STATE OF NEW YORK

7335

2025-2026 Regular Sessions

IN ASSEMBLY

March 25, 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 and the administrative code of the city of New York, in relation to death benefits for members of the uniformed force of the New York city department of sanitation and members of the uniformed force of the New York city department of correction

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

Section 1. Subdivision b of section 448 of the retirement and social security law is amended by adding a new paragraph 3 to read as follows:

3. Provided further, notwithstanding any other provision of this article to the contrary, where a member is in the uniformed force of the New York city department of sanitation or the uniformed force of the New York city department of correction, and would have been entitled to a service retirement benefit at the time of such member's death and where such member's death occurs on or after July first, two thousand twenty-five, 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 member's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 2. Subdivision b of section 508 of the retirement and social security law, as amended by chapter 476 of the laws of 2018, is amended to read as follows:

b. A member of a retirement system subject to the provisions of this article who is a police officer, firefighter, correction officer, investigator revised plan member or sanitation worker and is in a plan which permits immediate retirement upon completion of a specified period of service without regard to age or who is subject to the provisions of section five hundred four or five hundred five of this article, shall

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

LBD05921-02-5

upon completion of ninety days of service be covered for financial protection in the event of death in service pursuant to this subdivision.

1. Such death benefit shall be equal to three times the member's salary raised to the next highest multiple of one thousand dollars, but in no event shall it exceed three times the maximum salary specified in section one hundred thirty of the civil service law or, in the case of a member of a retirement system other than the New York city employees' retirement system, or in the case of a member of the New York city employees' retirement system who is a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member, the specific limitations specified for age of entrance into service contained in subparagraphs (b), (c), (d), (e) and (f) of paragraph two of subdivision a of this section.

2. Provided further, notwithstanding any other provision of this article to the contrary, where a member is in the uniformed force of the New York city department of sanitation or the uniformed force of the New York city department of correction, and would have been entitled to a service retirement benefit at the time of such member's death and where such member's death occurs on or after July first, two thousand twenty-five, 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 member's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 3. Subdivision b of section 606 of the retirement and social security law, as amended by chapter 476 of the laws of 2018, is amended to read as follows:

b. A member of a retirement system subject to the provisions of this article who is a police officer, firefighter, correction officer or sanitation worker and is in a plan which permits immediate retirement upon completion of a specified period of service without regard to age or who is subject to the provisions of section six hundred four of this article, shall upon completion of ninety days of service be covered for financial protection in the event of death in service pursuant to this subdivision.

1. Such death benefit shall be equal to three times the member's salary raised to the next highest multiple of one thousand dollars, but in no event shall it exceed three times the maximum salary specified in section one hundred thirty of the civil service law or, in the case of a member of a retirement system other than the New York city employees' retirement system, the specific limitations specified for age of entrance into service contained in subparagraphs (b), (c), (d), (e) and (f) of paragraph two of subdivision a of this section.

2. Provided further, notwithstanding any other provision of this article to the contrary, where a member is in the uniformed force of the New York city department of sanitation or the uniformed force of the New York city department of correction, and would have been entitled to a service retirement benefit at the time of such member's death and where such member's death occurs on or after July first, two thousand twenty-five, 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 member's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 4. Section 13-148 of the administrative code of the city of New York is amended by adding a new subdivision d to read as follows:

d. Notwithstanding any other provision of this article to the contrary, where a member is in the uniformed force of the department of sanitation or the uniformed force of the department of correction, and would have been entitled to a service retirement benefit at the time of such member's death and where such member's death occurs on or after July first, two thousand twenty-five, 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 member's death, or the value of the death benefit and the reserve-for-increased-take-home-pay, if any, whichever is greater.

§ 5. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would provide an alternative death benefit for Correction and Sanitation members in all Tiers and Plans of the New York City Employees' Retirement System (NYCERS) who die on or after July 1, 2025.

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

Year	NYCERS
2026	2.3
2027	2.3
2028	2.3
2029	2.3
2030	2.4
2031	2.4
2032	2.4
2033	2.4
2034	2.4
2035	2.4
2036	2.5
2037	0.9
2038	0.9
2039	0.9
2040	0.9
2041	0.9
2042	0.9
2043	0.9
2044	0.9
2045	0.9
2046	1.0
2047	1.0
2048	1.0
2049	1.0
2050	1.0

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 0.02%.

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)	NYCERS
(1) PV of Employer Contributions:	18.4
(2) PV of Employee Contributions:	**0.0**
Total PV of Benefits (1) + (2):	18.4

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

	NYCERS
Increase (Decrease) in UAL:	11.6 M
Number of Payments:	11
Amortization Payment:	1.6 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.

	NYCERS
Active Members	
- Number Count:	13,752
- Average Age:	43.3
- Average Service:	11.8
- Average Salary:	118,700

IMPACT ON MEMBER BENEFITS: Currently, NYCERS Correction and Sanitation members are generally entitled to a lump sum ordinary death benefit equal to three times their final year's salary plus the return of member accumulated contributions, if any, and may be subject to salary caps and other reductions.

Under the proposed legislation, the ordinary death benefit for members who are eligible to receive a service retirement benefit would be the greater of their current death benefit or the value of the pension reserve that would have been established had they retired on the date of their death.

The pension reserve is the actuarial present value of all pension payments expected to be made had the member retired for service. This type of lump sum pension reserve death benefit is sometimes referred to as a Death Gamble, and is afforded, in a similar form, to Tier 1 NYCERS members.

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.

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 2025-25 dated March 4, 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.