STATE OF NEW YORK

7113

2025-2026 Regular Sessions

IN SENATE

April 1, 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 death benefits for members of the uniformed force of the fire department of the city of New York

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

Section 1. 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. **1.** 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.

2. 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 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.

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

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3. (a) Provided further, notwithstanding any other provision of this article to the contrary, where a member is in the uniformed force of the fire department of the city of New York, including all enhanced plan members, and would have been entitled to either a normal service retirement benefit or early service retirement benefit at the time of such member's death, as defined in section five hundred five of this article, and where such member's death occurs on or after July first, two thousand twenty-five, the beneficiary or beneficiaries may elect to receive, in a lump sum, in lieu of any other lesser benefit, an amount payable which shall be equal to the pension reserve inclusive of the member's contributions plus interest, that would have been established had the member retired on the date of such member's death, or the value of the death benefit, whichever is greater.

(b) A member, or on the death of such member, a person nominated by such member to receive their death benefit, may provide, by written designation, duly executed and filed with the administrative head of such retirement system, that such death benefit and the pension reserve inclusive of the member's contributions, shall be paid in the form of an annuity. Such designation shall be filed prior to or within ninety days after the death of the member. The amount of such annuity shall be determined as the actuarial equivalent of such death benefit and reserve on the basis of the age of such beneficiary at the time of the member's death. For purposes of this subdivision, the mortality and interest rates used in determining this annuity shall be the rates in effect on the date of the death of such member.

§ 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would provide an alternative death benefit for Tier 3 members of the New York City Fire Pension Fund (FIRE) who die on or after July 1, 2025.

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

Year	FIRE
2026	0.5
2027	0.5
2028	0.5
2029	0.5
2030	0.6
2031	0.6
2032	0.6
2033	0.7
2034	0.7
2035	0.7
2036	0.8
2037	0.8
2038	0.8
2039	0.9
2040	0.9
2041	0.9
2042	1.0
2043	0.8
2044	0.8
2045	0.8
2046	0.9
2047	0.9

2048	0.9
2049	0.9
2050	0.9

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the expected increase in normal cost as a level percent of pay for impacted new entrants is approximately 0.02%.

The 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)	FIRE
(1) PV of Employer Contributions:	6.0
(2) PV of Employee Contributions:	**0.0**
Total PV of Benefits (1) + (2):	6.0

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. Changes in UAL were amortized over the expected remaining working life-time of those impacted using level dollar payments.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	FIRE
Increase (Decrease) in UAL:	1.7 M
Number of Payments:	17
Amortization Payment:	0.2 M

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.

	FIRE
Active Members	
- Number Count:	5,572
- Average Age:	34.1
- Average Service:	6.2
- Average Salary:	118,600

IMPACT ON MEMBER BENEFITS: Currently, Tier 3 FIRE members are generally entitled to a lump sum ordinary death benefit equal to three times salary plus the return of member accumulated contributions.

Under the proposed legislation, the ordinary death benefit for Tier 3 FIRE members who are otherwise eligible to receive an early retirement or service retirement benefit would be the greater of their current death benefit or the value of the pension reserve that would have been established had they retired on the date of their death.

The pension reserve is the actuarial present value of all pension payments expected to be made had the member retired. This type of lump sum pension reserve death benefit is sometimes referred to as a Death Gamble, and is afforded, in a similar form, to Tier 2 FIRE members.

The proposed legislation would further allow the ordinary death benefit for Tier 3 FIRE members to be annuitized over the life of the beneficiary, in an actuarially equivalent manner.

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.

Ordinary death benefits which would be payable in the event of the death of a non-finalized pensioner are not included in determining the costs of this Fiscal Note. To the extent that such non-finalized pensioners benefit from this proposed legislation, the costs disclosed in this Fiscal Note will be greater.

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 2025-37 dated March 31, 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.