

STATE OF NEW YORK

8742

IN SENATE

July 13, 2020

Introduced by Sen. KAMINSKY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to authorize the village of Malverne, in the county of Nassau, to offer a twenty-year retirement plan to police officer Thomas Smith

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

1 Section 1. Notwithstanding any other provision of law to the contrary,
2 the village of Malverne, in the county of Nassau, a participating
3 employer in the New York state and local police and fire retirement
4 system, which previously elected to offer the optional twenty-year
5 retirement plan, established pursuant to section 384-d of the retirement
6 and social security law, to police officers employed by such village, is
7 hereby authorized to make participation in such plan available to Thomas
8 Smith, a police officer employed by the village of Malverne, who, for
9 reasons not ascribable to his own negligence, failed to make a timely
10 application to participate in such optional twenty-year retirement plan.
11 The village of Malverne may so elect by filing with the state comp-
12 troller, within 12 months of the effective date of this act, a resol-
13 ution of the village board of trustees together with certification that
14 such police officer did not bar himself from participation in such
15 retirement plan as a result of his own negligence. Thereafter, such
16 police officer may elect to be covered by the provisions of section
17 384-d of the retirement and social security law, and shall be entitled
18 to the full rights and benefits associated with coverage under such
19 section, by filing a request to that effect with the state comptroller
20 within 6 months of the village of Malverne's filing.

21 § 2. All past costs associated with implementing the provisions of
22 this act shall be borne by the village of Malverne, and may be amortized
23 over a period of ten years.

24 § 3. This act shall take effect immediately.

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

This bill would allow Thomas Smith, a member of the New York State and Local Police and Fire Retirement System (PFRS) employed by the Village of Malverne and currently covered under an age 55 retirement plan, to

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

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elect to participate in the 20 year retirement plan established by Section 384-d of the Retirement and Social Security Law.

If this bill is enacted during the 2020 legislative session and Thomas Smith becomes covered under the provisions of Section 384-d, we anticipate that there will be an increase of approximately \$13,000 in the annual contributions of the Village of Malverne for the fiscal year ending March 31, 2021. In future years, this cost will vary as the billing rates and salary of Thomas Smith change.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately \$101,000 which will be borne by the Village of Malverne as a one-time payment. This estimate is based on the assumption that payment will be made on February 1, 2021. If the Village of Malverne elects to amortize this cost over a 10 year period, the cost for the first year including interest would be \$13,300.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2019 actuarial valuation. Distributions and other statistics can be found in the 2019 Report of the Actuary and the 2019 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, 2017, 2018, and 2019 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2019 New York State and Local Retirement System Financial Statements and Supplementary Information.

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

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

This estimate, dated July 10, 2020, and intended for use only during the 2020 Legislative Session, is Fiscal Note No. 2020-127, prepared by the Actuary for the New York State and Local Retirement System.