

STATE OF NEW YORK

9273

2025-2026 Regular Sessions

IN ASSEMBLY

November 21, 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
calculating certain pensions

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

1 Section 1. Subdivision a of section 504 of the retirement and social
2 security law, as amended by chapter 18 of the laws of 2012, is amended
3 to read as follows:

4 a. The service retirement benefit for general members at normal
5 retirement age with twenty or more years of credited service shall be a
6 pension equal to one-fiftieth of final average salary times years of
7 credited service, not in excess of thirty years, less fifty percent of
8 the primary social security retirement benefit as provided in section
9 five hundred eleven of this article. The service retirement benefit for
10 general members at normal retirement age with twenty or more years of
11 service who first become members of the New York state and local employ-
12 ees' retirement system on or after April first, two thousand twelve at
13 normal retirement age shall be a pension equal to the sum of [~~thirty-~~
14 ~~five~~] forty per centum and one-fiftieth of final average salary for each
15 year of service in excess of twenty, but not in excess of thirty, times
16 final average salary times years of credited service.

17 § 2. Subdivisions a, b and b-1 of section 604 of the retirement and
18 social security law, subdivision a as amended and subdivision b-1 as
19 added by chapter 18 of the laws of 2012, subdivision b as amended by
20 chapter 266 of the laws of 1998 and the opening paragraph of subdivision
21 b as amended by section 8-b of part B of chapter 504 of the laws of
22 2009, are amended to read as follows:

23 a. The service retirement benefit at normal retirement age for a
24 member with less than twenty years of credited service[~~, or less than~~
25 ~~twenty-five years credited service for a member who joins the New York~~

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

LBD06549-03-5

1 ~~state teachers' retirement system on or after January first, two thou-~~
 2 ~~sand ten,~~] shall be a retirement allowance equal to one-sixtieth of
 3 final average salary times years of credited service. Normal retirement
 4 age for members who first become members of a public retirement system
 5 of the state on or after April first, two thousand twelve shall be age
 6 sixty-three.

7 b. The service retirement benefit at normal retirement age for a
 8 member with twenty years or more of credited service [~~, or with twenty-~~
 9 ~~five or more years credited service for a member who first joins the New~~
 10 ~~York state teachers' retirement system on or after January first, two~~
 11 ~~thousand ten,~~] shall be a retirement allowance equal to one-fiftieth of
 12 final average salary times years of credited service not in excess of
 13 thirty years.

14 Credited service in excess of thirty years shall provide an additional
 15 retirement allowance equal to three-two hundredths of the final average
 16 salary for each year of credited service in excess of thirty years.

17 b-1. Notwithstanding any other provision of law to the contrary, the
 18 service retirement benefit for members with twenty or more years of
 19 credit service who first become a member of a public retirement system
 20 of the state on or after April first, two thousand twelve at age sixty-
 21 three shall be a pension equal to the sum of [~~thirty-five~~] **forty** per
 22 centum and one-fiftieth of final average salary for each year of service
 23 in excess of twenty times final average salary times years of credited
 24 service. In no event shall any retirement benefit payable without
 25 optional modification be less than the actuarially equivalent annuitized
 26 value of the member's contributions accumulated with interest at five
 27 percent per annum compounded annually to the date of retirement.

28 § 3. Section 1312 of the retirement and social security law, as added
 29 by chapter 18 of the laws of 2012, is amended to read as follows:

30 § 1312. Benefit enhancements. Notwithstanding any other law to the
 31 contrary, eligible employees shall be permitted to retire, without
 32 penalty, upon reaching age fifty-seven and completing at least thirty
 33 years of credited service. Employees retiring pursuant to this section
 34 shall receive a pension allowance equal to the sum of [~~thirty-five~~]
 35 **forty** per centum and one-fiftieth of final average salary for each year
 36 of service in excess of twenty times final average salary times years of
 37 credited service.

38 § 4. Notwithstanding any other provision of law to the contrary, none
 39 of the provisions of this act shall be subject to section 25 of the
 40 retirement and social security law.

41 § 5. 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 Retirement Systems and Pension Funds (NYCRS) would increase the percentage of Final Average Salary payable to Tier 6 NYCERS, TRS, and BERS members who retire with 20 or more years of Credited Service.

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

Year	NYCERS	TRS	BERS	TOTAL
2026	65.7	78.1	8.5	152.3
2027	69.7	82.0	9.0	160.7
2028	73.9	86.3	9.4	169.6
2029	78.2	90.8	9.9	178.9
2030	82.6	95.8	10.4	188.8
2031	87.2	101.1	10.9	199.2

2032	91.8	106.7	11.4	209.9
2033	96.5	112.8	12.0	221.3
2034	101.3	119.2	12.5	233.0
2035	106.1	126.0	13.1	245.2
2036	110.9	133.2	13.7	257.8
2037	115.7	140.7	14.2	270.6
2038	120.6	148.6	14.8	284.0
2039	125.4	156.8	11.7	293.9
2040	130.3	165.2	12.3	307.8
2041	109.5	173.8	12.9	296.2
2042	114.4	182.4	13.5	310.3
2043	119.3	190.9	14.1	324.3
2044	124.3	199.2	14.7	338.2
2045	129.3	176.7	15.3	321.3
2046	134.4	184.5	15.8	334.7
2047	139.6	192.1	16.4	348.1
2048	144.8	199.5	17.0	361.3
2049	150.1	206.6	17.6	374.3
2050	155.5	213.7	18.2	387.4

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 0.49% for NYCERS, 0.77% for TRS, and 0.60% for BERS.

The initial increase in employer contributions of \$152.3 million is estimated to be \$116.5 million for New York City and \$35.8 million for the other obligors of NYCERS.

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	TRS	BERS
(1) PV of Employer Contributions:	701.3	1,057.6	85.7
(2) PV of Employee Contributions:	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total PV of Benefits (1) + (2):	701.3	1,057.6	85.7

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

	NYCERS	TRS	BERS
Increase (Decrease) in UAL:	226.7 M	306.6 M	29.9 M
Number of Payments:	15	19	13
Amortization Payment:	25.7 M	30.7 M	3.7 M
Additional One-time Payment:	0.1 M	0.0 M	0.0 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	TRS	BERS
Active Members			
- Number Count:	95,352	65,422	13,698
- Average Age:	42.6	38.6	47.5
- Average Service:	4.7	5.4	4.4
- Average Salary:	83,000	84,600	56,900
Term. Vested Members			
- Number Count:	2	2	1
- Average Age:	51.0	54.0	59.0

IMPACT ON MEMBER BENEFITS: Currently, the service retirement benefit for Tier 6 basic plan members of NYCERS, TRS, and BERS who have 20 or more years of Credited Service is equal to 35% of Final Average Salary (FAS) plus 2% of FAS for each year of Credited Service in excess of 20.

Under the proposed legislation, the service retirement benefit for Tier 6 basic plan members of NYCERS, TRS, and BERS who have 20 or more years of Credited Service would be equal to 40% of FAS plus 2% of FAS for each year of Credited Service in excess of 20.

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, 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 2025-26 dated March 5, 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.

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

This bill would amend Section 604 of the Retirement and Social Security Law to improve the retirement benefit formula for Tiers 5 and 6

members of the New York State Teachers' Retirement System. The Tier 5 benefit formula would match the Tier 4 formula with eligibility for the 2% multiplier at 20 years of service instead of 25 years as it is currently. The retirement benefit formula for Tier 6 members with 20 or more years of service would be 40% of final average salary plus 2% for each year of service in excess of 20 years. Currently, the benefit formula for Tier 6 members with 20 or more years of service is 35% of final average salary plus 2% for each year of service in excess of 20 years.

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be \$92.5 million or 0.46% of payroll if this bill is enacted.

The System's "new entrant rate", a hypothetical employer contribution rate that would occur if we started a new Retirement System without any assets, is equal to 5.64% of pay under the current Tier 6 benefit structure. This can be thought of as the long-term expected employer cost of Tier 6, based on the current actuarial assumptions. For the proposed change to the Tier 6 benefit structure under this bill, this new entrant rate is estimated to increase to 6.34% of pay, an increase of 0.70% of pay.

Member data is from the System's most recent actuarial valuation files as of June 30, 2024, consisting of data provided by the employers to the Retirement System. The most recent data distributions and statistics can be found in the System's Annual Report for fiscal year ended June 30, 2024. System assets are as reported in the System's financial statements and can also be found in the System's Annual Report. Actuarial assumptions and methods will be provided in the System's Actuarial Valuation Report as of June 30, 2024.

The source of this estimate is Fiscal Note 2025-6 dated March 7, 2025 prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2025 Legislative Session. I, Richard A. Young, am the Chief Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.