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to Video
Vault

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YOUR

Source

Information For Active NYSTRS Members

● WINTER

● 2011

Harrington, Robinson Join NYSTRS Board



Dr. Harrington

Dr. Phyllis S. Harrington, superintendent of schools at the Oyster Bay–East Norwich Central School District, and Dr. L. Oliver Robinson, superintendent of the Shenendehowa Central School District, are the newest members of the NYSTRS Board.

Dr. Harrington's appointment was made in October and Dr. Robinson's in December. Both appointments were made by New York State Commissioner of Education David M. Steiner.

NYSTRS' 10-member Retirement Board sets policy and oversees System operations. Trustees serve without compensation and represent various constituents, including active and retired teachers, school administrators and school boards.

Members of the Board are responsible as fiduciaries to protect the long-term value of the System's investment portfolio and provide benefit security for members.

Dr. Harrington

Dr. Harrington began her career in education as a teacher. She also previously served as elementary school principal and director of special education. She served six years as the assistant superintendent

(continued on page 7)



Dr. Robinson

Salenger Re-elected to Board At Annual Delegates Meeting

The 2010 Annual Delegates Meeting culminated with the unanimous re-election of Sheila J. Salenger to her eighth three-year term as a teacher member on NYSTRS' Retirement Board. She announced during her acceptance speech that this would be her last term on the Board.

The meeting was held Sunday, Nov. 14 and Monday, Nov. 15 at the Saratoga Springs City Center. More than 650 delegates, alternates and guests representing school districts from across the state were in attendance.

Salenger, a Niskayuna resident, was first elected to the Board in 1989. She was elected vice president of the Board by her fellow trustees in 2009.



Sheila J. Salenger

(continued on page 3)

DID YOU KNOW...



...If you select a survivor or pop-up survivor option at retirement, the payment amount is based on your age and your beneficiary's age? The younger the beneficiary, the longer that person's life expectancy and the lower the monthly payment you will receive.

Before selecting a payment option, meet with a NYSTRS information representative and request benefit projections under various scenarios. ♦



**NYS TEACHERS'
RETIREMENT SYSTEM**

NYS Teachers' Retirement System
10 Corporate Woods Drive
Albany, NY 12211-2395

OFFICE HOURS

Monday - Friday: 8:30 a.m. - 4:15 p.m.
Summer Hours:
Mon. - Thurs.: 8 a.m. - 4:15 p.m.
Friday: 8 a.m. - 12:30 p.m.

WEB SITE

www.nystrs.org

TELEPHONE

(800) 348-7298
(Albany-Area Calls: 447-2900)

General Information	Ext. 6250
Retirement Estimates	Ext. 6020
Prior Service	Ext. 6030
Transfer-In	Ext. 6040
Transfer-Out	Ext. 6050
Military Service	Ext. 6060
Reinst./Retro. Membership	Ext. 6070
Member Service Credit	Ext. 6075
Loans	Ext. 6080
Membership Withdrawals	Ext. 6090
Benefit Consultations	Ext. 6100
In-Service Death Benefit Info.	Ext. 6110
Income Tax Information	Ext. 6120
Beneficiary Information	Ext. 6130
Earnings After Retirement	Ext. 6150
PREP Seminars	Ext. 6180
Legislation	Ext. 6200
Direct Deposit	Ext. 6230

HOTLINE

(800) 782-0289

Form and Publication Requests
Latest News 24/7

RETIREMENT BOARD

R. Michael Kraus, *President*
Sheila J. Salenger, *Vice President*
Michael R. Corn
Paul J. Farfaglia
Dr. Phyllis S. Harrington
Daniel J. Hogarty Jr.
David P. Keefe
Michael J. Masse
Dr. L. Oliver Robinson
Nicholas Smirensky

Thomas K. Lee
Executive Director

Share Your Pension Thoughts

Picture this: You have made a career of educating the children of our state and it is time to retire. You earned your NYSTRS pension, a monthly benefit paid for life. Your pension is guaranteed and the funds used to pay the benefit are secure. Depending on the payment option you select, you may also be able to provide coverage for a beneficiary. This is what a defined benefit plan like that administered by NYSTRS provides to eligible members.

What does a NYSTRS benefit mean to you? You can send your thoughts and stories to us at:

NYSTRS PIO

**10 Corporate Woods Drive
Albany, NY 12211-2395**

You can also e-mail us at news@nystrs.state.ny.us. Please include contact information. We will not share your thoughts publicly without your permission, so we need a means of contacting you if necessary.

We look forward to hearing from you! ♦

How to... take advantage of various self-service tools

Create a MyNYSTRS Account

1. Visit www.nystrs.org.
2. Select "Create Account" on the MyNYSTRS button found at left.
3. Follow the online instructions.

You'll Need Your...

- NYSTRS EmplID (employee identification number), found on your *Benefit Profile* and all official System correspondence.
- Social Security number.
- Date of birth.

Time Commitment: About 2 minutes

Follow these steps to make the switch from paper to electronic newsletters.

1. Log in to the MyNYSTRS section of our Web site at www.nystrs.org. Those who do not have a MyNYSTRS account will need to create one. (*See instructions above.*)
2. Select the "Manage Account" tab (*top right of screen*).
3. You will be automatically directed to the e-newsletter subscription page. Simply follow the directions and hit "Submit."
4. A successful subscription will generate a confirmation message.

Time Commitment: Less than 1 minute, if you have a MyNYSTRS account.



Benefit Profile Distributed Earlier Than Ever



The System's more than 285,000 active members received a clear picture of their NYSTRS benefits when their 2010 *Benefit Profiles* arrived in the mail in November. Thanks to a number of process improvements, members re-

ceived this important retirement planning tool earlier than ever.

The 2010 version of this personalized annual career snapshot contained pension-related information and calculations based on data available through June 30, 2010. This edition of the *Profile* was produced for members who joined NYSTRS before June 30, 2010.

The *Profile* is a critical retirement planning tool members use to verify their beneficiary designation, and salary and service credit information reported by employers. Members should check for reporting errors and report them to the appropriate employer immediately. Employers should submit any corrections to NYSTRS as soon as possible.

Clearing up any errors now improves the accuracy of benefit estimates and helps speed the retirement process later. Please note, however, the *Profiles* posted on MyNYSTRS are images that will not be altered if changes are made to your account. These updates will be reflected in the following year's *Profile*.

The 2010 *Profile* contains:

- Earnings and service credit for the year ended June 30, 2010;
- A complete service credit history;
- Beneficiary information; and,
- Descriptions of benefit payment options.

Depending on your membership status and eligibility, the *Profile* may also include projections of service retirement benefits under different scenarios; disability and death benefit projections; and a summary of contributions and loan information (if applicable).

If you believe you were eligible to receive a *Benefit Profile* and have yet to receive one, please contact NYSTRS at (800) 348-7298, Ext. 6250. Among the reasons members don't get their *Profile* in a timely manner is because they have not updated their address with the System.

Address changes can be reported quickly and easily online for those with a MyNYSTRS account. Non-account holders must complete a *Member Name/Address Change* (GRE-50) form and mail it to the System. NYSTRS will also accept a letter with the new address if the letter includes the proper NYSTRS EmplID and signature.

For security purposes, we cannot accept address changes over the phone or through e-mail.

Go to www.nystrs.org or see page 2 of this newsletter for instructions on creating a MyNYSTRS account. ♦

Salenger Re-elected (*from page 1*)

Delegates applauded her tireless and passionate service to the members of NYSTRS. Several delegates praised her commitment to sharing her knowledge of the Retirement System and noted she can always be counted on to find answers to members' pressing questions.

Salenger began her teaching career in New York City and has been a longtime faculty member in the Wappingers Central School District. She is also a longtime active member of New York State United Teachers (NYSUT).

The 10 members of the Retirement Board serve without compensation and represent various constituents, including active and retired members, school administrators, school boards and taxpayers. Teacher members are elected from the membership, one each year, and serve three-year terms. Michael R. Corn of Barneveld and Paul Farfaglia of Liverpool are the other teacher members on the Board.

In addition to the election, the meeting was an opportunity for delegates to receive updates of System activities and the newest customer service initiatives. Delegates were provided with many benefit and retirement-related resources to share with colleagues. To find the delegate(s) representing your employer, visit either the Employers or Delegates homepages of NYSTRS' Web site and find the hyperlinked "delegates" text for those with terms expiring July 31, 2011.

Seminars covered the topics of retirement incentives, calculation of benefits, our new Pension & Retirement Education Program (PREP), Tier 5, defined benefit public pension plans and Social Security. Links to each session's PowerPoint presentation are available on the Annual Delegates Meeting page of the System's Web site at www.nystrs.org.

An Information Center where those in attendance could speak with a System information representative and a question-and-answer session with NYSTRS Board and staff members were other meeting highlights ♦

Survey Says...

Take a Survey
Tell us what you think
about our customer service



We've added a new survey to our Web site at www.nystrs.org.

Please share your thoughts by clicking the "Take a Survey" button on the left-hand menu of our homepage. You can also access the survey by selecting the pencil-and-paper icon found near the top right of every page. ♦

NYSTRS' 2010 Annual Report Highlights



R. Michael Kraus

President's Message

Dear NYSTRS Members, Administrators and Teachers:

Recent volatility in the financial markets and the economic uncertainty created as a result continues to threaten the stability of many public pension plans. That is not the case with NYSTRS, however. This System remains fully funded and is among the strongest in the nation in this regard.

There are many reasons for our success with a single common denominator: stability. Consistent, uninterrupted contributions, for example, and a disciplined investment approach with a long-term investment strategy are the cornerstones of our foundation. Our staff and our dedication to providing excellent customer service generates additional strength by creating a dependable yet flexible environment that welcomes growth. The result: our retirees and beneficiaries continue to receive the benefits they were promised and those payments are reintroduced into the local, state and national economies.

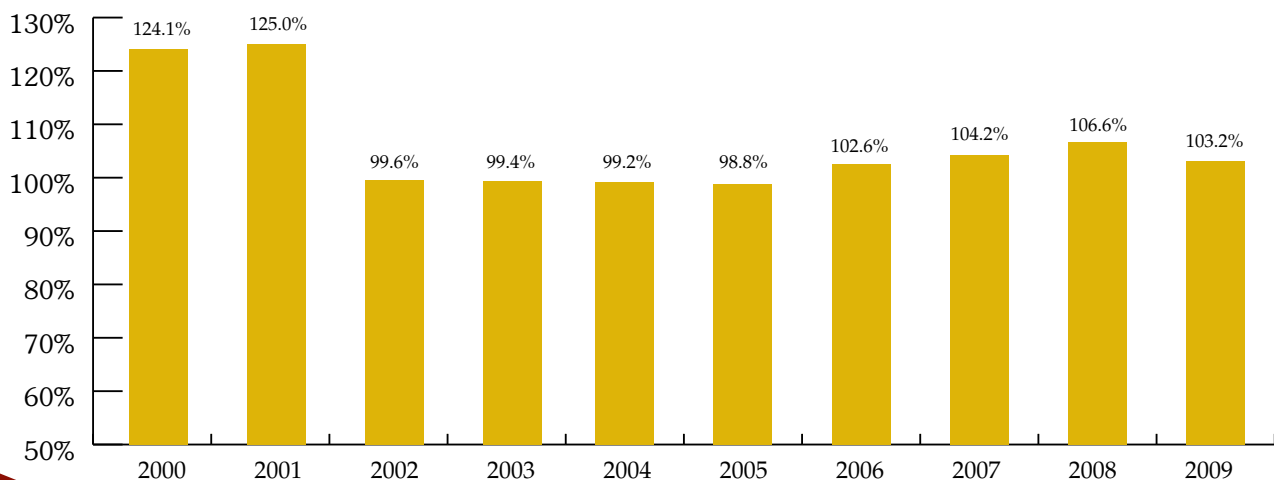
For NYSTRS, stability has bred success. Consider that System net assets increased more than 12.0% during the year, a figure more than 4.0% higher than the assumed rate of return of 8.0%. For the 20-year period that includes the fiscal year ended June 30, 2010, the overall portfolio returned 8.1%. Over that same period, 86.0% of System income was derived from investments.

That is why it surprises me when defined benefit pension plans like those administered by NYSTRS come under attack. Professionally managed, well-funded plans actually save taxpayers money, according to the National Institute on Retirement Security, while providing steady retirement income to millions of retirees. Unlike those who can literally outlive their retirement savings, a NYSTRS retiree is guaranteed an income for life.

I extend my sincere appreciation to my fellow Board members, Executive Director Tom Lee and his entire staff for their tireless commitment to our more than 427,000 members. I am certain our System will enjoy continued success because our foundation is strong, our values are unwavering and our people are among the best in the business.

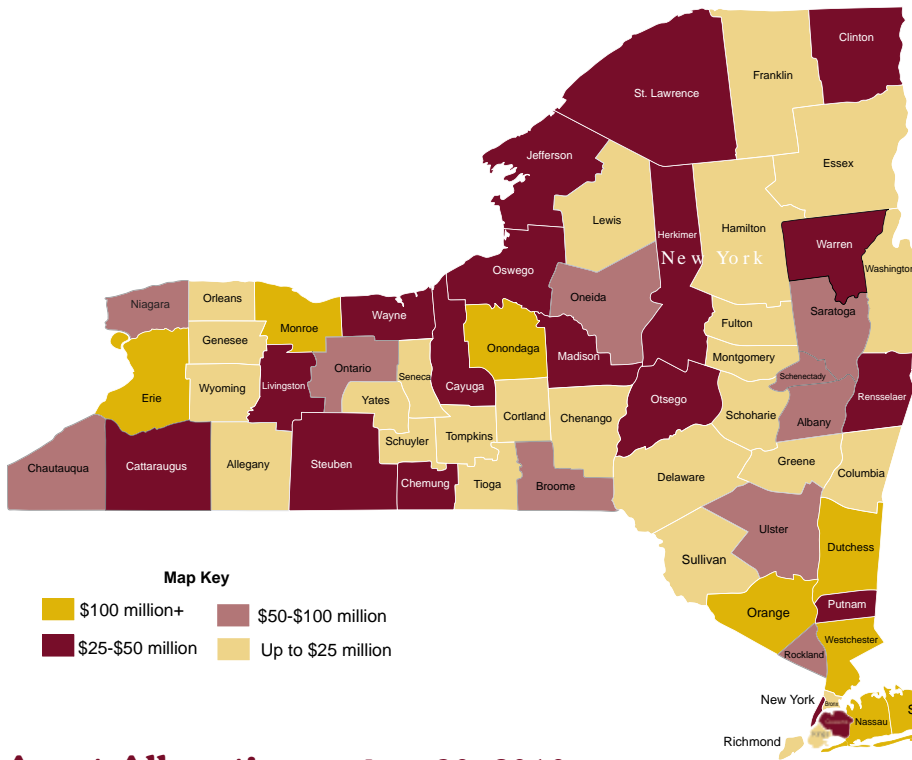
R. Michael Kraus
President

Percent Funded



Distribution of Benefits Paid by County

As of June 30, 2010



Top 15 Counties

Annual Benefit Paid

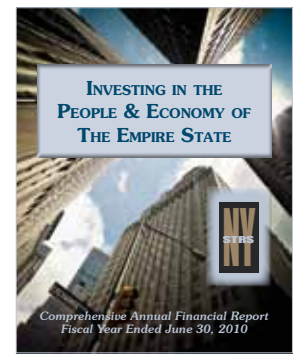
1. Suffolk	\$762,231,324
2. Nassau	384,755,569
3. Erie	370,466,558
4. Monroe	262,184,232
5. Westchester	249,933,923
6. Onondaga	170,934,158
7. Dutchess	104,599,811
8. Orange	104,291,317
9. Saratoga	98,699,102
10. Rockland	93,273,393
11. Oneida	90,106,919
12. Albany	89,625,990
13. Niagara	79,820,835
14. Ulster	78,886,774
15. Broome	67,651,333

For a full list of counties, refer to page 99 in NYSTRS' 2010 Annual Report.

Asset Allocation — June 30, 2010

The most significant contributor to a fund's long-term investment performance is the allocation decision among the various asset classes, including equities, fixed income and real estate. The allocation process helps control risk and sets the guidelines to diversify the System's portfolio. The asset allocation policy adopted by the Board allows ranges around an optimal target allocation. The Retirement Board, with the assistance of an external consultant, reviews the asset allocation policy on an annual basis to analyze recent and historical investment experience. Since this is a long-term plan, adjustments to the allocation are usually made on an annual basis when necessary. The current targets, ranges and actual allocations are detailed below:

	Target	Range	Actual
Domestic Equity	42%	35-49%	44.4%
International Equity	15%	11-19%	11.8%
Real Estate	10%	6-14%	9.4%
Private Equity	7%	4-12%	8.0%
<i>Total Equities</i>	<i>74%</i>		<i>73.6%</i>
Domestic Fixed Income	18%	13-23%	17.7%
Mortgages	8%	5-11%	7.3%
Cash Equivalents	0%	0-5%	1.4%
<i>Total Fixed Income</i>	<i>26%</i>		<i>26.4%</i>



The System's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010, can be found in its entirety on the Library page of our Web site at www.nystrs.org. You may request a hard copy by calling (800) 782-0289 ♦

MyMoney.gov Offers Financial Guidance

Whether you require a lesson in Money Management 101 or a simple refresher course on budgeting there is a federal Web site that can help.

MyMoney.gov (www.mymoney.gov) is dedicated to helping Americans understand how to save, invest and manage money to meet their personal goals. Topics covered include credit, home ownership, responding to life events and many more.

There are also links to other helpful sources, such as the Federal Reserve Board and publicly funded colleges and universities affiliated with the U.S. Department of Agriculture Cooperative State Research, Education, and Extension Service (CSREES). The latter provide valuable, no-cost financial information and online education tools beyond that available directly from federal government agencies.

When you visit mymoney.gov, be sure to order a free “My Money” toolkit. The online order form allows you to do so quickly and easily. ♦

Two Items Added to Video Vault

A three-minute piece aimed at our least tenured members and a two-minute short promoting our reconfigured retirement education program are the latest additions to the Video Vault at www.nystrs.org.

“10 Corp”, patterned after the popular NBC sitcom “30 Rock”, officially debuted at the System’s Annual Delegates Meeting in November. Its aim is to grab the attention of our newest members (defined as those with five or fewer years of service) in an attempt to encourage them to learn more about their NYSTRS benefits.

Additionally, the video strives to get these members to think about retirement planning earlier in their careers — something the vast majority of members closest to retirement tell us they wish they had done. In fact, we encourage our more senior members to watch “10 Corp” and share it with their younger colleagues.

“PREP” is a humorous, fast-paced overview of the System’s Pension and Retirement Education Program, or PREP for short. Fans of the commercials featuring the latest Old Spice man will likely recognize the comic approach used.

Members of all ages can benefit from the comprehensive PREP seminars. The morning sessions focus on NYSTRS benefits, financial planning, Social Security and estate planning. Topics covered in the afternoon include filing for retirement, adjusting to retired life and income in retirement.

PREP is structured to allow members to tailor the program to fit their needs. Attendees can stay for the entire seminar or just the modules of interest to them. Seminars run from 8:30 a.m. to 3 p.m. You can book a PREP seminar through your MyNYSTRS account or by calling (800) 348-7298.

These videos, like essentially every video in the Vault, were written, produced, directed and edited by NYSTRS staff. They also star System staff members. Our videos are an entertaining and cost-effective way to educate members about their NYSTRS benefits.

We hope you’ll share these videos with friends and colleagues. Please feel free to post them on your Facebook, Twitter or other personal social media page of choice. Your participation in bringing the videos to the attention of family and friends in the education arena will benefit all. ♦



A scene from NYSTRS’ “10 Corp” video aimed at our newest members.

Seen at the 2010 Delegates Meeting

To see more pictures visit www.nystrs.org



Board Meeting Highlights *(from page 8)*

October 28, 2010 *(continued)*

- ◆ **Authorized** the allocation of up to \$125 million in HarbourVest/NYSTRS Co-Invest Fund LP, subject to the satisfactory completion of due diligence.
- ◆ **Authorized** the allocation of up to \$100 million in HIPEP Select Asia Fund LP, subject to the satisfactory completion of due diligence.
- ◆ **Renewed** an agreement with StepStone Group LLC to serve as the System's private equity consultant, for one year, effective February 1, 2011.
- ◆ **Authorized** an agreement with KPMG LLP for audit services for the fiscal years ending June 30, 2011; June 30, 2012; and, June 30, 2013.
- ◆ **Renewed** an agreement with Hewitt EnnisKnupp to act as a general investment consultant, for one year, effective Feb. 1, 2011.
- ◆ **Renewed** the agreement with EII Realty Securities Inc. to manage a portion of the System's portfolio as an international (ex-U.S.) real estate securities investment manager, for one year, effective Dec. 7, 2010.
- ◆ **Renewed** the agreement with LaSalle Investment Management (Securities) LP to manage a portion of the System's portfolio as an international (ex-U.S.) real estate securities investment manager, for one year, effective Dec. 1, 2010.
- ◆ **Renewed** the agreement with RREEF America LLC to manage a portion of the System's portfolio as an international (ex-U.S.) real estate securities investment manager, for one year, effective Dec. 1, 2010.
- ◆ **Renewed** the agreement with State Street Global Advisors to manage a portion of the System's portfolio as a passive international equity manager, for one year, effective Feb. 18, 2011.
- ◆ **Renewed** the agreement with Callan Associates Inc. to act as a real estate consultant, for one year, effective Feb. 1, 2011.
- ◆ **Removed** Iridian Asset Management LLC from the System's "watch list."
- ◆ **Appointed** Eileen M. Byrne to a three-year term on the Real Estate Advisory Committee, effective Jan. 1, 2011.
- ◆ **Reappointed** Herman E. Bulls to a three-year term on the Real Estate Advisory Committee, effective Jan. 1, 2011.
- ◆ **Reappointed** David L. Brigham and Carol A. Zipkin to three-year terms on the Investment Advisory Committee, effective Jan. 1, 2011.
- ◆ **Accepted** the report of KPMG LLP on the financial statements of the Retirement System as of June 30, 2010, and for the plan year ended on that date.
- ◆ **Accepted** changes to the Investment Policy Manual, reflecting updates approved by the Retirement Board through the July 2010 Board Meeting.
- ◆ **Approved** amendments to the System's Rules and Regulations.
- ◆ **Approved** amendments to System bylaws relative to Retirement Board officers and their duties, as well as the Board's committee structure.
- ◆ **Approved** changes to Board committee charters.
- ◆ **Approved** changes to the System's annual disclosure statement and code of ethics.
- ◆ **Approved** resolutions delegating authority to the Executive Director to make certain decisions regarding the annual meeting of NYSTRS delegates, membership renewals in several national organizations and the investment of certain discretionary funds.
- ◆ **Approved** the System's 2011 legislative program.
- ◆ **Accepted** a recommendation of the Executive Director and System staff to reduce the number of items requiring Board ratification at its quarterly meetings. ◆

Harrington, Robinson Join NYSTRS Board *(from page 1)*

at Oyster Bay–East Norwich prior to being named superintendent in 2004.

Dr. Harrington earned her Doctorate of Education from Hofstra University, and her M.S. and B.A. from Adelphi University. Her professional affiliations include the American Association of School Administrators, Association for Supervision and Curriculum Development, National Superintendents Roundtable and New York State Council of School Superintendents.

Her community involvement includes the Rotary Club, Boys & Girls Club of Oyster Bay and the Youth & Family Counseling Agency of Oyster Bay.

Dr. Harrington fills the NYSTRS Board position previously held by Dr. Rosemary F. Jones, who retired from public education at the end of the 2009-10 school year.

Dr. Robinson

Prior to joining the Shenendehowa School District in 2005, Dr. Robinson was the superintendent of schools for the Rotterdam-Mohonasen Central School District. He also served in New York public schools as an assistant superintendent for business and a school business administrator.

Dr. Robinson is a graduate of Brown University. He earned his Ph. D. and M.S. from the State University of New York at Albany. In addition to his role at Shenendehowa, Dr. Robinson is an adjunct faculty member and lecturer at several Capital District colleges and universities.

Dr. Robinson's professional affiliations include the New York State Council of School Superintendents, American Association of School Administrators, and Southern Saratoga Chamber of Commerce. He also serves on the New York State Education Department Commissioner's Advisory Council.

Dr. Robinson takes the place of Dr. James N. Baldwin, who left his school administrator position at Questar III to accept the position of chief of staff for Commissioner Steiner. ◆

Board Meeting Highlights – July & October 2010

July 28, 2010

- ◆ **Authorized** the allocation of up to \$250 million in Aberdeen Asset Management to manage a portion of the System's assets as an active ACWI ex-U.S. international equity manager for a period of one year.
- ◆ **Authorized** a commitment of up to \$50 million in Cornerstone Patriot Fund L.P., subject to the satisfactory completion of due diligence.
- ◆ **Authorized** a commitment of up to £30 million in Inflexion 2010 Buyout Fund L.P., subject to the satisfactory completion of due diligence.
- ◆ **Authorized** a commitment of up to \$75 million in Lone Star Real Estate Fund II (U.S.) L.P., subject to the satisfactory completion of due diligence.
- ◆ **Authorized** a commitment of up to \$75 million in Lone Star Fund VII (U.S.) L.P., subject to the satisfactory completion of due diligence.
- ◆ **Authorized** the reallocation of \$500 million from the domestic equity small capitalization strategy currently managed by Progress Investment Management Co. to a domestic equity all capitalization strategy managed by Progress for a period of one year. Progress will continue to manage the assets as a manager of managers.
- ◆ **Ratified** the following actions taken by the Retirement Board's Finance Committee and Executive Director since the previous Board meeting:
 - A commitment of \$150 million to a

10-year, \$350 million mortgage loan serviced by MetLife Insurance Co. as co-lender for City National Plaza, Los Angeles, Calif.

- A 7-year, \$62 million first mortgage for Griffin Towers, Santa Ana, Calif.
- ◆ **Renewed** the agreement with Blackrock Institutional Trust Co. to manage a portion of the System's assets as an enhanced passive international equity manager, for one year, effective Sept. 21, 2010.
- ◆ **Renewed** the agreement with Cohen & Steers Capital Management Inc. to actively manage a portion of the System's portfolio in the preferred securities of real estate investment trusts (REITs) and real estate operating companies (REOCs), for one year, effective Sept. 13, 2010.
- ◆ **Renewed** the agreement with Prima Capital Advisors LLC to actively manage a portion of the System's portfolio in commercial mortgage backed securities (CMBS), for one year, effective Oct. 1, 2010.
- ◆ **Renewed** the agreement with T. Rowe Price Associates Inc. to manage a portion of the System's portfolio as a domestic equity enhanced manager, for one year, effective Oct. 30, 2010.
- ◆ **Adopted** an employer contribution rate applicable to 2010-11 payrolls and collected during the 2011-12 school year of 8.62%.
- ◆ **Adopted** a resolution honoring retiring Board Member Dr. Rosemary Jones for her years of service to the Board and NYS-TRS members.



- ◆ **Authorized** the Executive Director to retain a Parliamentarian for the System's Annual Delegates Meeting, scheduled for Nov. 14-15, 2010 at the Saratoga Springs City Center.

October 28, 2010

- ◆ **Adopted** resolutions honoring Board Trustee Dr. James N. Baldwin, who resigned his position as a chief school administrator to accept a position with the NYS Department of Education, and Real Estate Advisory Committee Chairman Glen Coverdale, who will remain through the 2010 calendar year, for their years of service.
- ◆ **Authorized** the allocation of up to \$250 million with Leading Edge Investment Advisors to manage a portion of the System's equity portfolio as manager of managers with a domestic equity all capitalization mandate, subject to the satisfactory completion of due diligence.

(October 28, 2010 Board Meeting Highlights continued on page 7)

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New York State Teachers' Retirement System
10 Corporate Woods Drive
Albany, NY 12211-2395