

STATE OF NEW YORK

9822

IN ASSEMBLY

April 9, 2024

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

AN ACT to amend the retirement and social security law, in relation to the establishment of twenty-five year retirement programs for members of the New York city employees' retirement system employed as fire protection inspectors and associate fire protection inspectors

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

1 Section 1. The retirement and social security law is amended by
2 adding a new section 604-j to read as follows:

3 § 604-j. Twenty-five year retirement program for fire protection
4 inspector members. a. Definitions. The following words and phrases as
5 used in this section shall have the following meanings unless a differ-
6 ent meaning is plainly required by the context.

7 1. "Fire protection inspector member" shall mean a member who is
8 employed by the city of New York or by the New York city fire department
9 in a title whose duties are those of a fire protection inspector or
10 associate fire protection inspector; or in a title whose duties require
11 the supervision of employees whose duties are those of a fire protection
12 inspector or associate fire protection inspector.

13 2. "Twenty-five year retirement program" shall mean all the terms and
14 conditions of this section.

15 3. "Starting date of the twenty-five year retirement program" shall
16 mean the effective date of this section.

17 4. "Participant in the twenty-five year retirement program" shall mean
18 any fire protection inspector member who, under the applicable
19 provisions of subdivision b of this section, is entitled to the rights,
20 benefits, and privileges and is subject to the obligations of the twen-
21 ty-five year retirement program, as applicable to them.

22 5. "Discontinued member" shall mean a participant in the twenty-five
23 year retirement program who, while they were a fire protection inspector
24 member, discontinued service as such a member and has a right to a
25 deferred vested benefit under subdivision d of this section.

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

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1 6. "Administrative code" shall mean the administrative code of the
2 city of New York.

3 7. "Allowable service as a fire protection inspector member" shall
4 mean all service as a fire protection inspector member.

5 b. Participation in the twenty-five year retirement program. 1.
6 Subject to the provisions of paragraphs six and seven of this subdivi-
7 sion, any person who is a fire protection inspector member on the start-
8 ing date of the twenty-five year retirement program and who, as such a
9 fire protection inspector member or otherwise, last became subject to
10 the provisions of this article prior to such starting date, may elect to
11 become a participant in the twenty-five year retirement program by
12 filing, within one hundred eighty days after the starting date of the
13 twenty-five year retirement program, a duly executed application for
14 such participation with the retirement system of which such person is a
15 member, provided they are such a fire protection inspector member on the
16 date such application is filed.

17 2. Subject to the provisions of paragraphs six and seven of this
18 subdivision, any person who becomes a fire protection inspector member
19 after the starting date of the twenty-five year retirement program and
20 who, as such a fire protection inspector member or otherwise, last
21 became subject to the provisions of this article prior to such starting
22 date, may elect to become a participant in the twenty-five year retire-
23 ment program by filing, within one hundred eighty days after becoming
24 such a fire protection inspector member, a duly executed application for
25 such participation with the retirement system for which such person is a
26 member, provided they are such a fire protection inspector member on the
27 date such application is filed.

28 3. Each fire protection inspector member, other than a fire protection
29 inspector member subject to paragraph one or two of this subdivision,
30 who becomes subject to the provisions of this article on or after the
31 starting date of the twenty-five year retirement program shall become a
32 participant in the twenty-five year retirement program on the date they
33 become such a fire protection inspector member. Provided, however, a
34 person subject to this paragraph, and who has exceeded age twenty-five
35 upon employment as a fire protection inspector member, shall be exempt
36 from participation in the improved twenty-five year retirement program
37 if such person elects not to participate by filing a duly executed form
38 with the retirement system within one hundred eighty days of becoming a
39 fire protection inspector member.

40 4. Any election to be a participant in the twenty-five year retirement
41 program shall be irrevocable.

42 5. Where any participant in the twenty-five year retirement program
43 shall cease to be employed as a fire protection inspector member, they
44 shall cease to be such a participant and, during any period in which
45 such person is not so employed, they shall not be a participant in the
46 twenty-five year retirement program and shall not be eligible for the
47 benefits of subdivision c of this section.

48 6. Where any participant in the twenty-five year retirement program
49 terminates service as a fire protection inspector member and returns to
50 such service as a fire protection inspector member at a later date, they
51 shall again become such a participant on that date.

52 7. Notwithstanding any other provision of the law to the contrary, any
53 person who is eligible to elect to become a participant in the twenty-
54 five year retirement program pursuant to paragraph one or two of this
55 subdivision for the full one hundred eighty day period provided for in
56 such applicable paragraph and who fails to timely file a duly executed

1 application for such participation with the retirement system, shall not
2 thereafter be eligible to become a participant in such program.

3 c. Service retirement benefits. 1. A participant in the twenty-five
4 year retirement program:

5 (i) who has completed twenty-five or more years of allowable service
6 as a fire protection inspector member; and

7 (ii) who has paid, before the effective date of retirement, all addi-
8 tional member contributions and interest (if any) required by subdivi-
9 sion e of this section; and

10 (iii) who files with the retirement system of which they are a member
11 an application for service retirement setting forth at what time, not
12 less than thirty days subsequent to the execution and filing thereof,
13 their desire to be retired; and

14 (iv) who shall be a participant in the twenty-five year retirement
15 program at the time so specified for their retirement; shall be retired
16 pursuant to the provisions of this section affording early service
17 retirement.

18 2. Notwithstanding the provisions of subdivision a-1 of section six
19 hundred three of this article, or any other provision of law to the
20 contrary, and subject to the provisions of paragraph six of subdivision
21 e of this section, the early service retirement benefit for participants
22 in the twenty-five year retirement program who retire pursuant to para-
23 graph one of this subdivision shall be a retirement allowance consisting
24 of:

25 (i) an amount, on account of the required minimum period of service,
26 equal to fifty percent of their final average salary; plus

27 (ii) an amount on account of allowable service as a fire protection
28 inspector member, or fraction thereof, beyond such required minimum
29 period of service equal to two percent of their final salary for such
30 allowable service as a fire protection inspector member during the peri-
31 od from completion of twenty-five years of allowable service as a fire
32 protection inspector member to the date of retirement but not to exceed
33 more than five years of additional service as a fire protection inspec-
34 tor member.

35 d. Vesting. 1. A participant in the twenty-five year retirement
36 program:

37 (i) who discontinues service as such a participant, other than by
38 death or retirement; and

39 (ii) who prior to such discontinuance, completed five but less than
40 twenty-five years of allowable service as a fire protection inspector
41 member; and

42 (iii) who, subject to the provisions of paragraph seven of subdivision
43 e of this section, has paid, prior to such discontinuance, all addi-
44 tional member contributions and interest (if any) required by subdivi-
45 sion e of this section; and

46 (iv) who does not withdraw in whole or in part their accumulated
47 member contributions pursuant to section six hundred thirteen of this
48 article unless such participant thereafter returns to public service and
49 repays the amounts so withdrawn, together with interest, pursuant to
50 such section six hundred thirteen; shall be entitled to receive a
51 deferred vested benefit as provided in this subdivision.

52 2. (i) Upon such discontinuance under the conditions and in compliance
53 with the provisions of paragraph one of this subdivision, such deferred
54 vested benefit shall vest automatically.

55 (ii) In the case of a participant who is not a New York city revised
56 plan member, such vested benefit shall become payable on the earliest

1 date on which such discontinued member could have retired for service if
2 such discontinuance had not occurred or, in the case of a participant
3 who is a New York city revised plan member, such vested benefit shall
4 become payable at age sixty-three. Subject to the provisions of para-
5 graph seven of subdivision e of this section, such deferred vested bene-
6 fit shall be a retirement allowance consisting of an amount equal to two
7 percent of such discontinued member's final average salary, multiplied
8 by the number of years of credited service.

9 e. Additional member contributions. 1. In addition to the member
10 contributions required by section six hundred thirteen of this article,
11 each participant in the twenty-five year retirement program shall
12 contribute to the retirement system of which they are a member (subject
13 to the applicable provisions of subdivision d of section six hundred
14 thirteen of this article and subject to the limitation provided for in
15 paragraph two of this subdivision) an additional six and twenty-five
16 one-hundredths percent of their compensation earned from (i) all allow-
17 able service, as a participant in the twenty-five year retirement
18 program, rendered on or after the starting date of the twenty-five year
19 retirement program, and (ii) all allowable service after such person
20 ceases to be a participant, but before they again become a participant
21 pursuant to paragraph six of subdivision b of this section. The addi-
22 tional contributions required by this section shall be in lieu of addi-
23 tional member contributions required by subdivision d of section six
24 hundred four-c of this article, as added by chapter ninety-six of the
25 laws of nineteen hundred ninety-five, and no member making additional
26 contributions pursuant to this section shall be required to make
27 contributions pursuant to such subdivision d of section six hundred
28 four-c of this article. Notwithstanding the foregoing provisions of this
29 paragraph, the additional member contribution required to be paid by
30 each participant pursuant to this paragraph shall not exceed the
31 percentage of their compensation that, when added to the contribution
32 made pursuant to subdivision d of section six hundred thirteen of this
33 article, equals nine and twenty-five one-hundredths percent of that
34 compensation.

35 2. A participant in the twenty-five year retirement program shall
36 contribute additional member contributions until the later of (i) the
37 first anniversary of the starting date of the twenty-five year retire-
38 ment program, or (ii) the date on which they complete thirty years of
39 allowable service as a fire protection inspector member.

40 3. Commencing with the first full payroll period after each person
41 becomes a participant in the twenty-five year retirement program, addi-
42 tional member contributions at the rate specified in paragraph one of
43 this subdivision shall be deducted (subject to the applicable provisions
44 of subdivision d of section six hundred thirteen of this article) from
45 the compensation of such participant on each and every payroll of such
46 participant for each and every payroll period for which they are such a
47 participant.

48 4. (i) Each participant in the twenty-five year retirement program
49 shall be charged with a contribution deficiency consisting of the total
50 amounts of additional member contributions such person is required to
51 make pursuant to paragraphs one and two of this subdivision which are
52 not deducted from their compensation pursuant to paragraph three of this
53 subdivision, if any, together with interest thereon, compounded annual-
54 ly, and computed in accordance with the provisions of subparagraphs (ii)
55 and (iii) of this paragraph.

1 (ii) (A) The interest required to be paid on each such amount speci-
2 fied in subparagraph (i) of this paragraph shall accrue from the end of
3 the payroll period for which such amount would have been deducted from
4 compensation if they had been a participant at the beginning of that
5 payroll period and such deduction had been required for such payroll
6 period, until such amount is paid to the retirement system.

7 (B) The rate of interest to be applied to each such amount during the
8 period for which interest accrues on that amount shall be equal to the
9 rate or rates of interest required by law to be used during that same
10 period to credit interest on the accumulated deductions of retirement
11 system members.

12 (iii) Except as otherwise provided in paragraph five of this subdivi-
13 sion, no interest shall be due on any unpaid additional member contrib-
14 utions which are not attributable to a period prior to the first full
15 payroll period referred to in paragraph three of this subdivision.

16 5. (i) Should any person who, pursuant to subparagraph (ii) of para-
17 graph ten of this subdivision, has received a refund of their additional
18 member contribution including any interest paid on such contributions,
19 again become a participant in the twenty-five year retirement program
20 pursuant to paragraph six of subdivision b of this section, an appropri-
21 ate amount shall be included in such participant's contribution defi-
22 ciency (including interest thereon as calculated pursuant to subpara-
23 graph (ii) of this paragraph) for any credited service for which such
24 person received a refund of such additional member contributions
25 (including any amount of an unpaid loan balance deemed to have been
26 returned to such person pursuant to paragraph twelve of this subdivi-
27 sion), as if such additional member contributions never had been paid.

28 (ii)(A) Interest on a participant's additional member contributions
29 included in such participant's contribution deficiency pursuant to
30 subparagraph (i) of this paragraph shall be calculated as if such addi-
31 tional member contributions had never been paid by such participant, and
32 such interest shall accrue from the end of the payroll period to which
33 an amount of such additional member contributions is attributable, until
34 such amount is paid to the retirement system.

35 (B) The rate of interest to be applied to each such amount during the
36 period for which interest accrues on that amount shall be five percent
37 per annum, compounded annually.

38 6. Where a participant who is otherwise eligible for service retire-
39 ment pursuant to subdivision c of this section did not, prior to the
40 effective date of retirement, pay the entire amount of a contribution
41 deficiency chargeable to them pursuant to paragraphs four and five of
42 this subdivision, or repay the entire amount of a loan of their addi-
43 tional member contributions pursuant to paragraph eleven of this subdivi-
44 sion (including accrued interest on such loan), that participant,
45 nevertheless, shall be eligible to retire pursuant to subdivision c of
46 this section, provided, however, that such participant's service retire-
47 ment benefit calculated pursuant to paragraph two of such subdivision c
48 of this section shall be reduced by a life annuity (calculated in
49 accordance with the method set forth in subdivision i of section six
50 hundred thirteen-b of this article) which is actuarially equivalent to:

51 (i) the amount of any unpaid contribution deficiency chargeable to
52 such member pursuant to paragraphs four and five of this subdivision;
53 plus

54 (ii) the amount of any unpaid balance of a loan of their additional
55 member contributions pursuant to paragraph eleven of this subdivision
56 (including accrued interest on such loan).

1 7. Where a participant who is otherwise eligible for a vested right to
2 a deferred benefit pursuant to subdivision d of this section did not,
3 prior to the date of discontinuance of service, pay the entire amount of
4 a contribution deficiency chargeable to them pursuant to paragraphs four
5 and five of this subdivision, or repay the entire amount of a loan of
6 their additional member contributions pursuant to paragraph eleven of
7 this subdivision (including accrued interest on such loan), that partic-
8 ipant, nevertheless, shall have a vested right to a deferred benefit
9 pursuant to subdivision d of this section provided, however, that the
10 deferred vested benefit calculated pursuant to paragraph two of subdivi-
11 sion d of this section shall be reduced by a life annuity (calculated in
12 accordance with the method set forth in subdivision i of section six
13 hundred thirteen-b of this article) which is actuarially equivalent to:

14 (i) the amount of any unpaid contribution chargeable to such member
15 pursuant to paragraphs four and five of this subdivision; plus

16 (ii) the amount of any unpaid balance of a loan of their additional
17 member contributions pursuant to paragraph eleven of this subdivision
18 (including accrued interest on such a loan).

19 8. The head of a retirement system which includes participants in the
20 twenty-five year retirement program in its membership may, consistent
21 with the provisions of this subdivision, promulgate regulations for the
22 payment of such additional member contributions, and any interest there-
23 on, by such participants (including the deduction of such contributions,
24 and any interest thereon, from the participant's compensation).

25 9. Subject to the provisions of paragraphs six and seven of this
26 subdivision, where a participant has not paid in full any contribution
27 deficiency chargeable to them pursuant to paragraphs four and five of
28 this subdivision, and a benefit, other than a refund of member contrib-
29 utions pursuant to section six hundred thirteen of this article or a
30 refund of additional member contributions pursuant to subparagraph (ii)
31 of paragraph ten of this subdivision, becomes payable under this article
32 to the participant or to their designated beneficiary or estate, the
33 actuarial equivalent of any such unpaid amount shall be deducted from
34 the benefit otherwise payable.

35 10. (i) Such additional member contributions (and any interest there-
36 on) shall be paid into the contingent reserve fund of the retirement
37 system of which the participant is a member and shall not for any
38 purpose be deemed to be member contributions or accumulated contrib-
39 utions of a member under section six hundred thirteen of this article or
40 otherwise while they are a participant in the twenty-five year retire-
41 ment program or otherwise.

42 (ii) Should a participant in the twenty-five year retirement program
43 who has rendered less than fifteen years of credited service cease to
44 hold a position as a fire protection inspector member for any reason
45 whatsoever, their accumulated additional member contributions made
46 pursuant to this subdivision (together with any interest thereon paid to
47 the retirement system) may be withdrawn by them pursuant to procedures
48 promulgated in regulations of the board of trustees of the retirement
49 system, together with interest thereon at the rate of five percent per
50 annum, compounded annually.

51 (iii) Notwithstanding any other provision of law to the contrary, (A)
52 no person shall be permitted to withdraw from the retirement system any
53 additional member contributions paid pursuant to this subdivision or any
54 interest paid thereon, except pursuant to and in accordance with the
55 preceding subparagraphs of this paragraph; and (B) no person, while they
56 are a participant in the twenty-five year retirement program, shall be

1 permitted to withdraw any such additional member contributions or any
2 interest paid thereon pursuant to any of the preceding subparagraphs of
3 this paragraph or otherwise.

4 11. A participant in the twenty-five year retirement program shall be
5 permitted to borrow from their additional member contributions (includ-
6 ing any interest paid thereon) which are credited to the additional
7 contributions account established for such participant in the contingent
8 reserve fund of the retirement system. The borrowing from such addi-
9 tional member contributions pursuant to this paragraph shall be governed
10 by the rights, privileges, obligations, and procedures set forth in
11 section six hundred thirteen-b of this article which govern the borrow-
12 ing of member contributions made pursuant to section six hundred thir-
13 teen of this article. The board of trustees of the retirement system
14 may, consistent with the provisions of this subdivision and the
15 provisions of section six hundred thirteen-b of this article as made
16 applicable to this subdivision, promulgate regulations governing the
17 borrowing of such additional member contributions.

18 12. Whenever a person has an unpaid balance of a loan or their addi-
19 tional member contributions pursuant to paragraph eleven of this subdivi-
20 vision at the time they become entitled to a refund of their additional
21 member contributions pursuant to subparagraph (ii) of paragraph ten of
22 this subdivision, the amount of such unpaid loan balance (including
23 accrued interest) shall be deemed to have been returned to such member,
24 and the refund of such additional contributions shall be the net amount
25 of such contribution, together with interest thereon in accordance with
26 the provisions of such subparagraph (ii).

27 § 2. Subdivision d of section 613 of the retirement and social securi-
28 ty law is amended by adding a new paragraph 12 to read as follows:

29 12. (i) The city of New York shall, in the case of a fire protection
30 inspector member (as defined in paragraph one of subdivision a of
31 section six hundred four-j of this article) who is a participant in the
32 twenty-five year retirement program (as defined in paragraph four of
33 subdivision a of such section six hundred four-j), pick up and pay to
34 the retirement system of which such participant is a member all addi-
35 tional member contributions which otherwise would be required to be
36 deducted from such member's compensation pursuant to paragraphs one and
37 two of subdivision e of such section six hundred four-j of this article
38 (not including any additional member contributions due for any period
39 prior to the first full payroll period referred to in such paragraph
40 three of such subdivision e), and shall effect such pick up in each and
41 every payroll of such participant for each and every payroll period with
42 respect to which such paragraph three would otherwise require such
43 deductions.

44 (ii) An amount equal to the amount of additional contributions picked
45 up pursuant to this paragraph shall be deducted by such employer from
46 the compensation of such member (as such compensation would be in the
47 absence of a pick up program applicable to them hereunder) and shall not
48 be paid to such member.

49 (iii) The additional member contributions picked up pursuant to this
50 paragraph for any such member shall be paid by such employer in lieu of
51 an equal amount of additional member contributions otherwise required to
52 be paid by such member under the applicable provisions of subdivision e
53 of section six hundred four-j of this article, and shall be deemed to be
54 and treated as employer contributions pursuant to section 414(h) of the
55 Internal Revenue Code.

1 (iv) For the purpose of determining the retirement system rights,
2 benefits, and privileges of any member whose additional member contrib-
3 utions are picked up pursuant to this paragraph, such picked up addi-
4 tional member contributions shall be deemed to be and treated as part of
5 such member's additional member contributions under the applicable
6 provisions of subdivision e of section six hundred four-j of this arti-
7 cle.

8 (v) With the exception of federal income tax treatment, the additional
9 member contributions picked up pursuant to subparagraph (i) of this
10 paragraph shall for all other purposes, including computation of retire-
11 ment benefits and contributions by employers and employees, be deemed
12 employee salary. Nothing contained in this subdivision shall be
13 construed as superseding the provisions of section four hundred thirty-
14 one of this chapter, or any similar provision of law which limits the
15 salary base for computing retirement benefits payable by a public
16 retirement system.

17 § 3. Subdivision a of section 603 of the retirement and social securi-
18 ty law, as amended by chapter 18 of the laws of 2012, is amended to read
19 as follows:

20 a. The service retirement benefit specified in section six hundred
21 four of this article shall be payable to members who have met the mini-
22 mum service requirements upon retirement and attainment of age sixty-
23 two, other than members who are eligible for early service retirement
24 pursuant to subdivision c of section six hundred four-b of this article,
25 subdivision c of section six hundred four-c of this article, subdivision
26 d of section six hundred four-d of this article, subdivision c of
27 section six hundred four-e of this article, subdivision c of section six
28 hundred four-f of this article, subdivision c of section six hundred
29 four-g of this article, subdivision c of section six hundred four-h of
30 this article [~~or~~] subdivision c of section six hundred four-j of this article,
31 or subdivision c of section six hundred four-j of this article,
32 provided, however, a member of a teachers' retirement system or the New
33 York state and local employees' retirement system who first joins such
34 system before January first, two thousand ten or a member who is a
35 uniformed court officer or peace officer employed by the unified court
36 system who first becomes a member of the New York state and local
37 employees' retirement system before April first, two thousand twelve may
38 retire without reduction of [~~his or her~~] their retirement benefit upon
39 attainment of at least fifty-five years of age and completion of thirty
40 or more years of service, provided, however, that a uniformed court
41 officer or peace officer employed by the unified court system who first
42 becomes a member of the New York state and local employees' retirement
43 system on or after January first, two thousand ten and retires without
44 reduction of [~~his or her~~] their retirement benefit upon attainment of at
45 least fifty-five years of age and completion of thirty or more years of
46 service pursuant to this section shall be required to make the member
47 contributions required by subdivision f of section six hundred thirteen
48 of this article for all years of credited and creditable service,
49 provided further that the [~~the~~] preceding provisions of this subdivision
50 shall not apply to a New York city revised plan member.

51 § 4. Nothing contained in sections two and three of this act shall be
52 construed to create any contractual right with respect to members to
53 whom such sections apply. The provisions of such sections are intended
54 to afford members the advantages of certain benefits contained in the
55 internal revenue code, and the effectiveness and existence of such
56 sections and benefits they confer are completely contingent thereon.

1 § 5. This act shall take effect immediately, provided, however that:

2 (a) The provisions of sections two and three of this act shall remain
 3 in full force and effect only so long as, pursuant to federal law,
 4 contributions picked up under such sections are not includable as gross
 5 income of a member for federal income tax purposes until distributed or
 6 made available to the member; provided that the New York city employees'
 7 retirement system shall notify the legislative bill drafting commission
 8 upon the occurrence of such a change in federal law ruling affecting the
 9 provisions of this act in order that the commission may maintain an
 10 accurate and timely effective data base of the official text of the laws
 11 of the state of New York in furtherance of effectuating the provisions
 12 of section 44 of the legislative law and section 70-b of the public
 13 officers law;

14 (b) The amendments to subdivision a of section 603 of the retirement
 15 and social security law made by section three of this act shall not
 16 affect the expiration of such subdivision and shall be deemed to expire
 17 therewith.

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

SUMMARY: This proposed legislation would establish 25-Year Retirement Programs for Fire Protection Inspectors (FPI 25-Year Plans) for Tier 4 and Tier 6 members of NYCERS.

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

Year	NYCERS
2025	321.8
2026	309.8
2027	299.1
2028	290.0
2029	281.4
2030	273.4
2031	264.3
2032	256.8
2033	250.5
2034	241.9
2035	232.1
2036	223.9
2037	24.9
2038	17.1
2039	9.4
2040	3.3
2041	(0.9)
2042	(4.7)
2043	(7.8)
2044	(9.9)
2045	(11.1)
2046	(11.6)
2047	(11.5)
2048	(11.5)
2049	(11.8)

Employer Contribution impact beyond Fiscal Year 2049 is not shown.
 Projected contributions include future new hires that may be impacted.

The entire increase (decrease) in employer contributions will be allocated to New York City.

INITIAL INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2023 (\$ in Millions)

Present Value (PV)	NYCERS
PV of Benefits:	3.3
PV of Employee Contributions:	1.9
PV of Employer Contributions:	1.4
Unfunded Accrued Liabilities:	1.5

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS
Number of Payments:	12
Fiscal Year of Last Payment:	2036
Amortization Payment:	192 K

Unfunded Accrued Liability increases 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 preliminary census data collected as of June 30, 2023. The census data for the fire protection inspectors assumed to elect an FPI 25-Year Plan is summarized below.

	NYCERS
Active Members	
- Number Count:	82
- Average Age:	41.6
- Average Service:	13.6
- Average Salary:	88,200

IMPACT ON MEMBER BENEFITS AND CONTRIBUTIONS: The proposed legislation would provide fire protection inspectors a service retirement benefit under the FPI 25-Year Plans equal to 50% of Final Average Salary (FAS) for the first 25 years of Allowable Service, plus 2% of FAS for each additional year of Allowable Service exceeding 25 years up to a maximum of 30 years. The FAS is based on a three-year average for Tier 4 members and a five-year average for Tier 6 members. The vested benefit under the FPI 25-Year Plans would be 2% of FAS for each year of Allowable Service.

Members of the FPI 25-Year Plans would be required to pay Basic Member Contributions (BMC), which vary by tier, plus Additional Member Contributions (AMC) equal to 6.25% of compensation for all service as a Plan participant on and after the starting date of the Plan until the later of the one-year anniversary of the effective date of the Plans or 30 years of Allowable Service. In no event shall BMC plus AMC exceed 9.25% of compensation.

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

* The rates of retirement for the FPI 25-Year Plans were assigned based on members' eligibility to elect or opt out of the plan. The FPI 25-year plan will be optional for current fire protection inspectors. Future members will be mandated into the FPI 25-year plan unless they are over age 25 when hired as a fire protection inspector.

* New entrants were assumed to replace exiting members so that total payroll for fire protection inspectors increases by 3% each year. New

entrant demographics were developed based on data for recent new hires and actuarial judgement. Future members, who are not over age 25 when hired as a fire protection inspector, would be mandated into the FPI 25-year plan.

To determine the impact of the elective nature of the proposed legislation, a subgroup of NYCERS Fire Protection Inspectors was developed based on who is assumed to benefit actuarially by comparing the net present value of future employer costs of each member's benefit under their current plan and under the applicable FPI 25-Year Plan.

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 2024-37 dated March 25, 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.