STATE OF NEW YORK

6865--A

2023-2024 Regular Sessions

IN ASSEMBLY

May 8, 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 retirement benefits for general members in the uniformed correction force of the New York city department of correction

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

Section 1. Subdivision d of section 504 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

d. The early service retirement benefit for general members in the uniformed correction force of the New York city department of correction, who are not entitled to an early service retirement benefit pursuant to subdivision c of section five hundred four-a of this article or subdivision c of section five hundred four-b of this article or subdivision c of section five hundred four-d of this article, or for general members in the uniformed personnel in institutions under the jurisdiction of the department of corrections and community supervision, as defined in subdivision i of section eighty-nine of this chapter, shall be a pension equal to one-fiftieth of final average salary times years of credited service at the completion of twenty-five years of service, [~~but not in excess of fifty percent of final average salary~~] **plus one-sixtieth of final average salary times years of credited service in excess of twenty-five**, provided, however, that the provisions of this section shall not apply to a New York city uniformed correction/sanitation revised plan member.

§ 2. This act shall take effect immediately.

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

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

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SUMMARY: This proposed legislation would increase the service retirement benefit for credited service exceeding 25 years for uniformed employees of the New York City Department of Correction who joined NYCERS prior to December 19, 1990 (Tier 3 CO-25 Plan Members).

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

Year	NYCERS
2025	4,484
2026	14
2027	11
2028	7
2029	3
2030	2
2031	1
2032	1
2033	0
2034	0
2035	0
2036	0
2037	0
2038	0
2039	0
2040	0
2041	0
2042	0
2043	0
2044	0
2045	0
2046	0
2047	0
2048	0
2049	0

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 Thousands)

Present Value (PV)	NYCERS
PV of Benefits:	4,081
PV of Employee Contributions:	0
PV of Employer Contributions:	4,081
Unfunded Accrued Liabilities:	4,034

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS
Number of Payments:	1
Fiscal Year of Last Payment:	2025
Amortization Payment:	4,465 K

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.

	NYCERS
Active Members	
- Number Count:	19
- Average Age:	60.6
- Average Service:	35.0
- Average Salary:	164,900

IMPACT ON MEMBER BENEFITS: Currently, upon reaching 25 or more years of credited service, CO-25 Plan Members are entitled to a service retirement pension benefit equal to 50% of Final Average Salary (FAS).

Under the proposed legislation, CO-25 Plan Members who retire for service under RSSL Section 504(d) after the effective date of the proposed legislation with 25 or more years of credited service would be equal to 50% of FAS for the first 25 years of credited service, plus 1/60th of FAS for each additional year of credited service, or fraction thereof, exceeding 25 years (if any).

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 2024-36 dated March 25, 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.