



To: Chief School Administrators
College & University Presidents
ESA Contacts
District Contacts

Administrative Bulletin

Issue No. 2012-12

October 2012

Estimated Range for the Next Employer Contribution Rate

Administrative Bulletin 2012-8, issued August 2012, informed you that the Retirement Board adopted an Employer Contribution Rate (ECR) of 11.84% of payroll. This rate is applicable to fiscal year 2012-13 NYSTRS member salaries and will be collected in September, October and November 2013. Based on preliminary estimates, we anticipate the ECR for the next year to be between 15.50% and 16.50% of member payroll. This rate will apply to fiscal year 2013-14 NYSTRS member salaries and will be collected in the fall of 2014. An Administrative Bulletin will be provided in February 2013 with a more precise estimate of this ECR.

Poor returns in the global capital markets are the driving force behind recent rate increases. The one-year rate of return on System assets for the fiscal year ending June 30, 2012 was 2.8%.

We anticipate future increases in the ECR. The magnitude of the increases will depend upon future investment performance and member demographic experience. Plan design changes implemented in 2010 (Tier 5) and 2012 (Tier 6) will in time serve to reduce future employer costs.

While our primary 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. Rows range from 1978-79 to 2012-13.

Administrative Bulletins dating from 2000 to the present are available on our website at www.nystrs.org. Select the Employers tab and visit the Administrative Bulletins page.