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|  | **The Council of the City of New York****Finance Division**Latonia Mckinney, Director**Fiscal Impact Statement****Preconsidered SLR:A10567** **(Abbate)** **S8015 (Golden)****Committee:** State and Federal Legislation |
| **Title:** An act to amend the retirement and social security law, in relation to disability benefits for certain members of the New York city fire department pension fund; and to amend the administrative code of the city of New York in relation to the powers, duties and responsibilities of the board of trustees of the New York city fire department pension fund and in relation to authorizing such board of trustees to draw upon the assets of such fund to pay expenses. | **Sponsor(S):** Council Member Koslowitz |

**Summary of Legislation:** This legislation would provide changes to the Accidental Disability Retirement (ADR) and Ordinary Disability Retirement (ODR) benefits provided to Tier 3 and Revised Tier 3 members of the New York City Fire Department Pension Fund (FIRE). The legislation would change the formula under which ODR benefits are calculated, leading to a slight increase in these benefits. In addition, the legislation would make changes to the formula under which ADR benefits are calculated, which would lead to a significant increase in these benefits. Most notably, ADR benefits would increase from 50 percent of the firefighter’s final average salary to 75 percent of a firefighter’s final average salary. In addition, the legislation would require the firefighters in Tier 3 and above to contribute an additional two percent of their salaries to the pension fund.

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

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2017

**Fiscal Impact Statement:**

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|  | **Effective FY17** | **FY Succeeding Effective FY18** | **Full Fiscal Impact FY17** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $6,100,000 | $8,000,000 | $6,100,000 |
| **Net** | $6,100,000 | $8,000,000 | $6,100,000 |

**Impact on Revenues:** It is anticipated that there would be no impact on revenues resulting from the enactment of this legislation.

**Impact on Expenditures:** The City’s Office of the Actuary estimates that the increased benefits provided by this legislation would impact expenditures in the amount of $6.1 million in Fiscal 2017, $8 million in Fiscal 2018, $9.7 million in Fiscal 2019, $11.2 million in Fiscal 2020, and $12.6 million in Fiscal 2021.

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

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

 New York City Office of the Actuary

**Estimate Prepared By:** Kendall Stephenson, Economist, Finance Division

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

 Rebecca Chasan, Counsel, Finance Division

**Legislative History:** This bill will be voted out of the State and Federal Legislation Committee as a Preconsidered SLR on June 8, 2016. Upon successful vote by the Committee, the Preconsidered SLR will be introduced and submitted to the full Council for a vote on June 8, 2016.

**Date Prepared:** June 7, 2016