# STATE OF NEW YORK

7256--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 providing additional benefits for certain retirement system members with credited service in excess of twenty-five years

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

Section 1. Subdivisions c and f of section 89-e of the retirement and social security law, as added by chapter 520 of the laws of 1988, are amended to read as follows:

c. Upon completion of twenty-five years of such service and upon retirement, each such member shall receive a pension which, together with an annuity which shall be the actuarial equivalent of [~~his~~] **such member's** accumulated contributions at the time of [~~his~~] **such member's** retirement and an additional pension which is the actuarial equivalent of the [~~reserved-for-increased-take-home-pay~~] **reserve-for-increased-take-home-pay** to which [~~he~~] **such member** may then be entitled shall be sufficient to provide [~~him~~] **such member** with a retirement allowance equal to one-half of [~~his~~] **such member's** final average salary**, provided however that a member with credited service in excess of twenty-five years shall receive an additional retirement allowance equal to one-sixtieth of such member's final average salary for each year of creditable service in excess of twenty-five years but not in excess of thirty years**.

f. A member contributing on the basis of this section at the time of retirement, [~~shall~~] **may** retire after the completion of twenty-five years of total creditable service. Application therefor may be filed in a manner similar to that provided in section seventy of this article. Upon

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

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completion of **at least** twenty-five years of such service and upon retirement, each such member shall receive a pension which, together with an annuity which shall be the actuarial equivalent of [~~his~~] **such member's** accumulated contributions at the time of [~~his~~] **such member's** retirement and an additional pension which is the actuarial equivalent of the reserve-for-increased-take-home-pay to which [~~he~~] **such member** may then be entitled shall be sufficient to provide [~~him~~] **such member** with a retirement allowance equal to one-half of [~~his~~] **such member's** final average salary **plus an additional retirement allowance equal to one-sixtieth of such member's final average salary for each year of creditable service in excess of twenty-five years but not in excess of thirty years**.

§ 2. Subdivision c of section 604 of the retirement and social security law, as added by chapter 520 of the laws of 1988, is amended to read as follows:

c. The early service retirement benefit for a member who is a correction officer of the Westchester county correction department as defined in section eighty-nine-e of this chapter shall be a pension equal to one-fiftieth of final average salary times years of credited service at the completion of twenty-five years of service as such correction [~~officer, but not exceeding one-half of his or her~~] **officer's** final average salary **plus an additional retirement allowance equal to one-sixtieth of such member's final average salary for each year of credited service in excess of twenty-five years but not in excess of thirty years**.

§ 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. Notwithstanding any other 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.

§ 5. This act shall take effect immediately and shall apply to all members that retire on or after such date.

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

This bill would modify the service retirement benefit for members of the New York State and Local Employees' Retirement System employed by Westchester County as correction officers. The modified service retirement benefit will be one-half of final average salary (FAS) upon completion of twenty-five years of creditable service with additional sixtieths for each year of creditable service in excess of twenty-five years but not in excess of thirty years. The current service retirement benefit is one-half of FAS upon completion of twenty-five years of creditable service.

If this bill is enacted during the 2023 legislative session, we anticipate that there will be an increase of approximately $1.0 million in the annual contributions of Westchester County for the fiscal year ending March 31, 2025. In future years this cost will vary but is expected to average 0.8% of affected salary annually.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $11.6 million which will be borne by Westchester County as a one-time payment. This estimate assumes that payment will be made on February 1, 2025. If Westchester County elects to amortize this cost over a 10-year period, the cost for the first year including interest would be $1.49 million.

These estimated costs are based on 851 affected members employed by Westchester County, with annual salary of approximately $104 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 January 3, 2024, and intended for use only during the 2024 Legislative Session, is Fiscal Note No. 2024-16, prepared by the Actuary for the New York State and Local Retirement System.