STATE OF NEW YORK

7314--C

2025-2026 Regular Sessions

IN SENATE

April 9, 2025

Introduced by Sens. JACKSON, GIANARIS, SCARCELLA-SPANTON -- 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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law and the administrative code of the city of New York, in relation to permit surviving spouses of certain retirement plan members to retain certain benefits upon remarriage

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

Section 1. Subdivision 7 of section 501 of the retirement and social security law, as amended by chapter 457 of the laws of 2017, is amended to read as follows:

7. "Eligible beneficiary" for the purposes of section five hundred nine of this article shall mean the following persons or classes of persons in the order set forth: (a) a surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage, (b) surviving children until age twenty-five, (c) dependent parents, determined under regulations promulgated by the comptroller, (d) any other person who qualified as a dependent on the final federal income tax return of the member or the return filed in the year immediately preceding the year of death, until such person reaches twenty-one years of age, (e) with respect to members of the New York city employees' retirement system (other than a New York city uniformed correction/sanitation revised plan member or an investigator revised plan member) and the board of education retirement system of the city of New York, a person whom the member shall have nominated in the form of a written designation, duly acknowledged and filed with the head of the

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

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retirement system for the purpose of section five hundred eight of this article. In the event that a class of eligible beneficiaries consists of more than one person, benefits shall be divided equally among the persons in such class. For the purposes of section five hundred eight of this article the term "eligible beneficiary" shall mean such person as the member shall have nominated to receive the benefits provided in this article. To be effective, such a nomination must be in the form of a written designation, duly acknowledged and filed with the head of the retirement system for this specific purpose. In the event such designated beneficiary does not survive [~~him~~] the member, or if [~~he~~] such member shall not have so designated a beneficiary, such benefits shall be payable to the deceased member's estate or as provided in section one thousand three hundred ten of the surrogate's court procedure act [~~and~~],

(f) notwithstanding any other provisions of law, "eligible beneficiary" of a New York city uniformed sanitation revised plan member for the purposes of section five hundred nine of this article shall mean the following persons or classes of persons in the order set forth: (i) a surviving spouse who has not renounced survivorship rights in a separation agreement, (ii) surviving children until age twenty-five, (iii) dependent parents, determined under regulations promulgated by the comptroller and (iv) any other person who qualified as a dependent on the final federal income tax return of the member or the return filed in the year immediately preceding the year of death, until such person reaches twenty-one years of age, and (g) notwithstanding any other provisions of law, "eligible beneficiary" of a New York city police pension fund member for the purposes of section five hundred nine of this article shall mean the following persons or classes of persons in the order set forth: (i) a surviving spouse who has not renounced survivorship rights in a separation agreement, (ii) surviving children until age twenty-five, (iii) dependent parents, determined under regulations promulgated by the comptroller, and (iv) any other person who qualified as a dependent on the final federal income tax return of the member or the return filed in the year immediately preceding the year of death, until such person reaches twenty-one years of age.

§ 2. Subdivision a of section 13-209 of the administrative code of the city of New York is amended to read as follows:

a. The board of trustees of the pension fund shall pay a pension out of such fund to the spouse, child or children or dependent parent or parents of any deceased member of the police force in such department, if the death of such member occur during [~~his or her~~] their service in such police force, or after [~~he or she~~] such member was retired from service in such force. The amount of any such pension to be paid by the board of trustees to each of the several representatives of such member, in case there shall be more than one, from time to time, may be determined by such board according to the circumstances of each case. The annual pension to the representative or representatives of such member, however, shall be six hundred dollars, and no part of such sum shall be paid to any [~~such spouse who shall remarry, after such remarriage, or to any~~] child after it shall have reached the age of eighteen years.

In lieu of the aforementioned pension, when a member of the force dies while in active service, [~~his or her~~] their beneficiary shall be paid the accumulated deductions of such deceased member if written application therefor be made to the board of trustees by such beneficiary.

§ 3. This act shall take effect immediately and shall apply to surviving spouses in pay status as of such date and for members dying on or after such date.

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 allow eligible Tier 3 surviving spouses of New York City Police Pension Fund (POLICE) members to continue to receive certain accidental death benefits, in lieu of other potential beneficiaries, after remarriage.

EXPECTED INCREASE (DECREASE) IN EMPLOYER CONTRIBUTIONS: Because members of POLICE are eligible for Special Accidental Death Benefits (SADB), the proposed legislation is not expected to change the amount or timing of employer contributions. However, as explained below, the allocation of a portion of death benefits among beneficiaries may change.

IMPACT ON SURVIVOR BENEFITS: The accidental death benefits payable to beneficiaries of Tier 3 POLICE members is approximately 100% of salary pursuant to SADB under General Municipal Law 208-f and is offset by any non-SADB accidental death benefits (RSSL 509). The SADB is paid to the deceased member's surviving spouse, if alive, regardless of subsequent marital status.

Currently, surviving spouses receiving accidental death benefits who subsequently remarry stop receiving the non-SADB portion of the accidental death benefit. Instead, the non-SADB death benefit would be paid to the deceased member's children until age 25, dependent parents, or other eligible beneficiaries, if any. If there are no other eligible beneficiaries upon remarriage, then 100% of salary would still be paid to the spouse pursuant to SADB.

Under the proposed legislation, surviving spouses who are in pay status on or after the effective date and subsequently remarry, would continue to receive both the non-SADB and SADB portion of the accidental death benefit. Any beneficiaries lower in the hierarchy of eligible recipients (such as qualifying children under age 25 or dependent parents) would lose eligibility to such non-SADB accidental death benefits to the extent the surviving spouse who remarries is still alive.

ASSUMPTIONS AND METHODS: The estimates presented herein have been calculated based on the Revised 2021 Actuarial Assumptions and Methods of the impacted retirement systems.

For purposes of this Fiscal Note, potential costs related to Section 2 of the proposed legislation, which modifies benefits for a class of members whose plan has been closed since approximately 1940 and generally rendered inoperable pursuant to Chapter 503 of the Laws of 1995, have not been included.

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 2025-67 dated May 20, 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.