STATE OF NEW YORK

7281--A

2023-2024 Regular Sessions

IN ASSEMBLY

May 17, 2023

Introduced by M. of A. EACHUS -- 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 in relation to granting retroactive tier IV membership in the New York city employees' retirement system to Ryan D. O'Connor

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

Section 1. Notwithstanding any other provision of law to the contrary, Ryan D. O'Connor, an employee of the metropolitan transportation authority metro-north railroad as of April 26, 2023 and a member of the metropolitan transportation authority defined benefit pension plan, who was employed with the New York city transit authority from January 19, 2012 through April 25, 2023 and who was a member of the New York city employees' retirement system through April 25, 2023, who for reasons not ascribable to his own negligence, failed to become a member of such retirement system during such employment with the New York city transit authority until September 10, 2012, shall be deemed to have joined the New York city employees' retirement system from January 19, 2012 and shall be granted Tier IV status in such retirement system, if, within one year of the effective date of this act, he shall file a written request with the New York city employees' retirement system.

§ 2. No contributions made to the New York city employees' retirement system by Ryan D. O'Connor shall be returned or refunded to him pursuant to this act.

§ 3. All past service costs of implementing the provisions of this act shall be borne by the city of New York.

§ 4. 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.

LBD07071-05-4

SUMMARY: This proposed legislation would permit Ryan D. O'Connor, a vested Tier 6 member of the New York City EmployeesÆ Retirement System (NYCERS), to elect, by filing an application with NYCERS within one year of the effective date, membership in the Tier 4 NYCERS 57/5 Plan.

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

Year	NYCERS
2025	0
2026	65,100
2027	0
2028	0
2029	0
2030	0
2031	0
2032	0
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

While the past service costs for this member would normally be borne by the New York City Transit Authority, the proposed legislation assigns such costs to the City of New York.

INITIAL INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2024 ($)

Present Value (PV)	NYCERS
PV of Benefits:	58,900
PV of Employee Contributions:	0
PV of Employer Contributions:	58,900
Unfunded Accrued Liabilities:	58,900

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS
Number of Payments:	1
Fiscal Year of Last Payment:	2026
Amortization Payment:	65,100

Since Mr. O'Connor is a deferred vested member and therefore has no remaining working lifetime, the entire increase in Unfunded Accrued Liabilities would be recognized immediately.

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
Term. Vested Members	
- Number Count:	1
- Average Age:	37

BACKGROUND: Mr. O'Connor commenced employment with the New York City Transit Authority on January 19, 2012 and subsequently joined NYCERS in September 2012. In the nine-month period between the commencement of his employment and the date on which he joined NYCERS, Chapter 18 of the Laws of 2012, or Tier 6, was enacted. Therefore, Mr. O'Connor joined NYCERS as a Tier 6 member. The proposed legislation would allow Mr. O'Connor to apply for a retroactive NYCERS membership date of January 19, 2012, which would entitle him to Tier 4 membership, without a refund of past Tier 6 contributions, in the NYCERS 57/5 Plan.

A change from Tier 6 to Tier 4 would result in an earlier date of retirement eligibility, lower overall prospective employee contribution rates, a larger benefit, and a three-year (as opposed to a five-year) final average salary.

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

Per the proposed legislation, Mr. O'Connor is currently a Metropolitan Transportation Authority (MTA) Metro-North employee. For the purposes of this Fiscal Note, it is assumed that Mr. O'Connor will transfer his NYCERS membership to his pension plan at the MTA. Therefore, the cost reflected in this Fiscal Note is based on the additional reserves that will be required to be transferred from NYCERS, considering Chapter 717 of the Laws of 2023.

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). This Fiscal Note does not reflect any chapter laws that may have been enacted during the current legislative session.

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 2024-61 dated May 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.