



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 2011-8, issued August 2011, informed you that the Retirement Board adopted an Employer Contribution Rate (ECR) of 11.11% of payroll. This rate is applicable to fiscal year 2011-12 NYSTRS member salaries and will be collected in September, October and November 2012. Based on preliminary estimates, we anticipate the ECR for the next year to be between 11.50% and 12.50% of member payroll. This rate will apply to fiscal year 2012-13 NYSTRS member salaries and will be collected in the fall of 2013. An Administrative Bulletin will be provided in February 2012 with a more precise estimate of this ECR.

The one-year rate of return on System assets for the fiscal year ending June 30, 2011 was 23.2%. Despite this year's very favorable investment return, the large investment loss the System experienced during the 2009 fiscal year due to the global economic downturn continues to exert an upward pressure on the employer contribution rate.

The Retirement Board recently adopted revised tables for eight of the nine actuarial assumptions used in the actuarial valuation of the Retirement System's assets and liabilities. The new actuarial assumptions will first be used in the June 30, 2011 actuarial valuation, which will determine the ECR referenced by the range above. The new actuarial assumptions will produce a cost savings and will help to offset some, although not all, of the expected increase in the next rate.

Although the increase in the next rate will be much less than that experienced during the prior two years, this should NOT be interpreted to mean that the ECR has reached a plateau. We anticipate continued future increases in the ECR beyond this point.

Although our foremost goal is to ensure the plan is properly funded, we recognize this rate has a significant impact 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, at (518) 447-4743.

History of the Employer Contribution Rate (ECR)

Table with 2 columns: Salary Year and ECR. Lists ECR percentages from 1978-79 to 2011-12.

Delegate News dating from 2000 to the present are available on our Web site at www.nystrs.org. Select the Delegates tab and visit the Delegate News page.