STATE OF NEW YORK

8140--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, relating to the transfer of reserves between public employee retirement systems of the state

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

Section 1. The opening paragraphs of subdivisions a and h of section 343 of the retirement and social security law, the opening paragraph of subdivision a as amended by chapter 533 of the laws of 2015 and the opening paragraph of subdivision h as amended by chapter 717 of the laws of 2023, are amended to read as follows:

Notwithstanding any other provision of law providing for transfers, any member of any retirement system maintained by the state or a municipality thereof, operating on a sound financial basis and subject to the supervision of the department of financial services of this state may transfer [~~his or her~~] **their** membership pursuant to this section to the New York state and local employees' retirement system, the New York city board of education employees' retirement system, the New York state teachers' retirement system, the New York state and local police and fire retirement system or to the New York city employees' retirement system. Any member of the New York state and local police and fire retirement system may transfer [~~his or her~~] **their** membership to any retirement system, other than the hospital retirement system, which is operating on a sound basis and is subject to the supervision of the department of financial services of this state. Any police officer employed by the metropolitan transportation authority who is a member of the MTA police twenty year retirement program of the metropolitan transportation authority defined benefit pension plan (hereinafter referred

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

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to in this section as the "MTA police retirement program") may transfer [~~his or her~~] their membership in the New York state and local police and fire retirement system and/or the New York city police pension fund to the MTA police retirement program or may transfer their membership in the MTA police retirement program to any of the systems or funds referenced in this sentence. Any police officer who was employed by the metropolitan transportation authority, the Long Island Railroad Company or the Metro-North Commuter Railroad Company and who is a member of the MTA police retirement program may transfer [~~his or her~~] their membership in the MTA police retirement program to the New York state and local police and fire retirement system. Any transfer pursuant to this section may be effectuated only if the member has accepted a position in another branch of the state or municipal service which would make it:

Notwithstanding any other provision of law to the contrary, with respect to transfers pursuant to this section which occur on or after the effective date of [~~the~~] chapter seven hundred seventeen of the laws of two thousand twenty-three [~~that amended this subdivision~~], no determination of a reserve pursuant to subdivision c of this section or transfer thereof pursuant to the first sentence of subdivision d of this section shall be required in the case of any transfer pursuant to this section (other than a transfer from the New York state and local police and fire retirement system to either (1) the New York city police department subchapter two pension fund, (2) the New York city fire department subchapter two pension fund or (3) the MTA police retirement program or a transfer from either (i) the New York city police department subchapter two pension fund or (ii) the New York city fire department subchapter two pension fund to either (A) the New York state and local police and fire retirement system or (B) the MTA police retirement program or a transfer from the MTA police retirement program to the New York state and local police and fire retirement system or (C) the New York city police department subchapter two pension fund) in the case of a member with less than ten years of credited service with the transferring retirement system at the time the transfer is initiated. With respect to transfers pursuant to such subdivisions which occur on or after the effective date of [~~the~~] chapter seven hundred seventeen of the laws of two thousand twenty-three [~~that amended this subdivision~~], the transfer of a pension reserve shall be required when the member is transferring ten or more years of credited service from a public retirement system of the state to any other public retirement system of the state, excluding any transfers within and between the New York city employees' retirement system, the New York city teachers' retirement system and the New York city board of education retirement system. For the purpose of giving the transferring member such status and crediting such service in the second retirement system as such member was allowed in the first retirement system in those cases to which this subdivision shall apply, the transfer shall be deemed complete upon receipt by the second retirement system of:

§ 2. This act shall take effect immediately and shall apply to any membership transfer initiated on or after January 1, 2023 for which notice is received by the affected retirement systems or funds on a date later than within one year on or after the effective date of this act or within one year on or after the date of the membership transfer.

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

SUMMARY: This proposed bill would allow members of the Metropolitan Transportation Authority 20-year Police Retirement Program (MTA PRP) to

transfer MTA service and assets to the New York City Police Pension Fund (NYC PPF).

INCREASE OR (DECREASE) IN EMPLOYER CONTRIBUTIONS: The transfer of a member's service and plan assets from the MTA PRP to the NYC PPF will increase both the assets and liabilities of the NYC PPF.

To the extent that the assets transferred are more or less than the increase in Present Value of Future Employer Contributions (PVFERC) due to the transferred service, there will be a gain or loss.

The potential gains or losses to the NYC PPF would impact future employer contributions, and the increase or decrease in employer contributions would be allocated to New York City.

BACKGROUND: Currently, MTA PRP members are not able to transfer their MTA service to the NYC PPF. This proposed bill would allow MTA service to be transferred to the NYC PPF subject to a one-year timing limitation. The proposed bill also provides for a transfer of assets from the MTA PRP to the NYC PPF.

The net increase in PVFERC is equal to the change in the Present Value of Benefits (PVB) minus the change in the Present Value of Future Employee Contributions (PVFEEC), minus the transferred assets. The net increase in the PVFERC could be positive (loss), negative (gain) or zero.

The assets transferred are equal to the Actuarial Accrued Liability (AAL) for the member in the MTA PRP, which is equal to the member's basic member contribution balance (BMCs) in the MTA PRP plus the net pension reserve, if any. After the BMCs in the MTA PRP are transferred to the NYC PPF, the NYC PPF member is no longer also a member in the MTA PRP.

POTENTIAL GAINS / LOSSES: With respect to an individual member, the additional cost of this proposed legislation could vary greatly depending on the member's length of service, age, and salary history. The change in a member's PVFERC for the transferred service is based on data, assumptions, methods, and plan provisions appropriate for the NYC PPF.

The transferred assets are based on the AAL in the MTA PRP which is determined based on data, assumptions, methods, and plan provisions appropriate for the MTA PRP (not the NYC PPF).

The gain or loss to the NYC PPF depends on differences in liability measurements between the MTA PRP and the NYC PPF, and on future investment experience associated with the transferred assets. Examples of factors contributing to potential gains and/or losses include the following:

* Differences in data.
* Differences in valuation assumptions.
* Differences in plan provisions.
* Future investment returns for the transferred assets.

ASSUMPTIONS AND METHODS: The analysis presented herein is based on the Revised 2021 Actuarial Assumptions and Methods of the impacted retirement system.

RISK AND UNCERTAINTY: The analysis presented in this Fiscal Note depends 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 2025-74 dated May 29, 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.

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

This bill would allow any police officer who was employed by the Metropolitan Transportation Authority (MTA) and covered by a twenty-year police plan within the MTA defined benefit pension plan to transfer such membership to the New York State and Local Police and Fire Retirement System (NYSLPFRS). Upon such transfer, the reserves from the MTA police retirement program will be transferred to NYSLPFRS. Such police officer must be an active member of NYSLPFRS.

The option to transfer service credit from the MTA police retirement program to NYSLPFRS was already granted by Chapter 533 of the Laws of 2015.

Insofar as this bill affects NYSLPFRS, if enacted during the 2025 Legislative Session, we anticipate that there will be no cost to the State of New York and the local participating employers in NYSLPFRS.

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 June 3, 2025, and intended for use only during the 2025 Legislative Session, is Fiscal Note No. 2025-185. 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.