STATE OF NEW YORK

5376

2025-2026 Regular Sessions

IN ASSEMBLY

February 13, 2025

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

AN ACT to amend the administrative code of the city of New York, in relation to promotions of police detectives, sergeants, and lieutenants for retirement purposes

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

Section 1. Section 14-114 of the administrative code of the city of New York is amended by adding a new subdivision d to read as follows:

d. (1) Notwithstanding any provision of law to the contrary, when a detective, sergeant, or lieutenant shall have accrued twenty-five years of uniformed service with the New York city police department, and retires in any such rank, they shall have five per centum of the highest grade of pay under the applicable collective bargaining agreement of such rank in which they retire, added to the applicable salary, used for the purposes of computing pension benefits under the plan in which they are enrolled with the New York city police pension fund. A member who receives an increase to their pension benefit under this paragraph shall not receive an additional increase under section 14-111 of this chapter; or

(2) Notwithstanding any provision of law to the contrary, when a detective, sergeant, or lieutenant shall have accrued thirty years of uniformed service with the New York city police department, and retires in any such rank, they shall have ten per centum of the highest grade of pay under the applicable collective bargaining agreement of such rank in which they retire, added to the applicable salary, used for the purposes of computing pension benefits under the plan in which they are enrolled with the New York city police pension fund. A member who receives an increase to their pension benefit under this paragraph shall not receive an additional increase under section 14-111 of this chapter; or

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

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(3) Notwithstanding any provision of law to the contrary, when a detective, sergeant, or lieutenant shall have accrued thirty-five years of uniformed service with the New York city police department, and retires in any such rank, they shall have fifteen per centum of the highest grade of pay under the applicable collective bargaining agreement of such rank in which they retire, added to the applicable salary, used for the purposes of computing pension benefits under the plan in which they are enrolled with the New York city police pension fund. A member who receives an increase to their pension benefit under this paragraph shall not receive an additional increase under section 14-111 of this chapter.

§ 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 Police Pension Fund (POLICE), would increase the salary used for determining pension benefits for Detectives, Sergeants, and Lieutenants who retire with at least 25 years of uniformed NYPD service.

EXPECTED INCREASE (DECREASE) IN EMPLOYER CONTRIBUTIONS
by Fiscal Year for the first 25 years ($ in Millions)

Year	POLICE
2026	0.0
2027	2.8
2028	5.6
2029	8.5
2030	11.5
2031	14.6
2032	17.8
2033	21.2
2034	24.7
2035	28.4
2036	32.4
2037	36.5
2038	41.1
2039	45.9
2040	51.0
2041	53.6
2042	56.2
2043	59.0
2044	61.9
2045	64.9
2046	68.0
2047	71.1
2048	74.3
2049	77.5
2050	80.7

Projected contributions are based on historical experience for Tier 2 members. Future retirement patterns may differ due to a larger impacted Tier 3 population (e.g., Tier 2 is expected to retire at 20 years of service whereas Tier 3 is expected to retire at 25 years of service).

The entire increase in employer contributions will be allocated to New York City.

PRESENT VALUE OF BENEFITS: The Present Value of Benefits (PVFB) is the discounted expected value of benefits paid to current members if all assumptions are met, including future service accrual and pay increases.

The enactment of this proposed legislation is expected to increase the PVFB by approximately $23.3 million in the first year and every year thereafter. Each year's PVFB increase will depend on the actual experience of benefiting retirees and will be recognized in the year benefits are first payable.

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. For purposes of this Fiscal Note, changes in UAL were amortized as an ongoing gain/loss using level dollar payments.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	POLICE
Increase (Decrease) in UAL:	23.3 M
Number of Payments:	14
First-year Amortization Payment:	2.8 M

CENSUS DATA: The estimates presented herein are based on preliminary census data collected as of June 30, 2024. The census data for POLICE active members is summarized below.

	POLICE
Active Members	
- Number Count:	33,803
- Average Age:	37.5
- Average Service:	11.1
- Average Salary:	134,900

The salaries used in this analysis were provided by the Lieutenants Benevolent Association and are summarized below.

o Detectives would use a highest grade of pay of $149,518

o Sergeants would use a highest grade of pay of $149,519 based on the salary provided and adjusted to reflect outstanding wage contracts

o Lieutenants would use a highest grade of pay of $164,476

Data from the prior ten years of actuarial valuations was used to estimate the number of retirees who could potentially benefit from this proposed legislation each year and is summarized below.

Average Number Retired per Year	Detectives	Sergeants	Lieutenants
At least 25 but less than 30 years of service	129	73	51
At least 30 but less than 35 years of service	38	23	20
At least 35 years of service	12	7	7

IMPACT ON MEMBER BENEFITS: The proposed legislation would increase the applicable salary used for computing pension benefits (Final Salary for Tier 2 members or Final Average Salary for Tier 3 members) who retire as a detective, sergeant, or lieutenant with at least 25 years of uniformed NYPD service.

The increase in applicable salary would be equal to:

o 5% for members with at least 25 years of service, 10% for members with at least 30 years of service, or 15% for members with at least 35 years of service, multiplied by

o The highest grade of pay under the applicable collective bargaining agreement of the rank in which the member retires.

For example, a Detective who retires with 32 years of uniformed NYPD service would receive an increase in their annual pension of approximately $7,476 (a 50% annual benefit of 10% multiplied by the highest-grade detective pay of $149,518). This additional benefit would then be subject to applicable Cost-of-Living or Escalation increases.

Based on an estimate of the number of POLICE members who are expected to be impacted by this proposed legislation, the annual increase in POLICE pension benefits paid will be approximately $1.9 million in the first year and increase in every year thereafter.

With respect to an individual member, the impact on benefits due to this proposed legislation could vary greatly depending on the member's age, years of service, retirement cause, and Tier.

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 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.

o Future contribution impacts have been developed assuming a homogeneous population and consistent retirement pattern.

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 2025-04 dated January 31, 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.