STATE OF NEW YORK

6559--A

2023-2024 Regular Sessions

IN SENATE

April 26, 2023

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- 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 disability retirement of certain New York city correction members

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

Section 1. Paragraph 1 of subdivision b of section 507-a of the retirement and social security law, as added by chapter 452 of the laws of 1983, is amended to read as follows:

1. Have at least ten years of total service credit, **except that a member in the uniformed personnel of the New York city department of correction may file an application without regard to length of service,** and

§ 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would modify disability benefits for certain correction officers with less than 10 years of credited service without having to show the disability resulted from a work-related accident.

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

Year	NYCERS
2025	0.4
2026	0.4
2027	0.4
2028	0.4

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

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2029	0.4
2030	0.4
2031	0.4
2032	0.4
2033	0.4
2034	0.5
2035	0.5
2036	0.5
2037	0.6
2038	0.6
2039	2.1
2040	2.2
2041	2.3
2042	2.3
2043	2.4
2044	2.5
2045	2.6
2046	2.7
2047	2.8
2048	2.8
2049	2.9

Employer Contribution impact beyond Fiscal Year 2049 is not shown. Projected contributions include future new hires that may be impacted.

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)	NYCERS
PV of Benefits:	0.7
PV of Employee Contributions:	0.0
PV of Employer Contributions:	0.7
Unfunded Accrued Liabilities:	(12.6)

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS
Number of Payments:	14
Fiscal Year of Last Payment:	2038
Amortization Payment:	(1.5) 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.

	NYCERS
Active Members	
- Number Count:	2,273
- Average Age:	37.9
- Average Service:	6.2
- Average Salary:	114,400

IMPACT ON MEMBER BENEFITS: Currently, correction officers who are determined to be disabled by the NYCERS' Medical Board, and have accumulated at least 10 years of service credit, are eligible for an immediate ordinary disability retirement (ODR) allowance equal to the greater of 1/3 of Final Average Salary (FAS), or 1/60 of FAS multiplied by credited service.

If the correction officer is also eligible for Service Retirement, the ODR benefit cannot be less than the retirement allowance for Service Retirement.

Under the proposed legislation, the ODR benefit would become available to disabled correction officers, subject to approval under the applicable statutes and procedures established by NYCERS, irrespective of service credit accumulation.

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

* New entrants were assumed to replace exiting members so that total payroll increases by 3% each year for impacted groups. New entrant demographics were developed based on data for recent new hires and actuarial judgement.

* The proposed Section 507-a benefit is assumed to only be available to eligible correction officers prospectively on and after the effective date of the legislation.

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 2024-31 dated March 19, 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.