NYSTRS’ Year in Review and the Long-Term Stability of the System

2019 Annual Delegates Meeting
Teachers Live Longer

• The Society of Actuaries Says…
  • Female educators reaching age 65 are expected to live to age 90.03
  • Male educators reaching age 65 are expected to live to age 87.7

• NYSTRS’ Members May Live Longer…
  • 6,218 retirees age 90 or older
    • 4,452 female
    • 1,766 male
  • 170 of these members are 100 or older
Changes to the NYSTRS Board of Trustees

• Thank You for Your Service!
  • Paul Farfaglia - Active Teacher Trustee
    • Retired after a 35-year teaching career, Jordan-Elbridge CSD
    • Joined the Board in 2009
  • Michael Masse – Banking Executive Trustee
    • Served as vice-president of the Board
    • Joined the Board in 2009
  • Stephen Feehan – Financial Services Executive Trustee
    • Joined the Board in 2016
Changes to the NYSTRS Board of Trustees

• Elizabeth A. Chetney
  • Appointed by the New York State Education Commissioner as an Active Teacher Member
  • Teacher at Baldwinsville CSD (1992)
  • Will be part of the election during Monday’s business meeting
Changes to the NYSTRS Board of Trustees

• Christopher Morin
  • Elected to a three-year term by the State Board of Regents
  • Banking Executive Trustee
  • From Scarsdale, NY
Changes to the NYSTRS Board of Trustees

- Jennifer J. Longtin
  - Elected to a three-year term by the State Board of Regents
  - Financial Services Executive Trustee
  - From Ballston Lake, NY
Legislative Update

• Earnings After Retirement Limit (Section 212)
  • Currently $30,000 per calendar year
  • Legislature passed increase to $35,000
  • Not law yet; waiting to be called for by the Governor

• Retirement Contribution Reserve Fund
  • Became effective April 1, 2019
  • Maximum 2% of NYSTRS reportable payroll
  • Balance cap of 10% of NYSTRS reportable payroll
  • Not available to large City School Districts

• Governor’s Salary Increase to $200,000 Effective January 1, 2019
  • Increases usable earnings limitation for Tier 6 members
  • Will increase to $225,000 January 1, 2020
Committed to providing educators with a Secure Retirement

Modeling pension fund excellence since 1921.

More about us ➤

NYSTRS News

New Paltz Consultation Site Added
In-person consultations are now available in New Paltz at the Ulster County BOCES. Schedule an appointment through your MyNYSTRS account or call us at (800) 348-7298, Ext. 6100.

New Scam Warnings Issued
The Internal Revenue Service and the NYS Department of State Division of Consumer Protection recently issued new warnings to educators. Be aware of potential scams.

Save the Date

Annual Delegates Meeting to be Held
Nov. 3-4 in Saratoga Springs

Welcome to NYSTRS, New Teachers!
If you’ve just started your first teaching job, the experience is likely to be both exciting and overwhelming. Now that you’re settled, take the time to become familiar with one of the key benefits of a public school teaching job — your future pension.

Teacher Appointed to NYSTRS Board
Elizabeth A. Cheeley, a teacher in the Baldwinsville Central School District, was appointed to the NYSTRS Board to fill a teacher vacancy.

Delegates will elect two active teacher members to the Retirement Board. Educational seminars will focus on important retirement decisions; key components of a pension calculation; the
Welcome to NYSTRS, New Teachers!

If you’ve just started your first teaching job, the experience is likely to be both exciting and overwhelming. But now that you’ve decorated the bulletin boards, copied your handouts, stacked the books and met your students, you should also take a little time to think about your own life and career. That means becoming familiar with one of the key benefits of a public school teaching job – your future pension.
Welcome to NYSTERS, New Teachers!
If you’ve just started your first teaching job, the experience is likely to be both exciting and overwhelming. But now that you’ve decorated the bulletin boards, copied your handouts, stocked the books and met your students, you should also take a little time to think about your own life and career. That means becoming familiar with one of the key benefits of a public school teaching job — your retirement.

New Scan Warnings Issued
The Internal Revenue Service and the NYS Department of State Division of Consumer Protection recently issued new warnings to consumers about scammers attempting to steal personal or financial information. NYSTERS has multiple security measures in place to help safeguard your pension information, but we urge you to be vigilant in protecting yourself.

Teacher Appointed to NYSTERS Board
Elizabeth A. Cheyne, a teacher in the Baldwinsville Central School District, was appointed to the NYSTERS Board to fill a teacher mentor opening.
Active Member FAQs

Refer to our Active Member FAQs for answers to many common questions.

Contact Us
(800) 348-7298, Ext. 6260
community@nystrs.org

Active Members
New Members
Service Credit
Service Milestones
Active Member FAQs
Infographics
Your Source
Ready to Retire

Active Members’ Handbook
Your comprehensive resource to help you better understand your retirement benefits.

Your Benefit Profile
The most important retirement-planning tool available to you.
Benefit Profile Tutorial Video
Retired Member FAQs

Refer to our Retired Member FAQs for answers to many common questions.

Contact Us ➔
(800) 348-7288
communit@nystrs.org

Benefits
- +
- COLAs
- +
- Death Benefits
- +
- Pension Payments
- +
- Retirement Process
- +
- Taxes
- +
- Working in Retirement
- +
- Miscellaneous
- +

Retired
Earnings After Retirement
Cost-of-Living Adjustment
Taxes & Estate Planning
Retired Member FAQs
Infographics
Report a Death
Resource

Related Items
Benefit Payment Dates
Calendar
Retired Member Handbook
When a Loved One Passes
Estate Planning List.
Retirement Planning FAQs

Get answers to common planning questions.

Contact Us ➔
(800) 349 7246, Ext. 6260
communi@nysters.org

Retirement Planning
- Ready to Retire
- Benefits Consultations
- Pension & Retirement Education Program
- Taxes & Estate Planning
- Retirement Planning FAQs

Your Benefit Profile
The most important retirement-planning tool available to you.
Benefit Profile Tutorial Video

Benefit Calculations ➔
Benefit Payments ➔
Disability Retirement ➔
Filing for Retirement ➔
Planning Resources ➔
Miscellaneous ➔
Information Security

• We Remain Vigilant
  • We defeat thousands of attacks each day

• We’re Here to Help
  • MyNYSTRS two-tier authentication
  • Password requirements and periodic changes
  • Last accessed date in MyNYSTRS
  • ID verification for phone inquiries
  • Photo ID required to access our facility

• You Are Your Best Defense
Theft of ID Flags

• **Low Flag**
  - Does not stop processing
  - Staff required to ask for further ID authentication
  - Allowed to access/register a MyNYSTRS account

• **Medium Flag**
  - Does not stop processing
  - Staff required to ask for further ID authentication
  - Allowed to access/register MyNYSTRS account – limits changes

• **High Flag**
  - Stops all transactions
  - Written requests required – all communication provided in writing
  - Access/registration to MyNYSTRS canceled
Deceased Member Notification
Employer Reporting

Working with our districts through the Employer Secure Area (ESA)

- District reports to us when they learn a retiree has passed
- We share a list of the deceased retirees we know of from that district
Presentations

Presentations Include

- New Member
  - New employee orientation
- General Benefits
  - Relevant for all members
- Approaching Retirement
  - Focus on members nearing retirement
- Retiree Groups
  - Focus on retiree topics

Contact David Costello, (800) 348-7298, Ext. 4763
NYSTRS

Vision: To be the model for pension fund excellence and exceptional customer service.

Mission: To provide our members with a secure pension.
Feedback Is Important

Cobalt Survey

- Survey of recent retirees regarding their experience
- Received a 94 rating – tied for highest of participating organizations
Feedback Is Important

- PREP Seminar Survey
  - Survey of all attendees of our Pension & Retirement Education Program (PREP)
  - 4% likely to recommend…
  - 95% very likely to recommend
Feedback Is Important

• PREP Seminar Survey
  • All PREP attendees
  • 4% likely to recommend…
  • 95% very likely to recommend

• Consultation Survey
  • All in-person and video consultations
  • 4% likely to recommend…
  • 95% very likely to recommend

• After-Call Survey
  • All members following a call to NYSTRS
  • Member satisfaction rating of 96%

• Presentation Survey
  • District presentation attendees
  • 99% likely to recommend
Feedback Is Important

- Delegate Meeting Survey
  - You rated us between 96 - 100% in the various categories last year
  - We want your feedback again
    - Paper survey
    - Mobile meeting app
NYSTRS

Vision: To be the model for pension fund excellence and exceptional customer service

Mission: To provide our members with a secure pension

Integrity
Excellence
Respect
Resourcefulness
Diversity
Diligence
Balance
Breakdown of Income Sources
30-Year Period

- Net Investment Income: 85%
- Employer Contributions: 13%
- Member Contributions: 2%
System Financials

Current ECR
8.86% of pay

June 30, 2018 Actuarial Valuation
### Actuarial Gain/Loss in the 6/30/2018 ECR

#### Factors Which Increased the ECR (Actuarial Loss)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary/Service</td>
<td>Salary/Service data above expectation</td>
<td>0.12%</td>
</tr>
<tr>
<td>Mortality</td>
<td>Members living longer</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

**Total Increase in ECR**: 0.13%

#### Factors Which Decreased the ECR (Actuarial Gain)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment Gain</td>
<td>Net Actuarial Value of Assets Gain</td>
<td>1.30%</td>
</tr>
<tr>
<td>New Entrants</td>
<td>Tier 6 members as a % of membership</td>
<td>0.11%</td>
</tr>
<tr>
<td>Withdrawal</td>
<td>Withdrawals higher than expectation</td>
<td>0.04%</td>
</tr>
<tr>
<td>Retirement</td>
<td>Fewer members retired last year</td>
<td>0.16%</td>
</tr>
<tr>
<td>Pension Payments</td>
<td>Inflation (COLA) lower than average</td>
<td>0.07%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Decrease due to various sources (e.g. overlap, disability, etc.)</td>
<td>0.21%</td>
</tr>
</tbody>
</table>

**Total Decrease in ECR**: 1.89%

**Overall Net Decrease in the ECR (Actuarial Gain)**: 1.76%
System Financials

Assumed long-term rate of return

7.25%

Effective fiscal year beginning July 1, 2018*

*Based on the June 30, 2017 actuarial valuation
System Financials

Assumed long-term rate of return

7.1%

Effective fiscal year beginning July 1, 2020*

*Based on the June 30, 2019 actuarial valuation
System Financials

Estimated ECR for 2020-2021

9.25% - 10.25% of pay

June 30, 2019 Actuarial Valuation
System Financials

Portfolio Allocation

- Earn the highest possible return within appropriate risk levels
- This results in the lowest possible cost to employers and taxpayers
### System Financials

#### Long-Term Focus

- We begin to save for your retirement the day you join NYSTRS
- Investment returns continue to accumulate even after a member retires

<table>
<thead>
<tr>
<th>Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Years of Service During a Member’s Career</td>
<td>25 years</td>
</tr>
<tr>
<td>Average Years Spent in Retirement</td>
<td>28 years</td>
</tr>
<tr>
<td>Investment Horizon</td>
<td>53 years</td>
</tr>
<tr>
<td>Average Pension</td>
<td>$45,725</td>
</tr>
</tbody>
</table>
# NYSTRS Market Value of Assets

## As of:

<table>
<thead>
<tr>
<th>Date</th>
<th>Market Value of Assets (in Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td>$109.7</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>$107.5</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>$115.5</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>$119.9</td>
</tr>
<tr>
<td>June 30, 2019*</td>
<td>$122.5</td>
</tr>
</tbody>
</table>

## Five-Year Period 2014 – 2019 (in Billions)

<table>
<thead>
<tr>
<th></th>
<th>Benefit Payments and Expenses</th>
<th>Employer Contributions Collected</th>
<th>Member Contributions Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$34.9</td>
<td>$9.9</td>
<td>$0.6</td>
</tr>
</tbody>
</table>

*Based on estimated 6/30/19 final quarter Real Estate and Private Equity values*
## System Financials

<table>
<thead>
<tr>
<th>Rates of Return (6/30/2019)*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>7.1%</td>
</tr>
<tr>
<td>3 Year</td>
<td>9.5%</td>
</tr>
<tr>
<td>5 Year</td>
<td>7.2%</td>
</tr>
<tr>
<td>10 Year</td>
<td>10.4%</td>
</tr>
<tr>
<td>20 Year</td>
<td>6.3%</td>
</tr>
<tr>
<td>25 Year</td>
<td>8.7%</td>
</tr>
<tr>
<td>30 Year</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

* Net of fees
Thirty-Year Period
1989 – 2019

Employer Contributions
$28.9 billion

Member Contributions
$4.5 billion

Investment Income
$186.1 billion

Benefit Payments and Expenses
$120.2 billion

Approximate Market Value of Assets- 1989: $23.2B
Approximate Market Value of Assets- 2019: $122.5B
System Financials

NYSTRS Funded Ratios*

• Actuarial Value of Assets – The average (or smoothed) investment return over a period of time; NYSTRS uses a 5-year smoothing calculation

  99.6%

• Market Value of Assets – The current price for which you could sell the System’s assets on the open market

  101.2%

*Preliminary Estimate 6/30/2019