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|  | **The Council of the City of New York**  **Finance Division**  Latonia Mckinney, Director  **Fiscal Impact Statement**  **Preconsidered SLR:** S.6010-A (Holyman)  A.8191 (Gottfried)    **Committee:** State and Federal Legislation |
| **Title:** AN ACT relating to granting retroactive eligibility to apply for enhanced Tier 3 status to former New York City police officer Mark Rivera | **Sponsor(S):** Council Member Cohen |

**Summary of Legislation:** This bill would authorize the surviving spouse of Mark Rivera to apply for Enhanced Tier 3 membership in the Police Pension Fund, and allow the surviving spouse to file for any retirement options or death benefits that would have been available to Mr. Rivera had he been a member of Enhanced Tier 3 on the date of his death.

Mark Rivera was employed as a New York City Police Officer – and was a member of the Tier 3 Revised pension plan – until March 21, 2015 when he passed away due to a heart attack. As of April 10, 2017, Tier 3 Revised members of the City police force could elect to join the Tier 3 Enhanced Plan, which extended certain benefits and eligibility requirements, including the statutory presumptions contained in the Heart Bill. If this legislation is passed, Mr. Rivera’s death could be deemed as a line-of-duty death under such presumptions, increasing the benefit available to his surviving spouse. Additionally, his surviving spouse would become eligible to receive an Accidental Death Benefit as well as a New York State-paid Special Accidental Death Benefit (SADB), less any amount previously paid as an ordinary death benefit.

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

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2021

**Fiscal Impact Statement:**

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|  | **Effective FY20** | **FY Succeeding Effective FY21** | **Full Fiscal Impact FY21** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $0 | $1,858,343 | $1,858,343 |
| **Net** | $0 | ($1,858,343) | ($1,858,343) |

**Impact on Revenues:** There would be no impact on revenues from this legislation.

**Impact on Expenditures:** The City’s Office of the Actuary estimates that the proposed legislation would increase City expenditures by $1,858,343. If this legislation is passed, Ms. Rivera would become eligible for an Accidental Death Benefit worth $25,343, a Special Accidental Death Benefit (SADB) worth $58,854, and retirement benefits for her own remaining lifetime worth an estimated $2,000,000. The SADB would be paid for by the State, meaning the increase in City contributions if this legislation is passed comes to $2,025,343. However, from this total would be subtracted the value of the Ordinary Death Benefit already received by Ms. Rivera, which totals $167,000. Thus, the final fiscal impact of this bill is estimated to be $1,858,343. This cost would normally be amortized over the remaining working lifetime of the officer, but because Officer Rivera is deceased, the entire increase would be recognized in the first year. Because the City uses a One-Year Lag Methodology to determine employer contributions, the increased employer contribution would be reflected in Fiscal 2021.

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

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

New York City Office of the Actuary “Fiscal Note 2019-26”

**Estimate Prepared By:** Kendall Stephenson, Senior Economist

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

Rebecca Chasan, Senior Counsel

**Legislative History:** This bill will be considered by the Committee on State and Federal Legislation as a Preconsidered SLR on June 13, 2019. Upon successful vote by the Committee, the Preconsidered SLR will be introduced and submitted to the full Council for a vote on June 13, 2019.

**Date Prepared:** June 12, 2019