STATE OF NEW YORK

7520--B

2023-2024 Regular Sessions

IN SENATE

June 2, 2023

Introduced by Sen. LANZA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- 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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT granting retroactive Tier IV membership in the New York city teachers' retirement system to certain employees

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, any person, who is currently employed by the New York city department of education and a member of the New York city teachers' retirement system, and who was employed by the city of Yonkers parks department for the period beginning in 2009 and ending in 2014, and who, for reasons not ascribable to their own negligence, failed to become a member of the New York state and local employees' retirement system during such employment with the city of Yonkers parks department in 2009, shall be granted service credit in the New York city teachers' retirement system for their employment with the city of Yonkers parks department for the period beginning in 2009 and ending in 2014 and shall be granted Tier IV status in such retirement system, provided that an application is filed with the head of the New York city teachers' retirement system within one year from the effective date of this act.

§ 2. All past service costs associated with the implementation of this act shall be borne by the city of New York.

§ 3. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would permit active members of the New York City Teachers' Retirement System (TRS) who were employed by the

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

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City of Yonkers Parks Department for a defined period to purchase service and to elect, by filing an application with TRS within one year of the effective date, retroactive membership in Tier 4.

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

Year	TRS
2025	0
2026	14,700
2027	15,000
2028	15,300
2029	15,400
2030	15,700
2031	15,900
2032	16,300
2033	16,700
2034	17,000
2035	17,300
2036	17,600
2037	18,200
2038	19,000
2039	19,500
2040	20,100
2041	20,500
2042	20,900
2043	21,300
2044	14,600
2045	12,600
2046	8,400
2047	4,700
2048	1,600
2049	(800)

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, 2024 ($)

Present Value (PV)	TRS
PV of Benefits:	90,000
PV of Employee Contributions:	(81,000)
PV of Employer Contributions:	171,000
Unfunded Accrued Liabilities:	68,000

PV of Benefits includes the assumed refund of past contributions.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	TRS
Number of Payments:	18
Fiscal Year of Last Payment:	2043
Amortization Payment:	7,000

Unfunded Accrued Liability increases for active members 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 one member who was specifically identified as being impacted by this proposed legislation. However, the actual number of members who may benefit from this proposed legislation is unknown.

	TRS
Active Members	
- Number Count:	1
- Average Age:	36.0
- Average Service:	7.0
- Average Salary:	92,200

BACKGROUND: The proposed legislation would apply to TRS members currently employed by the New York City Department of Education, who were employed by the City of Yonkers Parks Department for the period beginning in 2009 and ending in 2014 and did not join the New York State and Local Employees' Retirement System during such employment.

Under this proposed legislation, such members would receive service credit in TRS for their employment with the Yonkers Parks Department and would be granted retroactive Tier 4 membership. A change from Tier 6 to Tier 4 would result in an earlier date of retirement eligibility, lower overall employee contribution rates, and a larger benefit.

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 the purposes of this Fiscal Note, it was assumed that members will get a refund of past Tier 6 contributions that exceeded their applicable Tier 4 contribution rate, net of the amount required for the purchase of their prior service with the City of Yonkers Parks Department.

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 2024-67 dated May 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.