STATE OF NEW YORK

4580

2025-2026 Regular Sessions

IN SENATE

February 7, 2025

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to removing eligibility or receipt of primary social security disability benefits as a condition for ordinary disability retirement for certain members

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

Section 1. Section 506 of the retirement and social security law is amended by adding a new subdivision c-2 to read as follows:

c-2. Notwithstanding any inconsistent provision of subdivision a, b or c-1 of this section, the ordinary disability benefit for a New York city enhanced plan member in the New York city fire department shall not be conditioned upon eligibility for, or upon receipt of, primary social security disability benefits.

§ 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation modifies Ordinary Disability Retirement (ODR) eligibility for Tier 3 members of FIRE by removing the requirement of being eligible for primary Social Security disability benefits (SSDI).

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

Year	FIRE
2026	0.4
2027	0.4
2028	0.5
2029	0.5
2030	0.6
2031	0.6
2032	0.7

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

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2033	0.7
2034	0.8
2035	0.9
2036	0.9
2037	1.0
2038	1.0
2039	1.1
2040	1.2
2041	1.3
2042	1.3
2043	1.4
2044	1.4
2045	1.5
2046	1.6
2047	1.7
2048	1.7
2049	1.8
2050	1.9

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the increase in normal cost for new entrants will remain level as a percent of pay for the impacted population (approximately 0.06%).

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, 2024 ($ in Millions)

Present Value (PV)	FIRE
(1) PV of Employer Contributions:	5.8
(2) PV of Employee Contributions:	**0.0**
Total PV of Benefits (1) + (2):	5.8

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 lifetime of those impacted using level dollar payments.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	FIRE
Increase (Decrease) in UAL:	0.5 M
Number of Payments:	17
Amortization Payment:	0.1 M

CENSUS DATA: The estimates presented herein are based on preliminary census data collected as of June 30, 2024. The census data for the impacted population is summarized below.

	FIRE
Active Members	
- Number Count:	5,571
- Average Age:	34.1
- Average Service:	6.2
- Average Salary:	118,600

IMPACT ON ELIGIBILITY: Currently, active Tier 3 FIRE enhanced plan members with at least five years of credited service are only eligible for an ODR benefit if they are approved for primary Social Security disability benefits (SSDI).

Under the proposed legislation, Tier 3 FIRE enhanced plan members with at least five years of credited service would be eligible for an ODR benefit, irrespective of SSDI eligibility.

The formula for calculating Enhanced Plan ODR benefits would remain unchanged

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:

* 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.
* For purposes of this Fiscal Note, it has been assumed that 100% of members exiting for ODR under current ODR rates would be ineligible for SSDI.
* It is assumed that the Medical Board will be responsible for determining the eligibility for ODR benefits in place of the SSDI requirement.

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.

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 2025-06 dated February 4, 2025 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds and is intended for use only during the 2025 Legislative Session.