



March 2024

# YourSource

A newsletter for active members of the NYS Teachers' Retirement System



## NYSTRS Ranked a Top 10 Fund

A recent national survey once again named NYSTRS among the largest retirement plans in the country based on total assets.

The annual rankings by [Pensions & Investments](#) deemed NYSTRS the eighth largest defined benefit plan and the 10th largest retirement fund in the U.S.

*Pensions & Investments*, a money management newspaper, conducts this annual survey of the 1,000 largest public and private retirement funds in the country.

The survey showed the collective assets of the surveyed funds rebounded 7.1% to \$13.02 trillion over the 12 months ending Sept. 30. Assets of the 200 largest plans surveyed increased 6.9% to \$9.45 trillion. Further, the survey concluded the strong growth in funds' assets was due to the avoidance of a recession and better-than-expected performance of the stock market.

NYSTRS ended the 2023 fiscal year with net assets totaling \$137.2 billion. During the same period, the System paid \$8.2 billion in benefits to retirees and beneficiaries. NYSTRS' 10-year and 30-year net rates of return as of June 30, 2023 were 8.5% and 8.3%, respectively.

See pages 3 and 6 for more details on the System's finances and strength.

## Delegates Needed to Fill Midterm Vacancies

Help us help you and your fellow members by becoming a delegate for your district! There are 286 districts with vacancies eligible to be filled during our special election period. Employers with openings in both the delegate and alternate positions of a ticket have until Oct. 1 to hold a special election. Delegates/alternates elected will serve until the current term ends July 31, 2025.

Delegates and their alternates serve an important role as liaisons between NYSTRS and members at their school district. Delegates are also responsible for electing three teacher members of NYSTRS' Board at the Annual Delegates Meeting held each fall.

To see if your district has any vacancies to fill, go to the [Delegates/About Delegates](#) page at NYSTRS.org and select Delegates: 2023-25 Term. Here you will also see how many delegates your district is allowed and who currently represents your district.

Your district's chief school administrator (CSA) or the CSA's designee is responsible for establishing reasonable election procedures, holding elections and reporting the results to NYSTRS. If there is only one candidate for a position, no formal vote is necessary. Election results must be reported to NYSTRS by Oct. 6. Any newly elected delegates and alternates begin serving as soon as election results are reported.

Interested in serving? Talk to your superintendent and/or your local bargaining unit about becoming a delegate and to ask about plans for an election.

For more information about the important role delegates serve and the election process, visit the [Delegates](#) section at NYSTRS.org.



## Retirement is Beachy Keen!

We're retiring our logo but its legacy will live on.

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**Help us welcome our new look this June!**

# YOUR *Source*

NYS Teachers' Retirement System  
10 Corporate Woods Drive  
Albany, NY 12211-2395  
[NYSTRS.org](http://NYSTRS.org)

## Office Hours

Monday - Friday: 8:30 a.m. - 4:15 p.m.  
Summer Hours:  
Monday - Thursday: 8 a.m. - 4:15 p.m.  
Friday: 8 a.m. - 12:30 p.m.

## Telephone

(800) 348-7298

Beneficiary Information	Ext. 6130
Benefits Consultations	Ext. 6100
Direct Deposit	Ext. 6230
Disability	Ext. 6010
Earnings After Retirement	Ext. 6150
General Information	Ext. 6250
In-Service Death Benefit Info.	Ext. 6110
Legislation	Ext. 6200
Loans	Ext. 6080
Member Service Credit	Ext. 6075
Membership Withdrawals	Ext. 6090
Military Service	Ext. 6060
MyNYSTRS	Ext. 6085
PREP Seminars	Ext. 6180
Prior Service	Ext. 6030
Reinst./Retro. Membership	Ext. 6070
Report Fraud	Ext. 2846
Retirement Estimates	Ext. 6020
Transfer-In	Ext. 6040
Transfer-Out	Ext. 6050

## Automated Hotline

(800) 782-0289

## RETIREMENT BOARD

David P. Keefe, President  
Dr. L. Oliver Robinson, Vice President  
Juliet C. Benaquisto  
Elizabeth A. Chetney  
Paul J. Farfaglia  
Dr. Phyllis S. Harrington  
Eric J. Iberger  
Jennifer J. Longtin  
Ruth Mahoney  
Nicholas Smirensky  
Thomas K. Lee  
Executive Director & Chief Investment Officer

## Fraud Complaint?

Email [investigations@nystrs.org](mailto:investigations@nystrs.org) or call the Report Fraud number listed above.

## Four Fundamentals: Staying Connected with NYSTRS



### Use Your MyNYSTRS Account

Your online MyNYSTRS account will not only keep you connected with the click of a button to send us a secure message, but also offers many other great tools and resources.

In MyNYSTRS you can get an estimate of your pension, submit a claim for prior service, subscribe to e-versions of newsletters and your *Benefit Profile*, schedule appointments, update your beneficiaries and contact information, file for retirement, apply for a loan, and so much more!

Don't have a MyNYSTRS account yet? Go to [NYSTRS.org](http://NYSTRS.org) and click the [MyNYSTRS Login](#) button, then click Register and follow the prompts.

### Subscribe to Your Source

You are holding the once annual print version *Your Source*, but did you know we offer three digital newsletters between each printed issue? Each season we provide valuable information about your retirement and helpful tips on how to ensure you get the most out of your pension.

Only those who are subscribed can receive these e-newsletters, so sign up now! Go to your [MyNYSTRS](#) account and click My Account/E-Subscriptions to ensure you don't miss these helpful publications.

### Browse NYSTRS.org

NYSTRS.org is a treasure-trove of information for all our members. No matter where you are in your career, there is something for you on our website. Simply go to [NYSTRS.org](http://NYSTRS.org) and click on the [Active Members](#) link at the top of the page. Or check out our Library for more publications and educational videos about your pension.

### Attend a PREP Seminar

Members often tell us they wish they started planning earlier for retirement. Don't let that happen to you! Attend our Pension & Retirement Education Program (PREP) seminar, which enables you to consider how your NYSTRS pension will fit into your overall retirement picture.

The half-day seminar outlines Social Security basics, the value in growing supplemental savings for retirement, and how to protect and provide for your beneficiaries, if applicable.

Video versions of the PREP seminar modules are available on the [Retirement Planning/PREP Seminar](#) page at [NYSTRS.org](http://NYSTRS.org). Check our website in mid-May for the summer schedule and instructions to register.

## Let's get to know each other better!

We realize you are busy and don't always have time to think about your retirement benefits. To save you time and mental energy, we want to provide you with the information you need in the best way possible. However, we can't do that if we don't know what you need and expect.

Please take a few minutes to participate in our interactive survey. We are using ThoughtExchange, a survey platform which allows you to share your perspectives about what is most important to you, and allows you to rate the thoughts of others. Your participation is completely anonymous.

Scan the QR code or click [here](#) to share your thoughts



*What would you like to know about your NYSTRS benefits and membership to feel confident when making decisions about your financial future?*

## NYSTRS Modeling Excellence

NYSTRS has made benefit payments on time and without fail since it was founded in 1921. As one of the best-funded public pension plans in the nation, you can trust you will never outlive your retirement benefit.

### NYSTRS' Funded Status is 98%

Based on the market value of assets, our funded ratio at June 30, 2023 was 98.2%. Using the actuarial value of assets, the funded ratio was 98.6%.

### Why does funded status matter?

The funded ratio demonstrates the gap between benefit dollars promised to retirees and the dollars actually held in the pension fund.

### How does NYSTRS' funded status compare to others?

The Milliman Public Pension Funding Index as of Dec. 31, 2023 placed the funded status of the 100 largest U.S. public pension funds at 78.2%.

See [page 6](#) for more on NYSTRS' financial strength and security.

## Never miss an issue of *Your Source*!

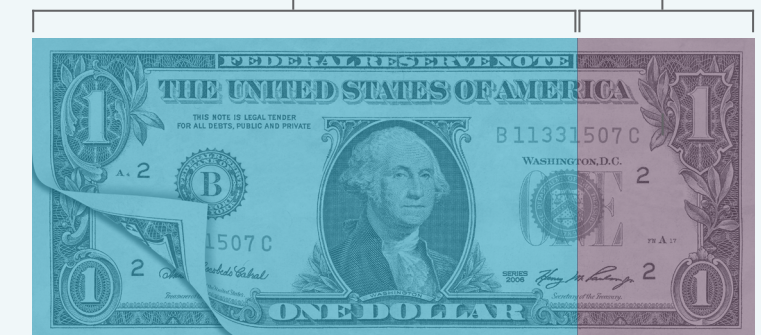
This is our once-annual printed edition of *Your Source* – our other issues are online only.

E-subscribe now in your MyNYSTRS account.

## Did you know?

Over the past 30 years, earnings on investments produced 85% of NYSTRS' income. Members and employers together contribute the remaining 15%. This shared commitment to provide our members with a secure retirement results in a well-funded pension plan.

Investment Income **85%**      Employer & Member Contributions **15%**



30 Years Ending 6/30/23

# Get to Know Your Benefits: Final Average Salary

Your Final Average Salary (FAS) is an important component of your pension calculation.

For Tier 2-5 members, your FAS is generally the average of your highest three consecutive school years of salary earned whenever they occurred in your salary history. Typically, it is the average of your last three years.

Tier 6 members must use a five-year FAS with restrictions on includable salaries. Tier 1 members are eligible for either a three-year or five-year FAS, whichever provides the better benefit.

If you work part time, or work full time and plan to retire mid-school-year, note that earnings at a lower salary could produce a lower FAS than previous projections, which would result in a lower pension benefit.



## Three-Year FAS for Tier 1-5 Members

### This can include payments for:

- Full-time teaching services (e.g., regular compensation)
- Coaching
- Tutoring
- Summer school
- Chaperoning
- Workshops
- Supervision of traditional after-school clubs

### This cannot include:

- Non-regular compensation (e.g., bonuses, taxable fringe benefits payments in lieu of health insurance).
- Employer contributions into a tax shelter account.
- Payments made outside contract terms.
- Payments made on the eve of retirement.
- Buyouts/termination pay (e.g., payments for unused leave or a local retirement incentive).
- Payments for services ordinarily performed by classified positions, consultants or independent contractors.
- Payments used to purchase health insurance through the district.
- Pay for duties not reasonably incidental to that of an administrator or full-time teacher (e.g., bus driver, district clerk, clerk of the board, school attorney).
- Compensation for computer maintenance, master teacher presenter or similar roles.

Contracts will be reviewed to ensure employers have properly reported all earnings and any necessary adjustments

will be made prior to FAS calculation. Also excluded from the three-year FAS calculation are yearly increases in regular salary exceeding the following limits: Tier 1: 20% of the previous year's salary; Tier 2: 20% of the average of the previous two years' salaries; Tiers 3, 4 and 5: 10% of the average of the previous two years' salaries. Note that the Internal Revenue Code limits the amount of annual compensation that can be used in the FAS calculation for NYSTRS members with a membership date on or after July 1, 1996. The limit for the 2023-24 school year is \$330,000.

## The Five-Year FAS — Tier 1 Members

Tier 1 members may also use a Five-Year FAS. The five-year will be used automatically if it is higher than the three-year FAS. For more information on the Tier 1 Five-Year FAS read the Final Average Salary section of the [Active Members' Handbook](#) found under the Active Members tab of NYSTRS.org.

## The Five-Year FAS — Tier 6 Members

All the same rules that apply to the three-year FAS are in effect, with the following additions:

- Salary greater than the NYS governor's salary cannot be included in the FAS calculation. See Contribution Rate Information for Tier 6 Members in the *Active Members' Handbook* for additional details. For those with multiple employers, pensionable salaries are limited to the two highest-grossing positions per school year.
- Salary increases exceeding 10% of the average of the previous four years' salaries are excluded from the FAS calculation.

# After You Retire Understanding Your Initial Benefit Payment

In most cases, you will receive your first benefit payment by direct deposit on the last business day of either the month of your official retirement date or the next, depending on when we received your retirement application. In other words, we begin providing your benefit to you well before the processing of your retirement application is complete.

Your initial monthly benefit payment is based on information on file and fully processed by NYSTRS at the time of retirement and typically represents 95% or more of your final benefit, which will be determined once your application is fully processed. For example, the initial benefit may not include your last month or two of salary and service depending on when you filed for retirement because NYSTRS requires time to review and process that information. As monthly

reports of service and salary are fully processed by NYSTRS, the updates are reflected in the Service Credit section of your [MyNYSTRS](#) account.

Generally, the payment amount will remain unchanged until your application is fully processed, which typically takes 9-12 months, but can take longer in more complicated cases. You will receive a detailed letter when we complete the processing of your application. If your final benefit is higher than our initial estimate, you will receive a lump sum retroactive payment with your first new monthly benefit payment.

The final benefit could be substantially larger than initial payments for Tier 2-6 members who pass a key service milestone in their final year.

### "Why don't I receive my full benefit payment immediately?"

Your benefit calculation includes factors such as your tier, age, years of service and final average salary. NYSTRS has a fiduciary responsibility to verify the accuracy of these factors to ensure you receive all the benefits for which you are eligible. This process typically takes around 9-12 months, but may take longer for more complicated files.

## Resigning VS Retiring

**Know the difference between the resignation date you give your employer and your NYSTRS retirement date!**

Notifying your employer that you are resigning is a separate process from retiring and collecting a pension. In order to begin receiving your retirement benefit, you must file a retirement application with NYSTRS.

The effective date of retirement you enter on your application must be at least one day beyond the last date you earn salary under contract. For example, if you last earn salary under contract on June 30 (even if the last day you actually worked is earlier), the earliest effective date of retirement you could elect is July 1.

## Be Sure to Update Your Email When Filing for Retirement

**Don't lose touch with us!** When you file for retirement, be sure to provide us with your personal email address. You may update your contact information online via your [MyNYSTRS](#) account or call (800) 348-7298, Ext. 6250.



For more specific details on FAS, please see the [Active Members' Handbook](#) in the Library at [NYSTRS.org](#) or call us at (800) 348-7298, Ext. 6250.

# NYSTRS by the Numbers

Visit the [Library](#) at [NYSTRS.org](#) to learn more about NYSTRS' strength and security!

- Read our [Popular Annual Financial Report](#)
- View our [infographics](#)

**\$8.2 billion in benefits paid last year**

**8.3% 30-year avg. net rate of return on investments**

**85% of income from investment returns** (Over 30 years ending 6/30/23)

**\$108 billion growth of net assets** (Over 30 years ending 6/30/23)

**\$137.2 billion net position** (6/30/23)

## NYSTRS Board Meeting Summary of Actions

### January 25, 2024

**Re-elected** David P. Keefe as president and Dr. L. Oliver Robinson as vice president of the Board.

**Renewed** the agreement with Callan LLC to serve as the System's general investment consultant, for one year, effective May 1, 2024.

**Renewed** the agreement with BlackRock Financial Management Inc. to manage a portion of the System's assets in commercial mortgage-backed securities (CMBS), for one year, effective April 3, 2024.

**Renewed** agreements with the following firms to manage a portion of the System's portfolio to be actively invested in the securities of real estate investment trusts (REITs) and real estate operating companies (REOCs), for one year each:

- AEW Capital Management, LP, effective April 15, 2024
- Cohen & Steers Capital Management Inc., effective Feb. 12, 2024
- Principal Real Estate Investors, effective Feb. 11, 2024

**Renewed** the agreement with Raith Capital Partners LLC to act as a real estate debt separate account adviser, for one year, effective Feb. 7, 2024.

**Renewed** the agreement with Arrowstreet Capital LP to manage a portion of the System's assets as a global equity manager benchmarked to the MSCI ACWI Index, for one year, effective March 26, 2024.

**Renewed** agreements with the following firms to manage a portion of the System's assets as MSCI ACWI Ex-U.S. international equity managers, for one year each:

- Ariel Investments LLC, effective April 10, 2024
- Arrowstreet Capital LP, effective March 26, 2024
- RhumbLine Advisers LP, effective March 30, 2024
- Xponance Inc., effective April 25, 2024

**Renewed** agreements with the following firms to manage a portion of the System's assets as active U.S. high-yield managers benchmarked to the ICE

BofAML BB-B U.S. High Yield Constrained Index (HUC4), for one year each:

- Columbia Management Investment Advisers LLC, effective March 6, 2024
- J.P. Morgan Investment Management Inc., effective March 5, 2024

**Renewed** the agreement with PGIM Inc. to manage a portion of the System's assets as an active U.S. high-yield manager benchmarked to the Bloomberg U.S. High Yield 1% Issuer Capped Index, for one year, effective Feb. 21, 2024.

**Renewed** the agreement with The Bank of New York Mellon to act as an agency securities lender for a portion of the System's public securities assets, for one year, effective March 17, 2024.

**Approved** amendments to the Policy for Reimbursement of Expenses for Board Members.

**Approved** amendments to the Audit Committee Charter and approved the Internal Audit Plan for the year ending Dec. 31, 2024.

**Approved** updates to the System's Business Continuity Plan.

## Retirement Checklist

Retiring is a major life event with a lot to consider. If you're thinking about retiring this year, you may have lots of questions. We are here to help you every step of the way!



### Do Your Research

- Explore the [Retirement Planning/Ready to Retire](#) page at NYSTRS.org.**  
The information, publications and videos provided there will walk you through everything you need to know – from what to do early in the process to what to expect after you file for retirement.
- Estimate Your Pension Benefit.**  
Your annual *Benefit Profile* will give you a general idea of your benefit. You can also use the online pension estimator in [MyNYSTRS](#) to generate a projection that includes service and salary from the current school year.
- Select the Benefit Payment Best for You.**  
To learn which benefit payment is best for you, visit NYSTRS.org to review our brochure [Maximum or an Option: Choosing a Benefit Payment Right for You](#) and watch our two-part video ["Your NYSTRS Benefit Payment – Making the Choice That's Right for You."](#) Your *Benefit Profile* and the MyNYSTRS Pension Estimator provide estimates of the various payment options.

### Hear From the NYSTRS Experts

- Schedule a Benefits Consultation.**  
Meet with a NYSTRS representative to discuss your retirement questions. The representative will provide an estimate of your pension and explain the different benefit payment options and how choosing an option to provide a potential payment to a beneficiary would impact your pension benefit. You will also learn how to file for retirement and what to expect during the retirement process.  
  
Consultations are held in person at our Albany office, by phone, via video on your personal device, or at select video consultation sites around the state. Book an appointment through [MyNYSTRS](#) or call (800) 348-7298, Ext. 6100. Consultations may be booked up to 120 days in advance. Appointments fill up quickly – particularly in the spring. If you are not planning to retire at the end of this school year, book an appointment in the fall and winter months to prepare for a July 1 date of retirement. Have just a question or two? Send us a secure message in MyNYSTRS.

### Apply for Retirement With NYSTRS

- File an Application for Retirement.**  
Retiring from your employer does NOT automatically trigger retirement benefit payments. You must also file an application for retirement with NYSTRS to receive your monthly pension payment. You can file your retirement application as late as your date of retirement, but no sooner than 90 days before your retirement date. Your date of retirement must be at least one day beyond the last date you earned salary under contract. If you want to receive your first payment in July, file by early June.  
  
File online through [MyNYSTRS](#) (age 55+), which streamlines the application process, reduces errors and eliminates the need to fill out and mail an eight-page paper application. Prefer paper? Find the [Application for Retirement \(RET-54\)](#) under Retirement-Related forms on our website.
- Change Your Mind? Know the Deadlines.**  
From your date of retirement you have 14 days to withdraw your service retirement application. Send us a request to withdraw your application either by a secure message in your [MyNYSTRS](#) account or a signed letter mailed to NYSTRS within the 14-day window. You have 30 days from your retirement date to change your benefit payment option via the Election of Retirement Benefit page in [MyNYSTRS](#) or by filing a notarized [Election of Retirement Benefit \(RET-54.6\)](#) paper form. State law does not allow for exceptions.



## NYS Teachers' Retirement System

10 Corporate Woods Drive  
Albany, NY 12211-2395

NYSTRS.org

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## Calendar of Events

### April 2024:

- **April 2** – Retirement Season Begins

### May 2024:

- **May 15** – Bookings for Summer PREP Seminars Become Available
- **May 27** – System Holiday

### June 2024:

- **June 19** – System Holiday



### When is the Best Time to File for Retirement?

You can file your retirement application with NYSTRS as late as your retirement date, but no more than 90 days before. To be on the first available payroll after retiring, you should generally file at least 30 days in advance.

If you plan to retire on the cusp of a key service credit milestone, be aware that falling short of the credit needed could negatively impact your benefit—for life.

Don't cut it too close when picking a retirement date; work longer than you think necessary, especially if you have ever worked less than full time. Always discuss your unique situation with a NYSTRS representative before filing for retirement.

See "After You Retire" on [page 5](#) to understand your initial benefit payment.