

STATE OF NEW YORK

7114--A

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sens. SCARCELLA-SPANTON, ASHBY, COONEY, GRIFFO, JACKSON, RHOADS, SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to obtaining military service credit for members of the New York state and local police and fire retirement system, the New York city police pension fund, and the New York city fire pension fund

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

1 Section 1. Subdivision 9 of section 1000 of the retirement and social
2 security law, as amended by chapter 41 of the laws of 2016, is amended
3 to read as follows:

4 9. (a) Anything to the contrary in subdivision three of this section
5 notwithstanding, to obtain such credit, a member who first joins a
6 public retirement system of the state on or after April first, two thou-
7 sand twelve shall pay such retirement system, for deposit in the fund
8 used to accumulate employer contributions, a sum equal to the product of
9 the number of years of military service being claimed and six percent of
10 such member's compensation earned during the twelve months of credited
11 service immediately preceding the date that the member made application
12 for credit pursuant to this section.

13 (b) Beginning with applications received by members of the New York
14 state and local police and fire retirement system, the New York city
15 police pension fund, and the New York city fire pension fund on and
16 after April first, two thousand twenty-six, for members who first become
17 members of the New York state and local police and fire retirement
18 system, the New York city police pension fund, and the New York city
19 fire pension fund on or after April first, two thousand twelve, the sum

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

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1 required in paragraph (a) of this subdivision shall be equal to the
 2 product of the number of years of military service being claimed and
 3 three percent of such member's compensation earned during the twelve
 4 months of credited service immediately preceding the date the member
 5 made application pursuant to this section.

6 § 2. 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 reduce the cost of purchasing pre-membership military service for Tier 3 members of POLICE and FIRE who joined on or after April 1, 2012, from 6% of compensation per year of military service to 3% of compensation per year of military service.

ILLUSTRATION - INCREASE (DECREASE) IN EMPLOYER CONTRIBUTIONS
 by Fiscal Year for the first 25 years (\$ in Thousands)

Year	Per One Year of Service Purchased	Per One Year of Service Purchased per Year
2027	400	400
2028	400	800
2029	400	1,200
2030	400	1,600
2031	400	2,000
2032	400	2,500
2033	400	2,900
2034	400	3,400
2035	400	3,900
2036	400	4,400
2037	400	4,900
2038	400	5,400
2039	400	5,900
2040	400	6,500
2041	0	6,700
2042	0	6,900
2043	0	7,100
2044	0	7,300
2045	0	7,500
2046	0	7,800
2047	0	8,000
2048	0	8,200
2049	0	8,500
2050	0	8,700
2051	0	9,000

Employer contribution impact beyond Fiscal Year 2051 is not shown.

The potential increases in employer contribution 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, 2025 (\$)

Present Value (PV)	Per One Year of Service Purchased

(1) PV of Employer Contributions:	3,200
(2) PV of Employee Contributions:	<u>(4,100)</u>
Total PV of Benefits (1) + (2):	(900)

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. Changes in UAL per incident would be recognized as ongoing gain/loss.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY	
Recognized as Ongoing Gain/Loss	Per One Year of Service Purchased
Increase (Decrease) in UAL:	3,200
Number of Payments:	14
Amortization Payment:	400

CENSUS DATA: The number of members who will benefit in the future from this proposed legislation is unknown. The estimates presented herein are based on preliminary census data collected as of June 30, 2025. The census data for the potentially impacted population used to develop the average costs is summarized below.

NYCERS	
Active Members	
- Number Count:	15,397
- Average Age:	35.7
- Average Service:	9.0
- Average Salary:	145,000

IMPACT ON MILITARY BUYBACK CONTRIBUTIONS: Currently, Tier 3 members of POLICE and FIRE who joined on or after April 1, 2012 must pay 6% of the compensation earned during the twelve months of service preceding the application date for each year of pre-membership military service they want to purchase (up to three years).

The proposed legislation would reduce the required contribution to 3% for each year of pre-membership military service, effective for applications made on or after April 1, 2026.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the Revised 2021 Actuarial Assumptions and Methods of the impacted retirement systems.

The number of members who will benefit from this proposed legislation is unknown. The cost of this proposed legislation could vary greatly depending on the number of future members who purchase military buyback service, and on their salary history.

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 2026-75 dated May 4, 2026 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds and is intended for use only during the 2026 Legislative Session.