

STATE OF NEW YORK

4706

2025-2026 Regular Sessions

IN SENATE

February 11, 2025

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to service retirement benefits for uniformed correction members of the New York city employees' retirement system

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, is amended to read as
3 follows:

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

17 b. The early service retirement benefit for police/fire members, New
18 York city uniformed correction/sanitation revised plan members and
19 investigator revised plan members shall be a pension equal to two and
20 one-tenths percent of final average salary times years of credited
21 service at the completion of twenty years of service or upon attainment
22 of age sixty-two, increased by one-third of one percent of final average
23 salary for each month of service in excess of twenty years, but not in
24 excess of fifty percent of final average salary, less fifty percent of

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

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1 the primary social security retirement benefit commencing at age sixty-
2 two as provided in section five hundred eleven of this article,
3 provided, however, that New York city police/fire revised plan members,
4 New York city uniformed correction/sanitation revised plan members and
5 investigator revised plan members shall not be eligible to retire for
6 service prior to the attainment of twenty years of credited service, and
7 provided further that for New York city uniformed correction revised
8 plan members of the New York city employees' retirement system, the
9 early service retirement benefit shall not be reduced by the primary
10 social security retirement benefit commencing at age sixty-two as
11 provided in section five hundred eleven of this article.

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

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

30 h. This section shall not apply to New York city uniformed correction
31 revised plan members of the New York city employees' retirement system
32 who receive a service retirement benefit pursuant to section five
33 hundred five of this article or a deferred vested benefit pursuant to
34 section five hundred sixteen of this article.

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

38 c. The deferred vested benefit of police/fire members, New York city
39 police/fire revised plan members, New York city uniformed
40 correction/sanitation revised plan members or investigator revised plan
41 members shall be a pension commencing at early retirement age equal to
42 two and one-tenths percent of final average salary times years of cred-
43 ited service, less fifty percent of the primary social security retire-
44 ment benefit commencing at age sixty-two, as provided in section five
45 hundred eleven of this article, except that for New York city uniformed
46 correction revised plan members of the New York city employees' retire-
47 ment system, the deferred vested benefit shall not be reduced by the
48 primary social security retirement benefit commencing at age sixty-two
49 as provided in section five hundred eleven of this article. A
50 police/fire member, a New York city police/fire revised plan member, a
51 New York city uniformed correction/sanitation revised plan member or
52 investigator revised plan member may elect to receive [~~his~~] their vested
53 benefit commencing at early retirement age or age fifty-five. If the
54 vested benefit commences before early retirement age, the benefit shall
55 be reduced by one-fifteenth for each year, if any, that the member's
56 early retirement age is in excess of age sixty, and by one-thirtieth for

1 each additional year by which the vested benefit commences prior to
 2 early retirement age. If such vested benefit is deferred until after
 3 such member's normal retirement age, the benefit shall be computed and
 4 subject to annual escalation in the same manner as provided for an early
 5 retirement benefit pursuant to subdivision c of section five hundred
 6 five of this article.

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

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

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

SUMMARY: This proposed legislation would eliminate the offset equal to 50% of the primary social security benefit in the service, early service, and vested retirement benefits for certain Tier 3 Correction members of NYCERS.

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

Year	NYCERS
2026	33.8
2027	19.4
2028	20.8
2029	22.2
2030	23.8
2031	25.4
2032	26.6
2033	27.9
2034	29.2
2035	30.3
2036	31.2
2037	32.1
2038	33.0
2039	24.8
2040	25.7
2041	26.6
2042	27.5
2043	28.5
2044	29.6
2045	30.7
2046	31.8
2047	32.8
2048	33.9
2049	35.0
2050	36.2

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the increase in normal cost for new entrants will remain level as a percent of pay for the impacted population (approximately 2.36%).

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:	192.7
(2) PV of Employee Contributions:	<u>0.0</u>
Total PV of Benefits (1) + (2):	192.7

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
Increase (Decrease) in UAL:	87.5 M
Number of Payments:	13
Amortization Payment:	9.1 M
Additional One-time Payment:	15.6 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:	3,165
- Average Age:	39.8
- Average Service:	8.4
- Average Salary:	124,900
Term. Vested Members	
- Number Count:	686
- Average Age:	39.8

IMPACT ON MEMBER BENEFITS: Currently, Tier 3 normal service retirement, early service retirement, and vested retirement benefits for Corrections members in 22-Year Plans are subject to an offset equal to 50% of the primary social security benefit as defined in Retirement and Social Security Law (RSSL) Section 511 beginning at age 62.

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

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, demo-

graphics 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.

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

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 2025-09 dated February 10, 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.