

Chapter 58 of the Laws of 2026 Tier VI Pension Legislative Changes

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Reduced Contribution Rates

Summary

- Contribution rate bracket restructure
- Maximum contribution rate reduced from **6.0% to 5.75%**.
- Rate changes exclude Transit Operating T25/55 and TBTA 20-Year Plan members
- **October 1, 2026** – Revised rates become effective

| Prior to October 1, 2026 | |
|--------------------------|-------------------|
| Applicable Annual Wages | Contribution Rate |
| Up to \$45,000 | 3.00% |
| \$45,001 - \$55,000 | 3.50% |
| \$55,001 – \$75,000 | 4.50% |
| \$75,001 – \$100,000 | 5.75% |
| Greater than \$100,000 | 6.00% |



| Effective October 1, 2026 | |
|---------------------------|-------------------|
| Applicable Annual Wages | Contribution Rate |
| Up to \$75,000 | 3.00% |
| \$75,001 - \$100,000 | 4.00% |
| \$100,001 – \$125,000 | 5.25% |
| Greater than \$125,000 | 5.75% |

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Increased OT limits for Pension Calculations

Summary

Members:

- Prior to 2027, the overtime cap was indexed annually based on CPI-U for the calendar year two years ago and was \$21,589 for 2026.
- Annual overtime cap increases from **\$21,589 (2026)** to **\$30,000 beginning January 1, 2027 (this include Transit Operating T25/55 and TBTA 20-Year Plan members)**
- Future increases indexed at **3% annually**.

Note

The exclusion of the following remains in effect:

- Pensionable wages in excess of the annual salary paid to the Governor of New York (\$250,000 for 2026)
- Lump sum payments for sick leave, accumulated vacation and other credits for time not worked including termination pay and any additional compensation paid in anticipation of retirement

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Extension of Overtime Exclusion

Summary

Chapter 58 of the Laws of 2026, Part XX extends the elimination of overtime from the determination of pensionable wages for the purposes of determining the applicable contribution rate through **January 1, 2029**.

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