NYSTRS Hits 100-Year Milestone: Your Pension Plan Built to Last

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 we proudly celebrate that remarkable accomplishment with the New York State Teachers’ Retirement System’s 100th anniversary: 100 years of fulfilling our mission to provide our members with a safe, secure defined benefit pension for life.

Our year-long anniversary celebration will include highlights of our history and stories about you — your memories, photos and reflections about NYSTRS — from the System’s official beginning to today.

“No matter what changes and challenges have come along over the years in public education, teachers and administrators could always count on a steady stream of income in retirement, thanks to their Retirement System,” said David P. Keefe, a retired teacher and president of the NYSTRS Board of Trustees.

“That continues to be the sole and successful mission of NYSTRS,” Keefe added, noting that “many teachers would likely point to their NYSTRS pension as one of the most significant financial benefits of a career in public education.”

NYSTRS Executive Director and Chief Investment Officer Thomas K. Lee said the System has grown from its earliest days with about 20,000 members to a System now managing $120.5 billion in net assets and serving nearly 434,000 active and retired members and beneficiaries. “On this 100th anniversary, the System celebrates its remarkable history and the fact that the pension plan is nearly 100% funded,” Lee said.

Long Island Teacher Named To NYSTRS Board of Trustees

Eric J. Iberger, a teacher in the Bayport-Blue Point Union Free School District, was appointed to NYSTRS’ 10-member Retirement Board. He is one of three active teacher members on the Board.

New York State Commissioner of Education Dr. Betty A. Rosa appointed Iberger to fill the remainder of the term vacated by Ron Gross, who stepped down from the Board at the end of January to serve as second vice president of New York State United Teachers. He will need to be elected by his peers at the November 2021 Annual Delegates Meeting, when he will be up for election to a full three-year term.

The other active teacher members on the Board are Sheila Sullivan Buck of Rush-Henrietta Central Schools and Elizabeth A. Chetney of the Baldwinsville Central School District. David P. Keefe of Hempstead is the retired teacher representative and serves as president of the Board.
NYSTRS' 2020 Report Shows Financial Picture

NYSTRS continues to be one of the top-performing, most secure and well-funded public pension plans in the country, the System’s recently released 2020 Popular Annual Financial Report (PAFR) found. Fiscal year-end net assets totaled $120.5 billion, and 10-year and 30-year investment returns, net of fees, are 9.6% and 8.6%, respectively.

The eight-page PAFR uses graphics and brief narratives to paint a financial picture of the System primarily using data from the much more detailed 2020 Comprehensive Annual Financial Report. You can find both reports on the Annual Reports page of our Library at NYSTRS.org.

Some additional interesting facts you will find in the PAFR include:

- Benefits paid to the System’s retirees and beneficiaries totaled approximately $7.5 billion for the fiscal year ended June 30, 2020.
- About 80% of the benefits were paid to residents of New York state.
- The average Maximum annual benefit for all service retirees is $43,316, representing about 54% of a member’s final average salary at retirement.
- The System serves 261,232 active members, 166,008 retired members, and 6,561 beneficiaries.
- Over the past 30 years, investment income has made up 84% of NYSTRS’ funding while 16% comes from employer and member contributions.
- About 60% of System investment assets are managed internally, which keeps administrative costs low.

If you’d like a printed version of the PAFR, you may request one by contacting the System’s Public Information Office at news@nystrs.org or by calling (800) 782-0289.

Protect Yourself Against Fraud

Beware of phone scammers who pretend to be from state agencies, the IRS or Social Security Administration.

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, hang up and call the agency back using the phone number from an official source such as the agency’s website.

Never give out personal or financial information, such as date of birth, Social Security number or NYSTRS EmpID, in response to unexpected calls or if you are at all suspicious about the caller.

Long Island Teacher Named... (from page 1)

A graduate of St. Joseph’s College and SUNY Stony Brook, Iberger has taught mathematics at Bayport-Blue Point Union Free School District since 1996. He served as the district’s grade 9-12 mathematics teacher-in-charge and as the grade 6-12 mathematics department chairperson from 2004-2013. He was head coach of several Bayport-Blue Point sports teams, including indoor and outdoor track and field, as well as football, for 21 years.

Iberger has served as president of the Bayport-Blue Point Teachers Association since 2013. He is vice chairperson of NYSUT’s Pension & Retirement Committee and has been a committee member since 2014.

“On behalf of our staff, I thank Ron for his service on the Board and for his commitment to the long-term well-being of New York’s teachers,” said NYSTRS Executive Director and Chief Investment Officer Thomas K. Lee. “We welcome Eric to the Board and appreciate his commitment to carrying out our mission.”
New Delegate Elections Being Held for 2021-23

Are you interested in learning more about your Retirement System and in helping your colleagues understand the benefits of the pension plan? Then consider running as a delegate to represent your school district at NYSTRS’ Annual Delegates Meeting.

Delegates are responsible for electing the teacher members of the NYSTRS Board of Trustees at the Annual Delegates Meeting. Typically, one teacher trustee position is up for election each year. Delegates and their alternates also serve as liaisons between members at their school districts and NYSTRS.

Delegate elections must be held between March 1 and June 1 this year and results must be reported to NYSTRS by July 1. Delegates and alternates will serve a two-year term from Aug. 1, 2021 through July 31, 2023.

Your Chief School Administrator (CSA) or his/her designee is responsible for establishing reasonable election procedures, holding elections and reporting the results to NYSTRS. Many employers designate election responsibilities to the teachers’ bargaining unit. If there is only one candidate for a position, no formal vote is necessary.

Both delegates and alternates must be in-service, full-time (e.g., per-annum) employees who are NYSTRS members. Delegates and alternates are elected as a ticket and cannot be split. An alternate for Delegate A may not serve in place of Delegate B. You do not need an alternate as a running mate in order to run for a delegate position (although we recommend having one).

Last year’s Annual Delegates Meeting was a one-day virtual event, held in place of the System’s usual two-day event in Saratoga Springs. The 2021 meeting is scheduled to be held Nov. 7-8. Details regarding the format will be announced in the coming months.

New Retirement Benefits Consultations Available Through Your Personal Device

In these days of social distancing, you can have a doctor visit via telemedicine, take an exercise class or gather with friends on Zoom, and of course teach a class through Google Meet.

Now you can add retirement benefits consultations to the list of things you can have brought straight into the comfort of your home or school through your own personal device.

At the start of the pandemic, NYSTRS quickly shifted all scheduled in-person consultations and video consultations at regional sites to telephone consultations, in which a System representative would discuss your retirement questions over the phone. Now we have also begun to offer video consultations that you can do using your personal computer, laptop, tablet or smartphone.

With this new option, you can meet face to face via video with a NYSTRS representative who will discuss your retirement benefits and options with you, explain the retirement process, and answer any questions you might have.

An estimate of your benefits will be provided to you before the consultation. The estimate will be uploaded to your secure MyNYSTRS account or, if you prefer, mailed to you via U.S. mail. If you don’t have a MyNYSTRS account, we strongly urge you to create one at NYSTRS.org before your consultation.

You can schedule a telephone or video consultation through the Tools page in your MyNYSTRS account or by calling us at (800) 348-7298, Ext. 6100.

For a video consultation, you will be emailed an invitation to the meeting that will include the link and information required to join the meeting.

New Self-Service Features Available In MyNYSTRS

You may already know that you can use your MyNYSTRS account to access account information, sign up for benefits consultations, and file forms such as an address change or a service retirement application. Now MyNYSTRS has introduced even more self-service tools.

Beneficiary Changes: In addition to being able to check your beneficiaries online, you are now able to update your Paragraph 2 Death Benefit beneficiaries (if you are eligible for this benefit) through your secure online account instead of using a paper form. (Retirees who select a benefit option that allows beneficiary changes will also be able to update their option beneficiaries.)

Disability Retirement Application: Members who want to apply for a disability retirement, including those seeking to apply “for protection only” in the event of a life-threatening illness or surgery, can now apply online instead of using a paper form. (If you prefer, paper forms may still be submitted via fax or mail to NYSTRS.)

Domestic Relations Order (DRO): Active and retired members with an approved DRO on file can now see the details of how the DRO affects their retirement benefits in a new page in their MyNYSTRS account.

Verification of Contributions Letter: Active members who need a letter verifying the amount of their accumulated contributions in order to apply for a mortgage or bank loan can now print one out themselves from their MyNYSTRS account -- a timely and convenient alternative to sending in a request and waiting for it to arrive in the mail. (Retired members can print an income verification letter confirming the amount of their pension benefit.)

If you don’t have a MyNYSTRS account, we encourage you to create one. It’s safe, secure and easy! Visit NYSTRS.org, click on the MyNYSTRS Login tab, and follow the step-by-step instructions given. You will need your seven-digit NYSTRS EmpID (found on your Benefit Profile) and the last four digits of your Social Security number.
NYSTRS Hits 100... (from page 1)

Lee attributed NYSTRS’ long-term success to the guidelines established early on and still followed today: “consistent receipt of required member and employer contributions; a disciplined, risk-controlled investment policy; and partnerships with top-performing fund managers.”

NYSTRS also owes its strength to stable leadership and a strong governance model, Lee said. Board members, who each represent various constituencies, serve as fiduciaries responsible for protecting the long-term value of the System’s investment portfolio and providing benefit security for members. In addition, the System has had only six executive directors during the past 100 years. A stable leadership adds to organizational stability.

The Early Years

Back in the early 1920s, it was common for teacher contracts to include archaic rules forbidding a female teacher from going out after 8 p.m. and from riding in cars with any man other than her father or brother.

However, it was also a time when a very modern concept was launched: a stable, securely funded pension system to take care of teachers when they retired.

The early pension movement came to the U.S. from Europe, where pensions were created to provide retirement funds for those in the military. In America, pensions were also first applied to the military and then later to police and fire departments.

In the late 1800s, teachers in New York City created a mutual aid society to help cover the funeral expenses of deceased members. This movement expanded next into a form of life insurance plus limited sick benefits, and then eventually into a plan in 1887 to provide teachers with a permanent retirement annuity.

Similar small pension plans gradually developed in other cities, and many later merged into an early state system in 1911. Unfortunately, these early plans were poorly thought-out and poorly funded.

With the statewide and remaining local systems on the brink of collapse, teachers and political leaders came together to develop a new and much more stable pension system: our modern day NYSTRS.

NYSTRS Begins Operating

The new System, to be funded by both members and employers using actuarial methods, was approved by the state Legislature on May 4, 1920 and began operating on August 1, 1921.

Membership was offered to public school teachers throughout the state, excluding New York City which had its own system. NYSTRS initially had a “superannuation plan,” which combined a defined benefit pension based on age, service and Final Average Salary (FAS) with an annuity component based on required employee savings.

NYSTRS benefited from lessons learned from the earlier weak plans, and the new System absorbed the approximately $1.5 million in funds left from the old system. These funds allowed the new System to immediately begin serving retirees without waiting to build up a reserve.

Teachers who had had a negative experience with the earlier pension plans were initially reluctant to join the new System. Gradually, confidence grew, and the new System began enrolling teachers at a rate of 500 new members a month.

The System Board — then, as well as now — focused on establishing a fair, equitable plan based on scientific actuarial methods and sound financing. Any improvements in benefits were required to be accompanied by the means to pay for them. Thus, the System grew and quickly became a successful model for pension plan excellence.

Key Moments in NYSTRS’ History

1921: NYSTRS officially begins operating on August 1, 1921 out of the State Education Building in Albany, and 19,000 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 2,800 retirees receiving $1 million in annual benefits.


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.
While some communities were concerned about retirement costs, teachers and policy makers had convinced the public of the benefits a retirement system offered to schools, according to J. Albert Holbritter, a researcher who studied the early history of NYSTRS as part of a doctoral degree program at New York University and who also served in the mid-1960s as deputy executive director of NYSTRS.

“A good retirement system attracts and holds good teachers; it frees teachers from worry about old age and disability; and it provides for those who can no longer fulfill their duties,” Holbritter wrote in his 1960 study A History of the New York State Teachers’ Retirement System 1921-1959. “It also made them realize that the retirement principle was coming more to be recognized as good business and not charity.”

In the 1930s, delegations from other states came to New York state to study the Retirement System. In addition, a NYS Pension Commission, created in 1933 to evaluate the state’s pension systems, praised NYSTRS as an example of a sound, well-managed System.

The 1933 Pension Commission said that NYSTRS “is financially sound because contributions adequate to provide the benefits are made when the service on account of which the benefits are to be paid is rendered. The benefits are reasonable, the public knows what they cost, and receives advantages commensurate with the cost.”

This statement by the Pension Commission is as true today as it was in 1933.

**NYSTRS’ funded ratio, as of the latest actuarial valuation on June 30, 2020, is 97.3% funded based on a market value of assets and 98.9% funded based on an actuarial value of assets. Being fully funded means NYSTRS has the assets necessary to pay all accrued benefits to our nearly 434,000 active and retired members and beneficiaries.**

Your Retirement System is soundly built to last and will continue to proudly serve the public school teachers of New York state as it has done successfully for the last 100 years.
Three Generations of School Teachers Span 100-Year History of NYSTRS

Teaching requires so much more than just dedication to a job, and it’s not uncommon to see a love of teaching and devotion to the well-being of children passed down from generation to generation.

Kim Kane, a teacher in the Oriskany Central School District, is a third-generation teacher from a family of teachers whose careers span 1919 to the present — roughly the 100-year history of NYSTRS. Their careers have given them fulfillment and their NYSTRS memberships gave them financial security.

“Teaching is a career of the heart as much as of the mind,” said Kane, who is now looking ahead toward retirement with bittersweet feelings. Kane’s grandparents were able to have an enjoyable retirement and her father was able to explore a second career, thanks to the stability of their NYSTRS pensions.

Kane’s grandfather, Merle J. Davis, was among the first members of NYSTRS when it was launched in 1921.

Merle J. Davis began teaching in Tilden Hill School, a one-room schoolhouse, in Verona after receiving a teaching certificate from Oneonta Normal School in 1919. He later earned a degree in English and history from Syracuse University and did graduate work at Harvard University. He taught at two other one-room schoolhouses, Willow Valley School and V & V Corners School, and several other schools before retiring in 1971.

His wife (and Kane’s grandmother) Esther W. Davis was a teacher as well and another original member of NYSTRS. She did most of her teaching in grades three and four in Verona after receiving degrees from Stetson University in Florida and SUNY Cortland. She also retired in 1971.

The couple’s son (and Kane’s father) David W. Davis taught in Verona public schools from 1965 to 1997, after earning degrees from Salem College and Utica College of Syracuse University. After retiring, he had a second career as an editor with the postage stamp dealer, Mystic Stamp Company, in Camden for 22 years.

Merle and Esther were able to do some traveling and spend half the year in upstate New York and half the year in their winter home in Florida, thanks to the security provided by their NYSTRS pensions.

The couple’s son (and Kane’s father) David W. Davis taught in Verona public schools from 1965 to 1997, after earning degrees from Salem College and Utica College of Syracuse University. After retiring, he had a second career as an editor with the postage stamp dealer, Mystic Stamp Company, in Camden for 22 years.

See Three Generations... page 7

Key Moments... (from page 5)

1976: Tier 3 is established with new rules on service retirement benefits, disability eligibility and prior service credit purchases, but also the introduction of an accidental death benefit that is available to all future tiers. New members are required to make 3% contributions throughout their career (until Article 19 is enacted in 2000).

1980s: NYSTRS introduces Pre-Retirement Planning Seminars across the state. These develop into the Pension & Retirement Education Program (PREP) in 2010.

1983: Tier 4 is established initially with new age reductions and a requirement that members work until 62 before retiring, but the new tier eliminates the Social Security benefit offset rule under Tier 3. Due to Tier 4 benefit improvements enacted by state law since then, Tier 3 members now automatically receive the better of Tier 3 or 4 benefits.

1984: NYSTRS moves to its own newly constructed building at 10 Corporate Woods Drive, Albany.

1985: A new law permits Tier 3 and 4 members to retire without an age factor at age 55 with 30 years of service.

1991: Active membership totals 195,000. Net worth totals $26 billion. There are 71,000 retirees receiving $998 million in annual benefits.

1994: A lump sum payment option is permitted for members whose benefit would be less than $1,000 per year. In 2003, this is increased to $2,400 per year.

1996: NYSTRS begins offering benefits consultations through video at school locations. By 2020, members can have video consultations through their own personal mobile devices.

1998: State laws introduce a vested death benefit for those with an active membership who are no longer working, as well as an accelerated death benefit for members who have a terminal illness or require extraordinary treatment. In addition, a reinstatement provision is introduced so current members can restore their original NYS membership. Vesting for Tier 1-4 members is changed to take effect after five years of service instead of 10.

COMING SOON: Check out NYSTRS’ special centennial section at NYSTRS.org/100 for more of Kim Kane’s memories plus numerous stories, reflections, comments and photos from other NYSTRS members. Send your own stories and photos to karen.nelis@nystrs.org.
Key Moments... (from page 6)

1999: The System’s website is established at NYSTRS.org. The website is enhanced regularly, enabling members to access multiple self-service tools through their secure MyNYSTRS account and enabling employers to report salary and service credit electronically through the Employer Secure Area.

2000: A guaranteed annual Cost of Living Adjustment (COLA) of 1-3% is established for the first $18,000 of the Maximum pension benefit of eligible retirees. The Article 19 Benefit Enhancement is also enacted, which provides up to two additional years of service for Tier 1 and Tier 2 members and ends pension contributions from Tier 3 and Tier 4 members after 10 years of service or membership. Additional laws expand eligibility for prior service and military service credit.

2010: Tier 5 is established with new service retirement benefit calculation rules, prior service costs and 10-year vesting. Members make 3.5% contributions throughout their careers.

2011: NYSTRS hosts its first annual Minority- and Women-Owned Business Enterprises (MWBE) conference on investments and professional services. Active membership totals 280,000. Net worth totals $90 billion. There are 146,000 retirees and 6,500 beneficiaries receiving $5.6 billion in annual benefits.

2012: Tier 6 is established with new service retirement benefit rules, FAS calculation criteria and prior service purchase costs. Members make contributions ranging from 3% to 6%, based on salary level, throughout their careers.

2014: NYSTRS introduces what is believed to be the first Mobile App for public retirement systems, with helpful resources such as the Countdown to Retirement.

2017: Members begin filing their service retirement applications online, as the latest MyNYSTRS self-service tool debuts.

2020: Active membership totals 261,000. Net worth totals $120.5 billion. There are 166,000 retirees and 6,500 beneficiaries receiving $7.5 billion in annual benefits.

Three Generations... (from page 6)

Kim Kane (formerly Kim Davis) followed in her father’s and grandparents’ footsteps after earning degrees at Mohawk Valley Community College, SUNY Oswego and SUNY Cortland. She began teaching in 1991 in the Rome City School District and then moved to the Oriskany Central School District, where she has been an elementary classroom teacher as well as a reading teacher and art teacher.

Kane has many fond memories of her teaching career, but she is also starting to look forward to retirement. “NYSTRS’ long-standing excellence in stewardship has always given me financial peace of mind as a member with a pension,” Kane said. “It will allow me to spend quality time with family and friends, time to be involved at church and volunteer more, as well as time to pursue my own creative endeavors. It will also allow my husband and me to travel a bit and spend a few months of the year in a warmer climate as my grandparents did before me.”

She added: “I will continue to be connected with those I have worked with as colleagues. Teaching provides the best-hearted, hard-working, most intelligent people one could hope to have as colleagues and true friends. The connection to students will remain as well.”

NYSTRS Executive Directors (formerly Executive Secretary) 1921 – Present

A stable leadership adds to organizational stability. NYSTRS is very proud to have had only six executive directors over the past 100 years.

- Edgar G. Lantman – Executive Secretary, 1921 – 1939 (Lantman also served on the board of the system that was the precursor to NYSTRS.)
- Randolf T. Congdon – Executive Secretary, 1939 – 1944
- Cornelius B. Murray – Executive Secretary, 1944 – 1966
- Dr. Harold N. Langlitz – Executive Director, 1967 – 1995
- George M. Philip – Executive Director, 1995 – 2007
- Thomas K. Lee – Executive Director & Chief Investment Officer, 2007 – present

NYSTRS Headquarters

Thomas K. Lee Executive Director & Chief Investment Officer
Facts to Share

NYSTRS can visit your school — safely in a virtual online format — to offer informational presentations tailored for those approaching retirement or for new or mid-career teachers.

If you are interested in scheduling a presentation, call us at (800) 348-7298, Ext. 4763 for more information.

NYSTRS Board Meeting Highlights

January 28, 2021

• Re-elected David P. Keefe as president and Dr. L. Oliver Robinson as vice president of the Board.
• Renewed the agreement with Callan LLC to serve as a real estate consultant.
• Renewed the agreement with Raith Capital Partners LLC to act as a real estate debt separate account adviser.
• Renewed the agreement with Cohen & Steers Capital Management Inc. to manage a portion of the System’s assets in Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs).
• Renewed the agreement with BlackRock Financial Management Inc. to manage a portion of the System’s assets in Commercial Mortgage Backed Securities (CMBS).
• Renewed the agreement with Iridian Asset Management LLC to manage a portion of the System’s portfolio as an active domestic mid-capitalization equity manager.
• Renewed the agreement with Arrowstreet Capital LP to manage a portion of the System’s assets as a global equity manager benchmarked to the MSCI ACWI Index.
• Renewed agreements with the following firms to manage a portion of the System’s assets as MSCI ACWI Ex-U.S. international equity managers:
  • Ariel Investments LLC
  • Arrowstreet Capital LP
  • RhumbLine Advisers LP
  • Xponance Inc. (formerly known as FIS Group Inc.)
• Renewed agreements with the following firms to manage a portion of the System’s assets as active U.S. high-yield managers benchmarked to the ICE BofAML BB-B U.S. High Yield Constrained Index (HUC4):
  • Columbia Management Investment Advisers LLC
  • J.P. Morgan Investment Management Inc.
• Renewed the agreement with Callan LLC to serve as the System’s general investment consultant.
• Authorized the Executive Director and Chief Investment Officer to contract with KPMG LLP for audit and ancillary services, including an examination of the System’s financial statements for the year ending June 30, 2021.
• Approved amendments to the System’s Rules and Regulations.
• Approved amendments to the System’s Audit Committee Charter and Internal Audit Department Charter.
• Adopted a resolution honoring Ron Gross for his service as a teacher member of the NYSTRS Retirement Board.