# STATE OF NEW YORK

7825

2025-2026 Regular Sessions

# IN SENATE

May 9, 2025

Introduced by Sen. MARTINS -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT granting retroactive tier IV membership in the New York state and local retirement system to members hired on or after January first, two thousand ten

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

Section 1. Notwithstanding any other provision of law to the contrary, any state or local employee who is a member of the New York state and local employees' retirement system, and whose date of membership was on or after January 1, 2010 shall be granted benefits as if their date of membership was December 31, 2009, thereby granting Tier IV benefits of such retirement system, unless, within one year of the effective date of this act, such employee shall file a written opt-out request with the state comptroller.

§ 2. No contributions made to the New York state and local employees' retirement system by a member hired on or after January 1, 2010 shall be refunded or returned to such member pursuant to this act.

§ 3. Notwithstanding any other law to the contrary, none of the provisions of this act shall be subject to the appropriation requirement of section 25 of the retirement and social security law.

§ 4. This act shall take effect on the one hundred twentieth day after it shall have become a law.

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

This bill would grant members of the New York State and Local Employees' Retirement System (NYSLERS) whose date of membership is on or after January 1, 2010 (commonly called Tier 5 and Tier 6 members) the retirement benefits of a member whose date of membership is December 31, 2009 (commonly called Tier 4). The members' dates of membership will not change. There will be no refund of member contributions.

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

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The provisions of Section 25 of the Retirement and Social Security Law shall not apply.

Insofar as this bill affects NYSLERS, the increased costs would be shared by the State of New York and the local participating employers in the NYSLERS. If this bill were enacted during the 2025 Legislative Session, the increase in employer costs, equal to the increase in the present value of benefits and decrease in the present value of employee contributions, would be approximately $13.3 billion.

| NYSLERS | Increase in net present value of employer benefits | Increase in required contributions |
|---|---|---|
| Tiers 1-4 | $ 0.0 bn | $ 4.4 bn |
| Tiers 5-6 (becoming Tier 4) | $ $13.3 bn | $ 8.9 bn |
| Total | $ 13.3 bn | $ 13.3 bn |

In the NYSLERS, 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 NYSLERS is 4.9% of billable salary, or approximately $644 million to the State of New York and approximately $979 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.

These estimated costs are based on 317,854 affected Tier 5-6 members, with annual salary of approximately $15.7 billion as of March 31, 2024.

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 May 5, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-115. 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.