STATE OF NEW YORK

7498--A

2023-2024 Regular Sessions

IN SENATE

June 1, 2023

Introduced by Sen. JACKSON -- 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 eligibility for participants in the automotive 25 year/age 50 pension plan with more than 30 years of credited service who remain in active service after age 62 to receive a service retirement benefit equivalent to the standard service retirement benefit received by Tier IV members with the same age and service

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

Section 1. Subdivision a of section 603 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

a. The service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum service requirements upon retirement and attainment of age sixty-two, other than members who are eligible for early service retirement pursuant to subdivision c of section six hundred four-b of this article, subdivision c of section six hundred four-c of this article, subdivision d of section six hundred four-d of this article, subdivision c of section six hundred four-e of this article, subdivision c of section six hundred four-f of this article, [~~subdivision c of section six hundred four-g of this article,~~] subdivision c of section six hundred four-h of this article or subdivision c of section six hundred four-i of this article, provided, however, a member of a teachers' retirement system or the New York state and local employees' retirement system who first joins such system before January first, two thousand ten or a member who

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

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is a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system before April first, two thousand twelve may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service, provided, however, that a uniformed court officer or peace officer employed by the unified court system who first becomes a member of the New York state and local employees' retirement system on or after January first, two thousand ten and retires without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service pursuant to this section shall be required to make the member contributions required by subdivision f of section six hundred thirteen of this article for all years of credited and creditable service, provided further that the [~~the~~] preceding provisions of this subdivision shall not apply to a New York city revised plan member.

§ 2. Subdivision a of section 603 of the retirement and social security law, as amended by section 3-a of chapter 19 of the laws of 2008, is amended to read as follows:

a. The service retirement benefit specified in section six hundred four of this article shall be payable to members who have met the minimum service requirements upon retirement and attainment of age sixty-two, other than members who are eligible for early service retirement pursuant to subdivision c of section six hundred four-b of this article, subdivision c of section six hundred four-c of this article, subdivision d of section six hundred four-d of this article, subdivision c of section six hundred four-e of this article, subdivision c of section six hundred four-f of this article, [~~subdivision c of section six hundred four-g of this article,~~] subdivision c of section six hundred four-h of this article or subdivision c of section six hundred four-i of this article provided, however, a member who is a peace officer employed by the unified court system or a member of a teachers' retirement system or the New York state and local employees' retirement system may retire without reduction of his or her retirement benefit upon attainment of at least fifty-five years of age and completion of thirty or more years of service.

§ 3. Paragraph 3 of subdivision b of section 604-g of the retirement and social security law, as added by chapter 414 of the laws of 2002, is amended to read as follows:

3. Any election to be a participant in the twenty-five year/age fifty retirement program shall be irrevocable**; provided that a participant who has more than thirty years of credited service and who has remained in active service after reaching sixty-two years of age may elect to receive a service retirement benefit calculated in accordance with subdivision b of section six hundred four of this article in lieu of a service retirement benefit calculated in accordance with subdivision c of this section**.

§ 4. This act shall take effect immediately; provided that the amendments to subdivision a of section 603 of the retirement and social security law made by section one of this act shall be subject to the expiration and reversion of such subdivision pursuant to subdivision (b) of section 13 of chapter 683 of the laws of 2003, as amended, when upon such date the provisions of section two of this act shall take effect.

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

SUMMARY: This proposed legislation would permit certain Tier 4 members in NYCERS and BERS Automotive 25-Year/Age 50 Plans (Auto 25-Year Plan)

with 30 or more years of service to receive a service retirement benefit calculated under the Tier 4 basic plan, if greater.

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

Year	NYCERS	BERS	TOTAL
2025	1,457	3	1,460
2026	1,458	3	1,461
2027	1,460	3	1,463
2028	1,462	3	1,465
2029	1,464	3	1,467
2030	1,465	3	1,468
2031	1,465	3	1,468
2032	1,464	3	1,467
2033	1,462	0	1,462
2034	1,457	0	1,457
2035	217	0	217
2036	212	0	212
2037	205	0	205
2038	198	0	198
2039	189	0	189
2040	180	0	180
2041	170	0	170
2042	161	0	161
2043	151	0	151
2044	140	0	140
2045	129	0	129
2046	118	0	118
2047	107	0	107
2048	96	0	96
2049	85	0	85

Employer Contribution impact beyond Fiscal Year 2049 is not shown.

The initial increase in employer contributions of $1.5 million is estimated to be $1.4 million for New York City and $0.1 million for the other obligors of NYCRS.

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

Present Value (PV)	NYCERS	BERS
PV of Benefits:	10,735	18
PV of Employee Contributions:	0	0
PV of Employer Contributions:	10,735	18
Unfunded Accrued Liabilities:	8,390	13

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS	BERS
Number of Payments:	10	8
Fiscal Year of Last Payment:	2034	2032
Amortization Payment:	1,236 K	2 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 impacted population is summarized below.

	NYCERS	BERS
Active Members		
- Number Count:	457	2
- Average Age:	53.3	50.0
- Average Service:	16.8	15.5
- Average Salary:	125,900	122,600

IMPACT ON MEMBER BENEFITS: Currently, Tier 4 Auto 25-Year Plan members who never previously participated in either the 55/25 plan or 57/5 plan enacted by Chapter 96 of the Laws of 1995 and who retire with 30 or more years of service, receive a service retirement benefit that is equal to 60% of Final Average Salary (FAS).

Under the proposed legislation, the service retirement benefit for such members with 30 or more years of service would be calculated as the greater of the above, and:

* For those at least age 62, 60% of FAS plus 1.5% of FAS for each year of service beyond 30 years.

* For those age 55 through 61, 60% of FAS plus 1.5% of FAS for each year of service beyond 30 years, multiplied by the applicable early retirement age reduction factor.

The service retirement benefits for Tier 6 Auto 25-Year Plan members and Tier 4 members with previous Tier 4 55/25 plan or 57/5 plan participation are assumed to remain unchanged.

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

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 2024-14 dated February 22, 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.