



cases, the increase in the present value of the enhanced benefit exceeds the amount of money that the firefighter pays to establish the additional service. Therefore, the commission cannot declare SB 2362, as amended by HA #1, to be cost neutral.

COMMENT: Currently, firefighters who are called into active duty in the military, naval, or air force may establish service credit equal to the amount that would have been contributed had the member been a regular contributor while away on active duty, up to a limit of 5 years. SB 2362, as amended by HA #1, allows members of Downstate Firefighters' Pension Funds who served in the military prior to municipal employment to establish up to 24 months of military service credit. The employee must make contributions to the fund equal to (i) employee contributions that would have been required had service been rendered as a member, plus (ii) an amount determined by the fund to be equal to the employer's normal cost of the benefits accrued for that military service, plus (iii) interest at the actuarially assumed rate provided by the Department of Financial and Professional Regulation, compounded annually from the first date of membership in the fund to the date of payment on items (i) and (ii). These provisions apply to employees in service on or after the effective date of this Act.

DH:dkb

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