STATE OF NEW YORK

7614

2025-2026 Regular Sessions

IN SENATE

April 23, 2025

Introduced by Sens. JACKSON, ADDABBO, HARCKHAM -- 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 a 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:

a. [~~A~~] **Effective on the first day of September, two thousand twenty-five, a** cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age [~~sixty-two~~] **fifty-five** and have been retired for five years; (ii) [~~all pensioners who have attained age fifty-five and have been retired for ten years; (iii)~~] all disability pensioners regardless of age who have been retired for five years; and [~~(iv)~~] **(iii)** all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 2. Subdivision a 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:

a. [~~A~~] **Effective on the first day of September, two thousand twenty-five, a** cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age [~~sixty-two~~] **fifty-five** and have been retired for five years; **and** (ii) [~~all pensioners who have attained age fifty-five and have been retired for ten years; and (iii)~~] all disability pensioners regardless of age who have been retired for five years.

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

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

a. [~~A~~] **Effective on the first day of September, two thousand twenty-five, a** cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age [~~sixty-two~~] **fifty-five** and have been retired for five years; (ii) [~~all pensioners who have attained age fifty-five and have been retired for ten years; (iii)~~] all disability pensioners regardless of age who have been retired for five years; and [~~(iv)~~] **(iii)** all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 4. Subdivision a of section 13-696 of the administrative code of the city of New York, as amended by chapter 288 of the laws of 2001, is amended to read as follows:

a. [~~A~~] **Effective on the first day of September, two thousand twenty-five, a** cost-of-living adjustment shall be payable to retired members 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, the New York city board of education retirement system or the relief and pension fund of the department of street cleaning provided for in subchapter one of this chapter on the basis provided for in this section to: (i) all retired members who have attained age [~~sixty-two~~] **fifty-five** and have been retired for five years; (ii) [~~all retired members who have attained age fifty-five and have been retired for ten years; (iii)~~] all members who retired for disability regardless of age who have been retired for five years; and [~~(iv)~~] **(iii)** all recipients of an accidental death benefit regardless of age who have been receiving such benefit for five years.

§ 5. This act shall take effect immediately.

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

This bill would provide an increase in the defined benefit cost-of-living adjustment (COLA) for New York public retirement systems. Starting with the September 2025 payment, COLA will be payable to pensioners who have attained age fifty-five and retired for at least 5 years.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), the increased costs would be shared by the State of New York and the local participating employers in NYSLERS. If this bill were enacted during the 2025 Legislative Session, the increase in the present value of benefits would be approximately $599 million.

In NYSLERS, this benefit improvement will be funded by (1) billing a past service cost 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, pursuant to Section 25 of the Retirement and Social Security Law, the State of New York will be required to pay $373 million as of March 1, 2026.

(2) To fund prospective costs, the annual contribution required of all participating employers in NYSLERS is 0.09% of billable salary, or approximately $12 million to the State of New York and approximately $18 million to the local participating employers. This **permanent annual cost** will vary in subsequent billing cycles with changes in the billing rate and salary of the affected members.

This proposal primarily benefits current and former members of Tiers 1 - 5. The cost of this benefit improvement will primarily be borne by current and future members of Tier 6.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the increased costs would be shared by the State of New York and the local participating employers in NYSLPFRS. If this bill were enacted during the 2025 Legislative Session, the increase in the present value of benefits would be approximately $126 million.

NYSLPFRS	Increase in present value of benefits	Increase in required contributions
Pensioners	$ 55 mn	$ 0 mn
Actives Tiers 1-5 (Closed)	$ 43 mn	$ 51 mn
Actives Tier 6 (Open)	$ 28 mn	$ 75 mn
Total	$126 mn	$126 mn

In NYSLPFRS, this benefit improvement will be funded by increasing the billing rates charged annually to cover both retrospective and prospective benefit increases. The annual contribution required of all participating employers in NYSLPFRS is 0.2% of billable salary, or approximately $1.7 million to the State of New York and approximately $7.5 million to the local participating employers. This **permanent annual cost** will vary in subsequent billing cycles with changes in the billing rate and salary of the affected members.

Summary of relevant resources:

Membership data as of March 31, 2024 was used in measuring the impact of the proposed change, the same data used in the April 1, 2024 actuarial valuation. Distributions and other statistics can be found in the 2024 Report of the Actuary and the 2024 Annual Comprehensive Financial Report. The actuarial assumptions and methods used are described in the 2024 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control. The Market Assets and GASB Disclosures are found in the March 31, 2024 New York State and Local Retirement System Financial Statements and Supplementary Information.

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated April 22, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-140. As Chief Actuary of the New York State and Local Retirement System, 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.