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

Annual Delegates Meeting
October 29, 2021
COVID-19 Response

NYSTRS continues to follow the guidelines issued by the Centers for Disease Control and Prevention (CDC) and the New York State Health Department.
COVID-19 Response

• NYSTRS Administration created, and continues to update, policies based on state and federal guidelines.

• Building enhancements for safety and COVID-19 protocols include a daily health screening process, temperature scanning stations at each entry to the building, an employee reservation system for contact tracing, and limited capacity areas and meeting spaces.

• Social distancing is observed at all times.

• Our building is currently open to visitors only for essential visits.
COVID-19 Response

NYSTRS Administration prepared a phased return of staff to our building. The first phase began in November 2020 with a small number of employees returning to work in the building. We now have 50% of staff members in the building on a rotating basis. Our return to 100% occupancy is tentatively scheduled for January 3, 2022.
COVID-19 Response

Meetings and conferences, including the NYSTRS Retirement Board meetings and the Minority & Women-Owned Business Enterprises Conference, were transitioned to virtual meetings using WebEx or Microsoft Teams.

These video conferencing platforms have allowed us to hold successful meetings and conferences since NYSTRS business travel was suspended.
COVID-19 Response

To help our members with retirement planning, all six of the PREP seminar modules were recorded and posted on our website.

PREP Module Videos

The following video versions of our PREP modules are being offered for the duration of time that PREP seminars are canceled.

NYSTRS Benefits: Your pension, disability coverage, loans, vesting, and death benefits.
(Download presentation slides and the corresponding PREP Workbook chapter)

Financial Planning: Saving early, catching up, withdrawals, and financial advisors.
(Download presentation slides and the corresponding PREP Workbook chapter)

(Download presentation slides and the corresponding PREP Workbook chapter)

Estate Planning: Wills, trusts, powers of attorney, health care proxies, living wills, and long-term care.
(Download presentation slides and the corresponding PREP Workbook chapter) Also visit our Taxes & Estate Planning page for additional information.

Living The Retirement Dream: Post-retirement topics, including planning ahead; staying active and healthy; relationships; and relocating.
(Download presentation slides and the corresponding PREP Workbook chapter)

(Download presentation slides and the corresponding PREP Workbook chapter)
COVID-19 Response

This spring, we held five live retirement planning webinars. These webinars included a moderated Q & A panel to make sure attendees could get answers to their retirement-related questions.

Based on the success of these webinars, we are planning to continue with these live events. And we’re planning to add new informational segments similar to podcasts, which will be posted on our website.
COVID-19 Response

At last year’s Delegates Meeting, we announced an enhancement that lets members have video consultations through their own personal electronic device. These appointments have been so successful, we have added over 4,000 video appointments to the schedule for this school year!

Currently, we are contacting the school district locations around the state which have previously hosted video consultations to see when they will be ready to relaunch consultations at their locations.
COVID-19 Response

Your district can schedule a presentation for

• **New Members**  
  New employee orientation

• **General Benefits**  
  Relevant for all members

• **Approaching Retirement**  
  Focus on members nearing retirement

• **Retiree Groups**  
  Focus on retiree topics

To book a presentation for your school or group, contact David Costello, (800) 348-7298, Ext. 4763
Information Security

NYSTRS is always vigilant in protecting the security of our members’ personal data.

Our security measures include:

- 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
Information Security

Unemployment Insurance Scams

During the COVID-19 pandemic, there has been a huge surge in fraudulent unemployment insurance claims.

NYSTRS has received many reports from members whose identities had been stolen and a fraudulent claim had been filed using their information.
Information Security

We posted this article about the steps members should take if their identity has been stolen. You will find it in the Headlines section, which is a link on our home page.

Beware of Unemployment Fraud

03/17/2021
On a nationwide level, imposters are filing claims for unemployment benefits using personally identifiable information (PII) stolen from unsuspecting individuals.

Members who believe their personal information was compromised should contact NYSTRS at (800) 348-7298, Ext. 6190 to discuss options for adding a theft of ID flag to their System account. They should also contact the following:

- Their employer.
- The NYS Department of Labor (888-598-2077 or labor.ny.gov).

Victims should also change passwords and regularly monitor their credit reports.

While NYSTRS has multiple security measures in place to help protect data, members must be vigilant in safeguarding personal and financial information, including Social Security number, NYSTRS EmpID, credit card numbers, and bank account numbers. Ensuring computers and other personal devices are protected by security software is an important step to take.
Information Security

Low Theft of Identity Flag
- Does not stop processing
- Staff required to ask for further ID authentication
- Member can access/register a MyNYSTRS account

Medium Theft of Identity Flag
- Does not stop processing
- Staff required to ask for further ID authentication
- Member can access/register MyNYSTRS account – limits changes

High Theft of Identity Flag
- Stops all transactions
- Written requests required – all communication provided in writing
- Access/registration to MyNYSTRS canceled
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
Changes to the NYSTRS Board of Trustees

Daniel J. Hogarty, Jr.

- Elected to the Retirement Board by the New York State Board of Regents in 2005
- Bank Executive Trustee
- Served as Chairperson of the Investment Committee

Thank you for your service!
Changes to the NYSTRS Board of Trustees

Ronald Gross

- Active Teacher Trustee
- First elected to the Retirement Board in 2017
- Served as Chairperson of the Disability Review Committee
- Stepped down to serve as second vice president of NYSUT

Thank you for your service!
Changes to the NYSTRS Board of Trustees

Sheila Sullivan Buck

- Active Teacher Trustee
- First elected to the Retirement Board in 2017
- Stepped down to serve as a labor relations specialist with NYSUT

Thank you for your service!
Changes to the NYSTRS Board of Trustees

Ruth Mahoney

- Elected by the New York State Board of Regents
- Bank Executive Trustee
- Serves on the Compensation, Disability Review and Investment Committees

Welcome to the Board of Trustees.
Changes to the NYSTRS Board of Trustees

Eric J. Iberger

• Appointed by the New York State Commissioner of Education in February 2021 as an Active Teacher Trustee

• Teacher at Bayport-Blue Point Union Free Schools (1996)

Welcome to the Board of Trustees.
Changes to the NYSTRS Board of Trustees

Juliet C. Benaquisto

• Appointed by the New York State Commissioner of Education in September 2021 as an Active Teacher Trustee

• Teacher at Schenectady City School District (1988)

Welcome to the Board of Trustees.
Legislative Update
2021 Legislation

COVID-19 Public Employee Death Benefit

• This law amends various provisions of law in relation to extending the COVID-19 accidental death benefit for New York State public employees.

• Would apply to NYSTRS members who worked on or after March 1, 2020, contracted COVID-19, COVID-19 was the cause or contributed to their death, and who die on or before December 31, 2022.
2021 Legislation

Post-Retirement Death Benefit

• This law amends Retirement and Social Security Law Sections 448, 508 and 606 to remove the age 60 qualifier and provide coverage to Tier 2 – 6 retirees for the post-retirement death benefit in the third and subsequent years following retirement at the rate of 10% of the benefit in force at the time of retirement.

• This law applies to deaths on or after August 2, 2021.
2021 Legislation

Power of Attorney

• Chapter 323 of the Laws of 2020 amended various provisions of the General Obligations Law Article 5, Title 15, relating to both the content and the execution of a statutory short form power of attorney. Chapter 84 of the Laws of 2021 is a chapter amendment to Chapter 323 and provides for an additional execution requirement of two disinterested witnesses signing said power of attorney form.

• Please Note: A properly executed statutory short form power of attorney, executed in accordance with the law in effect at the time of its execution prior to June 13, 2021, remains valid.
2021 Legislation

Alternate Methods of Postal Mail

• This law amends Education Law Section 508 to allow NYSTRS to accept alternate methods of postal mail and offer expanded options to our members to submit and file forms and applications. This further enables NYSTRS to deem the forms filed with the System by statutory deadlines.

• Effective Date: October 31, 2021
2021 Legislation

Limits to Certain Tier 6 Member Loans

• This law amends Retirement and Social Security Law Sections 517-b and 613-a to limit the maximum amount Tier 6 members who join NYSTRS on or after July 1, 2022, may borrow against their retirement contributions.

• A Tier 6 member joining NYSTRS on or after July 1, 2022, may borrow up to 50% of their total contributions balance or $50,000, whichever is less.
Steps NYSTRS Takes as Bills Are Passed and Signed Into Law

- NYSTRS monitors pending legislation during the annual legislative session.
- We begin to make preliminary plans for the process we need to follow to implement a pending bill if it becomes law.
- After a bill is signed into Law by the Governor, we finalize our plan, and make any necessary changes to our procedures and computer programming.
Implementing Legislation

What if an Incentive Bill Was Signed Into Law?

- NYSTRS would determine which members are eligible for the incentive benefit under the new law.
- We would send letters to all eligible members advising them of the eligibility requirements for the incentive and what their pension benefit amount would be including the incentive benefit.
- We would calculate the cost of the incentive benefit law for each school district and college, and send the information to them so they can decide if they will participate in the incentive.
NYSTERS
Pension Fund Is Secure
NYSTRS Pension Fund Is Secure

At this time last year, the stock markets had rebounded and that was good news.

The great news this year is that markets have continued to rally and achieved record highs.
System Financials

Assumed long-term rate of return

6.95%

Effective July 1, 2021
# System Financials

## Rates of Return (6/30/2021)*

<table>
<thead>
<tr>
<th>Duration</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>29.0%</td>
</tr>
<tr>
<td>3 Year</td>
<td>12.7%</td>
</tr>
<tr>
<td>5 Year</td>
<td>11.9%</td>
</tr>
<tr>
<td>10 Year</td>
<td>10.1%</td>
</tr>
<tr>
<td>20 Year</td>
<td>7.8%</td>
</tr>
<tr>
<td>25 Year</td>
<td>8.5%</td>
</tr>
<tr>
<td>30 Year</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

* Net of fees
**NYSTRS Market Value of Assets**

<table>
<thead>
<tr>
<th>As of:</th>
<th>Market Value of Assets (in Billions)*</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>June 30, 2020</td>
<td>$120.5</td>
</tr>
<tr>
<td>June 30, 2021</td>
<td>$148.2</td>
</tr>
</tbody>
</table>

*This is net value of assets after making benefit payments. This past year, we paid $7 billion+ in benefits.

**Five-Year Period 2016 – 2021 (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>$36.9</td>
<td>$8.4</td>
<td>$0.7</td>
</tr>
</tbody>
</table>
System Financials

Portfolio Allocation

• Earn the highest possible return within appropriate risk levels.

• This results in the lowest possible cost to employers and taxpayers.
Teachers Live Longer

The society of actuaries says...

- Female educators reaching age 65 are expected to live to age 90.0
- Male educators reaching age 65 are expected to live to age 87.6

NYSTRS’ members may live longer...

- 6,975 retirees are age 90 or older
  - 4,920 female
  - 2,055 male
- 193 of these members are 100 or older
System Financials

Long-Term Focus

• We begin to save for your retirement the day you join NYSTRS.

• Accumulate Present Day Value (PDV) of benefits by a member’s date of retirement.

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<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Average Years of Service During a Member’s Career</td>
<td>26 years</td>
</tr>
<tr>
<td>Expected Years Spent in Retirement</td>
<td>28 years</td>
</tr>
<tr>
<td>Average Pension (Maximum Benefit Option)</td>
<td>$49,145</td>
</tr>
</tbody>
</table>
Breakdown of Income Sources
30-Year Period

- Net Investment Income: 86%
- Employer Contributions: 12%
- Member Contributions: 2%
Thirty-Year Period
1992 – 2021

Employer Contributions
$31.1 billion

Member Contributions
$4.3 billion

Investment Income
$210.7 billion

Benefit Payments and
Expenses $134.0 billion

Approximate Market Value of Assets - 1992:   $26.5 B
Approximate Market Value of Assets - 2021: $148.2 B
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%

- Market Value of Assets – The current price for which you could sell the System’s assets on the open market.  
  113%

*Preliminary Estimate 6/30/2021
System Financials

Current

Employer Contribution Rate (ECR)

9.80% of pay

June 30, 2020 Actuarial Valuation
System Financials

**Estimated ECR for 2022-2023**

10.00% - 10.50% of pay

June 30, 2021 Actuarial Valuation
Feedback Is Important

You let us know how we’re doing and we listen!

We make changes and improvements based on the requests we receive from our members and participating employers.
We have updated the Convention Delegates System area of the Employer Secure Area.

This is where the districts report and update the results of the delegate elections.
MyNYSTRS

We have added more tools to member’s MyNYSTRS accounts.

- Designation of Beneficiary
- Application for Disability Retirement
- Filing a Disability Application For Protection Only
- Election of Retirement Benefit
MyNYSTRS

Domestic Relations Order (DRO)

Members who are divorced and have a DRO on file which directs the System to pay a portion of their pension to an ex-spouse can now view information about the DRO in their MyNYSTRS account.
Feedback Is Important

Consultation Surveys

- All members following a telephone or video consultation
- Over 95% were very likely to recommend

After-Call Survey

- All members following a telephone call to NYSTRS
- Member satisfaction rating of 96%
Feedback Is Important

2021 Ready To Retire Webinars

We hosted five retirement planning webinars for NYSTRS members who potentially could be retiring soon. These were live events with a moderated Q & A panel. Over 530 members attended the live webinars, and another 3,200 members viewed a recording of the presentations at their convenience.

Survey results indicated:

• 91% were very likely to recommend a NYSTRS webinar to a colleague
• 5% were likely to recommend
Feedback Is Important

Cobalt Survey

• Annual survey of recent retirees regarding their experience.

• The average organization score on the American Customer Satisfaction Index (ACSI) was 74 out of 100. **NYSTRS earned a 94 rating.**

• For the fourth year in a row, our ACSI score was 94, and our overall satisfaction rating remained 9.6 out of 10.
Feedback Is Important

Delegates Meeting Survey

• Last year was our first-ever virtual meeting.
• Over 90% of survey respondents said the meeting either met or exceeded their expectations.
• We want your feedback again.
• The survey will be emailed to you.
Feedback Is Important

We really appreciate your sharing your opinion with us!

What Did You Think of Our Event?

Thank you for attending our virtual Delegates Meeting! We hope you found it informative and we hope your experience viewing the meeting was easy.

Please share your opinion in our brief Delegates Meeting Survey. Your feedback is important to us. Thank you!
In 1921, the New York State Legislature had the foresight to create a retirement system that would provide a secure, stable pension for public school teachers.

This year, on NYSTRS’ 100th Anniversary, we celebrate a century of fulfilling our mission of providing our members with a secure pension.
NYSTRS Centennial

We created a new version of the NYSTRS logo to celebrate our centennial.
NYSTRS Centennial

We are including articles celebrating the history of NYSTRS in the *Your Source* and *Resource* newsletters for our active and retired members.

### Key Moments in NYSTRS’ History

**1921**: NYSTRS officially begins operating on August 1, 1921 out of the State Education Building in Albany, and 10,000 NYS public school teachers become members that first year. The System’s “superannuation plan” combines a defined benefit pension with an annuity component based on required member contributions. System investments initially consist entirely of bonds (government, municipal, state); investments in stocks, mortgages and real estate were permitted later.

**1930**: The System moves to the Standard Building at 112 State St. in downtown Albany.

**1931**: Active membership totals 42,000. Net worth totals $46 million. There are 2,600 retirees receiving $1 million in annual benefits.

**1935**: NYSTRS moves to 152 Washington Ave., Albany.

**1940**: A revised NYS Constitution goes into effect which includes an amendment guaranteeing state public pension benefits. Article V, Section 1, says: “After July 1, 1940, membership in any pension or retirement system of the state or of a civil division thereof shall be a contractual relationship, the benefits of which shall not be diminished or impaired.”

**1941**: System assets pass the $100 million mark.

**1948**: A hand-operated adding machine is used to print teacher service and retirement records, replacing handwritten records for the first time.

**1949**: The state enacts a prior service bill which allows members with 20 years of service to purchase enough uncredited prior service to make them eligible for retirement.
NYSTRS Centennial

As part of our year-long celebration, we have been gathering stories, reflections and photos from our members about their teaching careers and publishing them in NYSTRS Centennial Stories.

Each issue is posted in the NYSTRS’ 100th Anniversary section of our website and included in the Your Source and Resource newsletters.
NYSTRS Centennial

We are so proud of the legacy of service to our members that NYSTRS has provided over the last 100 years and we are looking forward to the next 100 years!