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NY-DIGNITY

Retirement Infrastructure for Independent Drivers

Policy Concept Paper · Germán Marcelino, Founder & Principal Architect · 2026

This document presents the NY-DIGNITY structural framework for review by ERISA counsel, independent FSA/MAAA actuaries, labor policy researchers, and public sector stakeholders. It does not constitute legal, actuarial, or investment advice. Projections are modeled estimates and are subject to independent actuarial certification prior to implementation.

I. THE STRUCTURAL PROBLEM

New York City's professional driver workforce — more than 180,000 individuals holding active TLC licenses — sustains one of the world's most complex urban transportation systems. They generate billions of dollars in annual economic activity and provide an essential public service. Yet they do so without access to any institutional retirement benefit structure. No employer-sponsored plan. No portable benefit mechanism. No systematic pathway to retirement security.

This is not an oversight. It is a structural consequence of labor classification. Under current federal and New York State regulatory frameworks, TLC-licensed drivers are classified as independent contractors, which places them outside the scope of employer-sponsored ERISA benefit plans. The platforms that depend on their labor are not obligated to contribute to any retirement mechanism on their behalf. The regulatory agencies that govern driver conduct have not established a parallel framework to address this gap.

The downstream cost is measurable and growing. Drivers who cannot retire on schedule continue operating past the age at which fatigue and health conditions compromise safety. Those who do retire without income fall back on public assistance programs — Medicaid, SSI, and municipal housing support — shifting a private labor market externality onto public budgets. As the independent workforce grows nationally, this pattern is not specific to New York City: it is a preview of a systemic policy failure at scale.

The absence of retirement infrastructure for the independent workforce is not a market imperfection that can be corrected through individual behavior. It is a structural gap that requires an institutional response — one designed to operate within the existing regulatory framework while remaining durable across its foreseeable evolution.

II. THE NY-DIGNITY MODEL

NY-DIGNITY is a self-funded, privately-governed retirement benefit trust designed to provide structured retirement income to NYC TLC-licensed professional drivers without reliance on employer classification, public appropriations, or legislative benefit mandates. The system is organized as a Multiemployer Benefit Trust under New York Estates, Powers and Trusts Law (NY EPTL Art. 7) and is structured to qualify for federal tax exemption under IRC §501(c)(9) as a Voluntary Employees' Beneficiary Association (VEBA).

The framework is financed through three independent revenue streams that operate simultaneously and reinforce one another:

Revenue Stream	Annual Minimum	Structure
Driver contributions	$1,950 / participant	3% of $250/day × 5 days/week base — automatic
Platform matching contributions	$1,950 / participant	3% match — classification-neutral; NYC Local Law mandate (primary path)
Transportation Surcharge (TSS)	$73M+ aggregate	$0.20 per trip — independent recurring revenue; not subject to platform negotiation

Combined contributions and TSS revenue enter a hybrid fund architecture: 60% of total contributions flow to a Collective Pool that funds defined monthly benefits and manages intergenerational risk; 40% are credited to Individual Accounts that belong to each participant and accumulate at a target 3% annual crediting rate. This dual structure reduces the actuarial cross-contamination risk present in pure defined benefit designs while preserving the risk-sharing characteristics essential to a portable, multi-employer benefit system.

A participant who retires under the Standard Track at age 62, with a fully funded system, receives $1,300/month from the Collective Pool plus an estimated $233/month from their Individual Account supplement — a combined $1,533/month, entirely self-funded, at zero cost to taxpayers or public budgets.

III. HOW NY-DIGNITY WORKS

The system operates through four sequential mechanisms that translate driver activity into retirement income:

01	**Contributions are generated automatically from verified driver activity.** Each active TLC-licensed driver contributes 3% of a defined $250/day earnings base. The platform makes a matching 3% contribution structured as classification-neutral under three alternative legal pathways. The Transportation Surcharge adds $0.20 per trip as an independent revenue stream that does not require bilateral negotiation.

02	**Contributions flow into a hybrid fund structure.**

60% of contributions enter the Collective Pool, which funds defined monthly retirement benefits and manages long-term actuarial risk across all participants. 40% are credited to Individual Accounts, which accumulate over a driver's active career and are distributed at retirement as a supplemental monthly benefit.

03

The fund is managed under independent governance and a dynamic funding policy.

A seven-member Board — technical majority, zero platform representation — oversees a diversified global investment portfolio targeting 7.5% compound annual return. Contribution rates adjust automatically based on a certified Funding Ratio, without requiring Board discretion or legislative action. An Autonomous Vehicle Trigger Protocol activates pre-defined responses if the participant universe contracts due to technological displacement.

04

Drivers retire with structured, inflation-indexed income.

At age 62 (Standard Track), a driver receives a monthly benefit of $1,300–$1,500 depending on the certified Funding Ratio, plus their Individual Account supplement. CPI indexation activates when the Funding Ratio exceeds 115%. A Protected Benefit Floor ensures a minimum of $1,000/month under all but the most severe and sustained adverse conditions.

IV. INSTITUTIONAL DESIGN AND GOVERNANCE

The NY-DIGNITY governance architecture draws from three international pension systems recognized for institutional durability and funding discipline — CPP Canada, ATP Denmark, and PFZW Netherlands — adapted to the legal and regulatory environment of New York State. Reference to these systems identifies specific design elements, not comparable scale or regulatory context.

The Board's seven-member composition — one independent Chair, one independent FSA/MAAA actuary, two investment professionals (CFA/CIO equivalent), two participant-elected representatives, and one independent ERISA/trust counsel — ensures a permanent technical majority that is insulated from platform interests, political cycles, and short-term participant pressure. Platform entities hold no governance rights, no fiduciary designation, and no access to individual participant benefit data.

The framework is explicitly designed as dual-ready: legally operable under current independent contractor classification and structurally prepared — without modification — for potential reclassification of drivers as employees under the DOL Independent Contractor Rule (2024). This eliminates the structural obsolescence risk that has historically limited portable benefit design in the independent workforce sector.

V. FINANCIAL PROJECTIONS

The following projections are modeled estimates based on stated actuarial and investment assumptions. They do not constitute actuarial certification. An independent FSA/MAAA valuation is required before any participant commitments are made.

Projection Horizon	Active Participants	Annual Contributions + TSS	Cumulative Pool Reserves	Funding Ratio (est.)
Year 1	54,000	~$199M	~$199M	—
Year 10	72,000	~$241M	~$3.2B	—
Year 20	92,000	~$288M	~$10.1B	—
Year 30	112,000	~$334M	~$18.0B	~168%

Three stress scenarios confirm fund resilience across a range of adverse conditions. Under a conservative 5.0% return scenario, the Year-30 pool reserve reaches approximately $12.4 billion (Funding Ratio ~118%). Under an adverse scenario combining 3.0% returns and a 40% autonomous vehicle-driven participant decline, the Automatic Vehicle Trigger Protocol activates at Level 2–3 and the fund reaches approximately $7.4 billion (Funding Ratio ~95%). Under a compound extreme scenario — a 20% asset shock in Year 3 followed by sustained 2% returns through Year 12, recovering to 5% thereafter — the fund reaches approximately $14.2 billion at Year 30 (Funding Ratio ~105%), supported by the automatic contribution increase mechanism. The Protected Benefit Floor reduction conditions are not met in any of the four modeled scenarios within the 30-year projection horizon.

VI. WHY THIS MODEL MATTERS

The growth of independent and platform-mediated work is not a transitional phenomenon. According to consistent estimates from the Bureau of Labor Statistics, Pew Research, and McKinsey Global Institute, the independent workforce now represents between 25% and 36% of the U.S. labor market and continues to expand. The retirement infrastructure available to this workforce has not kept pace. Existing policy responses — voluntary IRA mechanisms, state-level retirement savings programs, and portable benefits pilots — address the margin. None provides a scalable, institutionally governed, self-funded solution.

New York City is the optimal environment to pilot this model, for reasons that are structural rather than symbolic. The TLC-licensed driver community is large (180,000+), administratively legible (licensing data is publicly maintained), geographically concentrated, and already subject to regulatory frameworks — including minimum pay standards — that establish legal precedent for per-trip platform obligations. The 2019 TLC minimum pay rule, which imposed per-trip earnings floors on transportation network companies, demonstrates both the legal pathway and the political viability of the primary contribution mechanism proposed here.

Beyond New York, the framework addresses a policy design problem with direct application to any city or state where a large, licensed, platform-dependent workforce operates without retirement infrastructure. The design is portable in principle: the trust structure, contribution architecture, governance model, and dynamic funding mechanism can be adapted to other jurisdictions and workforce categories — healthcare workers, delivery workers, domestic workers — where similar structural gaps exist.

NY-DIGNITY does not require resolution of the classification debate to function. It is designed to operate under the current framework and survive its evolution — a *feature that distinguishes it from prior portable benefit proposals that were structurally contingent on a specific regulatory outcome.*

VII. NEXT STEPS

The NY-DIGNITY framework is at the pre-implementation institutional review stage. No participant contributions will be accepted and no benefit commitments will be made prior to completion of the following sequence:

Phase	Action	Lead Party	Timeline
1 — Legal foundation	Retain ERISA counsel: formal opinion on ERISA applicability under DOL IC Rule 2024, Trust structure, and IRC §501(c)(9) VEBA viability	Specialized ERISA firm	60–90 days
1 — Actuarial foundation	Engage independent FSA/MAAA actuary: TLC demographic study, first actuarial valuation, stress test certification	SOA-credentialed FSA firm	90–120 days
1 — Governing documents	Draft Trust Agreement, SPD, and Plan Rules under ERISA §402, including PBF protocol, AVTP text, and amendment procedure	ERISA counsel + Board	120 days
2 — Federal/state filings	File IRS Form 1024 (IRC §501(c)(9)); register with NY Attorney General under NY EPTL Art. 7	Tax + ERISA counsel	6–12 months
2 — Platform contributions	Negotiate and execute platform contribution agreements. Primary path: NYC Local Law mandate. Contingency: bilateral commercial agreement.	ECONSTART + labor counsel	6–18 months
3 — Operational setup	Register with DOL/EBSA, execute ERISA §412 fidelity bonds, file initial Form 5500, appoint CIO, adopt Investment Policy Statement	ERISA counsel + trustees	90 days post-Phase 1

NY-DIGNITY is available for institutional review. Qualified parties — ERISA counsel, independent actuaries, labor policy researchers, and public sector stakeholders — may contact:

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Institutional Policy Brief — Released for public policy discussion and technical review. Projections remain subject to independent legal and actuarial validation prior to implementation.