STATE OF NEW YORK

7407--A

2023-2024 Regular Sessions

IN SENATE

May 23, 2023

Introduced by Sen. LANZA -- 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 authorize Frank R. Smith to receive performance of duty disability retirement benefits

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, Frank R. Smith, a retired member of the New York city police department, who joined the New York city employees retirement system on June 30, 1992 and who applied for accidental performance of duty disability retirement benefits based upon illnesses suffered as a result of exposure to diseases during the course of undercover duties performed beginning in August 2002, and who has had those benefits denied, shall be hereby awarded such benefits retroactively from his August 12, 2009 service retirement.

§ 2. The benefits and awards provided for under this act shall be paid for, and shared equally by, all public retirement systems, of which Frank R. Smith was a member.

§ 3. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would allow Police officer Frank R. Smith who retired from the New York City Police Pension Fund (POLICE) with an Ordinary Disability Retirement to be reclassified as an Accident Disability Retirement.

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

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

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Year	POLICE
2025	0
2026	1.4
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

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

EXPECTED INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2024 ($ in Millions)

Present Value (PV)	POLICE
PV of Benefits:	1.2
PV of Employee Contributions:	0
PV of Employer Contributions:	1.2
Unfunded Accrued Liabilities:	1.2

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	POLICE
Number of Payments:	1
Fiscal Year of Last Payment:	2026
Amortization Payment:	1.4 M

Since Mr. Smith is retired and collecting a pension, 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 current impacted population is summarized below.

	POLICE
Receiving Members	
- Number Count:	1
- Average Age:	53.0

BACKGROUND: Mr. Smith retired with an Ordinary Disability Retirement from POLICE on August 12, 2009. He currently receives an annual pension of $68,150 per year payable under the maximum form of payment (i.e., payable to him as long as he is alive).

If the proposed legislation is enacted, Mr. Smith's retirement allowance would be recalculated as an Accident Disability Retirement and his annual pension would increase to $113,397 per year. This increase would apply prospectively as well as retroactively, to Mr. Smith's original date of retirement.

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

For purposes of calculating the fiscal impact of the proposed legislation, it has been assumed that the increase in benefits for periods prior to June 30, 2024 would not be credited with interest.

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 2024-16 dated February 23, 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.