STATE OF NEW YORK

7251--A

2023-2024 Regular Sessions

IN ASSEMBLY

May 16, 2023

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- 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 the overtime ceiling for correction officers of the Westchester county correction department

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

Section 1. Subdivision l of section 601 of the retirement and social security law is amended by adding a new paragraph (e) to read as follows:

(e) Notwithstanding the provisions of paragraph (c) and subparagraph one of paragraph (d) of this subdivision, commencing on January first, two thousand twenty-five "overtime ceiling" for any correction officer of the Westchester county correction department as defined in section eighty-nine-e of this chapter shall mean the greater of: (i) the overtime ceiling as defined in this subdivision; or (ii) thirty percent of the regular compensation earned by and paid to such member by Westchester county for such member's service as a correction officer.

§ 2. Notwithstanding any provision of law to the contrary, none of the provisions of this act shall be subject to the appropriation requirement of section 25 of the retirement and social security law.

§ 3. All past service costs associated with implementing the provisions of this act shall be borne by the county of Westchester and may be amortized over a period of ten years.

§ 4. This act shall take effect immediately.

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

This bill would change the allowable overtime compensation included in the final average salary calculation beginning January 1, 2025 to thirty

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

LBD09747-07-4

percent of a member's annual wages if greater than the limits currently defined in Section 601 of the Retirement and Social Security Law for Tier 5 and Tier 6 Westchester County correction officers. Current limits were set at $15,000 at the inception of each tier, with the Tier 5 limit increasing 3% annually and the Tier 6 limit increasing annually with inflation.

If this bill is enacted during the 2024 Legislative Session, we anticipate that there will be an increase of approximately $500,000 in the annual contributions of the County of Westchester for the fiscal year ending March 31, 2025. In future years, this cost will vary as the billing rates and salary of the affected members change but is expected to average 0.8% of salary annually.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $3.05 million which will be borne by the County of Westchester as a one-time payment. This estimate assumes that payment will be made on February 1, 2025. If the County of Westchester elects to amortize this cost over a 10-year period, the cost for each year including interest would be $389,000.

These estimated costs are based on 523 affected Tier 5 and Tier 6 correction officers employed by the County of Westchester, with annual salary of approximately $51.9 million as of March 31, 2023.

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 February 15, 2024, and intended for use only during the 2024 Legislative Session, is Fiscal Note No. 2024-19, prepared by the Actuary for the New York State and Local Retirement System.