



New York State Teachers' Retirement System

Chief School Administrators
College and University Presidents
School Contacts

Administrative Bulletin

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Estimated Employer Contribution Rate for the 2009-10 Payroll

History of the Employer Contribution Rate (ECR)

In an effort to assist you with 2009-10 budget preparations, we recommend you use an estimated employer contribution rate (ECR) of **6.19%** for 2009-10 payroll. This projected rate is consistent with Administrative Bulletin 2008-11, issued in November 2008, in which we estimated a rate of between 6.0% and 7.0%.

Although the funds associated with this ECR will not be collected until fall 2010, we send this alert well in advance to assist with your planning. The Retirement Board will adopt the 2009-10 ECR at its July meeting and an Administrative Bulletin formalizing this rate will be issued soon thereafter.

As previously noted (*see Administrative Bulletin 2008-5*), the ECR applicable to your 2008-09 payroll will be 7.63%. These funds will be collected in the fall of 2009 and correspond to NYSTRS member salaries for the 2008-09 school year.

The ECR is adopted each July, but the contributions associated with that rate are not collected for another 14-16 months. Except for employers required to pay directly, payments are deducted annually from State Aid apportioned in September, October and November.

The one-year rate of return on System assets for the fiscal year ending June 30, 2008 was -6.4%. The four prior fiscal years, however, each had positive double-digit returns. The Retirement System uses a five-year smoothed, or average, value of assets for actuarial valuations to reduce volatility in the ECR due to volatility in the capital markets. The lower 2009-10 ECR is primarily due to this investment experience.

As you are likely aware, returns in the capital markets have been decidedly negative over the past several months. **Although asset performance is not the only factor in the determination of a new ECR, it is likely our next year's ECR (applying to 2010-11 salaries and collected in the fall of 2011) will represent a significant increase.**

Visit the Employers page of our Web site (www.nystrs.org) for additional ECR information. If you still have questions, please call John Cardillo, manager of public information, at (518) 447-4743.

<u>Salary Year</u>	<u>ECR</u>
1978-79	21.40%
1979-80	22.49%
1980-81	23.49%
1981-82	23.49%
1982-83	23.49%
1983-84	22.90%
1984-85	22.80%
1985-86	21.40%
1986-87	18.80%
1987-88	16.83%
1988-89	14.79%
1989-90	6.87%
1990-91	6.84%
1991-92	6.64%
1992-93	8.00%
1993-94	8.41%
1994-95	7.24%
1995-96	6.37%
1996-97	3.57%
1997-98	1.25%
1998-99	1.42%
1999-00	1.43%
2000-01	0.43%
2001-02	0.36%
2002-03	0.36%
2003-04	2.52%
2004-05	5.63%
2005-06	7.97%
2006-07	8.60%
2007-08	8.73%
2008-09	7.63%