

# STATE OF NEW YORK

7127--A

2023-2024 Regular Sessions

## IN SENATE

May 18, 2023

Introduced by Sens. GOUNARDES, ADDABBO, KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- 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 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,

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

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1 benefits, and privileges and is subject to the obligations of the twenty-five year retirement program, as applicable to them.

2  
3 5. "Discontinued member" shall mean a participant in the twenty-five  
4 year retirement program who, while they were a fire protection inspector  
5 member, discontinued service as such a member and has a right to a  
6 deferred vested benefit under subdivision d of this section.

7 6. "Administrative code" shall mean the administrative code of the  
8 city of New York.

9 7. "Allowable service as a fire protection inspector member" shall  
10 mean all service as a fire protection inspector member.

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

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

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

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

48 5. Where any participant in the twenty-five year retirement program  
49 shall cease to be employed as a fire protection inspector member, they  
50 shall cease to be such a participant and, during any period in which  
51 such person is not so employed, they shall not be a participant in the  
52 twenty-five year retirement program and shall not be eligible for the  
53 benefits of subdivision c of this section.

54 6. Where any participant in the twenty-five year retirement program  
55 terminates service as a fire protection inspector member and returns to

1 such service as a fire protection inspector member at a later date, they  
2 shall again become such a participant on that date.

3 7. Notwithstanding any other provision of the law to the contrary, any  
4 person who is eligible to elect to become a participant in the twenty-  
5 five year retirement program pursuant to paragraph one or two of this  
6 subdivision for the full one hundred eighty day period provided for in  
7 such applicable paragraph and who fails to timely file a duly executed  
8 application for such participation with the retirement system, shall not  
9 thereafter be eligible to become a participant in such program.

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

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

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

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

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

25 2. Notwithstanding the provisions of subdivision a-1 of section six  
26 hundred three of this article, or any other provision of law to the  
27 contrary, and subject to the provisions of paragraph six of subdivision  
28 e of this section, the early service retirement benefit for participants  
29 in the twenty-five year retirement program who retire pursuant to para-  
30 graph one of this subdivision shall be a retirement allowance consisting  
31 of:

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

34 (ii) an amount on account of allowable service as a fire protection  
35 inspector member, or fraction thereof, beyond such required minimum  
36 period of service equal to two percent of their final salary for such  
37 allowable service as a fire protection inspector member during the peri-  
38 od from completion of twenty-five years of allowable service as a fire  
39 protection inspector member to the date of retirement but not to exceed  
40 more than five years of additional service as a fire protection inspec-  
41 tor member.

42 d. Vesting. 1. A participant in the twenty-five year retirement  
43 program:

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

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

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

53 (iv) who does not withdraw in whole or in part their accumulated  
54 member contributions pursuant to section six hundred thirteen of this  
55 article unless such participant thereafter returns to public service and  
56 repays the amounts so withdrawn, together with interest, pursuant to

1 such section six hundred thirteen; shall be entitled to receive a  
2 deferred vested benefit as provided in this subdivision.

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

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

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

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

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

55 4. (i) Each participant in the twenty-five year retirement program  
56 shall be charged with a contribution deficiency consisting of the total

1 amounts of additional member contributions such person is required to  
2 make pursuant to paragraphs one and two of this subdivision which are  
3 not deducted from their compensation pursuant to paragraph three of this  
4 subdivision, if any, together with interest thereon, compounded annual-  
5 ly, and computed in accordance with the provisions of subparagraphs (ii)  
6 and (iii) of this paragraph.

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

13 (B) The rate of interest to be applied to each such amount during the  
14 period for which interest accrues on that amount shall be equal to the  
15 rate or rates of interest required by law to be used during that same  
16 period to credit interest on the accumulated deductions of retirement  
17 system members.

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

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

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

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

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



1 (i) the amount of any unpaid contribution deficiency chargeable to  
2 such member pursuant to paragraphs four and five of this subdivision;  
3 plus

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

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

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

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

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

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

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

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

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

11. A participant in the twenty-five year retirement program shall be permitted to borrow from their additional member contributions (including any interest paid thereon) which are credited to the additional contributions account established for such participant in the contingent reserve fund of the retirement system. The borrowing from such additional member contributions pursuant to this paragraph shall be governed by the rights, privileges, obligations, and procedures set forth in section six hundred thirteen-b of this article which govern the borrowing of member contributions made pursuant to section six hundred thirteen of this article. The board of trustees of the retirement system may, consistent with the provisions of this subdivision and the provisions of section six hundred thirteen-b of this article as made applicable to this subdivision, promulgate regulations governing the borrowing of such additional member contributions.

12. Whenever a person has an unpaid balance of a loan or their additional member contributions pursuant to paragraph eleven of this subdivision at the time they become entitled to a refund of their additional member contributions pursuant to subparagraph (ii) of paragraph ten of this subdivision, the amount of such unpaid loan balance (including accrued interest) shall be deemed to have been returned to such member, and the refund of such additional contributions shall be the net amount of such contribution, together with interest thereon in accordance with the provisions of such subparagraph (ii).

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

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

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

(iii) The additional member contributions picked up pursuant to this paragraph for any such member shall be paid by such employer in lieu of

1 an equal amount of additional member contributions otherwise required to  
2 be paid by such member under the applicable provisions of subdivision e  
3 of section six hundred four-j of this article, and shall be deemed to be  
4 and treated as employer contributions pursuant to section 414(h) of the  
5 Internal Revenue Code.

6 (iv) For the purpose of determining the retirement system rights,  
7 benefits, and privileges of any member whose additional member contribu-  
8 tions are picked up pursuant to this paragraph, such picked up addi-  
9 tional member contributions shall be deemed to be and treated as part of  
10 such member's additional member contributions under the applicable  
11 provisions of subdivision e of section six hundred four-j of this arti-  
12 cle.

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

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

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



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

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

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

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