

STATE OF NEW YORK

9504

IN SENATE

July 18, 2022

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

AN ACT in relation to granting continued survivor benefits to Genesis Villella, Deliliah Vega and Peter Vega

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

1 Section 1. Notwithstanding any other law or regulation to the contra-
2 ry, the death benefit pursuant to section 13-244 of the administrative
3 code of the city of New York and the special accidental death benefit
4 pursuant to section 208-f of the general municipal law for the depen-
5 dents of police officer Miosotis Familia who was killed in the line of
6 duty shall not be diminished or exhausted for such deceased officer's
7 dependents Genesis Villella, Deliliah Vega and Peter Vega until such
8 time as the youngest dependent of such deceased police officer reaches
9 the age where such dependent is no longer eligible for such death bene-
10 fits. Provided however, the original benefit amount of the oldest
11 dependent, Genesis Villella, shall be restored and paid to such depend-
12 ent until such time as the youngest dependent of such deceased police
13 officer reaches the age where such dependent is no longer eligible for
14 such death benefits. Provided further, the current benefit amount
15 provided to dependents Deliliah Vega and Peter Vega shall be maintained
16 at the current level notwithstanding the restoration of benefits to
17 Genesis Villella.

18 § 2. This act shall take effect immediately.

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

SUMMARY OF BILL: This proposed legislation would provide a benefit to Genesis Villella, the eldest child beneficiary of deceased police Detective Miosotis Familia, equal to one-third of the total Accidental Death Benefit (ADB) and Special Accidental Death Benefit (SADB) benefit (the amount she received prior to aging out of the benefit), until the youngest child beneficiary of Detective Familia, either Deliliah Vega or Peter Vega, ages out at age 18 or age 23, if a full-time student, regardless of Genesis' age.

Effective Date: Upon enactment.

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

LBD11321-03-2

BACKGROUND: Detective Familia died in the line of duty as a Tier 2 Police member on July 5, 2017. The total death benefit payable, including SADB, was \$172,200 per year. There were three eligible statutory child beneficiaries, Genesis, Deliliah, and Peter, who were ages 20, 12, and 12, respectively, at the time of death. Each beneficiary received one-third of the total death benefit, or approximately \$57,400 each per year, from the time of death until the time Genesis turned age 23. (Note that all benefit amounts shown in this Fiscal Note are as of Detective Familia's date of death and do not include subsequent Cost-of-Living adjustments.)

IMPACT ON BENEFITS: When Genesis attained age 23, the portion of the death benefit payable to her ceased and was proportionally distributed among the remaining two eligible beneficiaries, Deliliah and Peter, such that the total death benefit payable remained at \$172,200 per year. Genesis, as of age 23, no longer receives a death benefit, while Deliliah and Peter currently each receive approximately \$86,100 per year.

Under the proposed legislation, if enacted, Genesis would receive her original payment of \$57,400 retroactively back to the month it originally ceased and prospectively until the youngest beneficiary ages out, increasing the total death benefit payable during this period to approximately \$229,600.

FINANCIAL IMPACT - PRESENT VALUES: The estimated financial impact of this proposal has been calculated based on the difference between the present value of (1) the benefits Detective Familia's beneficiaries would receive if this proposed legislation were enacted (retroactive to her July 5, 2017 date of death) and (2) the benefits that are currently and have been paid to Detective Familia's beneficiaries.

Based on the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the Present Value of Future Benefits (PVFB) and the Unfunded Accrued Liability (UAL) of POLICE by approximately \$462,700 as of June 30, 2022.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: In accordance with the Administrative Code of the City of New York (ACCNYS) Section 13-638.2(k-2), new Unfunded Accrued Liability (UAL) attributable to benefit changes are to be amortized as determined by the Actuary but generally over the remaining working lifetime of those impacted by the benefit changes.

For the purposes of this Fiscal Note, since Detective Familia passed away, and therefore has no remaining working lifetime, the entire increase in UAL (or Present Value of Future Benefits) would be recognized immediately.

CONTRIBUTION TIMING: For the purposes of this Fiscal Note, it is assumed that the changes in the PVFB and annual employer contributions would be reflected for the first time in the Preliminary June 30, 2022 actuarial valuation of POLICE. In accordance with the One-Year Lag Methodology used to determine employer contributions, the increase in employer contributions would be reflected in Fiscal Year 2024.

CENSUS DATA: As of June 30, 2022, Genesis, Deliliah, and Peter will be ages 25, 17, and 17, respectively. Genesis is not receiving a death benefit because she is a dependent child over age 23. Deliliah and Peter each receive a death benefit of \$86,100 per year. The total death benefit payable to all three beneficiaries is \$172,200 per year.

ACTUARIAL ASSUMPTIONS AND METHODS: The changes in the PVFB presented herein have been calculated based on the actuarial assumptions and methods in effect for the Preliminary June 30, 2021 (Lag) actuarial valuation used to determine the Preliminary Fiscal Year 2023 employer

contributions of POLICE. For purposes of this Fiscal Note it is assumed that the youngest beneficiary will be a full-time student until age 23.

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 POLICE 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 POLICE 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, 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 2022-41 dated May 4, 2022 was prepared by the Interim Chief Actuary for the New York City Police Pension Fund. This estimate is intended for use only during the 2022 Legislative Session.