TIER 6 REFORM

The 2026-27 Enacted State Budget provided significant statutory reforms to the state's Tier 6 Optional Retirement Program and pension plans. The changes are as follows:

Optional Retirement Program (ORP) Members

UUP's advocacy was instrumental in securing the inclusion of the Optional Retirement Program (ORP) as part of the state's Tier 6 Reform. The state will now provide an additional 1% contribution to ORP member accounts, and the employee minimum contributions are adjusted to align with the changes to the New York State and Local Retirement System (NYSLRS) employee contributions.

NYSTRS (TRS) Members

The retirement age will be reduced by five years, from 63 to 58, without penalties, for members with 30 years of service.

NYSLRS (ERS) Members

For members in this pension system, the employee contribution bands have been altered to reduce the amount individuals have to contribute towards their pension. The changes are in the chart below.

SALARY	OLD CONTRIBUTION	NEW CONTRIBUTION
$0-$45K	3%	3%
Over $45K-$55K	3.5%	3%
Over $55K-$75K	4.5%	3%
Over $75K - $100K	5.75%	4%

Overtime

For members eligible for overtime, the amount of pensionable overtime in all systems will increase. For members of ERS and TRS, the cap will increase from the current $22,500 to $30,000 and be indexed annually at 3%.

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