# STATE OF NEW YORK

7808--A

2025-2026 Regular Sessions

# IN SENATE

May 9, 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 -- 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 determination of salary base for members of the New York city police pension fund

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

Section 1. Section 443 of the retirement and social security law is amended by adding a new subdivision i to read as follows:

***i. Notwithstanding any general, special or local law, charter, administrative code, agreement, resolution or rule or regulation to the contrary, the salary base for members of the New York city police pension fund whose employment with the police department of the city of New York commenced on or after the first of July, two thousand to whom this article otherwise applies shall be determined in the same manner as the salary base for members of the New York city police pension fund whose employment with the police department of the city of New York commenced before the first of July, two thousand.***

§ 2. This act shall take effect immediately and shall apply to members of the New York city police pension fund who retire on or after such effective date.

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

SUMMARY: This proposed legislation would change the salary base for Tier 2 members of the New York City Police Pension Fund (POLICE) who were hired on or after July 1, 2000 to be the greater of final salary or a three-year average.

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

LBD03630-04-6

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

| Year | POLICE |
|---|---|
| 2027 | 6.1 |
| 2028 | 6.0 |
| 2029 | 5.9 |
| 2030 | 5.8 |
| 2031 | 0.6 |
| 2032 | 0.5 |
| 2033 | 0.5 |
| 2034 | 0.4 |
| 2035 | 0.3 |
| 2036 | 0.3 |
| 2037 | 0.2 |
| 2038 | 0.2 |
| 2039 | 0.2 |
| 2040 | 0.1 |
| 2041 | 0.1 |
| 2042 | 0.1 |
| 2043 | 0.1 |
| 2044 | 0.1 |
| 2045 | 0.0 |
| 2046 | 0.0 |
| 2047 | 0.0 |
| 2048 | 0.0 |
| 2049 | 0.0 |
| 2050 | 0.0 |
| 2051 | 0.0 |

Employer Contribution impact beyond Fiscal Year 2051 is not shown.

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, 2025 ($ in Millions)

| Present Value (PV) | POLICE |
|---|---|
| (1) PV of Employer Contributions: | 21.6 |
| (2) PV of Employee Contributions: | 0.0 |
| Total PV of Benefits (1) + (2): | 21.6 |

UNFUNDED ACCRUED LIABILITY (UAL): Actuarial Accrued Liabilities are the portion of the Present Value of Benefits allocated to past service. Changes in UAL were amortized over the expected remaining working life-time of those impacted using level dollar payments.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

| | POLICE |
|---|---|
| Increase (Decrease) in UAL: | 16.5 M |
| Number of Payments: | 4 |
| Amortization Payment: | 5.0 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 (active members hired on or after July 1, 2000) is summarized below.

| | POLICE |
|---|---|
| Active Members | |
| - Number Count: | 9,007 |
| - Average Age: | 44.7 |
| - Average Service: | 19.0 |
| - Average Salary: | 170,900 |

IMPACT ON MEMBER BENEFITS: Pension benefits are primarily derived as a percentage of salary base. For Tier 2 POLICE members hired prior to July 1, 2000, the salary base is equal to the greater of:

(1) the pensionable earnings in the final 12 months of service, or

(2) the average pensionable earnings earned in any consecutive three years of service.

For Tier 2 POLICE members hired on or after July 1, 2000, the salary base is equal to the pensionable earnings earned in the final 12 months of service only.

Under the proposed legislation, the salary base shall be determined the same for Tier 2 POLICE members hired on or after July 1, 2000, as it is for Tier 2 members hired prior to July 1, 2000.

Note, pensionable earnings in the final 12 months or the highest three consecutive years are subject to certain limits.

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, Final Average Salary was assumed to increase by 0.25% based on an analysis of historical salary and overtime.

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 2026-13 dated February 10, 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.