Mission Accomplished as Pensions Disbursed Without Interruption

Despite these difficult times, NYSTRS continues to fulfill its mission of providing members with a secure pension, and we continue to make pension payments on time and in full.

“NYSTRS remains one of the strongest and best-funded public retirement systems in the nation,” said David P. Keefe, a retired teacher and president of the NYSTRS Board of Trustees. “The System has distributed earned retirement benefits on time and without fail throughout its nearly 100-year history and members should be confident this will continue.”

The NYSTRS 10-member Board of Trustees and the System’s investment professionals work together to protect the long-term security of the retirement fund using advance funding and managing a diversified portfolio designed to weather economic storms.

Paying Pensions, Serving Members Prioritized During Pandemic

Most NYSTRS staff are working from home due to the COVID-19 crisis, but retired and active members alike can still expect to receive the highest level of customer service throughout this challenging time.

Consistent with our mission, our top priority is to ensure that pension benefits continue to be distributed on time to our more than 160,000 retirees and beneficiaries. Retired members have not experienced any delays in receiving pension payments.

Our building was closed to the public in March, but our phone lines are open at (800) 348-7298 to answer your questions and we are still receiving mail. All events, including PREP seminars, have been canceled until further notice. Benefit consultations are being conducted by telephone. The Annual Delegates Meeting will be a one-day virtual event on Monday, Nov. 9.

If you are looking for retirement planning information, video versions of PREP seminar modules have been posted on the PREP page of our website. In addition, we plan to offer one-hour interactive retirement webinars soon. Watch our website for details.

We are prioritizing transactions such as pension payments, direct deposit changes, disability retirements, death benefits and loans. All other transactions will be processed as expeditiously as possible. Please know we may not be able to process paper transactions, including paper loan checks, as quickly during this period.
New NYSTRS Delegates Needed To Fill Midterm Vacancies

If you were interested in becoming a NYSTRS delegate but missed the deadline during last year’s election, you may have a second chance.

School districts with any vacant delegate positions have until Oct. 1 to hold midterm elections to finish out the current term. Only employers with openings in both the delegate and alternate positions of a ticket are eligible to participate.

Electoral results must be reported to NYSTRS by Oct. 6. Any newly elected delegates and alternates begin serving as soon as election results are reported. Those elected will serve until the current term ends July 31, 2021.

To see if your district has any vacancies to fill, go to the Electing Delegates page under the Delegates tab at NYSTRS.org and select “Delegates: 2019-2021 Term.” This site will also tell you how many delegates your district is allowed and who already represents your district.

The 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.

Please keep in mind that 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. Therefore, an alternate for Delegate A may not serve in place of Delegate B.

In cases where a delegate vacates his/her position for any reason, the alternate would automatically assume the delegate position and the alternate position would remain vacant until the next regular election. Regular elections are held in odd-numbered years, while special midterm elections are held in even-numbered years.

Delegates and/or their alternates serve as liaisons between members at their school districts and NYSTRS and are responsible for electing the teacher members of the NYSTRS Board of Trustees at the Annual Delegates Meeting. This year’s meeting will be a virtual event on Monday, Nov. 9. Details will be announced later.

For more information about the delegate election process, including step-by-step instructions for electing and reporting delegates/alternates, see Election Responsibilities under the Electing Delegates page at NYSTRS.org.

If you have additional questions, call us at (800) 348-7298, Ext. 4785, or email us at convdel@nystrs.org.

Paying Pensions, Serving Members... (from page 1)

We encourage you to initiate transactions via your secure, online MyNYSTRS account. For example, you can apply for a loan in MyNYSTRS and request direct deposit payment. If you don’t have a MyNYSTRS account, now would be an excellent time to set one up.

It’s easy to create a MyNYSTRS account: Go to NYSTRS.org and click on the MyNYSTRS Login tab near the top of any page. Select the Register button and follow the step-by-step instructions given.

We urge you to make use of the informational resources available on NYSTRS.org and the many self-service tools available in your MyNYSTRS account, including the ability to send us a secure message from your account.

For common questions, see the FAQs posted on our website. Under the NYSTRS News heading, select “COVID-19 Update & FAQs.” If you still have specific questions or concerns, call us at (800) 348-7298.
Public Pensions Built to Survive Volatile Markets

While the current health crisis has created unprecedented economic conditions, the National Institute on Retirement Security (NIRS) says that most public pension plans — including NYSTRS — are well-funded and financially stable.

“One hundred and one pension plans have faced underfunding challenges, the vast majority of these plans are built to last,” NIRS Executive Director Dan Doonan said in a recent public statement.

Doonan pointed to the experience of the 2008 global market crash which reduced public pension fund asset values from $3.15 trillion in 2007 to $2.17 trillion in 2009. However, by the fourth quarter of 2019, public pension assets had doubled to $4.82 trillion, Doonan said.

Public pension plans have historically demonstrated an ability to withstand market downturns, Doonan pointed out. For example, he said that an NIRS analysis of U.S. Federal Reserve and U.S. Census Bureau public pension data from 1993 to 2005 found that public pensions followed “well-established practices for prudent, long-term investing before, during, and after the 2001 market plunge.”

“This indicates that public plans can recover from the coronavirus financial crisis in a manageable way,” Doonan said. “The same cannot be said for the millions of Americans who have seen their 401(k) accounts wiped out, especially for those with no time to recover.”

Pensions also play a vital role in rebuilding a healthy economy. “Pensions can act as an ‘economic stabilizer’ during volatile times because retirees with stable monthly pension income can continue to spend on basic needs, even during an economic downturn,” Doonan said.

NIRS found that $1.2 trillion in economic output — more than six percent of the U.S. economy — stemmed from public and private sector pension benefit payments in 2016.

“Fortunately, pensions are a source of reliable income that will help Main Street during these volatile times,” Doonan said.

Mission Accomplished...

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“It is exactly this long-term investment strategy that helps us tolerate the volatility in the financial markets we are currently experiencing,” said NYSTRS Executive Director and Chief Investment Officer Thomas K. Lee.

Advance funding means the System invests employer and member contributions throughout a member’s working career, steadily accumulating the assets necessary to provide a fully funded benefit in retirement. By pooling these contributions, NYSTRS can achieve economies of scale no individual investor could duplicate.

In addition, the System’s investment portfolios are broadly diversified both among and within asset classes. This makes the System well-positioned to absorb losses caused by downturns in the financial markets as well as realize gains as the economy rebounds.

Your NYSTRS pension is a defined benefit pension that members receive for life. Public pension benefits are also guaranteed by the New York State Constitution and may not be reduced.

NYSTRS Ranked High Nationally

Each year the trade publication Pensions & Investments ranks the top 1,000 pension systems, both public and private, in the country. Here’s how NYSTRS stacked up in the 2020 rankings:

- 8th largest public fund.
- 11th largest fund overall.
- 7th largest defined benefit plan.
- 5th among defined benefit plans with the most funds managed internally.

Defined benefit plans like the one administered by NYSTRS pay lifetime benefits calculated using a formula typically based on age, salary and years of service. Funding comes from System members and their employers. Those monies are invested with the returns earned used to pay benefits and grow the overall fund.

NYSTRS was 99.2% funded using an actuarial value of assets and 100.9% funded using a market value of assets as of June 30, 2019, the end of the last fiscal year.

About 60% of NYSTRS assets are managed internally. Internal management of assets saves money by reducing investment fees paid to external managers. The money saved can be invested, thus earning more money for paying benefits. The greater the return on investments, the lighter the burden on employers and the taxpayers who fund them.

Over the past 30 years, 85% of NYSTRS income has come from earnings on investments. Nationally, about 63% of public pension revenues are attributable to investment earnings, according to statistics compiled by the National Association of State Retirement Administrators (NASRA).

Learn more about NYSTRS and its finances by reviewing the System’s 2019 Popular Annual Financial Report (PAFR) and visiting the Infographics page of our website.
Scammers Preying on Pandemic Fears

While the COVID-19 crisis has brought out the best in many people who want to support their communities, it has also produced a new bout of scammers seeking to prey on the fears and anxiety of people.

The FBI and the Federal Trade Commission are both urging people to guard against coronavirus-related scams. NYSTRS also encourages you to remain vigilant in protecting your personal information, including your Social Security number, NYSTRS EmpID, credit card numbers, and bank account numbers.

The FBI warned that some cybercriminals are sending fake emails that appear to come from organizations such as the Centers for Disease Control and Prevention and the World Health Organization — a technique known as spoofing. The emails try to entice people to click on a link that will supposedly provide information on COVID-19, but instead downloads malicious software to your computer.

Other scams try to convince people that to qualify for a government stimulus payment they should click on a link in what is a phony email or provide personal information, such as a Social Security number, over the phone.

"Look out for phishing emails asking you to verify your personal information in order to receive an economic stimulus check from the government," an FBI news alert says. "While talk of economic stimulus checks has been in the news cycle, government agencies are not sending unsolicited emails seeking your private information in order to send you money."

The best protection against scammers is staying well-informed. Here are some important tips from the Federal Trade Commission:

- Hang up on robocalls. Scammers are using illegal robocalls to try to sell fake coronavirus treatments and tests and asking for donations to fake charities.
- If you are purchasing supplies online, make sure they are from a legitimate source. Illegal sellers may claim they have products such as cleaning or medical supplies that they don’t have.
- Don’t click on links from sources you don’t know. If you want accurate information on COVID-19, use your computer browser to go directly to official websites such as the Centers for Disease Control and Prevention.
- Research organizations you are considering donating to, and don’t let anyone rush you into donating in cash, by gift card or by wiring money.

For more information on assorted scams and how to protect yourself, go to the Federal Trade Commission website at www.ftc.gov/coronavirus. To report a scam or suspicious robocalls, go to www.ftc.gov/complaint.

NYSTRS Board Meeting Highlights

January 30, 2020

- **Re-elected** David P. Keefe as president and L. Oliver Robinson as vice president of the Board.
- **Authorized** the Executive Director and Chief Investment Officer to modify the investment mandate for Leading Edge Investment Advisors from a U.S. multi-cap strategy to a global equity strategy.
- **Authorized** an initial investment of up to $400 million and a total allocation of up to $1.0 billion to RhumbLine Advisers Limited Partnership to manage a portion of the System's assets as an active international equity manager benchmarked to the MSCI ACWI Ex-U.S. Index.
- **Renewed** the agreement with Raith Capital Partners LLC to act as a real estate debt separate account advisor.
- **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 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 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
  - FIS Group
- **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.
- **Authorized** the Executive Director and Chief Investment Officer to contract with Callan Associates to serve as the System's general investment consultant and with Aon Hewitt Investment Consulting to provide Board self-assessment services.
- **Approved** amendments to the System's bylaws to reflect changes to the Board committee structure and adopted or amended the affected Board committee charters in accordance with the restructuring.
- **Approved** amendments to the System's Investment Policy Manual and Internal Audit Department Charter.