NYSTRS continues to be one of the top-performing, most secure and well-funded public pension plans in the country with total year-end net assets of more than $122 billion and a 30-year rate of investment returns, net of fees, at 8.8%, according to the System’s 2019 Comprehensive Annual Financial Report (CAFR).

Benefits paid to retirees and beneficiaries were approximately $7.3 billion for the fiscal year ended June 30, 2019, with nearly 80% of those benefits paid to residents of New York state. This is significant because retiree spending positively impacts state and local economies.

The System’s total investment portfolio returned 7.1%, net of fees, for the fiscal year, slightly below the 7.25% assumed rate of return. However, long-term returns are one of the best indicators of pension plan health and NYSTRS’ 10-year and 30-year returns were 10.4% and 8.8%, respectively.

NYSTRS is a long-term investor with liabilities generally not accrued for two or three decades. In addition, returns in six out of the past 10 years exceeded the System’s assumed rate.

Another indicator of pension plan strength is its funded ratio. NYSTRS’ funded ratio is 99.2% using an actuarial value of assets and 100.9% funded using a market value of assets. Nationally, the average funding level for public retirement systems is 73%, according to the Center for Retirement Research at Boston College.
Two Teachers Elected to NYSTRS Board

Delegates attending NYSTRS’ 2019 Annual Delegates Meeting unanimously elected teachers Sheila Sullivan Buck and Elizabeth Chetney to the NYSTRS Board of Trustees.

Buck, who has taught music at Rush-Henrietta Central Schools for more than 20 years, was re-elected to a new three-year term as one of the three active teacher members on the Board.

Chetney, an English teacher in the Baldwinsville Central School District since 1992, was elected to complete the term of Paul J. Farfaglia, who retired from teaching in June after a 35-year career. Chetney was appointed to the Board on an interim basis in July by then-State Education Commissioner MaryEllen Elia, but needed to be elected by the delegates in order to complete the one year remaining in the term.

The third active teacher member of the NYSTRS Board is Ron Gross of William Floyd Union Free Schools.

NYSTRS Secure continued from page 1

“Being fully funded means we have the assets necessary to pay all accrued benefits to our more than 430,000 active and retired members and beneficiaries,” said David P. Keefe, a retired teacher and president of the NYSTRS Board of Trustees.

“As this annual report demonstrates, NYSTRS Board and staff are dedicated to fulfilling our mission: to provide our members with a secure pension,” said NYSTRS Executive Director and Chief Investment Officer Thomas K. Lee.

In addition to continued strong financial health, other highlights of the 2018-2019 fiscal year mentioned in the CAFR include:

- A new state law allows school districts and BOCES to prepare for future increases in the Employer Contribution Rate (ECR) through the establishment of a retirement contribution reserve sub-fund.
- New internal procedures will allow NYSTRS to manage a larger percentage of its equity investments in-house, helping to keep investment management fees down.
- The MyNYSTRS secure member portal on NYSTRS.org was redesigned and made easier to use on mobile devices. In addition, new features were added, including one allowing retired members to report online any earnings after retirement.

More details about the System’s finances and investments can be found in the recently issued CAFR for the fiscal years ended June 30, 2019 and 2018. The report is available in the Library at NYSTRS.org.

Condensed CAFR Coming

If you find the more than 130-page Comprehensive Annual Financial Report (CAFR) a little too complex for your tastes, you might find another NYSTRS publication easier to digest.

The eight-page Popular Annual Financial Report (PAFR), which will be available on NYSTRS.org, will summarize the key takeaways from the CAFR. You’ll find it on the Annual Reports page of the Library and in the Pension Education Toolkit.

The PAFR uses graphics and brief narratives to paint a financial picture of the System. It has been recognized for the past several years by the Government Finance Officers Association (GFOA) with the Award for Outstanding Achievement in Popular Annual Financial Reporting.
Look for These Two Important Tools Related to Your NYSTRS Retirement

Make sure to check your mailbox and/or your MyNYSTRS account for two important documents containing information about your pension: your Retired Member Profile and your 1099-R tax statement.

The Profile, issued in October, contains a summary of your retirement benefit, including your gross monthly payment. It also has information on Cost-of-Living Adjustments (COLAs) and, if applicable, beneficiary and death benefit coverage.

You would have received a Retired Member Profile if the processing of your retirement was completed on or before June 30, 2019. If you retired at the end of the 2018-19 school year, you will receive your first Profile in October 2020, provided your retirement is finalized by June 30, 2020.

Use the Profile to keep tabs on your pension and make sure all information is correct. However, do not use the Profile when completing your 2019 income tax forms. You will receive a 1099-R tax statement in January 2020 for this purpose. The 1099-R shows your gross benefit amount, the taxable amount of your pension and any federal tax withheld.

Your 1099-R will be mailed to you in late January but will be available in MyNYSTRS earlier in the month. (You must have a MyNYSTRS account in order to access your 1099-R online.) Tax statements from previous years are also available through MyNYSTRS.

If you do not receive your tax statement by February 1, 2020, call us at (800) 348-7298, Ext. 6120. Questions about individual tax liabilities, however, should be directed to a certified tax professional or the IRS, not NYSTRS staff.

If you need to change your tax withholding, you may do so online through MyNYSTRS by selecting Tools (found near the top of the page) and then selecting W-4P Withholding Election from the menu that will appear. Or you may submit a completed W-4P Withholding Election and Certificate (FIN-149) form found at NYSTRS.org under Retiree Forms. You can also request a form be mailed to you by calling (800) 782-0289.

Board Lowers Return Assumption; Historical Returns Remain Strong

The NYSTRS Retirement Board at its October 31 meeting lowered the plan’s assumed rate of return on investments from 7.25% to 7.1%, as recommended by the System’s Actuary. The rate was lowered 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 them with experience and expectations.

According to a February 2019 issue brief prepared by the National Association of State Retirement Administrators (NASRA), more than 30 percent of public pension plans surveyed reduced their assumed rate of return since February 2018. Since the 2010 fiscal year, more than 90 percent lowered their return assumptions.

At June 30, 2019, NYSTRS’ 10-year return was 10.4% and its 30-year return was 8.8%. The System’s one-year return for the fiscal year ended June 30, 2019 was 7.1%, net of fees.

NYSTRS remains among the best-funded public pension systems in the nation. Using a market value of assets, our most recent funded status was 100.9%. Using an actuarial value of assets, we were 99.2% funded.

Over the past 30 years, NYSTRS has paid out $120.2 billion in benefit payments and expenses while collecting $33.4 billion in member and employer contributions. During the same period, the System’s net assets have grown from $23.2 billion to $122.5 billion, with 85% of NYSTRS’ income generated by investment returns.

Also at its October meeting, the Board lowered the assumed rate of future COLA increases to 1.3%, lowered the assumed future inflation rate to 2.2%, and updated the mortality improvement scale.

See the Infographics page of NYSTRS.org for additional System facts and figures. Also see our Pension Education Toolkit.
Working for a NYS Public Employer? Report Your Earnings

If you are a NYSTRS retiree working for a New York State public employer and you haven’t yet turned 65, be sure to take advantage of the new feature in MyNYSTRS that allows you to easily report your employment earnings to us on a monthly basis.

Reporting is required even if your employer obtained a waiver on your behalf allowing you to exceed the $30,000 calendar year limit for 2019. (The limit will increase to $35,000 in 2020.) Also report earnings if your employer contracted with a private, third-party firm for your services.

If you don’t have a MyNYSTRS account, you could create one now or use the form Reporting Your New York State Public Employment Earnings (RMS-64.1) to report your earnings to us as soon as you reach the legislated limit for the calendar year. The form is available at NYSTRS.org under Forms > Retiree Forms.

Timely self-reporting can help you track your earnings and avoid having to repay a portion of your retirement benefit if you exceed the limit. If you are subject to an earnings limit and exceed the limit, NYSTRS will suspend your pension for the remainder of the calendar year if you continue working in NYS public employment.

For additional information about post-retirement earnings, please see the pamphlet Working in Retirement and in the Retired Members’ Handbook.

You do NOT need to report your earnings if any of the following apply:

- You turned 65 at any point in calendar year 2019.
- You worked in a private-sector position that did not provide services to a NYS public employer.
- Your NYSTRS date of membership was prior to May 31, 1973, and you worked as a consultant for a NYS public employer, provided the consultant agreement was reviewed and approved by NYSTRS.
- You worked in public employment in another state.
- You worked in a federal government job.
- You worked as an elected official, inspector of elections, poll or ballot clerk, commissioner of deeds, juror or notary public in a position that commenced after your retirement.

New Legislation Increases Retirement Earnings Limit in 2020

Beginning Jan. 1, 2020, the amount a retired NYSTRS member under age 65 may earn in New York State public employment during a calendar year will increase to $35,000, thanks to new legislation signed by Gov. Andrew Cuomo.

The current limit of $30,000 is still applicable to calendar year 2019 earnings.

The new legislation, Chapter 589 of the Laws of 2019, amends Section 212 of the Retirement and Social Security Law. The state Senate and Assembly passed the bill to amend Section 212 earlier this year. This is the first increase in the retirement earnings limit since 2007.

You can find more information about post-retirement earnings, including the rules governing work as a consultant and the conditions in which you can have unlimited earnings, in the pamphlet Working in Retirement and in the Retired Members’ Handbook.

As a reminder, System retirees younger than 65 are required to report to NYSTRS any earnings received from a state public employer. Retirees with a MyNYSTRS account are urged to report non-pension earnings to us on a monthly basis through this secure, online portal. (See related article below.)
Survey Says...You're Happy with NYSTRS' Communications!

We asked and you answered! Nearly 21,000 active and retired members responded to a recent NYSTRS survey to find out whether you feel you are well-informed about your retirement benefits.

Survey results revealed most members have a high level of satisfaction with the information provided by NYSTRS. The older age groups, especially those already retired, expressed the most satisfaction.

One member in the age 55-64 group commented: “Overall, I believe NYSTRS does a GREAT job with communications via website, secure messaging, phone contacts, newsletters, post office mail, and emails. I have always found [the information] to be well-organized, informative, user-friendly, timely and accurate.”

A member in the age 65 or older group had this comment: “Keep doing what you are doing. I am very satisfied with the way you communicate with your members! Thank you for all that you do to keep this Retirement System working in a positive and productive way.”

Survey results, including suggestions for changes, will be used to improve and fine-tune how we keep you informed of important Retirement System information. We recognize preferences change with time and our aim is to always provide you with the highest quality service.

The survey was distributed via email to those members who have an email address on file with us, as well as to those attending Pension and Retirement Education Program (PREP) seminars earlier this year.

If you didn’t receive a survey, please confirm that we have a valid email address listed for you. The best way to do this is to check via your secure, online MyNYSTRS account. If you don’t have one, create an account today and take advantage of the many self-service tools offered.
Beware of Scams, Cons and Rip-Offs, Whether Old or New

Most people know about the scam in which someone claims he wants to wire a large sum of money to your bank account temporarily. Also well-known is the scam in which someone impersonating a loved one claims to be in trouble and in need of immediate cash. Both are fraudulent attempts to gain money and personal information such as bank account numbers.

Sadly, many scams target older adults, who are often viewed as vulnerable and possessing available cash. Some recent cons involve scammers pretending to be from official state agencies or from the Social Security Administration. Another involves unsolicited emails that appear to be from the IRS but are from a fake email address linked to a fake website.

NYSTRS urges you to remain vigilant in protecting your personal information. Be aware that NYSTRS will never call you and request a payment over the phone. There are rare instances where we may call to discuss money you owe to NYSTRS, but this will always be followed by written communication confirming the details.

NYSTRS will also never ask you for gift cards or for payments to be sent to any address other than our Corporate Woods headquarters.

The best protection against scammers is staying well-informed about common scams. The NYS Department of State Division of Consumer Protection is an excellent source of information about current scams and how to stay safe.

“Government agencies do not typically call people with little or no warning asking for sensitive information or trying to get a payment over the phone,” New York State Secretary of State Rossana Rosado said in a recent news release. “If it seems suspicious, it probably is.”

The Consumer Protection Division reminds you never to give out personal or financial information, such as date of birth, Social Security number, Medicare number, or bank account number, in response to unexpected calls or if you are at all suspicious about the caller.

Scammers use sophisticated technology to manipulate phone numbers in caller ID systems so it looks like the call is coming from a legitimate government agency – a fraudulent activity called “spoofing.” If you get a call from someone claiming to represent a government agency and asking for sensitive information or payment, hang up and call the agency back using the phone number from an official source such as the agency’s website.

The state Consumer Protection Division website, www.dos.ny.gov/consumerprotection, contains scam alerts and tips on scam prevention as well as detailed descriptions of multiple scam scenarios. Go to the website and click on the Consumer Alert & Recalls tab. From that page, you can check out scam alerts and scam prevention information.

You can also download a copy of the department’s booklet, “SAFE: Senior Anti-Fraud Education,” for information and safety tips regarding common scams targeting senior citizens. Some scams include:

- **IRS Scam** – A phone scammer demands immediate payment of overdue taxes via debit card or wire transfer to avoid arrest. Or a fake email instructs you to access refund information by entering a provided password on a phony website which then downloads malware (malicious software) on your computer.

- **Medical Device Scam** – You get a recorded phone message offering a “free” medical alert device if you provide your address and credit card information.

- **Jury Duty Scam** – A caller claims you have failed to report to jury duty and must pay a fine by credit card to avoid arrest.

- **Funeral Notification Scam** – You get an email from what appears to be a funeral home announcing a service for a deceased loved one. Clicking a link in the email for more information ends up downloading malware that gives scammers access to your computer.

- **Sweepstakes Scam** – Scammers ask for personal information or a fee to enter what turns out to be a fake sweepstakes.

- **Free Grant Scam** – Advertisements or phone callers say you are eligible for “free grants” for such things as home repairs and claim they need personal and financial information to issue the grant.

If you believe you have been the victim of a scam, contact your local police agency as well as the state Division of Consumer Protection (www.dos.ny.gov), the state Attorney General’s Office (www.ag.ny.gov), and/or your local consumer protection agency so they can warn others and offer assistance.
NYSTRS 2020 Calendar
Monthly Benefit Payment Dates and System Holidays

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**Payment Date (Direct deposits made; date of check.):**
- January 1
- February 1
- March 1
- April 1

**Holiday (NYSTRS closed):**
- January 1
- February 1
- March 1
- April 1

*Note: The calendar shows payment dates and system holidays for the months of January, February, March, and April.*
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NYSTRS 2020 Benefit Payment Calendar

Facts to Share

NYSTRS paid out $7.3 billion in pension benefits for the fiscal year ended June 30, 2019. Retiree spending becomes other people's earnings, creating a ripple through the economy.

NYSTRS Board Meeting Highlights

October 31, 2019

- **Renewed** the agreement with AQR Capital Management LLC to manage a portion of the System’s assets as an active MSCI ACWI Ex-U.S. international equity manager.
- **Renewed** the agreement with Marathon Asset Management LLP to manage a portion of the System’s assets as an active EAFE international equity manager.
- **Renewed** the agreement with Dimensional Fund Advisors to manage a portion of the System’s assets as an active emerging markets manager.
- **Renewed** agreements with the following firms to manage a portion of the System’s assets as passive international equity managers: State Street Global Advisors, BlackRock Institutional Trust Co. N.A.
- **Renewed** agreements with the following firms to manage a portion of the System’s assets as active global equity managers: LSV Asset Management, Harding Loevner LP
- **Renewed** agreements with the following firms to manage a portion of the System’s assets as active global bond managers: Loomis Sayles & Co., Goldman Sachs Asset Management LP
- **Renewed** the agreement with Nomura Corporate Research and Asset Management Inc. to manage a portion of the System’s assets as an active U.S. high yield manager.
- **Renewed** the agreement with Leading Edge Investment Advisors to manage a portion of the System’s equity portfolio as a manager of managers for a domestic equity all cap strategy.
- **Renewed** the agreement with Progress Investment Management Co. to manage a portion of the System’s equity portfolio as a manager of managers for a domestic equity all cap strategy.
- **Renewed** the agreement with Aon Hewitt Investment Consulting Inc., an Aon Company, to act as a general investment consultant.
- **Renewed** the agreement with Callan Associates Inc. to act as a real estate consultant.
- **Authorized** the Executive Director and Chief Investment Officer to contract with StepStone Group LP to act as a private equity and private debt consultant.
- **Approved** the adoption of a new valuation rate of interest assumption of 7.10%, as well as changes to the mortality improvement scale and COLA assumption, and authorized the System’s Actuary to use the new assumptions beginning with the June 30, 2019 actuarial valuation, which shall become effective for the fiscal year beginning July 1, 2020.
- **Approved** the report of KPMG LLP on the financial statements of the Retirement System as of June 30, 2019 and for the 2018-19 plan year ended on that date.
- **Approved** the System’s 2020 Legislative Program.
- **Reappointed** Eileen Byrne and Herman E. Bulls to three-year terms on the Real Estate Advisory Committee, effective Jan. 1, 2020.
- **Adopted** a resolution acknowledging retired Board member Paul J. Farfaglia for his decade of service to NYSTRS.
- **Adopted** resolutions acknowledging retired Executive Staff members Sheila O. Gardella and Kevin J. Schaefer for their combined 75 years of service to NYSTRS.