STATE OF NEW YORK

1992

2023-2024 Regular Sessions

IN SENATE

January 18, 2023

Introduced by Sens. JACKSON, HARCKHAM, MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to providing certain death benefits to correction officers, correction officer-sergeants, correction officer-captains, assistant wardens, associate wardens or wardens employed by Westchester county

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

Section 1. Section 89-e of the retirement and social security law is amended by adding a new subdivision k to read as follows:

k. Notwithstanding any provision of law to the contrary, where a correction officer would have been entitled to retire pursuant to this section at the time of his or her death and where his or her death occurs on or after the effective date of the chapter of the laws of two thousand twenty-three that added this subdivision, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of his or her death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 2. The retirement and social security law is amended by adding a new section 606-c to read as follows:

§ 606-c. Death benefits for correction officers employed by Westchester county. a. As used in this section, the term "correction officer" shall mean a person employed by the Westchester county correction department with a title of correction officer, correction officer-sergeant, correction officer-captain, assistant warden, associate warden or warden.

b. Notwithstanding any provision of law to the contrary, where a correction officer would have been entitled to a service retirement

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

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benefit at the time of his or her death and where his or her death occurs on or after the effective date of the chapter of the laws of two thousand twenty-three that added this section, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of his or her death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 3. All past service costs associated with implementing the provisions of this act shall be borne by the county of Westchester and may be amortized over a period of ten years.

§ 4. Notwithstanding any other provision of law to the contrary, none of the provisions of this act shall be subject to the appropriation requirement of section 25 of the retirement and social security law.

§ 5. This act shall take effect immediately.

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

This bill would modify the in-service death benefit for Westchester County correction officers in Tiers 2 through 6. The in-service death benefit will be the value of the pension reserve as if the member had retired on their date of death.

If this bill is enacted during the 2023 legislative session, we anticipate that there will be an increase of approximately $110,000 in the annual contributions of Westchester County for the fiscal year ending March 31, 2024. In future years, this cost will vary as the billing rates and salary of the affected members change.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $812,000 which will be borne by Westchester County as a one-time payment. This estimate assumes that payment will be made on February 1, 2024. If Westchester County elects to amortize this cost over a 10-year period, the cost for the first year including interest would be $104,000.

These estimated costs are based on 821 affected members employed by Westchester County, with annual salary of approximately $103 million as of March 31, 2022.

Summary of relevant resources:

Membership data as of March 31, 2022 was used in measuring the impact of the proposed change, the same data used in the April 1, 2022 actuarial valuation. Distributions and other statistics can be found in the 2022 Report of the Actuary and the 2022 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2020, 2021, and 2022 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2022 New York State and Local Retirement System Financial Statements and Supplementary Information.

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated January 11, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-20, prepared by the Actuary for the New York State and Local Retirement System.