STATE OF NEW YORK

3759

2021-2022 Regular Sessions

IN SENATE

January 30, 2021

Introduced by Sen. KAPLAN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to establishing a death benefit for deputy sheriffs employed by Nassau 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 benefit for deputy sheriffs employed by Nassau county. Notwithstanding any provision of law to the contrary, where a deputy sheriff 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.

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

§ 606-b. Death benefit for deputy sheriffs employed by Nassau county. Notwithstanding any provision of law to the contrary, where a deputy sheriff 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.

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

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§ 3. All past service costs associated with implementing the provisions of this act shall be borne by Nassau County and may be amortized over a period of ten years.

§ 4. This act shall take effect immediately.

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

This bill would modify the in-service death benefit for Nassau County Deputy Sheriffs who are retirement eligible in tiers 3 through 6 of the New York State and Local Employees' Retirement System. 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 bill is enacted during the 2021 legislative session, we anticipate that there will be an increase of approximately $5,000 in the annual contributions of Nassau County for the fiscal year ending March 31, 2022. In future years, this cost will vary as the billing rates and salary of the affected members change.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $67,300 which will be borne by Nassau County as a one-time payment. This estimate is based on the assumption that payment will be made on February 1, 2022. If Nassau County elects to amortize this cost over a 10 year period, the cost for the first year including interest would be $8,880.

These estimated costs are based on 57 affected members employed by Nassau County, with annual salary of approximately $6.1 million as of March 31, 2020.

Summary of relevant resources:

Membership data as of March 31, 2020 was used in measuring the impact of the proposed change, the same data used in the April 1, 2020 actuarial valuation. Distributions and other statistics can be found in the 2020 Report of the Actuary and the 2020 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2020 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, 2020 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 January 8, 2021, and intended for use only during the 2021 Legislative Session, is Fiscal Note No. 2021-9, prepared by the Actuary for the New York State and Local Retirement System.