STATE OF NEW YORK

9276

IN SENATE

February 23, 2026

Introduced by Sen. SEPULVEDA -- 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 the beneficiaries of certain members of the retirement system

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

Section 1. The retirement and social security law is amended by adding a new section 63-j to read as follows:

§ 63-j. Death benefits for state-paid judges and justices. a. As used in this section, the term "judge or justice" shall mean a state-paid judge or justice of the unified court system including a retired judge of the court of appeals or retired justice of the supreme court who is serving as a justice of the supreme court pursuant to certification by the administrative board of the courts in accordance with section one hundred fourteen or one hundred fifteen of the judiciary law, or a housing judge of the civil court of the city of New York.

b. Notwithstanding any provision of law to the contrary, where a judge or justice would have been entitled to a service retirement benefit at the time of such judge or justice's death and where such death occurs on or after the effective date of this section, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of such judge or justice's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 2. The retirement and social security law is amended by adding a new section 508-d to read as follows:

§ 508-d. Death benefits for state-paid judges and justices. a. As used in this section, the term "judge or justice" shall mean a state-paid judge or justice of the unified court system including a retired judge of the court of appeals or retired justice of the supreme court who is serving as a justice of the supreme court pursuant to certification by the administrative board of the courts in accordance with

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

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section one hundred fourteen or one hundred fifteen of the judiciary law, or a housing judge of the civil court of the city of New York.

b. Notwithstanding any provision of law to the contrary, where a judge or justice would have been entitled to a service retirement benefit at the time of such judge or justice's death and where such death occurs on or after the effective date of this section, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of such judge or justice's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 3. The retirement and social security law is amended by adding a new section 606-d to read as follows:

§ 606-d. Death benefits for state-paid judges and justices. a. As used in this section, the term "judge or justice" shall mean a state-paid judge or justice of the unified court system including a retired judge of the court of appeals or retired justice of the supreme court who is serving as a justice of the supreme court pursuant to certification by the administrative board of the courts in accordance with section one hundred fourteen or one hundred fifteen of the judiciary law, or a housing judge of the civil court of the city of New York.

b. Notwithstanding any provision of law to the contrary, where a judge or justice would have been entitled to a service retirement benefit at the time of such judge or justice's death and where such death occurs on or after the effective date of this section, the beneficiary or beneficiaries may elect to receive, in a lump sum, an amount payable which shall be equal to the pension reserve that would have been established had the member retired on the date of such judge or justice's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 4. All past service costs associated with implementing the provisions of this act shall be borne by the state of New York and may be amortized over a period of ten years.

§ 5. Notwithstanding any other provision of 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.

§ 6. This act shall take effect immediately.

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

This bill would modify the in-service death benefit for retirement eligible members of the New York State and Local Employees' Retirement System (NYSLERS) who are employed as state-paid judges or justices of the Unified Court System. The in-service death benefit will be the value of the pension reserve as if the member had retired on their date of death.

We estimate that the state of New York's annual contributions will increase $310,000 beginning FYE 2027. Annual costs will vary but are expected to average 0.1% of salary.

In addition, there will be an immediate past service cost of $4.17 million borne by the state of New York as a one-time payment. This cost assumes that payment will be made on March 1, 2027. If the state of New York elects to amortize this cost over 10 years, the cost for each year will be $532,000.

These estimated costs are based on 1,261 affected members employed by the state of New York, with annual salary of approximately $260 million as of March 31, 2025.

Summary of relevant resources:

Membership data as of March 31, 2025 was used to measure the impact of the bill, the same data used in the Actuarial Valuations dated April 1, 2025. Distributions and other statistics can be found in the 2025 Report of the Actuary and the 2025 Annual Comprehensive Financial Report. The actuarial assumptions and methods used are described in the 2025 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control. The fair value of assets and GASB disclosures can be found in the 2025 Financial Statements and Supplementary Information.

Assumptions, demographics, and other considerations may have been modified to better reflect specific provisions of any proposed benefit change(s).

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

This estimate, dated February 23, 2026, and intended for use only during the 2026 Legislative Session, is Fiscal Note Number 2026-125. As Chief Actuary of the New York State and Local Retirement System (NYSLRS), 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. I am a member of NYSLRS but do not believe it impairs my objectivity.