STATE OF NEW YORK

9274

IN SENATE

May 8, 2024

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

AN ACT to amend the administrative code of the city of New York, in relation to extending the benefits of the variable supplements fund for transit police members of the New York city employees' retirement system

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

Section 1. Paragraph (c) of subdivision 1 of section 13-191 of the administrative code of the city of New York, as amended by chapter 577 of the laws of 1992, is amended to read as follows:

(c) "Beneficiary". Any person who receives a retirement allowance by reason of having retired, on or after [~~July first, nineteen hundred eighty-seven~~] **October first, nineteen hundred sixty-eight** for service (with credit for twenty or more years of service toward the minimum period) as a transit police officer; provided, that no person who held a rank or position as a transit police superior officer, as defined in subdivision eighty-four of section 13-101 of this [~~title~~] **chapter** who, on or after May first, nineteen hundred ninety-two, subsequently became a transit police officer shall be considered a beneficiary unless such person (1) subsequently performed at least three years of service as a transit police officer or (2) returned to service, from the position of sergeant, as a transit police officer during the eighteen month probationary period, or such other probationary period as may be applicable or (3) returned to service as a transit police officer during the three year period specified in paragraph (e) of subdivision one of section seventy-five of the civil service law, or (4) returned to service as a transit police officer as the result of a hearing conducted pursuant to applicable law.

§ 2. Paragraph (b) of subdivision 1 of section 13-192 of the administrative code of the city of New York, as amended by chapter 720 of the laws of 1994, is amended to read as follows:

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

LBD08380-04-4

(b) "Beneficiary". Any person who receives a retirement allowance by reason of having retired, on or after [~~July first, nineteen hundred eighty-seven,~~] **October first, nineteen hundred sixty-eight,** for service (with credit for twenty or more years of service toward the minimum period) as a transit police member and as a transit police superior officer; provided, however, that where a person who held or holds a rank or position as a transit police superior officer, subsequently and on or after May first, nineteen hundred ninety-two became or becomes a transit police officer, and while a transit police officer, retired or retires for service under such circumstances that he or she would have qualified as a beneficiary under the provisions of paragraph (c) of subdivision one of section 13-191 of this [~~title~~] **chapter** (other than the proviso thereof), but did not or does not qualify as a beneficiary under such paragraph (c) because he or she was or is disqualified by the terms of such proviso, such retiree shall nevertheless be deemed to be a beneficiary under the provisions of this section.

§ 3. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would extend the eligibility for the payment of Transit Police Officers' and Transit Police Superior Officers' Variable Supplements Funds (VSF) benefits to former NYCERS members who retired for service from the New York City Transit Police between October 1, 1968 and June 30, 1987 with 20 or more years of service.

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

Year	NYCERS
2025	20.9
2026	0
2027	0
2028	0
2029	0
2030	0
2031	0
2032	0
2033	0
2034	0
2035	0
2036	0
2037	0
2038	0
2039	0
2040	0
2041	0
2042	0
2043	0
2044	0
2045	0
2046	0
2047	0
2048	0
2049	0

The entire increase in employer contributions will be allocated to New York City. There are no active Transit Police members of NYCERS and

therefore a transfer from NYCERS, via a City payment, to the impacted VSFs would be necessary to fund the additional VSF benefit obligations.

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

Present Value (PV)	NYCERS
PV of Benefits:	18.9
PV of Employee Contributions:	0
PV of Employer Contributions:	18.9
Unfunded Accrued Liabilities:	18.9

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS
Number of Payments:	1
Fiscal Year of Last Payment:	2025
Amortization Payment:	20.9 M

Since those that would benefit are retired, and therefore have no remaining working lifetime, the entire increase in Unfunded Accrued Liabilities would be recognized immediately.

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
Receiving Members	
- Number Count:	304
- Average Age:	82.0

IMPACT ON RETIREE BENEFITS: Currently, Transit Police Officers' and Transit Police Superior Officers' VSFs provide supplemental non-pension benefits to former NYCERS members who retired for service on or after July 1, 1987 from New York City Transit Police with 20 or more years of service.

The amount of VSF benefits paid is currently $12,000 per Calendar Year. These VSF benefits are payable on an annual basis around December 15th to eligible former NYCERS members for their lifetimes. Upon the death of the NYCERS retiree, VSF payments cease.

Under the proposed legislation, former NYCERS members who retired for service from New York City Transit Police between October 1, 1968 and June 30, 1987 with 20 or more years of service would become immediately eligible for VSF benefits on the December 15th following the Effective Date and for each year thereafter. For the purposes of this Fiscal Note, it has been assumed that benefits payable under this proposed legislation are prospective only.

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 2024-17 dated February 23, 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.