STATE OF NEW YORK

10565

IN ASSEMBLY

July 6, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Abbate) -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the general municipal law, in relation to establishing a special accidental death benefit for deputy sheriff members of the New York city employees' retirement system

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

Section 1. Subdivision a of section 208-f of the general municipal law, as amended by chapter 457 of the laws of 2017, is amended to read as follows:

a. Notwithstanding any other provision of law, the special accidental death benefit provided by this section shall be paid to the widow or widower or the deceased member's children under the age of eighteen, or, if a student under the age of twenty-three, if the widow or widower has died of: (i) a deceased member of a pension or retirement system of a police department or paid fire department of a city, town or village; (ii) a deceased paid member of the police force of the police department of the New York city transit authority; (iii) a deceased paid member of the police force of the police department of the New York city housing authority; (iv) a deceased paid member of the uniformed correction force of the New York city department of correction; (v) a deceased paid uniformed member of a county sheriff's department (outside the city of New York); (vi) a deceased employee of the city of New York or the New York city health and hospitals corporation in a title whose duties are those of an emergency medical technician or advanced emergency medical technician (as those terms are defined in section three thousand one of the public health law), or in a title whose duties require the supervision of employees whose duties are those of an emergency medical technician or advanced emergency medical technician (as those terms are defined in section three thousand one of the public health law); (vii) a deceased paid bridge and tunnel member of the New York city employees' retirement system; [~~or~~] (viii) a deceased paid member of the uniformed force of the New York city department of sanitation**; or (ix) a deputy sheriff member of the New York city employees' retirement system**,

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

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providing the widow or widower is ineligible to receive benefits pursuant to section three hundred sixty-one-a of the retirement and social security law as amended by chapter seven hundred thirty-three of the laws of nineteen hundred ninety and the deceased member:

1. Died before the effective date of his or her retirement, as the natural and proximate result of an accident sustained in the performance of duty in the service upon which his membership was based, and

2. Did not cause such accident by his or her own willful negligence, and

3. At the time of such accident was actually a member of: (i) a pension or retirement system of a police department or paid fire department of a city, town or village; (ii) a pension or retirement system covering the police force of the police department of the New York city transit authority; (iii) a pension or retirement system covering the police force of the police department of the New York city housing authority; (iv) a pension or retirement system covering the uniformed correction force of the New York city department of correction; (v) a pension or retirement system covering uniformed members of a county sheriff's department (outside the city of New York); (vi) a pension or retirement system covering employees of the city of New York, or the New York city health and hospitals corporation in a title whose duties are those of an emergency medical technician or advanced emergency medical technician (as those terms are defined in section three thousand one of the public health law), or in a title whose duties require the supervision of employees whose duties are those of an emergency medical technician or advanced emergency medical technician (as those terms are defined in section three thousand one of the public health law); (vii) a pension or retirement system covering paid bridge and tunnel members of the New York city employees' retirement system; [~~or~~] (viii) a pension or retirement system covering paid members of the uniformed force of the New York city department of sanitation**; or (ix) a deputy sheriff member of the New York city employees' retirement system**.

§ 2. Notwithstanding any 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.

§ 3. This act shall take effect immediately.

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

SUMMARY OF BILL: This proposed legislation would amend Section 208-f of the General Municipal Law (GML) to provide Special Accidental Death Benefits (SADB) to eligible beneficiaries of members of the New York City Employees' Retirement System (NYCERS) who are employed in certain Deputy Sheriff titles and die as a natural and proximate result of an accident sustained in the performance of duty.

Effective Date: Upon enactment.

IMPACT ON BENEFITS: Currently, certain beneficiaries of Deputy Sheriffs who die as a natural and proximate result of an accident sustained in the performance of duty are eligible to receive an Accidental Death Benefit equal to 50% of Final Salary. Such benefit is subject to a Cost-of-Living Adjustment (COLA) starting after five years, pursuant to Administrative Code of the City of New York (ACCNY) Section 13-696.

Under the proposed legislation, if enacted, beneficiaries of Deputy Sheriffs who die as a natural and proximate result of an accident sustained in the performance of duty would receive an Accidental Death Benefit equal to 100% of Final Salary, offset by any social security and workers' compensation benefits paid. For purposes of this Fiscal Note, and consistent with the assumptions and methods described herein, it is

assumed that the past four decades' practice of providing 3.0% COLAs on the SADB each year will be continued in the future.

For purposes of this Fiscal Note, it is assumed that SADB under the proposed legislation would only be provided to members who die in the performance of duty after the Effective Date.

FINANCIAL IMPACT - OVERVIEW: There is insufficient data available to estimate the number of members who may die as a natural and proximate result of an accident sustained in the performance of duty. 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 could potentially be eligible for SADB provided by this proposed legislation.

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 $1.1 million, on average, for each eligible Deputy Sheriff who dies as a natural and proximate result of an accident sustained in the performance of duty.

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 each member.

As there is insufficient data currently available to estimate the number of eligible members who might die and be eligible for SADB under the proposed legislation, 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 the same time period used for actuarial losses in accordance with ACCNY Section 13-638.2(k-2). 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 actuarial assumptions and methods in effect as of June 30, 2021, the enactment of this proposed legislation is estimated to increase annual employer contributions by approximately $133,000, on average, for each eligible Deputy Sheriff who dies as a natural and proximate result of an accident sustained in the performance of duty.

With respect to the timing, increases in employer contributions would depend upon when members would die as a natural and proximate result of an accident sustained in the performance of duty but, generally, increased employer contributions will first occur the second fiscal year following approval of the Accidental Death Benefit.

CENSUS DATA: The estimates presented herein are based on the census data used in the Preliminary June 30, 2021 (Lag) actuarial valuation of NYCERS to determine the Preliminary Fiscal Year 2023 employer contributions.

The 132 NYCERS Deputy Sheriffs as of June 30, 2021 had an average age of approximately 42.8 years, average service of approximately 12.6 years, and an average salary of approximately $85,200.

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 Preliminary June 30, 2021 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2023 employer contributions of NYCERS.

RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend highly on the realization of the actuarial assumptions used, as well as

certain demographic characteristics of NYCERS and other exogenous factors such as investment, 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.

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.

STATEMENT OF ACTUARIAL OPINION: I, Michael J. Samet, am the Interim Chief Actuary for, and independent of, the New York City Retirement Systems and Pension Funds. I am a Fellow of the Society of Actuaries and a Member of the American Academy of 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 2022-58 dated May 20, 2022 was prepared by the Interim Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2022 Legislative Session.