STATE OF NEW YORK

9273--B

2025-2026 Regular Sessions

IN ASSEMBLY

November 21, 2025

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to calculating certain pensions

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

Section 1. Subdivision a of section 504 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

a. The service retirement benefit for general members at normal retirement age with twenty or more years of credited service shall be a pension equal to one-fiftieth of final average salary times years of credited service, not in excess of thirty years, less fifty percent of the primary social security retirement benefit as provided in section five hundred eleven of this article. The service retirement benefit for general members at normal retirement age with twenty or more years of service who first become members of the New York state and local employees' retirement system on or after April first, two thousand twelve at normal retirement age shall be a pension equal to the sum of [~~thirty-five~~] *forty* per centum and one-fiftieth of final average salary for each year of service in excess of twenty, but not in excess of thirty, times final average salary times years of credited service.

§ 2. Subdivisions a, b and b-1 of section 604 of the retirement and social security law, subdivision a as amended and subdivision b-1 as added by chapter 18 of the laws of 2012, subdivision b as amended by chapter 266 of the laws of 1998 and the opening paragraph of subdivision

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

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b as amended by section 8-b of part B of chapter 504 of the laws of 2009, are amended to read as follows:

a. The service retirement benefit at normal retirement age for a member with less than twenty years of credited service[~~, or less than twenty-five years credited service for a member who joins the New York state teachers' retirement system on or after January first, two thousand ten,~~] shall be a retirement allowance equal to one-sixtieth of final average salary times years of credited service. Normal retirement age for members who first become members of a public retirement system of the state on or after April first, two thousand twelve shall be age sixty-three.

b. The service retirement benefit at normal retirement age for a member with twenty years or more of credited service[~~, or with twenty-five or more years credited service for a member who first joins the New York state teachers' retirement system on or after January first, two thousand ten,~~] shall be a retirement allowance equal to one-fiftieth of final average salary times years of credited service not in excess of thirty years.

Credited service in excess of thirty years shall provide an additional retirement allowance equal to three-two hundredths of the final average salary for each year of credited service in excess of thirty years.

b-1. Notwithstanding any other provision of law to the contrary, the service retirement benefit for members with twenty or more years of credit service who first become a member of a public retirement system of the state on or after April first, two thousand twelve at age sixty-three shall be a pension equal to the sum of [~~thirty-five~~] **forty** per centum and one-fiftieth of final average salary for each year of service in excess of twenty times final average salary times years of credited service. In no event shall any retirement benefit payable without optional modification be less than the actuarially equivalent annuitized value of the member's contributions accumulated with interest at five percent per annum compounded annually to the date of retirement.

§ 3. Section 1312 of the retirement and social security law, as added by chapter 18 of the laws of 2012, is amended to read as follows:

§ 1312. Benefit enhancements. Notwithstanding any other law to the contrary, eligible employees shall be permitted to retire, without penalty, upon reaching age fifty-seven and completing at least thirty years of credited service. Employees retiring pursuant to this section shall receive a pension allowance equal to the sum of [~~thirty-five~~] **forty** per centum and one-fiftieth of final average salary for each year of service in excess of twenty times final average salary times years of credited service.

§ 4. 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.

§ 5. 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 percentage of Final Average Salary payable to Tier 6 NYCERS, TRS, and BERS members who retire with 20 or more years of Credited Service.

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

Year	NYCERS	TRS	BERS	TOTAL

2027	75.3	90.7	13.3	179.3
2028	79.4	94.9	13.8	188.1
2029	83.8	99.5	14.4	197.7
2030	88.3	104.4	15.0	207.7
2031	92.9	109.6	15.6	218.1
2032	97.6	115.3	16.3	229.2
2033	102.3	121.3	17.0	240.6
2034	107.1	127.7	17.8	252.6
2035	112.0	134.5	18.5	265.0
2036	116.8	141.6	19.2	277.6
2037	121.7	149.1	20.0	290.8
2038	126.7	156.9	20.7	304.3
2039	131.6	165.1	21.5	318.2
2040	136.5	173.5	22.3	332.3
2041	141.5	182.1	18.4	342.0
2042	114.9	190.7	19.2	324.8
2043	119.9	199.1	20.0	339.0
2044	124.9	207.4	20.7	353.0
2045	130.0	177.7	21.5	329.2
2046	135.1	185.5	22.3	342.9
2047	140.2	193.0	23.0	356.2
2048	145.4	200.3	23.8	369.5
2049	150.7	207.3	24.6	382.6
2050	156.1	214.3	25.3	395.7
2051	161.7	221.2	26.1	409.0

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 0.49% for NYCERS, 0.76% for TRS, and 0.60% for BERS.

The initial increase in employer contributions of $179.3 million is estimated to be $138.7 million for New York City and $40.6 million for the other obligors of NYCRS.

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	TRS	BERS
(1) PV of Employer Contributions:	792.7	1,196.0	142.6
(2) PV of Employee Contributions:	0.0	0.0	0.0
Total PV of Benefits (1) + (2):	792.7	1,196.0	142.6

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	TRS	BERS

Increase (Decrease) in UAL:	278.2 M	368.2 M	38.7 M
Number of Payments:	15	18	14
Amortization Payment:	31.6 M	37.9 M	4.6 M
Additional One-time Payment:	0.1 M	0.1 M	0.0 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	TRS	BERS
Active Members			
- Number Count:	99,608	71,364	37,490
- Average Age:	43.0	39.0	41.5
- Average Service:	5.2	5.7	2.2
- Average Salary:	87,100	86,500	37,900
Term. Vested Members			
- Number Count:	2	2	1
- Average Age:	52.0	54.0	60.0

IMPACT ON MEMBER BENEFITS: Currently, the service retirement benefit for Tier 6 basic plan members of NYCERS, TRS, and BERS who have 20 or more years of Credited Service is equal to 35% of Final Average Salary (FAS) plus 2% of FAS for each year of Credited Service in excess of 20.

Under the proposed legislation, the service retirement benefit for Tier 6 basic plan members of NYCERS, TRS, and BERS who have 20 or more years of Credited Service would be equal to 40% of FAS plus 2% of FAS for each year of Credited Service in excess of 20.

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 2026-16 dated February 13, 2026 was prepared by the Chief Actuary for the New York City Retire-

ment Systems and Pension Funds and is intended for use only during the 2026 Legislative Session.

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

This bill would provide Tier 6 members of the New York State and Local Employees' Retirement System (NYSLERS) with a benefit of 40% of FAS upon attaining 20 years of service credit. Currently the benefit is 35% of FAS. The benefit increase for each year of service credit beyond 20 would remain 2% of FAS.

The provisions of section 25 of the retirement and social security law shall not apply.

Insofar as this bill affects NYSLERS, the present value of benefits would increase by approximately $2.5 billion.

Benefit improvements will be funded by increasing the billing rates charged annually. The annual contribution required by all participating employers in NYSLERS would increase 0.8% of billable salary, with Tier 6 billing rates further increasing by 0.4% of salary (for a 1.2% total annual rate increase). In total, annual contributions would increase approximately $110 million to the state of New York and $170 million to the local participating employers.

Required contributions will increase significantly as Tier 6 grows. Employer costs would vary according to plan coverage and salary reported in Tier 6.

These estimated costs are based on 323,488 Tier 6 members in NYSLERS with annual salary of approximately $17 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 March 31, 2026, and intended for use only during the 2026 Legislative Session, is Fiscal Note Number 2026-144. 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.

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

Bill Description:

This fiscal note is prepared for legislative bill draft #06549-06-6. This bill would amend Section 604 of the Retirement and Social Security Law to improve the retirement benefit formula for Tiers 5 and 6 members of the New York State Teachers' Retirement System. The Tier 5 benefit formula would match the Tier 4 formula with eligibility for the 2%

multiplier at 20 years of service instead of 25 years as it is currently. The retirement benefit formula for Tier 6 members with 20 or more years of service would be 40% of final average salary plus 2% for each additional year of service over 20. Currently, the benefit formula for Tier 6 members with 20 or more years of service is 35% of final average salary plus 2% for each additional year of service over 20.

Cost:

The annual cost to the participating employers of the New York State Teachers' Retirement System for this benefit is estimated to be $109.6 million or 0.53% of payroll if this bill is enacted.

The System's "new entrant rate," a hypothetical employer contribution rate that would be charged if we started a new retirement system without any assets, is equal to 5.52% 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 6.19% of pay, an increase of 0.67% of pay.

Data:

Member data as of June 30, 2025, prepared for the most recent actuarial valuation was used in determining this cost. The most recent data distributions and statistics can be found in the System's Annual Report for the fiscal year ended June 30, 2025. System assets are as reported in the System's financial statements which can be found in the System's Annual Report. This data will also be provided in the System's Actuarial Valuation Report as of June 30, 2025.

Methods and Assumptions:

A summary of actuarial assumptions and methods will be provided in the System's Actuarial Valuation Report as of June 30, 2025. Further details can be found in the most recent Recommended Actuarial Assumptions 2025 Report.

Actuarial Certification:

We, the undersigned actuaries for the New York State Teachers' Retirement System, certify the following:

1. The actuarial assumptions, methods, and data used are reasonable for the purposes of this fiscal note, internally consistent and are in accordance with standards of practice prescribed by the Actuarial Standards Board and generally accepted actuarial principles and procedures.

2. We relied on member data supplied by the participating employers of the New York State Teachers' Retirement System and assets as supplied in the annual Financial Statements by NYSTRS' Finance Department.

3. Results were prepared based on our current understanding of the proposal as of the date of this fiscal note. If the language or our understanding of the proposal changes, the results could change and require the issuance of a new fiscal note. The next annual update of the actuarial valuation could also produce different results. Results should not be relied upon for any other purpose.

4. This fiscal note was prepared in accordance with New York State Retirement and Social Security Law, New York State Education Law, applicable Internal Revenue Code, and accepted actuarial standards of practice as of the date of this fiscal note. This fiscal note does not constitute a legal opinion on the viability of this legislative proposal.

5. We are members of the American Academy of Actuaries and the Society of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We are currently compliant with the Continuing Professional Development Requirement of the Society of Actuaries.

Fiscal Note Identification:

This Fiscal Note, 2026-24, dated April 30, 2026, was prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2026 Legislative Session.