STATE OF NEW YORK

6159

2023-2024 Regular Sessions

IN SENATE

March 31, 2023

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

AN ACT to amend the retirement and social security law, in relation to retirement of county correction officers, uniformed correction division personnel, sheriffs, deputy sheriffs and undersheriffs in Nassau county

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

Section 1. Subdivisions c and g of section 89-g of the retirement and social security law, as added by chapter 653 of the laws of 1988, such section as renumbered by chapter 771 of the laws of 1988, is 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 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**.

g. 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 completion of **at least** twenty-five years of such service and upon retirement, each such member shall receive a pension which, together

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

LBD10387-02-3

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 e of section 604 of the retirement and social security law, as amended by chapter 771 of the laws of 1988, is amended to read as follows:

e. The early service retirement for a member who is employed in Nassau county as a correction officer, uniformed correction division personnel, sheriff, undersheriff or deputy sheriff, as defined in section eighty-nine-g 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, uniformed correction division personnel, sheriff, undersheriff or deputy sheriff[~~, but not exceeding one-half of his or her~~] **plus an additional retirement allowance equal to one-sixtieth of such member's** final average salary **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 Nassau 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 Nassau County as (1) sheriffs, deputy sheriffs, or undersheriffs engaged directly in criminal law enforcement activities, or (2) correction officers or uniformed correction division personnel. 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 $740,000 in the annual contributions of Nassau County for the fiscal year ending March 31, 2024. In future years, this cost will vary as the billing rates and salary of the affected members change.

In addition to the annual contributions discussed above, there will be an immediate past service cost of approximately $10.6 million which will be borne by Nassau County as a one-time payment. This estimate assumes that payment will be made on February 1, 2024. If Nassau County elects to amortize this cost over a 10-year period, the cost for the first year including interest would be $1.35 million.

These estimated costs are based on 738 affected members employed by Nassau County, with annual salary of approximately $96.3 million as of March 31, 2022.

Summary of relevant resources:

Membership data as of March 31, 2022 was used in measuring the impact of the proposed change, the same data used in the April 1, 2022 actuarial valuation. Distributions and other statistics can be found in the 2022 Report of the Actuary and the 2022 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2020, 2021, and 2022 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, 2022 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 March 30, 2023, and intended for use only during the 2023 Legislative Session, is Fiscal Note No. 2023-127, prepared by the Actuary for the New York State and Local Retirement System.