

STATE OF NEW YORK

7974

2021-2022 Regular Sessions

IN ASSEMBLY

June 4, 2021

Introduced by M. of A. ABBATE -- read once and referred to the Committee on Governmental Employees

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-
22 nance supervisor structure E plumbing one, maintenance supervisor struc-
23 ture E plumbing one buses, maintenance supervisor structure F painting

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

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

1 sit property protection agent, transit railcar technical specialist one,
2 transit railcar technical specialist one operations, transit railcar
3 technical specialist two, transit railcar technical specialist two oper-
4 ations, transit railcar technical specialist three, transit railcar
5 technical specialist three operations, transit railcar technical
6 specialist four, transit railcar technical specialist four operations
7 and transit railcar technical specialist intern.

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

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

21 d. The annual retirement allowance payable shall be equal to the
22 three-quarters of his or her final average salary, subject to section
23 13-176 of the administrative code of the city of New York.

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

26 § 13-168.1 Disability retirement for certain New York city members. a.
27 For the purposes of this section, a "New York city member" shall mean a
28 member employed in any of the following titles: associate transit
29 customer service specialist two, assistant train dispatcher, collection
30 supervisor one, dispatcher one, dispatcher rapid transit operations,
31 electrical supervisor, electronic supervisor, locomotive engine instruc-
32 tor supervisor, maintenance of way instructor supervisor, maintenance
33 supervisor car equipment one, maintenance supervisor electric equipment
34 one, maintenance supervisor electric power one, maintenance supervisor
35 elevated one, maintenance supervisor lighting one, maintenance supervi-
36 sor lighting one buses, maintenance supervisor power cables one, mainte-
37 nance supervisor power distribution one, maintenance supervisor power
38 electron one, maintenance supervisor revenue one, maintenance supervisor
39 signals one, maintenance supervisor stores one, maintenance supervisor
40 structure A carpentry one buses, maintenance supervisor structure A
41 carpentry one, maintenance supervisor structure B masonry one, mainte-
42 nance supervisor structure B masonry one buses, maintenance supervisor
43 structure C ironwork one, maintenance supervisor structure C ironwork
44 one buses, maintenance supervisor structure D sheetmetal one, mainte-
45 nance supervisor structure E plumbing one, maintenance supervisor struc-
46 ture E plumbing one buses, maintenance supervisor structure F painting
47 one, maintenance supervisor structure F painting one buses, maintenance
48 supervisor structure H air cooling and heating one, maintenance supervi-
49 sor structure H air cooling and heating one buses, maintenance supervi-
50 sor surface one, maintenance supervisor telephones one, maintenance
51 supervisor track equipment one, maintenance supervisor track one, main-
52 tenance supervisor ventilation and drainage one, maintenance supervisor
53 ventilation one buses, powers and signals supervisor, Staten Island
54 railway operations supervisor, storeroom supervisor, superintendent
55 administration and timekeeping, supervisor infrastructure, supervisor
56 maintenance, supervisor station one, train service supervisor, transit

1 property protection supervisor one, yard dispatcher rapid transit oper-
2 ations, collection supervisor revenue two, dispatcher one surface
3 Queens, maintenance supervisor car equipment two, maintenance supervisor
4 electric equipment two, maintenance supervisor electric power two, main-
5 tenance supervisor elevated two, maintenance supervisor lighting two,
6 maintenance supervisor power cables two, maintenance supervisor power
7 distribution two, maintenance supervisor revenue two, maintenance super-
8 visor signals two, maintenance supervisor structure A carpenter two,
9 maintenance supervisor structure B masonry two, maintenance supervisor
10 structure C ironwork two, maintenance supervisor structure D sheetmetal
11 two, maintenance supervisor structure E plumbing two, maintenance super-
12 visor structure F painting two, maintenance supervisor structure H air
13 cool two, maintenance supervisor surface one Queens, maintenance super-
14 visor telephones two, maintenance supervisor track equipment two, main-
15 tenance supervisor track two, maintenance supervisor ventilation two,
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17 assignment A, car inspector assignment B, car inspector B 01-E, car
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26 distribution maintainer, power electronic maintainer, power electronic
27 technician, power maintainer B, quality control specialist, railroad
28 stock worker one, railroad stock worker two, railroad track cleaner,
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40 track worker (specialist), train operator (revenue vehicles), train
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42 helper lighting, transit electronic helper power, transit electronic
43 helper power distribution, transit electronic helper signals, transit
44 electrical apprentice, transit electronic mechanical maintainer
45 elevated, transit electronic mechanical maintainer heating ventilation
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54 b. A New York city member shall be entitled to disability retirement
55 allowance, if, at the time application therefor is filed, such member is
56 physically incapacitated for performance of duty as a result of any

1 condition of impairment of health caused by diseases of the lung while
2 so employed and as a result of his or her employment.

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

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

14 § 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 qualifying lung disease was caused by employment for Transit, the diagnosis of disabling 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 could potentially be diagnosed with disabling lung disease 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 eventually 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 \$395,700, on average for each occurrence of lung disease for members who would benefit from the proposed legislation. The proposed legislation would also decrease the Present Value of member contributions by approximately \$17,000, on average, for a net result of an increase in the Present Value of future employer contributions of approximately \$412,700 for each occurrence of disabling 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 Present Value of future employer contributions will be financed over the same time period used for actuarial losses in accordance with Section 13-638.2(k-2) of the ACCNY. Using this approach, the additional Present Value of future employer contributions 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 described below, the enactment of this proposed legislation is estimated to increase annual employer contributions by approximately \$48,800, 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.

CENSUS DATA: The estimates presented herein are based on the census data used in the June 30, 2020 (Lag) actuarial valuation of NYCERS to determine the Preliminary Fiscal Year 2022 employer contributions.

There are 27,854 active Transit Authority employees who participate in NYCERS as of June 30, 2020 who could potentially benefit from the proposed legislation. These 27,854 active Transit Authority members had an average age of approximately 48.6 years, average service of approximately 11.7 years, and an average salary of approximately \$82,500.

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the Present Value of future employer contributions and annual employer contributions presented herein have been calculated based on the actuarial assumptions and methods in effect for the June 30, 2019 (Lag) actuarial valuations used to determine the Preliminary Fiscal Year 2021 employer contributions of NYCERS.

The Actuary is proposing a set of changes for use beginning with the June 30, 2019 (Lag) actuarial valuations of NYCERS to determine the Final Fiscal Year 2021 Employer Contributions (2021 A&M). If the 2021 A&M is enacted, it is estimated that it would produce Present Value of

future employer contributions and annual employer contributions results that are not materially different than the results shown above.

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.

- * The impact of this proposed legislation on Other Postemployment Benefit (OPEB) costs.

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 2021-37 dated May 28, 2021 was prepared by the Chief Actuary for the New York City Employees' Retirement System. This estimate is intended for use only during the 2021 Legislative Session.