



New York State Teachers' Retirement System

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George M. Philip, Executive Director

DELEGATE NEWS

**SUBJECT: Employer Contribution Rate to be PAID
 During the 2006-07 School Year
 August 2005—Issue No. 5**

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.

At its July 28 meeting, the Retirement Board adopted an Employer Contribution Rate (ECR) of 7.97% of members' salary, which is the rate we estimated in our February 2005 Administrative Bulletin. The 7.97% rate will be applied to the 2005-2006 NYSTRS member payroll and will be paid during the 2006-2007 school year. Payments of equal amounts are due on September 15, October 15, and November 15, 2006.

For school districts, these payments will be deducted from State Aid apportioned during September, October, and November of 2006.

The State University, Education Department and community colleges will be billed directly, as will participating employers receiving insufficient State Aid to cover the retirement payments. Due dates are as described above.

Please note that any payments due as the result of (a) Chapter 437 of the Laws of 1993, Article 18, Section 803, or (b) your participation in retirement incentive legislation are independent of those mentioned above.

Although rates of return in the capital markets were good this past year, returns were very unfavorable earlier in the decade. The assets of the Retirement System are prudently diversified, and the asset valuation method employed in the actuarial valuation dampens market volatility. However, the poor return of the capital markets during these prior years is leading to significant increases in the ECR. Although forecasting exact future ECRs is impossible, you should plan on this upward trend in the ECR continuing.

We will send you additional information regarding this important subject as it becomes available. If you have any questions concerning employer contributions, please call **800-348-7298** (or **518-447-2900** from the Albany area), **Ext. 2857 or 2786**.