STATE OF NEW YORK

9076

IN SENATE

April 16, 2024

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the general municipal law and the retirement and social security law, in relation to increasing the special accidental death benefit of certain deceased members

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

Section 1. Subdivision c of section 208-f of the general municipal law, as amended by chapter 213 of the laws of 2023, is amended to read as follows:

c. Commencing July first, two thousand [~~twenty-three~~] **twenty-four** the special accidental death benefit paid to a widow or widower or the deceased member's children under the age of eighteen or, if a student, under the age of twenty-three, if the widow or widower has died, or to the deceased member's parents if the member has no widow, widower, children under the age of eighteen, or a student under the age of twenty-three, shall be escalated by adding thereto an additional percentage of the salary of the deceased member (as increased pursuant to subdivision b of this section) in accordance with the following schedule:

calendar year of death of the deceased member	per centum
1977 or prior	[~~289.5%~~] **301.2%**
1978	[~~278.2%~~] **289.5%**
1979	[~~267.1%~~] **278.2%**
1980	[~~256.5%~~] **267.1%**
1981	[~~246.1%~~] **256.5%**
1982	[~~236.0%~~] **246.1%**
1983	[~~226.2%~~] **236.0%**
1984	[~~216.7%~~] **226.2%**
1985	[~~207.5%~~] **216.7%**
1986	[~~198.5%~~] **207.5%**
1987	[~~189.8%~~] **198.5%**
1988	[~~181.4%~~] **189.8%**

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

LBD14663-04-4

1989	[~~173.2%~~] 181.4%
1990	[~~165.2%~~] 173.2%
1991	[~~157.5%~~] 165.2%
1992	[~~150.0%~~] 157.5%
1993	[~~142.7%~~] 150.0%
1994	[~~135.7%~~] 142.7%
1995	[~~128.8%~~] 135.7%
1996	[~~122.1%~~] 128.8%
1997	[~~115.7%~~] 122.1%
1998	[~~109.4%~~] 115.7%
1999	[~~103.3%~~] 109.4%
2000	[~~97.4%~~] 103.3%
2001	[~~91.6%~~] 97.4%
2002	[~~86.0%~~] 91.6%
2003	[~~80.6%~~] 86.0%
2004	[~~75.4%~~] 80.6%
2005	[~~70.2%~~] 75.4%
2006	[~~65.3%~~] 70.2%
2007	[~~60.5%~~] 65.3%
2008	[~~55.8%~~] 60.5%
2009	[~~51.3%~~] 55.8%
2010	[~~46.9%~~] 51.3%
2011	[~~42.6%~~] 46.9%
2012	[~~38.4%~~] 42.6%
2013	[~~34.4%~~] 38.4%
2014	[~~30.5%~~] 34.4%
2015	[~~26.7%~~] 30.5%
2016	[~~23.0%~~] 26.7%
2017	[~~19.4%~~] 23.0%
2018	[~~15.9%~~] 19.4%
2019	[~~12.6%~~] 15.9%
2020	[~~9.3%~~] 12.6%
2021	[~~6.1%~~] 9.3%
2022	[~~3.0%~~] 6.1%
2023	[~~0.0%~~] 3.0%
2024	0.0%

§ 2. Subdivision c of section 361-a of the retirement and social security law, as amended by chapter 213 of the laws of 2023, is amended to read as follows:

c. Commencing July first, two thousand [~~twenty-three~~] twenty-four the special accidental death benefit paid to a widow or widower or the deceased member's children under the age of eighteen or, if a student, under the age of twenty-three, if the widow or widower has died, shall be escalated by adding thereto an additional percentage of the salary of the deceased member, as increased pursuant to subdivision b of this section, in accordance with the following schedule:

calendar year of death of the deceased member	per centum
1977 or prior	[~~289.5%~~] 301.2%
1978	[~~278.2%~~] 289.5%
1979	[~~267.1%~~] 278.2%
1980	[~~256.5%~~] 267.1%
1981	[~~246.1%~~] 256.5%
1982	[~~236.0%~~] 246.1%

1983	[~~226.2%~~]	236.0%
1984	[~~216.7%~~]	226.2%
1985	[~~207.5%~~]	216.7%
1986	[~~198.5%~~]	207.5%
1987	[~~189.8%~~]	198.5%
1988	[~~181.4%~~]	189.8%
1989	[~~173.2%~~]	181.4%
1990	[~~165.2%~~]	173.2%
1991	[~~157.5%~~]	165.2%
1992	[~~150.0%~~]	157.5%
1993	[~~142.7%~~]	150.0%
1994	[~~135.7%~~]	142.7%
1995	[~~128.8%~~]	135.7%
1996	[~~122.1%~~]	128.8%
1997	[~~115.7%~~]	122.1%
1998	[~~109.4%~~]	115.7%
1999	[~~103.3%~~]	109.4%
2000	[~~97.4%~~]	103.3%
2001	[~~91.6%~~]	97.4%
2002	[~~86.0%~~]	91.6%
2003	[~~80.6%~~]	86.0%
2004	[~~75.4%~~]	80.6%
2005	[~~70.2%~~]	75.4%
2006	[~~65.3%~~]	70.2%
2007	[~~60.5%~~]	65.3%
2008	[~~55.8%~~]	60.5%
2009	[~~51.3%~~]	55.8%
2010	[~~46.9%~~]	51.3%
2011	[~~42.6%~~]	46.9%
2012	[~~38.4%~~]	42.6%
2013	[~~34.4%~~]	38.4%
2014	[~~30.5%~~]	34.4%
2015	[~~26.7%~~]	30.5%
2016	[~~23.0%~~]	26.7%
2017	[~~19.4%~~]	23.0%
2018	[~~15.9%~~]	19.4%
2019	[~~12.6%~~]	15.9%
2020	[~~9.3%~~]	12.6%
2021	[~~6.1%~~]	9.3%
2022	[~~3.0%~~]	6.1%
2023	[~~0.0%~~]	3.0%
2024		0.0%

§ 3. This act shall take effect July 1, 2024.

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

This bill would amend both the General Municipal Law and the Retirement and Social Security Law to increase the salary used in the computation of the special accidental death benefit by 3% in cases where the date of death was before 2024.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the increased costs would be shared by the State of New York and the local participating employers in the NYSLPFRS. If this bill were enacted during the 2024 Legislative Session, the increase in the present value of benefits would be approximately $8.5 million.

NYSLPFRS	Increase in present	Increase in required

	value benefits	contributions
Tiers 1-5	$8.5 million	$4.1 million
Tier 6	$0.0 million	$4.4 million
Total	$8.5 million	$8.5 million

In the NYSLPFRS, this benefit improvement is funded by increasing the billing rates charged annually to cover both retrospective and prospective benefit increases. The annual contribution required of all participating employers in NYSLPFRS is 0.02% of billable salary, or approximately $170,000 to the State of New York and approximately $700,000 to the local participating employers. This **permanent annual cost** will vary in subsequent billing cycles with changes in the billing rate and salary of the members in the NYSLPFRS.

Summary of relevant resources:

Membership data as of March 31, 2023 was used in measuring the impact of the proposed change, the same data used in the April 1, 2023 actuarial valuation. Distributions and other statistics can be found in the 2023 Report of the Actuary and the 2023 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2023 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, 2023 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

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 April 10, 2024, and intended for use only during the 2024 Legislative Session, is Fiscal Note No. 2024-158, prepared by the Actuary for the New York State and Local Retirement System.

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

SUMMARY: This proposed legislation, as it relates to the New York City Retirement Systems and Pension Funds (NYCRS), would increase Special Accidental Death Benefits (SADB) for Eligible Beneficiaries of former members of NYCRS who died due to an accident sustained in the performance of duty.

IMPACT ON EMPLOYER CONTRIBUTIONS*
by Fiscal Year for the first 25 years ($ in Millions)

Year	NYCERS	POLICE	FIRE	TOTAL
2025	0.4	3.5	4.1	8.0
2026	0.4	3.5	4.1	8.0
2027	0.4	3.5	4.1	8.0
2028	0.4	3.5	4.1	8.0
2029	0.4	3.5	4.1	8.0
2030	0.4	3.5	4.1	8.0
2031	0.4	3.5	4.1	8.0
2032	0.4	3.5	4.1	8.0
2033	0.4	3.5	4.1	8.0
2034	0.4	3.4	4.1	7.9
2035	0.4	3.4	4.1	7.9

2036	0.4	3.4	4.1	7.9
2037	0.4	3.4	4.1	7.9
2038	0.4	3.4	4.1	7.9
2039	0.0	0.1	0.0	0.1
2040	0.0	0.1	0.0	0.1
2041	0.0	0.1	0.0	0.1
2042	0.0	0.0	0.0	0.0
2043	0.0	0.0	0.0	0.0
2044	0.0	0.0	0.0	0.0
2045	0.0	0.0	0.0	0.0
2046	0.0	0.0	0.0	0.0
2047	0.0	0.0	0.0	0.0
2048	0.0	0.0	0.0	0.0
2049	0.0	0.0	0.0	0.0

* The costs of this proposed legislation have already been accounted for and will not result in a further increase in employer contributions. The table above shows the expected **decrease** in employer contributions if the proposed legislation is **not** enacted.

The impact on employer contributions in the first year is estimated to be $7.9 million for New York City and $0.1 million for other obligors of NYCRS.

IMPACT ON ACTUARIAL LIABILITIES
as of June 30, 2023 ($ in Millions)

Present Value (PV)	NYCERS	POLICE	FIRE
PV of Benefits:	3.3	29.5	34.9
PV of Employee Contributions:	0.0	0.0	0.0
PV of Employer Contributions:	3.3	29.5	34.9
Unfunded Accrued Liabilities:	3.1	28.3	34.4

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS	POLICE	FIRE
Number of Payments:	14	14	14
Fiscal Year of Last Payment:	2038	2038	2038
Amortization Payment:	0.4 M	3.5 M	4.1 M

The decrease in expected pension payments due to this legislation **not** passing would be treated as an actuarial gain.

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	POLICE	FIRE
Active Members			
- Number Count:	18,784	33,800	10,720
- Average Age:	41.8	37.6	40.8
- Average Service:	11.3	11.3	13.9
- Average Salary:	105,600	128,600	139,500
Receiving Members			
- Number Count:	85	596	706
- Average Age:	66.0	63.6	66.9

IMPACT ON MEMBER BENEFITS: The SADB cost-of-living adjustments have been passed by the legislature each year. Under the proposed legis-

lation, an additional 3.0% of Final Salary would be applied to the SADB paid effective July 1, 2024.

The SADB is paid to the deceased member's surviving spouse, if alive. If the spouse is no longer alive, the SADB is paid to the deceased member's children until age eighteen or until age twenty-three if a student. If neither a spouse nor a dependent child is alive, the SADB may be paid to the member's parents or certain other individuals, if eligible.

The proposed legislation would impact the SADB payable to certain survivors of NYCERS, POLICE, and FIRE who were employed in certain uniformed positions of the following New York City employers:

Police Department, Fire Department, Department of Sanitation, Housing Authority, Transit Authority, Department of Correction, Health and Hospitals Corporation (as EMT), New York City (as Emergency Medical Technician - EMT), or Triborough Bridge and Tunnel Authority (Bridge and Tunnel Position).

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

Based on the historical practice of providing 3.0% COLAs on the SADB each year, and the likelihood that COLAs will continue to be granted in the future, the Actuary assumes that the SADB benefit will continue to increase 3.0% per year in the future when determining NYCRS employer contributions.

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 2024-44 dated April 11, 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.