



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 2004-2005 School Year**
August 2003—Issue No. 7

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

At its July meeting the Retirement Board adopted an Employer Contribution Rate (ECR) of 2.52% of members' salary, the rate we estimated in our February 2003 Administrative Bulletin. The 2.52% rate will be applied to the 2003-2004 NYSTRS member payroll and will be paid during the 2004-2005 school year. Payments of equal amounts are due on September 15, October 15, and November 15, 2004.

For school districts, these payments will be deducted from State Aid apportioned during September, October, and November of 2004.

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, any payments due as the result of (a) Chapter 175 of the Laws of 1990, (b) Chapter 437 of the Laws of 1993, Article 18, Section 803, or (c) your participation in retirement incentive legislation are independent of those mentioned above.

As you are aware, rates of return in the capital markets have been unfavorable in recent years, and negative over most of the past three years. Although the assets of the Retirement System are prudently diversified and the asset valuation method employed in the actuarial valuation dampens market volatility, the poor return of the capital markets will require dramatic increases in the ECR.

Although forecasting exact future ECRs is impossible, you should plan on this continued upward trend for the ECR.

We will continue to send you information regarding this important subject. If you have any questions concerning employer contributions, please telephone toll free **(800) 348-7298** or **447-2900** (Albany-area calls), Ext. **2857** or **2786**.

An additional copy of this bulletin is enclosed for your business office.