

STATE OF NEW YORK

9356

IN SENATE

March 4, 2026

Introduced by Sen. KAVANAGH -- 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 and the administrative code of the city of New York, in relation to the establishment of twenty-five year retirement programs for members of the New York city employees' retirement system employed as water supply police; and in relation to providing for employer pick up, pursuant to provisions of the internal revenue code, of certain additional member contributions required to be made by certain participants in the twenty-five year retirement programs; and providing for the repeal of certain provisions upon expiration thereof

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

1 Section 1. Subdivision b of section 440 of the retirement and social
2 security law, as amended by chapter 682 of the laws of 2003, is amended
3 to read as follows:

4 b. The provisions of this article shall not be construed to extend
5 coverage to an employee not otherwise eligible for membership in a
6 retirement system or to provide an increase in benefits to a member of a
7 retirement system other than as provided by section four hundred forty-
8 five-d, or section four hundred forty-five-f, ~~[or]~~ section four hundred
9 forty-five-h, section four hundred forty-five-j, or section four hundred
10 forty-eight of this article.

11 § 2. Subdivision a of section 444 of the retirement and social securi-
12 ty law, as amended by section 141 of subpart B of part C of chapter 62
13 of the laws of 2011, is amended to read as follows:

14 a. Except as provided in subdivision c of section four hundred forty-
15 five-a of this article, subdivision c of section four hundred forty-
16 five-b of this article, subdivision c of section four hundred forty-
17 five-c of this article, subdivision c of section four hundred
18 forty-five-d of this article as added by chapter four hundred seventy-
19 two of the laws of nineteen hundred ninety-five, subdivision c of
20 section four hundred forty-five-e of this article, subdivision c of
21 section four hundred forty-five-f of this article and subdivision c of

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

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1 section four hundred forty-five-h of this article, and subdivision c of
2 section four hundred forty-five-j of this article, the maximum retire-
3 ment benefit computed without optional modification provided to a member
4 of a retirement system who is subject to the provisions of this article,
5 other than a police officer, a firefighter, an investigator member of
6 the New York city employees' retirement system, a member of the
7 uniformed personnel in institutions under the jurisdiction of the New
8 York city department of correction who receives a performance of duty
9 disability retirement allowance, a member of the uniformed personnel in
10 institutions under the jurisdiction of the department of corrections and
11 community supervision or a security hospital treatment assistant, as
12 those terms are defined in subdivision i of section eighty-nine of this
13 chapter, who receives a performance of duty disability retirement allow-
14 ance, a member of a teachers' retirement system, New York city employ-
15 ees' retirement system, New York city board of education retirement
16 system or a member of the New York state and local employees' retirement
17 system or a member of the New York city employees' retirement system or
18 New York city board of education retirement system employed as a special
19 officer, parking control specialist, school safety agent, campus peace
20 officer, taxi and limousine inspector ~~[or]~~, a police communications
21 member, or a member of the water supply police and who receives a
22 performance of duty disability pension, from funds other than those
23 based on a member's own or increased-take-home-pay contributions, shall,
24 before any reduction for early retirement, be sixty per centum of the
25 first fifteen thousand three hundred dollars of final average salary,
26 and fifty per centum of final average salary in excess of fifteen thou-
27 sand three hundred dollars, and forty per centum of final average salary
28 in excess of twenty-seven thousand three hundred dollars, provided,
29 however, that the benefits provided by subdivision c of section four
30 hundred forty-five-d of this article as added by chapter four hundred
31 seventy-two of the laws of nineteen hundred ninety-five based upon the
32 additional member contributions required by subdivision d of such
33 section four hundred forty-five-d shall be subject to the maximum
34 retirement benefit computations set forth in this section. The maximum
35 retirement benefit computed without optional modification payable to a
36 police officer, an investigator member of the New York city employees'
37 retirement system or a firefighter shall equal that payable upon
38 completion of thirty years of service, except that the maximum service
39 retirement benefit computed without optional modification shall equal
40 that payable upon completion of thirty-two years of service.

41 § 3. Subdivision a of section 445 of the retirement and social securi-
42 ty law, as amended by section 2 of part TT of chapter 55 of the laws of
43 2025, is amended to read as follows:

44 a. No member of a retirement system who is subject to the provisions
45 of this article shall retire without regard to age, exclusive of retire-
46 ment for disability, unless they are a police officer, an investigator
47 member of the New York city employees' retirement system, firefighter,
48 correction officer, a qualifying member as defined in section eighty-
49 nine-t of this chapter, as added by chapter six hundred fifty-seven of
50 the laws of nineteen hundred ninety-eight, ~~[of this chapter]~~, sanitation
51 worker, a special officer (including persons employed by the city of New
52 York in the title urban park ranger or associate urban park ranger),
53 school safety agent, campus peace officer or a taxi and limousine
54 commission inspector member of the New York city employees' retirement
55 system or the New York city board of education retirement system, a
56 dispatcher member of the New York city employees' retirement system, a

1 police communications member of the New York city employees' retirement
2 system, a member of the water supply police in a position referred to in
3 paragraph (o) of subdivision thirty-four of section 1.20 of the criminal
4 procedure law, an EMT member of the New York city employees' retire-
5 ment system, a deputy sheriff member of the New York city employees' retire-
6 ment system, a correction officer of the Westchester county correction
7 department as defined in section eighty-nine-e of this chapter or
8 employed in Suffolk county as a peace officer, as defined in section
9 eighty-nine-s of this chapter, as added by chapter five hundred eighty-
10 eight of the laws of nineteen hundred ninety-seven, [~~of this chapter,~~]
11 employed in Suffolk county as a correction officer, as defined in
12 section eighty-nine-f of this chapter, or employed in Nassau county as a
13 correction officer, uniformed correction division personnel, sheriff,
14 undersheriff or deputy sheriff, as defined in section eighty-nine-g of
15 this chapter, or employed in Nassau county as an ambulance medical tech-
16 nician, an ambulance medical technician/supervisor or a member who
17 performs ambulance medical technician related services, or a police
18 medic, police medic supervisor or a member who performs police medic
19 related services, as defined in section eighty-nine-s of this chapter,
20 as amended by chapter five hundred seventy-eight of the laws of nineteen
21 hundred ninety-eight, [~~of this chapter,~~] or employed in Nassau county as
22 a peace officer, as defined in section eighty-nine-s of this chapter, as
23 added by chapter five hundred ninety-five of the laws of nineteen
24 hundred ninety-seven, [~~of this chapter,~~] or employed in Albany county as
25 a sheriff, undersheriff, deputy sheriff, correction officer or identifi-
26 cation officer, as defined in section eighty-nine-h of this chapter or
27 is employed in St. Lawrence county as a sheriff, undersheriff, deputy
28 sheriff or correction officer, as defined in section eighty-nine-i of
29 this chapter or is employed in Orleans county as a sheriff, undersher-
30 iff, deputy sheriff or correction officer, as defined in section eight-
31 y-nine-l of this chapter or is employed in Jefferson county as a sher-
32 iff, undersheriff, deputy sheriff or correction officer, as defined in
33 section eighty-nine-j of this chapter or is employed in Onondaga county
34 as a deputy sheriff-jail division competitively appointed or as a
35 correction officer, as defined in section eighty-nine-k of this chapter
36 or is employed in a county which makes an election under subdivision j
37 of section eighty-nine-p of this chapter as a sheriff, undersheriff,
38 deputy sheriff or correction officer as defined in such section eighty-
39 nine-p or is employed in Broome County as a sheriff, undersheriff, depu-
40 ty sheriff or correction officer, as defined in section eighty-nine-m of
41 this chapter or is a Monroe county deputy sheriff-court security, or
42 deputy sheriff-jailor as defined in section eighty-nine-n of this chap-
43 ter, as added by chapter five hundred ninety-seven of the laws of nine-
44 teen hundred ninety-one, [~~of this chapter~~] or is employed in Greene
45 county as a sheriff, undersheriff, deputy sheriff or correction officer,
46 as defined in section eighty-nine-o of this chapter or is a traffic
47 officer with the town of Elmira as defined in section eighty-nine-q of
48 this chapter or is employed by Suffolk county as a park police officer,
49 as defined in section eighty-nine-r of this chapter or is a peace offi-
50 cer employed by a county probation department as defined in section
51 eighty-nine-t of this chapter, as added by chapter six hundred three of
52 the laws of nineteen hundred ninety-eight, [~~of this chapter~~] or is
53 employed in Rockland county as a deputy sheriff-civil as defined in
54 section eighty-nine-v of this chapter as added by chapter four hundred
55 forty-one of the laws of two thousand one, or is employed in Rockland
56 county as a superior correction officer as defined in section eighty-

1 nine-v of this chapter as added by chapter five hundred fifty-six of the
2 laws of two thousand one or is a paramedic employed by the police
3 department in the town of Tonawanda and retires under the provisions of
4 section eighty-nine-v of this chapter, as added by chapter four hundred
5 seventy-two of the laws of two thousand one, or is a county fire
6 marshal, supervising fire marshal, fire marshal, assistant fire marshal,
7 assistant chief fire marshal, chief fire marshal, division supervising
8 fire marshal or fire marshal trainee employed by the county of Nassau as
9 defined in section eighty-nine-w of this chapter or is employed in
10 Monroe county as a deputy sheriff-civil as defined in section eighty-
11 nine-x of this chapter, employed as an emergency medical technician,
12 critical care technician, advanced emergency medical technician,
13 paramedic or supervisor of such titles in a participating Suffolk county
14 fire district as defined in section eighty-nine-ss of this chapter, or
15 is a firefighter apprentice, airport firefighter I, airport firefighter
16 II, airport firefighter III, or training and safety officer employed by
17 the division of military and naval affairs as defined in section eight-
18 y-nine-y of this chapter and is in a plan which permits immediate
19 retirement upon completion of a specified period of service without
20 regard to age. Except as provided in subdivision c of section four
21 hundred forty-five-a of this article, subdivision c of section four
22 hundred forty-five-b of this article, subdivision c of section four
23 hundred forty-five-c of this article, subdivision c of section four
24 hundred forty-five-d of this article, subdivision c of section four
25 hundred forty-five-e of this article, subdivision c of section four
26 hundred forty-five-f of this article ~~[and]~~, subdivision c of section
27 four hundred forty-five-h of this article, and subdivision c of section
28 four hundred forty-five-j of this article, a member in such a plan and
29 such an occupation, other than a police officer or investigator member
30 of the New York city employees' retirement system or a firefighter,
31 shall not be permitted to retire prior to the completion of twenty-five
32 years of credited service; provided, however, if such a member in such
33 an occupation is in a plan which permits retirement upon completion of
34 twenty years of service regardless of age, they may retire upon
35 completion of twenty years of credited service and prior to the
36 completion of twenty-five years of service, but in such event the bene-
37 fit provided from funds other than those based on such a member's own
38 contributions shall not exceed two per centum of final average salary
39 per each year of credited service.

40 § 4. The retirement and social security law is amended by adding a new
41 section 445-j to read as follows:

42 § 445-j. Optional twenty-five year improved benefit retirement program
43 for water supply police members. a. Definitions. The following words and
44 phrases as used in this section shall have the following meanings unless
45 a different meaning is plainly required by the context.

46 1. "Retirement system" shall mean the New York city employees' retire-
47 ment system.

48 2. "Water supply police member" shall mean a member of the retirement
49 system who is subject to the provisions of this article, who is employed
50 by the city of New York in a position referred to by paragraph (o) of
51 subdivision thirty-four of section 1.20 of the criminal procedure law.

52 3. "Twenty-five year improved benefit retirement program" shall mean
53 all the terms and conditions of this section.

54 4. "Starting date of the twenty-five year improved benefit retirement
55 program" shall mean the effective date of this section, as such date is
56 certified pursuant to section forty-one of the legislative law.

1 5. "Participant in the twenty-five year improved benefit retirement
2 program" shall mean any water supply police member who, under the appli-
3 cable provisions of subdivision b of this section, is entitled to the
4 rights, benefits and privileges and is subject to the obligations of the
5 twenty-five year improved benefit retirement program, as applicable to
6 such member.

7 6. "Administrative code" shall mean the administrative code of the
8 city of New York.

9 7. "Accumulated deductions" shall mean accumulated deductions as
10 defined in subdivision eleven of section 13-101 of the administrative
11 code of the city of New York.

12 8. "Optional retirement provisions" shall mean the right to retire and
13 receive a retirement allowance under this section upon the completion of
14 twenty-five years of credited service.

15 b. Election of twenty-five year improved benefit retirement program.
16 1. Subject to the provisions of paragraphs five and six of this subdivi-
17 sion, any person who is a water supply police member on the starting
18 date of the twenty-five year improved benefit retirement program may
19 elect to become a participant in the twenty-five year improved benefit
20 retirement program by filing, within one hundred eighty days after such
21 starting date, a duly executed application for such participation with
22 the retirement system, provided such person is such a water supply
23 police member on the date such application is filed.

24 2. Subject to the provisions of paragraphs five and six of this subdivi-
25 sion, any person who becomes a water supply police member after the
26 starting date of the twenty-five year improved benefit retirement
27 program may elect to become a participant in the twenty-five year
28 improved benefit retirement program by filing, within one hundred eighty
29 days after becoming such a water supply police member, a duly executed
30 application for such participation with the retirement system, provided
31 such person is such a water supply police member on the date such appli-
32 cation is filed.

33 3. Any election to be a participant in the twenty-five year improved
34 benefit retirement program shall be irrevocable.

35 4. Where any participant in the twenty-five year improved benefit
36 retirement program shall cease to hold a position as a water supply
37 police member, such person shall cease to be such a participant and,
38 during any period in which such a person does not hold such a water
39 supply police position, such person shall not be a participant in the
40 twenty-five year improved benefit retirement program and shall not be
41 eligible for the benefits of subdivision c of this section.

42 5. Where any participant in the twenty-five year improved benefit
43 retirement program terminates service as a water supply police member
44 and returns to such service as a water supply police member at a later
45 date, such person shall again become such a participant on that date.

46 6. Notwithstanding any other provision of law to the contrary, any
47 person who is eligible to become a participant in the twenty-five year
48 improved benefit retirement program pursuant to paragraph one or two of
49 this subdivision for the full one hundred eighty day period provided for
50 in such applicable paragraph and who fails to timely file a duly
51 executed application for such participation with the retirement system,
52 shall not thereafter be eligible to become a participant in such
53 program.

54 c. Service retirement benefits. Notwithstanding any other provision of
55 law to the contrary, where a participant in the twenty-five year
56 improved benefit retirement program, who is otherwise qualified for a

retirement allowance pursuant to the optional retirement provisions set forth in subdivision a of this section, has made and/or paid, while such person is a water supply police member, all additional member contributions and interest (if any) required by subdivision d of this section, then:

1. that participant, while such person remains a participant, shall not be subject to the provisions of subdivision a of section four hundred forty-five of this article; and

2. if that participant, while such a participant, retires from service, such person shall not be subject to the provisions of section four hundred forty-four of this article; and

3. such person's retirement allowance shall be an amount, on account of the required minimum period of service, equal to the sum of (i) an annuity which shall be the actuarial equivalent of the accumulated deductions from such person's pay during such period, (ii) a pension for increased-take-home-pay which shall be the actuarial equivalent of the reserve for increased-take-home-pay to which such person may be entitled for such period, and (iii) a pension which, when added to such annuity and such pension for increased-take-home-pay, produces a retirement allowance equal to fifty percent of such person's final average salary, plus an amount for each additional year of allowable service, or fraction thereof, beyond such required minimum period of service equal to two percent of such person's final average salary; and

4. the maximum retirement benefit computed without optional modification payable to that participant upon such person's retirement for service as such a participant shall equal that payable upon completion of thirty years of service.

d. Additional member contributions. 1. In addition to the member contributions required pursuant to section 13-125 or section 13-162 of the administrative code of the city of New York, each participant in the twenty-five year improved benefit retirement program shall contribute, subject to the applicable provisions of section 13-125.2 of the administrative code of the city of New York, an additional six percent of such person's compensation earned from (i) all credited service, as a participant in the twenty-five year improved benefit retirement program, rendered on and after the starting date of the improved benefit retirement program, and (ii) all credited service after such person ceases to be a participant, but before such person again becomes a participant pursuant to paragraph five of subdivision b of this section. A participant in the twenty-five year improved benefit retirement program shall contribute additional member contributions until the later of (i) the date as of which such person is eligible to retire with twenty-five years of credited service under such retirement program, or (ii) the first anniversary of the starting date of the twenty-five year improved benefit retirement program. The additional contributions required by this paragraph shall be in lieu of additional member contributions required by subdivision d of section four hundred forty-five-d of this article, as added by chapter ninety-six of the laws of nineteen hundred ninety-five, and no member paying additional contributions pursuant to this section shall be required to pay additional contributions pursuant to such subdivision d of section four hundred forty-five-d of this article.

2. Commencing with the first full payroll period after each person becomes a participant in the twenty-five year improved benefit retirement program, additional member contributions at the rate specified in paragraph one of this subdivision shall be deducted, subject to the

1 applicable provisions of section 13-125.2 of the administrative code of
2 the city of New York, from the compensation of such participant on each
3 and every payroll of such participant for each and every payroll period
4 for which such person is such a participant.

5 3. (i) Subject to the provisions of subparagraph (ii) of this para-
6 graph, where any additional member contributions required by paragraph
7 one of this subdivision are not paid by deductions from a participant's
8 compensation pursuant to paragraph two of this subdivision:

9 (A) that participant shall be charged with a contribution deficiency
10 consisting of such unpaid amounts, together with interest thereon,
11 compounded annually; and

12 (B) such interest on each amount of undeducted contributions shall
13 accrue from the end of the payroll period for which such amount would
14 have been deducted from compensation if such person had been a partic-
15 ipant at the beginning of that payroll period and such deductions had
16 been required for such payroll period until such amount is paid to the
17 retirement system; and

18 (C) (1) interest on each such amount included in such participant's
19 contribution deficiency pursuant to this subparagraph shall be calcu-
20 lated as if such additional member contributions never had been paid by
21 such participant, and such interest shall accrue from the end of the
22 payroll period to which an amount of such additional member contrib-
23 utions is attributable, compounded annually, until such amount is paid
24 to the retirement system.

25 (2) the rate of interest to be applied to each such amount during the
26 period for which interest accrues on that amount shall be equal to the
27 rate or rates of interest required by law to be used during that same
28 period to credit interest on the accumulated deductions of retirement
29 system members.

30 (ii) Except as provided in subparagraph (iii) of this paragraph, no
31 interest shall be due on any unpaid additional contributions which are
32 not attributable to the period prior to the first full payroll period
33 referred to in paragraph two of this subdivision.

34 (iii) Should any person who, pursuant to paragraph seven of this
35 subdivision, has withdrawn any additional member contributions (and any
36 interest paid thereon) again become a participant in the twenty-five
37 year improved benefit retirement program pursuant to paragraph five of
38 subdivision b of this section, an appropriate amount shall be included
39 in such participant's contribution deficiency (including interest there-
40 on as calculated pursuant to subclause two of clause (C) of subparagraph
41 (i) of this paragraph) for any credited service with respect to which
42 such person received a refund of additional member contributions
43 (including any amount of an unpaid loan balance deemed to have been
44 returned to such person pursuant to paragraph seven of this subdivi-
45 sion), as if such additional member contributions never had been paid.

46 4. The board of trustees of the retirement system may, consistent with
47 the provisions of this subdivision, promulgate regulations for the
48 payment of the additional member contributions required by this subdivi-
49 sion, and any interest thereon, by a participant in the twenty-five year
50 improved benefit retirement program (including the deduction of such
51 contributions, and any interest thereon, from such person's compen-
52 sation).

53 5. Where a participant who is otherwise eligible for service retire-
54 ment pursuant to subdivision c of this section did not, prior to the
55 effective date of retirement, pay the entire amount of a contribution
56 deficiency chargeable to such person pursuant to paragraph three of this

1 subdivision, or repay the entire amount of a loan of such person's addi-
2 tional member contributions pursuant to paragraph eight of this subdivi-
3 sion (including accrued interest on such loan), that participant, never-
4 theless, shall be eligible to retire pursuant to subdivision c of this
5 section, provided, however, that where such participant is not entitled
6 to a refund of additional member contributions pursuant to paragraph
7 seven of this subdivision, such participant's service retirement benefit
8 calculated pursuant to the applicable provisions of subdivision c of
9 this section shall be reduced by a life annuity (calculated in accord-
10 ance with the method set forth in subdivision i of section six hundred
11 thirteen-b of this chapter) which is actuarially equivalent to:

12 (i) the amount of any unpaid contribution deficiency chargeable to
13 such member pursuant to paragraph three of this subdivision; plus

14 (ii) the amount of any unpaid balance of a loan of such person's addi-
15 tional member contributions pursuant to paragraph eight of this subdivi-
16 sion (including accrued interest on such loan).

17 6. Subject to the provisions of paragraph five of this subdivision,
18 where a participant has not paid in full any contribution deficiency
19 chargeable to such person pursuant to paragraph three of this subdivi-
20 sion, and a benefit, other than a refund of a member's accumulated
21 deductions or a refund of additional member contributions pursuant to
22 paragraph seven of this subdivision, becomes payable by the retirement
23 system to the participant or to such person's designated beneficiary or
24 estate, the actuarial equivalent of any such unpaid amount shall be
25 deducted from the benefit otherwise payable.

26 7. (i) All additional member contributions required by this subdivi-
27 sion (and any interest thereon) which are received by the retirement
28 system shall be paid into its contingent reserve fund and shall be the
29 property of the retirement system. Such additional member contributions
30 (and any interest thereon) shall not for any purpose be deemed to be
31 member contributions or accumulated deductions of a member of the
32 retirement system under section 13-125 or section 13-162 of the adminis-
33 trative code of the city of New York while such person is a participant
34 in the twenty-five year improved benefit retirement program or other-
35 wise.

36 (ii) Should a participant in the twenty-five year improved benefit
37 retirement program, who has rendered less than five years of credited
38 service cease to hold a position as a water supply police member for any
39 reason whatsoever, such person's accumulated additional member contrib-
40 utions made pursuant to this subdivision (together with any interest
41 thereon paid to the retirement system) which remain credited to such
42 participant's account may be withdrawn by such person pursuant to proce-
43 dures promulgated in regulations of the board of trustees of the retire-
44 ment system, together with interest thereon at the rate of interest
45 required by law to be used to credit interest on the accumulated
46 deductions of retirement system members compounded annually.

47 (iii) Notwithstanding any other provision of law to the contrary, (A)
48 no person shall be permitted to withdraw from the retirement system any
49 additional member contributions paid pursuant to this subdivision or any
50 interest paid thereon, except pursuant to and in accordance with the
51 preceding subparagraphs of this paragraph; and (B) no person, while such
52 person is a participant in the twenty-five year improved benefit retire-
53 ment program, shall be permitted to withdraw any such additional member
54 contributions or any interest paid thereon pursuant to any of the
55 preceding subparagraphs of this paragraph or otherwise.

1 8. A participant in the twenty-five year improved benefit retirement
2 program shall be permitted to borrow from such person's additional
3 member contributions, including any interest paid thereon, which are
4 credited to the additional contributions account established for such
5 participant in the contingent reserve fund of the retirement system.
6 The borrowing from such additional member contributions pursuant to this
7 paragraph shall be governed by the same rights, privileges, obligations
8 and procedures set forth in section six hundred thirteen-b of this chap-
9 ter which govern the borrowing by members subject to article fifteen of
10 this chapter of member contributions made pursuant to section six
11 hundred thirteen of this chapter. The board of trustees of the retire-
12 ment system may, consistent with the provisions of this subdivision and
13 the provisions of section six hundred thirteen-b of this chapter as made
14 applicable to this subdivision, promulgate regulations governing the
15 borrowing of such additional member contributions.

16 9. Wherever a person has an unpaid balance of a loan of such person's
17 additional member contributions pursuant to paragraph eight of this
18 subdivision at the time such person becomes entitled to a refund of such
19 person's additional member contributions pursuant to subparagraph (ii)
20 of paragraph seven of this subdivision, the amount of such unpaid loan
21 balance (including accrued interest) shall be deemed to have been
22 returned to such member, and the refund of such additional contributions
23 shall be the net amount of such contributions, together with interest
24 thereon in accordance with the provisions of such subparagraph.

25 10. Notwithstanding any other provision of law to the contrary, the
26 provisions of section one hundred thirty-eight-b of this chapter shall
27 not be applicable to the additional member contributions which are
28 required by this subdivision.

29 11. Notwithstanding any other provision of law to the contrary, the
30 additional member contributions which are required by this subdivision
31 shall not be reduced under any program for increased-take-home-pay.

32 § 5. The retirement and social security law is amended by adding a new
33 section 604-k to read as follows:

34 § 604-k. Twenty-five year retirement program for water supply police
35 members. a. Definitions. The following words and phrases as used in
36 this section shall have the following meanings unless a different mean-
37 ing is plainly required by the context.

38 1. "Water supply police member" shall mean a member of the retirement
39 system who is employed by the city of New York in a position referred to
40 by paragraph (o) of subdivision thirty-four of section 1.20 of the crim-
41 inal procedure law.

42 2. "Twenty-five year retirement program" shall mean all the terms and
43 conditions of this section.

44 3. "Starting date of the twenty-five year retirement program" shall
45 mean the effective date of this section, as such date is certified
46 pursuant to section forty-one of the legislative law.

47 4. "Participant in the twenty-five year retirement program" shall mean
48 any water supply police member who, under the applicable provisions of
49 subdivision b of this section, is entitled to the rights, benefits and
50 privileges and is subject to the obligations of the twenty-five year
51 retirement program, as applicable to such person.

52 5. "Discontinued member" shall mean a participant in the twenty-five
53 year retirement program who, while such person was a water supply police
54 member, discontinued service as such a member and has a right to a
55 deferred vested benefit under subdivision d of this section.

1 6. "Administrative code" shall mean the administrative code of the
2 city of New York.

3 b. Participation in twenty-five year retirement program. 1. Subject
4 to the provisions of paragraphs six and seven of this subdivision, any
5 person who is a water supply police member on the starting date of the
6 twenty-five year retirement program and who, as such a water supply
7 police member or otherwise last became subject to the provisions of this
8 article prior to such starting date, may elect to become a participant
9 in the twenty-five year retirement program by filing, within one hundred
10 eighty days after the starting date of the twenty-five year retirement
11 program, a duly executed application for such participation with the
12 retirement system of which such person is a member, provided such person
13 is such a water supply police member on the date such application is
14 filed.

15 2. Subject to the provisions of paragraphs six and seven of this
16 subdivision, any person who becomes a water supply police member after
17 the starting date of the twenty-five year retirement program and who, as
18 such a water supply police member or otherwise, last became subject to
19 the provisions of this article prior to such starting date, may elect to
20 become a participant in the twenty-five year retirement program by
21 filing, within one hundred eighty days after becoming such a water
22 supply police member, a duly executed application for such participation
23 with the retirement system for which such person is a member, provided
24 such person is such a water supply police member on the date such appli-
25 cation is filed.

26 3. Any election to be a participant in the twenty-five year retirement
27 program shall be irrevocable.

28 4. Each water supply police member who becomes subject to the
29 provisions of this article on or after the starting date of the twenty-
30 five year retirement program shall become a participant in the twenty-
31 five year retirement program on the date such person becomes such a
32 water supply police member. Provided, however, a person subject to this
33 paragraph who has exceeded age thirty upon employment as such a member
34 shall be exempt from participation in the twenty-five year retirement
35 program if such person elects not to participate by filing a duly
36 executed form with the retirement system within one hundred eighty days
37 of becoming such a member.

38 5. Where any participant in the twenty-five year retirement program
39 shall cease to be employed by the city of New York as a water supply
40 police member, such person shall cease to be such a participant and,
41 during any period in which such person is not so employed, such person
42 shall not be a participant in the twenty-five year retirement program
43 and shall not be eligible for the benefits of subdivision c of this
44 section.

45 6. Where any participant in the twenty-five year retirement program
46 terminates service as a water supply police member and returns to such
47 service as a water supply police member at a later date, such person
48 shall again become such a participant on that date.

49 7. Notwithstanding any other provision of law to the contrary, any
50 person who is eligible to elect to become a participant in the twenty-
51 five year retirement program pursuant to paragraph one or two of this
52 subdivision for the full one hundred eighty day period provided for in
53 such applicable paragraph and who fails to timely file a duly executed
54 application for such participation with the retirement system, shall not
55 thereafter be eligible to become a participant in such program.

1 c. Service retirement benefits. 1. A participant in the twenty-five
2 year retirement program:

3 (i) who has completed twenty-five or more years of credited service;
4 and

5 (ii) who has paid, before the effective date of retirement, all addi-
6 tional member contributions and interest (if any) required by subdivi-
7 sion e of this section; and

8 (iii) who files with the retirement system of which such person is a
9 member an application for service retirement setting forth at that time,
10 not less than thirty days subsequent to the execution and filing there-
11 of, such person desires to be retired; and

12 (iv) who shall be a participant in the twenty-five year retirement
13 program at the time so specified for such person's retirement; shall be
14 retired pursuant to the provisions of this section affording early
15 service retirement.

16 2. (i) Notwithstanding any other provision of law to the contrary, and
17 subject to the provisions of paragraph six of subdivision e of this
18 section, the early service retirement benefit for participants in the
19 twenty-five year retirement program who retire pursuant to paragraph one
20 of this subdivision shall be a retirement allowance consisting of:

21 (A) an amount, on account of the required minimum period of service,
22 equal to fifty percent of such person's final average salary; plus

23 (B) an amount on account of credited service, or fraction thereof,
24 beyond such required minimum period of service equal to two percent of
25 such person's final salary;

26 (ii) The maximum retirement allowance computed without optional
27 modification payable pursuant to subparagraph (i) of this paragraph
28 shall equal that payable upon completion of thirty years of service.

29 d. Vesting. 1. A participant in the twenty-five year retirement
30 program:

31 (i) who discontinues service as such a participant, other than by
32 death or retirement; and

33 (ii) who prior to such discontinuance, completed five but less than
34 twenty-five years of credited service; and

35 (iii) who, subject to the provisions of paragraph seven of subdivision
36 e of this section, has paid, prior to such discontinuance, all addi-
37 tional member contributions and interest (if any) required by subdivi-
38 sion e of this section; and

39 (iv) who does not withdraw in whole or in part such person's accumu-
40 lated member contributions pursuant to section six hundred thirteen of
41 this article unless such participant thereafter returns to public
42 service and repays the amounts so withdrawn, together with interest,
43 pursuant to such section six hundred thirteen; shall be entitled to
44 receive a deferred vested benefit as provided in this subdivision.

45 2. (i) Upon such discontinuance under the conditions and in compliance
46 with the provisions of paragraph one of this subdivision, such deferred
47 vested benefit shall vest automatically.

48 (ii) Such vested benefit shall become payable on the earliest date on
49 which such discontinued member could have retired for service if such
50 discontinuance had not occurred.

51 3. Subject to the provisions of paragraph seven of subdivision e of
52 this section, such deferred vested benefit shall be a retirement allow-
53 ance consisting of an amount equal to two percent of such discontinued
54 member's final average salary, multiplied by the number of years of
55 credited service.

1 e. Additional member contributions. 1. In addition to the member
2 contributions required by section six hundred thirteen of this article,
3 each participant in the twenty-five year retirement program shall
4 contribute to the retirement system of which such person is a member
5 (subject to the applicable provisions of subdivision d of section six
6 hundred thirteen of this article) an additional six percent of such
7 person's compensation earned from (i) all credited service, as a partic-
8 ipant in the twenty-five year retirement program, rendered on or after
9 the starting date of the twenty-five year retirement program, and (ii)
10 all credited service after such person ceases to be a participant, but
11 before such person again becomes a participant pursuant to paragraph six
12 of subdivision b of this section. The additional contributions required
13 by this subdivision shall be in lieu of additional member contributions
14 required by subdivision d of section six hundred four-c of this article,
15 as added by chapter ninety-six of the laws of nineteen hundred ninety-
16 five, and no member making contributions pursuant to this section shall
17 be required to make contributions pursuant to such subdivision d of
18 section six hundred four-c of this article.

19 2. A participant in the twenty-five year retirement program shall
20 contribute additional member contributions until the later of (i) the
21 first anniversary of the starting date of the twenty-five year retire-
22 ment program, or (ii) the date on which such person completes thirty
23 years of credited service as a water supply police member.

24 3. Commencing with the first full payroll period after each person
25 becomes a participant in the twenty-five year retirement program, addi-
26 tional member contributions at the rate specified in paragraph one of
27 this subdivision shall be deducted (subject to the applicable provisions
28 of subdivision d of section six hundred thirteen of this article) from
29 the compensation of such participant on each and every payroll of such
30 participant for each and every payroll period for which such person is
31 such a participant.

32 4. (i) Each participant in the twenty-five year retirement program
33 shall be charged with a contribution deficiency consisting of the total
34 amounts of additional member contributions such person is required to
35 make pursuant to paragraphs one and two of this subdivision which are
36 not deducted from such person's compensation pursuant to paragraph three
37 of this subdivision, if any, together with interest thereon, compounded
38 annually, and computed in accordance with the provisions of subpara-
39 graphs (ii) and (iii) of this paragraph.

40 (ii) (A) The interest required to be paid on each such amount speci-
41 fied in subparagraph (i) of this paragraph shall accrue from the end of
42 the payroll period for which such amount would have been deducted from
43 compensation if such person had been a participant at the beginning of
44 that payroll period and such deduction had been required for such
45 payroll period, until such amount is paid to the retirement system.

46 (B) The rate of interest to be applied to each such amount during the
47 period for which interest accrues on that amount shall be equal to the
48 rate or rates of interest required by law to be used during that same
49 period to credit interest on the accumulated deductions of retirement
50 system members.

51 (iii) Except as otherwise provided in paragraph five of this subdivi-
52 sion, no interest shall be due on any unpaid additional member contrib-
53 utions which are not attributable to a period prior to the first full
54 payroll period referred to in paragraph three of this subdivision.

55 5. (i) Should any person who, pursuant to subparagraph (ii) of para-
56 graph ten of this subdivision, has received a refund of such person's

1 additional member contributions including any interest paid on such
2 contributions, again become a participant in the twenty-five year
3 retirement program pursuant to paragraph six of subdivision b of this
4 section, an appropriate amount shall be included in such participant's
5 contribution deficiency (including interest thereon as calculated pursu-
6 ant to subparagraph (ii) of this paragraph) for any credited service for
7 which such person received a refund of such additional member contribu-
8 tions (including any amount of an unpaid loan balance deemed to have
9 been returned to such person pursuant to paragraph twelve of this subdivi-
10 vision), as if such additional member contributions never had been paid.

11 (ii) (A) Interest on a participant's additional member contributions
12 included in such participant's contribution deficiency pursuant to
13 subparagraph (i) of this paragraph shall be calculated as if such addi-
14 tional member contributions had never been paid by such participant, and
15 such interest shall accrue from the end of the payroll period to which
16 an amount of such additional member contributions is attributable, until
17 such amount is paid to the retirement system.

18 (B) The rate of interest to be applied to each such amount during the
19 period for which interest accrues on that amount shall be five percent
20 per annum, compounded annually.

21 6. Where a participant who is otherwise eligible for service retire-
22 ment pursuant to subdivision c of this section did not, prior to the
23 effective date of retirement, pay the entire amount of a contribution
24 deficiency chargeable to such person pursuant to paragraphs four and
25 five of this subdivision, or repay the entire amount of a loan of such
26 person's additional member contributions pursuant to paragraph eleven of
27 this subdivision (including accrued interest on such loan), that partic-
28 ipant, nevertheless, shall be eligible to retire pursuant to subdivision
29 c of this section, provided, however, that such participant's service
30 retirement benefit calculated pursuant to paragraph two of such subdivi-
31 sion c shall be reduced by a life annuity (calculated in accordance with
32 the method set forth in subdivision i of section six hundred thirteen-b
33 of this article) which is actuarially equivalent to:

34 (i) the amount of any unpaid contribution deficiency chargeable to
35 such member pursuant to paragraphs four and five of this subdivision;
36 plus

37 (ii) the amount of any unpaid balance of a loan of such person's addi-
38 tional member contributions pursuant to paragraph eleven of this subdivi-
39 vision (including accrued interest on such loan).

40 7. Where a participant who is otherwise eligible for a vested right to
41 a deferred benefit pursuant to subdivision d of this section did not,
42 prior to the date of discontinuance of service, pay the entire amount of
43 a contribution deficiency chargeable to such person pursuant to para-
44 graphs four and five of this subdivision, or repay the entire amount of
45 a loan of such person's additional member contributions pursuant to
46 paragraph eleven of this subdivision (including accrued interest on such
47 loan), that participant, nevertheless, shall be eligible for a vested
48 right to a deferred benefit pursuant to subdivision d of this section,
49 provided, however, that the deferred vested benefit calculated pursuant
50 to paragraph three of such subdivision d shall be reduced by a life
51 annuity (calculated in accordance with the method set forth in subdivi-
52 sion i of section six hundred thirteen-b of this article) which is actu-
53 arially equivalent to:

54 (i) the amount of any unpaid contribution deficiency chargeable to
55 such member pursuant to paragraphs four and five of this subdivision;
56 plus

1 (ii) the amount of any unpaid balance of a loan of such person's addi-
2 tional member contributions pursuant to paragraph eleven of this subdivi-
3 vision (including accrued interest on such loan).

4 8. The head of a retirement system which includes participants in the
5 twenty-five year retirement program in its membership may, consistent
6 with the provisions of this subdivision, promulgate regulations for the
7 payment of such additional member contributions, and any interest there-
8 on, by such participants (including the deduction of such contributions,
9 and any interest thereon, from the participant's compensation).

10 9. Subject to the provisions of paragraphs six and seven of this
11 subdivision, where a participant has not paid in full any contribution
12 deficiency chargeable to such person pursuant to paragraphs four and
13 five of this subdivision, and a benefit, other than a refund of member
14 contributions pursuant to section six hundred thirteen of this article
15 or a refund of additional member contributions pursuant to subparagraph
16 (ii) of paragraph ten of this subdivision, becomes payable under this
17 article to the participant or to such person's designated beneficiary or
18 estate, the actuarial equivalent of any such unpaid amount shall be
19 deducted from the benefit otherwise payable.

20 10. (i) Such additional member contributions (and any interest there-
21 on) shall be paid into the contingent reserve fund of the retirement
22 system of which the participant is a member and shall not for any
23 purpose be deemed to be member contributions or accumulated contrib-
24 utions of a member under section six hundred thirteen of this article or
25 otherwise while such person is a participant in the twenty-five year
26 retirement program or otherwise.

27 (ii) Should a participant in the twenty-five year retirement program
28 who has rendered less than five years of credited service cease to hold
29 a position as a water supply police member for any reason whatsoever,
30 such person's accumulated additional member contributions made pursuant
31 to this subdivision (together with any interest thereon paid to the
32 retirement system) may be withdrawn by such person pursuant to proce-
33 dures promulgated in regulations of the board of trustees of the retire-
34 ment system, together with interest thereon at the rate of five percent
35 per annum, compounded annually.

36 (iii) Notwithstanding any other provision of law to the contrary, (A)
37 no person shall be permitted to withdraw from the retirement system any
38 additional member contributions paid pursuant to this subdivision or any
39 interest paid thereon, except pursuant to and in accordance with the
40 preceding subparagraphs of this paragraph; and (B) no person, while such
41 person is a participant in the twenty-five year retirement program,
42 shall be permitted to withdraw any such additional member contributions
43 or any interest paid thereon pursuant to any of the preceding subpara-
44 graphs of this paragraph or otherwise.

45 11. A participant in the twenty-five year retirement program shall be
46 permitted to borrow from such person's additional member contributions
47 (including any interest paid thereon) which are credited to the addi-
48 tional contributions account established for such participant in the
49 contingent reserve fund of the retirement system. The borrowing from
50 such additional member contributions pursuant to this paragraph shall be
51 governed by the rights, privileges, obligations and procedures set forth
52 in section six hundred thirteen-b of this article which govern the
53 borrowing of member contributions made pursuant to section six hundred
54 thirteen of this article. The board of trustees of the retirement system
55 may, consistent with the provisions of this subdivision and the
56 provisions of section six hundred thirteen-b of this article as made

1 applicable to this subdivision, promulgate regulations governing the
2 borrowing of such additional member contributions.

3 12. Whenever a person has an unpaid balance of a loan of such person's
4 additional member contributions pursuant to paragraph eleven of this
5 subdivision at the time such person becomes entitled to a refund of such
6 person's additional member contributions pursuant to subparagraph (ii)
7 of paragraph ten of this subdivision, the amount of such unpaid loan
8 balance (including accrued interest) shall be deemed to have been
9 returned to such member, and the refund of such additional contributions
10 shall be the net amount of such contributions, together with interest
11 thereon in accordance with the provisions of such subparagraph (ii).

12 § 6. Subdivision d of section 613 of the retirement and social securi-
13 ty law is amended by adding a new paragraph 13 to read as follows:

14 13. (i) The city of New York shall, in the case of a water supply
15 police member (as defined in paragraph one of subdivision a of section
16 six hundred four-k of this article) who is a participant in the twenty-
17 five year retirement program (as defined in paragraph four of subdivi-
18 sion a of such section six hundred four-k), pick up and pay to the
19 retirement system of which such participant is a member, all additional
20 member contributions which otherwise would be required to be deducted
21 from such member's compensation pursuant to paragraphs one and two of
22 subdivision e of such section six hundred four-k (not including any
23 additional member contributions due for any period prior to the first
24 full payroll period referred to in paragraph three of such subdivision
25 e), and shall effect such pick up on each and every payroll of such
26 participant for each and every payroll period with respect to which such
27 paragraph three would otherwise require such deductions.

28 (ii) An amount equal to the amount of additional contributions picked
29 up pursuant to this paragraph shall be deducted by such employer from
30 the compensation of such member (as such compensation would be in the
31 absence of a pick up program applicable to such person hereunder) and
32 shall not be paid to such member.

33 (iii) The additional member contributions picked up pursuant to this
34 paragraph for any such member shall be paid by such employer in lieu of
35 an equal amount of additional member contributions otherwise required to
36 be paid by such member under the applicable provisions of subdivision e
37 of section six hundred four-k of this article, and shall be deemed to be
38 and treated as employer contributions pursuant to section 414(h) of the
39 Internal Revenue Code.

40 (iv) For the purpose of determining the retirement system rights,
41 benefits and privileges of any member whose additional member contrib-
42 utions are picked up pursuant to this paragraph, such picked up addi-
43 tional member contributions shall be deemed to be and treated as part of
44 such member's additional member contributions under the applicable
45 provisions of subdivision e of section six hundred four-k of this arti-
46 cle.

47 (v) With the exception of federal income tax treatment, the additional
48 member contributions picked up pursuant to subparagraph (i) of this
49 paragraph shall for all other purposes, including computation of retire-
50 ment benefits and contributions by employers and employees, be deemed
51 employee salary. Nothing contained in this subdivision shall be
52 construed as superseding the provisions of section four hundred thirty-
53 one of this chapter, or any similar provision of law which limits the
54 salary base of computing retirement benefits payable by a public retire-
55 ment system.

§ 7. Section 13-125.2 of the administrative code of the city of New York is amended by adding a new subdivision a-9 to read as follows:

a-9. Notwithstanding any other provision of law to the contrary, on or after the starting date for pick up, the employer responsible for pick up shall, in the case of a water supply police member (as defined in paragraph two of subdivision a of section four hundred forty-five-k of the retirement and social security law) who is a participant in the twenty-five year improved benefit retirement program (as defined in paragraph three of such subdivision a of section four hundred forty-five-k), pick up and pay to the retirement system all additional member contributions which otherwise would be required to be deducted from such member's compensation pursuant to subdivision d of such section four hundred forty-five-k, and shall effect such pick up on each and every payroll of such participant for each and every payroll period with respect to which such subdivision d would otherwise require such deductions.

§ 8. Subparagraph (ii) of paragraph 1 of subdivision c of section 13-125.2 of the administrative code of the city of New York, as amended by chapter 682 of the laws of 2003, is amended to read as follows:

(ii) the determination of the amount of such member's Tier I or Tier II nonuniformed-force member contributions eligible for pick up by the employer or additional member contributions required to be picked up pursuant to subdivision a-one, subdivision a-two, subdivision a-three, subdivision a-four, subdivision a-five, subdivision a-six, subdivision a-seven ~~[or]~~, subdivision a-eight, or subdivision a-nine of this section; and

§ 9. Subdivision d of section 13-125.2 of the administrative code of the city of New York is amended by adding a new paragraph 2-h to read as follows:

(2-h) For the purpose of determining the retirement system rights, benefits and privileges of any member who is a participant in the twenty-five year improved benefit retirement program (as defined in paragraph three of subdivision a of section four hundred forty-five-k of the retirement and social security law), the additional member contributions of such participant picked up pursuant to subdivision a-nine of this section shall be deemed to be and treated as a part of such member's additional member contributions under subdivision d of such section four hundred forty-five-k.

§ 10. Paragraph 3 of subdivision d of section 13-125.2 of the administrative code of the city of New York, as amended by chapter 682 of the laws of 2003, is amended to read as follows:

(3) Interest on contributions picked up for any Tier I or Tier II non-uniformed-force member pursuant to this section (other than additional member contributions picked up pursuant to subdivision a-one, subdivision a-two, subdivision a-three, subdivision a-four, subdivision a-five, subdivision a-six, subdivision a-seven ~~[or]~~, subdivision a-eight, or subdivision a-nine of this section) shall accrue in favor of the member and be payable to the retirement system at the same rate, for the same time periods, in the same manner and under the same circumstances as interest would be required to accrue in favor of the member and be payable to the retirement system on such contributions if they were made by such member in the absence of a pick up program applicable to such member under the provisions of this section.

§ 11. Subdivision a of section 603 of the retirement and social security law, as amended by section 3 of part EE of chapter 55 of the laws of 2024, is amended to read as follows:

1 a. The service retirement benefit specified in section six hundred
2 four of this article shall be payable to members who have met the mini-
3 mum service requirements upon retirement and attainment of age sixty-
4 two, other than members who are eligible for early service retirement
5 pursuant to subdivision c of section six hundred four-b of this article,
6 subdivision c of section six hundred four-c of this article, subdivision
7 d of section six hundred four-d of this article, subdivision c of
8 section six hundred four-e of this article, subdivision c of section six
9 hundred four-f of this article, subdivision c of section six hundred
10 four-g of this article, subdivision c of section six hundred four-h of
11 this article, subdivision c of section six hundred four-i of this arti-
12 cle, ~~[or]~~ subdivision c of section six hundred four-j of this article,
13 or subdivision c of section six hundred four-k of this article,
14 provided, however, a member of a teachers' retirement system or the New
15 York state and local employees' retirement system who first joins such
16 system before January first, two thousand ten or a member who is a
17 uniformed court officer or peace officer employed by the unified court
18 system who first becomes a member of the New York state and local
19 employees' retirement system before April first, two thousand twelve may
20 retire without reduction of their retirement benefit upon attainment of
21 at least fifty-five years of age and completion of thirty or more years
22 of service, provided, however, that a uniformed court officer or peace
23 officer employed by the unified court system who first becomes a member
24 of the New York state and local employees' retirement system on or after
25 January first, two thousand ten and retires without reduction of their
26 retirement benefit upon attainment of at least fifty-five years of age
27 and completion of thirty or more years of service pursuant to this
28 section shall be required to make the member contributions required by
29 subdivision f of section six hundred thirteen of this article for all
30 years of credited and creditable service, provided further that the
31 preceding provisions of this subdivision shall not apply to a New York
32 city revised plan member.

33 § 12. Nothing contained in sections six and eleven of this act shall
34 be construed to create any contractual right with respect to members to
35 whom such sections apply. The provisions of such sections are intended
36 to afford members the advantages of certain benefits contained in the
37 Internal Revenue Code, and the effectiveness and existence of such
38 sections and benefits they confer are completely contingent thereon.

39 § 13. This act shall take effect immediately, provided, however that:

40 (a) The amendments to subdivision a of section 603 of the retirement
41 and social security law made by section eleven of this act shall not
42 affect the expiration of such subdivision as provided in subdivision (b)
43 of section 13 of chapter 682 of the laws of 2003, and shall expire ther-
44 ewith;

45 (b) The provisions of section six of this act shall remain in force
46 and effect only so long as, pursuant to federal law, contributions
47 picked up under section 613 of the retirement and social security law
48 are not includable as gross income of a member for federal income tax
49 purposes until distributed or made available to the member; and

50 (c) The amendments to provisions of section 13-125.2 of the adminis-
51 trative code of the city of New York made by sections seven, eight, nine
52 and ten of this act shall not affect the expiration of such provisions
53 as provided for in chapter 681 of the laws of 1992, as amended.

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

SUMMARY: This proposed legislation would establish 25-Year Retirement Programs within the New York City Employees' Retirement System (NYCERS) for members employed as Water Supply Police Officers (WSP).

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

Year	NYCERS
2027	1.2
2028	1.1
2029	1.1
2030	1.0
2031	1.0
2032	0.9
2033	0.9
2034	0.8
2035	0.8
2036	(0.2)
2037	(0.2)
2038	(0.3)
2039	(0.3)
2040	(0.4)
2041	(0.4)
2042	(0.4)
2043	(0.5)
2044	(0.5)
2045	(0.5)
2046	(0.5)
2047	(0.6)
2048	(0.6)
2049	(0.6)
2050	(0.6)
2051	(0.7)

Projected contributions include future new hires that may be impacted. For Fiscal Year 2052 and beyond, the expected decrease in normal cost as a level percent of pay for impacted new entrants is approximately 1.91%. The decrease in future costs results from the actuarial expectation that new members mandated into the Plan will benefit less than the amount they are required to pay in additional member contributions.

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)	NYCERS
(1) PV of Employer Contributions:	4.3
(2) PV of Employee Contributions:	<u>2.9</u>
Total PV of Benefits (1) + (2):	7.2

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 lifetime of those impacted using level dollar payments.

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY
NYCERS

Increase (Decrease) in UAL:	5.9 M
Number of Payments:	9
Amortization Payment:	0.9 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 is summarized below.

Active Members	NYCERS
- Number Count:	110
- Average Age:	43.3
- Average Service:	17.6
- Average Salary:	96,200

IMPACT ON MEMBER BENEFITS: The proposed legislation would provide WSP with 25 or more years of credited service with a retirement benefit equal to 50% of Final Average Salary (FAS) for the first 25 years of credited service, plus 2% of Final Salary for each additional year of credited service, exceeding 25 years, up to a maximum of 5 additional years.

The vested benefit for members with less than 25 years of credited service would be equal to 2% of FAS for each year of credited service and is payable at what would have been their 25th year of service.

Plan participants would be required to pay Additional Member Contributions equal to 6% of compensation for all service on and after the starting date of the Plan until the later of one-year after the effective date of the Plan or 30 years of credited service as a WSP member.

Current Tier 4 and Tier 6 WSP members would have 180 days from the effective date to elect the WSP 25-Year Plan for their respective tier. WSP members who become NYCERS members after the date of enactment of the WSP 25-Year Plans would be mandated into the Tier 6 WSP 25-Year Plan unless over age 30 upon employment as a WSP member.

Once members in the Tier 4 WSP 25-Year Plan attain 25 years of credited service, they would no longer be eligible to retire under their basic plan and would lose the ability to accrue benefits after attaining 30 years of credited service.

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.

To determine the impact of the elective nature of the proposed legislation, a subgroup of NYCERS WSP members assumed to benefit actuarially was developed based on who is assumed to benefit actuarially by compar-

ing the net present value of future employer costs of each member's benefit under their current plan and under the WSP 25-year Plan.

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 2026-21 dated February 26, 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.