STATE OF NEW YORK

7286--A

2021-2022 Regular Sessions

IN SENATE

July 12, 2021

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to authorize William Schumaker and Mark Hennessy to receive certain service credit under section 384-d of the retirement and social security law

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

Section 1. Notwithstanding any other provision of law to the contrary, the city of Rensselaer, in the county of Rensselaer, a participating employer in the New York state and local police and fire retirement system, which previously elected to offer the optional twenty year retirement plan, established pursuant to section 384-d of the retirement and social security law, to firefighters employed by such city, is hereby authorized to make participation in such plan available to William Schumaker, a firefighter employed by the city of Rensselaer with a start date of October 10, 1996, who, for reasons not ascribable to his own negligence, failed to make a timely application to participate in such optional twenty year retirement plan. The city of Rensselaer may so elect by filing with the state comptroller, within six months from the effective date of this act, a resolution of its local city common council together with certification that such firefighter did not bar himself from participation in such retirement plan as a result of his own negligence. Thereafter, such firefighter may elect to be covered by the provisions of section 384-d and 384-e of the retirement and social security law, and shall be entitled to the full rights and benefits associated with coverage under such section, by filing a request to that effect with the state comptroller within the effective date of such resolution.

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

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§ 2. Notwithstanding any other provision of law to the contrary, the city of Rensselaer, in the county of Rensselaer, a participating employer in the New York state and local police and fire retirement system, which previously elected to offer the optional twenty year retirement plan, established pursuant to section 384-d of the retirement and social security law, to firefighters employed by such city, is hereby authorized to make participation in such plan available to Mark Hennessy, a firefighter employed by the city of Rensselaer with a start date of September 1, 2005, who for reasons not ascribable to his own negligence, failed to make a timely application to participate in such optional twenty year retirement plan. The city of Rensselaer may so elect by filing with the state comptroller, within six months from the effective date of this act, a resolution of its city common council together with certification that such firefighter did not bar himself from participation in such retirement plan as a result of his own negligence. Thereafter, such firefighter may elect to be covered by the provisions of section 384-d and 384-e of the retirement and social security law, and shall be entitled to the full rights and benefits associated with coverage under such section, by filing a request to that effect with the state comptroller within the effective date of such resolution.

§ 3. All past costs associated with implementing the provisions of this act shall be borne by the city of Rensselaer and may be amortized over a period of five years.

§ 4. This act shall take effect immediately.

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

This bill would allow the City of Rensselaer to reopen the provisions of Section 384-d together with Section 384-e of the Retirement and Social Security Law for firefighters William Schumaker and Mark Hennessy, current members of the New York State and Local Police and Fire Retirement System.

If this bill is enacted during the 2022 legislative session, and these two firefighters become covered under the provisions of sections 384-d and 384-e, we anticipate there will be an increase of approximately $19,000 in the annual contributions of the City of Rensselaer for the fiscal year ending March 31, 2023. In future years, this cost will vary as the billing rates and salaries of these firefighters change.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $309,000 which will be borne by the City of Rensselaer as a one-time payment. This estimate is based on the assumption that payment will be made on February 1, 2023. If the City of Rensselaer elects to amortize this cost over a 5 year period, the cost for the first year including interest would be $69,100.

Summary of relevant resources:

Membership data as of March 31, 2021 was used in measuring the impact of the proposed change, the same data used in the April 1, 2021 actuarial valuation. Distributions and other statistics can be found in the 2021 Report of the Actuary and the 2021 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2020 and 2021 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, 2021 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 February 25, 2022, and intended for use only during the 2022 Legislative Session, is Fiscal Note No. 2022-79, prepared by the Actuary for the New York State and Local Retirement System.