STATE OF NEW YORK

7181--B

2023-2024 Regular Sessions

IN SENATE

May 18, 2023

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- 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 permitting certain twenty-five year retirement program dispatcher members to file elections not to participate

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

Section 1. Section 604-e of the retirement and social security law, as added by chapter 576 of the laws of 2000, is amended by adding a new subdivision f to read as follows:

f. 1. Notwithstanding any provision of law to the contrary, a dispatcher member who exceeded age thirty upon employment as a dispatcher member and failed to file their election not to participate with the retirement system within one hundred eighty days of becoming a dispatcher member, as required by paragraph three of subdivision b of this section, may file such an election with the retirement system within one hundred eighty days of the effective date of this subdivision.

2. The retirement system shall post, and announce on its homepage the posting of, the form and corresponding instructions for dispatcher members to elect not to participate on its website no later than thirty days after the effective date of this subdivision.

3. If the retirement system fails to post and announce the form and corresponding instructions no later than thirty days after the effective date of this subdivision, as prescribed by paragraph two of this subdivision, the period for a dispatcher member to elect not to participate prescribed by paragraph one of this subdivision shall be extended by

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

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sixty days for each month or part thereof that such form and instructions are not posted to the retirement system's website.

§ 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would allow New York City Employees' Retirement System (NYCERS) Tier 4 and Tier 6 members who are members of a Dispatcher 25-Year Retirement Plan and were older than age 30 when they joined the plan, another 180-day period to opt out of the plan.

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

Year	NYCERS
2025	516,000
2026	521,000
2027	524,000
2028	528,000
2029	530,000
2030	531,000
2031	532,000
2032	530,000
2033	527,000
2034	523,000
2035	518,000
2036	512,000
2037	505,000
2038	172,000
2039	164,000
2040	154,000
2041	145,000
2042	135,000
2043	126,000
2044	116,000
2045	106,000
2046	96,000
2047	88,000
2048	78,000
2049	69,000

Employer Contribution impact beyond Fiscal Year 2049 is not shown.

The entire increase in employer contributions will be allocated to New York City.

EXPECTED INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2023 ($ in Millions)

Present Value (PV)	NYCERS
PV of Benefits:	2.8
PV of Employee Contributions:	(1.9)
PV of Employer Contributions:	4.7
Unfunded Accrued Liabilities:	2.6

PV of Benefits includes the assumed refund of AMC balances.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS
Number of Payments:	13

Fiscal Year of Last Payment:	2037
Amortization Payment:	325,000

Unfunded Accrued Liability (UAL) increases for actives 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:	54
- Average Age:	46.3
- Average Service:	13.1
- Average Salary:	79,400

BACKGROUND: Currently, Tier 4 or Tier 6 NYCERS members who exceed age 30 upon being mandated into a Dispatcher 25-Year Plan, have the option to irrevocably opt out of the plan within 180 days. Members who opt out of the plan are generally placed into one of the Tier 4 or Tier 6 underlying plans.

Under the proposed legislation, such members who failed to opt out of the Dispatcher 25-Year Plan in the original 180 days would have another 180-day period in which to opt out of the Plan.

For the purposes of this Fiscal Note, it is assumed that members who opt out of the Dispatcher 25-Year Plan under the proposed legislation would be entitled to an immediate refund of excess Additional Member Contributions (AMC), with interest.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the actuarial assumptions and methods to be used for the Preliminary Fiscal Year 2025 employer contributions of the impacted retirement systems.

To determine the impact of the elective nature of the proposed legislation, a subgroup of members was developed based on who is assumed to benefit actuarially by comparing the net present value of future employer costs of each memberÆs benefit under their current plan and under their applicable underlying plan.

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 2024-09 dated January 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.