



**THE COUNCIL OF THE CITY OF NEW YORK  
FINANCE DIVISION**

RICHARD LEE, DIRECTOR

TANISHA EDWARDS, CFO AND DEPUTY CHIEF OF  
STAFF TO THE SPEAKER

**FISCAL IMPACT STATEMENT**

**PRECONSIDERED SLR:** S.7498-A (Jackson)  
A.7572-A (Pheffer Amato)

**COMMITTEE:** Governmental Operations, State &  
Federal Legislation

**SPONSOR(S):** Restler

**TITLE:** AN ACT to amend the retirement and social security law, in relation to eligibility for participants in the automotive 25 year/age 50 pension plan with more than 30 years of credited service who remain in active service after age 62 to receive a service retirement benefit equivalent to the standard service retirement benefit received by Tier IV members with the same age and service

**SUMMARY OF LEGISLATION:** Established in 2002, the 25-Year / Age 50 retirement program incentivized early retirement for automotive mechanics and related titles. The program requires its members to make Additional Member Contributions (AMC). The program benefit currently combines 50 percent of a member's Final Average Salary (FAS) for the first 25 years of credited service with an additional 2 percent of the FAS for additional service years beyond 25 years but no more than 30 years.

A number of members of the 25-Year / Age 50 program continued to work beyond 30 years, creating a disadvantage in their retirement benefit relative to comparable members in the Standard Tier 4 program, which provides 1.5 percent of the FAS as part of the retirement benefit for every year after 30 years. Further, the Tier 4 Standard Program does not require its members to contribute AMC. To create parity, this bill would recalculate the retirement benefit for members with 30 or more service years in two age categories. For members 62 years old or older, the benefit would include 60 percent of the FAS, plus an additional 1.5 percent of the FAS for each service year beyond 30 years. Members 55 to 61 years old would receive the same benefits, except that the 1.5 percent of FAS for each service year beyond 30 years would be subject to an early-retirement age reduction factor.

**EFFECTIVE DATE:** This act shall take effect immediately; provided that the amendments to subdivision a of section 603 of the retirement and social security law made by section one of this act shall be subject to the expiration and reversion of such subdivision pursuant to subdivision (b) of section 13 of chapter 683 of the laws of 2003, as amended, when upon such date the provisions of section two of this act shall take effect.

**FISCAL IMPACT STATEMENT:**

	<b>Effective FY25</b>	<b>FY Succeeding Effective FY26</b>	<b>Full Fiscal Impact FY25</b>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	\$1.46M	\$1.46M	\$1.46M
<b>Net</b>	\$1.46M	\$1.46M	\$1.46M

**IMPACT ON REVENUES:** It is anticipated that there would be no impact on revenues as a result of passing this legislation.

**IMPACT ON EXPENDITURES:** It is estimated that passing this bill would cost the City \$1.46 million in additional pension contributions in Fiscal 2025. Of the \$1.46 million, \$1.2 would cover the unfunded accrued liability (UAL) for services already rendered to the City, and \$0.26 million would cover the forward-looking costs associated with the bill, also referred to as the normal cost. The actuary's amortization schedule for the UAL covers a 10-year period, after which the additional pension contributions would only reflect the normal cost each year. In aggregate, the actuary determined that present value of the total cost of the bill through 2049 would total \$10.8 million, \$8.4 million of which reflects the PV of the UAL and \$2.4 million reflecting the PV for the normal cost.

**SOURCE OF FUNDS TO COVER ESTIMATED COSTS:** General Fund

**SOURCE OF INFORMATION:** New York City Council Finance Division  
Fiscal Note 2023-14, Actuary of the New York City Retirement Systems and Pension Funds

**ESTIMATE PREPARED BY:** Andrew Wilber, Supervising Economist

**ESTIMATE REVIEWED BY:** Dilara Dimnaku, Chief Economist  
Jonathan Rosenberg, Managing Deputy Director

**LEGISLATIVE HISTORY:** This bill will be considered by the Committee on Governmental Operations, State & Federal Legislation as a Preconsidered SLR on June 6, 2024. Upon successful vote by the Committee, the Preconsidered SLR will be introduced and submitted to the full Council for a vote on June 6, 2024.

**DATE PREPARED:** May 31, 2024