STATE OF NEW YORK

3968

2025-2026 Regular Sessions

IN ASSEMBLY

January 30, 2025

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to the restoration of 20 year service retirement for New York city police officers

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

Section 1. Subdivision 17 of section 501 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

17. "Normal retirement age" shall be age sixty-two, for general members, and the age at which a member completes or would have completed twenty-two years of service, for police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members**, except that for police/fire members of the New York city police pension fund, normal retirement age shall be the age at which a member completes or would have completed twenty years of service**.

§ 2. Subdivision d of section 503 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

d. The normal service retirement benefit specified in section five hundred five of this article shall be paid to police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members without regard to age upon retirement after twenty-two years of service**, except that the normal service retirement benefit specified in section five hundred five of this article shall be paid to police/fire members of the New York city police pension fund, after twenty years of service**. Early service retirement shall be permitted upon retirement after twenty years of credited service or attainment of age sixty-two, provided, however, that New York

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

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city police/fire revised plan members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members shall not be eligible to retire for service prior to the attainment of twenty years of credited service.

§ 3. Section 505 of the retirement and social security law is amended by adding a new subdivision d to read as follows:

d. Notwithstanding anything to the contrary in any other law, police/fire members of the New York city police pension fund shall be eligible for a normal service retirement benefit in lieu of an early service retirement benefit upon completing twenty years of service pursuant to subdivision d of section five hundred three of this article.

§ 4. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would reduce the Normal Retirement Age for Tier 3 members of the New York City Police Pension Fund (POLICE) to be the age at which a member completes or would have completed twenty years of service.

EXPECTED IMPACT ON EMPLOYER CONTRIBUTIONS
($ in Millions)

Year	POLICE
2026	16.3
2027	17.4
2028	18.7
2029	20.0
2030	21.3
2031	22.5
2032	23.5
2033	24.5
2034	25.5
2035	26.4
2036	27.3
2037	28.2
2038	29.1
2039	29.9
2040	30.8
2041	31.7
2042	25.8
2043	26.7
2044	27.6
2045	28.5
2046	29.4
2047	30.3
2048	31.2
2049	32.1
2050	33.1

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the increase in normal cost for new entrants will remain level as a percent of pay for the impacted population (approximately 0.33%).

The entire 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)	POLICE
(1) PV of Employer Contributions:	122.9
(2) PV of Employee Contributions:	**(10.6)**
Total PV of Benefits (1) + (2):	112.3

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

	POLICE
Increase (Decrease) in UAL:	61.6 M
Number of Payments:	16
Amortization Payment:	6.8 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.

	POLICE
Active Members	
- Number Count:	21,782
- Average Age:	33.2
- Average Service:	6.5
- Average Salary:	116,200

IMPACT ON MEMBER BENEFITS: Currently, Tier 3 POLICE members who retire with at least 20 years of service are eligible to receive an annual benefit that is equal to 42% of Final Average Salary (FAS), increasing to a maximum benefit of 50% of FAS after 22 years of service.

Under the proposed legislation, Tier 3 POLICE members who retire with at least 20 years of service would be eligible to receive an annual benefit that is equal to 50% of FAS.

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:

o Retirement rates were adjusted to reflect the earlier payability of the service retirement benefit associated with the proposed legislation.

o 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.

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 2025-02 dated January 17, 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.