

STATE OF NEW YORK

8756--A

2025-2026 Regular Sessions

IN ASSEMBLY

June 2, 2025

Introduced by M. of A. PHEFFER AMATO -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to service retirement benefits for members of the New York city police pension fund

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

1 Section 1. Section 505 of the retirement and social security law, as
2 amended by chapter 18 of the laws of 2012 and subdivision d as added by
3 section 3 of part SS of chapter 55 of the laws of 2025, is amended to
4 read as follows:

5 § 505. Service retirement benefits; police/fire members, New York city
6 uniformed correction/sanitation revised plan members and investigator
7 revised plan members. a. The normal service retirement benefit for
8 police/fire members, New York city uniformed correction/sanitation
9 revised plan members and investigator revised plan members at normal
10 retirement age shall be a pension equal to fifty percent of final aver-
11 age salary, less fifty percent of the primary social security retirement
12 benefit commencing at age sixty-two, as provided in section five hundred
13 eleven of this article, except that for members of the New York city
14 police pension fund, the normal service retirement benefit shall not be
15 reduced by the primary social security retirement benefit commencing at
16 age sixty-two as provided in section five hundred eleven of this
17 article.

18 b. The early service retirement benefit for police/fire members, New
19 York city uniformed correction/sanitation revised plan members and
20 investigator revised plan members shall be a pension equal to two and
21 one-tenths percent of final average salary times years of credited

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

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1 service at the completion of twenty years of service or upon attainment
2 of age sixty-two, increased by one-third of one percent of final average
3 salary for each month of service in excess of twenty years, but not in
4 excess of fifty percent of final average salary, less fifty percent of
5 the primary social security retirement benefit commencing at age sixty-
6 two as provided in section five hundred eleven of this article,
7 provided, however, that New York city police/fire revised plan members,
8 New York city uniformed correction/sanitation revised plan members and
9 investigator revised plan members shall not be eligible to retire for
10 service prior to the attainment of twenty years of credited service, and
11 provided further that for members of the New York city police pension
12 fund, the early service retirement benefit shall not be reduced by the
13 primary social security retirement benefit commencing at age sixty-two
14 as provided in section five hundred eleven of this article.

15 c. A police/fire member, a New York city uniformed
16 correction/sanitation revised plan member or an investigator revised
17 plan member who retires with twenty-two years of credited service or
18 less may become eligible for annual escalation of the service retirement
19 benefit if [~~he~~] such member elects to have the payment of [~~his~~] such
20 member's benefit commence on the date [~~he~~] such member would have
21 completed twenty-two years and one month or more of service. In such
22 event, the service retirement benefit shall equal two percent of final
23 average salary for each year of credited service, less fifty percent of
24 the primary social security retirement benefit commencing at age sixty-
25 two as provided in section five hundred eleven of this article, except
26 that for members of the New York city police pension fund, the service
27 retirement benefit shall not be reduced by the primary social security
28 retirement benefit commencing at age sixty-two as provided in section
29 five hundred eleven of this article.

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

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

37 h. This section shall not apply to members of the New York city police
38 pension fund who receive a service retirement benefit pursuant to
39 section five hundred five of this article or a deferred vested benefit
40 pursuant to section five hundred sixteen of this article.

41 § 3. Subdivision c of section 516 of the retirement and social securi-
42 ty law, as amended by chapter 18 of the laws of 2012, is amended to read
43 as follows:

44 c. The deferred vested benefit of police/fire members, New York city
45 police/fire revised plan members, New York city uniformed
46 correction/sanitation revised plan members or investigator revised plan
47 members shall be a pension commencing at early retirement age equal to
48 two and one-tenths percent of final average salary times years of cred-
49 ited service, less fifty percent of the primary social security retire-
50 ment benefit commencing at age sixty-two, as provided in section five
51 hundred eleven of this article, except that for members of the New York
52 city police pension fund, the deferred vested benefit shall not be
53 reduced by the primary social security retirement benefit commencing at
54 age sixty-two as provided in section five hundred eleven of this
55 article. A police/fire member, a New York city police/fire revised plan
56 member, a New York city uniformed correction/sanitation revised plan

1 member or investigator revised plan member may elect to receive [~~his~~
 2 such member's vested benefit commencing at early retirement age or age
 3 fifty-five. If the vested benefit commences before early retirement age,
 4 the benefit shall be reduced by one-fifteenth for each year, if any,
 5 that the member's early retirement age is in excess of age sixty, and by
 6 one-thirtieth for each additional year by which the vested benefit
 7 commences prior to early retirement age. If such vested benefit is
 8 deferred until after such member's normal retirement age, the benefit
 9 shall be computed and subject to annual escalation in the same manner as
 10 provided for an early retirement benefit pursuant to subdivision c of
 11 section five hundred five of this article.

12 § 4. Notwithstanding any provision of law, rule or regulation to the
 13 contrary, any effect on a participating employer's contribution rate due
 14 to the provisions of this act shall not apply to the calculation of such
 15 participating employer's contribution rate for the purposes of subdivi-
 16 sion c of section 500 of the retirement and social security law.

17 § 5. This act shall take effect on the sixtieth day after it shall
 18 have become a law.

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

20 SUMMARY: This proposed legislation would eliminate the offset equal to
 21 50% of the primary social security benefit in the service, early
 22 service, and vested retirement benefits for Tier 3 members of the New
 23 York City Police Pension Fund (POLICE).

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

26	Year	POLICE
27	2027	82.3
28	2028	79.0
29	2029	84.0
30	2030	89.1
31	2031	93.8
32	2032	97.9
33	2033	102.0
34	2034	105.9
35	2035	109.7
36	2036	113.5
37	2037	117.3
38	2038	121.0
39	2039	124.8
40	2040	128.5
41	2041	132.3
42	2042	136.2
43	2043	108.7
44	2044	112.8
45	2045	117.0
46	2046	121.4
47	2047	125.7
48	2048	130.0
49	2049	134.5
50	2050	139.3
51	2051	144.4

52 Projected contributions include future new hires that may be impacted.
 53 For Fiscal Year 2052 and beyond, the expected increase in normal cost as
 54 a level percent of pay for impacted new entrants is approximately 1.52%.

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

3 PRESENT VALUE OF BENEFITS: The Present Value of Benefits is the
4 discounted expected value of benefits paid to current members if all
5 assumptions are met, including future service accrual and pay increases.
6 Future new hires are not included in this present value.

7 INITIAL INCREASE (DECREASE) IN ACTUARIAL PRESENT VALUES
8 as of June 30, 2025 (\$ in Millions)

9	Present Value (PV)	POLICE
10	(1) PV of Employer Contributions:	915.7
11	(2) PV of Employee Contributions:	<u>0.0</u>
12	Total PV of Benefits (1) + (2):	915.7

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

19 AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

20		POLICE
21	Increase (Decrease) in UAL:	294.3 M
22	Number of Payments:	16
23	Amortization Payment:	31.4 M
24	Additional One-time Payment:	8.1 M

25 CENSUS DATA: The estimates presented herein are based on preliminary
26 census data collected as of June 30, 2025. The census data for the
27 impacted population is summarized below.

28		POLICE
29	Active Members	
30	- Number Count:	23,938
31	- Average Age:	33.5
32	- Average Service:	6.7
33	- Average Salary:	117,700
34	Term. Vested Members	
35	- Number Count:	1,066
36	- Average Age:	36.3

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

42 Under the proposed legislation, the offset for such benefits would be
43 eliminated for POLICE members, resulting in an increase in benefits.

44 ASSUMPTIONS AND METHODS: The estimates presented herein have been
45 calculated based on the Revised 2021 Actuarial Assumptions and Methods
46 of the impacted retirement systems. In addition:

47 * New entrants were assumed to replace exiting members so that total
48 payroll increases by 3% each year for impacted groups. New entrant demo-
49 graphics were developed based on data for recent new hires and actuarial
50 judgement.

1 RISK AND UNCERTAINTY: The costs presented in this Fiscal Note depend
2 highly on the actuarial assumptions, methods, and models used, demo-
3 graphics of the impacted population, and other factors such as invest-
4 ment, contribution, and other risks. If actual experience deviates from
5 actuarial assumptions, the actual costs could differ from those
6 presented herein. Quantifying these risks is beyond the scope of this
7 Fiscal Note.

8 This Fiscal Note is intended to measure pension-related impacts and
9 does not include other potential costs (e.g., administrative and Other
10 Postemployment Benefits). This Fiscal Note does not reflect any chapter
11 laws that may have been enacted during the current legislative session.

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

14 STATEMENT OF ACTUARIAL OPINION: Marek Tyszkiewicz and Gregory Zelikov-
15 sky are members of the Society of Actuaries and the American Academy of
16 Actuaries. We are members of NYCERS, but do not believe it impairs our
17 objectivity, and we meet the Qualification Standards of the American
18 Academy of Actuaries to render the actuarial opinion contained herein.
19 To the best of our knowledge, the results contained herein have been
20 prepared in accordance with generally accepted actuarial principles and
21 procedures and with the Actuarial Standards of Practice issued by the
22 Actuarial Standards Board.

23 FISCAL NOTE IDENTIFICATION: This Fiscal Note 2026-35 dated March 9,
24 2026 was prepared by the Chief Actuary for the New York City Retirement
25 Systems and Pension Funds and is intended for use only during the 2026
26 Legislative Session.