STATE OF NEW YORK

10843

IN ASSEMBLY

April 6, 2026

Introduced by M. of A. CASHMAN -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to allowing beneficiaries of certain deceased members to elect to receive death benefits in a lump sum

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

Section 1. Subdivision b of section 448 of the retirement and social security law is amended by adding a new paragraph 3 to read as follows:

3. Provided further, notwithstanding any other provision of this article to the contrary, where the member is in a title as defined in subdivision i of section eighty-nine of this chapter, and would have been entitled to a service retirement benefit at the time of such member's death and where such member's death occurs on or after July first, two thousand twenty-six, the beneficiary or beneficiaries nominated for the purposes of this subdivision may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of such member's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 2. Subdivision b of section 508 of the retirement and social security law, as amended by chapter 476 of the laws of 2018, is amended to read as follows:

b. A member of a retirement system subject to the provisions of this article who is a police officer, firefighter, correction officer, investigator revised plan member or sanitation worker and is in a plan which permits immediate retirement upon completion of a specified period of service without regard to age or who is subject to the provisions of section five hundred four or five hundred five of this article, shall upon completion of ninety days of service be covered for financial protection in the event of death in service pursuant to this subdivision.

1. Such death benefit shall be equal to three times the member's salary raised to the next highest multiple of one thousand dollars, but in

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

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no event shall it exceed three times the maximum salary specified in section one hundred thirty of the civil service law or, in the case of a member of a retirement system other than the New York city employees' retirement system, or in the case of a member of the New York city employees' retirement system who is a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member, the specific limitations specified for age of entrance into service contained in subparagraphs (b), (c), (d), (e) and (f) of paragraph two of subdivision a of this section.

2. Provided further, notwithstanding any other provision of this article to the contrary, where the member is in a title as defined in subdivision i of section eighty-nine of this chapter, and would have been entitled to a service retirement benefit at the time of such member's death and where such member's death occurs on or after July first, two thousand twenty-six, the beneficiary or beneficiaries nominated for the purposes of this subdivision may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of such member's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 3. This act shall take effect immediately.

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

This bill would modify the in-service death benefit for retirement eligible members of the New York State and Local Employees' Retirement System employed by the state of New York as correction officers and security hospital treatment assistants. The in-service death benefit will be the value of the pension reserve as if the member had retired on their date of death.

We estimate that the state of New York's annual contributions will increase $1.7 million beginning FYE 2027. Annual costs will vary but are expected to average 0.1% of salary.

In addition, there will be an immediate past service cost of $25.6 million borne by the state of New York as a one-time payment. This cost assumes that payment will be made on March 1, 2027.

These estimated costs are based on 14,529 affected members employed by the State of New York, with annual salary of approximately $1.6 billion as of March 31, 2025.

Summary of relevant resources:

Membership data as of March 31, 2025 was used to measure the impact of the bill, the same data used in the Actuarial Valuations dated April 1, 2025. Distributions and other statistics can be found in the 2025 Report of the Actuary and the 2025 Annual Comprehensive Financial Report. The actuarial assumptions and methods used are described in the 2025 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control. The fair value of assets and GASB disclosures can be found in the 2025 Financial Statements and Supplementary Information.

Assumptions, demographics, and other considerations may have been modified to better reflect specific provisions of any proposed benefit change(s).

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

This estimate, dated January 5, 2026, and intended for use only during the 2026 Legislative Session, is Fiscal Note Number 2026-18. As Chief Actuary of the New York State and Local Retirement System (NYSLRS), 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. I am a member of NYSLRS but do not believe it impairs my objectivity.