supervisor car equipment one, maintenance supervisor electric equipment
11 one, maintenance supervisor electric power one, maintenance supervisor
12 elevated one, maintenance supervisor lighting one, maintenance supervi-
13 sor lighting one buses, maintenance supervisor power cables one, mainte-
14 nance supervisor power distribution one, maintenance supervisor power
15 electron one, maintenance supervisor revenue one, maintenance supervisor
16 signals one, maintenance supervisor stores one, maintenance supervisor
17 structure A carpentry one buses, maintenance supervisor structure A
18 carpentry one, maintenance supervisor structure B masonry one, mainte-
19 nance supervisor structure B masonry one buses, maintenance supervisor
20 structure C ironwork one, maintenance supervisor structure C ironwork
21 one buses, maintenance supervisor structure D sheetmetal one, mainte-

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

LBD11234-02-9

1 nance supervisor structure E plumbing one, maintenance supervisor struc-
2 ture E plumbing one buses, maintenance supervisor structure F painting
3 one, maintenance supervisor structure F painting one buses, maintenance
4 supervisor structure H air cooling and heating one, maintenance supervi-
5 sor structure H air cooling and heating one buses, maintenance supervi-
6 sor surface one, maintenance supervisor telephones one, maintenance
7 supervisor track equipment one, maintenance supervisor track one, main-
8 tenance supervisor ventilation and drainage one, maintenance supervisor
9 ventilation one buses, powers and signals supervisor, Staten Island
10 railway operations supervisor, storeroom supervisor, superintendent
11 administration and timekeeping, supervisor infrastructure, supervisor
12 maintenance, supervisor station one, train service supervisor, transit
13 property protection supervisor one, yard dispatcher rapid transit oper-
14 ations, collection supervisor revenue two, dispatcher one surface
15 Queens, maintenance supervisor car equipment two, maintenance supervisor
16 electric equipment two, maintenance supervisor electric power two, main-
17 tenance supervisor elevated two, maintenance supervisor lighting two,
18 maintenance supervisor power cables two, maintenance supervisor power
19 distribution two, maintenance supervisor revenue two, maintenance super-
20 visor signals two, maintenance supervisor structure A carpenter two,
21 maintenance supervisor structure B masonry two, maintenance supervisor
22 structure C ironwork two, maintenance supervisor structure D sheetmetal
23 two, maintenance supervisor structure E plumbing two, maintenance super-
24 visor structure F painting two, maintenance supervisor structure H air
25 cool two, maintenance supervisor surface one Queens, maintenance super-
26 visor telephones two, maintenance supervisor track equipment two, main-
27 tenance supervisor track two, maintenance supervisor ventilation two,
28 supervisor station two, transit property protection two, car inspector
29 assignment A, car inspector assignment B, car inspector B 01-E, car
30 maintainer B, car maintainer B 01-E, car maintainer C, cleaner (labor)
31 station maintenance helper, cleaner (transit authority labor) amalgamat-
32 ed transit union Q1056, cleaner (transit authority labor) amalgamated
33 transit union S1726, cleaner (transit authority labor) TWU Local 100
34 01-D, cleaner/ station maintenance helper, collecting agent, collecting
35 agent 01-F, conductor (construction and flagging), conductor, light
36 maintainer, maintainer (electronic equipment), maintainer one (revenue
37 equipment), mechanical maintainer C, power cable maintainer, power
38 distribution maintainer, power electronic maintainer, power electronic
39 technician, power maintainer B, quality control specialist, railroad
40 stock worker one, railroad stock worker two, railroad track cleaner,
41 road car inspector, signal maintainer, station agent non automated fare
42 collection, station agent automated fare collection, station agent paid
43 as collecting agent, structure maintainer A, structure maintainer B,
44 structure maintainer C, structure maintainer D, structure maintainer E,
45 structure maintainer F, structure maintainer G, TA electronic helper
46 power distribution 01-F, TA electronic mechanical maintenance (venti-
47 lation) 01-E, TA electronic helper lighting 01-F, TA electronic helper
48 power 01-F, TA electronic helper signals 01-F, TA electronic mechanical
49 maintenance 01-E, TA electronic mechanical maintenance heating venti-
50 lation and cooling 01-E, TA property protection agent 01-F, telephone
51 maintainer, tower operator, track equipment maintainer, track worker,
52 track worker (specialist), train operator (revenue vehicles), train
53 operator (yard), transit electronic helper elevated, transit electronic
54 helper lighting, transit electronic helper power, transit electronic
55 helper power distribution, transit electronic helper signals, transit
56 electrical apprentice, transit electronic mechanical maintainer

elevated, transit electronic mechanical maintainer heating ventilation and cooling, transit electronic mechanical maintainer ventilation, transit property protection agent, transit railcar technical specialist one, transit railcar technical specialist one operations, transit railcar technical specialist two, transit railcar technical specialist two operations, transit railcar technical specialist three, transit railcar technical specialist three operations, transit railcar technical specialist four, transit railcar technical specialist four operations and transit railcar technical specialist intern.

b. A New York city member shall be entitled to disability retirement allowance, if, at the time application therefor is filed, such member is physically incapacitated for performance of duty as a result of any condition of impairment of health caused by diseases of the lung while so employed and as a result of his or her employment.

c. Notwithstanding any provision of this chapter or of any general, special or local law to the contrary, any New York city member who is diagnosed with any condition of impairment of health caused by diseases of the lung, resulting in disability to such member, presently employed, and who shall have sustained such disability while so employed, shall have such diagnosis be presumptive evidence that such disability was incurred in the performance and discharge of duty, unless the contrary be proven by competent evidence.

d. The annual retirement allowance payable shall be equal to the three-quarters of his or her final average salary, subject to section 13-176 of the administrative code of the city of New York.

§ 2. The administrative code of the city of New York is amended by adding a new section 13-168.1 to read as follows:

§ 13-168.1 Disability retirement for certain New York city members. a. For the purposes of this section, a "New York city member" shall mean a member employed in any of the following titles: associate transit customer service specialist two, assistant train dispatcher, collection supervisor one, dispatcher one, dispatcher rapid transit operations, electrical supervisor, electronic supervisor, locomotive engine instructor supervisor, maintenance of way instructor supervisor, maintenance supervisor car equipment one, maintenance supervisor electric equipment one, maintenance supervisor electric power one, maintenance supervisor elevated one, maintenance supervisor lighting one, maintenance supervisor lighting one buses, maintenance supervisor power cables one, maintenance supervisor power distribution one, maintenance supervisor power electron one, maintenance supervisor revenue one, maintenance supervisor signals one, maintenance supervisor stores one, maintenance supervisor structure A carpentry one buses, maintenance supervisor structure A carpentry one, maintenance supervisor structure B masonry one, maintenance supervisor structure B masonry one buses, maintenance supervisor structure C ironwork one, maintenance supervisor structure C ironwork one buses, maintenance supervisor structure D sheetmetal one, maintenance supervisor structure E plumbing one, maintenance supervisor structure E plumbing one buses, maintenance supervisor structure F painting one, maintenance supervisor structure F painting one buses, maintenance supervisor structure H air cooling and heating one, maintenance supervisor structure H air cooling and heating one buses, maintenance supervisor surface one, maintenance supervisor telephones one, maintenance supervisor track equipment one, maintenance supervisor track one, maintenance supervisor ventilation and drainage one, maintenance supervisor ventilation one buses, powers and signals supervisor, Staten Island railway operations supervisor, storeroom supervisor, superintendent

1 administration and timekeeping, supervisor infrastructure, supervisor
2 maintenance, supervisor station one, train service supervisor, transit
3 property protection supervisor one, yard dispatcher rapid transit oper-
4 ations, collection supervisor revenue two, dispatcher one surface
5 Queens, maintenance supervisor car equipment two, maintenance supervisor
6 electric equipment two, maintenance supervisor electric power two, main-
7 tenance supervisor elevated two, maintenance supervisor lighting two,
8 maintenance supervisor power cables two, maintenance supervisor power
9 distribution two, maintenance supervisor revenue two, maintenance super-
10 visor signals two, maintenance supervisor structure A carpenter two,
11 maintenance supervisor structure B masonry two, maintenance supervisor
12 structure C ironwork two, maintenance supervisor structure D sheetmetal
13 two, maintenance supervisor structure E plumbing two, maintenance super-
14 visor structure F painting two, maintenance supervisor structure H air
15 cool two, maintenance supervisor surface one Queens, maintenance super-
16 visor telephones two, maintenance supervisor track equipment two, main-
17 tenance supervisor track two, maintenance supervisor ventilation two,
18 supervisor station two, transit property protection two, car inspector
19 assignment A, car inspector assignment B, car inspector B 01-E, car
20 maintainer B, car maintainer B 01-E, car maintainer C, cleaner (labor)
21 station maintenance helper, cleaner (transit authority labor) amalgamat-
22 ed transit union Q1056, cleaner (transit authority labor) amalgamated
23 transit union S1726, cleaner (transit authority labor) TWU Local 100
24 01-D, cleaner/ station maintenance helper, collecting agent, collecting
25 agent 01-F, conductor (construction and flagging), conductor, light
26 maintainer, maintainer (electronic equipment), maintainer one (revenue
27 equipment), mechanical maintainer C, power cable maintainer, power
28 distribution maintainer, power electronic maintainer, power electronic
29 technician, power maintainer B, quality control specialist, railroad
30 stock worker one, railroad stock worker two, railroad track cleaner,
31 road car inspector, signal maintainer, station agent non automated fare
32 collection, station agent automated fare collection, station agent paid
33 as collecting agent, structure maintainer A, structure maintainer B,
34 structure maintainer C, structure maintainer D, structure maintainer E,
35 structure maintainer F, structure maintainer G, TA electronic helper
36 power distribution 01-F, TA electronic mechanical maintenance (venti-
37 lation) 01-E, TA electronic helper lighting 01-F, TA electronic helper
38 power 01-F, TA electronic helper signals 01-F, TA electronic mechanical
39 maintenance 01-E, TA electronic mechanical maintenance heating venti-
40 lation and cooling 01-E, TA property protection agent 01-F, telephone
41 maintainer, tower operator, track equipment maintainer, track worker,
42 track worker (specialist), train operator (revenue vehicles), train
43 operator (yard), transit electronic helper elevated, transit electronic
44 helper lighting, transit electronic helper power, transit electronic
45 helper power distribution, transit electronic helper signals, transit
46 electrical apprentice, transit electronic mechanical maintainer
47 elevated, transit electronic mechanical maintainer heating ventilation
48 and cooling, transit electronic mechanical maintainer ventilation, tran-
49 sit property protection agent, transit railcar technical specialist one,
50 transit railcar technical specialist one operations, transit railcar
51 technical specialist two, transit railcar technical specialist two oper-
52 ations, transit railcar technical specialist three, transit railcar
53 technical specialist three operations, transit railcar technical
54 specialist four, transit railcar technical specialist four operations
55 and transit railcar technical specialist intern.

1 b. A New York city member shall be entitled to disability retirement
2 allowance, if, at the time application therefor is filed, such member is
3 physically incapacitated for performance of duty as a result of any
4 condition of impairment of health caused by diseases of the lung while
5 so employed and as a result of his or her employment.

6 c. Notwithstanding any provision of this chapter or of any general,
7 special or local law to the contrary, any New York city member who is
8 diagnosed with any condition of impairment of health caused by diseases
9 of the lung, resulting in disability to such member, presently employed,
10 and who shall have sustained such disability while so employed, shall
11 have such diagnosis be presumptive evidence that such disability was
12 incurred in the performance and discharge of duty, unless the contrary
13 be proven by competent evidence.

14 d. The annual retirement allowance payable shall be equal to the
15 three-quarters of his or her final average salary, subject to section
16 13-176 of this chapter.

17 § 3. This act shall take effect immediately.

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

SUMMARY OF BILL: This proposed legislation would amend the Retirement and Social Security Law (RSSL) to add a new Section 605-f and the Administrative Code of the City of New York (ACCNY) to add a new Section 13-168.1 to provide a rebuttable statutory presumption to members of the New York City Employees' Retirement System (NYCERS) working in certain enumerated titles as employees of the New York City Transit Authority (Transit) who become physically incapacitated due to lung disease and provide a performance of duty disability retirement benefit equivalent to 75% of the member's Final Average Salary (FAS).

In determining whether disabling lung disease was caused by employment for Transit, the diagnosis of lung disease would be presumptive evidence that such disability was incurred in the performance and discharge of duty, unless the contrary is proven by competent evidence.

Effective Date: Upon enactment.

IMPACT ON BENEFITS PAYABLE: Under the proposed legislation, the benefits for active members of NYCERS working in certain Transit titles who become physically incapacitated for performance of duty due to lung disease would be revised to equal a retirement allowance of:

* 75% multiplied by FAS,

Reduced by:

* 100% of Workers' Compensation benefits (if any) payable.

FINANCIAL IMPACT - OVERVIEW: There is no data available to estimate the number of members who might develop and become disabled by lung disease, and potentially benefit from this proposed legislation. Therefore, the estimated financial impact has been calculated on a per event basis equal to the increase in the Present Value of Future Benefits (PVFB) for an average member who is diagnosed with lung disease as the result of the enactment of the proposed legislation and who would benefit from the proposed legislation.

In determining the increase in the PVFB for members who could benefit from the proposed legislation, it has been assumed that 50% of the members who would retire with a performance of duty benefit equal to 75% of FAS were those who would have retired under an Ordinary Disability Retirement (ODR) benefit. It was further assumed that the remaining 50% of members who would retire with a 75% of FAS performance of duty retirement benefit due to lung disease under this bill were those who would have continued working and retired for service if the proposed legislation were not passed.

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. In particular, the increase in PVFB due to the proposed legislation would be greater for a member who is not yet eligible for an ODR benefit when lung disease is diagnosed.

FINANCIAL IMPACT - PRESENT VALUES: Based on the census data and the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the PVFB by approximately \$350,000, on average for each occurrence of lung disease for members who would benefit from the proposed legislation.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: Enactment of this proposed legislation would increase employer contributions, where such amount would depend on the number of members affected as well as other characteristics including the age, years of service, and salary history of the member.

As there is no data currently available to estimate the number of members who might be diagnosed with disabling lung disease, the financial impact would be recognized at the time of event. Consequently, changes in employer contributions have been estimated assuming that the increase in the PVFB will be financed over a time period comparable to that used for actuarial losses under the Entry Age Normal cost method. Using this approach, the additional PVFB would be amortized over a closed 15-year period (14 payments under the One-Year Lag Methodology) using level dollar payments.

Based on the Actuary's actuarial assumptions and methods in effect as of June 30, 2018, the enactment of this proposed legislation is estimated to increase annual employer contributions by approximately \$41,400, on average for each performance of duty retirement benefit due to lung disease.

With respect to the timing, increases in employer contributions would depend upon when members would retire due to lung disease but, generally, increased employer contributions will first occur the second fiscal year following approval of the performance of duty disability benefit.

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.

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.

There are 27,743 active Transit Authority employees in affected titles who participate in NYCERS as of June 30, 2018 who could potentially benefit from the proposed legislation. These 27,743 active Transit Authority members had an average age of approximately 48.6 years, average service of approximately 12.5 years, and an average salary of approximately \$79,600.

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the PVFB 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.

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 2019-39 dated June 18, 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.