STATE OF NEW YORK

9527

IN ASSEMBLY

March 20, 2024

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 and the education law, in relation to the retirement contributions of career public employees

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

Section 1. Subdivision a of section 517 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, the second undesignated paragraph as amended by section 1 of part SS of chapter 56 of the laws of 2022, is amended to read as follows:

a. Members shall contribute three percent of annual wages to the retirement system in which they have membership, provided that such contributions shall not be required for more than thirty years, for general members, or twenty-five years, for police/fire members, [~~except that beginning April first, two thousand thirteen for members who first become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:~~

~~1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

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

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~~5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first) in which such member has established membership in the New York state and local employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing, when determining the rate at which each such member who became a member of the New York state and local employees' retirement system on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first) between April first, two thousand twenty-two and April first, two thousand twenty-four, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year~~] except that beginning on and after April first, two thousand twenty-four, for members who joined the New York state and local employees' retirement system on or after April first, two thousand twelve, the contributions in any current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:

1. members with base wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with base wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

3. members with base wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in the New York state and local employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but shall not include any overtime payments.

The head of each retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

§ 2. Paragraphs 1 and 2 of subdivision a of section 613 of the retirement and social security law, as amended by chapter 510 of the laws of 2015, the second undesignated paragraphs of paragraphs 1 and 2 as amended by section 2 of part SS of chapter 56 of the laws of 2022, are amended to read as follows:

1. Except as provided by paragraph two of this subdivision, members shall contribute three percent of annual wages to the retirement system in which they have membership, [~~except that beginning April first, two thousand thirteen for members who first become members of a public retirement system of the state on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first, except for members of the New York city employees' retirement system, New York city teachers' retirement system and New York city board of education retirement system, plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of the chapter of the laws of two thousand fifteen that amended this para-~~

~~graph) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first, except for members of the New York city employees' retirement system, New York city teachers' retirement system and New York city board of education retirement system, plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of the chapter of the laws of two thousand fifteen that amended this paragraph) preceding such current plan year as follows:~~

~~(i) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~(ii) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~(iii) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~(iv) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~(v) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first, except for members of New York city employees' retirement system, New York city teachers' retirement system and New York city board of education retirement system, plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of chapter five hundred ten of the laws of two thousand fifteen) in which such member has established membership in a public retirement system of the state, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing, when determining the rate at which each such member who became a member of the New York state and local employees' retirement system, New York city employees' retirement system, New York city teachers' retirement system and New York city board of education retirement system, on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first, except for members of the New York city employees' retirement system, New York city teachers' retirement system and New York city board of education retirement system, plan year shall mean January first through December thirty-first commencing with January first next succeeding the effective date of chapter five hundred ten of the laws of two thousand fifteen) between April first, two thousand twenty-two and April first, two thousand twenty-four, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year~~] except that beginning on and after April first, two thousand twenty-four, for members of a public retirement system of the state who joined on or after April first, two thousand twelve, the contributions in any current plan year (April first to March thirty-first, except for members of New York city employees' retirement system, New York city teachers' retirement system and New York city board of education retirement system, plan year shall mean January first through December thirty-first) shall be determined by reference to the base wages of such member as of April first (except for members of New York city employees' retirement system, New York city teachers' retirement

system and New York city board of education retirement system, the contributions of members in any plan year shall be determined by reference to the base wages of such member as of December thirty-first) in the previous plan year as follows:

1. members with base wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with base wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

3. members with base wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in a public retirement system of the state, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but shall not include any overtime payments or compensation earned for extracurricular programs or any other pensionable earnings paid in addition to the annual base wages.

The head of each retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

2. A member of the New York city employees' retirement system who is eligible to be a participant in the twenty-five-year and age fifty-five retirement program, as defined by paragraph five of subdivision a of section six hundred four-b of this article shall contribute two percent of annual wages to such system effective on the starting date of the elimination of additional member contributions, as defined in an election made pursuant to paragraph ten of subdivision e of section six hundred four-b of this article, [~~except that beginning April first, two thousand thirteen for members who first become members of the New York city employees' retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first, provided, however, that plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of the chapter of the laws of two thousand fifteen that amended this paragraph) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first, provided, however, that plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of the chapter of the laws of two thousand fifteen that amended this paragraph) preceding such current plan year as follows:~~

~~(i) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~(ii) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~(iii) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~(iv) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~(v) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first, provided, however, that plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of chapter five hundred ten of the laws of two thousand fifteen) in which such member has established membership in the New York city employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing, when determining the rate at which each such member who became a member of, New York city employees' retirement system, on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first, provided, however, that plan year shall mean January first through December thirty-first commencing with the January first next succeeding the effective date of chapter five hundred ten of the laws of two thousand fifteen) between April first, two thousand twenty-two and April first, two thousand twenty-four, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year~~] **except that beginning on and after April first, two thousand twenty-four, for members of New York city employees' retirement system who joined on or after April first, two thousand twelve, the contributions in any current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:**

1. members with base wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with base wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

3. members with base wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in the New York city employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but shall not include any overtime payments.

§ 3. Subdivisions f and g of section 613 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, and the second undesignated paragraphs of subdivisions f and g as amended by section 2 of part SS of chapter 56 of the laws of 2022, are amended to read as follows:

f. Anything in subdivision a of this section to the contrary notwithstanding a member employed as a uniformed court officer or peace officer in the unified court system who first joins the New York state and local employees' retirement system on or after January first, two thousand ten shall contribute four percent of annual wages to the New York state and local employees' retirement system, [~~except that beginning April first, two thousand thirteen for members who first become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first)~~

~~shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:~~

~~1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first) in which such member has established membership in the New York state and local employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing, when determining the rate at which each such member who became a member of the New York state and local employees' retirement system on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first) between April first, two thousand twenty-two and April first, two thousand twenty-four, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year~~] **except that beginning on and after April first, two thousand twenty-four, for members employed as a uniformed court officer or peace officer in the unified court system who first join the New York state and local employees' retirement system on or after April first, two thousand twelve, the contributions in any current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:**

1. members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

3. members with wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in a public retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but shall not include any overtime payments.

The head of the New York state and local employees' retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

g. Members who first join the New York state teachers' retirement system on or after January first, two thousand ten shall contribute three and one-half percent of annual wages to the New York state teachers' retirement system, [~~except that beginning April first, two thousand thirteen for members who first become members of the New York state teachers' retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (July first to June thirtieth) shall be determined by reference to the wages of such member in the second plan year (July first to June thirtieth) preceding such current plan year as follows:~~

~~1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (July first to June thirtieth) in which such member has established membership in the New York state teachers' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing, when determining the contribution rate at which a member of the New York state teachers' retirement system with a date of membership on or after April first, two thousand twelve shall contribute for plan years (July first to June thirtieth) between July first, two thousand twenty-two and July first, two thousand twenty-four, such rate shall be determined by reference to the member's annual base wages in the second plan year (July first to June thirtieth) preceding such current plan year~~] **except that beginning on and after April first, two thousand twenty-four, for members who first joined the New York state teachers' retirement system on or after April first, two thousand twelve, the contribution in any current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:**

1. members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

3. members with wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in the New York state teachers' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Annual base wages shall not include compensation earned for extracurricular programs or any other pensionable earnings paid in addition to the annual base wages.

The head of the New York state teachers' retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

§ 4. Section 1204 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, the second undesignated paragraph as amended by section 3 of part SS of chapter 56 of the laws of 2022, is amended to read as follows:

§ 1204. Member contributions. Members who are subject to the provisions of this article shall contribute three percent of annual wages to the retirement system in which they have membership, [~~except that beginning April first, two thousand thirteen for members who first become members of the New York state and local police and fire retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:~~

~~a. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~b. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~c. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~d. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~e. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first) in which such member has established membership in the New York state and local police and fire retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing, when determining the rate at which each such member who became a member of the New York state and local police and fire retirement system on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first) between April first, two thousand twenty-two and April first, two thousand twenty-four, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year~~] except that beginning on and after April first, two thousand twenty-four, for members of the New York state and local police and fire retirement system who first joined on or after April first, two thousand twelve, the contribution in any current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:

1. members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

3. members with wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in the New York state and local police and fire retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but shall not include any overtime payments. Effective April first, two thousand twelve, all members subject to the provisions of this article shall not be required to make member contributions on annual wages excluded from the calculation of final average salary pursuant to section twelve hundred three of this article. Nothing in this section, however, shall be construed or deemed to allow members to receive a refund of any member contributions on such wages paid prior to April first, two thousand twelve.

Members who are enrolled in a retirement plan that limits the amount of creditable service a member can accrue shall not be required to make contributions pursuant to this section after accruing the maximum amount of service credit allowed by the retirement plan in which they are enrolled. The state comptroller shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed. In no way shall the member contributions made pursuant to this section be used to provide for pension increases or annuities of any kind.

§ 5. Subdivision 2 of section 182 of the education law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

2. Employee contributions. In the case of any electing employee, contributions at the rate of three per centum of his state salary shall be deducted by the state comptroller as the employee contribution, provided however, that such employee contribution shall be made by the state in accordance with subdivision one of this section during such period as (a) either section seventy-a of the retirement and social security law or section five hundred twenty-eight of this title provides that the contribution of each member of the New York state employees' retirement system or the New York state teachers' retirement system in the employ of the state shall be reduced by at least eight per centum of his compensation, or (b) employee contributions to either such system are no longer required by reason of such system becoming noncontributory for state employees.

Notwithstanding any other law to the contrary, [~~beginning April first, two thousand thirteen any electing employee appointed on or after April first, two thousand twelve, the rate at which each such employee shall contribute in any current plan year (January first to December thirty-first) shall be determined by reference to the wages of such member in the second plan year (January first to December thirty-first) preceding such current plan year as follows:~~

~~(a) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~(b) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~(c) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~(d) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~(e) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (January first to December thirty-first) in which such member has established membership in the Education Department Optional Retirement Program, such employee shall contribute a percent of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer~~] beginning April first, two thousand twenty-four, for any electing employee of the Education Department Optional Retirement Program appointed on or after April first, two thousand twelve, the contributions in the current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:

(a) members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

(b) members with wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

(c) members with wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in the Education Department Optional Retirement Program, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer.

§ 6. Paragraph (d) of subdivision 2 of section 392 of the education law, as added by chapter 18 of the laws of 2012, is amended to read as follows:

(d) Notwithstanding any other law to the contrary, [~~beginning April first, two thousand thirteen any electing employee appointed on or after April first, two thousand twelve, the rate at which each such employee shall contribute in any current plan year (January first to December thirty-first) shall be determined by reference to the wages of such member in the second plan year (January first to December thirty-first) preceding such current plan year as follows:~~

~~(i) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~(ii) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~(iii) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~(iv) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~(v) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (January first to December thirty-first) in which such member has~~

~~established membership in the State University Optional Retirement Program, such employee shall contribute a percent of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer~~] beginning on and after April first, two thousand twenty-four, for any electing employee of the State University Optional Retirement Program appointed on or after April first, two thousand twelve, the contributions in the current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:

(i) members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

(ii) members with wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

(iii) members with wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

(iv) Notwithstanding the foregoing, in the first year in which a member has established membership in the State University Optional Retirement Program, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer.

§ 7. Paragraph (d) of subdivision 2 of section 6252 of the education law, as added by chapter 18 of the laws of 2012, is amended to read as follows:

(d) Notwithstanding any other law to the contrary, [~~beginning April first, two thousand thirteen any electing employee appointed on or after April first, two thousand twelve, the rate at which each such employee shall contribute in any current plan year (January first to December thirty-first) shall be determined by reference to the wages of such member in the second plan year (January first to December thirty-first) preceding such current plan year as follows:~~

~~(1) members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;~~

~~(2) members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;~~

~~(3) members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;~~

~~(4) members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and~~

~~(5) members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.~~

~~Notwithstanding the foregoing, during each of the first three plan years (January first to December thirty-first) in which such member has established membership in the Board of Higher Education Optional Retirement Program, such employee shall contribute a percent of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer~~] for any electing employee of the Board of Higher Education Optional Retirement Program appointed on or after April first, two thousand twelve, the contributions in the current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member as of April first in the previous plan year as follows:

(1) members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

(2) members with wages greater than seventy-five thousand per annum, but not more than one hundred thousand per annum shall contribute four per centum of annual wages; and

(3) members with wages greater than one hundred thousand per annum shall contribute five per centum of annual wages.

Notwithstanding the foregoing, in the first year in which a member has established membership in the Board of Higher Education Optional Retirement Program, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer.

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

§ 9. This act shall take effect April 1, 2024; provided, however, if this act shall become a law after such date it shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2024.

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

This bill would change the member contribution rates, and the wage ranges to which member contribution rates are applied, for Tier 6 members effective April 1, 2024.

The proposed contribution rates and wage ranges for Tier 6 members are:

* three (3) percent for wages of $75,000 or less,
* four (4) percent for wages greater than $75,000 but not more than $100,000, or
* five (5) percent for wages greater than $100,000.

The current contribution rates and wage ranges for Tier 6 members are:

* three (3) percent for wages of $45,000 or less,
* three and one-half (3.5) percent for wages greater than $45,000 but not more than $55,000,
* four and one-half (4.5) percent for wages greater than $55,000 but not more than $75,000,
* five and three-quarters (5.75) percent for wages greater than $75,000 but not more than $100,000, or
* six (6) percent for wages greater than $100,000.

It is anticipated that this proposal will not become law until after the effective date of April 1, 2024, in which case member contribution rates will need to be revised retroactively. This will result in significant administrative costs to the New York State and Local Retirement System and its more than 3,000 participating employers.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), if this legislation is enacted during the 2024 Legislative Session, there would be an increase in the present value of future costs of approximately $1.6 billion which would be shared by the State of New York and all local participating employers in the NYSLERS. These costs will be funded by increasing Tier 6 billing rates by an average 0.9% of salary.

The increased billing rates will result in a recurring, increasing annual contribution beginning in the fiscal year ending March 31, 2026 of approximately $67 million to the State of New York and approximately $90 million to local participating employers in the NYSLERS. These annual costs are expected to increase significantly in future years and will

vary by employer based upon the plan coverage and salary reported in Tier 6.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), if this legislation is enacted during the 2024 Legislative Session, there would be an increase in the present value of future costs of approximately $255 million which would be shared by the State of New York and all local participating employers in the NYSLPFRS. These costs will be funded by increasing Tier 6 billing rates by an average 1.0% of salary.

The increased billing rates will result in a recurring, increasing annual contribution beginning in the fiscal year ending March 31, 2026 of approximately $5 million to the State of New York and approximately $18 million to local participating employers in the NYSLPFRS. **These annual costs are expected to increase significantly in future years** and will vary by employer based upon the plan coverage and salary reported in Tier 6.

These estimated costs are based on 265,533 Tier 6 members with annual salary of approximately $12 billion in the NYSLERS and 16,538 Tier 6 members with annual salary of approximately $1.5 billion in the NYSLPFRS, as of March 31, 2023.

Summary of relevant resources:

Membership data as of March 31, 2023 was used in measuring the impact of the proposed change, the same data used in the April 1, 2023 actuarial valuation. Distributions and other statistics can be found in the 2023 Report of the Actuary and the 2023 Annual Comprehensive Financial Report.

The actuarial assumptions and methods used are described in the 2023 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, 2023 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

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 March 4, 2024, and intended for use only during the 2024 Legislative Session, is Fiscal Note No. 2024-96, prepared by the Actuary for the New York State and Local Retirement System.

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

This bill would amend various sections of the Retirement and Social Security Law and the Education Law to reduce the required employee contribution for Tier 6 members. The salary ranges and employee contribution rates for Tier 6 members would be changed to the following as of April 1, 2024:

Salary	Employee Contribution Rate
$75,000 and less	3.00%
More than $75,000 to $100,000	4.00%
More than $100,000	5.00%

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $81.5 million or 0.42% of payroll if this bill is enacted.

The System's "new entrant rate", a hypothetical employer contribution rate that would occur if we started a new Retirement System without any

assets, is equal to 5.31% of pay under the current Tier 6 benefit structure. This can be thought of as the long-term expected employer cost of Tier 6, based on current actuarial assumptions. For the proposed change to the Tier 6 benefit structure under this bill, this new entrant rate is estimated to increase to 6.13% of pay, an increase of 0.82% of pay.

Member data is from the System's most recent actuarial valuation files as of June 30, 2023, consisting of data provided by the employers to the Retirement System. The most recent data distributions and statistics can be found in the System's Annual Report for fiscal year ended June 30, 2023. System assets are as reported in the System's financial statements and can also be found in the System's Annual Report. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report as of June 30, 2023.

The source of this estimate is Fiscal Note 2024-18 dated February 27, 2024 prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2024 Legislative Session. I, Richard A. Young, am the Chief Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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 reduce the required Basic Member Contribution (BMC) rates for Tier 6 members of NYCERS, TRS, and BERS.

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

Year	NYCERS	TRS	BERS	TOTAL
2025	74.9	55.2	6.4	136.5
2026	81.9	58.8	6.9	147.6
2027	89.3	62.8	7.5	159.6
2028	97.0	67.1	8.1	172.2
2029	105.1	71.8	8.8	185.7
2030	113.3	76.8	9.5	199.6
2031	121.7	82.2	10.2	214.1
2032	130.2	88.0	10.9	229.1
2033	138.8	94.2	11.7	244.7
2034	147.7	100.9	12.5	261.1
2035	156.8	107.9	13.3	278.0
2036	165.9	115.3	14.1	295.3
2037	175.2	123.1	15.0	313.3
2038	184.6	131.4	13.5	329.5
2039	194.2	140.3	14.4	348.9
2040	178.7	149.5	15.3	343.5
2041	188.5	159.1	16.2	363.8
2042	198.4	168.8	17.2	384.4
2043	208.4	178.5	18.2	405.1
2044	218.6	169.3	19.1	407.0
2045	228.8	178.9	20.1	427.8
2046	239.1	188.4	21.1	448.6
2047	249.4	197.8	22.2	469.4
2048	259.8	207.0	23.2	490.0
2049	270.2	216.2	24.2	510.6

Employer Contribution impact beyond Fiscal year 2049 is not shown. Projected contributions include future new hires that may be impacted.

The initial increase in employer contributions of $136.5 million is estimated to be $94.4 million for New York City and $42.1 million for the other obligors of NYCRS.

INITIAL INCREASE (DECREASE) IN ACTUARIAL LIABILITIES
as of June 30, 2023 ($ in Millions)

Present Value (PV)	NYCERS	TRS	BERS
PV of Benefits:	(70.1)	(63.7)	(6.4)
PV of Employee Contributions:	(900.6)	(847.6)	(72.9)
PV of Employer Contributions:	830.5	783.9	66.6
Unfunded Accrued Liabilities:	222.0	189.2	19.1

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	NYCERS	TRS	BERS
Number of Payments:	15	19	13
Fiscal Year of Last Payment:	2039	2043	2037
Amortization Payment:	25.2 M	18.9 M	2.4 M

Unfunded Accrued Liability increases were amortized over the expected remaining working lifetime of those impacted by the benefit changes using level dollar payments.

CENSUS DATA: The estimates presented herein are based on preliminary census data collected as of June 30, 2023. The census data for the impacted population is summarized below.

	NYCERS	TRS	BERS
Active Members			
- Number Count:	85,203	60,663	12,932
- Average Age:	42.4	38.1	46.9
- Average Service:	4.4	5.0	4.0
- Average Salary:	78,900	80,000	56,200

IMPACT ON MEMBER CONTRIBUTIONS: Currently, Tier 6 members of NYCERS, TRS, and BERS are generally required to make Basic Member Contributions (BMC) ranging from 3% to 6% of annual wages, determined by the member's annual wages for the second prior calendar year.

Under the proposed legislation, effective April 1, 2024:

* The required BMC rates for each salary band above $45,000 would be reduced as shown in the table below.

Salary Band	Current Rate	Proposed Rate
$45,000 or less	3.00%	3.00%
$45,001 up to $55,000	3.50%	3.00%
$55,001 up to $75,000	4.50%	3.00%
$75,001 up to $100,000	5.75%	4.00%
Greater than $100,000	6.00%	5.00%

* The determination of the member's rate will use a one-year lookback instead of a two-year lookback.

* The annual wages used for the determination of the member's salary band would exclude overtime and compensation earned for extracurricular activities for all years. Currently, this exclusion is set to expire on January 1, 2025.

* New members would use a projection of wages for their first year instead of their first three years.

For purposes of this Fiscal Note, it has been assumed that members will retain rights to current rules for determining the contribution rate for a given calendar year if they result in a lower contribution rate than under the proposed legislation.

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).

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 2024-19 dated March 6, 2024 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds. This estimate is intended for use only during the 2024 Legislative Session.