Office of the New York State Comptroller
Thomas P. DiNapoli
NYSLRS
New York State and Local Retirement System
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August 6, 2026

Mr. Mario Cilento
President
NYS AFL-CIO
100 South Swan Street
Albany, New York 12210

Dear Mr. Cilento:

Comptroller DiNapoli has asked that I respond to your request for an update of the costs incurred by the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) for members who participated in the rescue, recovery, or cleanup operations resulting from the September 11, 2001 attack on the World Trade Center (WTC). Cost estimates were previously provided to you on April 27, 2021, March 24, 2023, and February 24, 2025.

ERS and PFRS are two public retirement systems under the umbrella of the New York State and Local Retirement System (NYSLRS). The analysis below represents the estimated additional pension costs to NYSLRS attributable to WTC accidental disability retirements and WTC accidental deaths.

The Actuary estimates that costs for WTC benefits are $2,062.6 million, as of June 30, 2026. Member and retiree demographic details use data as of April 1, 2026, the most recent valuation. The costs were then rolled forward to June 30, 2026, using the actuarial liability discount rate. Here is that estimate broken down (in millions):

Death benefits (without cost-of-living increases):	$ 1,121.8
Disability benefits (without cost-of-living increases):	$ 481.0
Cost-of-living benefits for death and disability benefits:	$ 23.5
Present value of future benefits expected to be incurred:	$ 406.9
Total cost as of April 1, 2026:	$ 2,033.2

Total cost is estimated to be $2,062.6 million as of June 30, 2026.

The cost includes all accidental disability and accidental death benefit payments that are determined to stem from the WTC attack, recovery or cleanup. The member must have an approved WTC notice on file with NYSLRS. The benefit payments were either

(1) paid under the WTC sections of law,
(2) defined as a reclassified benefit, or
(3) a death we know to have occurred at the WTC site on September 11, 2001.

These benefits may be paid to a member or a beneficiary.

Prior years' estimates included an offset reflecting *hypothetical benefits* that might have been paid, absent the WTC exposure and WTC benefits. This offset was eliminated in 2026. The *hypothetical benefit* relied on assumptions the Actuary considered inaccurate or unsubstantiated. In particular, the Actuary noted the expectation for earlier retirement (shortening the funding window) and earlier death (accelerating the timing of benefit payments) among impacted participants.

Additionally, NYSLRS' data quality and data availability increased, allowing more accurate identification of affected members and calculation of WTC benefits. NYSLRS' Actuary now calculates and specifically itemizes the present value of future WTC benefits as part of the annual valuation. This amount ($406.9 million) was not available to be included in prior years' cost estimates.

Finally, NYSLRS has incurred increased administrative and legal costs to implement the provisions of WTC legislation.

Payment for the cost of the WTC disability pension and death benefits depends on the provisions of the applicable law under the New York State Retirement and Social Security Law (RSSL). Most costs are shared by the State of New York and the participating employers of NYSLRS. The liability increase is not directly funded. Rather, employers' annual bills would increase to finance the (unfunded) liability, and the WTC costs would be spread over future billing cycles.

The annual bill of each participating employer increases by an amount approximated by NYSLRS' Actuary to cover the increased costs and would be calculated as a percentage of the employer's reported salary for ERS and PFRS members. In 2026, the increased cost billed to employers for the present value of future benefits is approximately 0.7% of salary in PFRS and 0.01% in ERS. This generates an additional $40 million in employer contributions. This annual cost is ongoing.

NYSLRS has not received any FEMA grants to cover the additional costs already incurred or future costs of providing WTC pension and death benefits.

Please let me know if you have any further questions.

Sincerely,

Colleen C. Gardner

Colleen C. Gardner
Executive Deputy Comptroller

cc: Shawn Thompson