

# STATE OF NEW YORK

10436--A

## IN SENATE

May 15, 2026

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- 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 the ordinary disability benefit for enhanced plan 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:

1 Section 1. Subdivisions c, c-1 and c-2 of section 506 of the retire-  
2 ment and social security law, subdivision c as added by chapter 890 of  
3 the laws of 1976, subdivision c-1 as added by chapter 298 of the laws of  
4 2016, subdivision c-2 as added by section 1 of part UU of chapter 55 of  
5 the laws of 2025, are amended to read as follows:

6 c. For the purpose of applying the five year service eligibility  
7 requirement in subdivision a of this section, and the years of credited  
8 service for purposes of calculating the ordinary disability retirement  
9 benefit for enhanced plan members in the New York city fire department  
10 pension fund as provided in subdivision c-1 of this section, service  
11 shall mean all credited service rendered since a member last joined a  
12 public retirement system. Provided however, if the member had been in  
13 active public service prior to joining the system involved, all contin-  
14 uous public service immediately prior to the date of membership shall be  
15 counted toward the five year service requirement, and provided further,  
16 that previous service as defined in subdivision b of section five  
17 hundred thirteen of this article either purchased or transferred to the  
18 New York city fire department pension fund, shall be counted as credited  
19 service for purposes of calculating the ordinary disability retirement  
20 benefit for enhanced plan members in the New York city fire department  
21 pension fund as provided in subdivision c-1 of this section. For the  
22 purpose of this subdivision, continuous public service shall mean  
23 service during a period in which an employee was not off the payroll of  
24 a public employer for more than thirty days.

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

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1 c-1. Notwithstanding any inconsistent provision of subdivision a or b  
 2 of this section, the ordinary disability benefit for a New York city  
 3 enhanced plan member in active service who is not eligible for a normal  
 4 retirement benefit, has completed five years or more of service, and has  
 5 been determined to be eligible for primary social security disability  
 6 benefits shall be a pension equal to the greater of (i) thirty-three and  
 7 one-third percent of final average salary, or (ii) two percent of final  
 8 average salary times years of credited service not in excess of the  
 9 maximum years of service for computing service retirement, provided  
 10 however, that the ordinary disability benefit for enhanced plan members  
 11 in the New York city fire department pension fund shall be one-fortieth  
 12 of final average salary multiplied by the number of years of credited  
 13 service, but in no event shall be less than one-half of final average  
 14 salary for such member who has ten or more years of credited service and  
 15 no less than thirty-three and one-third percent of final average salary  
 16 for such member with less than ten years of credited service, and  
 17 provided further, that such benefit in each case to be reduced by one  
 18 hundred percent of any workers' compensation benefits payable.

19 c-2. Notwithstanding any inconsistent provision of subdivision a, b or  
 20 c-1 of this section, the ordinary disability benefit for a New York city  
 21 enhanced plan member in the New York city fire department pension fund  
 22 shall not be conditioned upon eligibility for, or upon receipt of,  
 23 primary social security disability benefits, being ineligible for a  
 24 normal service retirement benefit or having completed five or more years  
 25 of credited service.

26 § 2. This act shall take effect immediately.

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

SUMMARY: This proposed legislation would increase and expand the  
 eligibility for Ordinary Disability Retirement benefits for Tier 3  
 Enhanced Plan 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 |
|------|------|
| 2027 | 5.6  |
| 2028 | 5.9  |
| 2029 | 6.2  |
| 2030 | 6.5  |
| 2031 | 6.8  |
| 2032 | 7.0  |
| 2033 | 7.3  |
| 2034 | 7.6  |
| 2035 | 7.9  |
| 2036 | 8.2  |
| 2037 | 8.5  |
| 2038 | 8.8  |
| 2039 | 9.1  |
| 2040 | 9.3  |
| 2041 | 9.6  |
| 2042 | 9.8  |
| 2043 | 10.0 |
| 2044 | 7.9  |
| 2045 | 8.1  |
| 2046 | 8.2  |
| 2047 | 8.4  |
| 2048 | 8.6  |

|      |     |
|------|-----|
| 2049 | 8.7 |
| 2050 | 8.8 |
| 2051 | 9.0 |

Projected contributions include future new hires that may be impacted. For Fiscal Year 2052 and beyond, the expected increase in normal cost as a level percent of pay for impacted new entrants is approximately 0.24%.

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, 2025 (\$ in Millions)

|                                   |            |
|-----------------------------------|------------|
| Present Value (PV)                | FIRE       |
| (1) PV of Employer Contributions: | 72.3       |
| (2) PV of Employee Contributions: | <u>0.0</u> |
| Total PV of Benefits (1) + (2):   | 72.3       |

**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 lifetime of those impacted using level dollar payments.

**AMORTIZATION OF UNFUNDED ACCRUED LIABILITY**

|                             |        |
|-----------------------------|--------|
|                             | FIRE   |
| Increase (Decrease) in UAL: | 22.1 M |
| Number of Payments:         | 17     |
| Amortization Payment:       | 2.3 M  |

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

|                    |         |
|--------------------|---------|
|                    | FIRE    |
| Active Members     |         |
| - Number Count:    | 6,509   |
| - Average Age:     | 34.5    |
| - Average Service: | 6.4     |
| - Average Salary:  | 118,200 |

**IMPACT ON ORDINARY DISABILITY ELIGIBILITY:** Currently, Tier 3 Enhanced Plan FIRE members are only eligible for an Ordinary Disability Retirement if they are in active service, have at least five years of credited service, and are ineligible for Normal Service Retirement (i.e., have less than 20 years of credited service).

Under the proposed legislation, both the five-year service requirement and the requirement of being ineligible for Normal Service Retirement, would be removed.

**IMPACT ON ORDINARY DISABILITY BENEFITS:** Currently, the Ordinary Disability Retirement benefit for a Tier 3 Enhanced Plan FIRE member is an annual pension equal to 2.0% of Final Average Salary (FAS) per year of credited service, but not less than one-third of FAS.

Under the proposed legislation, the Ordinary Disability Retirement benefit for such members would be an annual pension equal to 2.5% of FAS per year of credited service, but not less than one-third of FAS for members with fewer than 10 years of credited service, and not less than 50% of FAS for members with 10 or more years of credited service.

Additionally, the proposed legislation would expand the definition of credited service used in the calculation of the Ordinary Disability Retirement benefit to include certain public service that preceded FIRE membership that was either purchased or transferred into FIRE.

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.

\* Members who become disabled with more than 30 years of credited service were assumed to choose an Ordinary Disability Retirement which under the proposed legislation could exceed 75% of FAS, instead of an Accident Disability Retirement which is always 75% of FAS.

\* Based on historical data, costs associated with the inclusion of prior service in the calculation of the Ordinary Disability benefit under the proposed legislation were assumed to be minimal and have not been included in this Fiscal Note.

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 2026-96 dated June 1, 2026 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds and is intended for use only during the 2026 Legislative Session.