STATE OF NEW YORK

7128--B

2023-2024 Regular Sessions

IN SENATE

May 18, 2023

Introduced by Sen. GOUNARDES -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- 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 general municipal law, in relation to allowing certain members of the New York city fire department pension fund to receive a membership date in the New York city fire department pension fund attributable to service in the titles of police cadet program or police cadet program II in the New York city police department cadet program

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

Section 1. Section 209-fff of the general municipal law, as added by chapter 431 of the laws of 2019, is amended to read as follows:

§ 209-fff. Provisions relating to a membership date in the New York city police pension fund **or the fire department pension fund** attributable to service in the titles of police cadet program and police cadet program II in the New York city police department cadet program. 1. Notwithstanding any provision of law to the contrary, upon election, any member of the New York city police pension fund **or the New York city fire department pension fund** who is subject to article fourteen of the retirement and social security law, and who served in the New York city police department cadet program in the title of police cadet program or police cadet program II prior to April first, two thousand twelve, but did not join the New York city employees' retirement system while serving in either such title, may purchase credit for the period of service in such titles in the New York city police department cadet program by paying into the New York city police pension fund **or the New York city**

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

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fire department pension fund all member contributions plus interest, at a rate of five percent per annum, which would have been payable to the New York city employees' retirement system under any provision of law had such member joined the New York city employees' retirement system on the earliest date that [~~he or she~~] such member was appointed to the title of police cadet program or police cadet program II in the New York city police department cadet program, provided such payment, for members of the New York city police pension fund, is made within five years [~~after~~] of the effective date of [~~this section~~] chapter four hundred thirty-one of the laws of two thousand nineteen. For members of the New York city fire department pension fund, such payment must be made within five years of the effective date of the chapter of the laws of two thousand twenty-four which amended this section.

2. Any member of the New York city police pension fund or the New York city fire department pension fund who acquires service credit pursuant to this section shall be entitled to all rights, benefits and privileges to which [~~he or she~~] such member would have been entitled had [~~his or her~~] such member's membership in the New York city police pension fund or the New York city fire department pension fund begun upon the earliest date that [~~he or she~~] such member was appointed to the title of police cadet program or police cadet program II in the New York city police department cadet program, but in no event shall the service credit acquired pursuant to this section be deemed to be: (a) service in the police force or any other type of service counted or creditable as service in the police force under section 13-218 of the administrative code of the city of New York[~~,~~]; (b) service in the fire department of the city of New York or any other type of service counted or creditable as service in such fire department under section 13-318 of the administrative code of the city of New York; or (c) service under section five hundred thirteen of the retirement and social security law or any other provision of law for purposes of eligibility for benefits and to determine the amount of benefits under the New York city police pension fund or the New York city fire department pension fund.

§ 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would allow Tier 3 members of FIRE to purchase prior service as a cadet in the NYPD and use the appointment date as a cadet to determine the initial date of FIRE membership for plan or tier eligibility purposes provided such purchase of service is made within five years of the effective date of this legislation.

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

	Tier or Plan Change*	
Year	To Tier 2	From Within Tier 3
2025	51,700	1,500
2026	51,700	1,500
2027	51,700	1,500
2028	51,700	1,500
2029	51,700	1,500
2030	51,700	1,500
2031	51,700	1,500
2032	51,700	1,500
2033	51,700	1,500
2034	51,700	1,500
2035	51,700	1,500

2036	51,700	1,500
2037	51,700	1,500
2038	51,700	1,500
2039	0	0
2040	0	0
2041	0	0
2042	0	0
2043	0	0
2044	0	0
2045	0	0
2046	0	0
2047	0	0
2048	0	0
2049	0	0

* From Tier 3 (original, modified, or enhanced) to Tier 2 **or** from Tier 3 (modified or enhanced) to Tier 3 original.

The potential increases in employer contributions will be allocated to New York City.

EXPECTED INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2023 ($ in Thousands)

Present Value (PV)	To Tier 2	Within Tier 3
PV of Benefits:	390.6	14.4
PV of Employee Contributions:	(46.8)	1.7
PV of Employer Contributions:	437.4	12.7
Unfunded Accrued Liabilities:	437.4	12.7

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

Recognized as Ongoing Gain/Loss	To Tier 2	Within Tier 3
Number of Payments:	14	14
Amortization Payment:	51.7 K	1.5 K

CENSUS DATA: The number of members who will benefit in the future from this fiscal note is unknown. The estimates presented herein are based on preliminary census data collected as of June 30, 2023. The census data for the potentially impacted population used to develop the average costs is summarized below.

	To Tier 2	Within Tier 3
Active Members		
- Number Count:	3,144	3,913
- Average Age:	35.9	34.3
- Average Service:	6.8	5.8
- Average Salary:	125,500	117,100

IMPACT ON MEMBER BENEFITS AND CONTRIBUTIONS: Currently, the purchase of prior NYPD cadet service performed while not a member of the New York City Employees' Retirement System (NYCERS) does not provide a retroactive date of membership in FIRE, nor would it provide additional service retirement benefits for Tier 3 members.

Under the proposed legislation, purchased NYPD cadet service would entitle members with cadet service before July 1, 2009 to be deemed a Tier 2 member, and would be included in the calculation of benefits as non-qualifying service credit.

Also, purchased NYPD cadet service would entitle members with cadet service between July 1, 2009 and April 1, 2012 to be deemed an original Tier 3 member.

For cadets who did not join NYCERS, the member would have to pay member contributions that would have been payable to NYCERS had they joined on their initial cadet appointment date, plus 5.0% annual interest.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the Revised 2021 Actuarial Assumptions and Methods of the impacted retirement systems. Additionally, 1.2 years of cadet service was assumed based on the amount of cadet service previously purchased by members of the New York City Police Pension Fund.

The number of members who will benefit in the future from this Fiscal Note is unknown. The cost of this proposed legislation could vary greatly depending on the number of future members who benefit and on their length of service, age, and salary history.

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 2024-49 dated May 3, 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.