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|  | **The Council of the City of New York****Finance Division****Tanisha S. Edwards, Esq.** Chief Financial Officer and Deputy Chief of Staff to the Speaker**Fiscal Impact Statement****Preconsidered SLR:** A.7971 (Abbate)  S.6981B (Gounardes)  **Committee:** State and Federal Legislation  |
| **Title:** An act to amend the retirement andsocial security law, in relation to additional member contributions for certain members under the age fifty-seven retirement program | **Sponsor(s):** Council Member Abreu |

**Summary of Legislation:** Currently, certain members of the New York City Employees’ Retirement System (NYCERS) and Board of Education Retirement System (BERS) in the 57/5 plan who serve in a physically taxing position may enjoy an early retirement provision permitting them to retire at age 50 with 25 years of service, but they must pay an Additional Member Contribution (AMC) through the date of retirement. However, there are some members in the carpenter position who, due to their enrollment dates, will not be able to achieve the 25 years of service necessary to avail themselves of the physically taxing position benefits, but who nonetheless are still required to pay the AMC. This legislation would exempt those carpenter members from having to pay the AMC and require a refund of the portion of the AMC they have already paid into the retirement system plus interest.

**Effective Date:** This act would take effect immediately.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2023

**Fiscal Impact Statement:**

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|  | **Effective FY23** | **FY Succeeding Effective FY24** | **Full Fiscal Impact FY23** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $389,000 | $389,000 | $389,000 |
| **Net** | $389,000 | $389,000 | $389,000 |

**Impact on Revenues:** It is anticipated that there would be no impact on revenues as a result of this legislation.

**Impact on Expenditures:** It is estimated that the passage of this legislation would increase the Present Value of Future Benefits by $5.2 million, resulting in a $2.3 million net increase in unfunded accrued liabilities (UAL). The increase in UAL would amortize over the remaining working lifetime of members impacted by the legislation, which the City Actuary estimates to be seven years for NYCERS carpenters and nine years for BERS carpenters. The amortized payments toward the UAL, coupled with the increase in the normal cost to fund these plans, would incur an annual cost of $931,000. The City would fund $389,000 of the annual contribution increase, with other obligors funding the remaining $542,000.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

 Fiscal Note 2022-02, Chief Actuary New York City Employees’ Retirement

 System and Board of Education Retirement System of the City of New York

**Estimate Prepared By:** Andrew Wilber, Economist

**Estimate Reviewed By**: Raymond Majewski, Deputy Director/Chief Economist

Malcom Butehorn, Senior Counsel

**Legislative History:** This bill will be considered by the Committee on State and Federal Legislation as a Preconsidered SLR on May 19, 2022. Upon successful vote by the Committee, the Preconsidered SLR will be introduced and submitted to the full Council for a vote on May 19, 2022.

**Date Prepared:** May 11, 2022