



The following information was recently provided to NYSTRS' participating employers. As a Retirement System delegate, it is important you are aware of these issues.

## Delegate News

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### Estimated Range for the Next Employer Contribution Rate

Administrative Bulletin 2008-5, issued August 2008, informed you that the Retirement Board adopted an Employer Contribution Rate (ECR) of 7.63% of payroll. This rate is applicable to fiscal year 2008-09 NYSTRS member salaries and will be collected in September, October and November 2009. Based on preliminary estimates, we anticipate the ECR for the next year to be **between 6.0% and 7.0%** of member payroll. This rate will apply to fiscal year 2009-10 NYSTRS member salaries and will be collected in the fall of 2010. An Administrative Bulletin will be provided in February 2009 with a more precise estimate of this ECR.

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 valuation purposes, in order to reduce volatility in the ECR due to volatility in the capital markets. Primarily due to this investment experience our next year's projected ECR will represent a decrease over the current rate of 7.63%.

#### FUTURE RATES

As you are likely aware, the capital markets have continued their downward slide since July 1, 2008. Although asset performance is not the only factor in the determination of a new ECR, it is likely that unless this experience sharply reverses itself, the ECR **two years out** (applying to 2010-11 salaries) will represent a significant increase. Please look for future bulletins scheduling informational sessions and providing updates on this topic.

Although we are required to properly fund the plan, we recognize the impact this rate has on school district budgets. Our notices are sent as early as possible for planning and budgeting purposes. Future administrative bulletins will provide additional information regarding the ECR.

If you have any additional questions, please call John Cardillo, Manager of Public Information Services, at (518) 447-4743.

### History of the Employer Contribution Rate (ECR)

Salary Year	ECR
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%