



**New York State Teachers' Retirement System**

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**George M. Philip, Executive Director**



**SUBJECT:** *Estimated Employer Contribution Rate to be PAID During The 2007-08 School Year*

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For your information, we are providing a copy of the most-recent Administrative Bulletin sent to all Chief School Administrators, College and University Presidents and School Contacts.

***Estimated Employer Contribution Rate***

Administrative Bulletin 2005-8, issued November 2005, alerted you to the expected increase in the required employer contribution rate (ECR). For budgeting purposes, we recommend you use an estimated ECR of **8.60%** of pay. This rate will be applied to fiscal year 2006-07 NYSTRS member salaries, and collected in September, October, and November of 2007. An Administrative Bulletin will be provided in August 2006 after the Retirement Board formally adopts the ECR at its July meeting.

We recognize the significant impact this rate has on school district budgets. For this reason, we are sending this alert as early as possible to assist you with planning and budgeting. Although we are required to properly fund the plan, we are aware of school districts' budgeting difficulties.

The assets of the Retirement System are prudently diversified and the asset valuation method NYSTRS employs in the actuarial valuation helps dampen market volatility. Although the last two years' investment returns have been encouraging, capital market returns over the previous several fiscal years were less than anticipated, leading to required increases in the ECR.

Forecasting future rates beyond this point is impossible due to the many variables involved, such as future investment performance and member demographic experience.

If you have any additional questions, please call John Cardillo, coordinator of public information services, at (518) 447-4743.

***History of the Employer Contribution Rate (ECR)***

<u>Salary Year</u>	<u>ECR</u>
1978-79	21.40%
1979-80	22.49%
1980-81	23.49%
1981-82	23.49%
1982-83	23.49%
1983-84	22.90%
1984-85	22.80%
1985-86	21.40%
1986-87	18.80%
1987-88	16.83%
1988-89	14.79%
1989-90	6.87%
1990-91	6.84%
1991-92	6.64%
1992-93	8.00%
1993-94	8.41%
1994-95	7.24%
1995-96	6.37%
1996-97	3.57%
1997-98	1.25%
1998-99	1.42%
1999-00	1.43%
2000-01	0.43%
2001-02	0.36%
2002-03	0.36%
2003-04	2.52%
2004-05	5.63%
2005-06	7.97%