STATE OF NEW YORK

6940

2025-2026 Regular Sessions

IN ASSEMBLY

March 18, 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 primary social security retirement benefits for police/fire members who are members of the New York city fire department pension fund

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

Section 1. Section 505 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

§ 505. Service retirement benefits; police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members. a. The normal service retirement benefit for police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members at normal retirement age shall be a pension equal to fifty percent of final average salary, less fifty percent of the primary social security retirement benefit commencing at age sixty-two, as provided in section five hundred eleven of this article**, provided, however, that the computation of the normal service retirement benefit of members of the New York city fire department pension fund, shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**.

b. The early service retirement benefit for police/fire members, New York city uniformed correction/sanitation revised plan members and investigator revised plan members shall be a pension equal to two and one-tenths percent of final average salary times years of credited service at the completion of twenty years of service or upon attainment of age sixty-two, increased by one-third of one percent of final average salary for each month of service in excess of twenty years, but not in excess of fifty percent of final average salary, less fifty percent of

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

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the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article, provided, however, that New York 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**, and provided further that the early service retirement benefit of members of the New York city fire department pension fund shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided by section five hundred eleven of this article**.

c. A police/fire member, a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member who retires with twenty-two years of credited service or less may become eligible for annual escalation of the service retirement benefit if [**~~he elects~~**] **they elect** to have the payment of [**~~his~~**] **their** benefit commence on the date [**~~he~~**] **they** would have completed twenty-two years and one month or more of service. In such event, the service retirement benefit shall equal two percent of final average salary for each year of credited service, less fifty percent of the primary social security retirement benefit commencing at age sixty-two as provided in section five hundred eleven of this article**, provided, however, that the service retirement benefit of members of the New York city fire department pension fund shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided by section five hundred eleven of this article**.

§ 2. Section 511 of the retirement and social security law is amended by adding a new subdivision h to read as follows:

h. Notwithstanding any provision of law to the contrary, this section shall not apply to members of the New York city fire department pension fund who receive a service retirement benefit pursuant to section five hundred five of this article or a deferred vested benefit pursuant to section five hundred sixteen of this article.

§ 3. Subdivision c of section 516 of the retirement and social security law, as amended by chapter 18 of the laws of 2012, is amended to read as follows:

c. The deferred vested benefit of police/fire members, New York city police/fire revised plan members, New York city uniformed correction/sanitation revised plan members or investigator revised plan members shall be a pension commencing at early retirement age equal to two and one-tenths percent of final average salary times years of credited service, less fifty percent of the primary social security retirement benefit commencing at age sixty-two, as provided in section five hundred eleven of this article**, provided however that the deferred vested benefit of members of the New York city fire department pension fund and revised plan members who are members of the New York city fire department pension fund shall not be reduced by the primary social security retirement benefit commencing at age sixty-two as provided by section five hundred eleven of this article**. A police/fire member, a New York city police/fire revised plan member, a New York city uniformed correction/sanitation revised plan member or investigator revised plan member may elect to receive [**~~his~~**] **their** vested benefit commencing at early retirement age or age fifty-five. If the vested benefit commences before early retirement age, the benefit shall be reduced by one-fifteenth for each year, if any, that the member's early retirement age is in excess of age sixty, and by one-thirtieth for each additional year by which the vested benefit commences prior to early retirement age. If

such vested benefit is deferred until after such member's normal retirement age, the benefit shall be computed and subject to annual escalation in the same manner as provided for an early retirement benefit pursuant to subdivision c of section five hundred five of this article.

§ 4. Notwithstanding the provisions of section 13-379 of the administrative code of the city of New York, the provisions of this act shall apply to chapter three of title thirteen of the administrative code of the city of New York.

§ 5. Notwithstanding any provision of law, rule, or regulation to the contrary, any effect on a participating employer's contribution rate due to the provisions of this act shall not apply to the calculation of such participating employer's contribution rate for the purposes of subdivision c of section 500 of the retirement and social security law.

§ 6. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would eliminate the offset equal to 50% of the primary social security benefit in the service, early service, and vested retirement benefits for Tier 3 members of the New York City Fire Pension Fund (FIRE).

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

Year	FIRE
2026	10.6
2027	11.1
2028	11.9
2029	12.7
2030	13.6
2031	14.5
2032	15.4
2033	16.3
2034	17.3
2035	18.3
2036	19.3
2037	20.4
2038	21.4
2039	22.5
2040	23.6
2041	24.7
2042	25.8
2043	23.0
2044	24.0
2045	25.1
2046	26.1
2047	27.1
2048	28.0
2049	29.0
2050	30.0

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the expected increase in normal cost as a level percent of pay for impacted new entrants is approximately 0.92%.

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)	FIRE
(1) PV of Employer Contributions:	140.4
(2) PV of Employee Contributions:	0.0
Total PV of Benefits (1) + (2):	140.4

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. Changes in UAL for active members were amortized over the expected remaining working lifetime of those impacted using level dollar payments. UAL attributable to inactive members was recognized in the first year.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

	FIRE
Increase (Decrease) in UAL:	36.6 M
Number of Payments:	17
Amortization Payment:	3.9 M
Additional One-time Payment:	0.3 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.

	FIRE
Active Members	
- Number Count:	5,572
- Average Age:	34.1
- Average Service:	6.2
- Average Salary:	118,600
Term. Vested Members	
- Number Count:	14
- Average Age:	37.4

IMPACT ON MEMBER BENEFITS: Currently, Tier 3 normal service retirement, early service retirement, and vested retirement benefits are subject to an offset equal to 50% of the primary social security benefit as defined in Retirement and Social Security Law (RSSL) Section 511 beginning at age 62.

Under the proposed legislation, the offset for such benefits would be eliminated for FIRE members, resulting in an increase in benefits

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:

* 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, demo-

graphics 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.

This Fiscal Note does not include cost analyses relating to provisions contained in RSSL Section 500(c).

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 2025-19 dated February 20, 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.