



# City of New York

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## OFFICE OF THE COMPTROLLER

Scott M. Stringer  
COMPTROLLER



## FINANCIAL AUDIT

**Marjorie Landa**

Deputy Comptroller for Audit

Audit Report on the Pensioners of the  
New York City Police Department  
Working for the City after Retirement  
January 1, 2014, to December 31, 2014

FN15-083A

February 22, 2016

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, NY 10007

SCOTT M. STRINGER  
COMPTROLLER

February 22, 2016

To the Residents of the City of New York:

My office has audited the Police Department Pension Fund (known as POLICE) to identify New York City pensioners who may be re-employed by a City agency and simultaneously illegally collecting a pension from POLICE and to quantify the amount of any improper payments to such individuals who appear to be violators of the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during Calendar Year 2014. We audit the City's pension funds to ensure that pensioners are complying with all laws pertaining to public service re-employment and that appropriate steps are taken to recoup any improper payments made to individuals after retirement.

This audit found four POLICE pensioners who violated either sections of RSSL §211-§212 or New York City Charter §1117. Specifically, one service retiree was hired by the City Council in 2014 and received \$49,302 in salary. Besides receiving income from the City, this pensioner also worked for the New York State Assembly and received \$5,046 in salary during Calendar Year 2014. According to RSSL §211 and §212, a service retiree who is under the age of 65, re-employed in New York public service without a waiver, and whose salary exceeds the income limitations of \$30,000 in Calendar Year 2014, must have his or her pension benefits suspended, except in limited circumstances not applicable to the identified retiree. Based on our calculation, this pensioner received \$11,514 in improper pension payments.

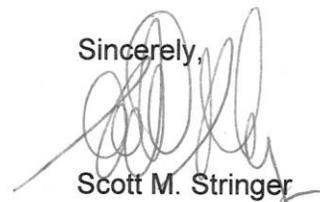
In addition, three POLICE disability pensioners violated New York City Charter §1117 because they received disability payments from POLICE and earnings through New York public service of more than \$1,800, and did not suspend pension payments during the time of such re-employment. These three pensioners received a total of \$100,542 in post-retirement earnings for Calendar Year 2014, which resulted in \$198,537 in potential pension overpayments.

The audit recommends that POLICE officials investigate those individuals identified in this report, and if confirmed to have received pension payments in violation of State or City law, recoup the overpayments, and send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees' responsibilities regarding public service re-employment.

The results of our audit have been discussed with POLICE officials and their comments have been considered in preparing this report. Their complete written response is attached to this report.

If you have any questions concerning this report, please e-mail my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,



Scott M. Stringer

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# THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER FINANCIAL AUDIT

## Audit Report on the Pensioners of the New York City Police Department Working for the City after Retirement January 1, 2014 – December 31, 2014

**FN15-083A**

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### EXECUTIVE SUMMARY

The objectives of this audit were: (1) to identify those New York City pensioners who may be re-employed by a City agency and simultaneously illegally collecting a pension from the New York City Police Department Pension Fund (known as POLICE); and (2) to quantify the amounts of any improper payments to such individuals who appear to be violators of the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during Calendar Year 2014.

POLICE provides retirement benefits to full-time uniform police officers who were employed by the New York City Police Department. The re-employment of retired public employees in public service is governed by the RSSL.<sup>1</sup> Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under age of 65 can be reemployed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of the POLICE retirement system who is not collecting a disability pension, under age 65, may collect his/her pension and work for the City or State so long as he/she does not earn in excess of \$30,000 per year from such a public service position. If an under 65 service retiree's post-retirement earnings in a New York City or State public service position exceed the annual earning limitation, the retiree's pension benefits should be suspended unless the retiree has obtained a waiver under RSSL §211.<sup>2</sup>

Disability retirees are not subject to RSSL §211 and §212, but rather in New York City are subject to the New York City Charter §1117 which prohibits a retiree from earning more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the

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<sup>1</sup> RSSL §210 defines "public service" as the service of the state or any political division, including a special district, district corporation, school district, board of cooperative educational services or county vocational education and extension board, or the service of a public benefit corporation or public authority created by or pursuant to laws of the state of New York, or service of any agency or organization which contributes as a participating employer in a retirement system or pension plan administered by the state or any of its political subdivisions.

<sup>2</sup> The earnings limitation does not apply after the retiree reaches the age of 65.

time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

## **Audit Finding and Conclusion**

Our audit found four POLICE pensioners who violated either sections of RSSL §211–§212 or NYC Charter §1117. Specifically, we found one service retiree covered by RSSL §211–§212 under the age of 65 who was re-employed in New York public service and whose salary exceeded the \$30,000 income limitation in Calendar Year 2014 without a waiver. This pensioner was hired by the City Council in 2014 and received \$49,302 in salary. Besides receiving income from the City, this pensioner also worked for the New York State Assembly and received \$5,046 in salary during Calendar Year 2014. Based on our calculation, this pensioner received \$11,514 in improper pension payments.

In addition, we found three POLICE disability pensioners who violated New York City Charter §1117 because they received disability payments from the POLICE and earnings through New York public service of more than \$1,800, and did not suspend pension payments during the time of such re-employment. As a result, these pensioners improperly received a total of \$198,537 in pension payments.

These four pensioners received a total of \$154,890 in public service post-retirement earnings for Calendar Year 2014. As a result, they were improperly paid a total of \$210,051 in potential pension overpayments.

## **Audit Recommendations**

To address the non-compliance issue, we recommend that POLICE officials:

- Investigate those individuals identified in this report and, if confirmed to have received pension payments in violation of State or City law, recoup the overpayments.
- Send reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees' responsibilities regarding public service reemployment.

## **Agency Response**

POLICE officials agreed with our recommendations and provided us with information demonstrating the steps that they had taken to recoup the overpayments and methods that they are using to inform their members regarding the re-employment restrictions.

# AUDIT REPORT

## Background

POLICE provides retirement benefits to full-time uniform police officers who were employed by the New York City Police Department. The reemployment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under age of 65 can be reemployed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of the POLICE system who is not collecting a disability pension and who is under age 65 may collect his/her pension and work for the City or State, so long as he/she does not earn in excess of \$30,000 per year from such a public service position.

If an under-65 service retiree's post-retirement earnings in a New York City or State public service position exceed the annual earning limitation, the retiree's pension benefits should be suspended unless the retiree has obtained a waiver under RSSL §211. For a service retiree to obtain a waiver, the prospective employer must submit a request to the appropriate authorizing agency, including a statement setting forth the reasons for the waiver application. The application must show that the person's skills are unique and that the individual's hire would be in the best interests of the government service; further, the prospective employer must show that no other qualified people are readily available for recruitment to perform the duties of the position to be filled. Initial waivers and their renewals may be for periods of up to two years.

New York State law grants the authority to issue waivers to the following seven agencies:

- New York State Civil Service Commission (NYS)
- Commissioner of Education (NYS)
- Municipal Civil Service Commission of the City of New York (NYC)
- Chancellor of the Department of Education (NYC)
- Board of Higher Education (CUNY)
- Chancellor of State University (SUNY)
- Administrator of Courts (NYS-NYC)

There are five New York City retirement systems that provide benefits for their agencies' employees as well as for employees of other City agencies. They are:

- New York City Board of Education Retirement System (BERS)
- New York City Employees' Retirement System (NYCERS)
- New York City Fire Department Pension Fund (FIRE)
- New York City Police Department Pension Fund (POLICE)
- New York City Teachers' Retirement System (TRS)

Disability retirees are not subject to RSSL §211 and §212. However, disability retirees in New York City are subject to the New York City Charter §1117, which prohibits a retiree from earning

more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

An exception to the \$1,800 cap exists under the New York City Administrative Code (Title 13, Chapter 2, §13-254), which provides "Disability Safeguards" applicable to disability retirees who do not serve the minimum period for service retirement elected by the employee (usually 20 years, but 25 years may be elected). To be covered by Disability Safeguards, a retiree must meet the following conditions: (1) the retiree must undergo a medical examination, (2) the Board of Trustees (the Board) of the retirement system must agree with the medical board report and certification of the extent to which the retiree is able to work,<sup>3</sup> and (3) the Board must reduce the retiree's pension to an amount which, when added to the retiree's salary, does not exceed the current maximum salary for the title next higher to the title held by the person at retirement.

After the minimum period for service retirement, as described above, has expired, disability retirees in New York City are subject to the New York City Charter §1117. Waivers superseding this provision may not be granted.

When a retired employee subject to RSSL §211-§212 does not obtain a waiver and collects a pension while earning in excess of \$30,000 in a public service job or, similarly, when a disabled pensioner who is subject to New York City Charter §1117 receives pension payments and earnings from a public sector position in excess of \$1,800, the retiree is said to be "double-dipping."

## Objectives

The objectives of this audit were: (1) to identify those New York City pensioners who may be re-employed by a City agency and simultaneously illegally collecting a pension from the New York City Police Department Pension Fund (known as POLICE); and (2) to quantify the amounts of any improper payments to such individuals who appear to be violators of the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during Calendar Year 2014.

## Scope and Methodology Statement

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS) except for organizational independence as disclosed in the following paragraph. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our audit did not include local government employees paid by systems other than those integrated with Financial Information Services Agency (FISA). However, we believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

In accordance with §13-202 of the New York City Administrative Code, the Comptroller is one of 12 trustees of the Board of the New York City Police Pension Fund and is entitled to cast 1-1/2

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<sup>3</sup> The Board must then place the retiree's name on a civil service list as a "preferred eligible."

board votes. The Comptroller sits on the Board through a representative. Neither the Comptroller nor his representative on the Board were involved in the audit process.

The scope period of this audit was Calendar Year 2014. Please refer to the Detailed Scope and Methodology section at the end of this report for the specific audit procedures and detailed tests conducted during the course of this audit.

## **Discussion of Audit Results**

The matters covered in this report were discussed with POLICE officials during and at the conclusion of this audit. A preliminary draft report was sent to POLICE officials. Subsequently, POLICE officials informed us that they decided to waive the exit conference. On February 2, 2016, we submitted a draft report to POLICE with a request for comments. We received a written response from POLICE officials on February 12, 2016.

In their response, POLICE officials agreed with our recommendations and provided us with information about the steps that they had taken to recoup the overpayments and methods that they are using to inform their members regarding the re-employment restrictions. Their comments are attached as an addendum to this report.

# FINDING AND RECOMMENDATIONS

## Potential Overpayment of Pension Benefits

Our audit found four POLICE pensioners who violated sections of RSSL §211-§212 or NYC Charter §1117. These pensioners were under age 65 and received a total of \$154,890 in post-retirement earnings for Calendar Year 2014. This resulted in \$210,051 potential pension overpayments as follows.<sup>4</sup>

Applicable Law	Number of Pensioners	Total Earnings	Overpayment Amount
RSSL §211 – §212	1	\$54,348*	\$11,514
NYC Charter §1117	3	\$100,542	\$198,537
Total	4	\$154,890	\$210,051

(See Appendices I and II for details concerning the retirees and their current employers).

\* Included \$5,046 in State wages.

We calculated the total amount of improper 2014 pension payments based on an analysis of when the re-employed pensioners reached the legal earnings limitations, \$30,000 for service retirees and \$1,800 for disability retirees.<sup>5</sup>

Specifically, we found one RSSL §211-§212 violator who was under 65 and re-employed in New York public service whose salary exceeded the income limitations of \$30,000 in Calendar Year 2014 and who did not have a waiver to cover all of the 2014 earnings. This pensioner retired from the Police Department in February 2002 and was hired by the City Council in January 2014. During Calendar Year 2014, the pensioner received \$49,302 in salary from the City. Besides receiving income from the City, this pensioner also worked for the New York State Assembly and received an additional \$5,046 in salary. Our review of all relevant records found no evidence that the pensioner obtained a waiver to cover any portion of the 2014 earnings. Since the pensioner exceeded the earning limitations on public service employment without obtaining a waiver, four pension payments, made in September through December and totaling \$11,514, were improperly received during Calendar Year 2014.

In addition, we found three POLICE disability pensioners who violated New York City Charter §1117 because they received disability payments from the POLICE pension system and earnings through New York public service of more than \$1,800 and did not suspend pension payments during the applicable period of re-employment. As a result, these pensioners improperly received pension payments of \$198,537.

One of these retirees was granted disability retirement in May 2003. In November 2005, the Department of Education (DOE) hired this retiree as an Education Paraprofessional and the retiree became a Special Education Teacher in 2008. During Calendar Year 2014, the retiree collected \$28,152 in disability pension payments while receiving \$67,264 in salary from DOE. Our review found that by January 2014, the retiree's pension payments and earnings exceeded the earning limitation set forth by New York City Charter §1117 and the remaining 11 months of pension payments, totaling \$25,811, should have been suspended.

<sup>4</sup> The pensioner can pay back the excessive wages to the employer in order to retain the pension benefits.

<sup>5</sup> The annuity portions of the pension payments, if any, are not affected by RSSL §211 and §212 or New York City Charter §1117 and therefore were excluded from the calculation of overpayments cited in this report.

We identified a second retiree who was granted disability retirement in January 2014. On January 24, 2014, the Queens County District Attorney hired the retiree as a part-time Senior Rackets Investigator. During Calendar Year 2014, this retiree collected \$178,700 in disability pension payments while receiving \$25,304 in wages. By January 2014, this retiree's pension payments and earnings exceeded the earning limitation set forth by New York City Charter §1117 and the remaining 11 months of pension payments, totaling \$163,808, should have been suspended.

After we issued the preliminary draft report, POLICE informed us that this retiree "was awarded an Accident Disability Retirement by the [P]olice [P]ension [F]und Board of Trustees, retroactive to his retirement. As a result of the change in his pension status, on March 31, 2015, the member resigned his position with the [D]istrict [A]ttorney's office. Due to the retroactive nature of the pension award, all earnings with the [D]istrict [A]ttorney's office were in violation of New York City Charter § 1117. After being notified by the [P]olice [P]ension [F]und that he was in violation of this provision, the pensioner chose to pay back all salary earned while working for the [D]istrict [A]ttorney's office." In December, 2015, this pensioner repaid all wages earned from the Queens District Attorney's Office covering the period from January 24, 2014, through March 31, 2015, totaling \$32,816.

We found a third retiree who was granted disability retirement in March 2003 and who was then hired by the New York City Department of Education as a General Education Teacher. During Calendar Year 2014, this retiree collected \$17,816 in disability pension payments while receiving \$7,974 in wages. We determined six months of pension payments, totaling \$8,918, should have been suspended.

## Recommendations

POLICE officials should:

1. Investigate those individuals identified in this report and, if confirmed to have received pension payments in violation of State or City law, recoup the overpayments.

**Agency Response:** "The Police Pension Fund is in agreement that recoupment of pension benefits received in violation of the law should be commenced immediately. It should be noted, however, that this retirement system does not exercise control over its pension payroll data tape. We are requesting that the Comptroller's Office, as custodian of Police Pension payroll records, supply a list of all retirees found to be 'double dipping' to my Office on a semi-annual basis. This will afford the Police Pension Fund an opportunity to fully investigate all identified violators on a timely basis.

With regard to the 4 retirees listed as suspected violators in the February 2, 2016 audit report by the Comptroller's Office, the Police Pension Fund has already begun investigating their reemployment and potential violation of §1117 of the New York City Charter. Letters have been sent out to each of the retirees, requesting employment records to verify the information collected in the report.

The service retirees specified in the report had previously notified this system of the 2014 violation via a §212 Employment Certification submission for the 2015 calendar year. Therefore, action has already been taken to recover the pension benefits the retiree was not entitled to receive.

As for the disability retirees listed, one case has been resolved, as detailed in the Audit Report. The remaining two retirees were contacted and employment information was requested. Since the Police Pension Fund does not have access to employment records for the agency specified, we were unable to retrieve this information independently. The two members have since responded with their employment information and their violation amounts are in the process of being calculated and acted upon.”

**Auditors’ Comment:** We acknowledge that POLICE may not currently have access to the appropriate payroll information to perform similar types of analyses. As the earnings limitations set forth in RSSL §212 and New York City Charter §1117 are on an annual basis, the requested semiannual audits would not substitute for regular vigilant oversight by POLICE. POLICE should take necessary steps to obtain payroll information from FISA and itself identify potential violators. However, this office is committed to continuing to conduct these types of audits on a regular basis.

2. Send reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees’ responsibilities regarding public service reemployment.

**Agency Response:** “The Police Pension Fund takes a very proactive approach to increasing awareness among both its active and retired members. One of the more helpful tools provided to its membership is access to the Police Pension Fund website which offers a wealth of information regarding, among other things, specific guidelines and limitations for retirees seeking employment. Additionally, the agency maintains a Facebook page with over 15,000 followers, regularly addressing inquiries and posting important updates and reminders. Employment after retirement is also discussed in great detail at all retirement seminars conducted by or in conjunction with Police Pension Fund personnel.

Aside from the Summary Plan Description booklets that are provided on our website and have been widely distributed to our membership, this system regularly tries to remind its members of their duties when possible. Upon retirement, each member is informed of the restrictions on employment after retirement in a special handout of the retirement package. All disability retirees who have yet to reach their 20<sup>th</sup> anniversary are also required to submit a Financial Disclosure Questionnaire (FDQ) each year. Accompanying these annual FDQ requests is a letter and information sheet detailing all disability retirees’ reemployment restrictions, especially those that take effect once they reach their 20<sup>th</sup> anniversary. In an added effort to increase the retirees’ awareness of their responsibilities, the Police Pension Fund is currently exploring the most efficient options for producing a mailing for the entire retired population of its membership.”

## DETAILED SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards except for organizational independence as noted in the subsequent paragraph. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Although our audit did not include local government employees paid by systems other than those integrated with FISA, we believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

In accordance with §13-202 of the New York City Administrative Code, the Comptroller is one of 12 trustees of the New York City Police Department Pension Fund and is entitled to cast 1-1/2 board votes. The Comptroller sits on the Board through a representative. Neither the Comptroller nor his representative on the Board were involved in the audit process.

The scope period for this audit was Calendar Year 2014. We met with POLICE officials to obtain an understanding of their payment processes for individual pensioners. To discover the extent to which retired City employees were improperly receiving pension payments from the retirement systems, we obtained the following information:

- payments summary for active New York City pensioners from PPMS (the City's pension payroll management system),<sup>6</sup>
- member records from all five retirement systems,
- City workers who received a W-2 wage statement, and
- Waivers information from three of the seven authorized agencies: New York State Civil Service Commission, New York City Department of Citywide Administration, and City University of New York.<sup>7</sup>

To determine the accuracy of the PPMS members' information, we compared the members' social security numbers and birthdates with the data provided by each retirement system. We then eliminated the pensioners who were over or turned 65 in 2014 because the earning limitation does not apply after a retiree reaches the age of 65. We identified 90,356 pensioners who were under age 65 during Calendar Year 2014 and received payments through PPMS.

We matched the 90,356 New York City pensioners against a listing of all City workers who received a W-2 wage statement.<sup>8</sup> This matching process identified 846 individuals who:

- collected POLICE pensions during Calendar Year 2014,
- were under age 65, and

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<sup>6</sup> The information was provided by FISA, which is the custodian of the system.

<sup>7</sup> According to the Personnel Rules and Regulations of the City of New York, Department of Citywide Administration shall have all the powers and duties of a municipal civil service commission as provided in the civil service law or in any other statute or local law. Board of Higher Education became CUNY's Board of Trustees.

<sup>8</sup> A separate audit report will be issued for each of the five New York City retirement systems; the other four audits are FN15-082A (TRS), FN15-084A (BERS), FN15-085A (NYCERS), and FN15-086A (FIRE).

- are either service retirees who retired prior to January 1, 2014, and received more than \$30,000 in wages during 2014, or disability retirees who received more than \$1,800 in pension payments and wages from the City during 2014.

We excluded the service retirees who had waivers that covered Calendar Year 2014 and then determined the reasons these individuals received a pension check and a payroll check concurrently. Among the valid reasons individuals received both pension checks and payroll checks are the following: some had their pensions suspended at the appropriate times; and some were not actually re-employed by the City agencies during 2014, but instead received lump-sum payments for accrued vacation, sick leave, or selected an early retirement program that provided subsequent cash payments in 2014.<sup>9</sup> Although the match did not include local government employees paid by systems other than those integrated with FISA, we are presently conducting Calendar Year 2014 matches of City pensioners (BERS, NYCERS, FIRE, POLICE, and TRS) against New York State workers; the results of this match will be covered in a separate report (Audit # FN15-087A).

For the remaining four individuals, we:

- obtained additional detailed information about their individual year 2014 pension and payroll payments;
- analyzed the timing and the types of payments received that were considered as earned income;
- verified the amounts shown on the computer-match listing; and
- met with retirement system representatives, who assisted us in searching their files for waivers and other relevant information.

For those pensioners who appeared to lack valid reasons for receiving both pension and payroll checks, we calculated the apparent pension overpayments based on our analyses of when re-employed pensioners reached the legal earnings limit of \$30,000 for service retirees and \$1,800 for disability pensioners. The annuity portions of the pension payments, if any, are not affected by RSSL §211 and §212 and New York City Charter §1117, and therefore were excluded from the overpayments cited in this report.

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<sup>9</sup> Information for payroll checks is limited to the City agencies that use the City's Payroll Management System to process their payrolls.

**2014 PENSION OVERPAYMENTS - NEW YORK CITY POLICE PENSION SYSTEM  
SERVICE RETIREES**

Pension Number	Date Retired	2014 Pension	Months Overpaid	*Pension Amount Overpaid	2014 Employer	Payroll Code	2014 Earnings	Agency Responsible for Issuing Waiver	Waiver in 2014?
P-50187	2/1/2002	\$ 34,422	4	\$ 11,514	NY City Council	102	\$ 49,302	DCAS	No
					NYS Assembly	4022	\$ 5,046	NYS Civil Service Commission	No

**Total Individual(s): 1**                      **Total:     \$11,514**    **\$54,348**

**Notes:**

DCAS            New York City Department of Citywide Administrative Services

\*Amount of pension overpayment after individual exceeded \$30,000 earnings limitation per New York State Retirement and Social Security Law (RSSL) §211 and §212

**2014 PENSION OVERPAYMENTS - NEW YORK CITY POLICE PENSION SYSTEM  
DISABILITY RETIREES**

Pension Number	Date Retired	2014 Pension	Months Overpaid	*Pension Amount Overpaid	2014 Employer	Payroll Code	2014 Earnings
P-53245	5/30/2003	\$ 28,152	11	\$ 25,811	DOE	742	\$ 67,264
P-52990	3/1/2003	\$ 17,816	6	\$ 8,918	DOE	746	\$ 7,974
P-72372	1/1/2014	\$178,700	11	\$163,808	Queens DA	904	\$ 25,304

**Total Individual(s): 3**

**Total: \$198,537**

**\$100,542**

**Notes:**

DOE New York City Department of Education

Queens DA New York City Borough of Queens District Attorney

\*Disability retirees are not subject to RSSL §211 and §212. However, the New York City Administrative Code (Volume 3, Title 13, Chapter 2, §13-254) provides for the reemployment of New York City Police Department disability retirees in New York public service. These provisions (also known as "Disability Safeguards") apply up to only the minimum period for service retirement elected by the employee (usually 20 years, but 25 years may be elected), subject to the following conditions: (1) the retiree undergoes a medical examination, (2) the Board of Trustees of the retirement system agrees with the medical board report and certification of the extent to which the retiree is able to work (the Board must then place the retiree's name on a civil service list as a "preferred eligible"), and (3) the Board reduces the retiree's pension to an amount which, when added to the retiree's salary, does not exceed the current maximum salary for the next highest title than that held by the person at retirement.

After the minimum (20- or 25-year) period for service retirement has expired, disability retirees in New York City are subject to the New York City Charter §1117, which prohibits a retiree from earning more than \$1,800 a year (including pension payments) in New York public service unless the retiree's disability pension is suspended during the time of such employment. Waivers superseding this provision may not be granted.



## New York City Police Pension Fund

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Kevin Holloran  
Executive Director

February 12, 2016

**Marjorie Landa**  
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New York, NY 10007-2341

**Re: Audit Report on the Pensioners of the  
New York City Police Department  
Working for the City after Retirement  
January 1, 2014 – December 31, 2014  
FN15-083A**

Dear Ms. Landa:

In regards to the above referenced audit report, the following status report is forwarded.

### Recommendation #1

Investigate those individuals identified in this report and, if confirmed to have received pension payments in violation of State or City law, recoup the overpayments.

### Response

The Police Pension Fund is in agreement that recoupment of pension benefits received in violation of the law should be commenced immediately. It should be noted, however, that this retirement system does not exercise control over its pension payroll data tape. We are requesting that the Comptroller's Office, as custodian of Police Pension payroll records, supply a list of all retirees found to be "double-dipping" to my Office on a semi-annual basis. This will afford the Police Pension Fund an opportunity to fully investigate all identified violators on a timely basis.

With regard to the 4 retirees listed as suspected violators in the February 2, 2016 audit report by the Comptroller's Office, the Police Pension Fund has already begun investigating their reemployment and potential violation of §1117 of the New York City Charter. Letters have been sent out to each of the retirees, requesting employment records to verify the information collected in the report.

The service retiree specified in the report had previously notified this system of the 2014 violation via a §212 Employment Certification submission for the 2015 calendar year. Therefore, action has already been taken to recover the pension benefits the retiree was not entitled to receive.

As for the disability retirees listed, one case has been resolved, as detailed in the Audit Report. The remaining two retirees were contacted and employment information was requested. Since the Police Pension Fund does not have access to employment records for the agency specified, we were unable to retrieve this information independently. The two members have since responded with their employment information and their violation amounts are in the process of being calculated and acted upon.

#### Recommendation #2

Send reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees' responsibilities regarding public service reemployment.

#### Response

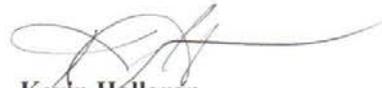
The Police Pension Fund takes a very proactive approach to increasing awareness among both its active and retired members. One of the more helpful tools provided to its membership is access to the Police Pension Fund website which offers a wealth of information regarding, among other things, specific guidelines and limitations for retirees seeking employment. Additionally, the agency maintains a Facebook page with over 15,000 followers, regularly addressing inquiries and posting important updates and reminders. Employment after retirement is also discussed in great detail at all retirement seminars conducted by or in conjunction with Police Pension Fund personnel.

Aside from the Summary Plan Description booklets that are provided on our website and have been widely distributed to our membership, this system regularly tries to remind its members of their duties when possible. Upon retirement, each member is informed of the restrictions on employment after retirement in a special handout of the retirement package. All disability retirees who have yet to reach their 20<sup>th</sup> anniversary are also required to submit a Financial Disclosure Questionnaire (FDQ) each year. Accompanying these annual FDQ requests is a

letter and information sheet detailing all disability retirees' reemployment restrictions, especially those that take effect once they reach their 20<sup>th</sup> anniversary. In an added effort to increase the retirees' awareness of their responsibilities, the Police Pension Fund is currently exploring the most efficient options for producing a mailing for the entire retired population of its membership.

I hope this response will aid in the development of a program to ensure the integrity of all City Retirement Systems.

Sincerely,



**Kevin Holloran**  
**Executive Director**  
**NYC Police Pension Fund**

**KH:mh**