STATE OF NEW YORK

10500

IN ASSEMBLY

May 29, 2024

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

AN ACT to amend the administrative code of the city of New York, in relation to affording certain uniformed members of the fire department pension fund with an increased pension benefit for each year of additional service beyond their required minimum service

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

Section 1. Subparagraph (a) of paragraph 2 of subdivision a of section 13-359 of the administrative code of the city of New York is amended to read as follows:

(a) a pension of [~~one-sixtieth~~] one-fortieth of [~~his or her~~] such member's average annual earnings from [~~his or her~~] their date of eligibility for retirement to the actual date of retirement; and

§ 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would increase the additional annual pension for Tier 2 New York City Fire Pension Fund (FIRE) members who retire with more than 20 years of service from 1/60th to 1/40th of total annual earnings after reaching 20 years of credited service.

EXPECTED INCREASE (DECREASE) IN EMPLOYER CONTRIBUTIONS
by Fiscal Year for the first 25 years ($ in Millions)

Year	FIRE
2025	94.2
2026	93.6
2027	93.2
2028	92.7
2029	92.0
2030	91.4
2031	90.7

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

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2032	90.0
2033	10.8
2034	10.0
2035	9.2
2036	8.3
2037	7.4
2038	6.6
2039	5.7
2040	4.9
2041	4.1
2042	3.3
2043	2.6
2044	2.0
2045	1.5
2046	1.1
2047	0.7
2048	0.5
2049	0.3

Employer Contribution impact beyond Fiscal Year 2049 is not shown.

The increase in employer contributions will be allocated to New York City.

INITIAL INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2023 ($ in Millions)

Present Value (PV)	FIRE
PV of Benefits:	565.3
PV of Employee Contributions:	0.0
PV of Employer Contributions:	565.3
Unfunded Accrued Liabilities:	452.6

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	FIRE
Number of Payments:	8
Fiscal Year of Last Payment:	2032
Amortization Payment:	78.4 M

Unfunded Accrued Liability increases were amortized over the expected remaining working lifetime of those impacted by the benefit changes using level dollar payments.

CENSUS DATA: The estimates presented herein are based on preliminary census data collected as of June 30, 2023. The census data for the impacted population is summarized below.

	FIRE
Active Members	
- Number Count:	5,690
- Average Age:	47.3
- Average Service:	21.3
- Average Salary:	163,500

IMPACT ON MEMBER BENEFITS: This proposed legislation would increase the annual pension for certain members who retire for service or accidental disability from 1/60th to 1/40th of average annual earnings from the date of eligibility for retirement to the actual date of retirement for each additional year of credited service, or fraction thereof, exceeding 20 years.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the Revised 2021 Actuarial Assumptions and Methods of the impacted retirement systems.

RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend highly on the actuarial assumptions, methods, and models used, demographics of the impacted population, and other factors such as investment, contribution, and other risks. If actual experience deviates from actuarial assumptions, the actual costs could differ from those presented herein. Quantifying these risks is beyond the scope of this Fiscal Note.

This Fiscal Note is intended to measure pension-related impacts and does not include other potential costs (e.g., administrative and Other Postemployment Benefits).

STATEMENT OF ACTUARIAL OPINION: Marek Tyszkiewicz and Gregory Zelikovsky are members of the Society of Actuaries and the American Academy of Actuaries. We are members of NYCERS but do not believe it impairs our objectivity and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. To the best of our 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 2024-59 dated May 14, 2024 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds. This estimate is intended for use only during the 2024 Legislative Session.