# STATE OF NEW YORK

6060--A

2019-2020 Regular Sessions

# IN SENATE

May 16, 2019

Introduced by Sen. GOUNARDES -- 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, in relation to death benefits for certain members employed by Nassau, Suffolk or Westchester county

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

Section 1. The retirement and social security law is amended by adding a new section 508-b to read as follows:

**§ 508-b. Death benefits for certain members employed by Nassau county, Suffolk county or Westchester county. 1. As used in this section, the following terms shall have the following meanings:**

**(a) "Nassau county employee" shall mean a correction officer, uniformed correction division personnel, sheriff, undersheriff or deputy sheriff, as defined in section eighty-nine-g of this chapter.**

**(b) "Suffolk county employee" shall mean any warden, deputy warden, correction captain, correction lieutenant, correction lieutenant investigator, correction sergeant, correction sergeant investigator, correction investigator, correction officer, sheriff, undersheriff or deputy sheriff who is employed by Suffolk county.**

**(c) "Westchester county employee" shall mean a sheriff, deputy sheriff, undersheriff, correction officer, correction officer-sergeant, correction officer-captain, assistant warden, associate warden or warden who is employed by Westchester county and in a plan that allows for immediate retirement upon the completion of a specified period of service without regard to age.**

**2. Notwithstanding any provision of law to the contrary, where a Nassau county employee, Suffolk county employee or Westchester county employee would have been entitled to a service retirement benefit at the**

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

LBD11413-04-9

time of his or her death and where his or her death occurs on or after the effective date of this section, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of his or her death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 2. The retirement and social security law is amended by adding a new section 606-b to read as follows:

§ 606-b. Death benefits for certain members employed by Nassau county, Suffolk county or Westchester county. 1. As used in this section, the following terms shall have the following meanings:

(a) "Nassau county employee" shall mean a correction officer, uniformed correction division personnel, sheriff, undersheriff or deputy sheriff, as defined in section eighty-nine-g of this chapter.

(b) "Suffolk county employee" shall mean any warden, deputy warden, correction captain, correction lieutenant, correction lieutenant investigator, correction sergeant, correction sergeant investigator, correction investigator, correction officer, sheriff, undersheriff or deputy sheriff who is employed by Suffolk county.

(c) "Westchester county employee" shall mean a sheriff, deputy sheriff, undersheriff, correction officer, correction officer-sergeant, correction officer-captain, assistant warden, associate warden or warden who is employed by Westchester county and in a plan that allows for immediate retirement upon the completion of a specified period of service without regard to age.

2. Notwithstanding any provision of law to the contrary, where a Nassau county employee, Suffolk county employee or Westchester county employee would have been entitled to a service retirement benefit at the time of his or her death and where his or her death occurs on or after the effective date of this section, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of his or her death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 3. Notwithstanding any other provision of law to the contrary, none of the provisions of this act shall be subject to the appropriation requirement of section 25 of the retirement and social security law.

§ 4. All past service costs associated with this act shall be paid by the counties of Nassau, Suffolk and Westchester. Each such county shall be responsible for one-third of such costs.

§ 5. This act shall take effect immediately.

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

This bill would modify the in-service death benefit for retirement eligible tiers 3 through 6 members of the New York State and Local Employees' Retirement System who are employed by Nassau, Suffolk or Westchester counties and are in certain correction officer, deputy sheriff and warden job titles. The in-service death benefit will be the value of the pension reserve as if the member had retired on their date of death.

If this legislation is enacted during the 2019 legislative session, we anticipate that there will be an increase in the annual contributions of the counties of Nassau, Suffolk and Westchester of approximately $110,000, $160,000 and $93,000, respectively.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $8.94 million, of which $2.98 million is to be borne by each of the counties of Nassau, Suffolk and Westchester as a one-time payment.

These estimated costs are based on 940, 1,234 and 879 affected members employed by the counties of Nassau, Suffolk and Westchester, respectively, with salaries of approximately $106 million, $154 million and $88 million, respectively.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2018 actuarial valuation. Distributions and other statistics can be found in the 2018 Report of the Actuary and the 2018 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017 and 2018 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2018 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated May 16, 2019, and intended for use only during the 2019 Legislative Session, is Fiscal Note No. 2019-2, prepared by the Actuary for the New York State and Local Retirement System.