STATE OF NEW YORK

10471--A

IN SENATE

May 15, 2026

Introduced by Sen. GOUNARDES -- 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, the education law and the administrative code of the city of New York, in relation to providing cost-of-living adjustments

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

Section 1. Subdivision g of section 78-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be [~~fifty~~] **one hundred** percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

§ 2. Subdivision g of section 378-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be [~~fifty~~] **one hundred** percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a

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

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payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

§ 3. Subdivision g of section 532-a of the education law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member, shall be entitled to receive benefits pursuant to this section. Said benefits shall be [~~fifty~~] **one hundred** percent of the monthly benefits which the pensioner would be receiving pursuant to this section if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

§ 4. Subdivision g of section 13-696 of the administrative code of the city of New York, as added by chapter 125 of the laws of 2000, is amended to read as follows:

g. Notwithstanding any other provision of law, **effective the first day of September, two thousand twenty-seven,** the surviving spouse of a deceased retired member of the New York city employees' retirement system, the New York city teachers' retirement system, the New York city police pension fund, the New York city fire department pension fund or the New York city board of education retirement system who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the member, shall be entitled to receive a benefit pursuant to this section. Said benefit shall be [~~fifty~~] **one hundred** percent of the monthly benefit which the pensioner would be receiving if living, and shall commence (i) with a payment for the month of September, two thousand **twenty-seven**, or (ii) the month following the death of the deceased retired member, whichever is later.

§ 5. This act shall take effect immediately.

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

This bill would amend the retirement and social security law (RSSL) to increase the defined benefit cost-of-living adjustment (COLA) for New York public retirement systems. Beginning with pension payments in September 2027, the cost-of-living benefit payable to a surviving spouse who is eligible for COLA will be increased from fifty percent to one hundred percent of the COLA payment that the retiree would have received.

Pursuant to section 25 of the RSSL, retrospective costs in the New York State and Local Employees' Retirement System (NYSLERS) arising from prior service would be borne entirely by the state of New York and would require an itemized appropriation sufficient to pay the cost of the provision.

Insofar as this bill affects NYSLERS, the present value of benefits would increase by approximately $1.8 billion.

In NYSLERS, this benefit improvement will be funded by (1) billing a one-time charge to cover retrospective benefit increases and (2) increasing the billing rates charged annually to cover prospective benefit increases, as follows:

(1) To fund retrospective costs, the state of New York will be required to pay $1.92 billion as of March 1, 2027.

(2) To fund prospective costs, annual billing rates charged to all participating employers in NYSLERS would increase by 0.04% of billable

salary. Systemwide, annual contributions would increase by approximately $5.3 million for the state of New York and $7.9 million for the local participating employers. This permanent annual cost will vary in future billing cycles with changes in the billing rate and salary of the affected members.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the present value of benefits would increase by approximately $207 million.

NYSLPFRS	Increase in present value of benefits	Increase in required contributions
Pensioners	$182 mn	$ 0 mn
Actives Tiers 1-5 (Closed)	$ 15 mn	$ 70 mn
Actives Tier 6 (Open)	$ 10 mn	$137 mn
Total	$207 mn	$207 mn

Benefit improvements will be funded by increasing the billing rates charged annually. The annual billing rate required of all participating employers in NYSLPFRS would increase 0.4% of billable salary. System-wide, annual contributions would increase approximately $3.6 million to the state of New York and $15.2 million to the local participating employers. This permanent annual cost will vary in future billing cycles with changes in the billing rate and salary of the affected members.

Summary of relevant resources:

Membership data as of March 31, 2025 was used to measure the impact of the bill, the same data used in the Actuarial Valuations dated April 1, 2025. Distributions and other statistics can be found in the 2025 Report of the Actuary and the 2025 Annual Comprehensive Financial Report. The actuarial assumptions and methods used are described in the 2025 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control. The fair value of assets and GASB disclosures can be found in the 2025 Financial Statements and Supplementary Information.

Assumptions, demographics, and other considerations may have been modified to better reflect specific provisions of any proposed benefit change(s).

This fiscal note does not constitute a legal opinion on the viability of the bill, nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated April 23, 2026, and intended for use only during the 2026 Legislative Session, is Fiscal Note Number 2026-161. As Chief Actuary of the New York State and Local Retirement System (NYSLRS), I, Aaron Schottin Young, hereby certify that this analysis complies with applicable Actuarial Standards of Practice as well as the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion of the American Academy of Actuaries, of which I am a member. I am a member of NYSLRS but do not believe it impairs my objectivity.

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

Bill Description:

This fiscal note is prepared for legislative bill draft #15258-01-6. This bill would amend subdivision g of Section 532-a of the Education Law to increase the cost-of-living adjustment (COLA) benefit to surviving spouse beneficiaries of deceased retirees who elected an option which provides a lifetime benefit to their surviving spouse. The COLA

survivor benefit would be equal to 100% of the monthly benefit which the retiree would be receiving if alive. The current COLA survivor benefit is equal to 50% of the benefit the retiree would be receiving if alive. This increase in spousal survivor benefit would also be applicable to the "catch-up" supplementation provided under subdivision f to eligible retirees who retired before January 1, 1997. This benefit improvement would be effective with the September 2027 payment.

Cost:

The annual cost to the participating employers of the New York State Teachers' Retirement System for this benefit is estimated to be $48.1 million or 0.23% of payroll if this bill is enacted.

Data:

Member data as of June 30, 2025, prepared for the most recent actuarial valuation was used in determining this cost. The most recent data distributions and statistics can be found in the System's Annual Report for the fiscal year ended June 30, 2025. System assets are as reported in the System's financial statements which can be found in the System's Annual Report. This data will also be provided in the System's Actuarial Valuation Report as of June 30, 2025.

Methods and Assumptions:

A summary of actuarial assumptions and methods will be provided in the System's Actuarial Valuation Report as of June 30, 2025. Further details can be found in the most recent Recommended Actuarial Assumptions 2025 Report.

Actuarial Certification:

We, the undersigned actuaries for the New York State Teachers' Retirement System, certify the following:

1. The actuarial assumptions, methods, and data used are reasonable for the purposes of this fiscal note, internally consistent and are in accordance with standards of practice prescribed by the Actuarial Standards Board and generally accepted actuarial principles and procedures.

2. We relied on member data supplied by the participating employers of the New York State Teachers' Retirement System and assets as supplied in the annual Financial Statements by NYSTRS' Finance Department.

3. Results were prepared based on our current understanding of the proposal as of the date of this fiscal note. If the language or our understanding of the proposal changes, the results could change and require the issuance of a new fiscal note. The next annual update of the actuarial valuation could also produce different results. Results should not be relied upon for any other purpose.

4. This fiscal note was prepared in accordance with New York State Retirement and Social Security Law, New York State Education Law, applicable Internal Revenue Code, and accepted actuarial standards of practice as of the date of this fiscal note. This fiscal note does not constitute a legal opinion on the viability of this legislative proposal.

5. We are members of the American Academy of Actuaries and the Society of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. We are currently compliant with the Continuing Professional Development Requirement of the Society of Actuaries.

Fiscal Note Identification:

This Fiscal Note, 2026-57, dated May 20, 2026, was prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2026 Legislative Session.

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 Cost-of-Living Adjustment (COLA), effective September 1, 2027, to an eligible surviving spouse from 50% to 100% of the COLA the pensioner would be receiving if still alive.

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

Year	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
2027	469.3	194.1	21.0	49.9	15.1	749.4
2028	8.2	2.8	0.4	0.5	0.2	12.1
2029	8.2	2.8	0.4	0.5	0.2	12.1
2030	8.2	2.8	0.4	0.5	0.2	12.1
2031	8.1	2.8	0.4	0.5	0.2	12.0
2032	8.1	2.8	0.4	0.5	0.2	12.0
2033	8.1	2.8	0.4	0.5	0.2	12.0
2034	8.0	2.8	0.4	0.5	0.2	11.9
2035	8.0	2.8	0.4	0.5	0.2	11.9
2036	8.0	2.8	0.4	0.5	0.2	11.9
2037	8.0	2.8	0.4	0.4	0.2	11.8
2038	8.0	2.8	0.4	0.4	0.2	11.8
2039	3.3	2.8	0.4	0.2	0.2	6.9
2040	3.3	2.8	0.2	0.2	0.1	6.6
2041	3.3	1.1	0.2	0.2	0.1	4.9
2042	3.4	1.1	0.2	0.2	0.1	5.0
2043	3.4	1.1	0.2	0.2	0.1	5.0
2044	3.4	1.1	0.2	0.2	0.1	5.0
2045	3.4	1.1	0.2	0.2	0.1	5.0
2046	3.5	1.1	0.2	0.2	0.1	5.1
2047	3.5	1.1	0.2	0.2	0.1	5.1
2048	3.6	1.2	0.2	0.2	0.1	5.3
2049	3.6	1.2	0.2	0.2	0.1	5.3
2050	3.7	1.2	0.3	0.2	0.1	5.5
2051	3.7	1.2	0.3	0.2	0.1	5.5

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 0.007% for NYCERS, 0.003% for TRS, 0.005% for BERS, 0.001% for POLICE, and 0.002% for FIRE.

The initial increase in employer contributions of $749.4 million is estimated to be $486.2 million for New York City and $263.2 million for the other obligors of NYCRS.

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)	NYCERS	TRS	BERS	POLICE	FIRE
(1) PV of Employer Contributions:	479.7	197.0	21.8	48.5	15.3
(2) PV of Employee Contributions:	0.0	0.0	0.0	0.0	0.0
Total PV of Benefits (1) + (2):	479.7	197.0	21.8	48.5	15.3

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	POLICE	FIRE
Increase (Decrease) in UAL:	452.9 M	187.1 M	20.0 M	46.8 M	14.4 M
Number of Payments:	12	14	13	12	13
Amortization Payment:	4.7 M	1.7 M	0.2 M	0.3 M	0.1 M
Additional One-time Payment:	461.1 M	191.3 M	20.6 M	49.4 M	14.9 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.

	NYCERS	TRS	BERS	POLICE	FIRE
Active Members					
- Number Count:	182,611	129,814	46,890	33,950	11,178
- Average Age:	47.8	44.6	44.8	37.1	40.3
- Average Service:	11.6	12.4	5.4	10.6	13.1
- Average Salary:	95,900	104,500	44,000	134,100	141,300
Term. Vested Members					
- Number Count:	29,094	22,728	4,259	1,534	56
- Average Age:	51.9	47.5	51.5	39.1	44.0
Receiving Members					
- Number Count:	46,414	26,335	3,208	3,825	1,712
- Average Age:	74.3	75.8	75.8	63.1	66.5

IMPACT ON MEMBER BENEFITS: The surviving spouse of a deceased retired member who retired under an option which provides that benefits are to be continued for life to the surviving spouse after the death of the retired member is currently entitled to receive a COLA equal to 50% of the COLA the pensioner would be receiving if living. This proposed legislation would change from 50% to 100% the percentage of COLA a surviving spouse receives after the death of the retired member.

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:

* Assumptions for active members electing a form of pension at retirement that would continue a payment to a surviving spouse (ranging from 15% to 30%) were made based on the distribution of current elections and an estimate of future elections.

* 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 2026-89 dated May 19, 2026 was prepared by the Chief Actuary for the New York City Retirement Systems and Pension Funds. This estimate is intended for use only during the 2026 Legislative Session.