

STATE OF NEW YORK

9391

IN ASSEMBLY

March 6, 2024

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the
Committee on Governmental Employees

AN ACT to amend the general municipal law, in relation to disabilities
of deputy sheriff members of a retirement system in certain cities

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

1 Section 1. The general municipal law is amended by adding a new
2 section 207-r to read as follows:

3 § 207-r. Disabilities of deputy sheriff members of a retirement system
4 in certain cities. 1. Notwithstanding the provisions of any general,
5 special or local law or administrative code to the contrary, but except
6 for the purposes of the workers' compensation law and the labor law, any
7 condition of impairment of health caused by diseases of the lung,
8 resulting in total or partial disability or death to a paid employee
9 performing the duties of a deputy sheriff in the sheriff's department of
10 a city with a population of one million or more where such employee is
11 drawn from competitive civil service lists, or any retired member of
12 such department who retired from a title whose duties are those of a
13 deputy sheriff and has been retired for five or less years, who success-
14 fully passed a physical examination on entry into the service of such
15 department, which examination failed to reveal any evidence of such
16 condition, shall be presumptive evidence that it was incurred in the
17 performance and discharge of duty, unless the contrary be proved by
18 competent evidence.

19 2. Notwithstanding any other provision of law, a deputy sheriff member
20 retiring pursuant to the provisions of subdivision one of this section
21 shall receive a pension equal to three-fourths of such member's final
22 average salary, and a retired member who has been retired for five years
23 or less and would have been able to retire pursuant to the provisions of
24 subdivision one of this section if such subdivision had been in force at
25 the time of such retired member's retirement, shall be entitled to
26 receive a pension equal to three-fourths of such member's final average
27 salary and have their pension recalculated commencing with the later of

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

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1 the effective date of this section or the first day that diseases of the
 2 lung resulted in the full or partial disability of such retired member.
 3 § 2. This act shall take effect immediately.

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

SUMMARY: The proposed legislation would provide certain Deputy Sheriff members or retirees (within five years of their respective retirement date) of the New York City Employees' Retirement System (NYCERS) a rebuttable statutory presumption that a qualifying partial or total disability or death related to a lung disease was incurred in the performance of duty.

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

| Year | One Incident | | One Incident Per Year | |
|------|--------------|-------|-----------------------|-------|
| | Disability | Death | Disability | Death |
| 2025 | 55 | 167 | 55 | 167 |
| 2026 | 55 | 167 | 113 | 340 |
| 2027 | 55 | 167 | 171 | 518 |
| 2028 | 55 | 167 | 232 | 701 |
| 2029 | 55 | 167 | 294 | 889 |
| 2030 | 55 | 167 | 359 | 1,083 |
| 2031 | 55 | 167 | 425 | 1,283 |
| 2032 | 55 | 167 | 493 | 1,489 |
| 2033 | 55 | 167 | 563 | 1,701 |
| 2034 | 55 | 167 | 636 | 1,920 |
| 2035 | 55 | 167 | 710 | 2,145 |
| 2036 | 55 | 167 | 787 | 2,377 |
| 2037 | 55 | 167 | 866 | 2,615 |
| 2038 | 55 | 167 | 947 | 2,861 |
| 2039 | 0 | 0 | 976 | 2,947 |
| 2040 | 0 | 0 | 1,005 | 3,035 |
| 2041 | 0 | 0 | 1,035 | 3,126 |
| 2042 | 0 | 0 | 1,066 | 3,220 |
| 2043 | 0 | 0 | 1,098 | 3,317 |
| 2044 | 0 | 0 | 1,131 | 3,416 |
| 2045 | 0 | 0 | 1,165 | 3,519 |
| 2046 | 0 | 0 | 1,200 | 3,624 |
| 2047 | 0 | 0 | 1,236 | 3,733 |
| 2048 | 0 | 0 | 1,273 | 3,845 |
| 2049 | 0 | 0 | 1,312 | 3,961 |

Employer contribution impact beyond Fiscal Year 2049 is not shown.

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)

| | Per Disability | Per Death |
|-------------------------------|----------------|-----------|
| Present Value (PV) | | |
| PV of Benefits: | 429 | 1,416 |
| PV of Employee Contributions: | (40) | 0 |
| PV of Employer Contributions: | 469 | 1,416 |
| Unfunded Accrued Liabilities: | 469 | 1,416 |

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

| Recognized as Ongoing Gain/Loss | Per Disability | Per Death |
|---------------------------------|----------------|-----------|
| Number of Payments: | 14 | 14 |
| Amortization Payment: | 55 K | 167 K |

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 |
|--------------------|--------|
| Active Members | |
| - Number Count: | 150 |
| - Average Age: | 42.3 |
| - Average Service: | 11.2 |
| - Average Salary: | 81,500 |

IMPACT ON MEMBER BENEFITS: Currently, a New York City Deputy Sheriff who becomes disabled due to lung disease would be eligible for an applicable ordinary disability retirement, generally a lifetime payment of 1/3 of salary. The ordinary death benefit is a lump sum payment generally equal to three times the member's salary.

Under the proposed legislation, the performance of duty disability benefit for NYCERS Deputy Sheriff members who are disabled from lung disease would be equal to:

- * 75% of Final Average Salary (FAS), where
- * FAS is defined as 3-Year FAS for Tier 4 and 5-Year FAS for Tier 6, without
- * an explicit Workers' Compensation offset.

Under the proposed legislation, the performance of duty death benefit would generally be equal to a lifetime benefit of 50% of a member's wages earned during the last year of service, plus, if applicable, the Special Accidental Death Benefit (SADB) payable under General Municipal Law section 208-f.

SADB for Deputy Sheriffs was enacted by Chapter 720 of the Laws of 2023 and all accidental deaths are assumed to qualify for SADB.

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

The number of members and eligible retirees 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. In particular, the increase would be greater for a member who is not yet eligible for an ODR benefit when the disabling lung disease is diagnosed.

The estimated financial impact for disabled members has been calculated assuming 50% would have retired under an Ordinary Disability benefit, and 50% would have continued working if the proposed legislation were not passed.

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 2024-11 dated February 7, 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.