STATE OF NEW YORK

7973--A

2025-2026 Regular Sessions

IN SENATE

May 15, 2025

Introduced by Sen. MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- reported favorably from said committee and committed to the Committee on Finance -- 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 calculating the earnings limitations for retired police officers employed part-time by certain municipalities

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

Section 1. Section 212 of the retirement and social security law is amended by adding a new subdivision 4 to read as follows:

4. Notwithstanding the provisions of subdivisions one and two of this section, such earnings limitations shall not apply to a retired police officer, who has retired after having twenty years of vested service in a police pension system that fully vests at twenty years, who is employed part-time as a police officer in a village or town with a population of less than seven thousand five hundred as determined by the most recent federal decennial census, where at least seventy percent of such village or town's active-duty police force, not including civilian staff, consists of part-time officers. Such part-time police officer shall be permitted to work up to five hundred twenty hours in any consecutive six-month period in a calendar year based on hours worked as reported by the village or town on a monthly basis, with no suspension or diminution of retirement allowance. Any village or town that hires a retired police officer pursuant to this subdivision shall report such officer's days worked and salary earned to the New York state and local police and fire retirement system on a monthly basis. For any such officer whose earnings exceed the earnings limitations in subdivisions one and two of this section, the village or town employing such officer shall contribute to the New York state and local police and fire retire-

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

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ment system a percentage of such officer's excess earnings equivalent to the normal contribution rate as described in paragraph one of subdivision b of section three hundred twenty-three of this chapter.

§ 2. This act shall take effect immediately.

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

This bill would allow retired police officers to continue to receive their full retirement benefit when reemployed as a police officer on a part-time basis for up to 520 hours in any consecutive six-month period, when such employment is by a village or town where (1) the municipal population is less than 7,500, and (2) at least 70% of the police force is employed on a part-time basis. Such retired police officers must have retired from a twenty-year retirement plan to be eligible for this benefit. The village or town would be required to pay employer contributions on any salary paid to such retirees exceeding the post-retirement earnings limit, currently $35,000.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), if this bill were enacted during the 2025 Legislative Session, the direct cost incurred would be the retiree's pension benefit paid while post-retirement earnings exceed $35,000. The pension benefit expected to be paid by the NYSLPFRS during that 7-month period is estimated to be $48,000 per person.

Further, we anticipate significant administrative costs to implement the provisions of this legislation.

All costs will be shared by the State of New York and all participating employers in NYSLPFRS and spread over future billing cycles.

The number of members and retirees who could be affected by this legislation cannot be readily determined. If large numbers of retirees are rehired into such positions, significant annual costs would result.

In addition to the costs quoted above, insofar as this proposal disrupts the usual pattern and timing of employee turnover (that is, if members retire earlier than assumed and participating employers hire a retiree instead of a new billable member), shifts in member behavior could generate losses that increase the average billing rate from 33.7% to 34.5%. The actual increase in billing rates will depend upon member and employer utilization, with the rates above representing an upper maximum.

Based on the 2020 census, approximately 180 towns and villages participating in NYSLPFRS would satisfy the population requirement associated with this proposal. These towns and villages employ approximately 1,600 police officers with annual salary of approximately $85 million as of March 31, 2024.

Summary of relevant resources:

Membership data as of March 31, 2024 was used in measuring the impact of the proposed change, the same data used in the April 1, 2024 actuarial valuation. Distributions and other statistics can be found in the 2024 Report of the Actuary and the 2024 Annual Comprehensive Financial Report. The actuarial assumptions and methods used are described in the 2024 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control. The Market Assets and GASB Disclosures are found in the March 31, 2024 New York State and Local Retirement System Financial Statements and Supplementary Information.

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated June 3, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-183. As Chief Actuary of the New York State and Local Retirement System, I, Aaron Schottin Young, hereby certify that this analysis complies with applicable Actuarial Standards of Practice as well as the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion of the American Academy of Actuaries, of which I am a member.

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

SUMMARY: This proposed legislation would remove the $35,000 Retirement and Social Security Law (RSSL) Section 212 post-retirement public employment earnings limit for certain police officers who retired with at least 20 years of service and are reemployed on a part-time basis as a police officer with certain villages or towns.

ILLUSTRATION - ADDITIONAL RETIREMENT ALLOWANCE TO BE PAID

Annual Retirement Allowance	Annual Post-Retirement Earnings in Calendar Year			
	$50,000	$60,000	$70,000	$80,000
$50,000	$15,000	$20,833	$25,000	$28,125
$60,000	$18,000	$25,000	$30,000	$33,750
$70,000	$21,000	$29,167	$35,000	$39,375
$80,000	$24,000	$33,333	$40,000	$45,000
$90,000	$27,000	$37,500	$45,000	$50,625
$100,000	$30,000	$41,667	$50,000	$56,250

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

CENSUS DATA: The number of retirees who will return to public service in the future is unknown and the portion of the pension allowance currently suspended is highly dependent on their salary earned. The results above illustrate the additional pension amount that would be paid under this legislation given a retiree's post-retirement earnings and pension allowance.

The preliminary census data collected as of June 30, 2024 for the potentially impacted service retiree population is summarized below.

	POLICE
Receiving Members	
- Number Count:	23,281
- Average Age:	56.5
- Average Benefit:	74,500

IMPACT ON PENSION PAYMENTS: Retirees below age 65 who return to public service and elect to be covered under the provisions of RSSL Section 212 are permitted to earn an amount not exceeding a specific dollar limit (currently $35,000) in each calendar year. Once this dollar limit is reached, the retiree's retirement allowance is suspended for the remainder of that calendar year. The amount of the retirement allowance suspended is contingent upon both individual post-retirement earnings and annual retirement allowances.

The proposed legislation would remove the post-retirement earnings limit for police retirees who work part-time for (1) a town or village

with a population less than 7,500; (2) where at least 70% of such village or town's uniformed police force is part-time; and (3) the part-time work does not exceed 520 hours in a consecutive six-month period in a calendar year.

ASSUMPTIONS AND METHODS: For illustrative purposes only, the table above presents the estimated additional retirement allowances paid (i.e., those benefits that would not be subject to suspension) for various sample combinations of post-retirement annual earnings and annual retirement allowance amounts.

For purposes of this fiscal note, potential normal contributions to be paid by affected villages and towns to the New York State and Local Police and Fire Retirement System where post-retirement earning thresholds have been exceeded have not been included as an offset of cost to New York City.

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 2025-75 dated June 5, 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.