STATE OF NEW YORK

8607

IN ASSEMBLY

January 12, 2024

Introduced by M. of A. BERGER -- read once and referred to the Committee on Governmental Employees

AN ACT authorizing Jonathan Grossman to apply for a recalculation of his retirement benefits

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

Section 1. Notwithstanding any provision of law to the contrary, Jonathan Grossman, who joined the New York city teachers' retirement system as a Tier I member on January 1, 1972, who retired from such system on September 28, 2010, and who for reasons not ascribable to his own negligence had his retirement benefits calculated without the inclusion of a lump sum payment for accumulated vacation, shall have his retirement benefits recalculated with such lump sum payments, including interest accruing from the date of retirement, if he shall file an application therefor with the state comptroller on or before one year of the effective date of this act.

§ 2. All past service costs of implementing the provisions 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 allow Jonathan Grossman, a retired Tier 1 member of the New York City Teachers' Retirement System (TRS) to have his retirement benefits recalculated to include his lump sum payment for accumulated vacation in the calculation of his final average salary.

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

Year	TRS
2025	0
2026	342,000
2027	0

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

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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	

The entire initial increase in employer contributions of $342,000 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:	$ 309,000
PV of Employee Contributions:	0
PV of Employer Contributions:	309,000
Unfunded Accrued Liabilities:	309,000

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	TRS
Number of Payments:	1
Fiscal Year of Last Payment:	2026
Amortization Payment:	$ 342,000

Since Mr. Grossman 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 impacted population is summarized below.

	TRS
Receiving Members	
- Number Count:	1
- Average Age:	76.0

BACKGROUND: Mr. Grossman retired as a Tier 1 TRS member on September 28, 2010. He currently receives an annual retirement allowance of

$103,495 per year under the 50% Joint and Survivor with Pop-Up payment option.

If the proposed legislation is passed, Mr. Grossman's retirement allowance would be recalculated to include in his final average salary a lump sum payment he received for unused vacation time, which is a benefit that is generally not afforded to TRS retirees. The additional cost, less any required member contributions paid by Mr. Grossman, to fund the increased retirement allowance associated with the proposed legislation would be paid by the City of New York.

Tier 1 TRS members are generally permitted to take an actuarial reduction of their retirement allowance to account for deficits in member contributions. For purposes of this fiscal note, it is assumed that Mr. Grossman would not pay any owed member contributions resulting from the recalculation. Based on this assumption and application of other Tier 1 benefit calculation provisions, it is estimated that Mr. Grossman's annual retirement allowance would increase to $114,514. This annual increase would apply prospectively as well as retroactively, less any payments previously made, to Mr. Grossman's September 28, 2010 date of retirement.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the actuarial assumptions and methods to be used for the Preliminary Fiscal Year 2025 employer contributions of the impacted retirement systems.

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 2024-01 dated January 5, 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.