NYSTRS Ranked a Top 10 Fund

A recent national survey once again named NYSTRS among the largest retirement plans in the country based on total assets.

The annual rankings by Pensions & Investments deemed NYSTRS the eighth largest defined benefit plan and the 10th largest retirement fund in the U.S.

Pensions & Investments, a money management newspaper, conducts this annual survey of the 1,000 largest public and private retirement funds in the country.

The survey showed the collective assets of the surveyed funds rebounded 7.1% to $13.02 trillion over the 12 months ending Sept. 30. Assets of the 200 largest plans surveyed increased 6.9% to $9.45 trillion. Further, the survey concluded the strong growth in funds’ assets was due to the avoidance of a recession and better-than-expected performance of the stock market.

NYSTRS ended the 2023 fiscal year with net assets totaling $137.2 billion. During the same period, the System paid $8.2 billion in benefits to retirees and beneficiaries. NYSTRS’ 10-year and 30-year net rates of return as of June 30, 2023 were 8.5% and 8.3%, respectively.

See pages 3 and 6 for more details on the System’s finances and strength.

Delegates Needed to Fill Midterm Vacancies

Help us help you and your fellow members by becoming a delegate for your district! There are 286 districts with vacancies eligible to be filled during our special election period. Employers with openings in both the delegate and alternate positions of a ticket have until Oct. 1 to hold a special election.

Delegates/alternates elected will serve until the current term ends July 31, 2025. Delegates and their alternates serve an important role as liaisons between NYSTRS and members at their school district. Delegates are also responsible for electing three teacher members of NYSTRS’ Board at the Annual Delegates Meeting held each fall.

To see if your district has any vacancies to fill, go to the Delegates/About Delegates page at NYSTRS.org and select Delegates: 2023-25 Term. Here you will also see how many delegates your district is allowed and who currently represents your district.

Your district’s chief school administrator (CSA) or the CSA’s designee is responsible for establishing reasonable election procedures, holding elections and reporting the results to NYSTRS. If there is only one candidate for a position, no formal vote is necessary. Election results must be reported to NYSTRS by Oct. 6. Any newly elected delegates and alternates begin serving as soon as election results are reported.

Interested in serving? Talk to your superintendent and/or your local bargaining unit about becoming a delegate and to ask about plans for an election.

For more information about the important role delegates serve and the election process, visit the Delegates section at NYSTRS.org.

Retirement is Beachy Keen!

We’re retiring our logo but its legacy will live on.

Help us welcome our new look this June!
Let's get to know each other better!

We realize you are busy and don’t always have time to think about your retirement benefits. To save you time and mental energy, we want to provide you with the information you need in the best way possible. However, we can’t do that if we don’t know what you need and expect.

Please take a few minutes to participate in our interactive survey. We are using ThoughtExchange, a survey platform which allows you to share your perspectives about what is most important to you, and allows you to rate the thoughts of others. Your participation is completely anonymous.

Scan the QR code or click here to share your thoughts.

NYSTRS Modeling Excellence

NYSTRS has made benefit payments on time and without fail since it was founded in 1921. As one of the best-funded public pension plans in the nation, you can trust you will never outlive your retirement benefit.

NYSTRS' Funded Status is 98% Based on the market value of assets, our funded ratio at June 30, 2023 was 98.2%. Using the actuarial value of assets, the funded ratio was 98.6%.

Why does funded status matter? The funded ratio demonstrates the gap between benefit dollars promised to retirees and the dollars actually held in the pension fund.

How does NYSTRS' funded status compare to others? The Milliman Public Pension Funding Index as of Dec. 31, 2023 placed the funded status of the 100 largest U.S. public pension funds at 78.2%.

See page 6 for more on NYSTRS’ financial strength and security.

Did you know? Over the past 30 years, earnings on investments produced 85% of NYSTRS’ income. Members and employers contribute the remaining 15%. This shared commitment to provide our members with a secure retirement results in a well-funded pension plan.
Get to Know Your Benefits: Final Average Salary

Your Final Average Salary (FAS) is an important component of your pension calculation.

For Tier 2-5 members, your FAS is generally the average of your highest three consecutive school years of salary earned whenever they occurred in your salary history. Typically, it is the average of your last three years.

Tier 6 members must use a five-year FAS with restrictions on includable salaries. Tier 1 members are eligible for either a three-year or five-year FAS, whichever provides the better benefit.

If you work part time, or work full time and plan to retire mid-school-year, note that earnings at a lower salary could produce a lower FAS than previous projections, which would result in a lower FAS than previous years. Note that the Internal Revenue Code limits the amount of annual compensation that can be used in the FAS calculation for NYSTRS members with a membership date on or after July 1, 1996. The limit for the 2023-24 school year is $330,000.

The Five-Year FAS — Tier 1 Members

Tier 1 members may also use a Five-Year FAS. The five-year will be used automatically if it is higher than the three-year FAS. For more information on the Tier 1 Five-Year FAS read the Final Average Salary section of the Active Members’ Handbook found under the Active Members tab of NYSTRS.org.

The Five-Year FAS — Tier 6 Members

All the same rules that apply to the three-year FAS are in effect, with the following additions:
- Salary greater than the NYS governor’s salary cannot be included in the FAS calculation. See Contribution Rate Information for Tier 6 Members in the Active Members’ Handbook for additional details. For those with multiple employers, pensionable salaries are limited to the two highest-grossing positions per school year.
- Salary increases exceeding 10% of the average of the previous four years’ salaries are excluded from the FAS calculation.

Three-Year FAS for Tier 1-5 Members

This can include payments for:
- Full-time teaching services (e.g., regular compensation)
- Coaching
- Tutoring
- Summer school
- Chaperone
- Workshops
- Supervision of traditional after-school clubs

This cannot include:
- Non-regular compensation (e.g., bonuses, taxable fringe benefits payments in lieu of health insurance)
- Employer contributions into a tax shelter account
- Payments made outside contract terms
- Payments made on the eve of retirement
- Buyouts/termination pay (e.g., payments for unused leave or a local retirement incentive)
- Payments for services ordinarily performed by classified positions, consultants or independent contractors
- Payments used to purchase health insurance through the district
- Pay for duties not reasonably incidental to that of an administrator or full-time teacher (e.g., bus driver, district clerk, clerk of the board, school attorney)
- Compensation for computer maintenance, master teacher presenter or similar roles.

Contracts will be reviewed to ensure employers have properly reported all earnings and any necessary adjustments will be made prior to FAS calculation. Also excluded from the three-year FAS calculation are yearly increases in regular salary exceeding the following limits:
- Tier 1: 20% of the previous year’s salary; Tier 2: 20% of the average of the previous two years’ salaries; Tiers 3, 4 and 5: 10% of the average of the previous two years’ salaries. Note that the Internal Revenue Code limits the amount of annual compensation that can be used in the FAS calculation for NYSTRS members with a membership date on or after July 1, 1996. The limit for the 2023-24 school year is $330,000.

After You Retire
Understanding Your Initial Benefit Payment

In most cases, you will receive your first benefit payment by direct deposit on the last business day of either the month of your official retirement date or the next, depending on when we received your retirement application. In other words, we begin providing your benefit to you well before the processing of your retirement application is complete.

Your initial monthly benefit payment is based on information on file and fully processed by NYSTRS at the time of retirement and typically represents 95% or more of your final benefit, which will be determined once your application is fully processed. For example, the initial benefit may not include your last month or two of salary and service depending on when you filed for retirement because NYSTRS requires time to review and process that information. As monthly reports of service and salary are fully processed by NYSTRS, the updates are reflected in the Service Credit section of your MyNYSTRS account.

Generally, the payment amount will remain unchanged until your application is fully processed, which typically takes 9-12 months, but can take longer in more complicated cases. You will receive a detailed letter when we complete the processing of your application. If your final benefit is higher than your initial estimate, you will receive a lump sum retroactive payment with your first new monthly benefit payment.

The final benefit could be substantially larger than initial payments for Tier 2-6 members who pass a key service milestone in their final year.

Resigning vs Retiring

Know the difference between the resignation date you give your employer and your NYSTRS retirement date!

Notifying your employer that you are resigning is a separate process from retiring and collecting a pension. In order to begin receiving your retirement benefit, you must file a retirement application with NYSTRS. The effective date of retirement you enter on your application must be at least one day beyond the last day you earn salary under contract. For example, if you last earn salary under contract on June 30 (even if the last day you actually worked is earlier), the earliest date of retirement you could elect is July 1.

Be Sure to Update Your Email When Filing for Retirement

Don’t lose touch with us! When you file for retirement, be sure to provide us with your personal email address. You may update your contact information online via your MyNYSTRS account or call (800) 348-7298, Ext. 6250.

“Why don’t I receive my full benefit payment immediately?”

Your benefit calculation includes factors such as your tier, age, years of service and final average salary. NYSTRS has a fiduciary responsibility to verify the accuracy of these factors to ensure you receive all the benefits for which you are eligible. This process typically takes around 9-12 months, but may take longer in more complicated files.

For more specific details on FAS, please see the Active Members’ Handbook in the Library at NYSTRS.org or call us at (800) 348-7298, Ext. 6250.
Renewed the agreement with AEW Capital Management, LP , effective Feb. 12, 2024

Renewed the agreement with Arrowstreet Capital LP to manage a portion of the System’s assets in a global equity manager benchmarked to the MSCI ACWI Index, for one year, effective March 5, 2024

Renewed the agreement with Callan LLC to serve as the System’s general investment consultant, for one year, effective May 1, 2024

Renewed the agreement with Capital Partners LLC to act as a real estate debt separate account adviser, for one year, effective Feb. 7, 2024

Renewed the agreement with Columbia Management Investment Advisers LLC, effective March 6, 2024

Renewed the agreement with J.P. Morgan Investment Management Inc., effective March 5, 2024

Renewed the agreement with Ariel Investments LLC, effective April 3, 2024

Renewed the agreement with Callan LLC to serve as the System’s general investment consultant, for one year, effective May 1, 2024

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, for one year, effective March 26, 2024

Renewed the agreement with BlackRock Capital Management Inc. to manage a portion of the System’s assets in commercial mortgage-backed securities (CMBS), for one year, effective April 3, 2024

Renewed the agreement with PGIM Inc. to act as an agency securities lender for a portion of the System’s public securities assets, for one year, effective Feb. 21, 2024

Renewed the agreement with The Bank of New York Mellon to act as an agency securities lender for a portion of the System’s public securities assets, for one year, effective March 17, 2024

Approved amendments to the Policy for Reimbursement of Expenses for Board Members

Approved amendments to the Audit Committee Charter and approved the Internal Audit Plan for the year ending Dec. 31, 2024

Approved updates to the System’s Business Continuity Plan.
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P7 Retirement Checklist

Calendar of Events

April 2024:

• April 2 – Retirement Season Begins

May 2024:

• May 15 – Bookings for Summer PREP Seminars Become Available
• May 27 – System Holiday

June 2024:

• June 19 – System Holiday

When is the Best Time to File for Retirement?

You can file your retirement application with NYSTRS as late as your retirement date, but no more than 90 days before. To be on the first available payroll after retiring, you should generally file at least 30 days in advance.

If you plan to retire on the cusp of a key service credit milestone, be aware that falling short of the credit needed could negatively impact your benefit—for life.

Don’t cut it too close when picking a retirement date; work longer than you think necessary, especially if you have ever worked less than full time. Always discuss your unique situation with a NYSTRS representative before filing for retirement.

See “After You Retire” on page 5 to understand your initial benefit payment.