STATE OF NEW YORK

11269

IN ASSEMBLY

May 4, 2026

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to service retirement of members of the New York city fire department pension fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph 2 of subdivision b of section 510 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended and a new paragraph 2-a is added to read as follows:

2. The first day of the month following the date on which a member completes or would have completed twenty-five years of credited service, with respect to service retirement benefits for police/fire members and their beneficiaries, New York city uniformed correction/sanitation revised plan members and their beneficiaries or investigator revised plan members and their beneficiaries**, except for uniformed members of the New York city fire department pension fund and their beneficiaries**.

2-a. The first day of the month following the date on which a member completes or would have completed twenty-three years of credited service, with respect to service retirement benefits for uniformed members of the New York city fire department pension fund.

§ 2. This act shall take effect immediately.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

SUMMARY: This proposed legislation grants earlier Escalation eligibility for Tier 3 FIRE members who retire for service by allowing for Full Escalation at 23 years of service, and commencement of partial escalation for retirements with more than 20 years of service.

EXPECTED INCREASE (DECREASE) IN EMPLOYER CONTRIBUTIONS
by Fiscal Year for the first 25 years ($ in Millions)

Year	FIRE
2027	5.2

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD14825-02-6

2028	5.6
2029	5.9
2030	6.3
2031	6.7
2032	7.2
2033	7.6
2034	8.1
2035	8.6
2036	9.1
2037	9.7
2038	10.2
2039	10.8
2040	11.5
2041	12.2
2042	12.6
2043	12.8
2044	11.4
2045	11.9
2046	12.3
2047	12.8
2048	13.4
2049	13.8
2050	14.1
2051	14.6

Projected contributions include future new hires that may be impacted. For Fiscal Year 2052 and beyond, the expected increase in normal cost as a level percent of pay for impacted new entrants is approximately 0.45%.

The entire increase in employer contributions will be allocated to New York City.

PRESENT VALUE OF BENEFITS: The Present Value of Benefits is the discounted expected value of benefits paid to current members if all assumptions are met, including future service accrual and pay increases. Future new hires are not included in this present value.

INITIAL INCREASE (DECREASE) IN ACTUARIAL PRESENT VALUES
as of June 30, 2025 ($ in Millions)

Present Value (PV)	FIRE
(1) PV of Employer Contributions:	56.1
(2) PV of Employee Contributions:	**(1.8)**
Total PV of Benefits (1) + (2):	54.3

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. Changes in UAL were amortized over the expected remaining working life-time of those impacted using level dollar payments.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	FIRE
Increase (Decrease) in UAL:	18.6 M
Number of Payments:	17
Amortization Payment:	2.0 M

CENSUS DATA: The estimates presented herein are based on preliminary census data collected as of June 30, 2025. The census data for the impacted population is summarized below.

Active Members	FIRE
- Number Count:	6,510
- Average Age:	34.5
- Average Service:	6.4
- Average Salary:	118,200

IMPACT ON MEMBER BENEFITS: Tier 3 FIRE members who retire for service are potentially eligible for the following benefit adjustments after retirement:

* Cost-of-Living Adjustments (COLA) which are based on 50% of the change in Consumer Price Index (CPI), limited to between 1% and 3%, and applied to the first $18,000 of the maximum retirement allowance.

* Escalation which is based on 100% of the change in CPI and is applied to the entire benefit. Yearly increases (or decreases) are limited to 3%, although any such excess is banked and applied cumulatively to the benefit in subsequent years. Members eligible for Escalation are also eligible for COLA, if COLA is greater.

Currently, Tier 3 FIRE members who retire for service are eligible for:

* Full Escalation, if commencing their service retirement benefit on or after the date they attain (or would have attained) 25 years of service.

* Partial Escalation, if commencing their service retirement benefit up to three years prior to their Full Escalation date, wherein 1/36th of Full Escalation is granted for each month that commencement succeeds 22 years of service.

* COLA, if commencing their service benefit at 22 years or fewer.

Under the proposed legislation, Tier 3 FIRE members who retire for service would be eligible for:

* Full Escalation, if commencing their service retirement benefit on or after the date they attain (or would have attained) 23 years of service.

* Partial Escalation, if commencing their service retirement benefit up to three years prior to their Full Escalation date, wherein 1/36th of Full Escalation is granted for each month that commencement succeeds 20 years of service.

* COLA, if commencing their service benefit at 20 years or fewer.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the Revised 2021 Actuarial Assumptions and Methods of the impacted retirement systems. In addition:

* Retirement rates were adjusted to reflect the earlier payability of Full Escalation granted by the proposed legislation.

* New entrants were assumed to replace exiting members so that total payroll increases by 3% each year for impacted groups. New entrant demographics were developed based on data for recent new hires and actuarial judgement.

RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend highly on the actuarial assumptions, methods, and models used, demographics of the impacted population, and other factors such as investment, contribution, and other risks. If actual experience deviates from

actuarial assumptions, the actual costs could differ from those presented herein. Quantifying these risks is beyond the scope of this Fiscal Note.

This Fiscal Note is intended to measure pension-related impacts and does not include other potential costs (e.g., administrative and Other Postemployment Benefits). This Fiscal Note does not reflect any chapter laws that may have been enacted during the current legislative session.

This Fiscal Note does not include cost analyses relating to provisions contained in Retirement and Social Security Law Section 500(c).

STATEMENT OF ACTUARIAL OPINION: Marek Tyszkiewicz and Gregory Zelikovsky are members of the Society of Actuaries and the American Academy of Actuaries. We are members of NYCERS, but do not believe it impairs our objectivity, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. To the best of our knowledge, the results contained herein have been prepared in accordance with generally accepted actuarial principles and procedures and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

FISCAL NOTE IDENTIFICATION: This Fiscal Note 2026-11 dated February 10, 2026 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds and is intended for use only during the 2026 Legislative Session.