



To: Chief School Administrators
College & University Presidents
District Contacts
Employer Secure Area Contacts

Administrative Bulletin

Issue No. 2014-9

November 2014

Estimated Range for the Next Employer Contribution Rate

Administrative Bulletin 2014-7, issued August 2014, informed you that the Retirement Board adopted an Employer Contribution Rate (ECR) of 17.53% of payroll. This rate is applicable to fiscal year 2014-15 NYSTRS member salaries and will be collected in September, October and November 2015. Based on preliminary results from the June 30, 2014 actuarial valuation, we anticipate the ECR for the next year to be between 13.00% and 13.50% of member payroll. This rate will apply to fiscal year 2015-16 NYSTRS member salaries and will be collected in the fall of 2016. An Administrative Bulletin will be provided in February 2015 with a more precise estimate of this ECR.

Employers should not interpret this decrease to necessarily mean that the ECR will continue to decrease over the next several years. The increase or decrease in future rates will depend on member experience and investment returns.

Favorable investment returns over the last several years are the primary reason for the decrease in the rate. The one-year net rate of return on System assets for the fiscal year ending June 30, 2014 was 18.2%. The System's five-year annualized rate of return now stands at 13.8%, a substantial increase over last year's 5.2%.

Chapter 57 of the Laws of 2013, which provided BOCES and public school districts the ability to elect the Stable Contribution Option (SCO), grants the Retirement Board discretion to increase the SCO rate applicable to 2015-16 member salaries by up to 2% of pay. At this time we anticipate the SCO rate will remain at 14.0% plus the group life insurance rate, or 14.13%. Final determination of the SCO rate will be made by the Retirement Board at its July Board meeting. The SCO rate is only applicable to those eligible employers that have elected to participate in the SCO.

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 2014-15.

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