



New York State  
Teachers'  
Retirement  
System

# The New York State Teachers' Retirement Board

## *The Role and Responsibilities of a NYSTRS Trustee*

The New York State Teachers' Retirement System (NYSTRS) administers the fund from which public school teachers and administrators employed outside of New York City receive retirement and ancillary benefits.

The System was established in 1921 by an act of the state legislature and is the second-largest of eight public retirement systems in New York State. NYSTRS membership as of June 30, 2024 totaled more than 272,000 active members and nearly 182,000 retirees and beneficiaries.

### What We Do

NYSTRS is one of the most secure and well-funded public pension plans in the country. Learn more by reading the *Popular Annual Financial Report* and *Annual Comprehensive Financial Report*, both of which are in the [Library](#) at [nystrs.org](https://nystrs.org).

NYSTRS administers a defined benefit plan that provides eligible members with retirement security. Eligibility for benefits generally is based on factors such as age, years of service, final average salary and tier of membership. In addition to a service retirement pension, this includes disability and death benefits; the ability to borrow from member contributions; and, in some cases, coverage for beneficiaries.

### System Governance

A 10-member Retirement Board serves as the governing body of NYSTRS, overseeing matters related to the overall operation of the System. This includes administration of System assets, approval of an annual budget, consideration of proposed legislation, provision of member services, and benefit and personnel management. The latter includes appointment and evaluation of the Executive Director and Chief Investment Officer.



#### OUR MISSION

To provide our members with a secure pension.



#### OUR VISION

To be the model for pension fund excellence and exceptional customer service.

## Trustee Duties

Board members are responsible for overseeing the investment and management of System assets. Activities related to this role include approval of investment policies, objectives and guidelines; review and approval of asset allocations; approval of investment transactions; and appointment of external managers and advisors.

The Board also has the responsibility of establishing rules and regulations for the administration and transaction of System business, and of setting the annual employer contribution rate.

Members of the Board are responsible as fiduciaries to protect the long-term value of the System's investment portfolio and provide benefit security for members. They are entrusted to invest funds at the highest possible long-term rate of return consistent with appropriate levels of diversity and risk. The funds must be invested with the care, skill and diligence that a prudent person familiar with such matters would use to ensure that sufficient assets are on hand to pay promised benefits when they come due. This must be accomplished at the lowest possible cost to participating employers.

The Board receives counsel from staff, advisory committees and investment consultants to help formulate its investment policy.

## Trustee Commitments

The Board meets quarterly each year, generally in January, April, July and October. The meetings are typically two full days.

The quarterly meetings require Trustees to review pertinent materials in order to be prepared for the meeting.

## Fiduciary Role and Responsibilities

In fulfilling their responsibilities as System Trustees, Board members act as fiduciaries. Fiduciary duties include the following:



### DUTY OF LOYALTY

This is the obligation to act for the exclusive benefit of the plan participants and beneficiaries. Regardless of how they have been selected, Board members must put the interest of all plan participants and beneficiaries above their own interests or those of any third parties.



### DUTY OF CARE

This is the responsibility to administer the plan efficiently and properly. The duty of care includes consideration and monitoring of the financial sustainability of funding practices and the effective administration of System benefits in compliance with applicable law.



### DUTY OF PRUDENCE

This is the obligation to act prudently in exercising power or discretion over the interests that are the subject of the fiduciary relationship. The general standard is that a Board member should act in a manner consistent with a reasonably prudent person exercising care, skill and caution.

There is also an annual two-day Board retreat comprised of education and planning sessions. Board self-evaluations are also completed at the retreat.

## Board Committees

There are seven standing committees of the Board:

- Executive
- Audit
- Compensation
- Disability Review
- Ethics
- Investment
- Risk

Committee assignments are made by the Board president and Trustees may serve on one or multiple committees. The frequency of meetings can range from one to 16 times per year. On average committee meetings occur four to six times per year.

## Board Expense Reimbursement

Trustees are reimbursed for actual and necessary expenses associated with traveling for System business and for related educational opportunities. Details are provided in the [Board Governance Manual](#) available at [nystrs.org](https://nystrs.org).

## Indemnification

Trustees are held harmless and indemnified from financial loss arising out of any claim, demand, suit or judgment by reason of alleged negligence or other act performed in the discharge of their duties and within the scope of their position, provided:

- The damages did not result from the individual's willful and wrongful act or gross negligence.
- The individual delivers the original or copy of any summons, complaint, process, notice, demand or pleading to the System's legal advisor within five days of being served.

## Code of Conduct

The code of conduct affirms the Board's commitment to a climate of integrity and accountability. It states each Board member, in exercising their authority and in discharging their responsibilities, shall:

- Act honestly and in good faith and in the best interests of NYSTRS.
- Conduct themselves with decorum, integrity and professionalism in all aspects of their duties and relationships with fellow Board members, staff, service providers and other parties.
- Exercise care, diligence and skill in all aspects of their decision making, including thoroughly preparing for meetings by reviewing all materials in advance of the meeting.
- Utilize the authority and stature afforded their position for the exclusive purpose for which it was intended.
- Ensure their personal interest and duty to NYSTRS are not brought into conflict.

- Ensure they do not obtain or receive, directly or indirectly, a personal profit, gain or other monetary benefit as a result of their relationship with NYSTRS.
- Abide by the laws, rules and regulations pertaining to the System, particularly:
  - Article 11 of the NYS Education Law
  - Articles 14, 15, 18, 19 and 20 of the Retirement and Social Security Law
  - NYSTRS Rules and Regulations (21 NYCRR, Parts 5000 and following)
  - NYS Open Meetings Law (Public Officers Law, Article 7)

Trustees are also responsible for complying with the NYSTRS Code of Ethics, which complements the Code of Conduct. The Code of Ethics is reviewed with Trustees during their Board orientation and can be found in the Board Governance Manual.

## Board Orientation

New Trustees take part in a comprehensive orientation program. When possible, the orientation is scheduled prior to the first Board meeting attended by the Trustee. The informal program allows the new Trustee to meet and interact with executive staff and other key personnel.

An orientation manual and the Board Governance Manual are provided as part of the orientation. The Board Governance Manual is a key resource that expands upon the topics covered in this brochure.

## Educational Opportunities

Trustees are encouraged to take advantage of appropriate educational opportunities to enhance their knowledge of the System and to acquire the expertise necessary to fulfill their responsibilities.

Both formal and informal educational opportunities exist, including:

- Conferring with other Trustees and staff.
- Staff presentations.
- Courses and seminars designed for pension plan trustees.
- Public pension plan conferences.