STATE OF NEW YORK

4666--A

2025-2026 Regular Sessions

IN SENATE

February 11, 2025

Introduced by Sens. JACKSON, SCARCELLA-SPANTON -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to service retirement benefits for certain members of the New York city employees' retirement system

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

Section 1. Section 505 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, subdivision d as added by section 3 of part SS of chapter 55 of the laws of 2025, is amended to read as follows:

§ 505. Service retirement benefits; police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members. a. The normal service retirement benefit for police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members at normal retirement age shall be a pension equal to fifty percent of final average salary, less fifty percent of the primary social security retirement benefit commencing at age sixty-two, as provided in section five hundred eleven of this article**, except that for police/fire members of the New York city fire department pension fund or the New York city police pension fund, the New York city uniformed correction/sanitation revised plan members or investigator revised plan members of the New York city employees' retirement system, the normal service retirement benefit shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**.

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

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b. The early service retirement benefit for police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members shall be a pension equal to two and one-tenths percent of final average salary times years of credited service at the completion of twenty years of service or upon attainment of age sixty-two, increased by one-third of one percent of final average salary for each month of service in excess of twenty years, but not in excess of fifty percent of final average salary, less fifty percent of the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article, provided, however, that New York city police/fire revised plan members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members shall not be eligible to retire for service prior to the attainment of twenty years of credited service**, and provided further that for police/fire members of the New York city fire department pension fund or the New York city police pension fund, the New York city uniformed correction/sanitation revised plan members or investigator revised plan members of the New York city employees' retirement system, the early service retirement benefit shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**.

c. A police/fire member, a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member who retires with twenty-two years of credited service or less may become eligible for annual escalation of the service retirement benefit if [~~he~~] **such member** elects to have the payment of [~~his~~] **their** benefit commence on the date [~~he~~] **such member** would have completed twenty-two years and one month or more of service. In such event, the service retirement benefit shall equal two percent of final average salary for each year of credited service, less fifty percent of the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**, except that for police/fire members of the New York city fire department pension fund or the New York city police pension fund, New York city uniformed correction/sanitation revised plan members or investigator revised plan members of the New York city employees' retirement system, the service retirement benefit shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**.

d. Notwithstanding anything to the contrary in any other law, police/fire members of the New York city police pension fund shall be eligible for a normal service retirement benefit in lieu of an early service retirement benefit upon completing twenty years of service pursuant to subdivision d of section five hundred three of this article.

§ 2. Section 511 of the retirement and social security law is amended by adding a new subdivision h to read as follows:

h. This section shall not apply to police/fire members of the New York city fire department pension fund or the New York city police pension fund, to New York city uniformed correction/sanitation revised plan members or investigator revised plan members of the New York city employees' retirement system who receive a service retirement benefit pursuant to section five hundred five of this article or a deferred vested benefit pursuant to section five hundred sixteen of this article.

§ 3. Subdivision c of section 516 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

c. The deferred vested benefit of police/fire members, New York city police/fire revised plan members, New York city uniformed correction/sanitation revised plan members or investigator revised plan members shall be a pension commencing at early retirement age equal to two and one-tenths percent of final average salary times years of credited service, less fifty percent of the primary social security retirement benefit commencing at age sixty-two, as provided in section five hundred eleven of this article**, except that for police/fire members of the New York city fire department pension fund or the New York city police pension fund, New York city uniformed correction/sanitation revised plan members or investigator revised plan members of the New York city employees' retirement system, the deferred vested benefit shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**. A police/fire member, a New York city police/fire revised plan member, a New York city uniformed correction/sanitation revised plan member or investigator revised plan member may elect to receive [~~his~~] **their** vested benefit commencing at early retirement age or age fifty-five. If the vested benefit commences before early retirement age, the benefit shall be reduced by one-fifteenth for each year, if any, that the member's early retirement age is in excess of age sixty, and by one-thirtieth for each additional year by which the vested benefit commences prior to early retirement age. If such vested benefit is deferred until after such member's normal retirement age, the benefit shall be computed and subject to annual escalation in the same manner as provided for an early retirement benefit pursuant to subdivision c of section five hundred five of this article.

§ 4. Notwithstanding any provision of law, rule or regulation to the contrary, any effect on a participating employer's contribution rate due to the provisions of this act shall not apply to the calculation of such participating employer's contribution rate for the purposes of subdivision c of section 500 of the retirement and social security law.

§ 5. This act shall take effect on the sixtieth day after it shall have become a law.

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

SUMMARY: This proposed legislation would eliminate the offset equal to 50% of the primary social security benefit in the service, early service, and vested retirement benefits for certain Tier 3 members of NYCERS, POLICE, and FIRE.

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

Year	NYCERS	POLICE	FIRE	TOTAL
2027	49.4	82.3	11.9	143.6
2028	40.3	79.0	12.5	131.8
2029	42.7	84.0	13.2	139.9
2030	45.2	89.1	14.0	148.3
2031	47.6	93.8	14.8	156.2
2032	49.7	97.9	15.7	163.3
2033	51.9	102.0	16.5	170.4
2034	54.3	105.9	17.4	177.6
2035	56.3	109.7	18.3	184.3
2036	58.2	113.5	19.2	190.9

2037	60.1	117.3	20.2	197.6
2038	61.9	121.0	21.1	204.0
2039	63.8	124.8	22.1	210.7
2040	65.7	128.5	23.1	217.3
2041	67.6	132.3	24.0	223.9
2042	51.6	136.2	25.0	212.8
2043	53.6	108.7	25.9	188.2
2044	55.8	112.8	22.3	190.9
2045	57.9	117.0	23.2	198.1
2046	60.1	121.4	24.0	205.5
2047	62.3	125.7	24.9	212.9
2048	64.5	130.0	25.8	220.3
2049	66.8	134.5	26.6	227.9
2050	69.1	139.3	27.5	235.9
2051	71.6	144.4	28.3	244.3

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 2.14% for NYCERS, 1.52% for POLICE, and 0.84% for FIRE.

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)	NYCERS	POLICE	FIRE
(1) PV of Employer Contributions:	420.4	915.7	156.6
(2) PV of Employee Contributions:	0.0	0.0	0.0
Total PV of Benefits (1) + (2):	420.4	915.7	156.6

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. Changes in UAL for active members were amortized over the expected remaining working lifetime of those impacted using level dollar payments. UAL attributable to inactive members was recognized in the first year.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS	POLICE	FIRE
Increase (Decrease) in UAL:	168.5 M	294.3 M	43.5 M
Number of Payments:	15	16	17
Amortization Payment:	18.0 M	31.4 M	4.6 M
Additional One-time Payment:	11.4 M	8.1 M	0.2 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.

	NYCERS	POLICE	FIRE
Active Members			
- Number Count:	8,691	23,938	6,510
- Average Age:	40.2	33.5	34.5
- Average Service:	7.7	6.7	6.4
- Average Salary:	109,000	117,700	118,200
Term. Vested Members			

- Number Count:	829	1,066	16
- Average Age:	40.9	36.3	38.3

IMPACT ON MEMBER BENEFITS: Currently, Tier 3 normal service retirement, early service retirement, and vested retirement benefits for POLICE and FIRE members, and NYCERS members in 22-Year Plans are subject to an offset equal to 50% of the primary social security benefit as defined in Retirement and Social Security Law (RSSL) Section 511 beginning at age 62.

Under the proposed legislation, the offset for such benefits would be eliminated resulting in an increase in benefits.

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.

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 RSSL 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 2026-31 dated March 9, 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.