



The following information was recently provided to NYSTRS' participating employers. As a Retirement System delegate, it is important you are aware of these issues.

Delegate News

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Estimated Employer Contribution Rate for the 2008-09 Payroll

History of the Employer Contribution Rate (ECR)

In an effort to assist you with 2008-09 budget preparations, we recommend you use an estimated employer contribution rate (ECR) of 7.63% for 2008-09 payroll. This projected rate is consistent with Administrative Bulletin 2007-11, issued in November 2007, in which we estimated a rate of between 6.5% and 8.0%.

Although the funds associated with this ECR will not be collected until fall 2009, we send this alert well in advance to assist with your planning. The Retirement Board will adopt the 2008-09 ECR at its July meeting and an Administrative Bulletin formalizing this rate will be issued soon thereafter.

As previously noted (see Administrative Bulletin 2007-8), the ECR applicable to your 2007-08 payroll will be 8.73%. These funds will be collected in the fall of 2008 and correspond to NYSTRS member salaries for the 2007-08 school year.

The lower 2008-09 ECR is primarily due to favorable investment returns over the previous few years. However, this does not necessarily signal the beginning of a downward trend in the ECR. Forecasting future rates is impossible due to the many unknowns involved, such as investment performance and member demographics.

The ECR is adopted each July, but the contributions associated with that particular rate are not collected for another 14-16 months. Except for those employers required to pay directly, payments are deducted annually from State Aid apportioned in September, October and November.

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

Table with 2 columns: Salary Year and ECR. Rows range from 1978-79 to 2007-08.