



New York State  
Teachers'  
Retirement  
System

# 2024 Popular Annual Financial Report

**NYSTRS by the Numbers**

As of June 30, 2024

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*Over a Century of Providing  
Retirement Security*

# A Message From the Executive Director & Chief Investment Officer



On behalf of the Retirement System's Board and staff, it is my pleasure to issue this *Popular Annual Financial Report (PAFR)* for the fiscal year ended June 30, 2024.

This report summarizes NYSTRS' financial position for the 2024 fiscal year and corresponds to the *Annual Comprehensive Financial Report* available at [nystrs.org](http://nystrs.org).

NYSTRS is governed by a 10-member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. NYSTRS serves 828 employers – including public school districts, BOCES, institutions of higher education and charter schools that elect to participate. NYSTRS has 454,804 active and retired members, including beneficiaries.

The Retirement System is one of the 10 largest public pension funds in the U.S. based on portfolio size. NYSTRS is also consistently among the top-performing and best-funded public pension plans.

Consistent receipt of required employee and employer contributions; a disciplined, risk-controlled investment policy; and partnerships with top-performing fund managers are major contributing factors to this stability. As a long-term investor with liabilities often not payable for three decades or more, Board and staff take a prudent approach to asset management.

The System's year-end net assets totaled \$145.8 billion. During the same period, benefits paid to retirees and beneficiaries were approximately \$8.4 billion. The plan's funded ratio as of June 30, 2023, the date of the most-recent annual actuarial valuation and calculated using the Actuarial Value of Assets, was 98.6%. The System's total portfolio returned 11.4%, net of fees, for the fiscal year ended June 30, 2024. Our 30-year rate of return is 8.7%, net of fees.

This report is a testament to the hard work and dedication of NYSTRS' Board and staff to fulfill our mission of providing members with a secure pension. The System's long-term investment philosophy and diversified portfolio ensure that our fund weathers uncertain economic trends and generates returns on our investments.

We are proud that the System consistently ranks among the top 10 public pension plans based on assets in the country.

While our look has been updated to reflect the changing times, our vision of being the model for pension fund excellence remains the same. NYSTRS has provided uninterrupted benefits, on time and in full, honoring the work of our members and stewards who have guided the System's success since its founding in 1921. To be sure, just as our members devote their lives to excellence in the classroom as teachers and administrators, NYSTRS provides excellence in the management of the pension fund. We remain committed to our vision of serving as the model for pension fund excellence.

Respectfully,

Thomas K. Lee  
Executive Director & Chief Investment Officer

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The information contained in this document came primarily from NYSTRS' [Annual Comprehensive Financial Report](#), Fiscal Years Ended June 30, 2024 and 2023. A copy of that report is available at [nystrs.org](http://nystrs.org).



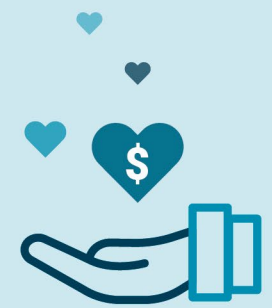
NYSTRS' membership consists of

# 454,804 members

**182,441**  
*retired members and beneficiaries*

**272,363**  
*active members*

The System also serves 828 employers – including public school districts, BOCES, institutions of higher education and charter schools that elect to participate.



NYSTRS has made benefit payments on time and without fail since it was founded in 1921.

## Who We Are

NYSTRS was established in 1921 by an act of the state legislature. The Retirement System administers the fund from which public school teachers and administrators employed outside New York City receive retirement and ancillary benefits.

NYSTRS directs a defined benefit plan, with eligibility for benefits based on factors such as age, years of service and tier of membership. Eligible members receive a service retirement or disability pension; death benefits; the ability to borrow

from member contributions; and, in some cases, coverage for beneficiaries.

Payments to eligible members and beneficiaries are guaranteed by law and cannot be diminished or impaired under New York's constitution. Benefit improvements, such as early retirement incentives, must be enacted into law by the state legislature and governor.



### Our Mission

To provide our members with a secure pension.



### Our Vision

To be the model for pension fund excellence and exceptional customer service.



### Our Values

- Respect
- Excellence
- Diversity
- Balance
- Integrity
- Resourcefulness
- Diligence



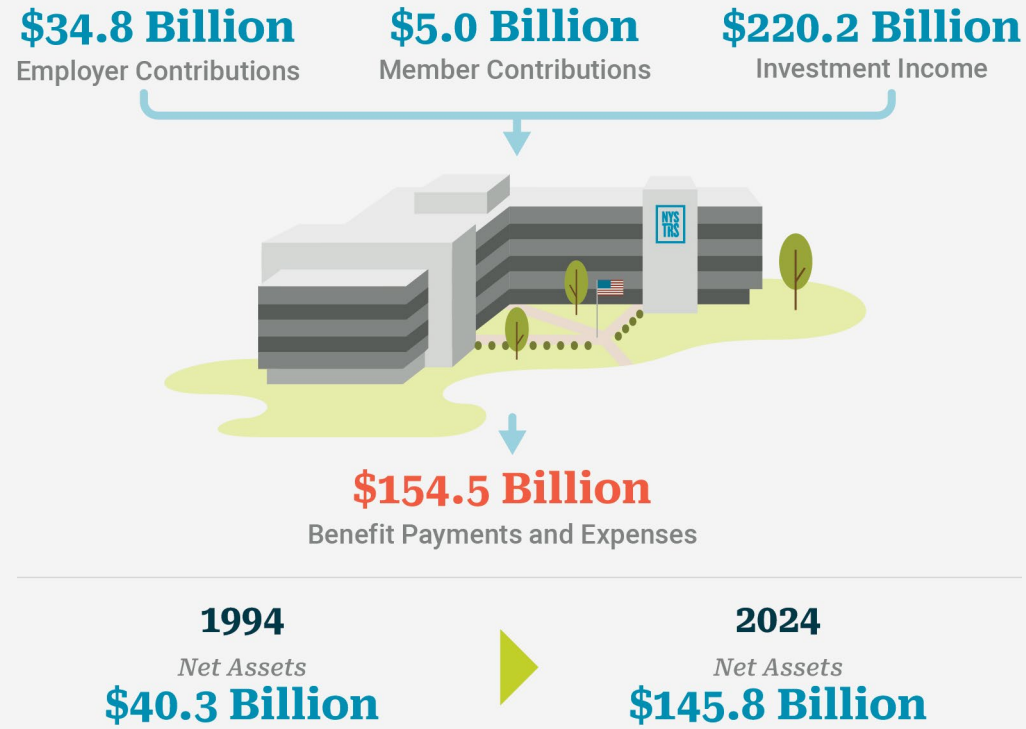


# NYSTRS: A 30-Year Snapshot

Over the past 30 years, NYSTRS has paid out \$154.5 billion in benefits and expenses while collecting \$39.8 billion in employer and member contributions. During the same period, the System's net assets have grown from \$40.3 billion to \$145.8 billion, with 85% of NYSTRS income generated by investment returns.

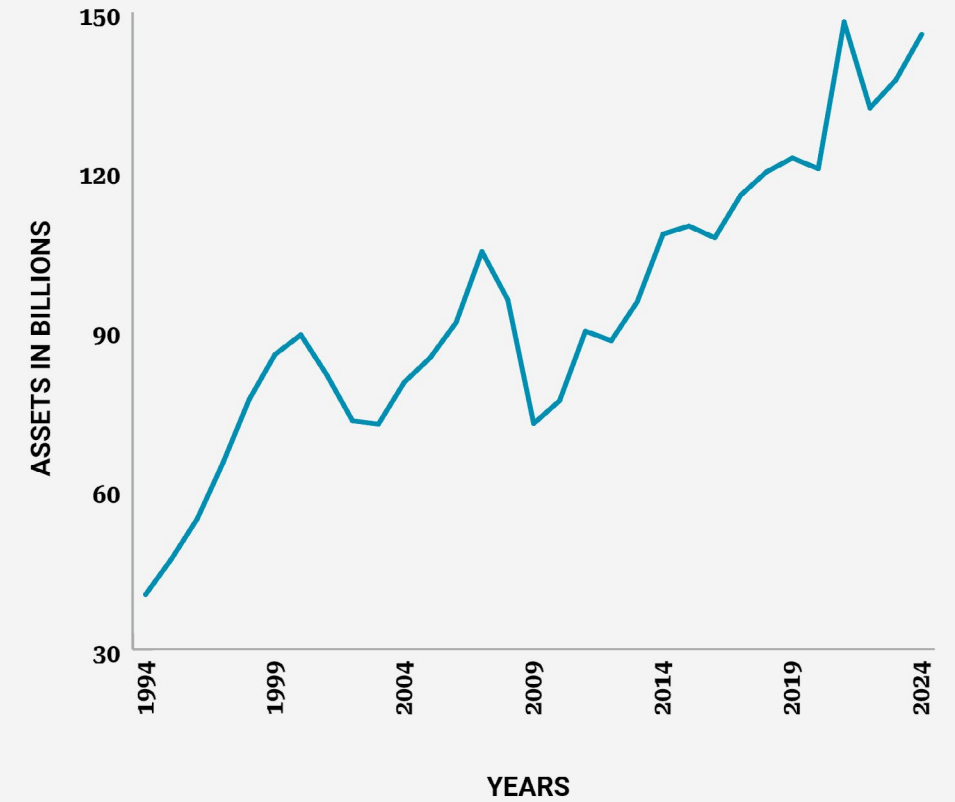
NYSTRS' primary objective is to properly fund retirement and ancillary benefits so sufficient assets are accumulated in order to pay benefits as they come due. To ensure this happens, an actuarial valuation of the System's assets and liabilities is performed annually utilizing the Aggregate Cost Method, as specified by law. In this method, actuarial gains and losses are spread over the average future working lifetime of active members.

Benefits provided by the Retirement System are funded from three sources: investment income, member contributions and employer contributions.



## Growth of Net Assets 1994-2024

The net position of the System represents funds available to pay current and future benefits. Over the past 30 years, NYSTRS' net position has increased more than 250% despite paying out almost four times what it received in contributions.



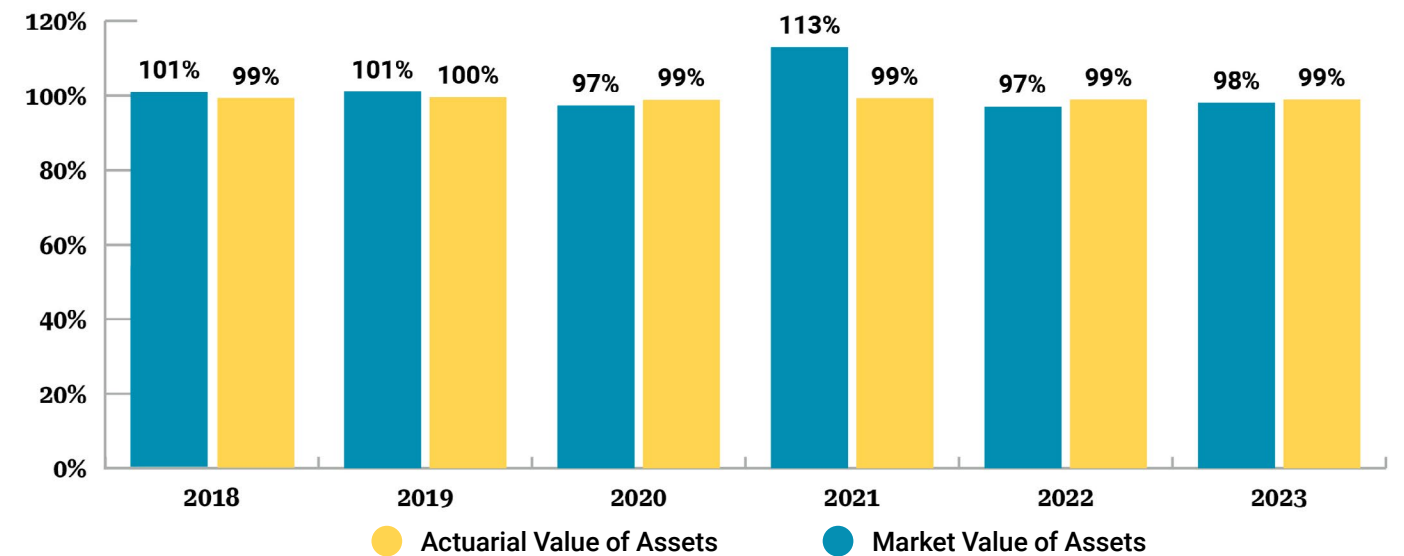
## Funded Ratio

NYSTRS is one of the best-funded public pension plans in the nation. The System's funded ratio is 98.6% based on the actuarial value of assets as of June 30, 2023, the most-recent calculation available. The actuarial value of assets smooths the volatility inherent in the market value of assets by phasing in unexpected gains and losses over a period of five years.

The funded ratio is a financial metric that is equal to the ratio of a pension plan's assets to its accrued liabilities, as of a point in

time. Assets are the value of the investments that the System has accumulated. Liabilities are the present value of the future benefits that have been accrued to date.

The funded ratio is used to assess the financial health of a pension plan. A funded ratio at or around 100% is desirable, and indicates that the plan is on track to meet its future benefit obligations.



### Investment Income

NYSTRS' assets are invested in the most prudent manner possible to achieve optimum long-term returns with an appropriate level of risk. NYSTRS is committed to an investment approach focusing on thoughtful and prudent diversification of assets with liabilities often not payable for three decades or more.



### Employer Contributions

NYSTRS serves 828 employers – including public school districts, BOCES, institutions of higher education and charter schools that elect to participate. Each year, the employer contribution rate is set at the level necessary to properly fund benefits. These contributions have been collected without fail throughout the System's history.



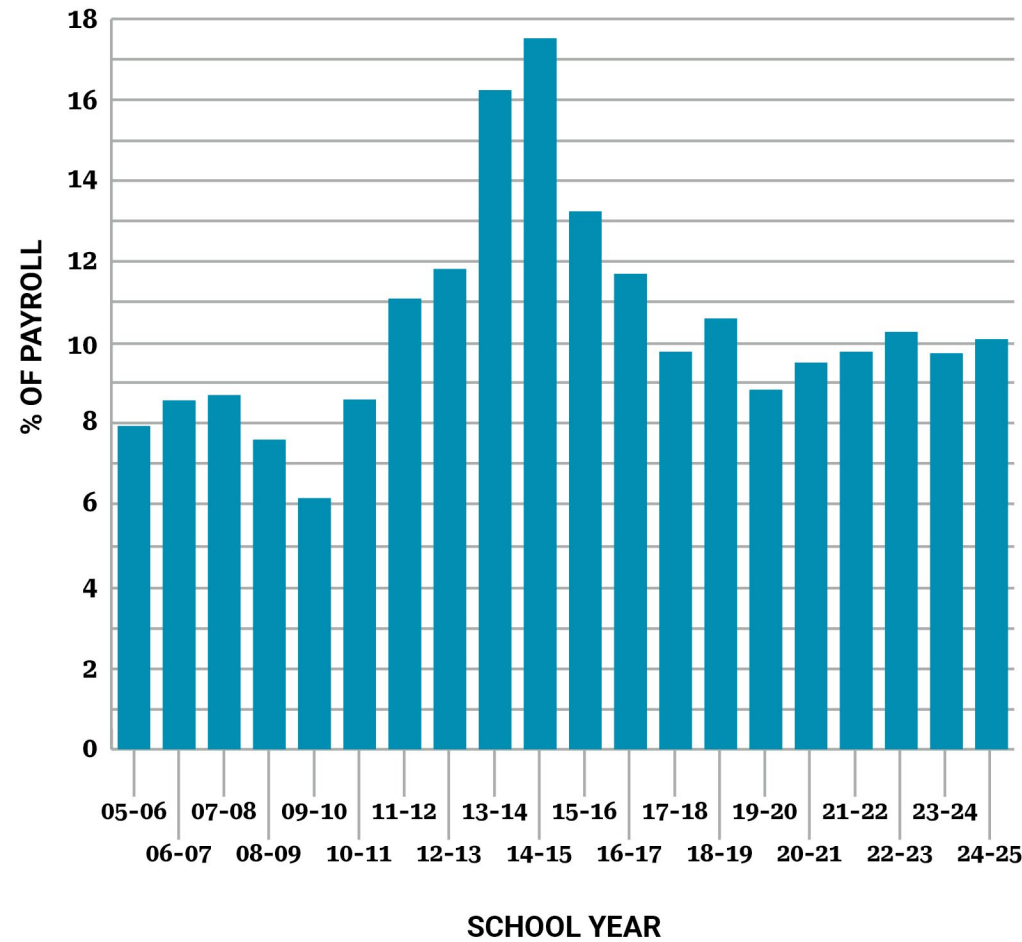
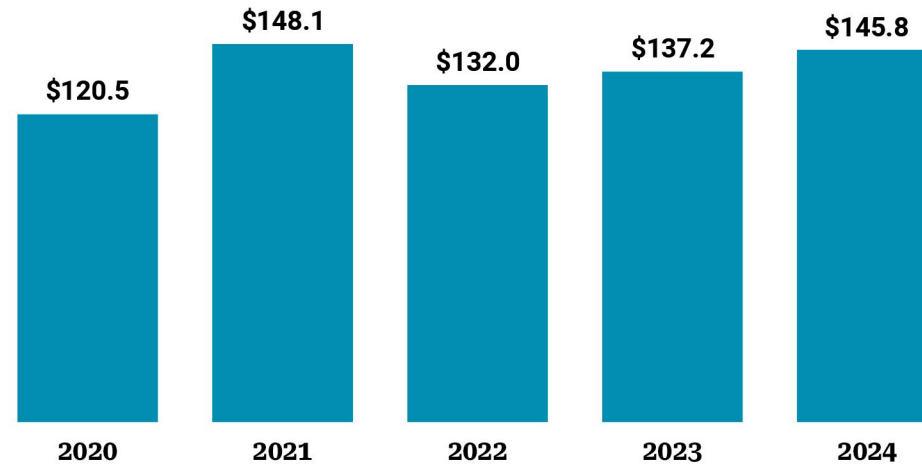
### Member Contributions

Members are required by law to contribute a percentage of salary, which helps fund their pension at retirement. As a defined benefit plan, members receive a lifetime pension based on these four factors: tier of membership; total service credit; age at retirement; and final average salary.

# Net Position

## Figures in Billions

The System's 2024 fiscal year-end net assets totaled \$145.8 billion. During the same period, benefits paid to retirees and beneficiaries were approximately \$8.4 billion.



## Employer Contribution Rates

Employers help fund pensions by contributing a percentage of compensation they pay to NYSTRS members. This percentage, known as the Employer Contribution Rate (ECR), is established annually in accordance with an actuarial valuation of System assets and liabilities.

An ECR of 9.76% was applied to member payroll for the July 1, 2023 to June 30, 2024 school year. These funds, totaling \$1.9 billion, were collected by NYSTRS in fall 2024. An ECR of 10.11% is applicable to 2024-2025 school year salaries. The payments associated with this rate will be collected in the fall of 2025.

# Investment Returns

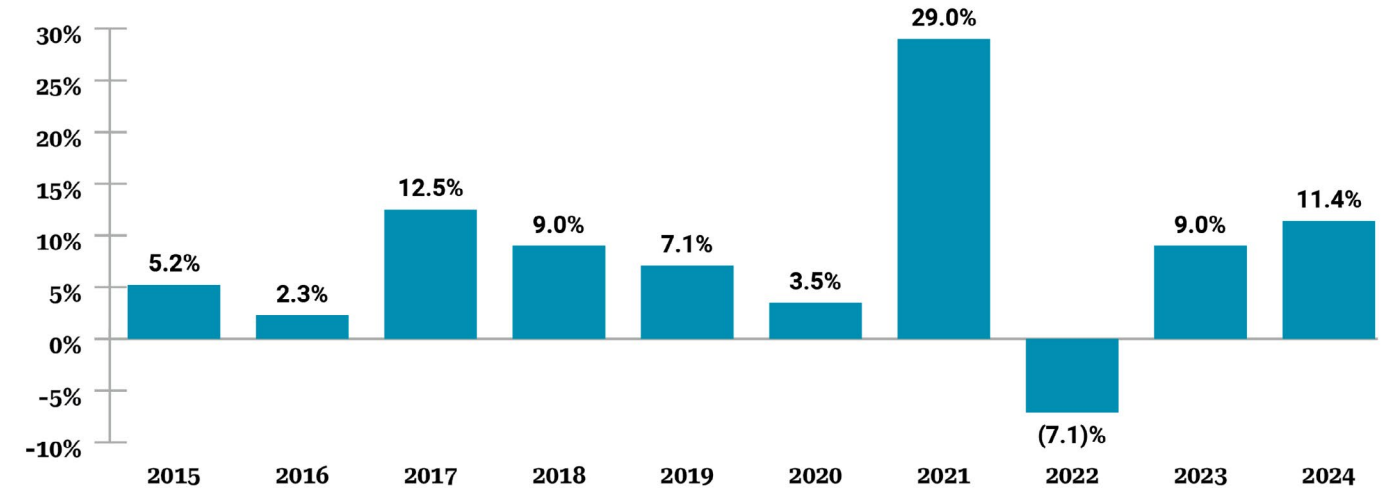
The System's assets are invested in the most prudent manner possible in order to achieve optimum long-term total returns with an appropriate level of risk. The System is committed to a disciplined, risk-controlled investment approach that focuses on thoughtful and prudent diversification of assets across a broad spectrum of capital market segments. The allocation of assets within the portfolio, as well as the fund's overall structure, are continuously reviewed and adjusted as appropriate to achieve these goals.

The System's total fund return, net of fees, for the fiscal year ended June 30, 2024 was 11.4%. This represents the total net return on all assets under management for the one-year period ending June 30, 2024. The System's assumed rate of return (i.e., the expected rate of return based on forecasts of economic growth, inflation and interest rates) is 6.95%.

(Net of Fees)

YEAR	NET RATES OF RETURN
30-Year	8.7%
25-Year	6.7%
20-Year	7.8%
10-Year	7.8%
5-Year	8.5%

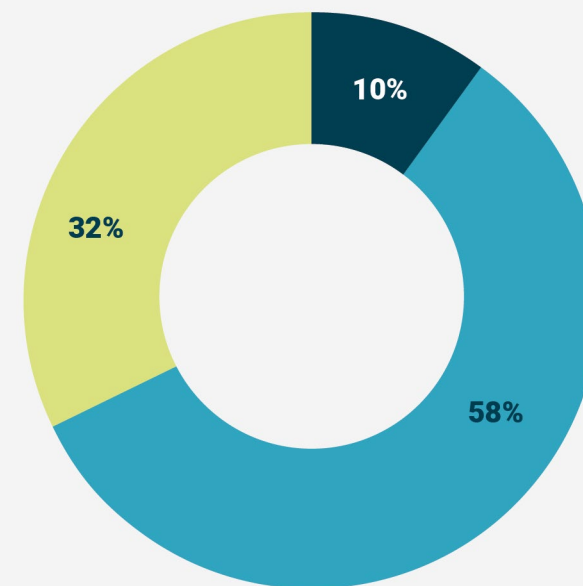
## Investment Performance (Net of Fees)



# Assets Under Management

as of June 30, 2024

More than half of the System's assets are managed internally, directly by NYSTRS staff.



	PERCENTAGE	SYSTEM ASSETS IN BILLIONS
Internally Managed	58%	\$83.0
Externally Managed - Active	32%	\$46.7
Externally Managed - Passive	10%	\$13.9
<b>Total Assets Under Management</b>		<b>\$143.6</b>

## Looking for more detailed information?

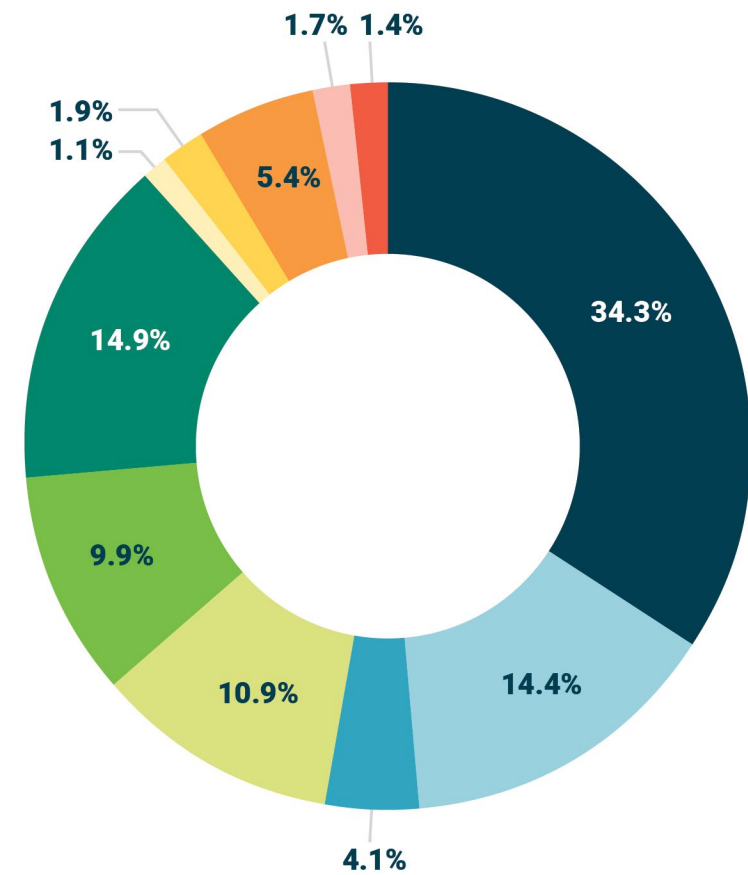
NYSTRS' *Annual Comprehensive Financial Report* offers more information about the System's financial status, investments and statistics. Visit the [Library](https://www.nystrs.org/library) at nystrs.org to read the report. To request a copy, email us at news@nystrs.org.

The Library of our website also includes a host of infographics that further illustrate the System's finances and statistics.

# Asset Allocation

as of June 30, 2024

The most significant contributor to a fund's long-term investment performance is the allocation decision among the various asset classes, including equities, fixed income and real estate. The allocation process helps control risk and sets guidelines to diversify the System's portfolio. The asset allocation policy adopted by the Board allows ranges to be set for an optimal target allocation. The Retirement Board, with the assistance of an external consultant, reviews the asset allocation policy on an annual basis to analyze recent and historical investment experience. Since this is a long-term plan, adjustments to the allocation may be made on an annual basis when necessary.



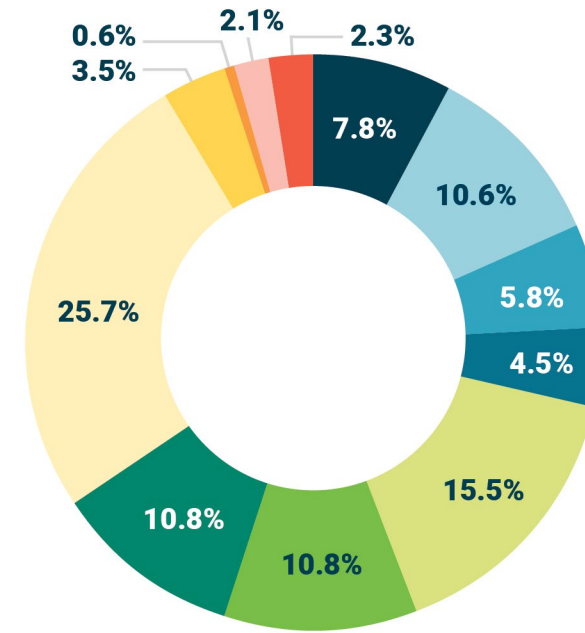
	ACTUAL	TARGET	RANGE
Domestic Equity	34.3%	33%	29-37%
International Equity	14.4%	15%	11-19%
Global Equity	4.1%	4%	0-8%
Real Estate Equity	10.9%	11%	6-16%
Private Equity	9.9%	9%	4-14%
Domestic Fixed Income	14.9%	16%	12-20%
High-Yield Bonds	1.1%	1%	0-3%
Global Bonds	1.9%	2%	0-4%
Real Estate Debt	5.4%	6%	2-10%
Private Debt	1.7%	2%	0.5-5%
Cash Equivalents	1.4%	1%	1-4%

## Looking for more information?

Refer to the [Investments](#) section of the *Annual Comprehensive Financial Report* for more information about our investment portfolio.

# Public Equity Holdings by Industry Distribution

as of June 30, 2024

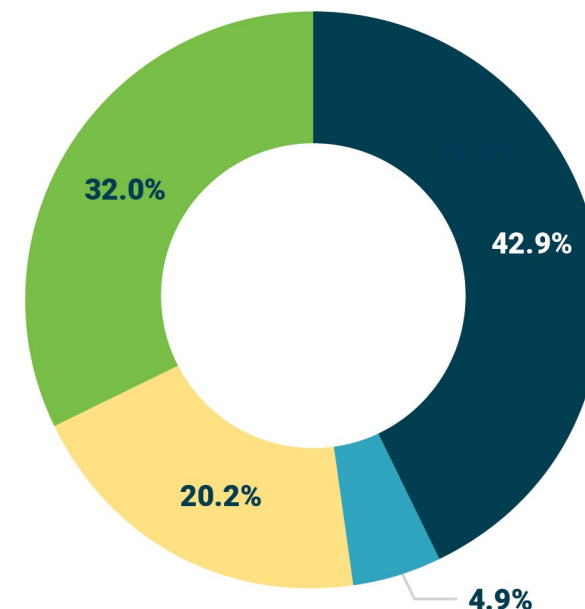


NYSTRS' public equities portfolio consists of holdings in publicly owned companies that are typically listed on stock exchanges including, but not limited to, the New York Stock Exchange, NASDAQ and the London Stock Exchange.

	WEIGHT
Communications Services	7.8%
Consumer Discretionary	10.6%
Consumer Staples	5.8%
Energy	4.5%
Financials	15.5%
Health Care	10.8%
Industrials	10.8%
Information Technology	25.7%
Materials	3.5%
Other	0.6%
Real Estate	2.1%
Utilities	2.3%

# Domestic Fixed Income and High-Yield Bonds Distribution

as of June 30, 2024



NYSTRS manages its fixed income investments with a focus on preserving capital and generating cash flow to meet the System's retirement benefit obligation. These investments are a steady source of interest income for the System.

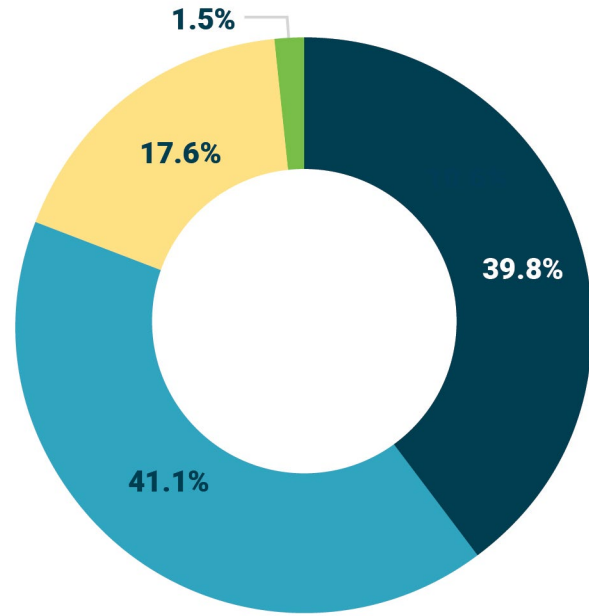
	WEIGHT	YIELD TO MATURITY
Treasuries	42.9%	4.5%
Government Related	4.9%	4.8%
Securitized	20.2%	5.5%
Corporate	32.0%	5.7%

Weighted Average Yield to Maturity 5.1%



# Real Estate Equity by Investment Type

as of June 30, 2024

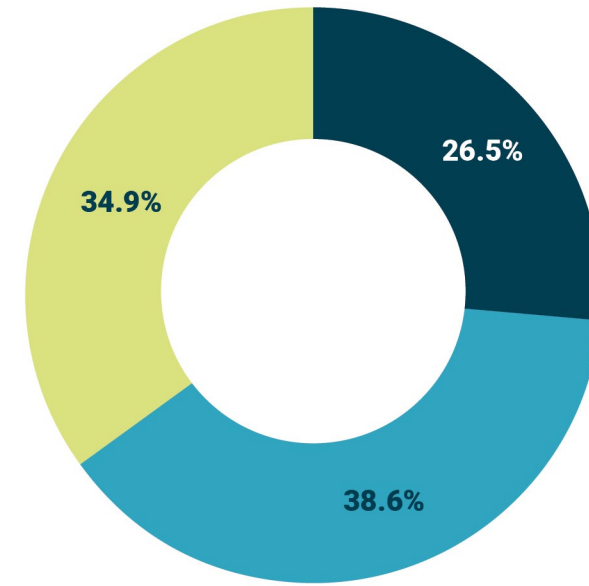


NYSTRS' real estate portfolio includes equity and debt assets. The equity portfolio consists of direct and indirect investments in commercial real estate around the globe, including office, retail, multi-family and industrial properties.

	WEIGHT
● Direct Investments	39.8%
● Private Securities	41.1%
● Public Securities	17.6%
● Timber Investments	1.5%

# Real Estate Debt by Investment Type

as of June 30, 2024

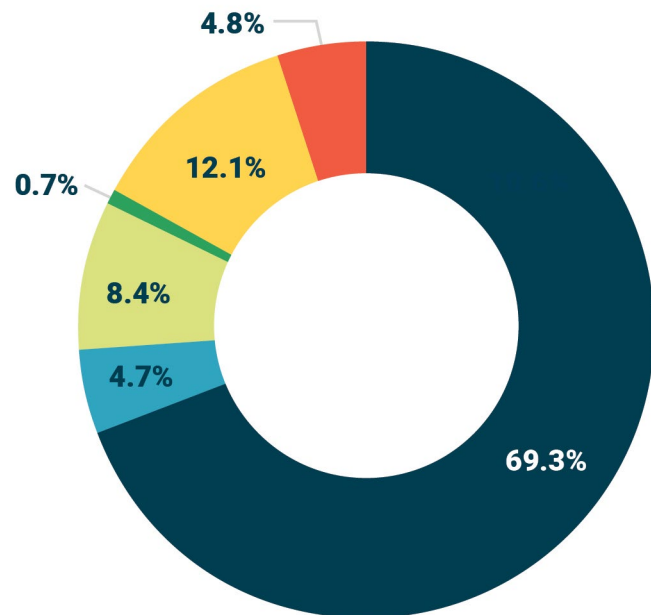


With the real estate debt portfolio, NYSTRS earns income as a lender. These investments include conventional mortgages, Commercial Mortgage-Backed Securities (CMBS) and mezzanine debt.

	WEIGHT
● Conventional Mortgages	26.5%
● CMBS	38.6%
● Mezzanine Debt	34.9%

# Private Equity by Investment Type

as of June 30, 2024

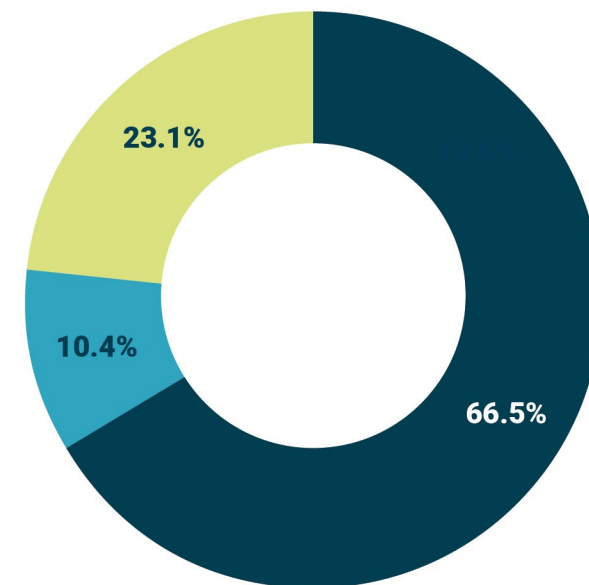


NYSTRS' private equity portfolio includes direct and indirect investments in companies that are not publicly traded on a stock exchange. The System invests through partnership structures that generally cover periods of 10 years or more with the goal to achieve higher long-term returns than available through public markets.

	WEIGHT
● Leveraged Buyout/Management Buyout	69.3%
● Fund of Funds	4.7%
● Co-Investments	8.4%
● Secondary	0.7%
● Venture Capital	12.1%
● Turnaround	4.8%

# Private Debt by Investment Type

as of June 30, 2024



Through its private debt portfolio, the Retirement System lends money to private businesses. The System's strategic focus is on small-to-middle market lenders with the objective of achieving higher yields than available through fixed income securities.

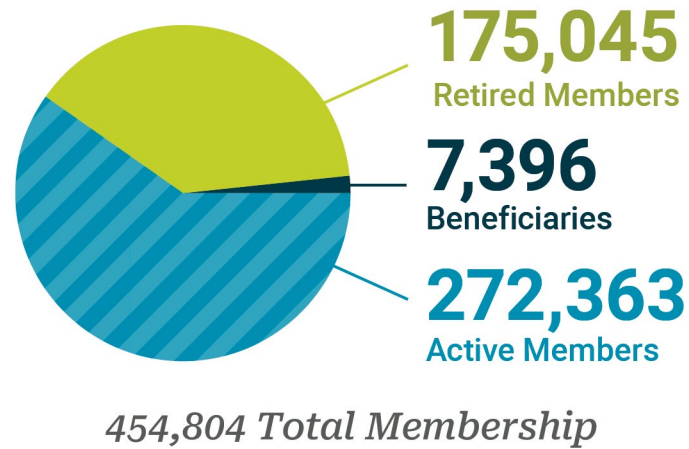
	WEIGHT
● Direct Lending	66.5%
● Mezzanine	10.4%
● Special Situation	23.1%

# Member Snapshot

Membership in NYSTRS is mandatory for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State public schools (excluding those in New York City), Boards of Cooperative Educational Services (BOCES) or charter schools that opt to participate as an employer in NYSTRS. Membership for teachers employed less than full time is optional.

Those employed by a New York State community college or the State University of New York (SUNY) generally may elect membership in NYSTRS, the New York State and Local Employees' Retirement System or the Optional Retirement Program. Some teachers and administrators who are not members of a New York State United Teachers (NYSUT) bargaining unit and whose estimated annual wages are \$75,000 or more may join the Optional Retirement Program instead of NYSTRS.

There are six tiers of membership, with different benefit structures and eligibility requirements for each tier. A member is placed in the tier in effect when the member joins NYSTRS.



# Active Members

as of June 30, 2024

## Distribution of Active Members by Tier

	PERCENTAGE OF MEMBERS	NUMBER OF MEMBERS
Tier 1	0.03%	74
Tier 2	0.04%	98
Tier 3	0.16%	425
Tier 4	52.76%	143,465
Tier 5	3.94%	10,721
Tier 6	43.17%	117,580



# Member Contributions by Tier

**1&2**

**Tier 1 and 2** members (those first entering the System before July 26, 1976) are not required to contribute.

**3&4**

**Tier 3 and 4** members (those first entering the System on or after July 27, 1976 and before December 31, 2009) contributed 3.0% of salary for the first 10 years of service or membership, whichever occurred first.

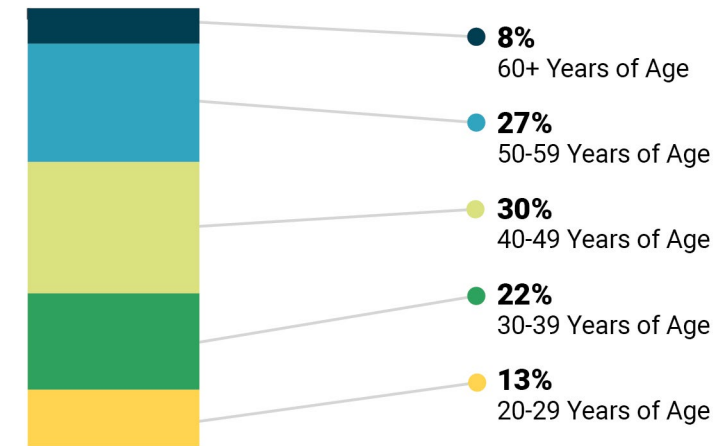
**5**

**Tier 5** members (those first entering the System on or after January 1, 2010 and before April 1, 2012) contribute 3.5% of salary each year throughout their active membership.

**6**

**Tier 6** members (those first entering the System on or after April 1, 2012) contribute between 3.0% and 6.0% of salary each year throughout their active membership in accordance with a schedule based upon salary earned.

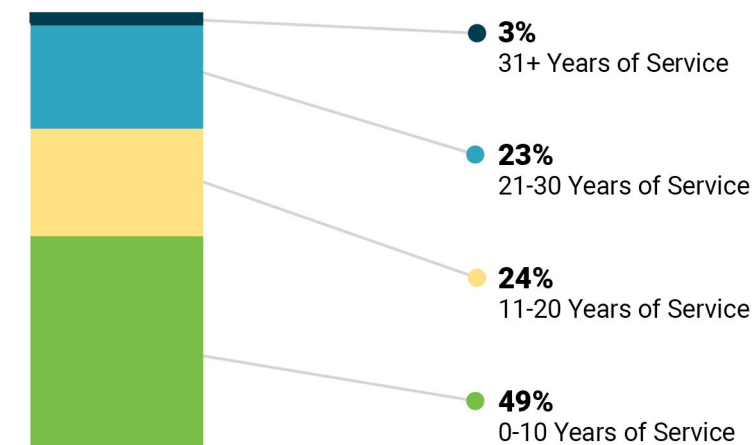
## Distribution of Active Members by Age



**35%** of active members are **39 years of age or younger.**

This means it will be 16 years or more before these members will be eligible to collect a retirement benefit—providing time to accumulate the additional assets needed to fund the benefit.

## Distribution of Active Members by Service



**49%** of active members **have 10 years or less of service.**

NYSTRS management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles. Plante Moran, PC performed an independent audit of such financial statements and expressed an unmodified opinion thereon. To view the financial statements and Plante Moran, PC's report, see the Financial section of our [Annual Comprehensive Financial Report at nystrs.org](#).

In addition, recognition from various industry organizations demonstrates NYSTRS' commitment to excellence in financial reporting. Honors received within the fiscal year ended June 30, 2024 include:

- Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association (GFOA) of the United States and Canada.
- Distinguished Budget Presentation Award, also awarded by GFOA.
- Public Pension Principles Achievement Award, presented by the Public Pension Coordinating Council.
- Award for Outstanding Achievement in Popular Annual Financial Reporting, also awarded by GFOA.



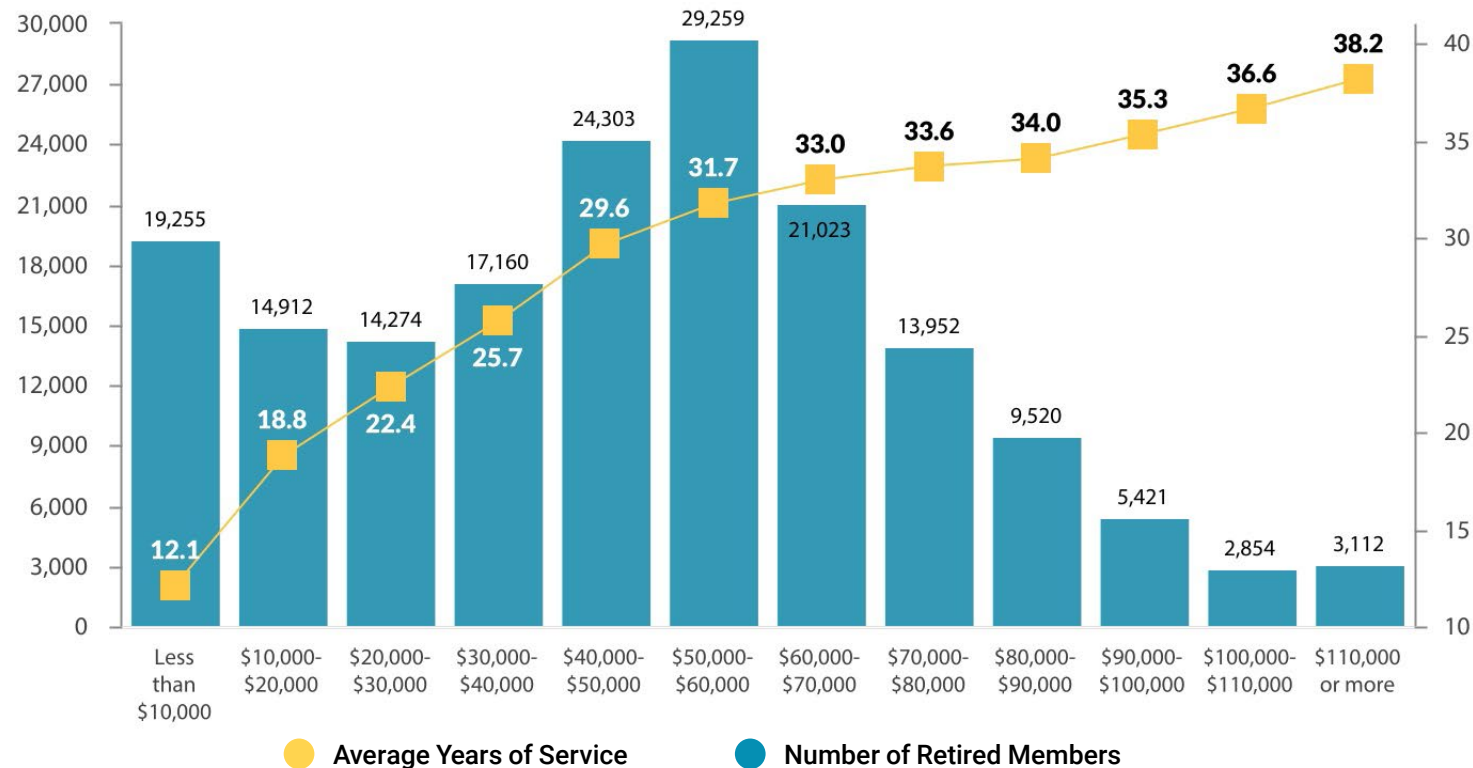
# Retired Members

As of June 30, 2024 the number of retired members and beneficiaries receiving benefits has been steadily increasing, leading to an increase in the retirement benefits paid. Retirement benefits paid in 2024, 2023, and 2022 were \$8.4 billion, \$8.2 billion and \$8.0 billion, respectively. While the average Maximum annual benefit for service retirees is \$45,608, representing about 53% of a member's final average salary at retirement.



## Distribution of the Annual Benefit\* of All Retired Members

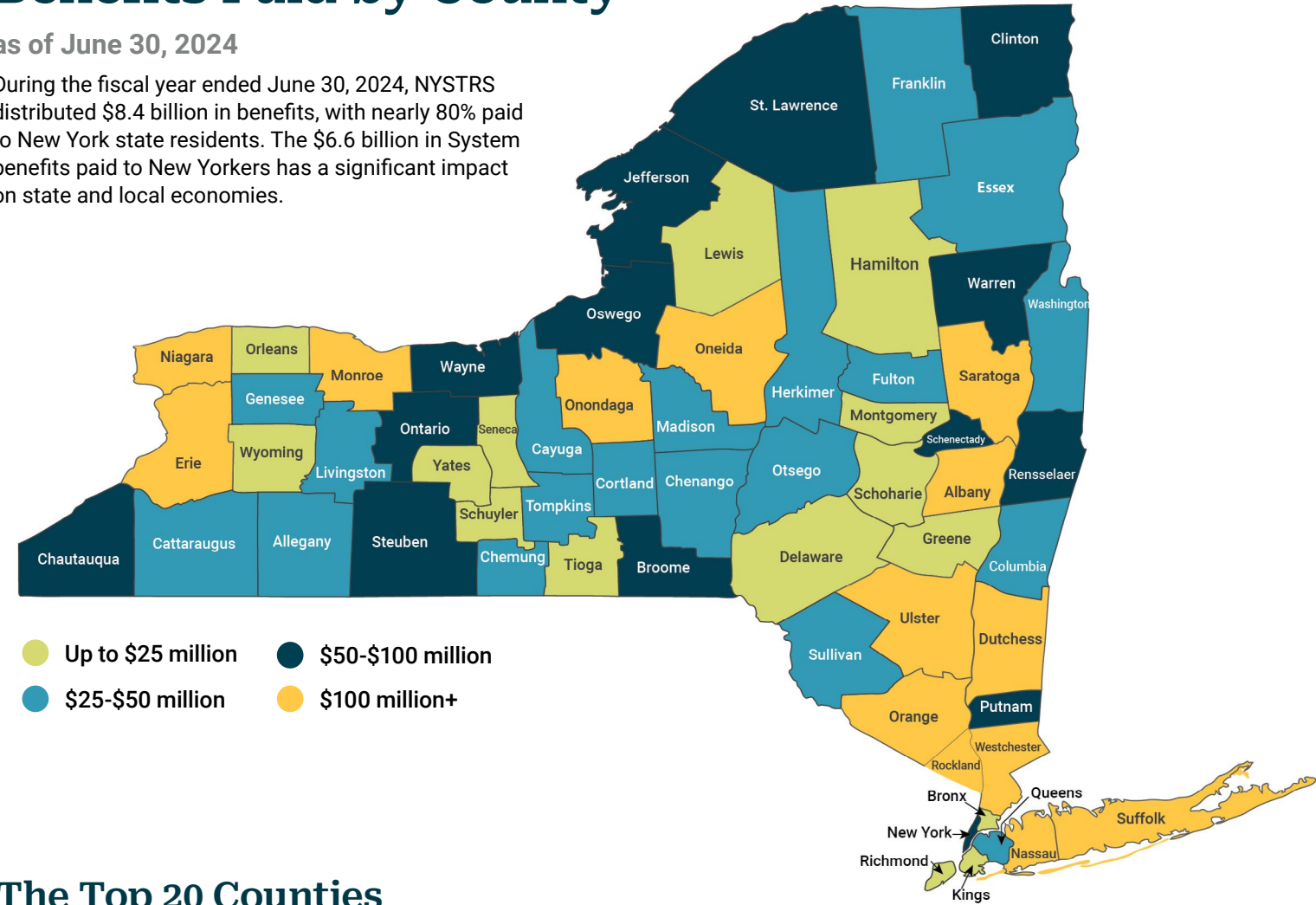
NYSTRS members typically retire with approximately 30 years of service to New York State public schools. Typically, the more years of service, the greater the benefit.



\*Maximum annual retirement benefit including supplementation and COLA.

# Benefits Paid by County\*

as of June 30, 2024  
During the fiscal year ended June 30, 2024, NYSTRS distributed \$8.4 billion in benefits, with nearly 80% paid to New York state residents. The \$6.6 billion in System benefits paid to New Yorkers has a significant impact on state and local economies.



## The Top 20 Counties

COUNTY	RETIRED MEMBERS AND BENEFICIARIES	ANNUAL BENEFITS PAID	COUNTY	RETIRED MEMBERS AND BENEFICIARIES	ANNUAL BENEFITS PAID
Albany	3,356	\$145,913,272	Ontario	2,196	90,318,512
Broome	2,436	97,389,701	Orange	3,546	183,025,776
Chautauqua	1,983	86,569,569	Rensselaer	1,832	75,838,670
Dutchess	3,661	178,376,362	Rockland	2,485	130,554,545
Erie	11,578	526,078,987	St. Lawrence	1,869	70,633,118
Monroe	9,982	422,657,267	Saratoga	4,131	186,620,356
Nassau	10,105	614,715,673	Schenectady	1,836	78,860,598
Niagara	2,466	115,444,848	Suffolk	18,840	1,179,976,997
Oneida	3,363	137,139,316	Ulster	3,104	146,884,740
Onondaga	7,559	300,870,791	Westchester	7,259	432,908,902

\* Annual benefits paid in this chart may differ from retirement benefit payments that appear elsewhere in the Annual Comprehensive Financial Report (ACFR) since this chart reflects the rate of annual payment for retired members and their beneficiaries in pay as of the last day of the fiscal year.

To see total payments and number of benefit recipients by county, refer to page 133 of the ACFR at nystrs.org.





New York State  
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10 Corporate Woods Drive  
Albany, NY 12211-2395  
800-348-7298  
[nystrs.org](http://nystrs.org)