STATE OF NEW YORK

8023--A

2025-2026 Regular Sessions

IN SENATE

May 15, 2025

Introduced by Sen. JACKSON -- 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

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 cost of living adjustments for certain retirees

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

Section 1. Subdivision a of section 78-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

a. A cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age sixty-two and have been retired for [~~five~~] two years; (ii) all pensioners who have attained age fifty-five and have been retired for [~~ten~~] five years; (iii) all disability pensioners regardless of age who have been retired for [~~five~~] two years; and (iv) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for [~~five~~] two years.

§ 2. Subdivision a of section 378-a of the retirement and social security law, as added by chapter 125 of the laws of 2000, is amended to read as follows:

a. A cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age sixty-two and have been retired for [~~five~~] two years; (ii) all pensioners who have attained age fifty-five and have been retired for [~~ten~~] five years; and (iii) all disability pensioners regardless of age who have been retired for [~~five~~] two years.

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

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

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a. A cost-of-living adjustment shall be payable on the basis provided for in this section to: (i) all pensioners who have attained age sixty-two and have been retired for [~~five~~] two years; (ii) all pensioners who have attained age fifty-five and have been retired for [~~ten~~] five years; (iii) all disability pensioners regardless of age who have been retired for [~~five~~] two years; and (iv) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for [~~five~~] two years.

§ 4. Subdivision a of section 13-696 of the administrative code of the city of New York, as amended by chapter 288 of the laws of 2001, is amended to read as follows:

a. A cost-of-living adjustment shall be payable to retired members of the New York city employees' retirement system, the New York city teachers' retirement system, the New York city police pension fund, the New York city fire department pension fund, the New York city board of education retirement system or the relief and pension fund of the department of street cleaning provided for in subchapter one of this chapter on the basis provided for in this section to: (i) all retired members who have attained age sixty-two and have been retired for [~~five~~] two years; (ii) all retired members who have attained age fifty-five and have been retired for [~~ten~~] five years; (iii) all members who retired for disability regardless of age who have been retired for [~~five~~] two years; and (iv) all recipients of an accidental death benefit regardless of age who have been receiving such benefit for [~~five~~] two years.

§ 5. This act shall take effect immediately.

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

This bill would expand eligibility for the defined benefit cost-of-living adjustment (COLA) for the New York State and Local Retirement System. Effective immediately, COLA will be payable to (1) service pensioners aged sixty-two years and retired two years, (2) service pensioners aged fifty-five years and retired five years, (3) disability pensioners regardless of age once retired two years, and (4) accidental death beneficiaries after receiving a benefit for two years.

Insofar as this bill affects the New York State and Local Employees' Retirement System (NYSLERS), if this bill were enacted during the 2025 Legislative Session, the increase in the present value of benefits would be approximately $1.67 billion.

In NYSLERS, this benefit improvement will be funded by (1) billing a past service cost to cover retrospective benefit increases and (2) increasing the billing rates charged annually to cover prospective benefit increases, as follows: (1) To fund retrospective costs, 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, of $1.47 billion as of March 1, 2026. (2) To fund prospective costs, the increase in the annual contribution required of all participating employers in NYSLERS is 0.12% of billable salary, or approximately $16 million to the State of New York and approximately $24 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.

This proposal primarily benefits current and former members of Tiers 1 - 5. The cost of this benefit improvement will primarily be borne by current and future members of Tier 6.

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 NYSLPFRS and spread over future billing cycles. If this bill were enacted during the 2025 Legislative Session, the increase in the present value of benefits would be approximately $154 million.

NYSLPFRS	Increase in present value of benefits	Increase in required contributions
Pensioners	$ 66 mn	$ 0 mn
Actives Tiers 1-5 (Closed)	$ 58 mn	$ 62 mn
Actives Tier 6 (Open)	$ 30 mn	$ 92 mn
Total	$154 mn	$154 mn

In NYSLPFRS, this benefit improvement will be funded by increasing the billing rates charged annually to cover both retrospective and prospective benefit increases. The increase in the annual contribution required of all participating employers in NYSLPFRS is 0.3% of billable salary, or approximately $2.62 million to the State of New York and approximately $11.3 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.

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 May 14, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-138. 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.

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

As it relates to the New York State Teachers' Retirement System, this bill would amend subdivision a of Section 532-a of the Education Law to change the eligibility for the cost-of-living adjustment (COLA) for all current and future retirees. Retirees retired for service would be eligible for the COLA upon attainment of age sixty-two with two years of retirement or age fifty-five with five years of retirement. The current COLA eligibility requirement is attainment of age sixty-two with five years of retirement or age fifty-five with ten years of retirement. Disability retirees would be eligible for the COLA regardless of age with two years of retirement instead of the five years currently required. Recipients of an accidental death benefit would be eligible for the COLA regardless of age after receiving such benefit for two years instead of the five years currently required.

The annual cost to the employers of members of the New York State Teachers' Retirement System for this benefit is estimated to be $71.3 million or 0.35% of payroll if this bill is enacted.

Member data is from the System's most recent actuarial valuation files as of June 30, 2024, consisting of data provided by the employers to the Retirement System. The most recent data distributions and statistics can be found in the System's Annual Report for fiscal year ended June 30, 2024. System assets are as reported in the System's financial statements and can also be found in the System's Annual Report. Actuarial assumptions and methods will be provided in the System's Actuarial Valuation Report as of June 30, 2024.

The source of this estimate is Fiscal Note 2025-22 dated May 27, 2025 prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2025 Legislative Session. I, Richard A. Young, am the Chief Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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 accelerate eligibility for Cost-of-Living Adjustment (COLA) for service, vested, and disabled retirees, and for accidental death benefit recipients of NYCRS.

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

Year	NYCERS	TRS	BERS	POLICE	FIRE	TOTAL
2026	324.5	159.8	33.8	69.1	21.9	609.1
2027	50.5	28.2	6.2	6.6	3.6	95.1
2028	50.4	28.1	6.2	6.5	3.6	94.8
2029	50.3	28.1	6.2	6.4	3.6	94.6
2030	50.2	28.0	6.3	6.3	3.5	94.3
2031	50.2	28.0	6.3	6.2	3.5	94.2
2032	50.2	28.0	6.3	6.2	3.5	94.2
2033	50.2	28.0	6.3	6.2	3.5	94.2
2034	50.2	28.0	6.4	6.2	3.5	94.3
2035	50.3	28.0	6.4	6.2	3.5	94.4
2036	50.5	28.1	6.4	6.2	3.5	94.7
2037	50.6	28.2	2.7	6.2	3.5	91.2
2038	19.9	28.2	2.8	3.4	3.5	57.8
2039	20.1	28.4	2.8	3.4	1.8	56.5
2040	20.4	11.5	2.8	3.4	1.8	39.9
2041	20.7	11.7	2.9	3.4	1.8	40.5
2042	21.0	11.9	2.9	3.4	1.8	41.0
2043	21.4	12.0	3.0	3.4	1.9	41.7
2044	21.8	12.3	3.1	3.5	1.9	42.6
2045	22.2	12.5	3.1	3.5	1.9	43.2
2046	22.6	12.7	3.2	3.5	1.9	43.9
2047	23.1	13.0	3.3	3.5	1.9	44.8
2048	23.5	13.3	3.3	3.5	1.9	45.5
2049	24.0	13.5	3.4	3.6	1.9	46.4
2050	24.5	13.8	3.5	3.6	1.9	47.3

Projected contributions include future new hires that may be impacted. For Fiscal Year 2051 and beyond, the expected increase in normal cost as

a level percent of pay for impacted new entrants is approximately 0.05% for NYCERS, 0.04% for TRS, 0.10% for BERS, 0.02% for POLICE, and 0.04 % for FIRE.

The initial increase in employer contributions of $609.1 million is estimated to be $455.1 million for New York City and $154.0 million for the other obligors of NYCRS.

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	TRS	BERS	POLICE	FIRE
(1) PV of Employer Contributions:	633.1	360.4	70.8	109.3	47.0
(2) PV of Employee Contributions:	0.0	0.0	0.0	0.0	0.0
Total PV of Benefits (1) + (2):	633.1	360.4	70.8	109.3	47.0

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	TRS	BERS	POLICE	FIRE
Increase (Decrease) in UAL:	485.0 M	262.6 M	52.0 M	78.1 M	30.1 M
Number of Payments:	12	14	11	12	13
Amortization Payment:	30.9 M	17.0 M	3.7 M	2.8 M	1.7 M
Additional One-time Payment:	273.9 M	131.6 M	27.6 M	62.4 M	18.3 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	TRS	BERS	POLICE	FIRE
Active Members					
- Number Count:	184,126	126,251	24,120	33,803	10,691
- Average Age:	47.7	44.5	51.5	37.5	40.7
- Average Service:	11.6	12.4	9.8	11.1	13.7
- Average Salary:	92,300	103,500	60,800	134,900	143,400
Term. Vested Members					
- Number Count:	18,559	21,980	2,222	676	36
- Average Age:	54.3	47.0	53.5	42.1	44.5
Receiving Members					
- Number Count:	36,080	15,182	5,043	9,699	2,402
- Average Age:	64.2	64.6	67.1	54.1	54.4

IMPACT ON MEMBER BENEFITS: Under this proposed legislation, the time periods for COLA eligibility would be reduced as follows:

* For service and vested retirees: From age 62 and retired for five years to age 62 and retired for two years.

* For service and vested retirees if better than above: From age 55 and retired for 10 years to age 55 and retired for five years.

* For disabled retirees: from retired for five years to retired for two years.

* For accidental death benefit recipients: from benefit in receipt for five years to benefit in receipt for two years.

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, 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 2025-48 dated April 25, 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.