

STATE OF NEW YORK

4666

2025-2026 Regular Sessions

IN SENATE

February 11, 2025

Introduced by Sen. JACKSON -- 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, in relation to service retirement benefits for certain members of the New York city employees' retirement system

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

1 Section 1. Section 505 of the retirement and social security law, as
2 amended by chapter 18 of the laws of 2012, is amended to read as
3 follows:

4 § 505. Service retirement benefits; police/fire members, New York city
5 uniformed correction/sanitation revised plan members and investigator
6 revised plan members. a. The normal service retirement benefit for
7 police/fire members, New York city uniformed correction/sanitation
8 revised plan members and investigator revised plan members at normal
9 retirement age shall be a pension equal to fifty percent of final aver-
10 age salary, less fifty percent of the primary social security retirement
11 benefit commencing at age sixty-two, as provided in section five hundred
12 eleven of this article, except that for police/fire members of the New
13 York city fire department pension fund or the New York city police
14 pension fund, the New York city uniformed correction/sanitation revised
15 plan members or investigator revised plan members of the New York city
16 employees' retirement system, the normal service retirement benefit
17 shall not be reduced by the primary social security retirement benefit
18 commencing at age sixty-two as provided in section five hundred eleven
19 of this article.

20 b. The early service retirement benefit for police/fire members, New
21 York city uniformed correction/sanitation revised plan members and
22 investigator revised plan members shall be a pension equal to two and
23 one-tenths percent of final average salary times years of credited
24 service at the completion of twenty years of service or upon attainment

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

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1 of age sixty-two, increased by one-third of one percent of final average
2 salary for each month of service in excess of twenty years, but not in
3 excess of fifty percent of final average salary, less fifty percent of
4 the primary social security retirement benefit commencing at age sixty-
5 two as provided in section five hundred eleven of this article,
6 provided, however, that New York city police/fire revised plan members,
7 New York city uniformed correction/sanitation revised plan members and
8 investigator revised plan members shall not be eligible to retire for
9 service prior to the attainment of twenty years of credited service, and
10 provided further that for police/fire members of the New York city fire
11 department pension fund or the New York city police pension fund, the
12 New York city uniformed correction/sanitation revised plan members or
13 investigator revised plan members of the New York city employees'
14 retirement system, the early service retirement benefit shall not be
15 reduced by the primary social security retirement benefit commencing at
16 age sixty-two as provided in section five hundred eleven of this
17 article.

18 c. A police/fire member, a New York city uniformed
19 correction/sanitation revised plan member or an investigator revised
20 plan member who retires with twenty-two years of credited service or
21 less may become eligible for annual escalation of the service retirement
22 benefit if [~~he~~] such member elects to have the payment of [~~his~~] their
23 benefit commence on the date [~~he~~] such member would have completed twen-
24 ty-two years and one month or more of service. In such event, the
25 service retirement benefit shall equal two percent of final average
26 salary for each year of credited service, less fifty percent of the
27 primary social security retirement benefit commencing at age sixty-two
28 as provided in section five hundred eleven of this article, except that
29 for police/fire members of the New York city fire department
30 pension fund or the New York city police pension fund, New York city
31 uniformed correction/sanitation revised plan members or investigator
32 revised plan members of the New York city employees' retirement system,
33 the service retirement benefit shall not be reduced by the primary
34 social security retirement benefit commencing at age sixty-two as
35 provided in section five hundred eleven of this article.

36 § 2. Section 511 of the retirement and social security law is amended
37 by adding a new subdivision h to read as follows:

38 h. This section shall not apply to police/fire members of the New York
39 city fire department pension fund or the New York city police pension
40 fund, to New York city uniformed correction/sanitation revised plan
41 members or investigator revised plan members of the New York city
42 employees' retirement system who receive a service retirement benefit
43 pursuant to section five hundred five of this article or a deferred
44 vested benefit pursuant to section five hundred sixteen of this article.

45 § 3. Subdivision c of section 516 of the retirement and social securi-
46 ty law, as amended by chapter 18 of the laws of 2012, is amended to read
47 as follows:

48 c. The deferred vested benefit of police/fire members, New York city
49 police/fire revised plan members, New York city uniformed
50 correction/sanitation revised plan members or investigator revised plan
51 members shall be a pension commencing at early retirement age equal to
52 two and one-tenths percent of final average salary times years of cred-
53 ited service, less fifty percent of the primary social security retire-
54 ment benefit commencing at age sixty-two, as provided in section five
55 hundred eleven of this article, except that for police/fire members of
56 the New York city fire department pension fund or the New York city

1 police pension fund, New York city uniformed correction/sanitation
 2 revised plan members or investigator revised plan members of the New
 3 York city employees' retirement system, the deferred vested benefit
 4 shall not be reduced by the primary social security retirement benefit
 5 commencing at age sixty-two as provided in section five hundred eleven
 6 of this article. A police/fire member, a New York city police/fire
 7 revised plan member, a New York city uniformed correction/sanitation
 8 revised plan member or investigator revised plan member may elect to
 9 receive [~~his~~] their vested benefit commencing at early retirement age or
 10 age fifty-five. If the vested benefit commences before early retirement
 11 age, the benefit shall be reduced by one-fifteenth for each year, if
 12 any, that the member's early retirement age is in excess of age sixty,
 13 and by one-thirtieth for each additional year by which the vested bene-
 14 fit commences prior to early retirement age. If such vested benefit is
 15 deferred until after such member's normal retirement age, the benefit
 16 shall be computed and subject to annual escalation in the same manner as
 17 provided for an early retirement benefit pursuant to subdivision c of
 18 section five hundred five of this article.

19 § 4. Notwithstanding any provision of law, rule or regulation to the
 20 contrary, any effect on a participating employer's contribution rate due
 21 to the provisions of this act shall not apply to the calculation of such
 22 participating employer's contribution rate for the purposes of subdivi-
 23 sion c of section 500 of the retirement and social security law.

24 § 5. This act shall take effect on the sixtieth day after it shall
 25 have become a law.

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

SUMMARY: This proposed legislation would eliminate the offset equal to
 50% of the primary social security benefit in the service, early
 service, and vested retirement benefits for certain Tier 3 members of
 NYCERS, POLICE, and FIRE.

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

Year	NYCERS	POLICE	FIRE	TOTAL
2026	57.6	87.4	10.6	155.6
2027	41.7	78.4	11.1	131.2
2028	44.6	84.6	11.9	141.1
2029	47.6	90.5	12.7	150.8
2030	50.7	96.6	13.6	160.9
2031	53.7	102.5	14.5	170.7
2032	56.3	107.5	15.4	179.2
2033	59.0	112.4	16.3	187.7
2034	61.9	117.1	17.3	196.3
2035	64.5	121.8	18.3	204.6
2036	66.8	126.3	19.3	212.4
2037	69.1	130.8	20.4	220.3
2038	71.4	135.3	21.4	228.1
2039	73.7	139.9	22.5	236.1
2040	76.1	144.5	23.6	244.2
2041	61.0	149.1	24.7	234.8
2042	63.5	124.0	25.8	213.3
2043	66.0	128.9	23.0	217.9
2044	68.7	134.0	24.0	226.7
2045	71.5	139.2	25.1	235.8
2046	74.2	144.5	26.1	244.8
2047	77.0	149.7	27.1	253.8

2048	79.8	155.2	28.0	263.0
2049	82.7	161.1	29.0	272.8
2050	85.6	167.2	30.0	282.8

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the increase in normal cost for new entrants will remain level as a percent of pay for the impacted population (approximately 2.58% for NYCERS, 1.76% for POLICE, and 0.92% for FIRE).

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

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, 2024 (\$ in Millions)

Present Value (PV)	NYCERS	POLICE	FIRE
(1) PV of Employer Contributions:	449.9	923.5	140.4
(2) PV of Employee Contributions:	0.0	0.0	0.0
Total PV of Benefits (1) + (2):	449.9	923.5	140.4

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	POLICE	FIRE
Increase (Decrease) in UAL:	170.6M	285.0M	36.6M
Number of Payments:	15	16	17
Amortization Payment:	17.5M	29.8M	3.9M
Additional One-time Payment:	18.4M	14.4M	0.3M

CENSUS DATA: The estimates presented herein are based on preliminary census data collected as of June 30, 2024. The census data for the impacted population is summarized below.

	NYCERS	POLICE	FIRE
Active Members			
- Number Count:	8,320	21,782	5,572
- Average Age:	39.8	33.2	34.1
- Average Service:	7.2	6.5	6.2
- Average Salary:	106,000	116,200	118,600
Term. Vested Members			
- Number Count:	800	1,012	14
- Average Age:	40.3	35.4	37.4

IMPACT ON MEMBER BENEFITS: Currently, Tier 3 normal service retirement, early service retirement, and vested retirement benefits for members in 22-Year Plans are subject to an offset equal to 50% of the primary social security benefit as defined in Retirement and Social Security Law (RSSL) Section 511 beginning at age 62.

Under the proposed legislation, the offset for such benefits would be eliminated resulting in an increase in benefits.

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.

This Fiscal Note does not include cost analyses relating to provisions contained in RSSL Section 500(c).

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 2025-08 dated February 10, 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.