

STATE OF NEW YORK

7115

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sen. SCARCELLA-SPANTON -- 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, the education
law and the administrative code of the city of New York, in relation
to supplemental military retirement allowances for members of public
retirement systems of the state

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

1 Section 1. Section 1000 of the retirement and social security law is
2 amended by adding a new subdivision 8-a to read as follows:

3 8-a. A person who retired prior to May thirty-first, two thousand
4 seventeen and who would have been entitled to the provisions of this
5 section, may make application to such retirement system no later than
6 December thirty-first, two thousand twenty-five for a supplemental mili-
7 tary retirement allowance pursuant to this subdivision. The supple-
8 mental retirement allowance provided by this subdivision shall be in
9 lieu of any benefit otherwise provided pursuant to this section and any
10 credit granted for military service with any retirement system of this
11 state pursuant to any other section of law. Upon receipt of an applica-
12 tion, the retirement system shall determine the amount of service credit
13 such person would have been entitled to receive pursuant to subdivisions
14 one and two of this section, subject to the limitations contained in
15 this section. The supplemental military retirement allowance shall equal
16 the retirement allowance of such person, computed without optional
17 modification and not to exceed fifteen thousand dollars, multiplied by
18 twenty-five one-hundredths of one percent per month of the service cred-
19 it as determined pursuant to this subdivision. One-twelfth of the
20 supplemental military retirement allowance shall be added to the retire-
21 ment allowance of such person each month. The benefit payable pursuant
22 to this section shall commence on the next retirement allowance payable

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

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1 at least thirty days after the receipt of an application from such
2 person. For the purposes of this subdivision, retirement allowance shall
3 exclude any annuity derived from voluntary contributions made by the
4 individual, except those made pursuant to elections under subdivision
5 one of section five hundred eleven-a or paragraph c of subdivision three
6 of section five hundred sixteen of the education law, but shall include
7 any cost of living adjustment derived from sections seventy-eight-a and
8 three hundred seventy-eight-a of this chapter or section five hundred
9 thirty-two-a of the education law, as applicable. The benefit payable
10 pursuant to this subdivision shall be payable for the life of the
11 retired member only, except that the surviving spouse of a deceased
12 member who retired under an option providing a benefit to be continued
13 for life to the surviving spouse after the death of the member shall be
14 entitled to receive fifty percent of the monthly benefit that the
15 retired member would be receiving pursuant to this subdivision, if
16 living, commencing with the next retirement allowance payable at least
17 thirty days after receipt of an application from the retired member for
18 the benefit or payable after the death of the retired member.

19 § 2. Subdivision b of section 78-a of the retirement and social secu-
20 rity law, as added by chapter 125 of the laws of 2000, is amended to
21 read as follows:

22 b. Said cost-of-living adjustment shall be a percentage of the annual
23 retirement allowance otherwise payable, computed without optional
24 modification, but including any benefit derived from subdivision f of
25 this section [~~and~~], any prior year's cost-of-living adjustment derived
26 from this section and the amount of any supplemental military retirement
27 allowance derived from subdivision eight-a of section one thousand of
28 this chapter. Said percentage is set forth in subdivision d of this
29 section.

30 § 3. Subdivision b of section 378-a of the retirement and social secu-
31 rity law, as added by chapter 125 of the laws of 2000, is amended to
32 read as follows:

33 b. Said cost-of-living adjustment shall be a percentage of the annual
34 retirement allowance otherwise payable, computed without optional
35 modification, but including any benefit derived from subdivision f of
36 this section [~~and~~], any prior year's cost-of-living adjustment derived
37 from this section and the amount of any supplemental military retirement
38 allowance derived from subdivision eight-a of section one thousand of
39 this chapter. Said percentage is set forth in subdivision d of this
40 section.

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

43 b. Said cost-of-living adjustment shall be a percentage of the annual
44 retirement allowance otherwise payable, computed without optional
45 modification, excluding any annuity derived from voluntary contributions
46 made by members, except those made pursuant to elections under subdivi-
47 sion one of section five hundred eleven-a or paragraph c of subdivision
48 three of section five hundred sixteen of this article, but including any
49 benefit derived from subdivision f of this section [~~and~~], any prior
50 year's cost-of-living adjustment derived from this section and the
51 amount of any supplemental military retirement allowance derived from
52 subdivision eight-a of section one thousand of the retirement and social
53 security law. Said percentage is set forth in subdivision d of this
54 section.

§ 5. Subdivision b 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:

b. Said cost-of-living adjustment shall be a percentage of the annual fixed retirement allowance otherwise payable, computed without optional modification, but including any benefit derived from subdivision f of this section ~~[and]~~, any prior year's cost-of-living adjustment derived from this section and the amount of any supplemental military allowance derived from subdivision eight-a of section one thousand of the retirement and social security law. Said percentage is set forth in subdivision d of this section.

§ 6. This act shall take effect immediately.

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

This bill would amend Section 1000 of the Retirement and Social Security Law to allow retirees of the New York State and Local Retirement Systems to apply for a supplemental pension benefit. The amount of the supplemental benefit would be the retiree's current benefit up to \$15,000 times 3% for each year of military service up to three years, that was not credited prior to retirement. The retiree must have retired prior to May 31, 2017. Half of the supplement would continue to be paid to a spousal beneficiary collecting a lifetime benefit.

Applications must be filed before January 1, 2026. Payments of the supplemental benefit begin with the first monthly pension payment issued at least 30 days after receipt of the application, should it be approved.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), pursuant to Section 25 of the Retirement and Social Security Law, 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. If this bill were enacted during the 2025 Legislative Session, the increase in the present value of benefits would be approximately \$55.8 million.

In NYSLERS, this benefit improvement will be funded entirely by billing a past service cost to cover retrospective benefit increases. To fund these retrospective costs, the State of New York will be required to pay \$62.3 million (including interest) as of March 1, 2026.

Insofar as this bill affects the New York State and Local Police and Fire Retirement System (NYSLPFRS), the increased costs would be shared by the State of New York and the local participating employers in the NYSLPFRS. If this bill were enacted during the 2025 Legislative Session, the increase in the present value of benefits would be approximately \$26.3 million.

NYSLPFRS	Increase in present value of benefits	Increase in required contributions
Pensioners	\$ 26.3 mn	\$ 0.0 mn
Actives Tiers 1-5 (Closed)	\$ 0.0 mn	\$ 10.8 mn
Actives Tier 6 (Open)	\$ 0.0 mn	\$ 15.5 mn
Total	\$ 26.3 mn	\$ 26.3 mn

In the NYSLPFRS, this benefit improvement will be funded by increasing the billing rates charged annually to cover both retrospective and prospective benefit increases. The annual contribution required of all participating employers in NYSLPFRS is 0.1% of billable salary, or approximately \$870,000 to the State of New York and approximately \$3.8

million to the local participating employers. This permanent annual cost will vary in subsequent billing cycles with changes in the billing rate and salary of the affected members.

The exact number of retirees who could be affected by this legislation cannot be readily determined.

Summary of relevant resources:

Membership data as of March 31, 2024 was used in measuring the impact of the proposed change, the same data used in the April 1, 2024 actuarial valuation. Distributions and other statistics can be found in the 2024 Report of the Actuary and the 2024 Annual Comprehensive Financial Report. The actuarial assumptions and methods used are described in the 2024 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes, Rules and Regulations of the State of New York: Audit and Control. The Market Assets and GASB Disclosures are found in the March 31, 2024 New York State and Local Retirement System Financial Statements and Supplementary Information.

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

This estimate, dated March 7, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-75. As Chief Actuary of the New York State and Local Retirement System, 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.