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

ANNUAL DELEGATES MEETING
NOVEMBER 2022
NICOLE MACYGIN
MEMBER RELATIONS REPRESENTATIVE
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.

Transmission rates determine procedures taken by staff and visitors to our building.
Year in Review
Retirement Benefits Consultations

- Personal Device Video Consultations
- Telephone Consultations
- On-Site Video Consultations
- In-Person Consultations in Albany
Looking to Book A Consultation?

- Online using your MyNYSTRS account by visiting the Tools section.

  OR

- Calling NYSTRS at (800) 348-7298, Ext. 6100.
For those considering retirement in the next few years, all six of the PREP seminar modules were recorded and posted on our website. We hope to offer a live in-person event once again soon.
District and Special Group Presentations

- New Member
- General Benefits
- Approaching Retirement
- Retiree Groups
- In-Person or Virtual

District representatives please contact David Costello at 518-447-4763.
MyNYSTRS: Stay Connected

- Beneficiary Designations
- Address and personal information changes
- Pension Estimates
- Application for Service or Disability Retirement
- Election of Retirement Benefit
MyNYSTRS: Protecting Your Information

- The features on your MyNYSTRS are just for you—the member—and this year we have added disclaimers to the MyNYSTRS account so it is clear that if you are not the member, you should not be using the account.

- This includes access without your participation by family or your power of attorney.
MyNYSTRS: Protecting Your Information

If you believe your personal identity has been compromised, contact us immediately to discuss options for adding a theft of ID flag to your System account.

- **Low**: Member will still be able to register for and use a MyNYSTRS account.
- **Medium**: Access to filing forms online through MyNYSTRS will be limited.
- **High**: MyNYSTRS is inaccessible. All changes will require a signed letter or properly completed NYSTRS form.

(800) 348-7298, Ext. 6190
MyNYSTRS: Reporting Earnings in Retirement

• Service retirees can easily track and report post-retirement earnings.

• A parallel tool was implemented this year that now enables disability retirees to submit their annual attestation through MyNYSTRS, rather than by paper form.
MyNYSTRS: W4-P Changes

- Please be aware that the IRS has made extensive changes to this form which go into effect in 2023.

- To be able to implement these changes in the required time, NYSTRS has been reprogramming our stand-alone form, as well as the version of the form that is part of our online retirement application.
Diversity, Equity & Inclusion

NYSTRS has focused our commitment toward a more diverse and inclusive organization with the establishment of a Diversity, Equity and Inclusion (DEI) department.
Minority and Women-Owned Business Enterprises Conference

- NYSTRS also held its 12th annual Minority and Women-Owned Business Enterprises (MWBE) investments and professional services conference to provide emerging businesses and managers the opportunity to partner with us.

- A hybrid event will be held on February 16, 2023.
Eligible Retirees to Receive Largest COLA Increase since 2000.

Eligible retirees will receive an extra $45 monthly beginning with the September 30 pension payment under New York’s legislated cost-of-living adjustment (COLA).
Elections for the NYSTRS Board of Trustees
Election to Be Held for Active Teacher Seat on NYSTRS Board

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)
Election to Be Held for Retired Teacher Seat on NYSTRS Board

The candidates are:

- Incumbent Board President David P. Keefe of Hempstead, with an alternate Donna A. Martin of Albany.

- Sally T. Courtright of Loudonville, with an alternate Mary L. Finneran of Cairo.

All NYSTRS members who are retired as of October 1, 2022 are eligible to vote.
Feedback
Cobalt Survey

- Annual survey of recent retirees regarding their experience.

- The average organization score on the American Customer Satisfaction Index (ACSI) was 73 out of 100. NYSTRS earned a 93 rating.

- Our overall satisfaction rating remained 9.5 out of 10.
Consultation & After Call Surveys

• In our recent consultation surveys, 100% of the members responding said they would be highly likely to recommend a colleague attend a NYSTRS benefit consultation.

• NYSTRS received an agent satisfaction score that averaged 93.4% for the past quarter on our post-call surveys.
We Want Your Feedback!

Delegates Meeting Survey

• In last year’s survey, many of you requested the return of an in-person event. Based on the feedback, we are now offering a hybrid event!

• The survey regarding this year’s Delegates Meeting will be emailed to you.
Earnings in Retirement

NYSTRS retirees can earn unlimited compensation in a position at a school district or BOCES without suspension of their retirement allowance from April 9, 2022 through June 30, 2023.
Employee Contribution Rate for Tier 6 Members

Tier 6 employee contribution rate will be determined using only a member’s annual base wages for contributions to be made during the two fiscal years ending June 30, 2023 and June 30, 2024.
Vesting Requirement Changes

- Members in Tier 5 and 6 will now only need five years of service credit to be vested for eligibility toward a service retirement benefit.

- Prior to this change Tier 5 and 6 needed 10 years of service credit to vest.
Pending Legislation:
Earlier Recalculation for Retirees Who Suspend Pension

Would allow a NYSTRS service retiree who:
a) returns to active service,
b) suspends their pension benefit, and
c) earns at least two years of service credit after their restoration to active service,
to elect a full recalculation upon retiring again.
Pending Legislation: Earlier Recalculation for Retirees Who Suspend Pension

- That recalculation would combine the service credit and salary they earned before their initial retirement with the service credit and salary they earned after their restoration to active service.

- Upon election of recalculation the member must return the amount of pension previously received plus interest, either in a lump sum or by an actuarial reduction of their recalculated pension.
Pending Legislation: Investments Made by Public Pension Funds

Would amend Section 177 of the Retirement and Social Security Law to increase the percentage of assets which may be invested by a public retirement system of the state of New York under the “basket clause” provision from 25% to 35%.
Retirement
Pension Spending Boosts Rural Economies

Retired public employees who live and spend their pension dollars in small towns and rural communities help jumpstart their local economies – especially during troubled times, according to a new study by the National Institute on Retirement Security (NIRS).
Pension Spending Boosts Rural Economies

Pensions also made up a relatively high portion of personal income and GDP in communities dominated by small towns, including the following counties: Clinton, Essex, Franklin, Greene, Rensselaer, Schoharie, St. Lawrence and Wyoming.
Pensions Proven Cost-Effective

According to a January 2022 study by the National Institute on Retirement Security (NIRS) defined benefit (DB) pension plans, such as your NYSTRS plan, deliver retirement benefits at half the cost of 401(k)-style defined contribution (DC) plans.
Pensions Proven Cost-Effective

The study also found that defined benefit pension plans are more cost effective than defined contribution plans due to “longevity risk pooling, higher investment returns, and optimally balanced investment portfolios.”
System Financials
NYSTRS PENSION IS SECURE!
System Financials

6.95%
Assumed 6/30/2021
long-term rate of return

No change from the prior year
### Long-Term Annualized Rates of Return
As of June 30, 2022

<table>
<thead>
<tr>
<th>Rates of Return (net of fees)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>-7.1%</td>
</tr>
<tr>
<td>3 Year</td>
<td>7.4%</td>
</tr>
<tr>
<td>5 Year</td>
<td>7.7%</td>
</tr>
<tr>
<td>10 Year</td>
<td>8.9%</td>
</tr>
<tr>
<td>20 Year</td>
<td>7.7%</td>
</tr>
<tr>
<td>25 Year</td>
<td>7.3%</td>
</tr>
<tr>
<td>30 Year</td>
<td>8.5%</td>
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</tbody>
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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, 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>$148.1</td>
</tr>
<tr>
<td>June 30, 2022</td>
<td>$132.0</td>
</tr>
</tbody>
</table>

*This is the net value of assets after making benefit payments.
This past year, we paid $8 billion in benefits.

Five-Year Period 2017 – 2022 (in Billions)

<table>
<thead>
<tr>
<th>Benefit Payments and Expenses</th>
<th>Employer Contributions Collected</th>
<th>Member Contributions Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>$38.0</td>
<td>$8.2</td>
<td>$0.8</td>
</tr>
</tbody>
</table>
Asset Allocation

The most significant contributor to a fund’s long-term investment performance is asset allocation. The allocation process helps control risk and ensures the overall portfolio is broadly diversified. NYSTRS’ Board, with the assistance of an external consultant, reviews the asset allocation policy on an annual basis.

As of June 30, 2022

- Domestic Equity: 32.2%
- International Equity: 15.1%
- Global Equity: 3.3%
- Real Estate Equity: 12.7%
- Private Equity: 10.8%
- Domestic Fixed Income: 14.1%
- High-Yield Bonds: 0.8%
- Global Bonds: 2.2%
- Real Estate Debt: 5.9%
- Private Debt: 1.1%
- Cash Equivalents: 1.8%
Teachers Are Living 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 even longer...

- 7,227 retirees are age 90 or older
  - 5,067 are Female
  - 2,160 are Male
- Of these members 204 are age 100 or older
NYSTRS Is Focused On the Long-Term

- The day you join NYSTRS, we begin to save for your retirement.
- NYSTRS goal is to have accumulated the members Present Value of Benefit (PVB) at their date of retirement.

| Average Years of Service During a Member’s Career | 26 years |
| Expected Years Spent in Retirement | 28 years |
| Average Pension (Maximum Benefit Option) | $48,724 |
Sources of Income over the Thirty-Year Period

Thirty-Year Period
7/1/1992 – 6/30/2022

- Net Investment Income: 85%
- Employer Contributions: 13%
- Member Contributions: 2%
Thirty-Year Period
1992-2022

Employer Contributions
$32.3 billion

Member Contributions
$4.7 billion

Investment Income
$198.6 billion

Benefit Payments and Expenses
$140 billion

Approximate Market Value of Assets - 1992:  $27.9 B
Approximate Market Value of Assets - 2022: $132 B
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.

  97%

*Preliminary Estimate 6/30/2022
Current Employer Contribution Rate (ECR)

10.29% of pay

June 30, 2021
Actuarial Valuation
Estimated ECR for 2023-2024

June 30, 2022
Actuarial Valuation

9.50% - 10.00% of pay
Vision: To be the model for pension fund excellence and exceptional customer service

Mission: To provide our members with a secure pension