STATE OF NEW YORK

6956--C

2025-2026 Regular Sessions

IN SENATE

March 27, 2025

Introduced by Sens. C. RYAN, ADDABBO, BORRELLO, COMRIE, COONEY, FAHY, FERNANDEZ, GALLIVAN, HARCKHAM, HINCHEY, JACKSON, LANZA, MARTINEZ, MATTERA, MAYER, MURRAY, ORTT, PALUMBO, RHOADS, ROLISON, SCARCELLA-SPANTON, SKOUFIS, WEBER -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- reported favorably from said committee and committed to the Committee on Finance -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading -- again amended and ordered reprinted, retaining its place in the order of third reading -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- 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 increasing the earning limitations for retired persons in positions of public service

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

Section 1. Section 212 of the retirement and social security law is amended by adding a new subdivision 2-a to read as follows:

2-a. Notwithstanding the provisions of subdivision two of this section, the earnings limitation for retired persons in a position of public service shall be increased to sixty-five thousand dollars from the year two thousand twenty-seven and thereafter.

§ 2. This act shall take effect immediately.

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

Bill Description:

This fiscal note is prepared for legislative bill draft #03695-08-6. This bill would add a new subdivision 2-a to Section 212 of the Retirement and Social Security Law to increase the earnings-after-retirement

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

LBD03695-12-6

limitation to $65,000 for retired members who return to work in positions of public employment for calendar year 2027 and thereafter. Currently this earnings limitation is $35,000. There is no earnings limitation for retirees age 65 and above.

Cost:

The annual cost to the participating employers of the New York State Teachers' Retirement System is estimated to be $86.3 million or 0.42% of payroll if this bill is enacted.

Included in this cost is the expectation that this increase in the earnings-after-retirement limit will have an impact on the Retirement System's patterns of retirement resulting in some members retiring earlier than they otherwise would have. Earlier retirement generally increases plan costs since members will be receiving their benefits for a longer period. If retirement patterns shift more than expected, there will be additional costs.

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. For the purposes of this fiscal note, the retirement rates have been increased from the rates included in this report to reflect earlier patterns of retirement.

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, 2026-15, dated January 29, 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:

This bill would amend the retirement and social security law (RSSL) to add new subdivision 2-a to §212, increasing the earnings limitation for a retired person of the New York State and Local Retirement System who returns to public employment to $65,000 beginning in 2027. Currently, the salary limit is $35,000.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), the direct cost incurred would be the retiree's pension benefit paid while post-retirement earnings are between $35,000 and $65,000 each calendar year. The pension benefit expected to be paid by NYSLERS during that 4.5-month period is estimated to be $18,000 per person.

There would be additional costs in the form of lost employer contributions due to non-billable post-retirement earnings, which are estimated to be $5,400 per person.

In NYSLERS, pursuant to section 25 of the RSSL, the increased costs would be borne entirely by the state of New York and would require an itemized appropriation sufficient to pay the cost of the provision. For each retiree rehired pursuant to this proposal, an annual cost of $23,400 is expected.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the direct cost incurred would be the retiree's pension benefit paid while post-retirement earnings are between $35,000 and $65,000 each calendar year. The pension benefit expected to be paid by NYSLPFRS during that 2-month period is estimated to be $15,000 per person.

There would be additional costs in the form of lost employer contributions due to non-billable post-retirement earnings, which are estimated to be $11,000 per person.

In NYSLPFRS, all costs will be shared by the state of New York and all participating employers and spread over future billing cycles. For each retiree rehired pursuant to this proposal, an annual cost of $26,000 is expected.

Insofar as this proposal disrupts the usual pattern and timing of employee turnover (that is, if members retire earlier than assumed and participating employers hire a retiree instead of a new billable member), shifts in member behavior could generate losses that increase the average billing rate in 20-year and 25-year service-based plans from 36.5% to 64.3%. In age-based plans, average billing rates could increase from 17.6% to 21.8%. The actual increase in billing rates will depend upon member and employer utilization, with the rates above representing an upper maximum.

This proposal exclusively benefits retirees. Therefore, the increased costs are attributable to legacy groups, but funding for this proposal will be collected on salary reported for current and future members of Tier 6.

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 January 28, 2026, and intended for use only during the 2026 Legislative Session, is Fiscal Note Number 2026-60. 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:

SUMMARY: This proposed legislation would increase the $35,000 Retirement and Social Security Law (RSSL) Section 212 post-retirement public employment earnings limit to $65,000 for calendar year 2027 and each year thereafter for certain New York City Retirement Systems and Pension Funds (NYCRS) retirees who return to public service.

ILLUSTRATION - ADDITIONAL RETIREMENT ALLOWANCE TO BE PAID

Annual Retirement Allowance	Annual Post-Retirement Earnings in Calendar Year				
	$40,000	$50,000	$60,000	$70,000	$80,000
$30,000	$3,750	$9,000	$12,500	$12,857	$11,250
$40,000	$5,000	$12,000	$16,667	$17,143	$15,000
$50,000	$6,250	$15,000	$20,833	$21,429	$18,750
$60,000	$7,500	$18,000	$25,000	$25,714	$22,500
$70,000	$8,750	$21,000	$29,167	$30,000	$26,250
$80,000	$10,000	$24,000	$33,333	$34,286	$30,000
$90,000	$11,250	$27,000	$37,500	$38,571	$33,750
$100,000	$12,500	$30,000	$41,667	$42,857	$37,500

The resulting increases in employer contributions will be allocated to New York City and other applicable obligors of NYCRS.

CENSUS DATA: The number of retirees who will return to public service in the future is unknown and the portion of the pension allowance suspended is highly dependent on their salary earned. The results above illustrate the additional pension amount that would be paid under this legislation given a retiree's post-retirement earnings and pension allowance. The preliminary census data collected as of June 30, 2025 for the potentially impacted service retiree population is summarized below.

	NYCERS	TRS	BERS	POLICE	FIRE
Receiving Members					
- Number Count:	21,212	10,658	1,972	24,775	1,276
- Average Age:	60.0	60.9	61.8	56.3	56.4
- Average Benefit:	47,000	59,200	19,600	76,300	103,900

IMPACT ON PENSION PAYMENTS: Retirees below age 65 who return to public service and elect to be covered under the provisions of RSSL Section 212 are permitted to earn an amount not exceeding a specific dollar limit in each calendar year. Once this dollar limit is reached, the retiree's retirement allowance is suspended for the remainder of that calendar year. The amount of the retirement allowance suspended is contingent upon both individual post-retirement earnings and annual retirement allowances.

Currently, the post-retirement earnings limitation in effect for calendar year 2020 and each year thereafter is $35,000. Under the proposed legislation, the post-retirement earnings limitation would be increased to $65,000 for calendar year 2027 and each year thereafter.

ASSUMPTIONS AND METHODS: For illustrative purposes only, the table above presents the estimated additional retirement allowances paid (i.e., those benefits that would not be subject to suspension) for various sample combinations of post-retirement annual earnings and annual retirement allowance amounts.

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 2026-28 dated March 6, 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.