

STATE OF NEW YORK

6631

2025-2026 Regular Sessions

IN SENATE

March 19, 2025

Introduced by Sens. JACKSON, BROUK -- 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, the education
law and the administrative code of the city of New York, in relation
to providing cost-of-living adjustments

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

1 Section 1. Subdivision c of section 78-a of the retirement and social
2 security law, as added by chapter 125 of the laws of 2000, is amended to
3 read as follows:

4 c. Said cost-of-living adjustment shall be computed on a base benefit
5 amount [~~not to exceed~~] of eighteen thousand dollars of the annual
6 retirement allowance defined in subdivision b of this section, provided,
7 however, such base benefit amount shall be increased annually by refer-
8 ence to the consumer price index (all urban consumers, CPI-U, U.S. city
9 average, all items, 1982-84=100), published by the United States
10 bureau of labor statistics, for each applicable calendar year beginning
11 on September first, two thousand twenty-five. The annual percentage
12 increase to the base amount shall equal fifty percent of the annual
13 inflation, as determined from the increase in the consumer price index
14 in the one year period ending on the March thirty-first prior to the
15 cost-of-living adjustment effective on the ensuing September first.
16 Said percentage shall then be rounded up to the next higher one-tenth of
17 one percent and shall not exceed three percent nor be less than one
18 percent.

19 § 2. Subdivision c of section 378-a of the retirement and social secu-
20 rity law, as added by chapter 125 of the laws of 2000, is amended to
21 read as follows:

22 c. Said cost-of-living adjustment shall be computed on a base benefit
23 amount [~~not to exceed~~] of eighteen thousand dollars of the annual

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

LBD08199-02-5

1 retirement allowance defined in subdivision b of this section, provided,
2 however, such base benefit amount shall be increased annually by refer-
3 ence to the consumer price index (all urban consumers, CPI-U, U.S. city
4 average, all items, 1982-84=100), published by the United States
5 bureau of labor statistics, for each applicable calendar year beginning
6 on September first, two thousand twenty-five. The annual percentage
7 increase to the base amount shall equal fifty percent of the annual
8 inflation, as determined from the increase in the consumer price index
9 in the one year period ending on the March thirty-first prior to the
10 cost-of-living adjustment effective on the ensuing September first.
11 Said percentage shall then be rounded up to the next higher one-tenth of
12 one percent and shall not exceed three percent nor be less than one
13 percent.

14 § 3. Subdivision c of section 532-a of the education law, as added by
15 chapter 125 of the laws of 2000, is amended to read as follows:

16 c. Said cost-of-living adjustment shall be computed on a base benefit
17 amount [~~not to exceed~~] of eighteen thousand dollars of the annual
18 retirement allowance defined in subdivision b of this section, provided,
19 however, such base benefit amount shall be increased annually by refer-
20 ence to the consumer price index (all urban consumers, CPI-U, U.S. city
21 average, all items, 1982-84=100), published by the United States
22 bureau of labor statistics, for each applicable calendar year beginning
23 on September first, two thousand twenty-five. The annual percentage
24 increase to the base amount shall equal fifty percent of the annual
25 inflation, as determined from the increase in the consumer price index
26 in the one year period ending on the March thirty-first prior to the
27 cost-of-living adjustment effective on the ensuing September first.
28 Said percentage shall then be rounded up to the next higher one-tenth of
29 one percent and shall not exceed three percent nor be less than one
30 percent.

31 § 4. Subdivision c of section 13-696 of the administrative code of the
32 city of New York, as added by chapter 125 of the laws of 2000, is
33 amended to read as follows:

34 c. Said cost-of-living adjustment shall be computed on a base benefit
35 amount [~~not to exceed~~] of eighteen thousand dollars of the annual fixed
36 retirement allowance defined in subdivision b of this section, provided,
37 however, such base benefit amount shall be increased annually by refer-
38 ence to the consumer price index (all urban consumers, CPI-U, U.S. city
39 average, all items, 1982-84=100), published by the United States
40 bureau of labor statistics, for each applicable calendar year beginning
41 on September first, two thousand twenty-five. The annual percentage
42 increase to the base amount shall equal fifty percent of the annual
43 inflation, as determined from the increase in the consumer price index
44 in the one year period ending on the March thirty-first prior to the
45 cost-of-living adjustment effective on the ensuing September first.
46 Said percentage shall then be rounded up to the next higher one-tenth of
47 one percent and shall not exceed three percent nor be less than one
48 percent.

49 § 5. Notwithstanding any other provision of law to the contrary, none
50 of the provisions of this act shall be subject to section 25 of the
51 retirement and social security law.

52 § 6. This act shall take effect immediately.

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

SUMMARY: This proposed legislation, as it relates to the New York City Retirement Systems and Pension Funds (NYCRS) would increase the Cost-of-Living Adjustment (COLA) base limit of \$18,000 by 50% of the increase in

the consumer price index (CPI) each year (limited to between 1% and 3%), starting on September 1, 2025.

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

Year	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
2026	369.1	217.8	19.0	209.4	56.1	871.4
2027	43.8	35.4	4.0	11.0	4.3	98.5
2028	44.7	35.9	4.1	11.1	4.4	100.2
2029	45.6	36.4	4.1	11.1	4.5	101.7
2030	46.6	36.9	4.2	11.1	4.6	103.4
2031	47.5	37.4	4.3	11.2	4.7	105.1
2032	48.5	38.0	4.4	11.3	4.7	106.9
2033	49.6	38.5	4.5	11.3	4.8	108.7
2034	50.6	39.1	4.6	11.5	4.9	110.7
2035	51.7	39.7	4.7	11.6	5.0	112.7
2036	52.9	40.3	4.8	11.7	5.1	114.8
2037	54.0	40.9	2.4	11.9	5.2	114.4
2038	28.3	41.6	2.6	6.0	5.4	83.9
2039	29.6	42.2	2.7	6.2	3.2	83.9
2040	30.9	20.4	2.8	6.5	3.3	63.9
2041	32.4	21.1	3.0	6.8	3.4	66.7
2042	33.8	21.9	3.1	7.0	3.6	69.4
2043	35.4	22.6	3.2	7.4	3.7	72.3
2044	37.0	23.4	3.4	7.7	3.9	75.4
2045	38.7	24.3	3.6	8.0	4.0	78.6
2046	40.5	25.2	3.7	8.4	4.2	82.0
2047	42.4	26.1	3.9	8.7	4.4	85.5
2048	44.3	27.0	4.1	9.1	4.5	89.0
2049	46.4	28.0	4.3	9.5	4.7	92.9
2050	48.5	29.1	4.5	9.9	4.9	96.9

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the expected increase in normal cost as a level percent of pay for impacted new entrants is approximately 0.16% for NYCERS, 0.13% for TRS, 0.18% for BERS, 0.11% for POLICE, and 0.16% for FIRE.

The initial increase in employer contributions of \$871.4 is estimated to be \$708.0 million for New York City and \$163.4 million for the other obligors of NYCERS.

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)	NYCERS	TRS	BERS	POLICE	FIRE
(1) PV of Employer Contributions:	661.7	497.6	45.8	271.2	87.2
(2) PV of Employee Contributions:	0.0	0.0	0.0	0.0	0.0
Total PV of Benefits (1) + (2):	661.7	497.6	45.8	271.2	87.2

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	TRS	BERS	POLICE	FIRE
Increase (Decrease) in UAL:	501.6 M	356.3 M	32.0 M	226.0 M	65.5 M
Number of Payments:	12	14	11	12	13
Amortization Payment:	26.9 M	22.6 M	2.5 M	6.1 M	2.3 M
Additional One-time Payment:	326.2 M	182.8 M	15.1 M	198.5 M	51.9 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.

	NYCERS	TRS	BERS	POLICE	FIRE
Active Members					
- Number Count:	184,126	126,251	24,120	33,803	10,691
- Average Age:	47.7	44.5	51.5	37.5	40.7
- Average Service:	11.6	12.4	9.8	11.1	13.7
- Average Salary:	92,300	103,500	60,800	134,900	143,400
Term. Vested Members					
- Number Count:	30,162	22,423	3,501	1,543	55
- Average Age:	51.7	47.2	51.7	38.6	43.3
Receiving Members					
- Number Count:	167,714	93,673	21,125	54,295	16,231
- Average Age:	72.5	75.1	74.4	63.4	67.6

IMPACT ON MEMBER BENEFITS: Currently, the COLA provides an annual increase equal to a percentage of the maximum annual retirement allowance but limited to the first \$18,000 of retirement allowance.

The costs in the tables above are based on providing for an increase in the \$18,000 limit starting on September 1, 2025 and each year thereafter. This increase would be equal to the increase in CPI in the one-year period ending on the prior March 31st, rounded to the next higher one-tenth of one percent, but not more than 3% nor less than 1%.

IMPORTANT NOTE: An alternate interpretation of the proposed legislation could use the increasing \$18,000 as the base for all retirees for calculating COLA rather than as the limit of the retirement allowance subject to the COLA increase. To the extent that implementation of the proposed legislation follows this alternate interpretation, the costs for this proposed legislation may be as much as 75% higher than the costs disclosed above (i.e., a \$2.7 billion total initial increase in PV of 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.

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 2025-12 dated February 11, 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.