STATE OF NEW YORK

10471

IN SENATE

May 15, 2026

Introduced by Sen. GOUNARDES -- 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 Assembly, do enact as follows:

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

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be [~~fifty~~] **one hundred** percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

§ 2. Subdivision g of section 378-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be [~~fifty~~] **one hundred** percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii)

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

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the month following the death of the deceased retired member, whichever is later.

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

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be [~~fifty~~] **one hundred** percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

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

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member of the New York city employees' retirement system, the New York city teachers' retirement system, the New York city police pension fund, the New York city fire department pension fund or the New York city board of education retirement system who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the member, shall be entitled to receive a benefit pursuant to this section. Said benefit shall be [~~fifty~~] **one hundred** percent of the monthly benefit which the pensioner would be receiving if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

§ 5. This act shall take effect immediately.

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

This bill would amend the retirement and social security law (RSSL) to increase the defined benefit cost-of-living adjustment (COLA) for New York public retirement systems. Beginning with pension payments in September 2027, the cost-of-living benefit payable to a surviving spouse who is eligible for COLA will be increased from fifty percent to one hundred percent of the COLA payment that the retiree would have received.

Pursuant to section 25 of the RSSL, retrospective costs in the New York State and Local Employees' Retirement System (NYSLERS) arising from prior service would be borne entirely by the state of New York and would require an itemized appropriation sufficient to pay the cost of the provision.

Insofar as this bill affects NYSLERS, the present value of benefits would increase by approximately $1.8 billion.

In NYSLERS, this benefit improvement will be funded by (1) billing a one-time charge to cover retrospective benefit increases and (2) increasing the billing rates charged annually to cover prospective benefit increases, as follows:

(1) To fund retrospective costs, the state of New York will be required to pay $1.92 billion as of March 1, 2027.

(2) To fund prospective costs, annual billing rates charged to all participating employers in NYSLERS would increase by 0.04% of billable salary. Systemwide, annual contributions would increase by approximately

$5.3 million for the state of New York and $7.9 million for the local participating employers. This permanent annual cost will vary in future billing cycles with changes in the billing rate and salary of the affected members.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the present value of benefits would increase by approximately $207 million.

NYSLPFRS	Increase in present value of benefits	Increase in required contributions
Pensioners	$182 mn	$ 0 mn
Actives Tiers 1-5 (Closed)	$ 15 mn	$ 70 mn
Actives Tier 6 (Open)	$ 10 mn	$137 mn
Total	$207 mn	$207 mn

Benefit improvements will be funded by increasing the billing rates charged annually. The annual billing rate required of all participating employers in NYSLPFRS would increase 0.4% of billable salary. System-wide, annual contributions would increase approximately $3.6 million to the state of New York and $15.2 million to the local participating employers. This permanent annual cost will vary in future billing cycles with changes in the billing rate and salary of the affected members.

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 April 23, 2026, and intended for use only during the 2026 Legislative Session, is Fiscal Note Number 2026-161. 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.