

STATE OF NEW YORK

7221

2023-2024 Regular Sessions

IN SENATE

May 18, 2023

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

AN ACT in relation to allowing for Genesis Villella to qualify for and receive certain spousal accidental death benefits

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

1 Section 1. Notwithstanding any other law or regulation to the contra-
2 ry, Genesis Villella, a dependent of police officer Miosotis Familia who
3 was killed in the line of duty, shall be eligible for and entitled to
4 the accidental death benefit payable to a spouse of a deceased police
5 officer in accordance with subdivision one of section 13-244 of the
6 administrative code of the city of New York and the special accidental
7 death benefit paid to a spouse of a deceased police officer in accord-
8 ance with paragraph one of subdivision f of section 208-f of the general
9 municipal law. Provided however, the death benefit amount provided to
10 Genesis Villella pursuant to this act shall be split equally between
11 Genesis Villella and dependents Deliliah Vega and Peter Vega for the
12 rest of such dependents' lifetimes, once the youngest dependent reaches
13 the age of twenty-five.

14 § 2. This act shall take effect immediately and shall be deemed to
15 have been in full force and effect on and after July 5, 2017.

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

SUMMARY OF BILL: This proposed legislation would provide Genesis Villella, the eldest child beneficiary of deceased police Detective Miosotis Familia, with an additional 100% of the total Accidental Death Benefit (ADB) and Special Accidental Death Benefit (SADB) benefit until the twin child beneficiaries of Detective Familia, Deliliah Vega or Peter Vega, reach the age of 25, at which time they would split such benefit equally for the remainder of their lifetimes.

Effective Date: Upon enactment and retroactive to July 5, 2017.

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

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BACKGROUND: Detective Familia died in the line of duty as a Tier 2 Police member on July 5, 2017. The total death benefit payable, including SADB, was \$172,200 per year. There were three eligible statutory child beneficiaries, Genesis, Deliliah, and Peter, who were ages 20, 12, and 12, respectively, at the time of death. Each beneficiary received one-third of the total death benefit, or approximately \$57,400 each per year, from the time of death until the time Genesis turned age 23.

When Genesis attained age 23, the portion of the death benefit payable to her ceased and was evenly distributed among the remaining two eligible beneficiaries, Deliliah and Peter, such that the total death benefit payable remained at \$172,200 per year. (Note that all benefit amounts shown in this Fiscal Note are as of Detective Familia's date of death and do not include subsequent Cost-of-Living adjustments (COLA).)

IMPACT ON BENEFITS: Genesis no longer receives a death benefit, while Deliliah and Peter currently each receive approximately \$86,100 per year. These payments will continue until Deliliah or Peter reach the age of 18 (or 23 if a student). If payments to one of the twins ceases before the other, the still eligible twin would receive the entire \$172,200 benefit until they age out.

Under the proposed legislation, if enacted, and in addition to the current benefits described above, Genesis would receive \$172,200, which is equivalent to 100% of the total ADB and SADB benefit, (reduced by the amounts she received prior to turning age 23) retroactively from the date of the members' death. This amount will be split equally among Genesis, Delilah, and Peter once the twins turn age 25.

FINANCIAL IMPACT - PRESENT VALUES: Based on the actuarial assumptions and methods described herein, the enactment of this proposed legislation would increase the Present Value of Future Benefits (PVFB) and the Unfunded Accrued Liability (UAL) of POLICE by approximately \$6.0 million as of June 30, 2023.

The estimated financial impact of this proposal has been calculated based on the difference between the present value of (1) the benefits Detective Familia's beneficiaries would receive if this proposed legislation were enacted (retroactive to her July 5, 2017 date of death) and (2) the benefits that are currently and have been paid to Detective Familia's beneficiaries.

FINANCIAL IMPACT - ANNUAL EMPLOYER CONTRIBUTIONS: The enactment of this proposed legislation would result in an increase in Fiscal Year 2025 employer contributions of approximately \$6.6 million.

New UAL attributable to benefit changes are generally amortized over the remaining working lifetime of those impacted by the benefit changes. Since Detective Familia passed away, and therefore has no remaining working lifetime, the entire increase in UAL would be recognized immediately.

CENSUS DATA: As of June 30, 2023, Genesis, Deliliah, and Peter will be ages 26, 18, and 18, respectively. Genesis is not receiving a death benefit because she is a dependent child over age 23. Deliliah and Peter each currently receive a death benefit of \$102,789 per year including COLA.

ACTUARIAL ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the actuarial assumptions and methods used to determine the Preliminary Fiscal Year 2024 employer contributions of POLICE. For purposes of this Fiscal Note, it is assumed that the youngest beneficiary will be a full-time student until age 23.

For the purposes of this Fiscal Note, it is assumed that the changes would be reflected for the first time in the June 30, 2023 actuarial

valuation of POLICE used to determine employer contributions for Fiscal Year 2025.

RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend highly on the realization of the actuarial assumptions 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.

Costs are also dependent on the actuarial methods used, and therefore different actuarial methods could produce different results. Quantifying these risks is beyond the scope of this Fiscal Note.

Not measured in this Fiscal Note are the following:

- * The initial additional administrative costs to implement the proposed legislation.

- * The impact of this proposed legislation on Other Postemployment Benefit costs.

STATEMENT OF ACTUARIAL OPINION: I, Marek Tyszkiewicz, am the Chief Actuary for, and independent of, the New York City Retirement Systems and Pension Funds. I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I am a member of NYCERS but do not believe it impairs my objectivity and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. To the best of my 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 2023-51 dated May 17, 2023 was prepared by the Chief Actuary for the New York City Police Pension Fund. This estimate is intended for use only during the 2023 Legislative Session.