STATE OF NEW YORK

6403--A

2023-2024 Regular Sessions

IN ASSEMBLY

April 6, 2023

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to determination of salary base for members of the New York city police pension fund

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

Section 1. Section 443 of the retirement and social security law is amended by adding a new subdivision i to read as follows:

i. Notwithstanding any general, special or local law, charter, administrative code, agreement, resolution or rule or regulation to the contrary, the salary base for members of the New York city police pension fund whose employment with the police department of the city of New York commenced on or after the first of July, two thousand to whom this article otherwise applies shall be determined in the same manner as the salary base for members of the New York city police pension fund whose employment with the police department of the city of New York commenced before the first of July, two thousand.

§ 2. This act shall take effect immediately and shall apply to members of the New York city police pension fund who retire on or after such effective date.

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

SUMMARY: This proposed legislation would change the salary base for Tier 2 members of the New York City Police Pension Fund (POLICE) who are hired on or after July 1, 2000 to be the greater of final salary or a three-year average.

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

LBD10166-03-4

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

Year	POLICE
2025	3.9
2026	3.8
2027	3.8
2028	3.7
2029	3.6
2030	0.4
2031	0.3
2032	0.3
2033	0.2
2034	0.2
2035	0.2
2036	0.1
2037	0.1
2038	0.1
2039	0.1
2040	0.1
2041	0.0
2042	0.0
2043	0.0
2044	0.0
2045	0.0
2046	0.0
2047	0.0
2048	0.0
2049	0.0

Employer Contribution impact beyond Fiscal Year 2049 is not shown.

The entire 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)	POLICE
PV of Benefits:	16.0
PV of Employee Contributions:	0.0
PV of Employer Contributions:	16.0
Unfunded Accrued Liabilities:	12.6

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	POLICE
Number of Payments:	5
Fiscal Year of Last Payment:	2029
Amortization Payment:	3.2 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.

	POLICE
Active Members	
- Number Count:	11,723
- Average Age:	43.4
- Average Service:	17.6
- Average Salary:	156,600

IMPACT ON MEMBER BENEFITS: Pension benefits are primarily derived as a percentage of salary base. For Tier 2 POLICE members hired prior to July 1, 2000, the salary base is equal to the greater of

(1) the pensionable earnings in the final 12 months of service, or

(2) the average pensionable earnings earned in any consecutive three years of service.

For Tier 2 POLICE members hired on or after July 1, 2000, the salary base is equal to the pensionable earnings earned in the final 12 months of service only.

Under the proposed legislation, the salary base shall be determined the same for Tier 2 POLICE members hired on or after July 1, 2000 as it is for Tier 2 members hired prior to July 1, 2000.

Note, pensionable earnings in the final 12 months or the highest three consecutive years, are subject to certain limits.

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 2024-28 dated March 15, 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.