



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 Employer Contribution Rate For the 2010-11 Payroll

In an effort to assist you with 2010-11 budget preparations, we recommend you use an estimated employer contribution rate (ECR) of 8.62% for 2010-11 payroll. This projected rate is consistent with Administrative Bulletin 2009-09, issued in November 2009, in which we estimated a rate of between 8.5% and 9.0%.

Although the funds associated with this ECR will not be collected until fall 2011, we send this alert well in advance to assist with your planning. The Retirement Board will adopt the 2010-11 ECR at its July meeting and an Administrative Bulletin formalizing this rate will be issued soon thereafter.

As previously noted (see Administrative Bulletin 2009-5), the ECR applicable to your 2009-10 payroll will be 6.19%. These funds will be collected in the fall of 2010 and correspond to NYSTRS member salaries for the 2009-10 school year.

The ECR is adopted each July, but the contributions associated with that particular rate are not collected for another 14-16 months. Except for those 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, 2009 was -20.5%. 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.

Although recent capital market returns have been encouraging, it is likely that the following year's ECR (applying to 2011-12 salaries and collected in the fall of 2012) will again represent a significant increase.

If you have any additional questions, please call John Cardillo, manager of public information, at (518) 447-4743.

History of the Employer Contribution Rate (ECR)

Table with 2 columns: Salary Year and ECR. Rows list years from 1978-79 to 2009-10 with corresponding ECR percentages.

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