



## Summary of the Delegate-Board/Staff Discussion From NYSTRS' 2019 Annual Meeting of Delegates November 3, 2019

- Q:** What is NYSTRS' position on investing in private prisons?
- A:** NYSTRS' broad-based holdings include index funds that mimic the S&P 1500, which includes private prison securities. As owners of these funds, we can advocate our positions on various issues through proxy voting. Recently, NYSTRS was able to help successfully push through a Service Employees International Union shareholder proposal to more closely monitor human rights practices at facilities owned by these companies. The advantage of ownership is having a voice in how companies do business. NYSTRS balances these concerns with a fiduciary responsibility to our various stakeholders to achieve the highest possible long-term rate of return with appropriate levels of diversity and risk at the lowest cost to employers and taxpayers.
- Q:** Why has NYSTRS' assumed rate of return been lowered?
- A:** Market conditions impact the System's ability to generate investment returns. With a turbulent global economy and interest rates that are historically low, NYSTRS adjusted its assumed rate of return to better match future expectations. The Board recently approved a reduction from 7.25% to 7.1%, as recommended by the System's Actuary, in response to industry forecasts that it will be more difficult to achieve strong returns going forward. Actuarial assumptions like this one are routinely revised in order to align the assumed rate of return with experience and expectations.
- Q:** Tier 6 members have variable contribution rates depending on their pay scale. What should they do if they have concerns about those contributions being properly collected?
- A:** We strongly urge you to contact the Member & Employer Services Department at NYSTRS. These issues are often case-specific and we want to ensure they are resolved correctly. More information about Tier 6 contribution rates can be found [on our website](#).
- Q:** Does NYSTRS view payments for driver education instruction as pensionable?
- A:** This issue is complex and payment sources vary from district to district. As examples, payments from a private commercial driving school are not reportable, even if the course is taught through a NYSTRS employer; however, credit-bearing programs, which are part of the regular school curriculum for which students are not required to pay tuition or a fee, are reportable for pension purposes. We refer you to [Administrative Bulletin No. 2019-9](#) which explains driver education reportability in detail. Contact NYSTRS for further information.

**Q:** When should members file for disability protection?

**A:** If you face a potentially life-threatening illness or surgery, filing a disability retirement application for protection provides a safety net for you and your beneficiaries. In most cases, the lump-sum retirement payment a beneficiary would receive if something happens to you would be significantly more than an in-service death benefit. Contact our Disability Unit at (800) 348-7298, Ext. 6010 for estimates and additional information before making decisions. You can also visit the Disability Retirement page under the Benefits tab of our [website](#).

A member filing for protection must complete the forms *Application for Disability Retirement* and *Medical Information Summary*. Both are found within the Disability Retirement Application Package available at [NYSTRS.org](http://NYSTRS.org). On the application, you must note that you are filing for protection, indicate the medical condition necessitating the retirement, leave the requested date of retirement blank, and select the Largest Non-Declining Lump Sum Option (Tiers 2-6) or the Declining Reserve Option (Tier 1).

**Q:** Will the 2020 Annual Delegates meeting conflict with Election Day?

**A:** The 2020 meeting will be held Sunday and Monday, Nov. 8-9. Election Day is November 3, so there will not be a conflict. **[Important Update: As we noted via email on May 13, NYSTRS will hold the 2020 meeting virtually on Monday, Nov. 9.]**

**Q:** Can NYSTRS provide advice for members' personal investing strategies?

**A:** While general retirement guidance is provided at our [Pension and Retirement Education Program](#) seminars, System staff are not licensed financial advisors and cannot provide investment advice. You can find information on finding and evaluating qualified advisors by contacting the Financial Planning Association ([fpanet.org](http://fpanet.org)), Certified Financial Planner Board of Standards ([cfp.net](http://cfp.net)) or the International Association of Qualified Financial Planners ([iaqfp.org](http://iaqfp.org)). Additionally, members are encouraged to save through investment vehicles such as 403(b) plans.