

Office of the New York State Comptroller  
Thomas P. DiNapoli



New York State and Local Retirement System  
110 State Street, Albany, New York 12244-0001

Colleen C. Gardner, Executive Deputy Comptroller

Phone: 518-474-2600  
Fax: 518-486-3117  
Email: [cgardner@osc.ny.gov](mailto:cgardner@osc.ny.gov)  
Web: [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire)

March 24, 2023

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). A cost estimate was previously provided to you on April 27, 2021.

As you know, 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 as of June 30, 2023.

Our Actuary calculated the total estimated present value of increased costs to NYSLRS due to untimely deaths and disabilities related to the WTC as of June 30, 2023 as follows:

- Costs for 9/11 death benefits, over what we would have spent for regular pension costs = \$ 225 million.
- Increased costs for 9/11 disabilities = \$85 million.
- Increased costs for COLAs that have been signed into law that impacted 1 and 2 = \$5 million.
- Total cost estimated = \$315 million.

This estimate reflects the additional pension costs over and above what NYSLRS would have normally spent for the impacted members had the WTC disaster never occurred. In addition to the cost of benefits, NYSLRS has incurred increased administrative and legal costs to implement the provisions of WTC legislation.

NYSLRS is unable to estimate the projected future costs of benefits related to the WTC. The cost of the benefits varies based on the member's salary, plan, age and years of service. NYSLRS cannot predict how many members or beneficiaries will apply and be approved for WTC benefits in the future.

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). Some of the laws require the costs to be borne by the State of New York. Other costs are shared by the State of New York and the participating employers of NYSLRS. For WTC benefits where costs are shared by all employers, the increase in liabilities are not directly funded. Rather, employers' annual bills would increase to finance the (unfunded) liability, and the cost would be spread over future billing cycles. In addition, the annual bill of each participating employer would increase 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.

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,

A handwritten signature in black ink that reads "Colleen C. Gardner". The signature is written in a cursive, flowing style.

Colleen C. Gardner  
Executive Deputy Comptroller

CCG/dd