NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM &
NEW YORK CITY PUBLIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

# 2008

## FISCAL YEAR ENDED JUNE 30

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

NYCERS
NYC Employees' Retirement System

A PENSION TRUST FUND OF THE CITY OF NEW YORK

# THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

# AND

# NEW YORK CITY PUBLIC EMPLOYEES' GROUP LIFE INSURANCE PLAN

## BROOKLYN, NEW YORK

## A PENSION TRUST FUND OF THE CITY OF NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED JUNE 30, 2008

| | |
|---|---|
| **Prepared by:** | **The Finance Division of the New York City Employees' Retirement System** |
| | **Michael A. Goldson, Director, Finance** |
| **Executive Director:** | **Diane D'Alessandro** |
| **Actuary:** | **Robert C. North, Jr., Chief Actuary** |
| **Custodian of Funds:** | **William C. Thompson, Jr., Comptroller of the City of New York** |
| **Headquarters Address:** | **335 Adams Street, Suite 2300 Brooklyn, N.Y. 11201-3724** |

**This Page Has Been Left Blank Intentionally**

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED JUNE 30, 2008

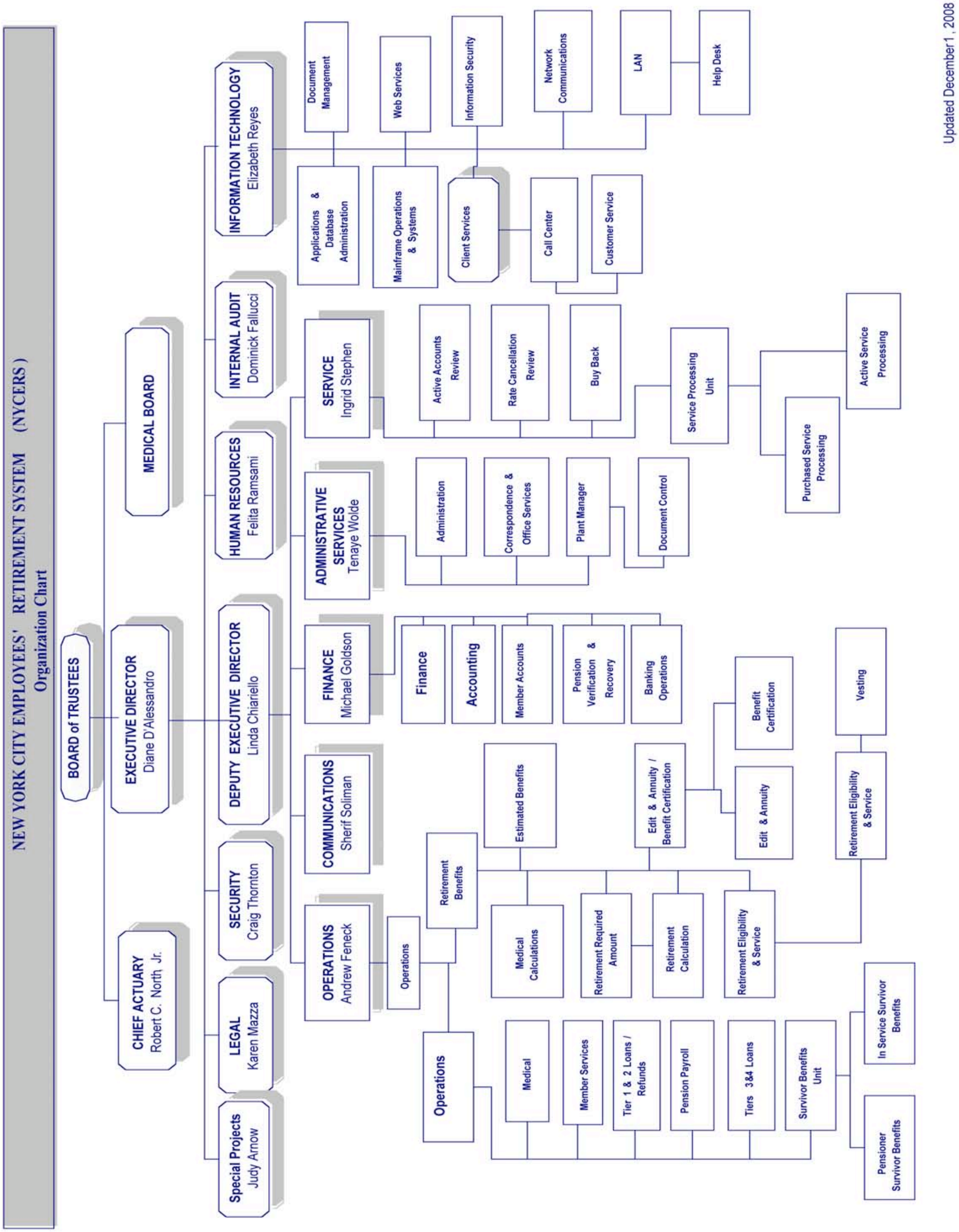
## TABLE OF CONTENTS

# PART 1

# INTRODUCTORY SECTION

**This Page Has Been Left Blank Intentionally**

## BOARD OF TRUSTEES


NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM (NYCERS)
Organization Chart
BOARD of TRUSTEES
EXECUTIVE DIRECTOR
Diane D'Alessandro
CHIEF ACTUARY
Robert C. North Jr.
MEDICAL BOARD
DEPUTY EXECUTIVE DIRECTOR
Linda Chiariello
Special Projects
Judy Arnow
LEGAL
Karen Mazza
SECURITY
Craig Thornton
HUMAN RESOURCES
Felita Ramsami
INTERNAL AUDIT
Dominick Fallucci
INFORMATION TECHNOLOGY
Elizabeth Reyes
OPERATIONS
Andrew Feneck
COMMUNICATIONS
Sherif Soliman
FINANCE
Michael Goldson
ADMINISTRATIVE SERVICES
Tenaye Wolde
SERVICE
Ingrid Stephen
Applications & Database Administration
Document Management
Mainframe Operations & Systems
Web Services
Information Security
Network Communications
LAN
Help Desk
Client Services
Call Center
Customer Service
Active Accounts Review
Rate Cancellation Review
Buy Back
Service Processing Unit
Purchased Service Processing
Active Service Processing
Administration
Correspondence & Office Services
Plant Manager
Document Control
Finance
Accounting
Member Accounts
Pension Verification & Recovery
Banking Operations
Operations
Retirement Benefits
Estimated Benefits
Edit & Annuity / Benefit Certification
Edit & Annuity
Benefit Certification
Medical Calculations
Retirement Required Amount
Retirement Calculation
Retirement Eligibility & Service
Retirement Eligibility & Service
Vesting
Operations
Medical
Member Services
Tier 1 & 2 Loans / Refunds
Pension Payroll
Tiers 3&4 Loans
Survivor Benefits Unit
In Service Survivor Benefits
Pensioner Survivor Benefits
Updated December 1, 2008

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## New York City Employees' Retirement System & Group Life Insurance Plan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

December 22, 2008

Board of Trustees
New York City Employees' Retirement System
335 Adams Street
Brooklyn, 11201-3724

We are pleased to submit the Comprehensive Annual Financial Report *(CAFR)* of the New York City Employees' Retirement System and the New York City Public Employees' Group Life Insurance Plan (*Plan*) for the fiscal year ended June 30, 2008. The *CAFR* consists of five sections. The *Introductory Section* contains this Letter of Transmittal, the Administrative Organization, the Certificate of Achievement for Excellence in Financial Reporting, and the Summary of Plan Provisions. The *Financial Section* contains the opinion of the independent certified public accountant, the Management Discussion and Analysis (MD&A), the financial statements of the *Plan* and other required supplementary financial information and tables. The MD&A provides an overview of the current year's financial activity with an analysis of the effects of any significant changes from the prior year. The *Investment Section* contains a report on investment policies and activity, investment results, and various investment schedules. The *Actuarial Section* contains the *Plan's* actuarial certification letter and various actuarial tables. The *Statistical Section* contains various statistical tables consisting of significant data pertaining to the *Plan*.

## ACCOUNTING SYSTEM AND REPORTS

This *CAFR* has been prepared in conformity with principles of governmental accounting and reporting, promulgated by the Governmental Accounting Standards Board, and is the responsibility of the *Plan's* management. The accrual basis of accounting is used to record assets and liabilities, and revenue and expenses. Revenues for the system are taken into account when earned without regard to date of collection, and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are valued at fair value.

The management of the *Plan* is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments made by management are required to assess the expected benefits and related costs of control procedures. The objective of a system of internal accounting control is to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition. It should also assure that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

MAILING ADDRESS:
335 ADAMS STREET,
SUITE 2300
BROOKLYN,NY 11201-3724

WWW.NYCERS.ORG
CALL CENTER: (347) 643-3000

CUSTOMER SERVICE:
340 JAY STREET,
MEZZANINE LEVEL
BROOKLYN,NY 11201-3724

The internal accounting controls of the *Plan* are adequate to assure the above objectives. There have been no irregularities that would have a material effect on the financial statements. The supporting schedules and statistical tables also fairly reflect the status and operations of the system.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to NYCERS for its *CAFR* for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized *CAFR* whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The *Plan* has received this certificate for the last 22 years.

A Certificate of Achievement is valid for a period of one year only. We believe our *CAFR* for the fiscal year ended June 30, 2008 continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ADMINISTRATION

NYCERS was established by an act of the legislature of the State of New York under Chapter 427 of the laws of 1920. Chapter 427 created a retirement system in accordance with sound actuarial principles. The governing statutes are contained in the New York State Retirement and Social Security Law (RSSL), and the New York City Administrative Code. The head of the retirement system is the Board of Trustees. The system became operational on October 1, 1920 with 13,331 original members. As of June 30, 2006, the date of the *Plan's* most recent actuarial valuation, the *Plan's* membership included 178,741 members in active pay status, 128,863 retirees and beneficiaries receiving benefits, 7,302 terminated vested members who are not yet receiving benefits, and 29,119 members who are no longer on payroll, but not otherwise classified.

## MEMBERSHIP

Membership in NYCERS is available to all New York City employees who are not eligible to participate in the New York City Teachers' Retirement System, the New York City Police Pension Fund, the New York City Fire Department Pension Fund, or the New York City Board of Education Retirement System.

All persons holding permanent civil service positions in the competitive or labor class are required to become members of the system six months after their date of appointment, but may voluntarily elect to join the system prior to their mandated membership date. All other eligible employees have the option of joining the system upon appointment or at anytime thereafter.

All members who joined NYCERS prior to July 1, 1973 are Tier 1 members.

All members who joined NYCERS on or after July 1, 1973, but prior to July 27, 1976, and Investigator Members employed in a District Attorney's Office who joined, or join, NYCERS after July 1, 1973, are Tier 2 members subject to Article 11 of the RSSL.

All members of the uniformed force of the NYC Department of Correction who joined, or join, NYCERS on or after July 27, 1976 are Tier 3 members subject to Article 14 of the RSSL.

All members who joined, or join, NYCERS on or after July 27, 1976, with the exception of members of the uniformed force of the Department of Correction and Investigator Members employed in a District Attorney's office, are Tier 4 members subject to Article 15 of the RSSL.

## EMPLOYERS

The *Plan* is a cost-sharing, multiple employer public employee retirement system. In addition to the various departments of the City of New York, members of NYCERS are also employed by the New York City Transit Authority, the Triborough Bridge and Tunnel Authority, the New York City Housing Authority, the New York City Health and Hospitals Corporation, the New York City Off-Track Betting Corporation, the New York City Housing Development Corporation, the City University of New York, the New York City School Construction Authority, the New York City Municipal Water Finance Authority, and certain employees in departments of the State of New York which had formerly been New York City departments. A table listing these employers and their respective participating employees may be found on **page 160.**

## CONTRIBUTIONS

The benefits of the system are financed by employer and employee contributions, and from earnings on the invested funds of the system.

As of July 1, 1970, Tier 1 and Tier 2 Transit operating-force employees enrolled in the Transit 20-Year Plan are non-contributory. For all other Tier 1 and Tier 2 members, contributions are dependent upon the member's age and retirement plan elected. For Tier 3 and Tier 4 members, contributions are 3% of wages for the earlier of the first ten years of Credited Service, or the tenth anniversary of membership, regardless of age. Certain Tier 2 and Tier 3 members who are uniformed Correction Officers and certain other members of Tier 2 and Tier 4 in the improved plan programs are required to make Additional Member Contributions in addition to their Basic Member Contributions.

Employer contributions are determined annually by the Chief Actuary of the system.

## REVENUES

The funds needed to finance retirement benefits are accumulated through the collection of employer and employee contributions, and through income on investments. Contributions and investment income for fiscal year 2008 totaled $359,813,000. Due to the depreciation in the fair value of the *Plan's* domestic and international investment portfolios, contributions and investment income for fiscal year 2008 decreased a total of $8,136,144,000 from that of fiscal year 2007. The Table of Revenue by Source on **page 174** shows figures for the last 10 years.

## EXPENSES

The primary expense of a retirement system relates to the purpose for which it is created: namely, the payment of benefits. Consequently, recurring monthly retirement benefit payments and death benefit payments prescribed by the *Plan*, and refunds of contributions to terminated members comprise the major expenses. The Table of Benefit Expenses by Type on **page 175** and the Table of Changes in Plan Net Assets on **page 176** show the details of the different expenses over the last 10 years.

## FUNDING

The bottom line for a retirement system is the level of funding. The better the level of funding, the larger the ratio of assets accumulated, giving the participants a higher degree of assurance that their pension benefits are secure. The advantage of a well-funded plan is that the participants can look at the assets that are irrevocably committed to the payment of benefits. The goal is to fund members' future retirement benefits over their working career. As of June 30, 2006, the *Plan*'s most recent actuarial valuation date, the *Plan's* funded ratio, which is the ratio of Actuarial Asset Value to Actuarial Accrued Liability, has increased from 99.7% to 99.8%. Please refer to the Actuarial section for details concerning the actuarial methods and assumptions used in determining the required funding.

## INVESTMENTS

The investment portfolio must be regarded as a major contributor to the system. The Administrative Code of the City of New York authorizes the investment of *Plan* assets subject to the terms, conditions, limitations and restrictions imposed by law for investments by savings banks. The New York State Retirement and Social Security Law (RSSL) sets forth the criteria for permissible equity investments. The *Plan's* Board of Trustees adopts investment policies. The Board creates the overall investment philosophy under which the *Plan's* funds are invested and, in defining the investment objectives, develops a framework under which specific objectives are established with regard to allocating the assets of the *Plan* among the various investment types. The current policy target mix consists of 41% in Domestic Equities, 18% in an International Equity Fund, 30% in Domestic Fixed Income, and 11% in Alternative Investments.

As mentioned in the Revenue section above, during 2008 the *Plan* experienced depreciation in the value of the investment portfolio. In fiscal year 2008, the net depreciation in the investment portfolio was $3,111,023,000, versus net appreciation of $4,858,163,000 in fiscal year 2007. For the one-year period ended June 30, 2008, the *Plan's* rate of return on investments was a negative 4.96%. While this was a disappointing result when compared to the prior few years, it was, in fact, better than NYCERS' custom benchmark return of negative 5.44%. Further details concerning the criteria for the *Plan's* investments, policies, investment performance and other investment tables may be found in the *Investment Section*. Although this CAFR does not list the thousands of investments which the *Plan* holds, such information is available upon request. The tables on **pages 105 and 106** list the *Plan's* major domestic equity and long-term bond holdings.

## ECONOMIC CONDITIONS

The economy in fiscal year 2008 was dominated by the national housing slump, which triggered a chain reaction in the financial markets that has seriously undermined the nation's economic health. Although U.S. Gross Domestic Product grew 2.4% in fiscal year 2008, compared to 2% in fiscal year 2007, most of the growth was attributable to net export demand and tax rebates, factors which are not likely to repeat during fiscal year 2009. Despite serious impediments to economic growth, the City's economy, as measured by Gross City Product, managed to grow 2.4% in fiscal year 2008, down from its 3.4% growth rate in fiscal year 2007.

The systemic risk elevation in global financial markets that first became apparent in the latter half of calendar year 2007, continued in calendar year 2008, and accelerated in September 2008. This led to significant financial institution stresses and failures, and world-wide government interventions. This market downturn was driven by the collapse of the sub-prime mortgage markets and the credit crisis in capital markets.

The equity markets have been particularly impacted by the current market conditions, which have had a negative effect on the market value of NYCERS' assets. Despite this decline in market values, the system continues to have sufficient liquidity, in terms of both current income and liquid assets to continue paying benefits through the foreseeable future. City contributions to the pension plans are based upon actuarial valuations and calculations that consist of many factors, including investment returns on the assets. Therefore, in the event that the asset values do not recover by the end of the City's fiscal year ending June 30, 2009, the amounts the City is required to contribute to the pension plans will increase in the future.

## PROFESSIONAL SERVICES

The opinion of the independent certified public accounting firm on the *Plan's* financial statements is included in this CAFR. The Comptroller of the City of New York is the Custodian of the *Plan's* assets, and provides investment services through independent advisors, who are listed in the Investment Section's Schedule of Fees paid to Investment Advisors. Other consultant services are shown in the Statistical Section's Schedule of Payments to Consultants. Actuarial services are provided to the *Plan* by the Chief Actuary employed by the Board of Trustees. The City's Corporation Counsel provides legal services to the *Plan*.

## ACKNOWLEDGMENTS

The compilation of this CAFR reflects the combined effort of NYCERS' staff, under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

On behalf of the Board of Trustees, I would like to take this opportunity to express my gratitude to the staff, the advisors, and to the many people who have worked diligently to assure the continued successful operation of the system.

Respectfully submitted,

Diane D'Alessandro
Executive Director

Michael A. Goldson
Director, Finance

## SUMMARY OF PLAN PROVISIONS

## GLOSSARY OF TERMS

***Accumulated Deductions***

The total of all contributions made by members, **plus** interest earned on such contributions (8.25% for Tiers 1 and 2; 5% for Tiers 3 and 4), compounded annually.

***Active Service***

Service rendered while the employee is on the payroll and being paid by the City of New York or a *Participating Employer*.

***Additional Member Contributions (AMCs)***

Contributions that are made by members, in addition to the basic member contributions, that are required to be paid each payroll period by *Participants* in any one of the *Special Programs* described in this document. The AMC percentages differ in each *Special Program* and all *AMC's* are maintained in the Retirement Reserve Fund.

***Allowable Correction Service***

Service as a member rendered in the uniformed-force of the New York City (NYC) Department of Correction or any of the following:

- Another uniformed-force (such as NYC Housing Police, NYC Transit Police or NYC Department of Sanitation) immediately prior to becoming a member of the uniformed-force of the NYC Department of Correction
- The uniformed-force of the NYC Police or Fire Departments immediately prior to becoming a member of the uniformed-force of the NYC Department of Correction, if service was transferred to NYCERS pursuant to Section 43 of the RSSL

***Allowable Sanitation Service***

Service rendered in any of the following:

- Uniformed-force of the NYC Department of Sanitation
- Another uniformed-force (such as NYC Housing Police, NYC Transit Police or NYC Department of Correction) immediately prior to becoming a member of the uniformed-force of the NYC Department of Sanitation
- The uniformed-force of the NYC Police or Fire Departments immediately prior to becoming a member of the uniformed-force of the NYC Department of Sanitation, if service was transferred to NYCERS pursuant to Section 43 of the RSSL

***Allowable Service as a Dispatcher Member***

- Service rendered by a member of NYCERS while employed by the City of New York as a Fire Alarm Dispatcher, Supervising Fire Alarm Dispatcher, levels 1 and 2, Director of Dispatch Operations or Deputy Director of Dispatch Operations, **and**

All service in the following NYC Civil Service titles:

- Chief Fire Alarm Dispatcher, Administrative Fire Alarm Dispatcher, Bus Operator (Transit), Train Dispatcher (Transit), Firefighter, Police Officer, Correction Officer, Fire Marshal, Probation Officer, Police Communications Technician, Supervising Police Communications Technician, Principal Police Communications Technician, Police Administrative Aide, Senior Police Administrative Aide, Emergency Medical Technician, Advanced Emergency Medical Technician, Emergency Medical Service Specialist, levels 1 and 2, Fire Prevention Inspector, Fire Protection Inspector, Senior Fire Prevention Inspector, Principal Fire Prevention Inspector, Associate Fire Protection Inspector, County Detective, Detective (NYPD), Detective Investigator, Senior Detective Investigator, Deputy Sheriff, Senior Deputy Sheriff, Inspector of Fire Alarm Boxes, Radio Operator, Radio Repair Technician, Supervisor of Radio Repair Operations, Taxi and Limousine Inspector, Senior Taxi and Limousine Inspector, MTA Bridge and Tunnel Officer, **and** A member of NYCERS who is employed by the City of New York in a title whose duties require the supervision of employees whose Civil Service title is included above.

***Allowable Service as an EMT Member***

- all service rendered by a member of NYCERS while employed by the City of New York or the NYC Health & Hospitals Corporation in a title whose duties are those of an Emergency Medical Technician (EMT), or Advanced EMT (AEMT) or in a title whose duties require the supervision of employees whose duties are those of an EMT or AEMT, **and**
- all service while employed by the City of New York or the New York City Health & Hospitals Corporation in the title Motor Vehicle Operator.

***Allowable Service as a Special Officer***

Available to all **peace officer members** who are: *special officers* of any rank and are employed by a mayoral agency of the City of New York or by NYC Health & Hospitals Corporation, or *special officers* of any rank employed by the NYC Housing Authority or Board of Education; Parking Control Specialists employed by the NYC Department of Transportation; School Safety Agents of any rank employed by the NYC Police Department or Board of Education; Campus Peace Officers of any rank employed by the City University of New York, Taxi & Limousine Inspector of any rank employed by the NYC Taxi & Limousine Commission, Urban Park Ranger, or Associate Urban Park Ranger.

***Allowable Service in the Transit Authority***

*Service* rendered in the operating-force of the NYC Transit Authority and some managerial service.

***Annuity***

Payments made to Tiers 1 and 2 retirees derived from their *Accumulated Deductions*

***Average Compensation (Tier 1 and 2 only)***

The average of compensation earned from the completion of 20 years of Allowable Correction Service to the date of retirement (also applies to Tier 2 DA Investigators and Accidental Disability Benefits for Tier 1 and Tier 2 Uniformed Sanitation Members with more than 20 years of Allowable Service).

***Basic Tier 4 Plan (62/5 Plan)***

Benefits available to Tier 4 members, excluding the benefits that are available only to *Participants* in one of the *Special Programs* described in this document. A *Participant* in one of the *Special Programs* who does not meet all of the qualifications for a benefit in his or her *Special Program* may still qualify for a benefit under the *Basic Tier 4 Plan*. *Participants* in *Special Programs* are still always eligible for other Basic Tier 4 benefits that are not provided for in their Program such as Survivor Benefits, Disability Retirement Benefits, etc.

***Career Pension Plan Position***

Any position in City service other than a Transit operating-force position, a position in the uniformed-force of the NYC Department of Sanitation, or the uniformed-force of the NYC Department of Correction.

***Career Pension Plan Qualifying Service***

Includes:

- *Membership Service* rendered in a *Career Pension Plan Position*
- Transferred Service from another New York State public employee retirement system
- 20-Year plan, uniformed-force and Transit operating-force service rendered on or after July 1, 1973 while a member of NYCERS

***Correction Officer***

A member of the uniformed force of the NYC Department of Corrections in one of these covered titles: Officer below the rank of Captain; Correction Captain; Asst. Deputy Warden (Warden Correction Level I); Deputy Warden; Deputy Warden-in-Command (Warden Correction Level II); Warden; Deputy Chief (Warden Correction Level III); Chief of Department (Warden Correction).

***Credited Service***

Includes:

- Service rendered while a member of NYCERS, and
- Service rendered while a member of another retirement system within New York City or New York State and transferred to NYCERS, and
- Service purchased under applicable laws and rules for buy-back, which can include:
- Membership Reinstatement Service
- Military Service
- Union Leave Service

***Designated Beneficiary***

Any person designated by a member, by filing a properly completed form with NYCERS, to receive a survivor benefit upon the death of the member in *Active Service*.

***Eligible Beneficiary***

A person who is eligible to be paid an Accidental Death Benefit, in the following order of priority:

- a surviving spouse who has not remarried (A surviving spouse of a Tier 1 or Tier 2 uniformed worker of the NYC Department of Sanitation may subsequently remarry and still retain the Accidental Death Benefit.)
- dependent child - up to age 18 for Tiers 1 and 2 members
- dependent child - up to age 25 for Tiers 3 and 4 members
- dependent parents, or
- for Tiers 3 and 4 members only, any person up to age 21 who qualified as a dependent on the member's final Federal income tax return.
- Anyone you name as your beneficiary for your Ordinary Death Benefit

An *Eligible Beneficiary* must make application for an Accidental Death Benefit and NYCERS' Medical Board and Board of Trustees must approve the application.

In the event that a class of Eligible Beneficiaries consists of more than one person (for example, two or more children under the age of 25), benefits will be divided equally among such persons.

***Final Average Salary (FAS)***

The greater of the average annual *Wages* earned during any three consecutive calendar year periods, or the final 36 months immediately preceding the member's retirement date.

**But**, if the salary earned during any year included in the calculation of the member's *FAS* exceeds the specific limits for Tier 2, Tier 3 or Tier 4 members, the amount in excess of such limits is excluded from the computation.

***Final Compensation***

The average compensation earned during:

- the five-year period immediately preceding the member's retirement date, or
- any consecutive five calendar-year period prior to the member's retirement date that would provide him or her with the greatest average compensation.

Where the period used to determine *Final Compensation* is the period which immediately precedes the date of retirement, any month or months (not in excess of 12) during which the member was on authorized leave of absence at partial pay or without pay are excluded and an equal number of months immediately preceding the five-year period shall be substituted in lieu thereof to provide *Credited Service* totaling five **calendar** years.

***Final Salary (Tier 1 Members)***

**For members of the uniformed forces of the departments of Sanitation and Correction who joined the retirement system prior to July 1, 1973:**
the annual rate of salary earnable on the day before the date of retirement.

**For all others:**
the salary earnable in the year ending on the day before the date of retirement or alternatively, the average annual compensation during any three calendar years designated by the member, if in a Career Pension Plan Position.

Tier 1 members with a membership date after 6/17/71 may be subject to certain limits if their Final Salary exceeds that of the prior year by more than 20%.

***Increased-Take-Home-Pay (ITHP)***

Contributions for Tier 1 and Tier 2 members that are contributed by their employer equal to 2% of the members' gross salaries; 2.5% for Correction Officers.

***Member Contribution Accumulation Fund (MCAF)***

An account maintained for each Tier 3 and Tier 4 member into which the "basic" contributions of 3% of *Wages* deducted from the member's paycheck each payroll period are deposited, **plus** interest earned on such contributions at the rate of 5%, compounded annually.

***Membership Service***

Service rendered after joining NYCERS - includes all service while on the payroll of the City of New York or a *Participating Employer* and *Military Service*.

***Minimum Accumulation***

The amount of normal contributions accumulated with interest to the earliest date for service retirement, less the amount of the reserve for *Increased-Take-Home-Pay* on such date. For a member in the *Career Pension Plan*, the amount of normal contributions is accumulated to the date on which he or she either completed or could have completed 25 years of *Career Pension Plan Qualifying Service.*

***Participant***

Any member of NYCERS who elects or is required to participate in one of the *Special Programs* described in this document.

- **FOR THE 25-YEAR EARLY RETIREMENT PLAN (55/25 PLAN) AND THE AGE-57 RETIREMENT PLAN (57/5 PLAN):**

An *Eligible Position* is **ANY** position in City service **EXCEPT**:

▪ Any position held by a *Transit Authority Member* eligible to participate in the 25-Year and Age-55 Retirement Program (whether or not such a Member is a *Participant* in that Program*)
▪ Any position in the uniformed forces of the NYC departments of Correction and Sanitation
▪ The positions of Bridge & Tunnel Officer, Bridge and Tunnel Sergeant, Bridge and Tunnel Lieutenant, Assistant Bridge and Tunnel Maintainer, Bridge and Tunnel Maintainer, Senior Bridge and Tunnel Maintainer, and Laborer with the MTA Bridges and Tunnels Division (formerly TBTA).
▪ Any positions in the Division of Housing and Urban Renewal
▪ Any position in the Unified Court System
▪ Any teaching position with the City University of New York (CUNY)
▪ Investigators employed in District Attorneys' offices

* The exception is any Transit Authority Member who was enrolled in the 57/5 Plan prior to enactment of Chapter 10 of the laws of 2000, and thereafter elected to remain a *Participant* in that Plan.

- **FOR THE DISPATCHER 25-YEAR PLAN:**

A position while employed by the City of New York as a Dispatcher Member as a Fire Alarm Dispatcher, Supervising Fire Alarm Dispatcher, levels 1 and 2, Director of Dispatch Operations or Deputy Director of Dispatch Operations.

- **FOR THE EMT 25-YEAR PLAN:**

A position while employed by the City of New York or the New York City Health and Hospitals Corporation as an EMT Member in a title whose duties are those of an Emergency Medical Technician (EMT), or Advanced Emergency Medical Technician (AEMT), or in a title whose duties require the supervision of employees whose duties are those of an EMT or AEMT.

- **FOR THE MTA BRIDGES & TUNNELS 50/20 PLAN:** (formerly TBTA)

A position as a Bridge & Tunnel Officer, Sergeant or Lieutenant in a non-managerial position.

- **FOR THE SANITATION 20-YEAR PLAN:**
  A position in the uniformed-force of the NYC Department of Sanitation.

- **FOR THE TRANSIT 25/55 PLAN:**
  A member employed in the NYC Transit Authority Operating-Force and some managers.

- **FOR THE POLICE COMMUNICATIONS (911) OPERATOR 25-YEAR PLAN:**
  Employed by the NYC Police Department in the title of Police Communications Technician, Supervising Police Communications Technician, or Principal Police Communications Technician.

- **FOR THE SPECIAL OFFICER 25-YEAR PLAN:**
  The Special Officer 25-Year Program is available **ONLY** to peace officers employed as Special Officers by a mayoral agency of the City of New York, the NYC Health and Hospitals Corporation or the NYC Housing Authority (NYCHA); Parking Control Specialists employed by the NYC Department of Transportation; School Safety Agents employed by the NYC Police Department or NYC Board of Education; Campus Peace Officers employed by the City University of New York, Taxi & Limousine Inspectors employed by the NYC Taxi & Limousine Commission, Urban Park Ranger or Associate Urban Park Ranger.

- **FOR THE AUTOMOTIVE SERVICE WORKER PLAN:**
  The Automotive Service Worker Plan is available to those employed by the City of New York as a Senior Automotive Service Worker, Automotive Service Worker, Auto Body Worker, Auto Mechanic, Marine Maintenance Mechanic or Oil Burner Specialist, Supervisor of Mechanics, Senior Stationary Engineer, Stationary Engineer, Auto Mechanic (diesel), Auto Electrician, Auto Machinist, Machinist, or Machinist Helper.

- **FOR THE DEPUTY SHERIFF 25-YEAR PLAN:**
  A position employed by the City of New York as a Deputy Sheriff level one, Deputy Sheriff level two, Supervising Deputy Sheriff or Administrative Sheriff.

***Participating Employer***

In addition to the City of New York, members of NYCERS are also employed by the following Participating Employers:

- NYC Transit Authority
- MTA Bridges & Tunnels (formerly TBTA)
- NYC Housing Authority
- NYC Health & Hospitals Corporation
- NYC Off-Track Betting Corporation
- NYC Housing Development Corporation
- City University of New York
- NYC School Construction Authority
- Municipal Water Finance Authority
- Departments of the State of New York which had formerly been departments of the City of New York, where members of NYCERS are still employed

***Physically-Taxing Position***

A position in City service included on the Official List of *Physically-Taxing Positions* promulgated and maintained by the NYC Office of Labor Relations.

Members in *Physically-Taxing Positions* who are *Participants* in the Age-55-Improved-Benefit-Retirement Plan, the 25-Year Early Retirement Plan or the Age-57 Retirement Plan are required to pay a higher percentage of *Wages* as *Additional Member Contributions*, and are eligible for retirement as early as age 50, if they have 25 or more years of service in *Physically-Taxing Positions*.

***Primary Social Security Benefit***

The benefit payable to a covered employee at age 62 or later, under the Federal Social Security Program, exclusive of any family benefits, calculated as provided in Section 511(c) of Article 14 of the Retirement and Social Security Law.

***Reserve for Increased-Take-Home-Pay (ITHP)***

For some Tier 1 and Tier 2 members, an amount which at the time of death or retirement is equal to the accumulation of the contributions for *ITHP*, **plus** interest earned thereon.

## CAREER PENSION PLAN (PLAN A)

### SERVICE RETIREMENT

- Participants may retire: at age 55 with 25 or more years of Career Pension Plan (CPP) Qualifying Service; at age 50 with 25 or more years of physically-taxing service; with 20 or more years of CPP service, but benefits payable when member would have completed 25 years of service or reached age 55 (age 50 for physically-taxing)
- The Service Retirement Benefit is:
  - For the first 25 years of CPP Qualifying Service: 2.20% of Final Salary; less Required Amount; plus Accumulated Deductions; plus
  - For all years other than the first 25 years of CPP Qualifying Service: 1.20% of Final Salary (years prior to 07/01/68); plus 1.70% of Final Salary (years after 06/30/68); plus
  - A Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions

### VESTED RETIREMENT

- Must withdraw from Plan A and switch to Plan B (See Plan B)

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x Final Salary for each year after June 30, 1968; 1.20% x Final Salary for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary; 20 or more years - 24 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## FIFTY-FIVE YEAR INCREASED SERVICE FRACTION PLAN (PLAN B)

### SERVICE RETIREMENT

- Participants may retire at age 55 with benefits payable immediately
- The Service Retirement Benefit is:
  - For each year of Credited Service prior to July 1, 1968: 1.20% of Final Salary; plus
  - For each year of Credited Service after June 30, 1968: 1.53% of Final Salary; plus
  - a Pension for Increased-Take-Home-Pay (ITHP); plus
  - Annuity of Accumulated Deductions

### VESTED RETIREMENT

- Eligible with at least five years of service; benefit payable at age 55
- Vested Retirement Benefit is calculated the same as the Service Retirement Benefit

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x Final Salary for each year after June 30, 1968; 1.20% x Final Salary for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; If eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 1

## TRANSIT 20-YEAR RETIREMENT PLAN (T-20) TRANSIT 20-YEAR NON-CONTRIBUTORY RETIREMENT PLAN (20N/C)

### SERVICE RETIREMENT BENEFIT

- Participants may retire at age 50 with 20 or more years of Transit Operating Service (TOS)
- The Service Retirement Benefit is:
  - First 20 years of TOS: 50% of Final Salary, plus
  - Each year of TOS above 20: 1.5% x Final Compensation x TOS rendered on or after 07/01/68, plus
  - Each year of other service: 1% x Final Compensation x years of other service, plus
  - Pension for Increased-Take-Home-Pay (ITHP), plus
  - Pension for members prior to 07/01/70 who elected to make voluntary contributions.

### VESTED RETIREMENT BENEFIT

- If 55 with less than 20 years of TOS, may switch to the Age 55 1/100 Plan and retire with immediate payability

### DISABILITY RETIREMENT BENEFIT

- Ordinary: Must have ten or more years of Credited Service
- Accidental: No minimum service but disability resulted from an on-the-job accident
  - Ordinary: Less than age 50: 2.5% x Final Compensation x TOS up to 20; plus 1.5% x Final Compensation x TOS above 20 rendered on or after 07/01/68; plus 1% x Final Compensation x all other service. If 20 or more years of TOS and age 50, benefit equals Service Retirement Benefit
  - Accidental: Pension of 75% of Final Compensation; plus a pension based on the ITHP; plus an annuity based on any Accumulated Deductions; less 100% of Workers' Compensation payments
- Members may file for benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service: six months of Earnable Salary; 10 or more years: 12 months of Earnable Salary
- Accidental: Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or the Pension Reserve.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## SANITATION 20-YEAR RETIREMENT PLAN (S-20)

### SERVICE RETIREMENT

- Participants may retire with 20 or more years of Allowable Sanitation Service
- The Service Retirement Benefit is:
  - For the first 20 years of Allowable Service: 50% of Final Salary, less Required Amount, plus Accumulated Deductions
  - For each year of service (other than the first 20) prior to July 3, 1965: 1% of Final Compensation; plus
  - For each year of service (other than the first 20) after July 2, 1965: 1½% of Final Compensation, plus
  - a Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions

### VESTED RETIREMENT

- Must have five or more years of Allowable Sanitation Service, but less than 20; payable the date the member would have reached 20 years if he/she had not discontinued service
- For each year of Allowable Service: 2 ½% of Final Salary; plus
- For years other than Allowable Service: 1% of Final Compensation

### DISABILITY RETIREMENT

- Ordinary - must have five or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: If 10 or more years of Allowable Service – 50% of Final Salary; If less than 10 years – 1/3 of Final Salary; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Salary; plus ITHP; plus Accumulated Deductions; plus if more than 20 years of Allowable Service, 1% x Average Compensation x years in excess of 20; plus ½% x Average Compensation x years in excess of 20 rendered on or after July 1, 1967
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- Members may file for benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP
  - Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Heart Presumption: Death due to heart ailment presumed accidental; accidental death benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 1

## SANITATION 25-YEAR PLAN (S-25)

### SERVICE RETIREMENT

- Participants may retire with 25 or more years of Allowable Sanitation Service
- The Service Retirement Benefit is:
  - For the first 25 years of Allowable Service: 50% of Final Salary, less Required Amount plus Accumulated Deductions
  - For each year of service (other than the first 20) prior to July 3, 1965: 1% of Final Compensation; plus
  - For each year of service (other than the first 20) after July 2, 1965: 1½% of Final Compensation; plus
  - a Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions

### VESTED RETIREMENT BENEFIT

- Must have five or more years of Allowable Sanitation Service, but less than 25; benefit payable when member would have reached 25 years if he/she had not discontinued service
- For each year of Allowable Service: 1% x Final Compensation; plus
- For each year of Allowable Sanitation Service rendered after July 2, 1965: .5% x Final Compensation

### DISABILITY RETIREMENT

- Ordinary - must have five or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: If 10 or more years of Allowable Service – 50% of Final Salary; If less than 10 years – 1/3 of Final Salary; If eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Salary; plus ITHP; plus Accumulated Deductions
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- Members may file for benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Heart Presumption: Death due to heart ailment presumed accidental; accidental death benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## AGE 55 ONE-PERCENT RETIREMENT PLAN (1/100)

### SERVICE RETIREMENT

- Participants may retire at age 55 irrespective of the amount of Credited Service attained by such age
- The Service Retirement Benefit is:
  - For each year of Credited Service: 1% of Final Compensation; plus
  - A Pension for Increased-Take-Home-Pay (ITHP); plus
  - An Annuity for Accumulated Member Contributions

### VESTED RETIREMENT

- There is no provision for vesting

### DISABILITY RETIREMENT

- If your application is approved, you will be entitled to an ordinary disability retirement benefit calculated as follows:
  - If you have attained the age of 55, your ordinary disability retirement benefit will equal your service retirement benefit
  - If you have not attained the age of 55, your ordinary disability retirement benefit will be 2 x 1/100 for each year of service you would have completed upon reaching age 55 for eligibility for service retirement x Final Compensation, up to 25% of Final Compensation; or, if greater
  - 2 x 1/100 for each year of actual service you have completed to date x Final Compensation
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 1

## DISPATCHERS 25-YEAR RETIREMENT PLAN (D-25)

### SERVICE RETIREMENT

- Participants may retire after 25 years of Allowable Service as a Dispatcher Member
- The Service Retirement Benefit is:
  - For the first 25 years of Allowable Service: An Annuity (the actuarial equivalent of the member's required contributions), plus a Pension for Increased-Take-Home-Pay (ITHP), plus a Pension, which when added to the Annuity and Pension for ITHP equals 55% of Final Salary; plus
  - For each year beyond the first 25 years of Allowable Service: 1.70% of Final Salary; plus
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- Must have five or more years of Allowable Service as a Dispatcher Member, but less than 25
- Payability Date: The date the member would have reached 25 years if he/she had not discontinued service
- Vested Benefit: For each year of Allowable Service as a Dispatcher Member: 2.2% of Final Salary

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x Final Salary for each year after June 30, 1968; 1.20% x Final Salary for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## EMERGENCY MEDICAL TECHNICIAN (EMT) 25-YEAR RETIREMENT PLAN (E-25)

### SERVICE RETIREMENT

- May retire after 25 years of Allowable Service as an EMT Member
- The Service Retirement Benefit is:
  - For the first 25 years of Allowable Service: An Annuity (the actuarial equivalent of the member's required contributions), plus a Pension for Increased-Take-Home-Pay (ITHP), plus a Pension, which when added to the Annuity and Pension for ITHP equals 55% of Final Salary; plus
  - For each year beyond the first 25 years of Allowable Service: 1.7% of Final Salary; plus
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- Need five or more years of Allowable Service, but less than 25; payable when member would have reached 25 years
- For each year of Allowable Service: 2.2% of Final Salary

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental - no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x Final Salary for each year after June 30, 1968; 1.20% x Final Salary for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit=Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation
- Heart Presumption: Heart ailments resulting in disability presumed line-of-duty; accidental benefit payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; accidental benefit payable
- Members may file for benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Heart Presumption: Death due to heart ailment presumed line-of-duty; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 1

## SPECIAL OFFICER 25-YEAR RETIREMENT PLAN (SPO)

### SERVICE RETIREMENT

- Participants may retire after 25 years of Allowable Service as a Special Officer Member
- The Service Retirement Benefit is:
  - For the first 25 years of Allowable Service: An Annuity (the actuarial equivalent of the member's required contributions), plus a Pension for Increased-Take-Home-Pay (ITHP), plus a Pension, which when added to the Annuity and Pension for ITHP equals 55% of Final Salary; plus
  - For each year beyond the first 25 years of Allowable Service: 1.70% of Final Salary; plus
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- Must have five or more years of Allowable Service as a Special Officer Member, but less than 25
- Payability Date: The date the member would have reached 25 years if he/she had not discontinued service
- Vested Benefit: For each year of Allowable Service: 2.2% of Final Salary

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x Final Salary for each year after June 30, 1968; 1.20% x Final Salary for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- A Presumptive Death Benefit (Death Gamble): If eligible for Service Retirement at time of death, payable to a Designated Beneficiary(ies)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Gamble: The greater of the Ordinary Death Benefit or Pension Reserve
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 20-YEAR PLAN FOR CORRECTION OFFICERS (P-20)

### SERVICE RETIREMENT

- Participants may retire with 20 or more years of Allowable Correction Service (ACS) regardless of age
- The Service Retirement Benefit is:
  - First 20 years of ACS: 50% of Final Salary, plus
  - For years other than the first 20 years of ACS: 1.67% of the Average Compensation, plus
  - a Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions, plus
  - 75% x 1.67% x Final Compensation x Credited Service on or after 09/30/51
  - 55% x 1.67% x Final Compensation x Credited Service prior to 10/1/51

### VESTED RETIREMENT

- Need at least five years but less than 20 years of ACS; payable when member would have reached 20 years of ACS
- The Vested Retirement Benefit is:
  - 2.5% x Final Salary x Years of ACS up to 20 years, plus
  - 75% x 1.67% x Final Compensation x Credited Service on or after 09/30/51, plus
  - 55% x 1.67% x Final Compensation x Credited Service prior to 10/1/51

### DISABILITY RETIREMENT

- Ordinary: If less than 10 years of ACS - 1/3 of Final Salary; more than 10, but less than 20 - 50% of Final Salary; more than 20 - 2.5% x Final Salary x Credited Service
- Accidental: 75% of Final Salary; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed accidental; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary: lump sum of ITHP; plus lump sum of Accumulated Deductions; plus if less than 10 years of service - six months of Earnable Salary; 10 or more years - 12 months of Earnable Salary
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; 50% of salary payable
  - Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 1

# TIER 1 RETIREMENT OPTIONS

### SELECTION OF BENEFITS WITHOUT OPTIONAL MODIFICATION (MAXIMUM RETIREMENT ALLOWANCE)

If a member upon retirement does not elect one of the options below, his or her benefit will be paid as a Maximum Retirement Allowance payable in monthly installments throughout his or her life, with all payments ceasing at death.

### OPTION 1: UNMODIFIED AND MODIFIED INITIAL RESERVE

Option 1 provides the pensioner with a reduced monthly lifetime allowance. If the pensioner dies before his or her payments equal the total value of the initial reserve set aside to provide his or her benefits on the date of retirement, the balance is paid to the designated beneficiary(ies) in either a lump-sum or monthly payments. More than one beneficiary may be named and the beneficiary(ies) may be changed at any time.

### OPTION 2: 100% JOINT-AND-SURVIVOR

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary receives 100% of the reduced allowance for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

### OPTION 3: 50% JOINT-AND-SURVIVOR

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary receives 50% of the reduced allowance for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

### OPTIONS 4-2 AND 4-3: POP-UP JOINT-AND-SURVIVOR OPTIONS

These pop-up options are variations of Options 2 and 3. The pensioner receives a reduced monthly lifetime allowance under either a 100% or 50% joint-and-survivor arrangement, but if the beneficiary dies before the pensioner, the pensioner's benefit "pops-up," that is, it automatically becomes the Maximum Retirement Allowance.

### OPTION 4: LUMP-SUM PAYMENT

The pensioner receives a reduced monthly lifetime allowance with the provision that when he or she dies, the beneficiary receives a limited lump-sum payment specified by the pensioner at the time he or she chose this option. More than one beneficiary can be named and the beneficiary(ies) can be changed at any time.

**NOTE:** A pensioner may elect to receive any form of payment that is the actuarial equivalent of his or her Maximum Retirement Allowance, as certified by NYCERS' Chief Actuary and approved by the Board of Trustees.

## MODIFIED CAREER PENSION PLAN (PLAN C)

### SERVICE RETIREMENT

- Participants may retire at age 62, or 55 on a reduced basis, with 25 years of Career Pension Plan Qualifying Service
- The Service Retirement Benefit is:
  - 55% of your Final Average Salary (FAS), plus

  For all years other than the first 25:
  - 1.7% x FAS x years after June 30, 1968, plus
  - 1.2% x FAS x years before July 1, 1968, plus
  - A Pension based on excess Increased-Take-Home-Pay (ITHP) and an Annuity based on Excess Contributions

### VESTED RETIREMENT

- Plan C members must switch to Plan D to become eligible for a Vested Retirement Benefit (See Plan D)

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service
- Accidental – no minimum service requirement, but disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## MODIFIED INCREASED SERVICE FRACTION PLAN (PLAN D)

### SERVICE RETIREMENT

- Participants may retire at age 62, or 55 on a reduced basis, with five or more years of Credited Service
- The Service Retirement Benefit is:
  - 1.53% x Final Average Salary (FAS) x years of service after June 30, 1968, plus
  - 1.20% x FAS x years of service before July 1, 1968, plus
  - a Pension based on Increased-Take-Home-Pay (ITHP), plus
  - An Annuity based on Accumulated Deductions

### VESTED RETIREMENT

- Need a minimum of five years of Credited Service
- Payability Date: Age 62 on an unreduced basis or age 55 on a reduced basis
- Vested Retirement Benefit is the same as the Service Retirement Benefit

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service
- Accidental – no minimum service requirement, but disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

TIER 2

## AGE 55 IMPROVED BENEFIT RETIREMENT PROGRAM (CPP-I)

### SERVICE RETIREMENT

- Participants may retire at age 55, or age 50 in a physically-taxing position, with 25 years of Career Pension Plan Qualifying Service
- The Service Retirement Benefit is:
  - First 25 years of Career Pension Plan Qualifying Service: 55% of Final Average Salary (FAS), plus
  - 1.7% x FAS x years of service after June 30, 1968, plus
  - 1.2% x FAS x years of service before July 1, 1968, plus
  - a Pension based on excess Increased-Take-Home-Pay (ITHP) and an Annuity based on Excess Contributions

### VESTED RETIREMENT

- Plan CPP-I members must switch to ISF-I to become eligible for a vested retirement (See ISF-I)

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service
- Accidental – no minimum service requirement, but disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions (basic and employee portion of Additional Member Contributions). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## AGE 55 IMPROVED INCREASED SERVICE FRACTION PLAN (ISF-I)

### SERVICE RETIREMENT BENEFIT

- Participants may retire at age 55 with twenty-five or more years of Credited Service
- The Service Retirement Benefit is:
  - 1.53% x Final Average Salary x years of service after June 30, 1968, plus
  - 1.20% x FAS x years of service before July 1, 1968, plus
  - A Pension based on Increased-Take-Home-Pay(ITHP), plus
  - an Annuity based on Accumulated Deductions

### VESTED RETIREMENT

- Need a minimum of five years of Credited Service
- Payability Date: Age 62 on an unreduced basis or Age 55 on a reduced basis
- Vested Retirement Benefit is the same as the Service Retirement Benefit

### DISABILITY RETIREMENT BENEFIT

- Ordinary - must have ten or more years of Credited Service
- Accidental – No minimum service requirement, but disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions;
  - If eligible for service retirement, benefit = Service Retirement Benefit.
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation Payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental: Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

TIER 2

## MODIFIED 20-YEAR PLAN FOR CORRECTION OFFICERS (P-20)

### SERVICE RETIREMENT BENEFIT

- Participants may retire after completing 20 of Allowable Correction Service (ACS)
- The Service Retirement Benefit is:
  - First 20 years of ACS: 50% of Final Average Salary (FAS), plus
  - Each year of ACS after 20: 1.67% x Average Compensation (or FAS if the comp period is less than 3 years) x the years of ACS in excess of 20, plus
  - Each year of Credited Service: 75% x 1.67% x Final Compensation x Credited Service, plus
  - A pension based on excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions

### VESTED RETIREMENT BENEFIT

- Need at least five but less than 20 years of ACS; payable when member would have reached 20 years of ACS
- Vested Retirement Benefit is:
  - 2.5% x FAS x the years of ACS, plus
  - 75% x 1.67% x Final Compensation x Credited Service on or after 10/01/51

### DISABILITY RETIREMENT

- Ordinary: If less than 10 years of ACS - 1/3 of FAS; more than 10, but less than 20 - 50% of FAS; more than 20 - 2.5% x FAS x Credited Service
- Accidental: 75% of FAS; 1.67% x Average Compensation x years of ACS in excess of 20; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed accidental; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job))
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to a Designated Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: Need more than 90 days of service; benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions
- Accidental Death Benefit: A pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Vested Members: With 10 or more years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## MODIFIED ONE PERCENT RETIREMENT PLAN (1/100) TRANSIT ONLY

### SERVICE RETIREMENT BENEFIT

- Participants may retire at age 62 with an unreduced benefit or at age 55 with a reduced benefit regardless of the amount of Credited Service attained
- The Service Retirement Benefit is:
  - For each year of Credited Service 1% of Final Compensation; plus
  - A Pension based on Increased-Take-Home-Pay (ITHP), plus
  - An Annuity based on Accumulated Member Contributions

### VESTED RETIREMENT BENEFIT

- There is no provision for vesting

### DISABILITY RETIREMENT BENEFIT

- If you have contributed the required amount and your application is approved you will be entitled to an ordinary disability retirement benefit calculated as follows:
  - If you have attained age 62, the ordinary disability retirement benefit equals the service retirement benefit
  - If you have not attained the age of 62, the ordinary disability retirement benefit will be 2 x 1/100 for each year of service you would have completed upon reaching age 62 for eligibility for service retirement x Final Compensation, up to 25% of Final Compensation; or, if greater
  - 2 x 1/100 for each year of actual service you have completed to date x Final Compensation
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary: Need more than 90 days of service; benefit equal to three years' salary lump sum
- Accidental: Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of the death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

## MODIFIED TRANSIT 20-YEAR RETIREMENT PLAN (T-20)

### SERVICE RETIREMENT BENEFIT

- Participants may retire at age 55 with 25 or more years of Transit Operating Service (TOS) but may retire with a reduced benefit as early as age 50 with at least 20 years of TOS.
- The Service Retirement Benefit is:
  - First 20 years of TOS: 50% of Final Average Salary (FAS), plus
  - Each year of TOS above 20: 1.5% x Final Compensation x years of TOS on or after 07/01/68, plus
  - Each year of other service: 1% x Final Compensation x years of other service
- The Reduced Service Retirement Benefit is:
  - 2% x FAS x credited service (exclusive of any benefit provided on account of member contributions)

### VESTED RETIREMENT BENEFIT

- Members may switch to the Modified Age 55 1/100 Plan and retire with immediate payability (See Modified 1/100 Plan)

### DISABILITY RETIREMENT BENEFIT

- Ordinary: Must have ten or more years of Credited Service
- Accidental: No minimum service but disability resulted from an on-the-job accident
  - Ordinary: Less than age 55 and less than 25 years of TOS: 2.5% x Final Compensation x TOS up to 20; plus 1.5% x Final Compensation x TOS above 20 rendered on or after 07/01/68; plus 1% x Final Compensation x all other service. If 25 or more years of TOS and age 55, benefit equals Service Retirement Benefit
  - Accidental: Pension of 75% of Final Compensation; plus a pension based on the ITHP; plus an annuity based on any Accumulated Deductions; less 100% of Workers' Compensation payments
- Members may file for benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary: Need more than 90 days of service; benefit equal to three years' salary lump sum
- Accidental: Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of the death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 20-YEAR PLAN FOR CORRECTION MEMBERS BELOW THE RANK OF CAPTAIN (CI-20)

### SERVICE RETIREMENT

- Participants may retire with 20 or more years of Allowable Correction Service (ACS) regardless of age (Benefit limited to 30 years)
- The Service Retirement Benefit is:
  - First 20 years of ACS: 50% of Final Average Salary (FAS), plus
  - For years other than the first 20 years of ACS: 1.67% of the Average Compensation, plus
  - a Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity based on Excess Contributions, plus
  - 75% x 1.67% x Final Compensation for each year on or after 09/30/51
  - 55% x 1.67% x Final Compensation x Credited Service prior to 10/1/51

### VESTED RETIREMENT

- Need at least five years but less than 20 years of ACS; benefit payable when member would have reached 20 years of ACS
- The Vested Retirement Benefit is:
  - 2.5% x FAS x years of ACS up to 20 years, plus
  - 75% x 1.67% x Final Compensation x Credited Service on or after 09/30/51, plus
  - 55% x 1.67% x Final Compensation x Credited Service prior to 10/1/51

### DISABILITY RETIREMENT

- Ordinary: If less than 10 years of ACS - 1/3 of FAS; more than 10, but less than 20 - 50% of FAS; more than 20 - 2.5% x FAS x Credited Service
- Accidental: 75% of FAS; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed accidental; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: Need more than 90 days of service; benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions (basic and additional)
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Vested Members: With 10 or more years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

## 20-YEAR PLAN FOR CORRECTION MEMBERS ABOVE THE RANK OF CAPTAIN (CP-20)

### SERVICE RETIREMENT

- Participants may retire with 20 or more years of Allowable Correction Service (ACS) regardless of age
- The Service Retirement Benefit is:
  - First 20 years of ACS: 50% of Final Average Salary (FAS), plus
  - For years other than the first 20 years of ACS: 1.67% of the Average Compensation, plus
  - a Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity based on Excess Contributions, plus
  - 75% x 1.67% x Final Compensation for each year on or after 09/30/51
  - 55% x 1.67% x Final Compensation x Credited Service prior to 10/1/51
  - Benefit limited to 30 years

### VESTED RETIREMENT

- Need at least five years but less than 20 years of ACS; payable when member would have reached 20 years of ACS
- The Vested Retirement Benefit is:
  - 2.5% x FAS x Years of ACS up to 20 years, plus
  - 75% x 1.67% x Final Compensation x Credited Service on or after 09/30/51, plus
  - 55% x 1.67% x Final Compensation x Credited Service prior to 10/1/51

### DISABILITY RETIREMENT

- Ordinary: If less than 10 years of ACS - 1/3 of FAS; more than 10, but less than 20 - 50% of FAS; more than 20 - 2.5% x FAS x Credited Service
- Accidental: 75% of FAS; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed accidental; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: Need more than 90 days of service; benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions (basic and additional)
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Vested Members: With 10 or more years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## MODIFIED SANITATION 20-YEAR RETIREMENT PLAN (S-20)

### SERVICE RETIREMENT

- Participants may retire with 25 years of Allowable Sanitation Service or with a reduced benefit after 20 years
- The Service Retirement Benefit is:
  - First 20 years of Allowable Sanitation Service: 50% of Final Average Salary (FAS), plus
  - 1.5% x Final Compensation x Allowable Sanitation Service after first 20 years, plus
  - 1% x Final Compensation x all other service, plus
  - A Pension based on excess Increased-Take-Home-Pay (ITHP) and an Annuity based on Excess Contributions
- The Reduced Service Retirement Benefit is:
  - Same as above except employer portion of the benefit cannot exceed 2% x FAS x years of Credited Service

### VESTED RETIREMENT

- Need at least 5, but less than 20 years of Allowable Sanitation Service; payable when member would have reached 20 years of such service
- 2.5% x FAS x each year of Allowable Sanitation Service; plus
- 1% x Final Compensation x each year of Credited Service

### DISABILITY RETIREMENT BENEFIT

- Ordinary: Need 5 or more years of Credited Service;
- Accidental: No minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: Less than 10 years of Allowable Sanitation Service: 1/3 of FAS; 10 - 20 years: 50% of FAS; more than 25 years: Benefit = Service Retirement Benefit
  - Accidental: 75% of FAS; plus ITHP; plus Accumulated Deductions, plus if more than 25 years of Allowable Sanitation Service, 1% x Average Compensation x years in excess of 20, plus .5% x Average Compensation x years of Allowable Sanitation Service in excess of 20
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies)
- Ordinary: Need more than 90 days of service; benefit equal to 3 years' salary lump sum; plus Accumulated Deductions
- Accidental: Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of the death benefit in force at time of separation from service
- Heart Presumption: Death due to heart ailment presumed accidental; accidental death benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

## 20-YEAR RETIREMENT PLAN FOR UNIFORMED SANITATION MEMBERS (SI-20)

### SERVICE RETIREMENT

- Participants may retire with 20 or more years of Allowable Sanitation Service regardless of age
- The Service Retirement Benefit is:
  - First 20 years of Allowable Sanitation Service: 50% of Final Average Salary (FAS), plus
  - Other than the first 20 years of such service: 1.5% of Final Compensation, plus
  - For each year of all other Credited Service: 1% of Final Compensation, plus
  - a Pension based on excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions
  - Benefit limited to 30 years

### VESTED RETIREMENT

- Need at least five years but less than 20 years of Allowable Sanitation Service; benefit payable when member would have reached 20 years of such service
- The Vested Retirement Benefit is:
  - 2.5% x FAS x each year of Allowable Sanitation Service, plus
  - 1% x Final Compensation x each year of Credited Service

### DISABILITY RETIREMENT

- Ordinary - must have five or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: If 10 or more years of Allowable Sanitation Service – 50% of FAS; If less than 10 years – one-third of FAS; If eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of FAS; plus ITHP; plus Accumulated Deductions
- Heart Presumption: Diseases of the heart resulting in disability presumed accidental; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: Need more than 90 days of service; benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions (basic and additional)
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 20-YEAR, AGE-50 RETIREMENT PLAN FOR TBTA OFFICERS, SERGEANTS & LIEUTENANTS (2050I)

### SERVICE RETIREMENT

- Participants may retire with 20 or more years of Allowable Service at age 50
- The Service Retirement Benefit is:
  - For the first 20 years of Allowable Service: 50% of Final Average Salary (FAS), plus
  - For each additional year Allowable Service (up to a maximum of 30 years): 1.5% x FAS

### VESTED RETIREMENT

- Participants may retire as early as age 55 with an unreduced benefit similar to Plan D (See Plan D)
- The earliest age a member may retire depends on the years of Allowable Service he/she has

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; If eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

# 25-YEAR RETIREMENT PLAN FOR DISTRICT ATTORNEY INVESTIGATORS (25IDA)

## SERVICE RETIREMENT

- Participants are allowed to retire with 25 or more years of Credited Service regardless of age
- The Service Retirement Benefit is:
  - For the first 25 years of Credited Service: 55% x Final Salary, plus
  - For each additional year (up to a maximum of 32): 1.70% x Final Average Salary (FAS)
  - A Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions

## VESTED RETIREMENT

- Need at least 15 but less than 25 years of Credited Service
- Benefit payable when member could have completed 25 years such service
- The Vested Retirement Benefit is:
  - 2.20% x FAS x each year of Credited Service

## DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

# 20-YEAR RETIREMENT PLAN FOR DISTRICT ATTORNEY INVESTIGATORS (20IDA)

## SERVICE RETIREMENT

- Participants may retire with credit for 20 or more years of Allowable Investigator of District Attorneys' Offices (IDA) Service
- The Service Retirement Benefit is:
  - For the first 20 years of Allowable IDA Service: 50% of Final Salary, plus
  - For each additional year of Allowable IDA Service (after completion of the 20 years, up to a maximum of 32 years): 1/60th of Average Compensation, plus
  - 75% x 1/60th x Final Compensation x Credited Service on or after September 30, 1951, plus
  - 55% x 1/60th x Final Compensation x Credited Service prior to October 1, 1951
  - A Pension for excess Increased-Take-Home-Pay (ITHP) and an Annuity for Excess Contributions

## VESTED RETIREMENT

- Need at least 5 but less than 20 years of Allowable IDA Service
- Benefit payable when member could have reached 20 years of such service
- Vested Retirement Benefit is: 2.5% of Final Salary for each year of Allowable IDA Service

## DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

## 25-YEAR RETIREMENT PLAN FOR DISPATCHERS (DIS-I)

### SERVICE RETIREMENT

- Participants may retire with 25 or more years of Allowable Service as a Dispatcher Member
- The Service Retirement Benefit is:
  - An Annuity (the actuarial equivalent of contributions for the first 25 years of Allowable Service), plus
  - A Pension for Increased-Take-Home-Pay (ITHP) for the first 25 years, plus
  - A Pension, which when added to the Annuity and ITHP equals 50% of Final Average Salary (FAS), plus
  - 2% of FAS for each year beyond the first 25 years of Allowable Service (not to exceed five years)
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- There is no vesting provision in this plan

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 25-YEAR RETIREMENT PLAN FOR EMERGENCY MEDICAL TECHNICIANS (EMT-I)

### SERVICE RETIREMENT

- Participants may retire with 25 or more years of Allowable Service as an EMT Member
- The Service Retirement Benefit is:
  - An Annuity (the actuarial equivalent of contributions for the first 25 years of Allowable Service), plus
  - A Pension for Increased-Take-Home-Pay (ITHP) for the first 25 years, plus
  - A Pension, which when added to the Annuity and ITHP equals 50% of Final Average Salary (FAS), plus
  - 2% of FAS for each year beyond the first 25 years of Allowable Service (not to exceed five years)
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- There is no vesting provision in this plan

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Heart Presumption: Diseases of the heart resulting in disability presumed line-of-duty; accidental benefit payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; accidental benefit payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Heart Presumption: Diseases of the heart resulting in death presumed line-of-duty; accidental benefit payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

## 25-YEAR RETIREMENT PLAN FOR NYC DEPUTY SHERIFFS (DSH-I)

### SERVICE RETIREMENT

- Participants may retire after having credit for 25 or more years of Credited Service regardless of age
- The Service Retirement Benefit is:
  - An Annuity (the actuarial equivalent of contributions for the first 25 years of Credited Service), plus
  - A Pension for Increased-Take-Home-Pay (ITHP) for the first 25 years, plus
  - A Pension, which when added to the Annuity and ITHP equals 55% of Final Average Salary (FAS), plus
  - 1.7% of FAS for each year beyond the first 25 years of Credited Service (not to exceed five years)
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- There is no provision for vesting

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than five years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 25-YEAR/AGE-50 RETIREMENT PLAN FOR AUTOMOTIVE WORKERS (AUT-I)

### SERVICE RETIREMENT

- Participants with 25 or more years of Credited Service may retire at age 50
- The Service Retirement Benefit is:
  - An Annuity (the actuarial equivalent of contributions for the first 25 years of Credited Service), plus
  - A Pension for Increased-Take-Home-Pay (ITHP) for the first 25 years, plus
  - A Pension, which when added to the Annuity and ITHP equals 50% of Final Average Salary (FAS), plus
  - 2% of FAS for each year beyond the first 25 years of Credited Service (not to exceed five years)
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- There is no vesting provision in this plan

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than five years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

## 25-YEAR RETIREMENT PLAN FOR SPECIAL OFFICERS (SPO-I)

### SERVICE RETIREMENT

- Participants may retire with 25 or more years of Allowable Service as a Special Officer regardless of age
- The Service Retirement Benefit is:
  - An Annuity (the actuarial equivalent of contributions for the first 25 years of Allowable Service), plus
  - A Pension for Increased-Take-Home-Pay (ITHP) for the first 25 years, plus
  - A Pension, which when added to the Annuity and ITHP equals 50% of Final Average Salary (FAS), plus
  - 2% of FAS for each year beyond the first 25 years of Allowable Service (not to exceed five years)
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- There is no provision for vesting

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 25-YEAR RETIREMENT PLAN FOR POLICE COMMUNICATION OPERATORS (911)

### SERVICE RETIREMENT

- Participants with 25 or more years of Credited Service may retire regardless of age
- The Service Retirement Benefit is:
  - An Annuity (the actuarial equivalent of contributions for the first 25 years of Credited Service), plus
  - A Pension for Increased-Take-Home-Pay (ITHP) for the first 25 years, plus
  - A Pension, which when added to the Annuity and ITHP equals 50% of Final Average Salary (FAS), plus
  - 2% of FAS for each year beyond the first 25 years of Credited Service (not to exceed five years)
  - A Pension for excess ITHP and an Annuity for Excess Contributions

### VESTED RETIREMENT

- There is no provision for vesting

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service; Accidental – no minimum service, but disability resulted from an on-the-job accident
- Disability Retirement Benefit:
  - Ordinary: 1.53% x FAS for each year after June 30, 1968; 1.20% x FAS for each year before July 1, 1968; plus ITHP; plus Accumulated Deductions; if eligible for service retirement, benefit = Service Retirement Benefit
  - Accidental: 75% of Final Compensation; plus ITHP; plus Accumulated Deductions; less 100% Workers' Compensation payments
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions, basic and additional (if less than five years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: A Pension equal to 50% of Final Compensation; plus a lump sum of Accumulated Deductions; plus a lump sum of ITHP; less 100% Workers' Compensation
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service.
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 2

# TIER 2 RETIREMENT OPTIONS

## SELECTION OF BENEFITS WITHOUT OPTIONAL MODIFICATION (MAXIMUM RETIREMENT ALLOWANCE)

If a member, upon retirement, does not elect one of the options listed below, his or her benefit will be paid as a Maximum Retirement Allowance payable in monthly installments throughout his or her life, with all payments ceasing at death.

## OPTION 1: RETURN OF ANNUITY RESERVE

Option 1 provides the pensioner with a reduced monthly lifetime allowance. If the pensioner dies before the *Annuity* portion of his or her payments equal the total value of the *Annuity* reserve set aside to pay his or her *Annuity* on the date of retirement, the balance is paid to the designated beneficiary in either a lump sum or monthly payments. Option 1 cannot be elected for the *ITHP* or *Pension* portions of the retirement allowance. More than one beneficiary may be named and the beneficiary(ies) may be changed at any time.

## OPTION 2: 100% JOINT-AND-SURVIVOR

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary receives 100% of the reduced monthly allowance for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

## OPTION 3: 50% JOINT-AND-SURVIVOR

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary receives 50% of the reduced monthly allowance for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

## OPTIONS 4-2 AND 4-3: POP-UP JOINT-AND-SURVIVOR OPTIONS

These options are variations of Options 2 and 3. The pensioner receives a reduced monthly lifetime allowance under either a 100% or 50% joint-and-survivor arrangement, but if the beneficiary dies before the pensioner, the pensioner's benefit "pops-up," that is, it automatically becomes the Maximum Retirement Allowance.

## OPTION 4: LUMP-SUM PAYMENT

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary(ies) receives a limited lump-sum payment specified by the pensioner at the time he or she chose this option. More than one beneficiary can be named and the beneficiary(ies) can be changed at any time.

**NOTE:** A pensioner may elect to receive any form of payment that is the actuarial equivalent of their Maximum Retirement Allowance, as certified by NYCERS' Chief Actuary and approved by the Board of Trustees.

### OPTION 5 (FIVE-YEAR CERTAIN)

The pensioner receives a reduced monthly lifetime allowance. If the pensioner dies within five years from the date of retirement, the reduced monthly retirement allowance will be paid to the surviving designated primary beneficiary for the unexpired balance of the five-year period. If the designated primary beneficiary predeceases the pensioner, the balance of the payments due for the remainder of the five-year period is continued to the pensioner's designated contingent beneficiary. If none exists, it is paid in a lump-sum to the estate of the pensioner.

Should a designated primary beneficiary also die, after having started to receive payments under this option selection, the balance will be paid in a lump-sum to the designated contingent beneficiary. If none exists, the lump-sum balance will be paid to the estate of the primary beneficiary.

### OPTION 6 (TEN-YEAR CERTAIN)

The pensioner receives a reduced monthly lifetime allowance. If the pensioner dies within ten years from the date of retirement, the reduced monthly retirement allowance will be paid to the surviving designated primary beneficiary for the unexpired balance of the ten-year period. If the designated primary beneficiary predeceases the pensioner, the balance of the payments due for the remainder of the ten-year period is continued to the pensioner's designated contingent beneficiary. If none exists, it is paid in a lump-sum to the estate of the pensioner.

Should a designated primary beneficiary also die, after having started to receive payments under this option selection, the balance will be paid in a lump-sum to the designated contingent beneficiary. If none exists, the lump-sum balance will be paid to the estate of the primary beneficiary.

## RETIREMENT PLAN FOR GENERAL MEMBERS

### SERVICE RETIREMENT

- May retire with an unreduced benefit at age 62 and as early as age 55, with a reduced benefit
- Service Retirement Benefit is:
  - Less than 20 years of Credited Service: 1.67% x each year of Credited Service x Final Average Salary (FAS)
  - 20 or more years of Credited Service: 2% x each year of Credited Service x FAS
- Benefit is reduced by 50% of your Primary Social Security Benefit (PSSB) beginning at age 62
- Post-retirement escalations depending on age you retire

### VESTED RETIREMENT

- A member with five or more years of Credited Service at age 62 may receive an unreduced vested retirement benefit or the member may elect to receive a reduced benefit prior to age 62, as early as age 55
- Benefit calculation same as service retirement benefit calculation

### DISABILITY RETIREMENT

- May receive an Ordinary Disability Benefit (ODB) or Accidental Disability Benefit (ADB)
- ODB: If you have at least five years of service and deemed disabled by the Social Security Administration the ODB is equal to the greater of one-third of FAS or 2% x Credited Service x FAS (reduced by 50% of the PSSB & 100% of Workers' Compensation Payments)
- ADB: Eligible if your disability is deemed to be the result of an accidental injury sustained in the performance of duty. The benefit is 60% of FAS minus 50% of the PSSB and 100% of Workers' Compensation Payments.
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum. A return of Basic Member Contributions included. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of FAS payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## UNIFORMED CORRECTION FORCE 25 - YEAR PLAN

### SERVICE RETIREMENT

- Correction Officers appointed after July 27, 1976 can retire after 25 years of Credited Service without regard to age, and without a benefit reduction due to retirement prior to age 62
- The Service Retirement Benefit is 50% of your Final Average Salary (FAS)

### VESTED RETIREMENT

- There is no Vesting provision with this plan, however, members may vest under the basic Tier 3 vesting provisions (See Retirement Plan for General Members)

### DISABILITY RETIREMENT

- May receive an Ordinary Disability Benefit (ODB), special disability benefit, performance of duty disability benefit or Accidental Disability Benefit (ADB)
- ODB: See "Retirement Plan for General Members"
- Special Disability Benefit (RSSL §507-a): Eligible with 10 or more years of Credited Service. The Benefit is equal to one-third of your FAS or 1.67% x each year of Credited Service x FAS. If eligible for service retirement, the benefit will be equal to the service retirement benefit if greater.
- Performance of Duty Disability Benefit: Eligible if your disability is deemed to be the result of an accidental injury sustained in the performance of duty, by an act of an inmate; 75% of FAS payable.
- ADB: See "Retirement Plan for General Members"
- Heart Presumption: Diseases of the heart resulting in disability presumed line-of-duty;75% of FAS payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; 75% of FAS payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: members with more than 90 days of service will receive a death benefit equal to three years' salary lump sum, plus a return of Basic Member Contributions
- Accidental Death Benefit: 50% of FAS payable
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 3

## UNIFORMED CORRECTION OFFICER 20 - YEAR RETIREMENT PLAN (CO-20)

### SERVICE RETIREMENT

- May retire with 20 or more years of Credited Service or Allowable Correction Service (ACS) (type of service you need depends on when you became a member), without regard to age.
- The Service Retirement Benefit is:
  - For the first 20 years of Credited Service or ACS: 50% of FAS
  - For all years of Credited Service or ACS, other than the first 20 years of such service, 1.67% x years of service x FAS (not to exceed 30 years)

### VESTED RETIREMENT

- Must have at least five years of Credited Service or ACS, but less than 20 years of such service
- Benefit payable on the earliest date the member could have retired with 20 years of Credited Service or ACS
- The Vested Retirement Benefit is: 2.5% x years of service x FAS

### DISABILITY RETIREMENT

- May receive an Ordinary Disability Benefit (ODB), special disability benefit, performance of duty disability benefit or Accidental Disability Benefit (ADB)
- ODB: See "Retirement Plan for General Members"
- Special Disability Benefit: Eligible with 10 or more years of Credited Service; benefit = 1/3 of FAS or 1.67% x each year of Credited Service x FAS. If eligible for service retirement, benefit = Service Retirement Benefit.
- Performance of Duty Disability: Eligible if your disability is deemed to be the result of an injury sustained in the performance of duty by an act of an inmate; 75% of FAS payable
- ADB: See "Retirement Plan for General Members"
- Heart Presumption: Diseases of the heart resulting in disability presumed line-of-duty; 75% of FAS payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; 75% of FAS payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: members with more than 90 days of service will receive a death benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions, basic and additional
- Accidental Death Benefit: 50% of FAS payable
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## CORRECTION CAPTAIN 20 - YEAR RETIREMENT PLAN (CC-20)

### SERVICE RETIREMENT

- May retire with 20 or more years of Credited Service or Allowable Correction Service (ACS) (type of service you need depends on when you became a member), without regard to age.
- The Service Retirement Benefit is:
  - For the first 20 years of Credited Service or ACS: 50% of FAS
  - For all years of Credited Service or ACS, other than the first 20 years of such service, 1.67% of FAS times the years of such service (not to exceed 30 years)

### VESTED RETIREMENT

- Must have at least five years of Credited Service or ACS, but less than 20 years of such service
- Benefit payable on the earliest date the member could have retired with 20 years of Credited Service or ACS
- The Vested Retirement Benefit is: 2.5% x years of service x FAS

### DISABILITY RETIREMENT

- May receive an Ordinary Disability Benefit (ODB), special disability benefit, performance of duty disability benefit or Accidental Disability Benefit (ADB)
- ODB: See "Retirement Plan for General Members"
- Special Disability Benefit: Eligible with 10 or more years of Credited Service; benefit = 1/3 of FAS or 1.67% x each year of Credited Service x FAS. If eligible for service retirement, benefit = Service Retirement Benefit.
- Performance of Duty Disability Benefit: Eligible if your disability is deemed to be the result of an injury sustained in the performance of duty by an act of an inmate; 75% of FAS payable
- ADB: See "Retirement Plan for General Members"
- Heart Presumption: Diseases of the heart resulting in disability presumed line-of-duty; 75% of FAS payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; 75% of FAS payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: members with more than 90 days of service will receive a death benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions, basic and additional
- Accidental Death Benefit: 50% of FAS payable
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 3

# UNIFORMED CORRECTION FORCE 20 - YEAR RETIREMENT PLAN (CF-20)

## SERVICE RETIREMENT

- May retire with 20 or more years of Allowable Correction Service (ACS), without regard to age
- The Service Retirement Benefit is:
  - For the first 20 years of ACS: 50% of Final Average Salary (FAS)
  - For all years of ACS other than the first 20 years of such service: 1.67% of FAS times years of such service (not to exceed 30 years)

## VESTED RETIREMENT

- Must have at least five years of ACS, but less than 20 years of such service
- Benefit payable on the earliest date the member could have retired with 20 years of ACS
- The Vested Retirement Benefit is: 2.5% of FAS for each year of ACS

## DISABILITY RETIREMENT

- May receive an Ordinary Disability Benefit (ODB), special disability benefit, performance of duty disability benefit or Accidental Disability Benefit (ADB)
- ODB: See "Retirement Plan for General Members"
- Special Disability Benefit: Eligible with 10 or more years of Credited Service; benefit = 1/3 of FAS or 1.67% x each year of Credited Service x FAS. If eligible for service retirement, benefit = Service Retirement Benefit.
- Performance of Duty Disability Benefit: Eligible if your disability is deemed to be the result of an injury sustained in the performance of duty by an act of an inmate; 75% of FAS payable
- ADB: See "Retirement Plan for General Members"
- Heart Presumption: Diseases of the heart resulting in disability presumed line-of-duty; 75% of FAS payable
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; 75% of FAS payable
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01

## DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: members with more than 90 days of service will receive a death benefit equal to three years' salary lump sum, plus a return of Accumulated Deductions, basic and additional
- Accidental Death Benefit: 50% of FAS payable
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Diseases of the heart resulting in death presumed accidental; accidental benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

# TIER 3 RETIREMENT OPTIONS

**SELECTION OF BENEFITS WITHOUT OPTIONAL MODIFICATION
(MAXIMUM RETIREMENT ALLOWANCE)**

If a member, upon retirement, does not elect one of the options listed below, his or her benefit will be paid as a Maximum Retirement Allowance, payable in monthly installments throughout his or her life, with all payments ceasing at death.

**OPTION 1:
100% JOINT-AND-SURVIVOR**

The pensioner receives a reduced monthly lifetime benefit. When the pensioner dies, the surviving beneficiary receives the same reduced monthly benefit for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

**OPTION 2:
OTHER JOINT-AND-SURVIVOR OPTIONS**

The pensioner receives a reduced monthly lifetime benefit. When the pensioner dies, the surviving beneficiary receives a benefit of 90% or less (amount depends on the pensioner's choice, in increments of not less than 10%) of the pensioner's reduced monthly benefit for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

**OPTION 3:
FIVE-YEAR CERTAIN**

The pensioner receives a reduced monthly lifetime benefit. If the pensioner dies within five years from the date of retirement, the reduced monthly retirement benefit will continue to be paid to the surviving designated primary beneficiary for the unexpired balance of the five-year period. If the designated primary beneficiary predeceases the pensioner, the balance of the payments due for the unexpired balance of the five-year period is continued to the pensioner's contingent beneficiary or, if none exists, is paid in a lump-sum to the estate of the pensioner. Should a designated primary beneficiary who has started to receive payments die before the unexpired balance of the five-year period, the balance of the payments for the unexpired balance of the five-year period is paid in a lump-sum to the designated contingent beneficiary or, if none exists, to the estate of the primary beneficiary.

**OPTION 4:
TEN-YEAR CERTAIN**

The pensioner receives a reduced monthly lifetime benefit. If the pensioner dies within 10 years from the date of retirement, the reduced monthly retirement benefit will continue to be paid to the surviving designated primary beneficiary for the unexpired balance of the 10-year period. If the designated primary beneficiary predeceases the pensioner, the balance of the payments due for the unexpired balance of the 10-year period is continued to the pensioner's contingent beneficiary or, if none exists, is paid in a lump-sum to the estate of the pensioner. Should a designated primary beneficiary who has started to receive payments die before the unexpired balance of the 10-year period, the balance of the payments for the unexpired balance of the 10-year period is paid in a lump-sum to the designated contingent beneficiary or, if none exists, to the estate of the primary beneficiary.

**Members who retire on or after November 21, 1992 are eligible to elect Option 5, the *Pop-Up* Option.**

**OPTION 5:**
**POP-UP OPTION**

The Pop-Up Option is a variation of Options 1 and 2. The pensioner receives a reduced monthly lifetime benefit under a 100%, 90% or less (amount depends on the pensioner's choice, in increments of not less than 10%) joint-and-survivor selection. If the beneficiary dies before the pensioner, the pensioner's benefit "pops-up," that is, it automatically becomes the Maximum Retirement Allowance.

## BASIC 62/5 PLAN

### SERVICE RETIREMENT

- May retire at age 62 with five or more years of Credited Service
- May retire as early as age 55, but with a penalty
- The Service Retirement Benefit is:
  - Less than 20 years of Credited Service: 1.67% x each year of Credited Service x Final Average Salary (FAS)
  - Between 20 and 30 years of Credited Service: 2% x each year of Credited Service x FAS
  - More than 30 years of Credited Service: 2% x each year for first 30 years of Credited Service x FAS, plus 1.5% x each year of Credited Service in excess of 30 years x FAS

### VESTED RETIREMENT

- Need a minimum of five years of Credited Service, two of which must be Membership Service
- Payability Date: Age 62
- Benefit calculation same as Service Retirement Benefit calculation

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 55/25 PLAN – CHAPTER 96 OF THE LAWS OF 1995

### SERVICE RETIREMENT

- May retire at age 55 with at least 25 years of Credited Service
- The Service Retirement Benefit is:
  - Between 25 and 30 years of Credited Service: 2% x each year of Credited Service x FAS
  - More than 30 years of Credited Service: 2% x each year for first 30 years of Credited Service x FAS, plus 1.5% x each year of Credited Service in excess of 30 years x FAS

### VESTED RETIREMENT

- There is no vesting provision under this plan
- Members always retain the right to vest under the basic 62/5 plan
- Benefit calculation same as Service Retirement Benefit calculation

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions - basic and employee portion (50%) of Additional Member Contributions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## 57/5 PLAN – CHAPTER 96 OF THE LAWS OF 1995

### SERVICE RETIREMENT

- May retire at age 57 with five or more years of Credited Service
- The Service Retirement Benefit is:
  - Less than 20 years of Credited Service: 1.67% x each year of Credited Service x Final Average Salary (FAS)
  - Between 20 and 30 years of Credited Service: 2% x each year of Credited Service x FAS
  - More than 30 years of Credited Service: 2% x each year for first 30 years of Credited Service x FAS, plus 1.5% x each year of Credited Service in excess of 30 years x FAS

### VESTED RETIREMENT

- Need a minimum of five years of Credited Service, two of which must be Membership Service
- Payability Date: Age 57
- Benefit calculation same as Service Retirement Benefit calculation

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions – basic and employee portion (50%) of Additional Member Contributions (AMCs). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## SANITATION 30-YEAR RETIREMENT PLAN (SA-30)

### SERVICE RETIREMENT

- May retire at age 55 with 30 or more years of Credited Service
- The Service Retirement Benefit is:
  - With 30 years of Credited Service: 2% x each year of Credited Service x FAS
  - More than 30 years of Credited Service: 2% x each year for first 30 years of Credited Service x FAS, plus 1.5% x each year of Credited Service in excess of 30 years x FAS

### VESTED RETIREMENT

- Need a minimum of five years of Credited Service, two of which must be Membership Service
- Payability Date: Age 62
- Benefit calculation same as Service Retirement Benefit calculation in the Basic 62/5 Plan

### DISABILITY RETIREMENT

- Ordinary - must have ten or more years of Credited Service, unless disabilty resulted from accident sustained on-the-job
- Accidental - no minimum service, but disability resulted from an on-the-job accident
- Ordinary: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS; If eligible for service retirement, the benefit equals the Service Retirement Benefit
- Accidental: 75% of FAS
- Heart Presumption: Heart ailment presumed accidental; member eligible for benefit of 75% of FAS
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary: Need more than 90 days of service; benefit equal to three years' salary lump sum, plus Accumulated Deductions
- Accidental: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of the death benefit in force at time of separation from service
- Heart Presumption: Death due to heart ailment presumed accidental; accidental death benefit payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## UNIFORMED SANITATION 20-YEAR RETIREMENT PLAN (SA-20)

### SERVICE RETIREMENT

- May retire after 20 years of Allowable Sanitation Service, without regard to age
- The Service Retirement Benefit is:
  - For the first 20 years of Allowable Sanitation Service: 50% of Final Average Salary (FAS)
  - For all years of Allowable Sanitation Service in excess of the first 20: 1.5% of Final Compensation x years of such service; plus
  - For each year of Credited Service, other than Allowable Sanitation Service: 1% of Final Compensation

### VESTED RETIREMENT

- Must have five or more years of Allowable Sanitation Service but less than 20
- Payability Date: The date you would have reached 20 years if you had not discontinued service
- Vested Benefit: For each year of Allowable Sanitation Service: 2.5% of FAS; plus
- For each year of Credited Service other than Allowable Sanitation Service: 1% of Final Compensation

### DISABILITY RETIREMENT

- Ordinary Disability: Must have ten or more years of Credited Service: Benefit equals the greater of 1/3 of FAS or 1.67% x each year of Credited Service
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Accidental Disability: Disabled because of a natural or proximate result of an accident sustained on-the-job; benefit equal to 75% of FAS
- Heart Presumption: Heart ailment presumed accidental; member eligible for benefit of 75% of FAS
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit: Need at least 90 days of service; benefit equal to three years' salary lump sum, plus Accumulated Deductions - basic and additional
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Heart ailment presumed accidental; 50% of salary payable
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## TRANSIT 25 - YEAR / AGE - 55 RETIREMENT PLAN (T2555)

### SERVICE RETIREMENT

- May retire at age 55 with credit for 25 or more years of Allowable Service in the Transit Authority
- The Service Retirement Benefit is:
  - For the first 25 years of Allowable Service in the Transit Authority, 50% of Final Average Salary (FAS), plus
  - For each additional year beyond the first 25 (to a maximum of 30 years of such service), 2% of FAS, plus
  - For each additional year in excess of 30 years of such service, 1½% of FAS

### VESTED RETIREMENT

- A Participant with at least 25 years of Allowable Service, but has not attained age 55, is eligible for a Vested Retirement Benefit which becomes payable on his or her 55th birthday and calculated the same as the Service Retirement Benefit
- A participant with at least five years of Allowable or Credited Service, but less than 25, can vest under the Basic 62/5 Plan

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions. Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 4

## TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY 20 - YEAR / AGE - 50 RETIREMENT PLAN (TBTA-20/50)

### SERVICE RETIREMENT

- May retire with 20 or more years of Credited Service and as early as age 50
- The Service Retirement Benefit is:
  - 50% of your Final Average Salary (FAS) for the first 20 years of Credited Service, plus
  - 1.5% of your FAS for each year of Credited Service in excess of 20
  - Benefit limited to 30 years

### VESTED RETIREMENT

- Must have at least five years but less than 20 years of Credited Service
- Payable on the earliest date the member could have retired for service
- 2.5% of your FAS for each year of Credited Service

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions – basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order

## DISPATCHER 25 - YEAR RETIREMENT PLAN (DIS-25)

### SERVICE RETIREMENT

- May retire for service with 25 or more years of Allowable Service as a Dispatcher Member, regardless of age
- The Service Retirement Benefit is:
  - 50% of your Final Average Salary (FAS) for the first 25 years of Allowable Service, plus
  - 2% of your FAS for each year of Allowable Service in excess of 25
  - Benefit limited to 30 years

### VESTED RETIREMENT

- Must have at least five years but less than 25 years of Allowable Service
- Payable on the date the member would have completed 25 years of Allowable Service
- 2% of your FAS for each year of Allowable Service

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions – basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

# EMERGENCY MEDICAL TECHNICIAN 25-YEAR RETIREMENT PLAN (EMT-25)

## SERVICE RETIREMENT

- Participants may retire for service with 25 or more years of Allowable Service as an EMT Member, regardless of age
- The Service Retirement Benefit is:
  - 50% of your Final Average Salary (FAS) for the first 25 years of Allowable Service, plus
  - 2% of your FAS for each year of Allowable Service in excess of 25
  - Benefit limited to 30 years

## VESTED RETIREMENT

- Must have at least five years but less than 25 years of Allowable Service
- Payable on the date the member would have completed 25 years of Allowable Service
- 2% of your FAS for each year of Allowable Service

## DISABILITY RETIREMENT

- Ordinary Disability: Must have ten or more years of Credited Service; Benefit equals the greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Line-of-Duty Disability: Disabled because of an injury sustained in the performance of duty; benefit equal to 75% of FAS
- Heart Presumption: Heart ailment presumed line-of-duty; benefit equals 75% of FAS
- HAT Presumption: HIV, tuberculosis or hepatitis resulting in disability presumed line-of-duty; benefit equals 75% of FAS
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions – basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Heart Presumption: Heart ailment presumed accidental; 50% of salary payable
- A special accidental death benefit is also paid to certain beneficiaries defined in law based upon a priority order
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

# NYC DEPUTY SHERIFFS 25 - YEAR RETIREMENT PLAN (DSH25)

## SERVICE RETIREMENT

- May retire if they have credit for 25 or more years of Credited Service, without regard to age
- The Service Retirement Benefit is:
  - For the first 25 years of Credited Service: 55% of Final Average Salary (FAS), plus
  - 1.7% of FAS for each year of Credited Service in excess of 25
  - Benefit limited to 30 years

## VESTED RETIREMENT

- Must have at least five, but less than 25 years of Credited Service
- Payable on the date the Participant would have completed 25 years of Credited Service
- 2.2% of your FAS for each year of Credited Service

## DISABILITY RETIREMENT

- Ordinary Disability: Must have ten or more years of Credited Service and are deemed physically or mentally incapacitated
- Ordinary Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Accidental Disability: Disabled because of a natural or proximate result of an accident sustained on-the-job; benefit equal to 75% of Final Compensation
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions - basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 4

## AUTOMOTIVE SERVICE WORKERS 25 - YEAR / AGE - 50 RETIREMENT PLAN (AUT-25)

### SERVICE RETIREMENT

- May retire for service with 25 or more years of Credited Service, at age 50
- The Service Retirement Benefit is:
  - 50% of Final Average Salary (FAS) for the first 25 years of Credited Service, plus
  - An additional 2% of FAS for each year in excess of 25
  - Benefit limited to 30 years

### VESTED RETIREMENT

- Must have at least five but less than 25 years of Credited Service
- Payable on the date the member reaches at least age 50 AND would have completed 25 years of Credited Service
- 2% of your FAS for each year of Credited Service

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions - basic and additional (if less than five years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## SPECIAL OFFICER 25 - YEAR RETIREMENT PLAN (SPO-25)

### SERVICE RETIREMENT

- May retire for service with 25 or more years of Allowable Service as a Special Officer, regardless of age
- The Service Retirement Benefit is:
  - 50% of your Final Average Salary (FAS) for the first 25 years of Allowable Service, plus
  - 2% of your FAS for each year of Allowable Service in excess of 25
  - Benefit limited to 30 years

### VESTED RETIREMENT

- Must have at least five years but less than 25 years of Allowable Service
- Payable on the date the member would have completed 25 years of Allowable Service
- 2% of your FAS for each year of Allowable Service

### DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

### DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions - basic and additional (if less than 15 years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

NYCERS NYC Employees' Retirement System

TIER 4

# POLICE COMMUNICATIONS (911) TECHNICIANS 25 YEAR RETIREMENT PLAN (PCT 25)

## SERVICE RETIREMENT

- May retire for service with 25 or more years of Credited Service, regardless of age
- The Service Retirement Benefit is:
  - 50% of your Final Average Salary (FAS) for the first 25 years of Credited Service, plus
  - 2% of your FAS for each year of Credited Service in excess of 25
  - Benefit limited to 30 years

## VESTED RETIREMENT

- Must have at least five years but less than 25 years of Credited Service
- Payable on the date the member would have completed 25 years of Credited Service
- 2% of your FAS for each year of Credited Service

## DISABILITY RETIREMENT

- Eligiblity: Must have ten or more years of Credited Service, unless disability resulted from an accident sustained on-the-job
- Disability Retirement Benefit: The greater of 1/3 of FAS or 1.67% x each year of Credited Service x FAS
- If eligible for Service Retirement, the benefit equals the Service Retirement Benefit if greater than above
- Members may file for disability benefits in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

## DEATH BENEFITS

- An Ordinary Death Benefit (need not have been on-the-job) payable to a Designated Beneficiary(ies) (member's designation)
- An Accidental Death Benefit (resulted from an accident on-the-job) payable to an Eligible Beneficiary(ies) (defined in law)
- Ordinary Death Benefit (Plan 2): 1-2 years of service = 1 year salary lump sum; 2-3 years of service = 2 years' salary lump sum; 3 or more years of service = 3 years' salary lump sum, plus a return of Accumulated Deductions - basic and additional (if less than five years of service). Retirees are eligible for a Post-Retirement Death Benefit.
- Accidental Death Benefit: 50% of salary payable
- Death Benefit for Vested Members: Need at least 10 years of Credited Service; 50% of death benefit in force at time of separation from service
- Eligible Beneficiaries may file for accidental death benefits if member's death deemed in connection with the World Trade Center tragedy on 9/11/01 provided certain criteria is met

# TIER 4 OPTIONS

**SELECTION OF BENEFITS WITHOUT OPTIONAL MODIFICATION (MAXIMUM RETIREMENT ALLOWANCE)**

If a member, upon retirement, does not elect one of the options listed below, his or her benefit will be paid as a Maximum Retirement Allowance payable in monthly installments throughout his or her life, with all payments ceasing at death.

**OPTION 1:**
**100% JOINT-AND-SURVIVOR**

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary receives the same reduced monthly allowance for life. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

**OPTION 2:**
**OTHER JOINT-AND-SURVIVOR**

The pensioner receives a reduced monthly lifetime allowance. When the pensioner dies, the surviving beneficiary receives a lifetime benefit of 25%, 50% or 75% of the pensioner's reduced monthly benefit, depending on the pensioner's choice. Only one beneficiary may be named, and the beneficiary may not be changed once named and the option is in effect.

**OPTION 3:**
**FIVE-YEAR CERTAIN**

The pensioner receives a reduced monthly lifetime benefit. If the pensioner dies within five years from the date of retirement, the reduced monthly retirement benefit will be paid to the surviving designated beneficiary(ies) for the unexpired balance of the five-year period. If the pensioner's designated beneficiary predeceases the pensioner, the balance of the payments due for the unexpired balance of the five-year period is paid in a lump-sum to the pensioner's contingent beneficiary(ies) or, if none exists, to the estate of the pensioner. Should a designated primary beneficiary also die, after having started to receive payments, the balance will be paid in a lump-sum to the designated contingent beneficiary(ies). If none exists, the lump-sum balance is paid to the estate of the primary beneficiary.

**OPTION 4:**
**TEN-YEAR CERTAIN**

The pensioner receives a reduced monthly lifetime benefit. If the pensioner dies within 10 years from the date of retirement, the reduced monthly retirement benefit will be paid to the surviving designated beneficiary(ies) for the unexpired balance of the ten-year period. If the pensioner's designated beneficiary predeceases the pensioner, the balance of the payments due for the unexpired balance of the ten-year period is paid in a lump-sum to the pensioner's contingent beneficiary(ies) or, if none exists, to the estate of the pensioner. Should a designated primary beneficiary die before the unexpired balance of the ten-year period, the balance of the payments for the unexpired balance of the ten-year period is paid in a lump-sum to the designated contingent beneficiary(ies) or, if none exists, to the estate of the primary beneficiary.

**Members who retire on or after November 21, 1992 are eligible to elect Option 5, the *Pop-Up* Option.**

### OPTION 5:
### POP-UP OPTION

The Pop-Up Option is a variation of a joint-and-survivor option. The pensioner receives a reduced monthly lifetime benefit under a 100%, or 50% joint-and-survivor option. If the beneficiary dies before the pensioner, the pensioner's benefit "pops-up," that is, it automatically becomes the Maximum Retirement Allowance.

# LEGISLATION
# (July 1, 2007 – June 30, 2008)

## Laws of 2007

**Chapter 182 – enacted 7/3/2007**

This law allows employees of the NYC Parks Department in the title of Climber and Pruner who were laid off on or after July 1, 1991 and who returned to service prior to July 1, 1995 to buy-back the period of time they were laid off. Eligible members shall be deemed to have been in continuous service for the layoff period provided it did not exceed 25 months in duration. To effectuate the buy-back, members are required to pay the Basic Member Contributions required of them had they been in service and if they are in a Chapter 96 plan, the Additional Member Contributions required under such plan.

**Chapter 214 – enacted 7/3/2007**

This law amends the World Trade Center (WTC) law to provide that members who repaired, cleaned or rehabilitated City-owned vehicles contaminated by debris at the WTC site, regardless of whether the vehicles were tended to at the WTC site, are deemed to have participated in WTC rescue, recovery or cleanup operations. Such members would still have to meet other pre-qualifying criteria set forth in the WTC law.

**Chapter 349 – enacted 7/18/2007**

This law allows members in the following titles to elect to participate in the Automotive Workers 25-Year/Age 50 retirement plan (AUT 25):

Senior Stationary Engineer, Stationary Engineer, Auto Mechanic (Diesel), Auto Electrician, Auto Machinist, Machinist or Machinist Helper

Members in the aforementioned titles may file a duly executed application with NYCERS within 270 days after the enactment of this law in order to become a participant in this retirement plan. Employees in the aforementioned titles were first given the opportunity to elect the Automotive Workers 25-Year/Age 50 Retirement Plan pursuant to Chapter 681 of the Laws of 2003. This law affords them another opportunity to join the plan.

**Chapter 379 – enacted 7/26/2007**

This law allows current and former members of the Transport Workers Union, Local 100 who had an accumulated balance of additional member contributions made in accordance with the Transit 25-Year/Age 55 Retirement Plan on December 16, 2005 to apply for a refund of such contributions. Former members include retirees (if retired after 12/16/2005) and those who were promoted to supervisory titles represented by another public employee union.

**Chapter 495 – enacted 8/1/2007**

This law extends the deadline for eligible members to file the Notice of Participation required by the World Trade Center Law. For eligible members, except Tier 3 Correction Officers, the deadline to file is no later than June 14, 2009. For Tier 3 Correction Officers, the deadline to file is no later than June 13, 2009. The law is retroactive to June 14, 2007.

**Chapter 496 – enacted 8/1/2007**

This law authorizes public retirement systems to reproduce all or any part of paper records by any computerized process which accurately produces a digital image of such paper records. Once the paper records have been reproduced, examined and placed in easily accessible files, the retirement systems are further authorized to dispose of, or destroy, the originals. The law also authorizes representatives of public retirement systems to certify the authenticity of the records reproduced and authorizes the systems to charge for copies of such records as provided by law.

**Chapter 625 – enacted 8/28/2007**

This law raises the maximum benefit cap for Tier 2 members of the New York State and Local Police and Fire Retirement System and Tier 2 NYCERS District Attorney Investigators to 32 years from 30 years. This law takes effect immediately.

**Chapter 627 – enacted 8/28/2007**

This law allows the favorable tax treatment, as authorized by Section 414(h) of the Internal Revenue Code, of payroll deductions towards the purchase of previous service or military service. Such payroll deductions would be eligible for employer pick-up, or Federal tax-deferred status, like payroll deductions toward required Basic or Additional Member Contributions, etc. The law takes effect at the beginning of the first payroll period following sixty (60) days after at least one of the retirement systems covered by this act shall receive an IRS ruling stating the authorization of the favorable tax treatment of such payroll deductions.

**Chapter 637 – enacted 8/28/2007**

This law allows the following types of service to count as service in the uniformed force of the New York City Fire Department for retirement eligibility and benefit purposes (such prior service must immediately precede service in the uniformed force of the New York City Fire Department):

- Allowable EMT Service
- Allowable Peace Officer Service (as defined in Section 2.10 of the Criminal Procedure Law)
- Service as a Sheriff, Deputy Sheriff, Marshal, or D.A. Investigator
- Service in any position specified in Appendix A of the agreement dated October 27, 2005 among the City of New York, the Uniformed Firefighters' Association and the Uniformed Fire Officers' Association.

# Laws of 2008

**Chapter 76 – enacted 5/13/2008**

Chapter 76 of the Laws of 2008 increases the special accidental death benefit payable under Section 208-f of the NYS General Municipal Law by 3%. The beneficiaries of the following NYCERS members are covered: Correction Officers, Housing and Transit Police, Emergency Medical Technicians and certain members of the Triborough Bridge and Tunnel Authority. The benefit is payable to the widow or widower, or in the event the widow or widower is deceased, the benefit is payable to the children of the deceased under 18 years of age or under 23 if the child is a student.

**Chapter 115 – enacted 6/17/2008**

This law provides for the takeover of the Board of Directors of the New York City Off-Track Betting Corporation (NYC OTB) to comprise five appointees of the NYS Governor; previously, appointments to the five-member board were made by the Mayor of the City of New York. NYC OTB remains a public benefit corporation and will continue wagering operations in OTB parlors located in the City of New York. A summary of the law's pension-related provisions is as follows:

- All incumbent employees of NYC OTB remain employees of NYC OTB
- All incumbent employees who are NYCERS members will continue to have the same rights, privileges, obligations and status pertaining to NYCERS membership
- All future employees of NYC OTB will be eligible for NYCERS membership
- Employment by NYC OTB shall constitute City service for the purposes of chapter one of title thirteen of the Administrative Code of the City of New York.
- NYC OTB shall retain all personnel, payroll and associated employee records and shall ensure NYCERS has access to such records for retirement purposes consistent with current records retention requirements.

**Chapter 133 – enacted 6/30/2008**

The Patriot Plan allows NYCERS to suspend a member's obligation to repay a pension loan while the member is on active military duty. The maximum rate of interest NYCERS can charge such member is six percent. The Patriot Plan was originally enacted in 2003 and was extended a few times since its enactment. Chapter 133 extends the provision of the Patriot Plan applicable to pension loan suspension for an additional two years, until July 1, 2010.

# PART 2

# FINANCIAL SECTION

**This Page Has Been Left Blank Intentionally**

Deloitte.

**Deloitte & Touche LLP**
Two World Financial Center
New York, NY 10281-1414
USA

Tel: +1 212 436 2000
Fax: +1 212 436 5000
www.deloitte.com

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of the
New York City Employees' Retirement System

We have audited the accompanying statements of plan net assets of the New York City Employees' Retirement System (the "Plan") as of June 30, 2008 and 2007, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2008 and 2007, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board ("GASB"). This supplementary information is the responsibility of Plan management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of such required supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, Schedule 1, Schedule 2, and Schedule 3, listed in the table of contents are required by the GASB. The required supplemental information is the responsibility of the management of the Plan. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The Introductory, Investment, Actuarial, Statistical Sections, and Schedule 4 – Funded Status Based on Entry Age Actuarial Cost Method within the Financial Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Plan. This supplementary information is the responsibility of Plan management. The Introductory, Investment, Actuarial, Statistical Sections, and Schedule 4 – Funded Status Based on Entry Age Actuarial Cost Method have not been subjected to the auditing procedures applied in our audits of the basic financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

October 28, 2008

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
## JUNE 30, 2008 AND 2007

This narrative discussion and analysis of New York City Employees' Retirement System's ("NYCERS" or the "Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2008 and 2007. It is meant to assist the reader in understanding NYCERS' financial statements by providing an overall review of the financial activities during the two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements.

**OVERVIEW OF BASIC FINANCIAL STATEMENTS**

The following discussion and analysis are intended to serve as an introduction to the plan's basic financial statements. The basic financial statements are:

- **The Statement of Plan Net Assets —** presents the financial position of the Plan at fiscal year end. It indicates the assets available for payment of future benefits and any current liabilities that are owed as of the statement date. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statement of Changes in Plan Net Assets** — presents the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Financial Statements** — provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

**Other information** — as required by the Governmental Accounting Standards Board ("GASB") is presented after the Notes to the Financial Statements.

The financial statements are prepared in accordance with GASB Pronouncements.

**Financial Highlights** — NYCERS' net assets held in trust for benefits have decreased by $2.8 billion (7%) from $42.5 billion as of June 30, 2007 to $39.7 billion at June 30, 2008. Net assets held in trust had increased by $5.2 billion (14%) from $37.3 billion as of June 30, 2006 to $42.5 billion at June 30, 2007. Increase in value of the Plan's equity holdings, both domestic and international, was the main reason that had caused the increases in net assets in fiscal year 2007. The decrease in those same sectors was the primary reason for the decline in plan net assets during fiscal 2008.

**Plan Net Assets**
**June 30, 2008, 2007 and 2006**
**(In thousands)**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Cash | $ 6,124 | $ 6,833 | $ 902 |
| Receivables for investment securities sold | 1,037,583 | 1,198,474 | 1,271,479 |
| Receivables for member loans | 828,779 | 828,450 | 846,688 |
| Receivables for accrued earnings | 246,581 | 239,344 | 224,272 |
| Investments at fair value | 45,258,849 | 49,946,540 | 43,987,714 |
| Other assets | 240,002 | 10,414 | 10,715 |
| Total assets | 47,617,918 | 52,230,055 | 46,341,770 |
| Accounts payable | 105,530 | 295,981 | 127,735 |
| Payables for investment securities purchased | 2,059,698 | 2,207,869 | 2,366,823 |
| Accrued benefits payable | 218,272 | 341,026 | 165,159 |
| Amount due to Variable Supplements Funds | 4,243 | 4,304 | 3,228 |
| Due to other retirement systems | 589 | 360 | 518 |
| Payables for securities lending transactions | 5,512,760 | 6,866,186 | 6,390,143 |
| Total Liabilities | 7,901,092 | 9,715,726 | 9,053,606 |
| Net assets held in trust for pension benefits | $ 39,716,826 | $ 42,514,329 | $ 37,288,164 |

The cash balances of $6.1 million on June 30, 2008 and $6.8 million on June 30, 2007 are relatively small since the Plan's practice is to fully invest its cash balances in most of its bank accounts on a daily basis. A typical benefit payment account would show an overdrawn balance since funds are deposited as outstanding benefit checks are presented to the banks for payments each day. These overdrawn balances made up the main component of accounts payable.

Receivables for investment securities sold amounted to $1.0 billion as of June 30, 2008, a decrease of $161 million (13%) from $1.2 billion at June 30, 2007, which was a decrease of $73 million (6%) from $1.3 billion at June 30, 2006. Although trades typically do not settle until a few days after trade dates, sales of investment securities are reflected on trade dates. These receivables are the result of those timing differences, and are, therefore, of no significance.

Fair value of investments at June 30, 2008 was $45.3 billion, a decrease of $4.7 billion (9%) from that of the June 30, 2007 investment value of $49.9 billion. This was primarily the result of declines in both the domestic and international equity markets.

Fair value of investments at June 30, 2007 was $49.9 billion, an increase of $6.0 billion (14%) over the June 30, 2006 investment value of $44.0 billion. This was the result of appreciation in both the domestic and international equity markets.

Other Assets increased $230 million from $10 million in fiscal year 2007 to $240 million in fiscal year 2008. The increase was due to $230 million being due from MTA-NYC Transit that wasn't paid until July 03, 2008.

Payables on purchases of investment securities amounted to $2.0 billion as of June 30, 2008, a decrease of $148 million (7%) from $2.2 billion at June 30, 2007. Although trades typically do not settle until a few days after trade dates, purchases of securities are reflected on trade dates. These payables are the result of those timing differences, and are, therefore, of no significance.

Payables on purchases of investment securities amounted to $2.2 billion as of June 30, 2007, a decrease of $159 million (7%) from $2.4 billion at June 30, 2006. Although trades typically do not settle until a few days after trade dates, purchases of securities are reflected on trade dates. These payables are the result of those timing differences, and are, therefore, of no significance.

Accrued benefits payable at June 30, 2008 amounted to $218 million, a decrease of $123 million (36%) from the $341 million benefits payable at June 30, 2007. The decrease was primarily due to having processed a great number of the one-time member contribution refunds that were due to certain Transit Authority members.

Accrued benefits payable at June 30, 2007 amounted to $341 million, an increase of $175 million (106%) from the $165 million benefits payable at June 30, 2006. The increase was primarily due to legislation which provides for member contribution refunds of $151 million to certain Transit Authority members who are members of the Amalgamated Transit Union and the Transport Workers' Union, as well as an increase in the amounts due to survivors of deceased members.

**Changes in Plan Net Assets**
**Years Ended June 30, 2008, 2007 and 2006**
**(In thousands)**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Additions: | | | |
| Member contributions | $ 366,144 | $ 351,073 | $ 341,643 |
| Employer contributions | 1,874,242 | 1,471,030 | 1,024,358 |
| Investment earnings: | | | |
| Interest and dividend income | 1,293,415 | 1,890,697 | 983,131 |
| Net appreciation in fair value of investments | (3,111,023) | 4,858,163 | 2,472,910 |
| Net securities lending income | 49,259 | 20,134 | 19,039 |
| Investment expenses | (115,320) | (98,137) | (69,381) |
| Net investment income | (1,883,669) | 6,670,857 | 3,405,699 |
| Other income | 3,096 | 2,997 | 2,937 |
| Total additions | 359,813 | 8,495,957 | 4,774,637 |
| Deductions: | | | |
| Benefits payments and withdrawals | 3,096,632 | 3,216,188 | 2,962,223 |
| Payments to other retirement systems | 5,129 | 4,301 | 4,799 |
| Transfers due to Variable Supplements Funds | 8,556 | 7,608 | 5,479 |
| Administrative expenses | 46,999 | 41,695 | 40,291 |
| Total deductions | 3,157,316 | 3,269,792 | 3,012,792 |
| Net (decrease) increase | $ (2,797,503) | $ 5,226,165 | $ 1,761,845 |

Employer contributions increased $403 million (27%), from $1.5 billion in fiscal year 2007 to $1.9 billion in fiscal year 2008 as a result of the changes in actuarial assumptions and methodology that became effective in fiscal year 2007.

Employer contributions increased $447 million (44%), from $1.0 billion in fiscal year 2006 to $1.5 billion in fiscal year 2007 as a result of the changes in actuarial assumptions and methodology that first became effective, with respect to employer contribution payments, in fiscal year 2007.

One reason for the increase is the treatment of Administrative and Investment Expenses under the One-Year Lag Methodology ("OYLM"). These expenses are now reimbursed two years after they are incurred, with two years' interest. Since 2004 expenses were paid in fiscal year 2005 (pre-OYLM) and since fiscal year 2005 expenses were paid in fiscal year 2007 under OYLM, no expense component was included in the fiscal year 2007 employer contribution. These expenses accounted for approximately $94 million of the increase in the fiscal year 2007 contribution.

A second reason for the increase is the phase-in under the Actuarial Asset Valuation Method ("AAVM") of asset losses. These losses occurred primarily during fiscal year 2001, fiscal year 2002, and fiscal year 2003. Under OYLM, these losses are being phased-in over six years. This accounted for approximately $301 million of the increase in the fiscal year 2007 contribution.

A third reason is payroll. Under the actuarial funding method, the normal cost should remain constant each year as a percentage of payrolls. Thus, an increase in payroll increases the employer contribution. This accounted for approximately $26 million of the increase in the fiscal year 2007 contribution.

The remaining $26 million balance of the increase in the fiscal year 2007 contribution of $447 million includes refinements in data and other actuarial experience.

Net investment income for the fiscal year ended June 30, 2008 totaled -$1.9 billion, compared to income of $6.7 billion in fiscal year 2007. This $8.6 billion decrease in investment income is primarily the result of investment depreciation, primarily in domestic and international equities.

Net investment income for the fiscal year ended June 30, 2007 totaled $6.7 billion, compared to income of $3.4 billion in fiscal year 2006. This $3.3 billion increase in investment income is the result of investment appreciation in fiscal year 2007 being $4.9 billion, as compared to $2.5 billion in fiscal year 2006. Besides the domestic and international equities sectors experiencing substantial appreciation, the Private Equity sector also performed well.

Investment expenses for fiscal year 2008 were $115 million, compared to $98 million in fiscal year 2007. The large increase was primarily due to increased investments in the Private Equity and Private Real Estate sectors.

Investment expenses for fiscal year 2007 were $98 million, compared to $69 million in fiscal year 2006. The large increase was due to increased investments in the Private Equity and Private Real Estate sectors, as well as the Plan paying more of its investment expenses directly, instead of the NYC Comptroller's Office incurring those expenses on the Plan's behalf.

Benefit payments and withdrawals for the fiscal year ended June 30, 2008 totaled $3.1 billion, a $120 million (4%) decrease from the $3.2 billion of fiscal year 2007. The reason for the decrease was that withdrawals in fiscal year 2007 had greatly increased due to the one-time refunds of $151 million in member contributions to certain Transit Authority members.

Benefit payments and withdrawals for the fiscal year ended June 30, 2007 totaled $3.2 billion, a $254 million (9%) increase from the $3 billion of fiscal year 2006. Besides retirement payments to new retirees and cost-of-living increases to most current retirees, legislation allowed for the one-time refunds of $151 million in members' contributions to certain Transit Authority members.

Administrative expenses increased $5 million (13%) from $42 million in fiscal year 2007 to $47 million in fiscal year 2008. The increase was primarily due to additional IT expenses related to replacing the current legacy database with DB2, a more modern database, along with designing a new Document Imaging & Workflow System that would be compatible with DB2. This is a multi-year project.

**Investments** — The table below summarizes the NYCERS investment allocation.

**Investment Summary**
**June 30, 2008, 2007, and 2006**
**(In thousands)**

| Type of investment (Fair value) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Short-term investments | $ 892,860 | $ 1,014,848 | $ 598,656 |
| U.S. Government securities | 5,214,593 | 5,776,241 | 5,080,495 |
| U.S. Corporate securities | 5,317,742 | 4,929,967 | 4,556,793 |
| Yankee bonds | 166,408 | 150,206 | 194,255 |
| U.S. equity securities | 16,685,061 | 20,042,675 | 18,205,425 |
| International equity investment fund | 7,078,803 | 8,011,972 | 6,926,833 |
| Private equity | 2,884,600 | 1,834,205 | 845,814 |
| Domestic equity mutual fund | 91,572 | 126,994 | 99,299 |
| Mortgage mutual fund | 149,123 | 105,823 | 55,652 |
| Promissory notes | 20,171 | 14,594 | 6,551 |
| Treasury Inflation Protected securities mutual fund | 1,255,161 | 1,089,407 | 1,047,045 |
| Securities lending collateral | 5,502,755 | 6,849,608 | 6,370,896 |
| Total | $ 45,258,849 | $ 49,946,540 | $ 43,987,714 |

**Investment Performance** — Investment performance results for fiscal year 2008 were generally consistent with related benchmarks. Domestic equities returned (12.84)%, which was just short of the Russell 3000 benchmark of (12.68)%. Domestic fixed income securities returned (.42)%, better than the Lehman U.S. Aggregate Bond Index of (1.02)%. International equity holdings returned (7.07)%, significantly higher than the MSCI EAFE index of (8.86)%.

**Contact information** — This financial report is designed to provide a general overview of The New York City Employees' Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to John D. Hartman, Deputy Director of Finance, New York City Employees' Retirement System, 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3724.

******

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## STATEMENTS OF PLAN NET ASSETS
## JUNE 30, 2008 AND 2007
## (In thousands)

| | 2008 | 2007 |
|---|---|---|
| ASSETS: | | |
| Cash | $ 6,124 | $ 6,833 |
| Receivables: | | |
| Investment securities sold | 1,037,583 | 1,198,474 |
| Member loans | 828,779 | 828,450 |
| Accrued interest and dividends | 246,581 | 239,344 |
| Total receivables | 2,112,943 | 2,266,268 |
| INVESTMENTS, at fair value (Notes 2 and 3): | | |
| Short-term investments: | | |
| U.S. treasury bills | - | 10,087 |
| Commercial paper | 255,107 | 501,123 |
| Short-term investment fund | 582,288 | 503,338 |
| U.S. government agency discount notes | 52,090 | 300 |
| Certificates of Deposit | 3,375 | - |
| Debt securities: | | |
| U.S. government | 5,214,593 | 5,776,241 |
| Corporate | 5,317,742 | 4,929,967 |
| Yankee bonds | 166,408 | 150,206 |
| Private equity | 2,884,600 | 1,834,205 |
| Equities - domestic | 16,685,061 | 20,042,675 |
| Mutual funds: | | |
| International equity | 7,078,803 | 8,011,972 |
| Domestic equity | 91,572 | 126,994 |
| Mortgages | 149,123 | 105,823 |
| Treasury inflation protected securities | 1,255,161 | 1,089,407 |
| Promissory notes | 20,171 | 14,594 |
| Collateral from securities lending | 5,502,755 | 6,849,608 |
| Total investments | 45,258,849 | 49,946,540 |
| OTHER ASSETS | 240,002 | 10,414 |
| Total assets | 47,617,918 | 52,230,055 |
| LIABILITIES: | | |
| Accounts payable | 105,530 | 295,981 |
| Payables for investment securities purchased | 2,059,698 | 2,207,869 |
| Accrued benefits payable (Note 2) | 218,272 | 341,026 |
| Amount due to Variable Supplements Funds | 4,243 | 4,304 |
| Due to other retirement systems | 589 | 360 |
| Securities lending (Note 2) | 5,512,760 | 6,866,186 |
| Total liabilities | 7,901,092 | 9,715,726 |
| PLAN NET ASSETS HELD IN TRUST FOR BENEFITS (A schedule of funding progress for the Plan is presented on Schedule 1) | $ 39,716,826 | $ 42,514,329 |

See notes to financial statements.

**STATEMENTS OF CHANGES IN PLAN NET ASSETS**
**YEARS ENDED JUNE 30, 2008 AND 2007**
**(In thousands)**

| | 2008 | 2007 |
|---|---|---|
| ADDITIONS: | | |
| Contributions: | | |
| Member contributions | $ 366,144 | $ 351,073 |
| Employer contributions | 1,874,242 | 1,471,030 |
| Total contributions | 2,240,386 | 1,822,103 |
| Investment income (Note 2): | | |
| Interest income | 693,211 | 709,213 |
| Dividend income | 600,204 | 1,181,484 |
| Net (depreciation) appreciation in fair value of investments | (3,111,023) | 4,858,163 |
| | (1,817,608) | 6,748,860 |
| Less: | | |
| Investment expenses | 115,320 | 98,137 |
| Net (loss) income | (1,932,928) | 6,650,723 |
| Securities lending transactions: | | |
| Securities lending income | 306,700 | 396,142 |
| Less: Securities lending fees | 257,441 | 376,008 |
| Net securities lending income | 49,259 | 20,134 |
| Net investment (loss) income | (1,883,669) | 6,670,857 |
| Other: | | |
| Other income | 3,096 | 2,997 |
| Total additions | 359,813 | 8,495,957 |
| DEDUCTIONS: | | |
| Benefit payments and withdrawals (Note 1) | 3,096,632 | 3,216,188 |
| Payments to other retirement systems | 5,129 | 4,301 |
| Transfers due to Variable Supplements Funds | 8,556 | 7,608 |
| Administrative expenses | 46,999 | 41,695 |
| Total deductions | 3,157,316 | 3,269,792 |
| (DECREASE) INCREASE IN PLAN NET ASSETS | (2,797,503) | 5,226,165 |
| PLAN NET ASSETS HELD IN TRUST FOR BENEFITS: | | |
| Beginning of year | 42,514,329 | 37,288,164 |
| End of year | $ 39,716,826 | $ 42,514,329 |

See notes to financial statements.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

**NOTES TO FINANCIAL STATEMENTS**
**YEARS ENDED JUNE 30, 2008 AND 2007**

## 1. PLAN DESCRIPTION

The City of New York ("The City") maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State ("State") statutes and City laws). The City's five major actuarially-funded pension systems are the New York City Employees' Retirement System (the "Plan"), the Teachers' Retirement System of the City of New York - Qualified Pension Plan ("TRS"), the New York City Board of Education Retirement System - Qualified Pension Plan ("BERS"), the New York City Police Pension Fund ("POLICE") and the New York City Fire Pension Fund ("FIRE"). Each pension system is a separate Public Employee Retirement System ("PERS") with a separate oversight body and is financially independent of the others.

The Plan is a cost-sharing, multiple-employer PERS. The Plan provides a pension benefit for employees of The City and various related employers not covered by The City's four other main pension systems. The employers (collectively, the "Employer"), in addition to The City, principally include five authorities, four public benefit corporations, The City University of New York and the State. Substantially, all employees of The City not covered by one of the other four pension systems are covered by the Plan. Permanent employees become Plan members within six months of their employment and may elect to become members earlier. All other employees may become members at their option.

The Plan functions in accordance with existing State statutes and City laws. It combines features of a defined benefit pension plan with those of a defined contribution pension plan. Contributions are made by the Employer and the members.

In June 1991, the Governmental Accounting Standards Board ("GASB") issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Plan.

The Plan is included in the Pension and Other Employee Benefit Trust Funds section of The City's Comprehensive Annual Financial Report ("CAFR").

At June 30, 2006 and June 30, 2005, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

| | 2006 | 2005 |
|---|---|---|
| Retirees and beneficiaries receiving benefits | 128,863 | 127,714 |
| Terminated vested members not yet receiving benefits | 7,302 | 6,775 |
| Other inactives * | 29,119 | 29,717 |
| Active members receiving salary | 178,741 | 175,332 |
| Total | 344,025 | 339,538 |

* Represents members who are no longer on payroll but not otherwise classified.

Under the One-Year Lag Methodology ("OYLM") in effect for fiscal years beginning 2006, the actuarial valuation determines the Employer Contribution for the second following fiscal year. June 30, 2006 and June 30, 2005 are the dates used for calculating fiscal years 2008 and 2007 Employer Contributions, respectively.

The Plan provides three main types of retirement benefits: service retirements, ordinary disability retirements (non-job-related disabilities) and accident disability retirements (job-related disabilities) to members who are in different "Tiers". The members' Tier is generally determined by the date of membership in the Plan.

The service retirement benefits provided by the Plan for employees who joined before July 1, 1973 ("Tier 1") fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of "final salary" (as defined within State statutes and City laws) after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of "final salary" payable for years in excess of the 20-year or 25-year minimum. These benefits are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement. These benefits are increased, where applicable, by an annuity attributable to member contributions in excess of the required amount and by any benefits attributable to the Increased-Take-Home-Pay ("ITHP") contributions accumulated after the 25th year of member's qualifying service. ITHP represents amounts contributed by The City in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the Plan during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with additional benefits upon retirement.

The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of "final salary."

The State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976 and 1983, amendments made to the State Retirement and Social Security Law ("RSSL") modified certain benefits for employees joining the Plan on or after the effective date of such amendments.

Members who joined after July 1, 1973 and before July 27, 1976 ("Tier 2") have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit. This maximum benefit limitation was subsequently eliminated under Chapter 574 of the Laws of 2000 for all Tier 2 members who retired after December 8, 2000.

Members who joined the Plan on or after July 27, 1976 and prior to September 1, 1983 ("Tier 3") were mandated into Tier 4, but could elect to remain in Tier 3. Tier 3 requires member contributions of 3.0% of salary for a period not to exceed 30 years, has benefits reduced by one half of the primary Social Security benefit attributable to service with the Employer, and provides for an automatic annual cost of living escalator in pension benefits of not more than 3.0%. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier.

Members who joined the Plan on or after September 1, 1983 ("Tier 4") must make basic contributions of 3.0% of salary until termination of service. Effective October 1, 2000, these members, except for certain Transit Authority employees, are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. Effective December 2000, certain Transit Authority members make basic contributions of 2.0% of salary in accordance with Chapter 10 of the Laws of 2000. Certain members also make additional member contributions. The annual benefit is 1.67% of "final average salary" per year of service for members with less than 20 years of service, 2% of "final average salary" per year of service for members with 20 to 30 years, plus 1.5% of "final average salary" per year of service for service in excess of 30 years.

The Plan also provides death benefits and certain retirees also receive supplemental benefits.

Subject to certain conditions, members generally become fully vested as to benefits upon the completion of 5 years of service.

During the Spring 2000 session, the State Legislature approved and the State Governor ("Governor") signed laws that provide automatic Cost-of-Living Adjustments ("COLA") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000), additional service credits for certain Tier 1 and Tier 2 members and reduced member contributions for certain Tier 3 and Tier 4 members (Chapter 126 of the Laws of 2000).

Subsequent legislation, affecting members of Tiers 2, 3 and 4, has created various improved early retirement benefit programs under which eligible employees may elect to pay additional contributions. Members first employed after the effective date of such legislation are mandated into these programs.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

**Basis of Accounting** — The Plan uses the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Contributions from members are recognized when the employers makes payroll deductions from Plan members. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Investment Valuation** — Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the closing market value on the last trading day of the period, except for the Short-Term Investment Fund ("STIF", a money market fund), International Investment fund ("IIF") and Alternative Investment funds ("ALTINVF"). The IIF are private funds of publicly traded securities which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers. The investment managers determine fair value using the last available quoted price for each security owned, adjusted by any contributions to or withdrawals from the fund during the period. The ALTINVF are investments for which exchange quotations are not readily available and are valued at estimated fair value, as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results, and other factors deemed relevant by the GP. Fair value is determined by plan management based on information provided by the various GPs after review by an independent consultant and the custodian bank for the fund.

Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

The Plan has investments of $2.5 billion of Federal National Mortgage Association securities, which represents 6.3% of the Plan net assets held in trust for pension benefits.

**Income Taxes** — Income earned by the Plan is not subject to Federal income tax.

**Accounts Payable** — Accounts payable is principally comprised of amounts owed to the Plan's banks for overdrawn bank balances. The Plan's practice is to fully invest the cash balances of most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding benefit checks that are presented to the banks for payment on a daily basis and these balances are routinely settled each day.

**Securities Lending Transactions** — State statutes and Board policies permit the Plan to lend its investments to broker-dealers and other entities for collateral, with a simultaneous agreement to return the collateral for the same securities in the future. The Plan's custodian lends the following types of securities: short-term securities, common stock, long-term corporate bonds, U.S. Government and U.S. Government agencies' bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, it receives collateral in the form of cash and U.S. Treasury and U.S. Government agency securities at 100 percent to 105 percent of the principal plus accrued interest for reinvestment. At June 30, 2008, management believes the Plan had no credit risk exposure to borrowers because the amounts the Plan owed the borrowers equaled or exceeded the amounts the borrowers owed the Plan. The contracts with the Plan custodian require borrowers to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand within a period specified in each agreement by either the Plan or the borrowers. Cash collateral is invested in the lending agents' short-term investment pools, which have a weighted average maturity of 90 days. As of June 30, 2008, the maturities of the investments which were made with the cash collateral exceeded, by approximately 30 days, the maturities of the securities loaned. As of June 30, 2008, the market value of securities on loan is $5,348 million. The underlying fixed income securities have an average maturity of ten years.

During fiscal year 2003, the value of certain underlying securities became impaired because of the credit failure of the issuer. Accordingly, the carrying amount of the collateral reported in the Plan's statement of plan net assets for fiscal year 2003 was reduced by $30 million to reflect this impairment and reflect the net realizable value of the securities purchased with collateral from securities lending transactions. In May 2004, the Plan received $2.2 million from a distribution in bankruptcy proceedings from the defaulted issuer. The Plan has received the following payments as partial settlements from parties involved in the initial purchase of the impaired security: $5.6 million in August 2004, $308 thousand in November 2004, $895 thousand in March 2005, $4 thousand in October 2005, $978 thousand in January 2006, $1 million in February 2006, $442 thousand in May 2006, $273 thousand in June 2006, $5.3 million in August 2006, $797 thousand in September 2006, $806 thousand in December 2006, $1.1 million in March 2007, $2 thousand in October 2007, and $302 thousand in May 2008. As of June 30, 2008, the Plan has recouped approximately $20 million of the original $30 million loss.

The securities lending program in which the Plan participates only allows pledging or selling securities in the case of borrower default.

GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions, requires that securities loaned as assets and related liabilities be reported in the statements of plan net assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them without a borrower default. Accordingly, the Plan recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending.

**Recently Implemented Accounting Pronouncements** — GASB issued Statement No. 50 *Pension Disclosures*, an amendment of GASB Statements No. 25 and No. 27. The Statement establishes and modifies requirements related to financial reporting by pension plans and by employers that provide defined benefit and defined contribution pensions. The Statement more closely aligns the financial reporting requirements for pensions with those for Other Postemployment Benefits (OPEB) and consequently, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by Statement No 50 amend applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to conform with requirements of Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement is intended to improve the transparency and decision usefulness of reported information about pensions by state and local governmental plans and employers. The Plan has adopted the requirements of Statement No. 50 effective for their fiscal year ended June 30, 2008.

## 3. INVESTMENTS AND DEPOSITS

The Comptroller of The City of New York (the "Comptroller") acts as an investment advisor to the Plan. In addition, the Plan employs an independent investment consultant as an investment advisor. The Plan utilizes several investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

**Concentration of Credit Risk -** The legal requirements for Plan investments are as follows:

a. Fixed income, equity and other investments may be made as permitted by New York State RSSL §§ 176-178(a) and Banking Law § 235, the New York City Administrative Code, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department, subject to Note 3(b).

b. Investments up to 25% of total pension fund assets may be made in instruments not expressly permitted by the State RSSL.

Bank of New York ("BONY") is the primary custodian for substantially all of the securities of the Plan.

Cash deposits are insured by the Federal Deposit Insurance Corporation for up to $100,000 per Plan member and are, therefore, fully insured.

**Credit Risk —** Portfolios other than U.S. Government and related portfolios have credit rating limitations. Investment Grade portfolios are limited to mostly ratings of BBB and above except that they are also permitted a 10% maximum exposure to BB & B rated securities. While non-investment grade managers are primarily invested in BB & B rated securities, they can also invest up to 7% of their portfolio in securities rated CCC. Non-rated securities are considered to be non-investment grade. The quality ratings of investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, are as follows:

| **Investment Type*** | **S&P Quality Ratings** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **AAA** | **AA** | **A** | **BBB** | **BB** | **B** | **CCC & Below** | **Short term** | **Not Rated** | **Total** |
| **June 30, 2008** | | | | | | | | | | |
| U.S. Government | 0.00 % | - % | - % | - % | - % | - % | - % | - % | 0.00 % | 0.00% |
| Corporate bonds | 15.74 | 6.18 | 14.08 | 15.77 | 12.89 | 13.90 | 1.98 | 0.06 | 3.49 | 84.09% |
| Yankee Bonds | 0.01 | 0.27 | 1.40 | 0.86 | 0.06 | - | - | - | 0.02 | 2.62% |
| Short-term: | | | | | | | | | | |
| Commercial Paper | 4.03 | - | - | - | - | - | - | - | - | 4.03% |
| Certificates of Deposit | - | - | 0.05 | - | - | - | - | - | - | 0.05% |
| Pooled Funds | - | - | - | - | - | - | - | 0.00 | 9.21 | 9.21% |
| U.S. Treasuries | - | - | - | - | - | - | - | - | 0.00 | 0.00% |
| U.S. Agencies | - | - | - | - | - | - | - | - | - | - |
| Percent of Rated Portfolio | 19.78 % | 6.45 % | 15.53 % | 16.63 % | 12.95 % | 13.90 % | 1.98 % | 0.06 % | 12.72 % | 100.00 % |

| | **AAA** | **AA** | **A** | **BBB** | **BB** | **B** | **CCC & Below** | **Short term** | **Not Rated** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| **June 30, 2007** | | | | | | | | | | |
| U.S. Government | 16.55 % | - % | - % | - % | - % | - % | - % | - % | 0.03 % | 16.58% |
| Corporate bonds | 12.94 | 6.48 | 13.19 | 14.30 | 9.53 | 15.32 | 3.11 | - | 1.94 | 76.81 |
| Yankee Bonds | 0.04 | 0.11 | 1.04 | 0.63 | 0.51 | - | - | - | - | 2.33 |
| Short-term: | | | | | | | | | | |
| Commercial Paper | 0.21 | - | - | - | - | - | - | - | - | 0.21 |
| Pooled Funds | - | - | - | - | - | - | - | 3.70 | - | 3.70 |
| U.S. Treasuries | - | - | - | - | - | - | - | - | 0.37 | 0.37 |
| U.S. Agencies | - | - | - | - | - | - | - | - | - | - |
| Percent of Rated Portfolio | 29.74 % | 6.59 % | 14.23 % | 14.93 % | 10.04 % | 15.32 % | 3.11 % | 3.70 % | 2.34 % | 100.00 % |

* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have credit risk and are not included above.

**Custodial Credit Risk** — Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodian and registered in the Plan's name.

All of the Plan's deposits are insured and or collateralized by securities held by a financial institution separate from the Plan's depository financial institution.

All of the Plan's securities are held by the Plan's custodial bank in the Plan's name.

**Interest Rate Risk —** Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to interest rate changes. Duration is limited to a range of -1 to .75 years. Duration range is a measure of the overall portfolio, while statements of the stated maturity reflect the specific maturities of the individual securities held. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

| Years to Maturity<br>Investment Type | Investment Maturities | | | | |
|---|---|---|---|---|---|
| **June 30, 2008** | **Fair Value** | **Less than one year** | **One to five years** | **Six to ten years** | **More than ten years** |
| U.S Government | 45.00% | 0.89% | 0.73% | 6.78% | 36.60% |
| Corporate | 45.87% | 0.67% | 15.53% | 13.29% | 16.38% |
| Yankee Bonds | 1.43% | 0.01% | 0.32% | 0.44% | 0.66% |
| Short Term: | | | | | |
| Commercial Paper | 2.20% | 2.20% | 0.00% | 0.00% | 0.00% |
| Pooled Funds | 5.02% | 5.02% | 0.00% | 0.00% | 0.00% |
| Certificates of Deposit | 0.03% | 0.00% | 0.00% | 0.00% | 0.03% |
| US Agencies | 0.45% | 0.45% | 0.00% | 0.00% | 0.00% |
| Percent of Rated Portfolio | 100.00% | 9.24% | 16.58% | 20.51% | 53.67% |
| **June 30, 2007** | **Fair Value** | **Less than one year** | **One to five years** | **Six to ten years** | **More than ten years** |
| U.S Government | 51.74 % | 0.61 % | 1.75 % | 7.99 % | 41.39 % |
| Corporate | 44.45 | 0.63 | 14.58 | 15.02 | 14.22 |
| Yankee Bonds | 1.35 | 0.04 | 0.51 | 0.25 | 0.55 |
| Short Term: | | | | | |
| Commercial Paper | 0.12 | 0.12 | - | - | - |
| Pooled Funds | 2.13 | 2.13 | - | - | - |
| US Treasuries | 0.21 | 0.21 | - | - | - |
| US Agencies | - | - | - | - | - |
| Percent of Rated Portfolio | 100.00 % | 3.74 % | 16.84 % | 23.26 % | 56.16 % |

**Securities Lending Transactions:**

*Credit Risk* – The quality ratings of investments held as collateral for Securities Lending are as follows:

**Investment Type and Fair Value of Securities Lending Transactions (In thousands)**

| | S&P Quality Ratings | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **June 30, 2008** | **AAA** | **AA** | **A** | **BBB** | **BB** | **B** | **CCC & Below** | **Short term** | **Not Rated** | **Total** |
| Government | $ 50,016 | | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 50,016 |
| Corporate | 1,019,862 | 814,581 | 342,039 | - | - | - | - | 574,141 | 11,893 | 2,762,516 |
| Yankee | - | - | - | - | - | - | - | - | - | - |
| Short-term: | | | | | | | | | | |
| Commercial Paper | - | - | 10,669 | - | - | - | - | - | - | 10,669 |
| Pooled Funds | 522,022 | - | - | - | - | - | - | - | - | 522,022 |
| Repurchase Agreements | - | - | 44,118 | - | - | - | - | - | - | 44,118 |
| Certificates of Deposit | - | 217,897 | 11,661 | - | - | - | - | 767,267 | - | 996,825 |
| Bank notes | 7,926 | 516,971 | 168,960 | - | - | - | - | 301,368 | - | 995,225 |
| Other | - | 2,499 | 2,787 | - | - | - | - | 3,559 | 112,519 | 121,364 |
| Total | $ 1,599,826 | $ 1,551,948 | $ 580,234 | $ - | $ - | $ - | $ - | $ 1,646,335 | $ 124,412 | $ 5,502,755 |
| Percent of Securities Lending Portfolio | 29.07 % | 28.20 % | 10.54 % | - % | - % | - % | - % | 29.92 % | 2.26 % | 100.00 % |

| **June 30, 2007** | **AAA** | **AA** | **A** | **BBB** | **BB** | **B** | **CCC & Below** | **Short term** | **Not Rated** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| Government | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Corporate | 734,367 | 636,303 | 472,870 | - | - | - | - | 490,599 | 13,830 | 2,347,969 |
| Yankee | - | - | - | - | - | - | - | 39,849 | - | 39,849 |
| Short-term: | | | | | | | | | | |
| Commercial Paper | - | 28,064 | - | - | - | - | - | 181,644 | - | 209,708 |
| Pooled Funds | 846,518 | - | - | - | - | - | - | - | - | 846,518 |
| Repurchase Agreements | - | 40,429 | - | - | - | - | - | 18,844 | 585,184 | 644,457 |
| Certificates of Deposits | - | 664,208 | 218,728 | - | - | - | - | 585,264 | - | 1,468,200 |
| Bank notes | 16,102 | 549,589 | 343,660 | - | - | - | - | 236,043 | - | 1,145,394 |
| Other | - | 6,963 | - | - | - | - | - | 140,550 | - | 147,513 |
| Total | $ 1,596,987 | $ 1,925,556 | $ 1,035,258 | $ - | $ - | $ - | $ - | $ 1,692,793 | $ 599,014 | $ 6,849,608 |
| Percent of Securities Lending Portfolio | 23.32 % | 28.11 % | 15.11 % | - % | - % | - % | - % | 24.71 % | 8.75 % | 100.00 % |

*Interest Rate Risk* — The lengths of investment maturities (in years) of the collateral for Securities Lending are as follows:

| **June 30, 2008** | **Fair Value** | **Less than one year** | **One to five years** | **Six to ten years** | **More than ten years** |
|---|---|---|---|---|---|
| Government | $ 50,016 | $ - | $ 50,016 | $ - | $ - |
| Corporate | 2,762,516 | 898,003 | 1,864,513 | - | - |
| Yankee | - | - | - | - | - |
| Short-term: | | | | | |
| Commercial Paper | 10,669 | 10,669 | - | - | - |
| Pooled Funds | 522,022 | 522,022 | - | - | - |
| Repurchase Agreements | 44,118 | 44,118 | - | - | - |
| Certificates of Deposits | 996,825 | 767,459 | 229,366 | - | - |
| Bank notes | 995,225 | 313,722 | 681,503 | - | - |
| Other | 121,364 | 121,364 | - | - | - |
| Total | $ 5,502,755 | $ 2,677,357 | $ 2,825,398 | $ - | $ - |
| Percent of Securities Lending Portfolio | 100.00 % | 48.65 % | 51.35 % | - % | - % |

| **June 30, 2007** | **Fair Value** | **Less than one year** | **One to five years** | **Six to ten years** | **More than ten years** |
|---|---|---|---|---|---|
| Government | $ - | $ - | $ - | $ - | $ - |
| Corporate | 2,347,969 | 553,360 | 1,794,609 | - | - |
| Yankee | 39,849 | 16,409 | 23,440 | - | - |
| Short-term: | | | | | |
| Commercial Paper | 209,708 | 209,708 | - | - | - |
| Pooled Funds | 846,518 | 846,518 | - | - | - |
| Repurchase Agreements | 644,457 | 644,457 | - | - | - |
| Certificates of Deposits | 1,468,200 | 597,193 | 871,007 | - | - |
| Bank notes | 1,145,394 | 228,717 | 916,677 | - | - |
| Other | 147,513 | 140,920 | 6,593 | - | - |
| Total | $ 6,849,608 | $ 3,237,282 | $ 3,612,326 | $ - | $ - |
| Percent of Securities Lending Portfolio | 100.00 % | 47.26 % | 52.74 % | 0.00 % | 0.00 % |

## 4. DUE TO VARIABLE SUPPLEMENTS FUNDS (VSFS)

The Administrative Code of New York (ACNY) provides that the Plan maintains the Housing Police Superior Officers' Variable Supplements Fund ("HPSOVSF"), the Housing Police Officers' Variable Supplements Fund ("HPOVSF"), the Transit Police Superior Officers' Variable Supplements Fund ("TPSOVSF") and the Transit Police Officers' Variable Supplements Fund ("TPOVSF"). In addition, Chapter 657 of the Laws of 1999 established the Correction Officers' Variable Supplements Fund ("COVSF") and the Correction Captains' and Above Variable Supplements Fund ("CCAVSF"). Chapter 255 of the Laws of 2000 ("Chapter 255/00") combined the COVSF and the CCAVSF into an amended Correction Officers' Variable Supplements Fund (referred to herein as "COVSF").

Excess earnings are defined as the amount by which earnings on equity investments of the Plan exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed income securities, less any cumulative deficiencies of prior years' excess earnings that fell below the yield of fixed income investments. The ACNY further provides that the Plan transfer to the VSFs certain excess earnings on equity investments of the Plan, if any.

Due to the merging of Housing and Transit Police into The City's Police Department, there are no active members of the Housing and Transit Police; therefore, excess earnings on equity investments from the Plan, if any, are not expected to be transferred to the Housing and Transit Police VSFs.

However, with the passage of Chapter 255/00, the Plan is required to transfer assets to the Housing and Transit Police VSFs whenever the assets of these VSFs are not sufficient to pay benefits. No such transfer of assets was required on account of benefits payable for fiscal years 2008 and 2007 to the TPOVSF. With respect to the benefits payable from HPSOVSF, for fiscal years 2008 and 2007, the Plan incurred expenses of approximately $2.9 million and $2.7 million, respectively. With respect to the benefits payable from TPSOVSF, for fiscal years 2008 and 2007, the Plan incurred expenses of approximately $3.2 million and $2.8 million, respectively. With respect to the benefits payable to HPOVSF for fiscal years 2008 and 2007, the Plan incurred expenses of approximately $2.4 million and $2.1 million, respectively.

With respect to the COVSF, for fiscal year 2008, the excess earnings of the Plan, inclusive of prior years' cumulative deficiencies, are estimated to be equal to zero and, therefore, no transfer will be due from the Plan to the COVSF as of June 30, 2008. For fiscal year 2007, the excess earnings of the Plan, inclusive of prior years' cumulative deficiencies were equal to zero and, therefore, no transfer was due from the Plan to the COVSF as of June 30, 2007.

## 5. CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the Plan is to fund members' retirement benefits during their active service and to establish Employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. Under current law, the Employer contributes statutorily-required contributions ("Statutory Contributions") that together with Member Contributions and investment income would ultimately be sufficient to accumulate assets to pay benefits when due.

**Member Contributions** — Members who joined prior to July 27, 1976 contribute by salary deductions on the basis of a normal rate of contribution that is assigned by the Plan at membership. The member normal rate, which is dependent upon age and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-fourth of the service retirement allowance at the earliest age for service retirement. For age at membership equal to 20 the member normal rate ranges between

5.80% and 9.10%. For age at membership equal to 40 the member normal rate ranges between 4.30% and 4.80%.

Members who joined on or after July 27, 1976 are mandated to contribute 3.0% of salary during all years of coverage except for Department of Correction members who contribute 3.0% for not more than 30 years. Effective October 1, 2000, certain members are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, certain members who are Tier 2 or Tier 3 corrections officers and certain other Tier 2 and Tier 4 members contribute additional amounts ranging from 1.85% to 7.46% for improved early retirement benefits.

**Employer Contributions —** Statutory Contributions to the Plan, determined by the Plan's Chief Actuary of the Office of the Actuary (the "Actuary") in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year.

The June 30, 2006 (Lag) actuarial valuation was used to determine the Fiscal Year 2008 Employer Contribution. There were no changes in actuarial assumptions and methods from the prior actuarial valuation.

The actuarial assumptions and methods used in the June 30, 2005 (Lag) actuarial valuation were unchanged from those used in the June 30, 2004 (Lag) actuarial valuation.

The Frozen Initial Liability Actuarial Cost Method is utilized by the Actuary to calculate the contributions from the Employer. Under this actuarial cost method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999, but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than zero. The excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and the APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on the payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999. The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

Chapter 69 of the Laws of 2002 established the UAAL as of June 30, 2003 for an Early Retirement Incentive (Part A only). This UAAL is being amortized on a level basis over a period of 5 years beginning Fiscal Year 2004.

The APV of projected benefits includes the obligations of the Plan to the HPOVSF, the HPSOVSF, the TPOVSF, the TPSOVSF and the COVSF (referred to collectively as the NYCERS VSFs), which are recognized through the Liability Valuation Method.

Under this method the APV of Future SKIM from the Plan to the NYCERS' VSFs is included directly as an actuarial liability of the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the NYCERS' VSFs. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of each individual NYCERS' VSF offset by the AAV of that individual NYCERS VSF, respectively.

Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method which reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

The UIR for fiscal years 2000 to 2004 under the revised AAVM was set equal to the UIR under the prior AAVM.

For determining employer contributions for fiscal years 2000 through 2005 inclusive, the AAVM was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan. This AAVM recognized expected investment returns immediately and phased in UIR.

Under this prior AAVM, any UIR for fiscal years 2000 through 2004 inclusive were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

Chapter 125 of the Laws of 2000 ("Chapter 125/00") provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001. Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278 of the Laws of 2002 ("Chapter 278/02") required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

The impact of the ten-year phase-in of Chapter 278/02 was to postpone funding of the additional actuarial liabilities attributable to Chapter 125/00 resulting in greater employer contributions in later years.

Chapter 152 of the Laws of 2006 ("Chapter 152/06") eliminated the ten-year phase-in. All actuarial liabilities attributable to Chapter 125/00 are now recognized in the actuarial valuation.

Statutory Contributions for fiscal years 2008 and 2007 were equal to the amounts calculated by the Actuary.

**Funded Status and Funding Progress –** One measure of the funded status of the Plan as of June 30, 2006, the most recent actuarial valuation date, based on the Frozen Initial Liability Actuarial Cost Method, the plan's funding method, is as follows (dollar amounts in thousands):

| Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|
| $38,367,102 | $38,431,319 | $64,217 | 99.8% | $10,128,689 | 0.6% |

A schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits under the Plan's Actuarial Cost Method.

An additional schedule of funding progress, presented as supplementary information following the notes to the financial statements, presents multiyear trend information about whether actuarial values of plan assets are increasing or decreasing over time relative to AALs for benefits under the Entry Age Actuarial Cost Method.

Additional information as of the latest actuarial valuation follows:

| | |
|---|---|
| Valuation Date | June 30, 2006 (Lag) |
| Actuarial Cost Method | Frozen Initial Liability |
| Amortization Method | |
| Initial Unfunded | Increasing Dollar |
| ERI | Level Dollar |
| Remaining Amortization Period | |
| Initial Unfunded | NA |
| ERI | 1 |
| Asset Valuation Method | 6-Year Smoothed Market |
| Actuarial Assumptions | |
| Projected Salary Increases * | In general, merit and promotion increases plus assumed general wage increases of 3.0% per year. |
| Investment Rate of Return * | 8.0% per annum |
| COLAs * | 1.3% per annum |

* Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

## 6. MEMBER LOANS

In general, members are permitted to borrow up to 75% of their own contributions, including accumulated interest. The balance of member loans receivable at June 30, 2008 and June 30, 2007 is $828.8 million and $828.4 million, respectively.

## 7. RELATED PARTIES

The Comptroller has been appointed by law as custodian for the assets of the Plan. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller also provides cash receipt and cash disbursement services to the Plan. Actuarial services are provided to the Plan by the Office of the Actuary employed by the Boards of Trustees of The City's main pension systems. The City's Corporation Counsel provides legal services to the Plan. Other administrative services are also provided by the City. The aforementioned services are provided by employees or officers of The City who may also be participants in the Plan.

## 8. ADMINISTRATIVE AND INVESTMENT EXPENSES

Chapter 593 of the Laws of 1996, effective July 1, 1997, authorized the Board of Trustees to draw upon Plan assets to pay the administrative expenses incurred by the Plan. Prior to that year, The City had directly paid all Plan administrative expenses. Under Chapter 593/96, both the administrative and investment expenses were billed to the participating employers in the following year. Under Chapter 152 of the Laws of 2006, those expenses are billed in the second following fiscal year. In fiscal year 2008, the total non-investment expenses attributable to the Plan were approximately $51.9 million, of which $47.0 million was paid from the assets of the Plan and $4.9 million was incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office and the Financial Information Services Agency. In fiscal year 2007, the total non-investment expenses attributable to the Plan were approximately $47.0 million, of which $41.7 million was paid from the assets of the Plan and $5.3 million was incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office and the Financial Information Services Agency. Investment expenses charged to the investment earnings of the Plan, exclusive of fees related to securities lending transactions, amounted to approximately $115.3 million and $98.1 million for the fiscal years ended June 30, 2008 and 2007, respectively.

During fiscal year 2000, the Plan entered into a new lease agreement to rent office space. The agreement expires in 2020, with options to renew the agreement through 2030. The future minimum rental payments required under this operating lease are as follows:

| Fiscal Year Ending | Minimum Rental Payments |
|---|---|
| 2009 | $ 3,586,075 |
| 2010 | 3,710,974 |
| 2011 | 4,085,669 |
| 2012 | 4,085,669 |
| 2013 | 4,085,669 |
| 2014 - 2018 | 21,889,763 |
| 2019 - 2020 | 7,936,838 |

Rent expense, under the lease agreement, for the fiscal years ended June 30, 2008 and 2007, was approximately $3.7 million and $3.6 million respectively.

## 9. CONTINGENT LIABILITIES AND OTHER MATTERS

**Contingent Liabilities** — The Plan has a number of claims pending against it and has been named as a defendant in a number of lawsuits and also has certain other contingent liabilities. Management of the Plan, on the advice of legal counsel, believes that such proceedings and contingencies will not have a material effect on the plan's net assets or changes in the plan's net assets. Under the State statutes and City laws that govern the functioning of the Plan, increases in the obligations of the Plan to members and beneficiaries ordinarily result in increases in the obligations of the Employers to the Plan.

**Other Matters —** During fiscal years 2008 and 2007, certain events described below took place which, in the opinion of Plan management, could have the effect of increasing benefits to members and/or their beneficiaries and therefore would increase the obligations of the Plan. The effect of such events has not been fully quantified. However, it is the opinion of plan management that such developments would not have a material effect on the plan net assets held in trust for pension benefits or cause changes in the plan net assets held in trust for pension benefits.

**Actuarial Audit** — Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems ("NYCRS") are conducted every two years. The most recent study was published by The Segal Company ("Segal") dated November 2006 and analyzed experience for fiscal years 2002 through 2005. Segal made recommendations to the actuarial assumptions and methods based on their analysis. The actuary is reviewing these recommendations.

**Revised Actuarial Assumptions and Methods** — In accordance with the ACNY and with appropriate practice, the *Boards* of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Based upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company ("GRS"), the Actuary issued an August 29, 2005 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Employees' Retirement System" ("August 2005 Report"). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152 of the Laws of 2006 ("Chapter 152/06") to provide for those changes to the actuarial assumptions and methods that required legislation, including the AIR assumption of 8.0% per annum.

The changes in actuarial assumptions and methods effective fiscal year 2006 results in somewhat lesser Employer Contributions for fiscal years 2006 and 2007 and increased employer contributions for future fiscal years.

**New York State Legislation** (only significant laws included) — Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, created a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

Chapter 105 of the Laws of 2005 states that a member killed in the U.S. Armed Forces on and after June 14, 2005 is deemed a Line-of-Duty death while on active payroll.

Chapter 133 of the Laws of 2005 continued the valuation and other interest rates for one year to June 30, 2006 from June 30, 2005.

Chapter 477 of the Laws of 2005 extends service credit of up to one year for each period of Correction Officer leave-of-absence due to child care to include Tier III members.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial (Accrued) Liability ("UAL"). In addition, Chapter 152/06 provides for elimination of the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00.

Chapter 445 of the Laws of 2006 created a presumptive eligibility for accidental death benefits in connection with the World Trade Center attack on September 11, 2001.

Chapter 711 of the Laws of 2006 revised the retirement allowance of Tier II DA Investigator members for service beyond 20 years.

Chapter 734 of the Laws of 2006 refunds certain frozen Additional Member Contributions to certain participants of the Transit 55/25 Program employed in a job title which is or was represented by the Amalgamated Transit Union.

Chapter 5 of the Laws of 2007 amended Chapter 445/06 to clarify the World Trade Center accidental disability benefits payable to retirees who die in the first 25 years of retirement. It also amended Chapter 445/06 to include World Trade Center deaths as presumptive accidental death benefits in the Line-of-Duty.

Chapter 214 of the Laws of 2007 extends the World Trade Center Accidental Disability and Accidental Death benefits provisions to cover certain Handlers and Repairers of motor vehicles or equipment contaminated by such disaster.

Chapter 349 of the Laws of 2007 is a Reopener of the 25/50 Automotive Members Retirement Program.

Chapter 379 of the Laws of 2007 refunds certain frozen Additional Member Contributions to certain participants of the Transit 55/25 Program employed in a job title which was or is represented by the Transport Workers Union, Local 100.

Chapter 489 of the Laws of 2008 expanded and redefined the eligibility provisions of the accidental disability and accidental death benefits that arise in connection with the World Trade Center attack on September 11, 2001.

## 10. SUBSEQUENT EVENTS

The systemic risk elevation in global financial markets that first became apparent in the latter half of 2007 continued in 2008 and accelerated in September 2008 with significant financial institution stresses and failures and world-wide government interventions. This market downturn was dominated by the collapse of the sub-prime mortgage markets and the credit crisis in capital markets.

The equity markets have been particularly impacted by the current market conditions, which have had a negative effect on the market value of the Plan's assets.

Despite this decline in market values the systems continue to have sufficient liquidity, in terms of both current income and liquid assets to continue paying benefits through the foreseeable future.

City contributions to the pension plans are based upon actuarial valuations and calculations that consist of many factors, including, investment returns on the assets. Therefore, in the event that the asset values do not recover by the end of the City's fiscal year ending June 30, 2009, the amounts the City is required to contribute to the pension plans will increase in the future.

********

**Schedule 1**

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**
**(IN CONFORMITY WITH THE PLAN'S FUNDING METHOD)**
**(In thousands)**

| Actuarial Valuation Date June 30 | (1) Actuarial Asset Value (AAV) (A) | (2) Actuarial Accrued Liability (AAL)* (A) & (B) | (3) Unfunded AAL (UAAL) (C)(2)-(1) | (4) Funded Ratio (1)÷(2) | (5) Covered Payroll | (6) UAAL as a Percentage of Covered Payroll (3)÷(5) |
|---|---|---|---|---|---|---|
| 2006 (Lag) | $38,367,102 | $38,431,319 | $ 64,217 | 99.8% | $10,128,689 | 0.6% |
| 2005 (Lag) | 39,692,426 | 39,797,144 | 104,718 | 99.7% | 9,670,786 | 1.1 |
| 2004 (Lag)# | 40,638,628 | 40,786,673 | 148,045 | 99.6 | 9,361,186 ** | 1.6 |
| 2004 | 40,088,213 | 40,236,258 | 148,045 | 99.6 | 9,157,412 | 1.6 |
| 2003 | 42,055,984 | 42,244,146 | 188,162 | 99.6 | 8,807,619 | 2.1 |
| 2002 | 43,561,103 | 43,619,936 | 58,833 | 99.9 | 8,901,110 | 0.7 |

* Based on the Frozen Initial Liability Actuarial Cost Method.

\# Reflects revised actuarial assumptions and methods based on experience review.

** The annualized covered payroll under the One-Year Lag Methodology used for the Fiscal Year 2006 Employer Contribution differs from that as of June 30, 2004 to compute Fiscal Year 2005 Employer Contribution due to changes in actuarial assumptions and methods and more recent information on labor contract settlements.

Notes:

A. Beginning with the June 30, 2004 (Lag) actuarial valuation the Actuarial Asset Valuation Method ("AAVM") was changed to a method which reset the AAV to Market Value (or "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for fiscal years 2000 and later are phased into the AAV beginning June 30, 2000 at rates of 15%, 15%, 15%, 15%, 20%, and 20% per year (i.e., cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

The UIR for fiscal years 2000 to 2004 under the revised AAVM was set equal to the UIR under the prior AAVM.

**SCHEDULE 1**

*(Schedule of Funding Progress continued from the previous page)*

The prior AAVM was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan and was made as one component of an overall revision of actuarial assumptions and methods as of June 30, 1999.

Under the AAVM used for the June 30, 1999 to June 30, 2004 actuarial valuations, any UIR for fiscal years 2000 and later were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (or cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

B. To effectively assess the funding progress of the Plan, it is necessary to compare the AAV and the AAL calculated in a manner consistent with the Plan's funding method over a period of time. The AAL is the portion of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Employer normal costs and future Member Contributions.

C. The UAAL is the excess of the AAL over the AAV. This is the same as the unfunded frozen AAL, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.

*(Schedule of Funding Progress Concluded)*

**Schedule 2**

## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

### REQUIRED SUPPLEMENTARY INFORMATION
### SCHEDULE OF EMPLOYER CONTRIBUTIONS
### (In thousands)

| Fiscal Year Ended June 30 | Annual Required Contribution (ARC) | Percentage of ARC Contributed |
|---|---|---|
| 2008 | $ 1,874,242 | 100.0% |
| 2007 | 1,471,030 | 100.0 |
| 2006 | 1,024,358 | 100.0 |
| 2005 | 1,020,380 | 80.6 |
| 2004 | 542,229 | 57.3 |
| 2003 | 197,824 | 54.6 |

Under the requirements of Governmental Accounting Standards Board Statement Number 25 ("GASB 25"), as amended by GASB Statement No. 50 ("GASB 50"), the Annual Required Contribution ("ARC") is determined through an actuarial valuation reflecting all liabilities of the Plan. The Employer Contribution to the Plan is determined in accordance with statute (i.e., Statutory Contribution). For fiscal years 2005, 2004 and 2003, the difference between the ARC and the Statutory Contribution is the consequence of Chapter 278/02 which phased-in over 10 years the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00 (i.e., automatic COLA).

The Statutory Contributions of $822.8 million, $310.6 million and $108.0 million for fiscal years 2005, 2004 and 2003, respectively, were computed in accordance with Chapter 278/02 which provides for a ten-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

Chapter 152/06 eliminated the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00. For fiscal years after 2005, the Statutory Contribution equals the ARC.

Schedule 3

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## REQUIRED SUPPLEMENTARY INFORMATION
## SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of June 30, 2006 (Lag) and June 30, 2005 (Lag). These actuarial valuations were used to determine Employer Contributions for Fiscal Years 2008 and 2007, respectively. Additional information as of the last two actuarial valuations follows:

| | June 30, 2006 (Lag) [1] | June 30, 2005 (Lag) [1] |
|---|---|---|
| Actuarial cost method | Frozen Initial Liability.[2] | Frozen Initial Liability.[2] |
| Amortization method for Unfunded Actuarial Accrued Liabilities | Level dollar for UAAL attributable to 2002 (Part A only) Early Retirement Incentive ("ERI"). All outstanding components of UAAL are being amortized over closed periods.[3] | Level dollar for UAAL attributable to 2002 (Part A only) Early Retirement Incentive ("ERI"). All outstanding components of UAAL are being amortized over closed periods.[3] |
| Remaining amortization period | 1 year for 2002 ERI (Part A only).[3] | 2 years for 2002 ERI (Part A only).[3] |
| Actuarial asset valuation method | Modified 6-year moving average of market values with a "market value restart" as of June 30, 1999. | Modified 6-year moving average of market values with a "market value restart" as of June 30, 1999. |
| Actuarial assumptions: | | |
| Investment rate of return | 8.0% per annum.[4] | 8.0% per annum.[4] |
| Post-retirement mortality | Tables adopted by Board of Trustees during Fiscal Year 2006. | Tables adopted by Board of Trustees during Fiscal Year 2006. |
| Active service: withdrawal, death, disability, service retirement | Tables adopted by Board of Trustees during Fiscal Year 2006. | Tables adopted by Board of Trustees during Fiscal Year 2006. |
| Salary increases | In general, merit and promotion increases plus assumed general wage increases of 3.0% per year.[4] | In general, merit and promotion increases plus assumed general wage increases of 3.0% per year.[4] |
| Cost-of-Living adjustments | 1.3% per annum.[4] | 1.3% per annum.[4] |

---

1 Under the One-Year Lag Methodology, the actuarial valuation determines the Employer Contribution for the second following Fiscal Year.

2 Under this Actuarial Cost Method, the Initial Liability was reestablished as of June 30, 1999 by the Entry Age Actuarial Cost Method but with the UAAL not less than $0. The financial results using this Frozen Initial Liability Actuarial Cost Method differ minimally from those that would be produced using the Aggregate Actuarial Cost Method.

3 In conjunction with Chapter 85/00, there is an amortization method. However, the June 30, 1999 UAAL for the Plan equaled $0 and no amortization period was required. Chapter 69 of the Laws of 2002 established a UAAL as of June 30, 2003 for an ERI. The UAAL is being amortized on a level basis over a period of five years beginning Fiscal Year 2004.

4 Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

Schedule 4

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## SUPPLEMENTARY INFORMATION (UNAUDITED)
## FUNDED STATUS BASED ON ENTRY AGE ACTUARIAL COST METHOD
## (In Thousands)

This Schedule is being provided by the Actuary for the Plan to improve the transparency and decision usefulness of this financial report.

The Actuarial Cost Method ("ACM") used to develop the funding requirements for the Plan is the Frozen Initial Liability ("FIL") ACM. Under this ACM, following establishment of any Initial Unfunded Actuarial Accrued Liabilities ("UAAL"), actuarial gains and losses are financed over the working lifetimes of active participants and are not identified as separate UAAL.

The funding status and funding progress information provided in this Schedule has been prepared using the Entry Age ACM where the Actuarial Present Value ("APV") of any obligations of the Plan not provided by the APV of Future Contributions (Employer and Employee), as determined under the Entry Age ACM, equals the Actuarial Accrued Liability ("AAL"). Under the Entry Age ACM, the UAAL equals the AAL minus the Actuarial Value of Assets.

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) – Entry Age (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| June 30, 2006 (Lag) | 38,367,102 | 46,602,030 | 8,234,928 | 82.3 | 10,128,689 | 81.3 |
| June 30, 2005 (Lag) | 39,692,426 | 44,881,300 | 5,188,874 | 88.4 | 9,670,786 | 53.7 |
| June 30, 2004 (Lag) | $40,638,628 | $43,010,221 | $2,371,593 | 94.5% | $9,361,186 | 25.3% |

Note: Actuarial assumptions used are those shown in Schedule 3.

**This Page Has Been Left Blank Intentionally**

# PART 3

# INVESTMENT SECTION

**This Page Has Been Left Blank Intentionally**

# REPORT ON INVESTMENT ACTIVITY AND POLICIES

## Investment Policies and Objectives

The purpose of the New York City Employees' Retirement System is to provide to its members the benefits to which they are legally entitled. The funds necessary to finance these benefits are accumulated through the contributions of the members and participating employers, and the investment earnings of the *Plan*.

The Plan's Board of Trustees adopts investment policies. The Board is composed of eleven members: the Mayor's representative who is the chairperson; the City Comptroller; the Public Advocate; the heads of the three unions with the largest number of participating employees, which are District Council 37-AFSCME, Transport Workers Union Local 100, and the International Brotherhood of Teamsters; and the five Borough Presidents. The Board creates the overall investment philosophy under which the *Plan's* funds are invested and, in defining the investment objectives, develops a framework under which specific objectives are established with regard to allocating the assets of the *Plan* among the various investment types. The following is a brief outline of the *Plan's* philosophy and objectives:

- In order for the *Plan* to meet its responsibility of providing its members with their legal entitlements to retirement and other benefits, the level of investment risk should be prudent and not jeopardize the *Plan's* financial stability. The *Plan's* assets must be protected from severe adverse market conditions and wide fluctuations in investment results.

- Since higher investment returns are generally associated with a certain amount of risk, it is reasonable and justified to assume a moderate level of risk in order to strengthen long term results.

- Diversification reduces the overall portfolio risk. This is achieved by allocating funds among different asset categories and then, within each category, having a broad representation of industries and companies. The bulk of the portfolio is in a very wide variety of domestic stocks and bonds. The Policy Mix consists of 41% in U.S. Equities, 18% in an International Investment Equity Investment Fund involving only New York City pension plans, 30% in U. S. Fixed Income, and 11% in Alternative Investments, which include private equity and real estate investments. Public equity investments are allocated among passive, emerging markets, and approaches that focus on companies of various size capitalizations. Fixed income bonds are primarily allocated among government, government guaranteed mortgage-backed, and corporate securities. The Plan also invests a portion of its fixed income allocation in inflation-linked Treasury securities. Private Equity investments have expanded and broadened in scope to include international ventures as well as domestic. The intent of further diversification is to reduce the Plan's concentration in U.S. equity securities.

- Since retirement benefits are paid on a monthly basis, and other benefits such as loans, refunds and death benefits are paid weekly, the liquidity of the portfolio must be considered. The cash flow from employer contributions, dividends and interest must be structured so that benefits can be paid in a timely manner. A portion of the portfolio is kept in short term investments to assure that this is so.

# REPORT ON INVESTMENT ACTIVITY AND POLICIES

- Striving for long term results is the most reasonable objective for an institution such as a retirement system that is accumulating resources for liabilities that are primarily due in the distant future.

- Where the return is comparable to the risk, economically targeted investments (ETIs) in New York City are increasing. With the *Plan* financing the underlying mortgages of both low income and middle income housing in the City, many city residents have benefited from the increased access to affordable housing, as well as from the economic effect of the construction industry jobs that have been created. These targeted investments have resulted in the creation or rehabilitation of housing units and other properties, primarily in lower and moderate-income neighborhoods. Additional investments have also been made in the AFL-CIOs Housing Investment Trust and other Community Development organizations which also focus on meeting the needs for affordable housing in New York City. As part of this ETI program, the Plan has made additional capital commitments to a private equity fund whose investments are in businesses that create jobs and promote economic development in New York City.

- Investments are only made in accordance with the governing statutes of the New York City Administrative Code and the New York State Retirement and Social Security Law.

- The Board also determines the criteria used in evaluating the investment advisors. While the Board does utilize an investment consultant to provide technical support in the evaluation of asset mix and of its investment advisors, the Board members themselves take a very active role in determining the direction that the *Plan* is taking towards achieving its objectives. In addition, as well as being a Board member, the City Comptroller is the custodian of the funds of the Plan and oversees all of the City's pension trust funds. The Comptroller's Office is the avenue by which the Board's directives are implemented. It manages the actual flow of funds to the investment advisors, and it assures that the investments recommended by the advisors meet the legal restrictions for plan investments. It also does its own performance analysis of individual advisors and of the different investment categories. The Comptroller is responsible for cash management related to the *Plan*, and provides various cash receipts and cash disbursement services to the *Plan*.

**Investment Accounting**

Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the International Investment funds (the "IIF") and Alternative Investment funds (the "ALTINVF").

The IIF are private funds of publicly traded securities which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers. The investment managers determine fair value using the last available quoted price for each security owned adjusted by any contributions to or withdrawals from the fund during the period. The ALTINVF are Investments for which exchange quotations are not readily available and are valued at estimated fair value as

# REPORT ON INVESTMENT ACTIVITY AND POLICIES

determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results and other factors deemed relevant by the GP. Fair value is determined by plan management based on information provided by the various GP's after review by an independent consultant and the custodian bank for the fund.

Purchases and sales of securities are recorded on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned.

**Investment Criteria**

The criteria for non-equity investments are as follows.

Fixed income investments may be made only in U.S. Government securities, securities of government agencies backed by the U.S. Government, securities of companies rated BBB or better by both Standard & Poor's Corporation and Moody's Investors' Service, or any bond on the list of Legal Investments for New York Savings Banks, published annually by the New York State Banking Department.

Short-term investments may be made only in the following instruments:

> U.S. Government securities or government agencies' securities fully guaranteed by the U.S. Government.
>
> Commercial paper rated A1 or P1 or F1 by Standard & Poor's Corporation or Moody's Investors' Service, or Fitch, respectively.
>
> Repurchase agreements collateralized in a range of 100% to 102% of matured value, purchased through primary dealers of U.S. Government securities.
>
> Investments in banker's acceptances, certificates of deposit, and time deposits are limited to banks with worldwide assets in excess of $50 billion that are rated within the highest categories of the leading bank rating services and selected regional banks which are also rated within the highest categories.

The criterion for equity investments is that they may consist only of those stocks that meet the qualifications of the NY State Retirement and Social Security Law, the New York State Banking Law, and the New York City Administrative Code.

In addition, investments of up to 25.0% of total pension fund assets may be made in instruments not specifically covered by the NY State Retirement and Social Security Law.

No investment in any one corporation may represent more than either 2% of the Plan net assets or 5% of the corporation's total outstanding issues.

# REPORT ON INVESTMENT ACTIVITY AND POLICIES

Cash deposits are insured by the Federal Deposit Insurance Corporation for a maximum of $100,000 per plan member and are, therefore, fully insured.

**Investment Returns**

The Plan's returns on investments have generally been consistent with the broad market trends. Throughout most of the last ten years, investment earnings have constituted, by far, the largest component of total Plan revenue. The following table illustrates this fact. During 2008, the fair value of the investment portfolio depreciated $3.1 billion. This is compared to several consecutive years of appreciation: $4.9 billion in 2007, $2.5 billion in 2006, and $2.1 billion in 2005, $3.9 billion in 2004, and $193 million in 2003. These increases are in contrast with 2002 and 2001, when the fair value of the investment portfolio depreciated significantly - $4.2 billion and $4.7 billion respectively, resulting in negative investment income for those years.

**Percentage of Total Revenue**

| Fiscal Year | Investment Income | Employer Contributions | Employee Contributions |
|---|---|---|---|
| 2008 | (430) | 443 | 87 |
| 2007 | 79 | 17 | 4 |
| 2006 | 74 | 19 | 7 |
| 2005 | 73 | 20 | 7 |
| 2004 | 88 | 6 | 6 |
| 2003 | 73 | 7 | 20 |
| 2002 | (116) | 12 | 4 |
| 2001 | (113) | 3 | 10 |
| 2000 | 90 | 2 | 8 |
| 1999 | 91 | 3 | 6 |

For 2008, since the sum of investment income (-$1.8 billion) and employer/employee contributions ($2.2 billion) resulted in a small positive revenue amount, each component represents a large percentage of the total net revenue. It is important that, in the long term, the value of the *Plan's* investment portfolios continue to grow, and continue to generate increased income, in order that the funding of the *Plan* not become a burden to its participating employers. This is of vital importance, as municipal employers are striving to contain costs. Having a retirement system that is largely self-sufficient, in terms of the revenue stream being generated by its investments, allows the employer to use those savings to meet other needs of its constituents. We believe that we have a strong diversified investment portfolio that, in the long run, will grow along with the rest of the national and international economies.

The total fair value of the Plan's investment portfolio as of June 30, 2008 was $45,258,849,000, which included Collateral from Securities Lending of $5,502,755,000. This is shown in detail in the Investment Summary on page 102**,** and is consistent with the Statement of Plan Net Assets on page 71. However, the portfolio percentages that are used below and in the Asset Allocation

# REPORT ON INVESTMENT ACTIVITY AND POLICIES

charts on pages 103 and 104 are based on $39,756,094,000, which is net of the Securities Lending Collateral.

The total return on *Plan* assets during 2008 was -4.96%.

Domestic Equities, which comprise 42.2% of the total portfolio, returned -12.84%, which was comparable to the Russell 3000 benchmark of -12.68%. Blackrock, BGI, and Amalgamated passively manage 82% of the domestic equity portfolio. The remaining 18% is actively managed by 63 managers with varying investment approaches, such as specializations in value, growth, small capitalization stocks, or emerging markets.

The International Equity portfolio is externally managed as part of a fund that only includes NYC retirement systems as shareholders. It makes up 17.8% of the total portfolio, and it contributed a return of -7.07%. This was significantly higher than the MSCI EAFE index of -10.61%.

The U.S. Long-term Fixed Income segment, externally managed and constituting 32.7% of the portfolio, returned 6.45% on the total segment, which consists of two main components. The Structured Managed Program returned 6.94%, as compared to the NYC Core Plus Five Index of 7.67%, and the Enhanced Yield component returned 0.11%, compared to the Citigroup BB & B index of -1.09%.

The Short-Term Investment return has decreased to 4.51% from last year's return of 5.41%.

The *Plan's* Targeted Investment segment returned 7.52%.

All investment results are time-weighted rates of return that are reported gross of fees.

Listings of the Plan's investment securities are available upon request.

The Finance Division of the *Plan* has prepared this Report on Investment Activity and Policies. It is based on the investment policies of the *Plan's* Board of Trustees, New York State regulations governing the *Plan*, documents provided by the NYC Comptroller as the custodian of the Plan, and the *Plan's* internal documents.

## New York City Employees' Retirement System

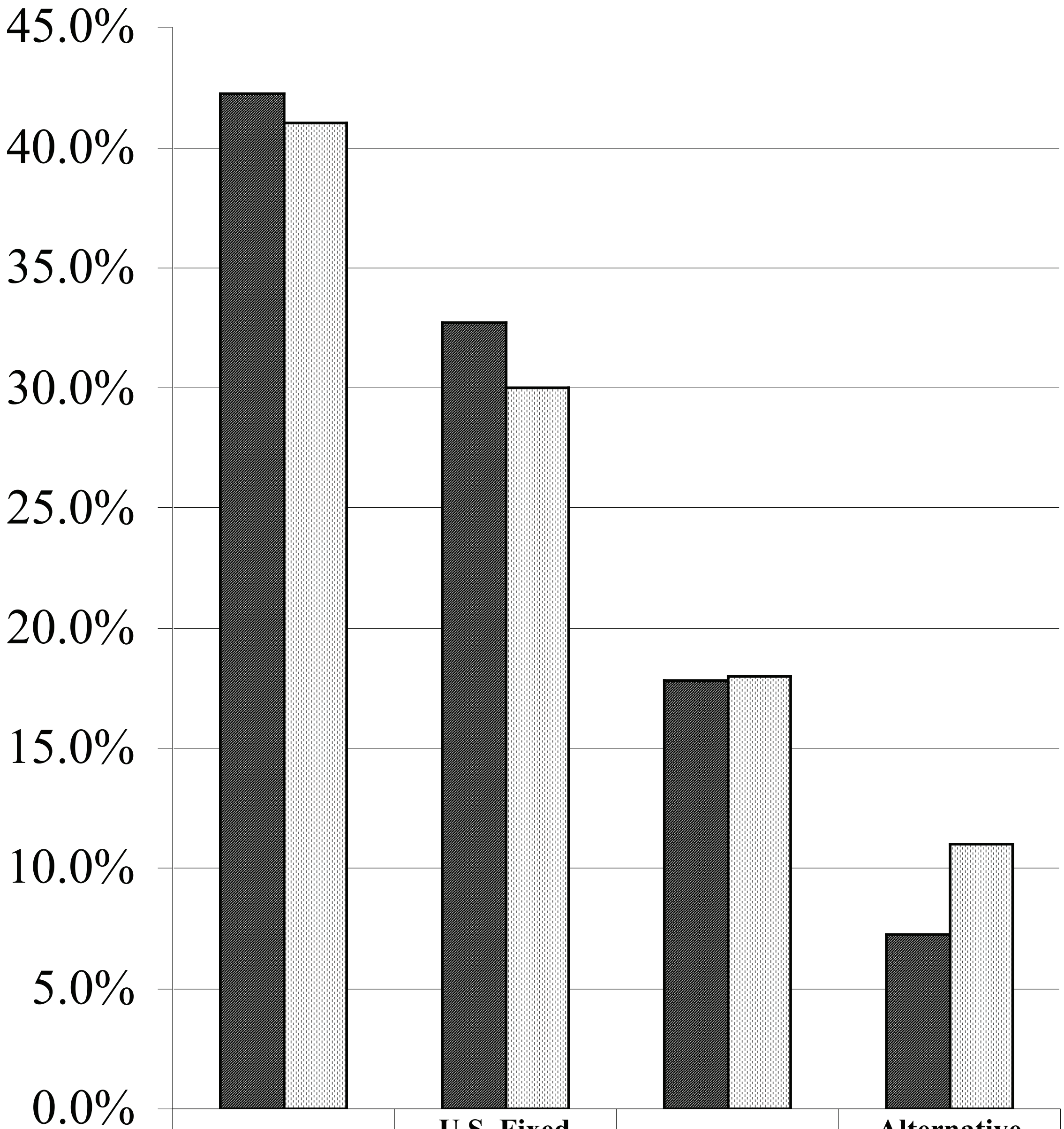
### INVESTMENT SUMMARY AS OF JUNE 30, 2008

( in thousands of dollars )

| Type of Investment | | Market Value as of June 30, 2008 | Percent of Total Market Value |
|---|---|---|---|
| **Short Term Investments** | | **$892,860** | **2.0%** |
| **Fixed Income Debt Securities - Long Term** | | | |
| | U.S. Government | 5,214,593 | 11.5% |
| | Corporate | 5,317,742 | 11.7% |
| | Yankee (Int'l) | 166,408 | 0.4% |
| **Total Fixed Income Debt Securities- Long Term** | | **10,698,743** | **23.6%** |
| **Total Fixed Income** | | **11,591,603** | **25.6%** |
| **Private Equity Holdings** | | **2,884,600** | **6.4%** |
| **Equities - domestic** | | **16,685,061** | **36.9%** |
| **Mutual Funds:** | | | |
| | International equity | 7,078,803 | 15.6% |
| | Domestic equity | 91,572 | 0.2% |
| | Mortgages | 149,123 | 0.3% |
| | TIPS | 1,255,161 | 2.8% |
| **Total Mutual Funds** | | **8,574,659** | **18.9%** |
| **Promissory Notes** | | **20,171** | **0.00%** |
| **Collateral From Securities Lending** | | **5,502,755** | **12.2%** |
| **Total Investments** | | **45,258,849** | **100.0%** |

**New York City Employees' Retirement System**

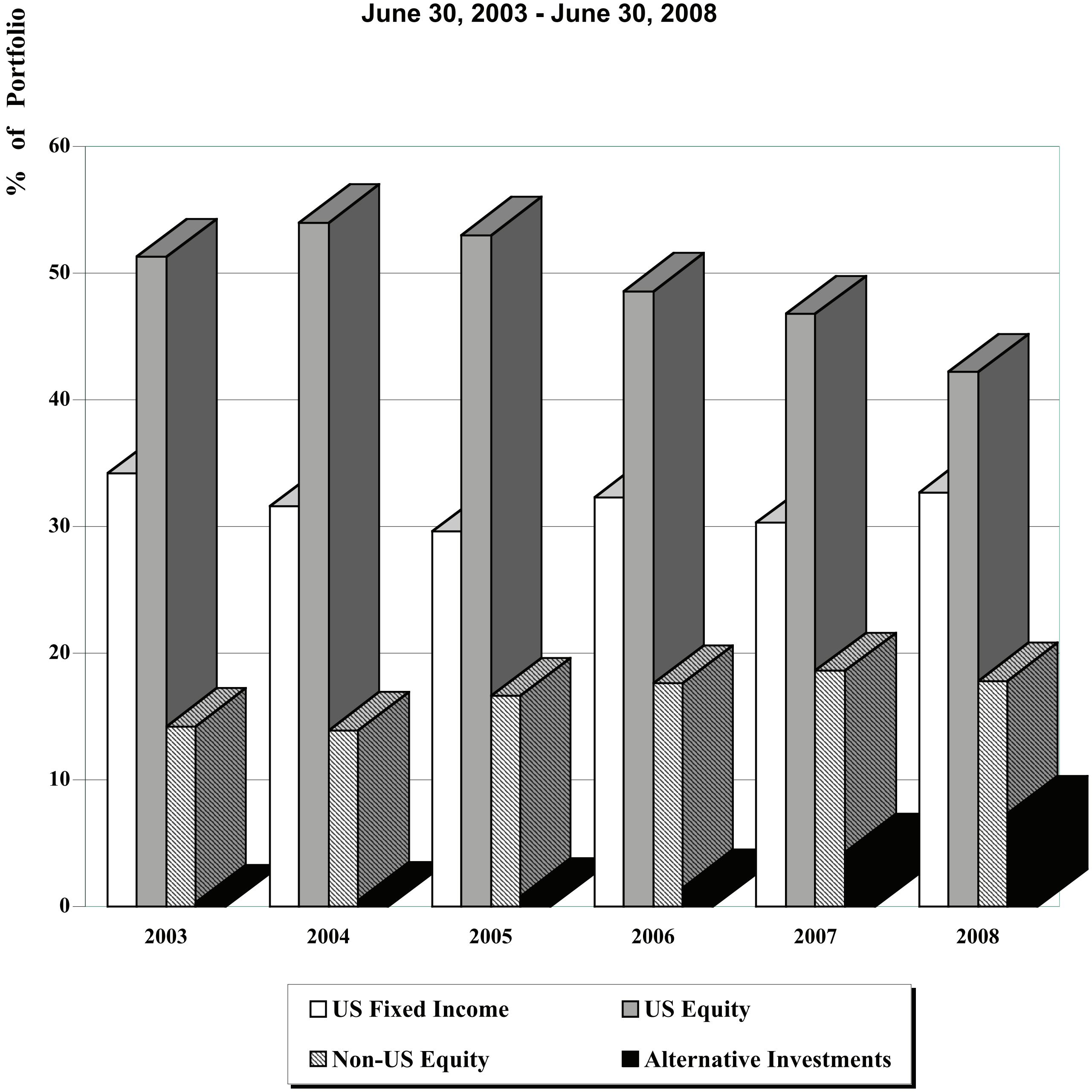
**ASSET ALLOCATION AND POLICY MIX**




| | U.S. Equity | U.S. Fixed Income | Int'l Equities | Alternative Investments |
|---|---|---|---|---|
| Asset Mix | 42.2% | 32.7% | 17.8% | 7.3% |
| Policy Mix | 41.0% | 30.0% | 18.0% | 11.0% |

(as of June 30, 2008)

## ASSET ALLOCATION
### Six-Year History
### June 30, 2003 - June 30, 2008



# List of Largest Equity Holdings
## (at Fair Value)
## June 30, 2008

| | Shares | Security | Fair Value | Percent of Domestic Equities |
|---|---|---|---|---|
| 1 | 6,268,012 | Exxon Mobil Corporation | 552,399,898 | 3.31% |
| 2 | 10,925,459 | General Electric Corporation | 291,600,501 | 1.75% |
| 3 | 9,469,652 | Microsoft Corporation | 260,510,127 | 1.56% |
| 4 | 2,528,323 | Chevron Corporation | 250,632,659 | 1.50% |
| 5 | 6,873,899 | AT&T Inc. | 231,581,657 | 1.39% |
| 6 | 3,401,659 | Johnson & Johnson | 218,862,740 | 1.31% |
| 7 | 3,436,719 | Procter & Gamble Company | 208,986,882 | 1.25% |
| 8 | 1,615,582 | International Business Machines Corporation | 191,494,934 | 1.15% |
| 9 | 1,876,553 | Conoco Phillips | 177,127,838 | 1.06% |
| 10 | 2,920,201 | Wal Mart Stores Inc. | 164,115,296 | 0.98% |
| 11 | 967,629 | Apple Inc. | 162,019,800 | 0.97% |
| 12 | 6,505,850 | Cisco Systems Inc. | 151,326,071 | 0.91% |
| 13 | 4,298,079 | JP Morgan Chase & Corporation | 147,332,370 | 0.88% |
| 14 | 7,988,841 | Pfizer Inc. | 139,565,052 | 0.84% |
| 15 | 6,425,989 | Intel Corporation | 138,030,244 | 0.83% |
| 16 | 5,489,416 | Bank America Corporation | 137,878,343 | 0.83% |
| 17 | 1,269,713 | Schlumberger Limited | 136,405,268 | 0.82% |
| 18 | 256,146 | Google Inc. | 134,840,377 | 0.81% |
| 19 | 3,704,083 | Verizon Communications Inc. | 131,124,538 | 0.79% |
| 20 | 2,940,831 | Hewlett Packard Company | 130,014,139 | 0.78% |
| 21 | 2,459,162 | Coca-Cola Company | 127,827,241 | 0.77% |
| 22 | 6,825,466 | Citigroup Inc. | 117,632,356 | 0.71% |
| 23 | 1,761,394 | PepsiCo Inc. | 112,007,044 | 0.67% |
| 24 | 2,551,467 | Merck & Company Inc. | 96,164,791 | 0.58% |
| 25 | 4,539,729 | Oracle Corporation | 95,334,309 | 0.57% |
| 26 | 3,985,879 | Wells Fargo & Company | 94,664,626 | 0.57% |
| 27 | 1,763,991 | Abbott Laboratories | 93,438,603 | 0.56% |
| 28 | 1,797,762 | Philip Morris International Inc. | 88,791,465 | 0.53% |
| 29 | 3,267,464 | American International Group Inc. | 87,353,356 | 0.52% |
| 30 | 946,169 | Occidental Petroleum Corporation | 85,022,746 | 0.51% |
| 31 | 479,549 | Goldman Sachs Group Inc. | 83,873,120 | 0.50% |
| 32 | 1,803,806 | Qualcomm Inc. | 80,034,872 | 0.48% |
| 33 | 621,291 | Monsanto Company | 78,556,034 | 0.47% |
| 34 | 1,354,389 | Mc Donalds Corporation | 76,143,750 | 0.46% |
| 35 | 1,563,115 | Wyeth | 74,966,995 | 0.45% |
| 36 | 1,177,633 | United Technologies Company | 72,659,956 | 0.44% |
| 37 | 802,876 | Exelon Company | 72,226,725 | 0.43% |
| 38 | 2,259,584 | Disney Walt Company | 70,499,021 | 0.42% |
| 39 | 1,680,612 | CVS Caremark Corporation | 66,501,817 | 0.40% |
| 40 | 4,317,374 | Time Warner Inc. | 63,897,135 | 0.38% |
| | | | **$ 5,693,444,696** | **34.12%** |

A full list of the Plan's securities is available upon request.

# LIST OF LARGEST BOND HOLDINGS
## (By Fair Value)
## June 30, 2008

| | Security Description | | Fair value | Percent of Long Term Fixed Income |
|---|---|---|---|---|
| 1 | FNMA Securities | $ | 2,497,227,854 | 23.34% |
| 2 | Federal Home Loan Corp. | $ | 1,210,863,672 | 11.32% |
| 3 | U.S. Treasury Securities | $ | 995,633,242 | 9.31% |
| 4 | GNMA Securities | $ | 280,855,877 | 2.63% |
| 5 | J.P. Morgan Chase & Subsidiaries | $ | 136,022,836 | 1.27% |
| 6 | Federal Home Loan Banks | $ | 115,694,463 | 1.08% |
| 7 | CWALT Inc. | $ | 114,231,983 | 1.07% |
| 8 | Community / Economic Development Bonds | $ | 94,183,393 | 0.88% |
| 9 | Citigroup & Subsidiaries | $ | 90,106,175 | 0.84% |
| 10 | Wells Fargo Inc. | $ | 82,400,542 | 0.77% |
| 11 | Morgan Stanley & subsidiaries | $ | 72,317,087 | 0.68% |
| 12 | Bank America Corp. | $ | 67,800,989 | 0.63% |
| 13 | Structured Asset Securities Corp. | $ | 65,913,456 | 0.62% |
| 14 | Goldman Sachs Group | $ | 61,095,776 | 0.57% |
| 15 | Ford Motor Company | $ | 53,604,630 | 0.50% |
| 16 | AT&T & Subsidiaries | $ | 53,304,394 | 0.50% |
| 17 | General Electric Company | $ | 50,807,919 | 0.47% |
| 18 | European Investment Bank | $ | 48,772,783 | 0.46% |
| 19 | Lehman Brothers | $ | 48,382,379 | 0.45% |
| 20 | Bear Stearns Inc. | $ | 47,027,587 | 0.44% |
| 21 | Merrill Lynch & Company | $ | 45,712,466 | 0.43% |
| 22 | Tennessee Valley Authority | $ | 41,153,261 | 0.38% |
| 23 | Italy Government | $ | 38,251,144 | 0.36% |
| 24 | Daimler Chrysler North America | $ | 34,305,087 | 0.32% |
| 25 | Brazil Government | $ | 33,765,593 | 0.32% |
| 26 | Chesapeake Energy Corp. | $ | 32,994,955 | 0.31% |
| 27 | HCA-Healthcare Company | $ | 31,959,500 | 0.30% |
| 28 | HSBC Bank | $ | 29,757,631 | 0.28% |
| 29 | Volkswagen Credit Auto Master | $ | 29,103,618 | 0.27% |
| 30 | Mexico Government | $ | 29,034,945 | 0.27% |
| 31 | Georgia Pacific Company | $ | 28,227,130 | 0.26% |
| 32 | IndyMac Bank | $ | 28,099,877 | 0.26% |
| 33 | Qwest Corp & Subsidiaries | $ | 27,756,225 | 0.26% |
| 34 | Credit Suisse Inc. | $ | 27,660,498 | 0.26% |
| 35 | Wachovia Corp. | $ | 27,216,399 | 0.25% |
| 36 | NRG Energy Inc. | $ | 25,805,844 | 0.24% |
| 37 | Resolution Funding Corp. | $ | 25,482,346 | 0.24% |
| 38 | CIT Group Inc. | $ | 24,870,820 | 0.23% |
| 39 | British Telecommunications | $ | 24,629,149 | 0.23% |
| 40 | Residential Funding Mortgage | $ | 24,534,230 | 0.23% |
| | | **$** | **6,796,567,755** | **63.53%** |

This table lists the issuers of NYCERS' 40 largest long term fixed income securities. For most issuers, the amount shown is comprised of multiple securites with various maturity dates and interest rates.

# SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

| | Assets under Management (in millions) As of June 30, 2008 | Fees |
|---|---|---|
| **Fees Paid Out of Investment Income** | | |
| **Investment Managers' Fees:** | | |
| **Fixed Income Managers** | | |
| Advent (Convertible Bonds) | 126.01 | 51,000.00 |
| Blackrock (Corporate) | 525.32 | 253,927.78 |
| Blackrock (Mortgage) | 923.88 | 441,014.85 |
| Fischer, Francis, Trees & Watts (Yankee) | 327.86 | 222,648.60 |
| Lehman Brothers (Gov't) | 796.57 | 127,928.24 |
| Lehman Brothers (Mortgage) | 1,000.72 | 303,862.42 |
| Loomis Sayles (Enhanced Yield) | 477.61 | 1,907,939.08 |
| Lord Abbett & Co. (Convertible Bonds) | 128.16 | 50,907.00 |
| Pacific Investment Mgmt. Co. (Gov't) | 381.33 | 287,505.22 |
| Pacific Investment Mgmt. Co. (Mortgage) | 995.61 | 677,047.41 |
| Progress Fixed Emerging Managers | 76.20 | 335,176.66 |
| Prudential (Corporate) | 365.37 | 149,873.62 |
| Prudential Investments (Yankee) | 330.40 | 135,262.33 |
| SEIX (Enhanced Yield) | 467.13 | 707,348.61 |
| Shenkman Capital Management (Enhanced Yield) | 476.28 | 1,626,816.83 |
| State Street Bank and Trust Co. (Gov't) | 240.28 | 54,964.21 |
| T. Rowe Price (Corporate) | 484.95 | 301,458.78 |
| T. Rowe Price (Enhanced Yield) | 484.83 | 1,480,731.73 |
| Taplin Canida & Habacht (Corporate) | 538.96 | 497,300.09 |
| TCW Zasset Mgmt. (Mortgage) | 931.98 | 1,037,105.26 |
| Victory (Convertible Bonds) | 126.77 | 52,000.00 |
| **Total Fixed Income Managers** | **10,206.22** | **10,701,818.72** |
| | | |
| **Domestic Equity Managers** | | |
| Amalgamated Bank of NY (S & P 500 Index) | 3,582.04 | 51,516.48 |
| Ariel Capital (Mid Cap) | 0.16 | 459,333.88 |
| Ariel Capital (Small Cap) | 91.00 | 322,360.17 |
| Attucks Assett Management (Value) | 181.40 | 716,126.61 |
| Barclay Global Investors (Russell 3000 Index) | 5,047.86 | 256,090.23 |
| Bivium Capital Partners, LLC (Mid Cap) | 44.14 | 173,481.79 |
| BlackRock (Russell 3000) | 5,123.28 | 110,328.00 |
| Capital Prospects LLC | 42.62 | 297,314.06 |
| Chicago Equity Partners (Mid Cap) | 60.22 | 126,315.20 |
| Emerald Advisors (Small Cap) | 33.44 | 129,119.15 |
| F.I.S. Fund Mgmt. | 138.66 | 902,889.97 |
| Franklin Portfolio Associates (Mid Cap) | 58.59 | 182,934.60 |
| Gabelli Asset Mgmt. (Small Cap) | 53.26 | 500,571.88 |
| Navellier & Assoc. Inc. (Small Cap) | 66.63 | 257,338.67 |
| New Amsterdam | - | 117,423.45 |
| RAFI Enhanced Small Co. | 471.34 | 84,600.00 |
| RAFI Enhanced Large Co. | 1,019.29 | 91,736.00 |
| Rothschild Asset Mgmt. (Mid Cap) | 112.42 | 630,810.19 |
| Total Progress Trust | 235.70 | 1,499,885.46 |
| VTL S&P 500 | 232.70 | 22,934.00 |
| Walden Asset Mgmt | 47.53 | 49,743.96 |
| Wells Capital Mgmt. (Small Cap) | 77.59 | 347,201.76 |
| **Total Domestic Equities** | **16,719.87** | **7,330,055.51** |

## SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

| | Assets under Management (in millions) As of June 30, 2008 | Fees |
|---|---|---|
| **Private Equity Investments** | | |
| Aisling Capital II | 3.60 | 115,828.51 |
| Allegra Capital Patners IV | 6.29 | 218,150.00 |
| Ampersand 2006 | 11.17 | 499,964.00 |
| Apollo Investment Fund V | 48.31 | - |
| Apollo Investment Fund VI | 72.59 | - |
| Apollo Investment Fund VII | 6.87 | 643,735.00 |
| Ares Copr Opportunities | 31.90 | 245,706.49 |
| Ares Copr Opportunities Fund II | 37.66 | 828,220.18 |
| Arsenal Capital Partners II | 6.96 | 313,333.00 |
| Aurora Equity Capital Partners III | 25.94 | 557,499.00 |
| Avenue Special Situations Fd V | 33.47 | 1,125,000.00 |
| Avista Capital Partners | 39.47 | - |
| BDCM Opportunity Fund | 28.26 | 246,022.85 |
| BDCM Opportunity Fund II | 9.07 | 436,707.27 |
| Blackstone Capital Partnerrs IV | 27.78 | - |
| Blackstone Capital Partnerrs V | 66.87 | 656,199.00 |
| Blackstone Mezz. Partners II | 15.89 | 177,738.00 |
| Carlyle Partners III | 14.11 | 102,635.00 |
| Carlyle Partners V | 14.54 | 607,660.88 |
| Carpenter Community Bancfund | 0.82 | 181,918.00 |
| Catterton Partners VI | 22.62 | 611,606.00 |
| CCMP Capital Investors II | 6.72 | 393,221.00 |
| Celtic Pharmaceutical Holdings LP | 17.71 | 276,093.00 |
| Craton Equity Investors | 0.38 | - |
| Cypress Merchant Bank Partners II | 17.93 | 227,869.00 |
| Erasmus NYC Growth Fund | 38.46 | 800,000.00 |
| Ethos Private Equity Fund V | 19.23 | 623,604.23 |
| Fairview Capital Partners | 11.83 | - |
| Fairview Capital Partners II | 1.80 | - |
| FDG Capital Partners | 8.51 | 68,250.56 |
| FDG Capital Partners II | 13.87 | 443,219.75 |
| First Reserve Fd XI | 28.73 | 304,000.00 |
| Fourth Cinven Fund | 37.56 | - |
| FS Equity Partners V | 14.61 | 367,312.00 |
| FT Ventures Fund III | 8.80 | 450,000.00 |
| GF Capital | 2.26 | 233,333.40 |
| GI Partners Fund II | 28.40 | 69,847.00 |
| GSC Recovery III | 13.03 | 375,000.00 |
| Halyard Capital II | 10.53 | 260,449.00 |
| HM Capital Sector Perform Fund | 11.47 | 196,896.50 |
| InterMedia Partners VII | 15.20 | 437,500.00 |
| JP Morgan Investment Management | 9.37 | - |
| Landmark Equity Partners XI | 26.95 | 542,360.00 |
| Landmark Fund XIII | 31.05 | 312,500.00 |
| Lehman Brothers MB Fund III | 27.67 | 196,445.58 |
| Lehman Brothers Partners IV | 2.64 | 1,261,988.30 |
| Lincolnshire Equity Fund III | 18.37 | 794,134.00 |
| Markstone Capital Partners | 25.44 | 800,000.00 |
| Midocean Partners III | 18.18 | 547,719.00 |

## SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

| | Assets under Management (in millions) As of June 30, 2008 | Fees |
|---|---|---|
| **Private Equity Investments (continued)** | | |
| Montreux Equity Partners IV | 4.22 | 354,255.24 |
| New Mountain Partners | 7.69 | 79,124.00 |
| New Mountain Partners II | 40.42 | 482,130.00 |
| New Mountain Partners III | 10.98 | 1,477,064.00 |
| Newspring Venture II LP. | 4.40 | 400,000.00 |
| Paladin Homeland Security | 13.25 | - |
| PCGAM Clean Energy & Tech Fund | 9.60 | - |
| Perseus Partners VII | 6.60 | 354,888.00 |
| Pine Brook Capital Partners | 8.53 | 257,871.00 |
| Prism Venture Partners V-A L.P. | 15.36 | 623,895.00 |
| Psilos Group Ptnrs III | 14.02 | 875,000.00 |
| Quadrangle Capital Partners II | 33.53 | 849,168.00 |
| Quaker BioVentures II L.P. | 1.80 | 498,918.00 |
| Relativity Fund | 3.40 | 140,226.91 |
| Ripplewood Partners 11 | 11.66 | 15,097.64 |
| RRE Ventures III-A, L.P. | 21.66 | 500,000.00 |
| RRE Ventures IV | 10.71 | 875,000.00 |
| SCP Private Equity Partners II L.P. | 15.59 | 325,139.15 |
| SCP Vitalife Partners II L.P. | 3.00 | 456,514.98 |
| Shamrock Capital | 62.02 | 982,788.00 |
| Silver Lake Partners II, L.P. | 23.81 | 231,577.00 |
| Silver Lake Partners III | 7.05 | 711,117.00 |
| Snow Phipps & Guggenheim | 5.57 | 298,894.00 |
| Solera Partners | 19.74 | 388,885.00 |
| Tailwind Capital Partners, L.P. Contingent | 5.53 | 300,000.00 |
| Terra Firma Cap III - Contingent | 26.27 | 809,942.40 |
| Thomas H Lee Equity Fund VI | 25.17 | 205,210.00 |
| Thomas McNerney Partners | 10.18 | - |
| Thomas McNerney Partners II | 5.88 | - |
| US Power Fund II | 51.35 | 1,213,868.00 |
| US Power Fund III | 27.19 | 411,606.00 |
| Vista Equity Partners III | 10.86 | 526,217.00 |
| Vitruvian Partners | 4.60 | 39,357.54 |
| VS&A Comm Partners III | 17.89 | 149,572.67 |
| VSS Comm Partners IV | 18.15 | 374,156.00 |
| Yucaipa American Alliance Fund | 64.79 | 583,494.00 |
| Yucaipa American Alliance Fund II | 29.37 | - |
| Yucaipa Corp Initiative II | 4.71 | - |
| **Total Private Equity Managers** | **1,647.41** | **33,340,642.03** |

## SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

| | Assets under Management (in millions) As of June 30, 2008 | Fees |
|---|---|---|
| **Private Real Estate Managers** | | |
| American Value Partners Fd. III | 2.25 | 1,039,381.72 |
| AMB Alliance Fd II | 27.90 | 219,752.00 |
| Apollo Real Estate Fund V | 18.05 | 817,827.40 |
| Blackstone Real Estate Partners IV | 28.46 | 326,705.00 |
| Blackstone Real Estate Partners VI | 43.54 | 1,879,167.00 |
| Canyon Johnson Urban Fund | 1.80 | 52,416.00 |
| Canyon Johnson Urban Fund II | 20.82 | 800,000.00 |
| Carlyle Partners R.P. Fund V | 9.26 | 489,013.00 |
| Capri urban Investors | 10.81 | - |
| Colony Realty Partners GP II, LP | 19.71 | 300,000.00 |
| Heitman Aerica RE Trust | 59.24 | 279,831.00 |
| JPMC SP Fund | 103.98 | 761,144.33 |
| JPMC SS Fund | 101.30 | 1,327,154.54 |
| Lehman Rep III | 10.00 | - |
| Metro Workforce Housing Fund, LLC. | 1.57 | 370,000.00 |
| Prisa | 105.64 | 467,576.29 |
| Prudential Prisa II | 83.05 | 294,003.43 |
| RREEF America II, Inc | 102.50 | 360,790.62 |
| RREEF America III, Inc | 89.31 | 794,073.50 |
| The City Investment Fund | 164.00 | 2,300,347.00 |
| Tishman Speyer/Citigroup | 52.88 | (134,764.87) |
| UBS Trumball Property Fund (TPF) | 104.12 | 1,070,218.02 |
| Urban America II | 8.92 | 312,500.00 |
| Westbrook Real Estate VII, L.P. | 6.92 | 1,052,881.00 |
| **Total Private Real Estate Equity Managers** | **1,176.05** | **15,180,016.98** |
| | | |
| **International Equity Fund Managers** | | |
| Acadian (Emerging Markets) | 320.50 | 1,576,448.00 |
| Acadian (Value) | 411.14 | 1,442,380.00 |
| Alliance (Value) | 398.72 | 1,092,646.57 |
| Baillie Gifford Overseas Ltd.(Emerging Markets) | 368.87 | 2,639,367.23 |
| Baillie Gifford Overseas Ltd.(Growth) | 425.47 | 633,829.56 |
| Barclays Global Investor (Passive) | 1,320.88 | 145,021.86 |
| Capital Guardian Trust Co. (Core) | 0.03 | 1,548,953.71 |
| DFA (Emerging Markets) | 308.15 | 1,906,792.46 |
| GE MTA | 416.75 | 335,814.00 |
| Martin Currie (Growth) | 430.00 | 519,020.42 |
| Mondrian Investment Partners Ltd. | 423.49 | 1,743,734.00 |
| Oechsle Int'l Advisors (Growth) | 0.89 | 722,523.79 |
| Philadelphia International (Core) | 548.39 | 1,606,799.68 |
| PIM Atlanta Life | 14.36 | 68,120.81 |
| PIM John Hsu | 14.36 | 70,170.93 |
| PIM Strategic Global Adv | 14.59 | 69,897.28 |
| Pyramis MTA (Growth') | 423.19 | 255,259.00 |
| Sprucegrove (Value) | 399.57 | 916,772.59 |
| State Street (Emerging Markets) | 336.56 | 2,095,690.96 |
| T.Rowe Price (Growth) | 3.14 | 930,243.83 |
| **Total International Equity Fund Managers** | **6,579.04** | **20,319,486.68** |

# SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

| | Assets under Management (in millions) As of June 30, 2008 | | Fees |
|---|---|---|---|
| **Mutual Funds - Domestic Equity** | | | |
| Relational Investors X, L.P. | 91.57 | | 946,131.66 |
| **Total Mutual Funds - Domestic Equity** | **91.57** | | **946,131.66** |
| **Mutual Fund - Mortgages** | | | |
| AFL-CIO Housing Inv. Trust | 107.77 | | 94,988.10 |
| CONY NYCERS CCB ETI MTA | 39.95 | | 433,731.24 |
| **Total Mutual Funds - Domestic Equity** | **147.72** | | **528,719.34** |
| **Treasury Inflation Protected Securities** | | | |
| Blackrock (Active) | 239.55 | | 144,619.98 |
| Pacific Investment Mangement Co. (Active) | 701.75 | | 713,502.89 |
| State Street (Pasive) | 313.86 | | 14,705.92 |
| **Total TIPS Managers** | **1,255.16** | | **872,828.79** |
| **Consultants** | | | |
| Callan Consultants, Inc. | | | 361,000.00 |
| Callan Consultants (Emerging Markets) | | | 299,502.50 |
| Foster, Pepper, & Shefelman PLLC (Legal Consultant) | | | 31,505.75 |
| Independent Fiduciary Services (Special Project) | | | 11,400.00 |
| Morgan, Lewis, & Bockius LLP (Legal Consultant) | | | 49,129.21 |
| Nixon Peabody, LLP (Legal Consultant) | | | 37,218.00 |
| Pacific Corporate Group (PCG) | | | 1,972,801.00 |
| Pryor Cashman Sherman & Flynn LLP (Legal Consultant) | | | 13,727.50 |
| The Townsend Group | | | 249,533.32 |
| **Total Consultant Fees** | | | **3,025,817.28** |
| **Total Fees FY 2008** | **37,823.05** | **$** | **92,245,516.99** |

# SCHEDULE OF BROKERS' COMMISSIONS

**For Fiscal Year Ended June 30, 2008**

| Brokerage Firm | Number of Shares Traded | Total Commissions |
|---|---|---|
| Abel Noser Corporation | 516,920 | $ 5,807 |
| ABG Securities | 754,060 | 8,873 |
| ABN AMRO Securities LLC | 64,826,809 | 124,585 |
| Access Securities Inc. | 22,815 | 684 |
| Adams, Harkness & Hill Inc. | 71,821 | 2,665 |
| Agora Cor de Titul e Val Mob | 38,000 | 338 |
| Alpha Brokerage | 42,700 | 5,038 |
| American Technology Research | 1,064 | 43 |
| Ameritrade Inc. | 666,420 | 749 |
| Arden Partners Limited | 223,605 | 2,967 |
| Arnhold & Bleichroeder Inc. | 13,900 | 432 |
| Assent LLC | 3,500 | 35 |
| Avian Securities Inc. | 95,067 | 4,753 |
| Avondale Partners LLC | 60,889 | 2,531 |
| Baird Robert W & Company | 945,890 | 49,477 |
| Banc of America Securities | 1,671,979 | 14,630 |
| Banca Akros Spa, Milan | 39,187 | 1,606 |
| Banco Bilbao Vizcaya Argentaria | 18,300 | 494 |
| Banco Espanol de Credito - Madrid | 84,594 | 4,034 |
| Banco Espirito Santo de Investimento SA - Lisbon | 72,916 | 577 |
| Banco Portugues de Investimento SA | 10,900 | 356 |
| Banco Santander | 3,695,933 | 66,710 |
| Bancoval - Madrid | 3,315 | 267 |
| Bank Austria Creditanstalt - Vienna | 193,471 | 9,409 |
| Bank Vontobel AG - Zurich | 180,760 | 15,153 |
| Barclays Global Investors | 52,776,011 | 19,803 |
| Barrington Research Associates Inc. | 203 | 10 |
| Baypoint Trading LLC | 230,646 | 6,548 |
| Bears Stearns & Company | 19,491,772 | 144,145 |
| Berean Capital Inc. | 368,859 | 10,543 |
| Berenberg Bank - Hamburg | 9,400 | 707 |
| Blair William & Company LLC | 434,786 | 17,489 |
| Bloomberg Tradebook | 368,081 | 9,445 |
| BMO Nesbitt Burns Corporation | 127,320 | 4,666 |
| BNP Paribas | 6,257,825 | 55,343 |
| Bank of New York | 9,484,865 | 153,166 |
| BOE Securities Inc/Broadcort Capital | 68,127 | 2,586 |
| Boenning & Scattergood Inc. | 18,472 | 758 |
| Brean Murray Foster Securities | 2,850 | 143 |
| Broadcort Capital Corp. | 52,075 | 2,083 |
| Brockhouse and Cooper Inc. | 4,363,025 | 32,745 |
| Brown Brothers Harriman & Company | 87,920 | 2,845 |
| B-Trade Services LLC | 571,748 | 12,753 |
| Buckingham Research Group Inc. | 219,170 | 9,863 |

# SCHEDULE OF BROKERS' COMMISSIONS

**For Fiscal Year Ended June 30, 2008**

| Brokerage Firm | Number of Shares Traded | | Total Commissions |
|---|---|---|---|
| Cabrera Capital Markets | 1,226,936 | $ | 42,076 |
| CAI Cheuvreux Nordic AB | 42,400 | | 2,218 |
| Calyon Securities | 2,986,016 | | 30,362 |
| Cantor, Fitzgerald & Company Inc. | 3,366,922 | | 68,101 |
| Capital Institutional Services - Equities | 6,206,947 | | 84,453 |
| Caris and Company Inc. | 59,842 | | 2,432 |
| Carnegie Bank | 60,975 | | 6,996 |
| Cazenove and Company Ltd. | 2,408,542 | | 13,070 |
| Chapdelaine Institutional | 26,012 | | 1,301 |
| Charles Stanley and Company Ltd. - London | 777,868 | | 1,520 |
| Cheevers & Company Inc. | 167,842 | | 5,917 |
| China Intl Cap Corp HK Securities Ltd. | 496,422 | | 7,164 |
| CIBC World Markets Corporation | 388,840 | | 13,920 |
| Citation Group | 464,802 | | 18,133 |
| Citigroup Global Markets Inc. | 77,794,600 | | 486,266 |
| CLSA Securities | 8,393,105 | | 103,359 |
| Collins Stewart & Company - London | 698,852 | | 2,084 |
| Concordia SA CVMCC | 200 | | 6 |
| Cowen & Company LLC | 338,680 | | 12,478 |
| Craig - Hallum | 131,037 | | 5,387 |
| Credit Agricole Cheuvreux | 1,755,531 | | 61,912 |
| Credit Lyonnais Securities | 2,539,200 | | 92,182 |
| Credit Suisse First Boston | 103,090,006 | | 542,188 |
| Cuttone & Company Inc. | 298,800 | | 7,470 |
| D Carnegie AB | 487,531 | | 2,736 |
| Daishin Securities Company Ltd. | 374,380 | | 3,611 |
| Daiwa Securities | 1,520,026 | | 28,314 |
| Danske Bank AS - Copenhagen | 42,600 | | 1,902 |
| Davenport & Company LLC | 35,800 | | 1,432 |
| Davidson D.A. & Company | 93,300 | | 4,153 |
| Davy Stockbrokers - Dublin | 446,335 | | 12,562 |
| DBS Vickers - Hong Kong | 31,186 | | 347 |
| Dematteo Monness LLC | 19,519 | | 781 |
| Deutsche Bank | 119,505,183 | | 584,684 |
| Dexia Securities - France | 45,692 | | 2,451 |
| Direct Trading Institutional | 331,016 | | 6,024 |
| Divine Capital Markets LLC | 283,615 | | 9,325 |
| Donaldson Lufkin & Jenrette | 19,330 | | 870 |
| Dougherty Company | 33,697 | | 1,335 |
| Dresdner Kleinwort Wasserstein Securities | 3,672,295 | | 85,861 |
| E*Trade Securities | 68,955 | | 4,362 |
| Edgetrade Inc. | 11,000 | | 113 |
| Emp Research Partners LLC | 4,400 | | 176 |

# SCHEDULE OF BROKERS' COMMISSIONS

For Fiscal Year Ended June 30, 2008

| Brokerage Firm | Number of Shares Traded | Total Commissions |
|---|---|---|
| Erste Bank Oesterre Sparkassen AG | 41,623 | $ 3,362 |
| Euromobiliare Sim Spa - Milan | 54,720 | 1,663 |
| Evolution Beeson Gregory Ltd. - London | 401,191 | 3,444 |
| Exane Ltd. | 278,034 | 29,513 |
| Execution Ltd. - Hong Kong | 77,000 | 494 |
| Fator - Doria Atherino SA CV | 10,015,497 | 768 |
| Fidelity Capital Markets | 133,651 | 3,669 |
| Fidentiis Equities | 74,725 | 7,395 |
| Finsettle Services (Pty) Ltd. | 285,646 | 10,587 |
| Firefly Capital Inc - Equities | 10,480 | 105 |
| First Albany Corporation | 49,100 | 1,255 |
| First Analysis Securities Corporation | 54,686 | 1,916 |
| First Clearing LLC | 15,291 | 619 |
| Fortis Investment Services | 29,432 | 2,520 |
| Fox-Pitt Kelton Inc. | 822,343 | 9,256 |
| FPK Nominees Ltd. | 230,795 | 6,658 |
| Fred, Albert & Company LLC | 1,900 | 76 |
| Friedman, Billings & Ramsey | 319,019 | 12,609 |
| FRS Securities LLC | 11,478 | 410 |
| Futuretrade Securities LLC | 583,104 | 11,662 |
| Gardner Rich & Company | 782,332 | 23,182 |
| Goldman Sachs & Company | 43,503,617 | 475,568 |
| Goodbody Stockbrokers - Dublin | 146,018 | 3,975 |
| Goodmorning Shinhan Securities - Seoul | 44,500 | 10,268 |
| Greentree Brokerage Services | 8,950 | 448 |
| Griffiths McBurney - Canada | 50,700 | 1,976 |
| G-Trade Services Ltd. | 2,127,221 | 33,391 |
| Guzman & Company | 2,900,821 | 56,537 |
| Hibernia Southcoast Capital | 36,239 | 1,714 |
| Hong Kong & Shanghai Banking Corporation Ltd. | 362,853 | 1,669 |
| Howard Weil Incorporated | 54,140 | 2,707 |
| HSBC Securities Inc. | 59,849,251 | 122,163 |
| ICAP Corporates LLC | 13,125 | 525 |
| ING Financial Services | 286,383 | 66,989 |
| Instinct Clearing Services Inc. | 18,887,924 | 184,236 |
| Institutional Services | 64,300 | 2,572 |
| Intermonte Securities SIM - Milano | 165,092 | 8,103 |
| Investec Securities - London | 1,306,389 | 18,483 |
| Investment Bank Athens | 27,082 | 2,208 |
| Investment Technology Group | 7,873,416 | 144,837 |
| ISI Group Inc. | 441,317 | 19,657 |
| ITG Inc. | 993,424 | 4,688 |
| IVY Securities Inc. | 72,700 | 2,888 |
| IXIS Securities | 16,400 | 1,378 |

# SCHEDULE OF BROKERS' COMMISSIONS

For Fiscal Year Ended June 30, 2008

| Brokerage Firm | Number of Shares Traded | | Total Commissions |
|---|---|---|---|
| J B Were & Son - Melbourne | 60,600 | $ | 723 |
| JMP Securities | 167,864 | | 6,536 |
| Jackson Partners & Associates Inc. | 508,800 | | 17,948 |
| Janco Partners Inc. | 61,000 | | 2,368 |
| Janney Montgomery Scott Inc. | 117,299 | | 3,844 |
| Jefferies & Company Inc. | 2,551,409 | | 89,726 |
| Johnson Rice & Company | 352,160 | | 15,894 |
| Jonestrading Institutional Services LLC | 930,728 | | 19,485 |
| JP Morgan Chase Bank | 26,512,514 | | 312,571 |
| KAS Bank NV - Amsterdam | 430 | | 86 |
| Kaupthing Singer and Friedlander | 5,300 | | 16 |
| KBC Financial Products Inc. - London | 326,625 | | 13,000 |
| Keefe Bruyette & Woods Inc. | 442,836 | | 11,731 |
| Kempen & Company NV - Amsterdam | 2,241 | | 59 |
| Kepler Equities | 451,362 | | 23,001 |
| Keybanc Capital Markets | 136,133 | | 5,990 |
| KGI Securities Ltd. - Hong Kong | 21,403 | | 632 |
| Kim Eng Securities - Hong Kong | 2,108,900 | | 15,349 |
| King, CL & Associates | 647,033 | | 28,546 |
| Knight Securities | 861,256 | | 18,183 |
| Kotak Securities - Mumbai | 119,892 | | 11,199 |
| Labranche Financial Services LLC | 342,500 | | 12,125 |
| Ladenburg Thalman & Company | 2,612 | | 104 |
| Lambright Financial Securities | 130,897 | | 3,802 |
| Lazard Freres & Company | 226,081 | | 3,398 |
| Leerink Swann and Company | 172,778 | | 7,707 |
| Legent Clearing Corp. | 144,100 | | 2,738 |
| Lehman Brothers | 35,337,402 | | 387,444 |
| Lek Securities Corp. | 2,175 | | 44 |
| Liquidnet Inc. | 2,826,329 | | 60,001 |
| Lisbon Brokers Sociedade Corretora | 8,719 | | 84 |
| Longbow Securities LLC | 4,870 | | 195 |
| Loop Capital Markets LLC | 659,938 | | 20,344 |
| Lynch Jones & Ryan Inc. | 4,696,501 | | 65,236 |
| Macquarie Securities | 25,102,436 | | 128,092 |
| Magna Securities Corporation | 16,207,949 | | 46,957 |
| Mainfirst Bank AG - Frankfurt | 126,778 | | 12,874 |
| Man Financial Limited - London | 93,601 | | 2,849 |
| Mediobanca-Banca - Milan | 28,400 | | 886 |
| Melvin Securities LLC | 1,702,184 | | 24,919 |
| Merrill Lynch | 188,975,876 | | 813,476 |
| Merriman Curhan Ford & Company | 99,375 | | 3,310 |
| Merrion Capital Group - Dublin | 33,842 | | 983 |
| Midwest Research Securities | 211,933 | | 8,447 |
| Midwood Securities | 3,950 | | 158 |

# SCHEDULE OF BROKERS' COMMISSIONS
## For Fiscal Year Ended June 30, 2008

| Brokerage Firm | Number of Shares Traded | Total Commissions |
|---|---|---|
| Miller Tabak & Company LLC | 304,800 | $ 3,210 |
| Mischler Financial Group Inc. | 3,141 | 112 |
| Mitsubishi Securities | 28,492 | 1,075 |
| Mizuho Securities | 1,077,495 | 26,840 |
| MM Warburg Company - Hamburg | 7,605 | 1,949 |
| Monument Derivatives Ltd. - London | 28,752 | 535 |
| Morgan Keegan & Company Inc. | 1,156,189 | 23,311 |
| Morgan Stanley & Company | 34,534,488 | 346,568 |
| MR Beal & Company | 2,310,302 | 56,640 |
| Multitrade Securities LLC | 28,389 | 1,198 |
| Natexis Bleichroeder - New York | 1,054,318 | 26,499 |
| National Financial Services Corp. | 448,276 | 14,561 |
| NBC Clearing Services | 45,282 | 894 |
| NCB Stockbrokers Limited | 85,398 | 2,101 |
| Needham & Company | 140,400 | 6,456 |
| Nesbitt Burns Securities Inc. | 46,492 | 835 |
| Nessuah Zannex Ltd. - Ramat Gan | 954,257 | 8,510 |
| Next Generation Equity Research | 2,005 | 80 |
| Nomura Securities International Inc. | 2,939,312 | 54,852 |
| Nordea Bank | 16,600 | 2,132 |
| Numis Securities Limited - London | 348,695 | 6,984 |
| Nutmeg Securities | 21,119 | 698 |
| NYFIX Transaction Services | 292,705 | 4,395 |
| NZB Neue Zuercher Bank - Zurich | 8,395 | 1,497 |
| Oddo et Cie - Paris | 75,456 | 7,742 |
| O'Neil, William & Company | 106,685 | 4,569 |
| Oppenheimer & Company Inc. | 336,020 | 13,928 |
| Opstock Securities Helsinki | 4,200 | 66 |
| Oriel Securities Ltd. - London | 80,109 | 1,869 |
| Pacific American Securities | 648,284 | 23,632 |
| Pacific Crest Securities | 74,989 | 3,013 |
| Pacific Growth Equities LLC | 21,700 | 836 |
| Pali Capital LLC | 100 | 4 |
| Panmure Gordon and Company Limited | 161,742 | 1,959 |
| Parel - Paris | 120,982 | 7,487 |
| Penson Financial Services Inc | 255,325 | 9,445 |
| Pereire-Tod Ltd. - London | 64,000 | 398 |
| Pershing & Company | 6,577,561 | 87,447 |
| Pickering Energy Partners Inc. | 14,056 | 659 |
| Pipeline Trading Systems LLC | 426,924 | 8,538 |
| Piper Jaffray & Company | 408,982 | 16,173 |
| Podesta & Company | 22,800 | 374 |
| Pulse Trading LLC | 19,613 | 220 |
| Punk, Ziegel & Knoell | 9,810 | 444 |
| Rabo Securities NV - Amsterdam | 17,187 | 1,347 |

# SCHEDULE OF BROKERS' COMMISSIONS

**For Fiscal Year Ended June 30, 2008**

| Brokerage Firm | Number of Shares Traded | | Total Commissions |
|---|---|---|---|
| Raymond, James & Associates Inc. | 473,470 | $ | 20,278 |
| RBC Capital Markets Corp. | 290,121 | | 10,077 |
| Redburn Partners LLP | 99,822 | | 3,752 |
| Renaissance Capital Ltd. | 77,882 | | 3,457 |
| Ridge Clearing & Outsourcing | 6,048,186 | | 3,805 |
| Robert Van Securities | 29,200 | | 1,168 |
| Rochdale Securities Corp. | 61,900 | | 1,548 |
| Rodman & Renshaw LLC | 4,000 | | 160 |
| Roth Capital Partners LLC | 104,304 | | 4,647 |
| Royal Bank of Canada - Toronto | 17,500 | | 521 |
| Salomon Brothers International Ltd. | 748,728 | | 21,629 |
| Sampo Bank PLC | 29,100 | | 362 |
| Samsung Securities Company Ltd. - Seoul | 171,785 | | 15,771 |
| Sanders Morris Mundy | 15,650 | | 583 |
| Sandgrain Securities Inc. | 991 | | 50 |
| Sandler O'Neill & Partners L.P. | 63,200 | | 2,385 |
| Sanford C Bernstein & Company LLC | 3,038,509 | | 92,696 |
| SBC-Warburg - London | 9,594,413 | | 39,000 |
| SBK-Brooks Investment Corp. | 6,270 | | 225 |
| Scotia McLeod Inc. | 8,742 | | 361 |
| Scott & Stringfellow Inc. | 204,991 | | 8,360 |
| SG Americas Securities LLC | 12,462,784 | | 123,135 |
| Shinko Securities Company Ltd. - Tokyo | 3,541 | | 308 |
| Sidoti & Company LLC | 260,165 | | 11,476 |
| SinoPac Securities - Taiwan | 29,599,828 | | 48,833 |
| Sis Sega Intersettle AG - Zurich | 880 | | 1,094 |
| Skandinaviska Enskilda Banken | 105,290 | | 2,621 |
| Societe Generale | 2,077,633 | | 43,901 |
| Soleil Securities Corp. | 71,464 | | 3,127 |
| Southwest Securities Inc. | 10,921 | | 546 |
| Stanford Group Company | 42,743 | | 1,744 |
| State Street Bank and Trust Company | 6,284,990 | | 68,929 |
| Stephens Inc. | 2,579,436 | | 10,866 |
| Sterne Agee & Leach Inc. | 17,970 | | 689 |
| Stifel Nicholaus & Company Inc. | 655,082 | | 26,701 |
| Suntrust Capital Markets | 461,960 | | 20,716 |
| Svenska Handelsbanken | 535,294 | | 9,179 |
| The Benchmark Company LLC | 33,000 | | 1,127 |
| The Williams Capital Group L.P. | 6,041,515 | | 133,043 |
| Thinkequity Partners LLC | 207,656 | | 9,356 |
| Thomas Weisel Partners LLC | 354,408 | | 11,509 |
| Tir Securities Incorporate - New York | 2,167,042 | | 1,735 |
| Tisco Securities Company Ltd. - Bangkok | 1,136,500 | | 4,804 |
| Toronto Dominion Bank - Toronto | 4,014 | | 99 |
| Toussaint Capital Partners LLC | 37,900 | | 948 |

# SCHEDULE OF BROKERS' COMMISSIONS

## For Fiscal Year Ended June 30, 2008

| Brokerage Firm | Number of Shares Traded | | Total Commissions |
|---|---|---|---|
| U.S. Clearing Corp | 489,916 | $ | 16,443 |
| UBS Securities LLC | 40,232,388 | | 441,185 |
| Uob Kay Hian Ltd. | 714,400 | | 3,484 |
| Vandham Securities Corp. | 271,525 | | 6,960 |
| Wachovia Securities Capital Market | 238,429 | | 8,402 |
| Warburg - New York | 8,547 | | 263 |
| Wave Securities | 58,400 | | 628 |
| Warburg Dillon Read LLC - New York | 235,215 | | 2,295 |
| Wedbush Morgan Securities Inc. | 206,478 | | 8,867 |
| Weeden & Company | 1,870,659 | | 31,604 |
| Wells Fargo Investments LLC | 1,594 | | 64 |
| Westdeutsche Landesbank - Duesseldorf | 2,000 | | 261 |
| Westminster Research | 40,550 | | 1,622 |
| Wood and Company Securities - Prague | 15,971 | | 2,082 |
| Woori Investment Securities Company Ltd. | 292,333 | | 32,417 |
| Yamner & Company Inc. | 249,966 | | 3,088 |
| Yorkton Securities - Toronto | 35,200 | | 1,382 |
| Yuanta Core Pacific Securities | 179,000 | | 9,139 |
| **Total** | 1,163,677,911 | $ | 8,790,672 |

**New York City Employees' Retirement System**

**SCHEDULE OF INVESTMENT RESULTS**
**TIME-WEIGHTED RATES OF RETURN**

| | Year Ended June 30 | | | | | |
|---|---|---|---|---|---|---|
| | **2008** | **2007** | **2006** | **3 Years** | **5 Years** | **10 Years** |
| **Total Portfolio** | (4.96) | 18.39 | 9.83 | 7.31 | 9.44 | 5.43 |
| **Managed by Outside Advisors** | | | | | | |
| Domestic Equities Segment | (12.84) | 20.02 | 9.45 | 4.61 | 8.27 | 3.39 |
| Domestic Russell 3000 Index | (12.68) | 20.08 | 9.57 | 4.73 | 8.38 | 3.51 |
| International Equities Fund Segment | (7.07) | 31.69 | 26.87 | 15.79 | 17.96 | 7.47 |
| MSCI EAFE Index | (10.61) | 27.00 | 26.56 | 12.84 | 16.66 | 5.83 |
| Domestic Fixed Income Segment | 6.45 | 7.07 | (0.05) | 4.44 | 4.72 | 5.90 |
| Structured Managed Program | 6.94 | 6.58 | (1.07) | 4.08 | 4.23 | 5.96 |
| NYC Core Plus Five Index | 7.67 | 6.33 | (1.36) | 4.14 | 4.18 | 5.93 |
| Enhanced Yield | 0.11 | 11.05 | 3.79 | 4.88 | 6.59 | 4.95 |
| Citigroup BB & B Index | (1.09) | 10.73 | 3.95 | 4.41 | 6.48 | 4.87 |
| **In - House Portfolio** | | | | | | |
| Short Term Investments | 4.51 | 5.41 | 4.34 | 4.75 | 3.50 | 4.30 |
| Targeted Investments | 7.52 | 6.60 | 2.89 | 5.65 | 5.54 | 6.31 |

## New York City Employees' Retirement System

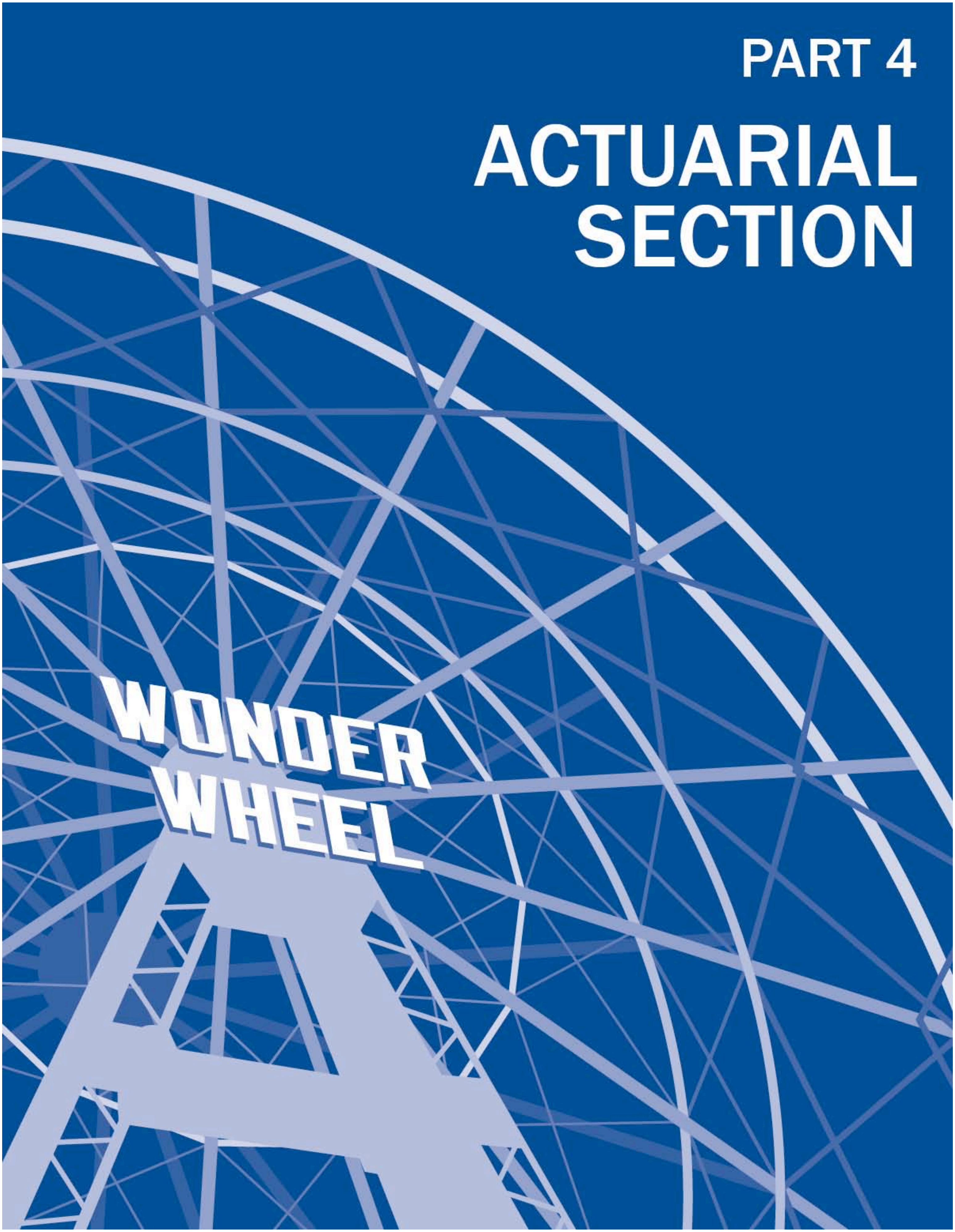
## SCHEDULE OF INVESTMENT EXPENSES

**For Fiscal Year Ended June 30, 2008**

| | | |
|---|---|---|
| **Investment Expenses Paid from the Investment Earnings of the Plan :** | | |
| **Fees Paid to Investment Advisors for FY 2008 Services** | | **$89,219,700** |
| See Table of Fees Paid to Investment Advisors on Page 107 | | |
| **Fees Paid to Investment Consultants :** | | |
| Callan Consultants - General Consulting | 361,000 | |
| Callan Consultants - Emerging Markets | 299,503 | |
| Foster, Pepper, & Shefelman PLLC (Legal) | 31,506 | |
| Independent Fiduciary Services (Special Project) | 11,400 | |
| Morgan, Lewis, & Bockius LLP (Legal) | 49,129 | |
| Nixon Peabody (Legal) | 37,218 | |
| Pacific Corporate Group | 1,972,801 | |
| Pryor Cashman Sherman & Flynn LLP (Legal) | 13,728 | |
| The Townsend Group - Real Estate | 249,533 | |
| **Total Investment Consultant Fees** | | **3,025,817** |
| **Private Equity Organizational Cost** | | **16,420,330** |
| **Real Estate Partnership Organizational Cost** | | **1,630,591** |
| **Foreign Taxes Withheld** | | **3,430,626** |
| **Miscellaneous Investment Expenses** | | **1,592,500** |
| **Total Investment Expenses Paid Directly by the Plan** | | **115,319,564** |
| **Fee Expenses Related to Securities Lending Transactions** | | **257,441,178** |
| **Total Investment Expenses and Fees Paid Directly by the Plan** | | **372,760,742** |
| **Investment Expenses paid by the NYC Comptroller as custodian of the funds of the Plan:** | | |
| Custodial Services | 2,100,076 | |
| Other Financial Services | 111,415 | |
| Publications | 10,600 | |
| **Total Investment Expenses Paid by the NYC Comptroller's Office** | | **2,222,091** |
| **Total Investment Expenses and Fees** | | **$374,982,833** |

# PART 4

# ACTUARIAL SECTION



**This Page Has Been Left Blank Intentionally**

OFFICE OF THE ACTUARY

75 PARK PLACE • 9TH FLOOR
NEW YORK, NY 10007
(212) 442-5775 • FAX: (212) 442-5777

ROBERT C. NORTH, JR.
CHIEF ACTUARY

December 11, 2008

Board of Trustees
New York City Employees'
Retirement System
335 Adams Street, Suite 2300
Brooklyn, NY 11201-3751

Re: Actuarial Information for the Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year Ended June 30, 2008

Dear Members:

The financial objective of the New York City Employees' Retirement System (the "Plan") is to fund members' retirement benefits during their active service and to establish employer normal contribution rates that, expressed as a percentage of active member annualized covered payroll, would remain approximately level over the future working lifetimes of those active members and, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

An actuarial valuation of the Plan is performed annually as of the second June 30 preceding each fiscal year to determine the Employer Contributions to be paid for that fiscal year (i.e., June 30, 2006 (Lag) actuarial valuation to determine Fiscal Year 2008 Employer Contributions).

Under current law, Employers are required to contribute statutorily-required contributions ("Statutory Contributions") and these contributions are generally funded by Employers within the appropriate fiscal year.

Statutory Contributions for Fiscal Year 2008 were equal to the Annual Required Contributions as defined under Governmental Accounting Standards Board ("GASB") Statement Number 25 ("GASB 25") as amended by GASB Statement No. 50 ("GASB 50").

The Annual Required Contributions were computed in accordance with GASB 25 as amended by GASB 50 and are consistent with generally accepted actuarial principles.

## Actuarial Assumptions and Methods

Provided in this Actuarial Section of the CAFR is a "Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2006 (Lag) Actuarial Valuation." These actuarial assumptions and methods were first employed in the June 30, 2004 (Lag) actuarial valuation that was used to determine Fiscal Year 2006 Employer Contributions to the Plan.

These actuarial assumptions and methods are unchanged from those employed in the June 30, 2005 (Lag) actuarial valuation that was used to determine Fiscal Year 2007 Employer Contributions to the Plan.

## Benefits and Census Data

A summary of the benefits available under the Plan is shown earlier in the Introductory Section of the CAFR.

Census data are submitted by the Plan's administrative staff, by the employers' payroll facilities and by the Comptroller of the City of New York, and are reviewed by the Office of the Actuary ("OA") for consistency and reasonability.

A summary of the census data used in the June 30, 2006 (Lag) actuarial valuation is included in this CAFR. A summary of the census data used in the June 30, 2005 (Lag) actuarial valuation of the Plan is available in the June 30, 2007 CAFR.

## Funded Status

The Funded Status of the Plan is expressed in various relationships of Assets to Liabilities.

With respect to the Funded Status of the Plan, included in the Financial Section of the CAFR is a Schedule of Funding Progress (Schedule 1).

Included in the Actuarial Section of the CAFR is a Solvency Test (i.e., Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets) as prescribed by the Government Finance Officers Association ("GFOA"). This Solvency Test represents an alternative approach to describing progress toward funding objectives.

In addition to the Schedule of Funding Progress and the Solvency Test, included for informational purposes in the Actuarial Section of the CAFR (following the Solvency Test) is an Additional Discussion of Plan Funding and Other Measures of Funded Status that provides different comparisons between the Assets and Liabilities of the Plan. Included in this Other Measures of Funded Status discussion is information consistent with the disclosure expectations of GASB 50.

## Presentation Style and Sources of Information

The actuarial information herein is being presented in a manner believed to be consistent with the requirements of the GFOA and, where applicable, with GASB 25 which was adopted for financial reporting purposes beginning Fiscal Year 1995 and with GASB 50 which was adopted for financial reporting purposes beginning Fiscal Year 2008.

The Additional Discussion of Plan Funding and Other Measures of Funded Status represents additional information provided by the Actuary to assist those users who desire alternative analyses.

As prescribed by GASB 25 as amended by GASB 50, included in the Financial Section of the CAFR are the following schedules prepared by the OA:

- Schedule of Funding Progress.
- Schedule of Employer Contributions.
- Schedule of Actuarial Assumptions and Methods.

The following schedules in the Actuarial Section of the CAFR were prepared by the OA:

- Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2006 (Lag) Actuarial Valuation.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets – Solvency Test.
- Additional Discussion of Plan Funding and Other Measures of Funded Status.
- Statutory vs. Annual Required Contributions.
- Active Member Valuation Data.
- Participating Employers.
- Number and Salary of Active Members by Occupational Position as of June 30, 2006 (Lag) Actuarial Valuation.
- Number of Active Members by Occupational Position and Age as of June 30, 2006 (Lag) Actuarial Valuation.
- Number of Active Members by Occupational Position and Years of Service as of June 30, 2006 (Lag) Actuarial Valuation.
- Retirants and Beneficiaries Added to and Removed from Rolls.

The following information and schedules in other sections of the CAFR were prepared by the OA:

- Summary of Plan Membership.
- Schedule of Participating Employers.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information presented elsewhere in this CAFR, please do not hesitate to contact Mr. John R. Gibney, Jr. or me.

I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Robert C. North, Jr.

Robert C. North, Jr., FSA,
MAAA
Chief Actuary

Att.

RCN/sb

cc: Ms. D. D'Alessandro
Ms. J.A. Flood
Mr. J.R. Gibney
Mr. M.A. Goldson
Mr. J.D. Hartman
Mr. E. Hue
Mr. S.S. Krasner
Mr. D. Lester
Mr. J.A. Petrovic

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION

(1) Based upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company ("GRS"), the Actuary issued an August 29, 2005 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Employees' Retirement System" ("August 2005 Report"). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152 of the Laws of 2006 ("Chapter 152/06") to provide for those changes to the actuarial assumptions and methods that required legislation, including the Actuarial Interest Rate ("AIR") assumption of 8.0% per annum.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial Accrued Liability ("UAAL"). In addition, Chapter 152/06 provided for elimination of the use of the ten-year phase-in of Chapter 278 of the Laws of 2002 ("Chapter 278/02") for funding the additional actuarial liabilities created by the benefits provided by Chapter 125 of the Laws of 2000 ("Chapter 125/00").

(2) The investment rate of return assumption is 8.0% per annum.

(3) The mortality tables for service and disability pensioners were developed from an experience study of the Plan's pensioners. Sample probabilities by certain occupational groups are shown in Tables 1A and 1B.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

(4) Active Service tables by certain occupational groups are used to estimate various withdrawals from Active Service. Sample probabilities are shown in Table 2 for members withdrawing from Active Service due to Death or Disability, in Table 3 for members withdrawing from Active Service for Other Than Death or Disability or Retirement and in Table 4 for members withdrawing from Active Service for Service Retirement.

(5) Salary Scales are used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 5 by certain occupational groups. The Salary Scales include a General Wage Increase ("GWI") assumption of 3.0% per annum.

(6) The economic assumptions (i.e., the assumed investment return rate, GWI rate and Cost-of-Living Adjustments ("COLA") rate) were developed assuming a long-term Consumer Price Inflation ("CPI") assumption of 2.5% per annum. The COLA assumption is 1.3% per annum.

(7) The valuation assumes a closed group of members. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scales.

(8) The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the contributions from the employers. Under this Actuarial Cost Method, the Initial Liability was reestablished under the Entry Age Actuarial Cost Method as of June 30, 1999 but with the UAAL not less than $0.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

Under this method, the excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

All outstanding components of the UAAL are being amortized over fixed periods.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999.

The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first annual payment equals 103% of its preceding annual payment. However, the initial UAAL as of June 30, 1999 equaled $0 and no amortization period was required.

Chapter 69 of the Laws of 2002 established the UAAL as of June 30, 2003 for an Early Retirement Incentive (Part A only). This UAAL is being amortized on a level basis over a period of five years beginning Fiscal Year 2004.

Note: Because the UAAL is small, the financial results using this Frozen Initial Liability Actuarial Cost Method differ minimally from those that would be produced using the Aggregate Actuarial Cost Method.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

(9) One-Year Lag Methodology uses a June 30, 2006 (Lag) valuation date to determine Fiscal Year 2008 Employer Contributions.

This methodology requires technical adjustments to certain components used to determine Fiscal Year 2006 Employer Contributions as follows:

- Present Value of Future Salary ("PVFS").

  The PVFS at June 30, 2006 is reduced by the value of salary projected to be paid during Fiscal Year 2007.

- Salary for Determining Employer Contributions.

  Salary used to determine the employer Normal Cost is the salary projected to be paid during Fiscal Year 2008 to members on payroll at June 30, 2006.

- Present Value of Future Normal Costs ("PVFNC").

  The PVFNC at June 30, 2006 is reduced by the discounted value of the Fiscal Year 2007 Employer Contribution (after offsetting for any UAAL payments).

(10) Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method which reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

The revised AAVM was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contribution in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions.

AAVM in effect for the June 30, 2006 (Lag) actuarial valuation is unchanged from the AAVM used in the June 30, 2005 (Lag) actuarial valuation.

(11) The obligations of the Plan to the Correction Officers' Variable Supplements Fund ("COVSF") are recognized through the Liability Valuation Method.

Under this method the APV of Future SKIM from the Plan to the COVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings of equity securities of the Plan which are transferable to the COVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the COVSF offset by the AAV of the COVSF.

(12) Chapter 125/00 provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with annual automatic Cost-of-Living Adjustments ("COLA") beginning September 2001.

Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278/02 required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

Chapter 152/06 eliminated the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by Chapter 125/00.

(13) The salary data was adjusted to reflect overtime earnings.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

(14) A Dual Overtime assumption (i.e., a Baseline Overtime assumption for most years and a separate overtime assumption for the years included in the calculation of Final Salary or Final Average Salary) was introduced as of June 30, 1995. The following table summarizes the overtime assumptions currently in use:

| Group | Baseline Assumption[3] | Dual Assumptions[1][2] | | | | |
|---|---|---|---|---|---|---|
| | | Tier I Service[4] | Other Service[4] | Tier I Disability | Other Disability | Other Benefits |
| General | 4% | 4% | 4% | 4% | 4% | 4% |
| Transit | 8% | 16% | 12% | 6% | 6% | 8% |
| MTABT[5] | 20% | 24% | 22% | 10% | 16% | 20% |
| Sanitation[6] | 20% | 24% | 22% | 10% | 16% | 20% |
| Corrections[7] | 12% | 16% | 14% | 6% | 10% | 12% |

(1) Overtime earned on an ongoing basis during a member's career plus or minus an adjustment to estimate the account of overtime earned in the year before retirement used to determine benefits.

(2) Comparable adjustments to these percentages would be made for benefits calculated using salary computed over different averaging periods.

(3) Overtime earned on an ongoing basis during a member's career. Baseline Overtime is included in "Salary Base for Pensions."

(4) Applies to both unreduced and reduced Service Retirements.

(5) MTA Bridges and Tunnels ("MTABT," formerly TBTA) amounts shown are for employees with 20 years of service. Baseline Overtime assumption equals 0% at zero years of service increasing uniformly to a maximum of 20% at 20 and more years of service. Dual Overtime assumption (i) equals Baseline Overtime assumption plus 4% for Tier I and plus 2% for Tier II, III and IV Service Retirees and (ii) Baseline Overtime assumption multiplied by 50% for Tier I and by 80% for Tier II, III and IV Disability Retirees.

(6) Amounts shown are for employees with 20 years of service. Baseline Overtime assumption equals 10% at zero years of service increasing uniformly to a maximum of 20% at 20 and more years of service. Dual Overtime assumption equals (i) Baseline Overtime assumption plus 4% for Tier I and plus 2% for Tier II, III and IV Service Retirees and (ii) Baseline Overtime assumption multiplied by 50% for Tier I and by 80% for Tier II, III and IV Disability Retirees.

(7) Amounts shown are for employees with 20 years of service. Baseline Overtime assumption equals 6% at zero years of service increasing uniformly to a maximum of 12% at 20 and more years of service. Dual Overtime assumption equals (i) Baseline Overtime assumption plus 4% for Tier I and plus 2% for Tier II, III and IV Service Retirees and (ii) Baseline Overtime assumption multiplied by 50% for Tier I and by 80% for Tier II, III and IV Disability Retirees. Amount shown in Table VI for Tier II Disability is rounded to nearest percent.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 1A**

**Deaths among Service Pensioners**

**(Percentage of Pensioners Dying within Next Year)**

| | All Except Housing Police and Transit Police | | Housing Police and Transit Police ("HP and TP") | |
|---|---|---|---|---|
| **Age** | **Males** | **Females** | **Males** | **Females** |
| 40 | 0.1209% | 0.0677% | 0.1151% | 0.0677% |
| 45 | 0.3925 | 0.1185 | 0.1966 | 0.1185 |
| 50 | 0.6640 | 0.2205 | 0.2781 | 0.2205 |
| 55 | 1.0351 | 0.3840 | 0.6901 | 0.3840 |
| 60 | 1.3866 | 0.7143 | 1.0416 | 0.7143 |
| 65 | 2.1971 | 1.1649 | 1.4900 | 1.1649 |
| 70 | 3.1053 | 1.7416 | 2.2892 | 1.7416 |
| 75 | 4.2868 | 2.8009 | 3.4415 | 2.8009 |
| 80 | 7.2749 | 4.6138 | 5.1995 | 4.6138 |
| 85 | 10.8977 | 7.2110 | 8.4060 | 7.2110 |
| 90 | 16.5712 | 12.2729 | 13.7899 | 12.2729 |
| 95 | 24.6685 | 19.4640 | 20.5460 | 19.4640 |
| 100 | 32.8097 | 28.6331 | 30.1977 | 28.6331 |
| 105 | 49.9036 | 47.3182 | 49.9036 | 47.3182 |
| 110 | 100.0000 | 100.0000 | 100.0000 | 100.0000 |

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 1B**

**Deaths among Disability Pensioners**

**(Percentage of Pensioners Dying within Next Year)**

| | All Except HP and TP, Sanitation and Correction Officers | | HP and TP | | Sanitation and Correction Officers | |
|---|---|---|---|---|---|---|
| **Age** | **Males** | **Females** | **Males** | **Females** | **Males** | **Females** |
| 40 | 2.3055% | 3.1297% | .1477% | .0817% | 1.1527% | 1.5649% |
| 45 | 2.5505 | 3.2009 | .2292 | .1545 | 1.2753 | 1.6005 |
| 50 | 2.7639 | 3.2720 | .4574 | .2788 | 1.3820 | 1.6360 |
| 55 | 3.2012 | 3.3431 | .8307 | .5040 | 1.7607 | 1.8387 |
| 60 | 3.7649 | 3.4142 | 1.2209 | .8895 | 2.2590 | 2.0485 |
| 65 | 4.4364 | 3.5556 | 1.6693 | 1.3978 | 2.8837 | 2.3111 |
| 70 | 5.3787 | 4.0596 | 2.7024 | 2.1653 | 3.7651 | 2.8417 |
| 75 | 6.8150 | 5.1494 | 3.9342 | 3.5260 | 5.1113 | 3.8621 |
| 80 | 9.0925 | 7.0032 | 6.0431 | 5.6527 | 7.2749 | 5.6025 |
| 85 | 12.2138 | 9.4462 | 9.9811 | 9.2358 | 10.8977 | 8.0293 |
| 90 | 16.8444 | 13.0674 | 16.4676 | 15.1220 | 16.5712 | 12.2729 |
| 95 | 24.6685 | 19.4640 | 23.8006 | 22.8306 | 24.6685 | 19.4640 |
| 100 | 32.8097 | 28.6331 | 36.7152 | 34.8130 | 32.8097 | 28.6331 |
| 105 | 49.9036 | 47.3182 | 62.8438 | 59.5880 | 49.9036 | 47.3182 |
| 110 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 100.0000 | 100.0000 |

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 2**

**Withdrawals from Active Service (Due to Death or Disability)**

**(Percentage of Eligible Active Members Separating within Next Year)**

| Age | Accident Disability Retirement | | Ordinary Disability Retirement | | Accidental Death | Ordinary Death | |
|---|---|---|---|---|---|---|---|
| | **General*** | | | | | | |
| | Males | Females | Males | Females | All | Males | Females |
| 20 | 0.02% | 0.01% | 0.10% | 0.05% | 0.00% | 0.040% | 0.020% |
| 25 | 0.02 | 0.01 | 0.10 | 0.05 | 0.00 | 0.040 | 0.020 |
| 30 | 0.02 | 0.01 | 0.10 | 0.05 | 0.00 | 0.040 | 0.020 |
| 35 | 0.02 | 0.01 | 0.15 | 0.05 | 0.00 | 0.050 | 0.025 |
| 40 | 0.02 | 0.01 | 0.20 | 0.10 | 0.00 | 0.060 | 0.030 |
| 45 | 0.02 | 0.01 | 0.30 | 0.20 | 0.00 | 0.110 | 0.055 |
| 50 | 0.02 | 0.01 | 0.40 | 0.30 | 0.00 | 0.160 | 0.080 |
| 55 | 0.02 | 0.01 | 0.50 | 0.40 | 0.00 | 0.210 | 0.105 |
| 60 | 0.02 | 0.01 | 0.50 | 0.40 | 0.00 | 0.260 | 0.130 |
| 65 | 0.02 | 0.01 | 0.50 | 0.40 | 0.00 | 0.320 | 0.160 |
| 70 | NA | NA | NA | NA | NA | NA | NA |
| | **Transit Operating*** | | | | | | |
| 20 | 0.02% | 0.02% | 0.10% | 0.10% | .01% | 0.040% | 0.020% |
| 25 | 0.02 | 0.02 | 0.10 | 0.10 | .01 | 0.040 | 0.020 |
| 30 | 0.02 | 0.02 | 0.10 | 0.10 | .01 | 0.040 | 0.020 |
| 35 | 0.02 | 0.02 | 0.15 | 0.15 | .01 | 0.050 | 0.025 |
| 40 | 0.02 | 0.02 | 0.20 | 0.20 | .01 | 0.060 | 0.030 |
| 45 | 0.02 | 0.02 | 0.25 | 0.25 | .01 | 0.110 | 0.055 |
| 50 | 0.02 | 0.02 | 0.30 | 0.30 | .01 | 0.160 | 0.080 |
| 55 | 0.02 | 0.02 | 0.40 | 0.40 | .01 | 0.210 | 0.105 |
| 60 | 0.02 | 0.02 | 0.50 | 0.50 | .01 | 0.260 | 0.130 |
| 65 | 0.02 | 0.02 | 0.60 | 0.60 | .01 | 0.320 | 0.160 |
| 70 | NA | NA | NA | NA | NA | NA | NA |
| | **MTA Bridges and Tunnels*** | | | | | | |
| 20 | 0.02% | 0.02% | 0.03% | 0.04% | .01% | 0.040% | 0.020% |
| 25 | 0.02 | 0.02 | 0.04 | 0.04 | .01 | 0.040 | 0.020 |
| 30 | 0.03 | 0.02 | 0.05 | 0.05 | .01 | 0.040 | 0.020 |
| 35 | 0.05 | 0.02 | 0.08 | 0.06 | .01 | 0.050 | 0.025 |
| 40 | 0.07 | 0.02 | 0.21 | 0.14 | .01 | 0.060 | 0.030 |
| 45 | 0.08 | 0.02 | 0.36 | 0.30 | .01 | 0.110 | 0.055 |
| 50 | 0.09 | 0.02 | 0.49 | 0.45 | .01 | 0.160 | 0.080 |
| 55 | 0.10 | 0.02 | 0.50 | 0.50 | .01 | 0.210 | 0.105 |
| 60 | 0.10 | 0.02 | 0.50 | 0.50 | .01 | 0.260 | 0.130 |
| 65 | 0.10 | 0.02 | 0.50 | 0.50 | .01 | 0.320 | 0.160 |
| 70 | NA | NA | NA | NA | NA | NA | NA |

* Assumed to retire immediately at age 70. See Tabulations of Membership and Beneficiaries for definition of "General."

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 2**

**(Cont'd)**

**Withdrawals from Active Service (Due to Death or Disability)**

**(Percentage of Eligible Active Members Separating within Next Year)**

| Age | Accident Disability Retirement | | Ordinary Disability Retirement | | Accidental Death | Ordinary Death | |
|---|---|---|---|---|---|---|---|
| **Sanitation** | | | | | | | |
| | Males | Females | Males | Females | All | Males | Females |
| 20 | 0.20% | 0.20% | 0.20% | 0.20% | 0.01% | 0.040% | 0.020% |
| 25 | 0.20 | 0.20 | 0.20 | 0.20 | 0.01 | 0.040 | 0.020 |
| 30 | 0.20 | 0.20 | 0.30 | 0.30 | 0.01 | 0.040 | 0.020 |
| 35 | 0.20 | 0.20 | 0.40 | 0.40 | 0.01 | 0.050 | 0.025 |
| 40 | 0.20 | 0.20 | 0.50 | 0.50 | 0.01 | 0.060 | 0.030 |
| 45 | 0.25 | 0.25 | 0.60 | 0.60 | 0.01 | 0.110 | 0.055 |
| 50 | 0.30 | 0.30 | 0.80 | 0.80 | 0.01 | 0.160 | 0.080 |
| 55 | 0.35 | 0.35 | 1.00 | 1.00 | 0.01 | 0.210 | 0.105 |
| 60 | 0.50 | 0.50 | 1.25 | 1.25 | 0.01 | 0.260 | 0.130 |
| 65 | 0.90 | 0.90 | 1.50 | 1.50 | 0.01 | 0.320 | 0.160 |
| 70 | NA | NA | NA | NA | NA | NA | NA |
| **Correction Officers** | | | | | | | |
| 20 | 0.05% | 0.05% | 0.10% | 0.10% | 0.01% | 0.040% | 0.020% |
| 25 | 0.10 | 0.10 | 0.10 | 0.10 | 0.01 | 0.040 | 0.020 |
| 30 | 0.15 | 0.15 | 0.20 | 0.20 | 0.01 | 0.040 | 0.020 |
| 35 | 0.20 | 0.20 | 0.30 | 0.30 | 0.01 | 0.050 | 0.025 |
| 40 | 0.30 | 0.30 | 0.45 | 0.45 | 0.01 | 0.060 | 0.030 |
| 45 | 0.40 | 0.40 | 0.65 | 0.65 | 0.01 | 0.110 | 0.055 |
| 50 | 0.50 | 0.50 | 0.90 | 0.90 | 0.01 | 0.160 | 0.080 |
| 55 | 0.60 | 0.60 | 1.50 | 1.50 | 0.01 | 0.210 | 0.105 |
| 60 | 0.70 | 0.70 | 3.00 | 3.00 | 0.01 | 0.260 | 0.130 |
| 63 | NA | NA | NA | NA | NA | NA | NA |

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**Table 3**

**Withdrawals for Other Than Death or Disability or Retirement**

**Percentage of Active Members Withdrawing within Next Year**

**General Employees**

| Years of Service | Probability of Withdrawal |
|---|---|
| 0 | 10.00% |
| 5 | 4.50 |
| 10 | 3.00 |
| 15 | 2.50 |
| 20 | 2.00 |
| 25 | 2.00 |
| 30 | 2.00 |
| 35 | 2.00 |
| 40 | 2.00 |

**Transit Employees**

| Years of Service | Probability of Withdrawal | |
|---|---|---|
| | Males | Females |
| 0 | 12.00% | 15.00% |
| 5 | 3.00 | 4.00 |
| 10 | 2.50 | 3.50 |
| 15 | 2.00 | 3.00 |
| 20 | 1.50 | 2.50 |
| 25 | 1.50 | 2.50 |
| 30 | 1.50 | 2.50 |
| 35 | 1.50 | 2.50 |

**MTABT Employees**

| Years of Service | Probability of Withdrawal |
|---|---|
| 0 | 5.00% |
| 5 | 3.00 |
| 10 | 2.50 |
| 15 | 2.00 |
| 20 | 2.00 |
| 25 | 2.00 |
| 30 | 2.00 |
| 35 | 2.00 |

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**Table 3**

**(Cont'd)**

**Withdrawals for Other Than Death or Disability or Retirement**

**Percentage of Active Members Withdrawing within Next Year**

**Sanitation Employees**

| Years of Service | Probability of Withdrawal |
|---|---|
| 0 | 6.00% |
| 5 | 1.50 |
| 10 | 1.00 |
| 15 | 1.00 |
| 20 | 1.00 |
| 25 | 1.00 |
| 30 | 1.00 |
| 35 | 1.00 |

**Correction Employees**

| Years of Service | Probability of Withdrawal |
|---|---|
| 0 | 10.00% |
| 5 | 4.00 |
| 10 | 3.00 |
| 15 | 2.50 |
| 20 | 2.00 |
| 25 | 2.00 |
| 30 | 2.00 |
| 35 | 2.00 |

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 4**

**Withdrawals from Active Service (For Service Retirement)**

**(Percentage of Eligible Active Members Retiring)**

| | | With Unreduced Service Retirement Benefits | | | | | |
|---|---|---|---|---|---|---|---|
| | | Members Not Electing ORP[1] | | | Members Electing ORP[1] | | |
| | | Years of Service Since First Elig. | | | Years of Service Since First Elig. | | |
| Age | With Reduced Benefits[2] | 1 | 2 | Ultimate | 1 | 2 | Ultimate |
| General[3] | | | | | | | |
| 50 | 2.00% | 20.00% | 15.00% | 15.00% | 60.00% | 40.00% | 20.00% |
| 55 | 2.00 | 20.00 | 15.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 60 | 5.00 | 20.00 | 15.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 65 | 0.00 | 25.00 | 25.00 | 25.00 | 60.00 | 60.00 | 60.00 |
| 70 | NA | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Transit Operating[3] | | | | | | | |
| 50 | 2.00% | 25.00% | 20.00% | 15.00% | 60.00% | 40.00% | 20.00% |
| 55 | 2.00 | 25.00 | 20.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 60 | 5.00 | 30.00 | 20.00 | 20.00 | 60.00 | 40.00 | 20.00 |
| 65 | 0.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| 70 | NA | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| MTA Bridges and Tunnels[3] | | | | | | | |
| 50 | 0.00% | 30.00% | 20.00% | 10.00% | 60.00% | 40.00% | 20.00% |
| 55 | 2.00 | 30.00 | 20.00 | 10.00 | 60.00 | 40.00 | 20.00 |
| 60 | 5.00 | 30.00 | 20.00 | 20.00 | 60.00 | 40.00 | 20.00 |
| 65 | 0.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| 70 | NA | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

[1] Optional Retirement Programs ("ORP") such as under Chapter 96 of the Laws of 1995.

[2] Applicable only for certain Tier II and Tier IV members prior to eligibility for unreduced Service Retirement benefits.

[3] Assumed to retire immediately at age 70.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 4**

**(Cont'd)**

**Withdrawals from Active Service (For Service Retirement)**

**(Percentage of Eligible Active Members Retiring)**

| | | With Unreduced Service Retirement Benefits | | | | | |
|---|---|---|---|---|---|---|---|
| | | Members Not Electing ORP[1] | | | Members Electing ORP[1] | | |
| | | Years of Service Since First Elig. | | | Years of Service Since First Elig. | | |
| Age | With Reduced Benefits[2] | 1 | 2 | Ultimate | 1 | 2 | Ultimate |
| | | | | Sanitation[3] | | | |
| 40 | 0.00% | 40.00% | 20.00% | 15.00% | 60.00% | 40.00% | 20.00% |
| 45 | 0.00 | 40.00 | 20.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 50 | 2.00 | 40.00 | 20.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 55 | 2.00 | 40.00 | 20.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 60 | 5.00 | 40.00 | 20.00 | 20.00 | 60.00 | 40.00 | 20.00 |
| 65 | 0.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| 70 | NA | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | Correction Officers[3] | | | |
| 40 | 0.00% | 32.00% | 10.00% | 5.00% | 60.00% | 40.00% | 20.00% |
| 45 | 0.00 | 40.00 | 15.00 | 10.00 | 60.00 | 40.00 | 20.00 |
| 50 | 2.00 | 40.00 | 20.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 55 | 2.00 | 40.00 | 25.00 | 15.00 | 60.00 | 40.00 | 20.00 |
| 60 | 5.00 | 40.00 | 25.00 | 20.00 | 60.00 | 40.00 | 20.00 |
| 63 | NA | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

[1] Optional Retirement Programs ("ORP") under Chapter 547 of the Laws of 1992, Chapter 936 of the Laws of 1990 and Chapter 631 of the Laws of 1993 for Sanitation and Correction (Officers and Captains), respectively.

[2] Applicable only for certain Tier II and Tier IV members prior to eligibility for unreduced Service Retirement benefits.

[3] Sanitation assumed to retire immediately at age 70 and Correction Officers at age 63.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2006 (LAG) ACTUARIAL VALUATION
(Cont'd)

**TABLE 5**

**Salary Scales**

**Assumed Annual Percentage Increases in Coming Year***

| Years of Service | General | Transit Operating | Sanitation | Correction Officers | MTA Bridges And Tunnels |
|---|---|---|---|---|---|
| 0 | 8.00% | 18.00% | 8.00% | 13.00% | 10.50% |
| 5 | 5.50 | 4.00 | 3.50 | 3.50 | 4.00 |
| 10 | 5.00 | 4.00 | 5.00 | 5.00 | 4.00 |
| 15 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |
| 20 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |
| 25 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |
| 30 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |
| 35 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |
| 40 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |
| 45 | 4.50 | 4.00 | 5.00 | 5.00 | 4.00 |

*Salary Scales include a General Wage Increase assumption of 3.0% per annum.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## CONTRIBUTIONS

The benefits of the System are financed by member and employer contributions and from investment earnings of the System.

### A. Member Contributions

A member of Article 15 (Coordinated Retirement Plan) is mandated to contribute 3% of salary during all years of coverage. Effective October 1, 2000, these members, except for certain Transit Authority employees, are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. A member of Article 14 (currently only Correction Officers) is mandated to contribute 3% of salary for not more than thirty years. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. This is in addition to the Social Security contribution. Should a member die, resign or be otherwise terminated from city-service prior to completing five years of credited service, all of the members' contributions with 5% interest will be refunded for Article 14 members and Article 15 members upon request, or may be left on deposit for a maximum period of 5 years earning interest, so that the member retains membership.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## CONTRIBUTIONS
(Cont'd)

All other members contribute by salary deductions on the basis of a rate of contribution which is assigned by the System at the time they elect their plan. This rate, which is dependent upon the member's age and plan as well as the tables in effect for such purpose, is determined so as to provide an annuity of approximately one-fourth of the service retirement allowance at the earliest age for service retirement in those contributory plans for which a fixed number of years of service is required for service retirement, except that in the case of the career pension plan, the rates of members' contributions are determined so as to provide an annuity of approximately one-fourth of the benefit on account of the first 25 years of service. In plans which permit retirement for service at age 55 regardless of the number of years of service earned, the rate of contribution is calculated so as to provide an annuity equal to 1% of final compensation for each year of service at the earliest age for service retirement. Beginning July 1, 1970, no contributions are required from members who elected the Transit 20-Year Plan.

Member contributions are accumulated with interest in individually maintained accounts. Except under Articles 14 and 15, upon retirement the amount so credited (i.e., accumulated deductions) is used to purchase an annuity on the basis of the tables adopted by the Board of Trustees ("Board"). Upon death, the accumulated deductions are paid to the beneficiary and on termination of employment other than by death or retirement, the accumulated deductions are returned to the member.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

CONTRIBUTIONS
(Cont'd)

Beginning July 1960, on a year-to-year basis, the members' contribution rates of certain categories of members were reduced by an Increased-Take-Home-Pay ("ITHP") rate equal to either two, two and one half, four or five percentage of salary. At present, the reduction is two and one-half percentage of salary for Sanitation and Correction members and two percentage of salary for all others except for (1) members in transit operating positions who, beginning July 1, 1970, were not required to contribute to the System, and (2) members in the Coordinated-Escalator and Coordinated Retirement Plans. In general, the retirement and death benefits payable to, or on account of members, are supplemented by the reserve for ITHP, accumulated from City contributions equal to the ITHP rate times salary, so that the total benefit is equal to the benefit which would have been paid if the members' rate of contribution had not been reduced. However, the reserve for ITHP is not payable upon the death of a member who joins after June 30, 1973.

In addition to the member contributions described previously, there are certain Additional Member Contributions ranging from 1.85% to 7.46% required for improved early retirement benefits.

B. Employer Contributions

The Frozen Initial Liability Actuarial Cost Method of funding is utilized by the Plan's Actuary to calculate the contributions required of the employers.

Employer contributions are accrued by the Plan and are funded by the employers on a current basis. The contributions amounted to $1,874,242,487 for the Fiscal Year ended June 30, 2008.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## TABULATIONS OF MEMBERSHIP AND BENEFICIARIES

The Board maintains complete records of every member of the retirement system. Some of the information is obtained from payrolls which show each member's salary and contributions, status, title, leave of absence and cessation of service. Records are maintained in numerical order according to the register number of each member. Valuation records were prepared from these records and each year they are updated to reflect terminations, additions and changes in status and salary.

For recent actuarial valuations, members are separated into six groups, namely: (1) General (for calculation purposes, these are further subdivided into Plan Groups, (2) Transit Operating positions, (3) MTA Bridges and Tunnels members, (4) Sanitation members, (5) members of the Housing and Transit Police Forces, and (6) members of the Correction Force.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES COVERED BY ACTUARIAL VALUE OF ASSETS

### SOLVENCY TEST
(Dollar amounts in thousands)

| | Aggregate Accrued Liabilities for | | | | | | |
|---|---|---|---|---|---|---|---|
| As of June 30 | Accumulated Member Contributions (A) | Current Retirants and Beneficiaries (B) | Active Members' Employer Financed Portion (C) | Actuarial Value of Assets (D) | Percentage of Actuarial Values Covered by Actuarial Value of Assets (A) | (B) | (C) |
| 1999 | $2,313,739 | $16,293,576 | $ 9,133,979 | $40,936,024 | 100% | 100% | 100% |
| 2000 | 2,526,740 | 19,113,627 | 10,270,090 | 42,393,627 | 100 | 100 | 100 |
| 2001 | 2,696,547 | 19,913,567 | 10,861,052 | 43,015,355 | 100 | 100 | 100 |
| 2002 | 3,582,800 | 20,347,229 | 11,544,915 | 43,561,103 | 100 | 100 | 100 |
| 2003 | 3,661,929 | 22,208,613 | 11,053,574 | 42,055,984 | 100 | 100 | 100 |
| 2004 | 3,816,154 | 22,602,440 | 11,922,201 | 40,088,213 | 100 | 100 | 100 |
| 2004 (Lag) | 3,816,154 | 22,602,440 | 12,760,288 | 40,638,628 | 100 | 100 | 100 |
| 2005 (Lag) | 4,011,511 | 23,194,237 | 13,611,941 | 39,692,426 | 100 | 100 | 92 |
| 2006 (Lag) | 4,201,503 | 23,929,616 | 14,277,635 | 38,367,102 | 100 | 100 | 72 |

Also, see following "SOLVENCY TEST - NOTES."

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES COVERED BY ACTUARIAL VALUE OF ASSETS

SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the Actuarial Value of Assets of the retirement system with the Aggregate Accrued Liabilities for:

(A) Accumulated Member Contributions;
(B) Current Retirants and Beneficiaries; and
(C) Employer Financed Portion of Active Members' Benefits.

The Aggregate Accrued Liabilities are the APV of projected benefits prorated on service to date. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5 ("GASB 5").

This comparative summary allocates assets as if they were priority groups, somewhat similar to (but not identical to) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The values in the table are dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. The most recent change in assumptions and methods occurred in the June 30, 2004 (Lag) valuation used to compute the employer contribution for Fiscal Year 2006. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. For the valuation dates appearing in the table, the Actuarial Interest Rate and General Wage Increase assumptions were all equal to 8.00% per annum and 3.00% per annum, respectively.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

### On-Going Funding of the Plan

Under the basic equation of pension funding, Contributions plus Investment Earnings equal Benefits plus Expenses.

There are three major sources for financing those Benefits and Expenses paid from the Plan.

First, Member Contributions are established by statute and paid as percentages of member salaries.

Second, Investment Earnings reflect the rates of return achieved on the amounts of assets held in each asset classes in the Trust.

Third, Employer Contributions are determined by actuarial methodology to finance the Benefits payable by the Plan that are not provided by either Member Contributions or Investment Earnings and for the Administrative and Investment Expenses of the Plan.

This actuarial methodology includes demographic and certain tabular assumptions recommended by the Actuary and adopted by the Board of Trustees, and certain economic assumptions and financing methods recommended by the Actuary, supported by the Board of Trustees and, where required, enacted into law by the New York State Legislature and Governor.

Employer Contributions are particularly responsive to Investment Earnings and increase (decrease) on a smoothed basis whenever Investment Earnings are less (more) than expected.

For example, during Fiscal Years 2001 to 2003, the Assets of the Plan decreased because they earned less than expected. Consequently, over the following several years, the actuarial methodology responds by increasing Employer Contributions in order to bring the overall financial status of the Plan back into balance.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

The New York City Charter requires an independent actuary to conduct an experience review of the Plan every two years. The Actuary utilizes this information and regularly proposes changes in actuarial assumptions and methods. The most recent such changes occurred during Fiscal Year 2006.

These changes, approved by the Board of Trustees and implemented during Fiscal Year 2006, include (1) updated demographic assumptions, (2) full recognition of all Obligations of the Plan (i.e., removing the statutory phase-in of certain liabilities), (3) revised methodologies for smoothing changes in Employer Contributions due to Plan experience and (4) introduction of the One-Year Lag Methodology. Together, these changes further enhance the long-term financial integrity of the Plan.

The ongoing process of actuarial rebalancing and periodic reviews of actuarial assumptions and methods by the Actuary and the Board of Trustees, coupled with a financially responsible, long-duration employer like the City of New York (the "City") and other participating Employers that can absorb some variability of Employer Contributions, help provide financial security for the Plan and its participants and reasonable intergenerational budget equity for taxpayers.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)

## Other Measures of Funded Status

Measures of Funded Status of the Plan are determined at specific points in time and are usually expressed in various relationships of Assets to Obligations. Assets as percentages of Obligations are referred to as Funded Ratios.

Comparisons of Funded Ratios over time can provide insight into the long-term financial trend of the Plan.

The Other Measures of Funded Status presented herein provide different perspectives of the financial condition of the Plan and comparisons amongst these Other Measures of Funded Status can provide greater insights.

As noted, there are multiple, possible definitions of the Plan's Assets and Obligations. Some of these definitions of and comments on Assets and Obligations are set forth immediately hereafter. Additional observations on the meanings and usefulness of and the relationships amongst certain of the Funded Ratios are provided following the table of Funded Ratios.

## Definition of and Comments on Assets

With respect to Assets, both Market Value of Assets ("MVA") and the Actuarial Value of Assets (or Actuarial Asset Value ("AAV")) are used to determine Funded Ratios.

In the case of the Plan, the AAVM currently in use provides for smoothing of the MVA by phasing any Unexpected Investment Returns (i.e., Investment Earnings greater or less than those expected under the actuarial assumption of 8.0% of AAV each year) into the AAV over a period of six years.

The advantage of using MVA is that it represents the tradable value of the Assets of the Plan at a particular point in time.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)

The advantage of using AAV is that it is smoothed to remove the volatility of MVA. The disadvantage of AAV is that it is not the tradable value of Assets in the marketplace and, therefore, does not show the volatility of the Assets.

Definition of and Comments on Obligations

With respect to Obligations, the Actuarial Accrued Liability ("AAL") under any particular Actuarial Cost Method ("ACM") is that portion of the APV of projected benefits which is not provided by normal costs (employer and employee).

With respect to the Plan, where the ACM is the Frozen Initial Liability ("FIL") ACM, the AAL mathematically can be recast as the Unfunded AAL ("UAAL") plus the AAV. To the extent that the UAAL does not change significantly year to year, then the related AAL remains relatively consistent in value with the AAV each year.

With respect to the ongoing funding of the Plan, the FIL ACM amortizes actuarial gains and losses over the future working lifetimes of active employees. As used by the Plan, the FIL ACM generally results in funding that is more conservative (i.e., greater Employer Contributions) than that of most other Public Pension Plans.

The Entry Age Accrued Liability ("EAAL") is defined as the APV of projected benefits less the sum of the APV of future employee contributions and the APV of future employer entry age normal costs.

The EAAL is a required disclosure in accordance with Governmental Accounting Standards Board ("GASB") Statement Number 43 ("GASB 43") and GASB Statement Number 45 ("GASB 45") for Other Post-Employment Benefits ("OPEB") under certain ACM.

In accordance with GASB Statement Number 50 ("GASB 50"), beginning with Fiscal Year 2008, the EAAL is a required disclosure for Public Pension Plans that determine employer contributions using the Aggregate ACM.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)

The Entry Age ACM is a common utilized ACM for funding Public Pension Plans.

The Projected Benefit Obligation ("PBO") is defined as the proportion of APV of all future benefits attributed by the Plan to employee service rendered prior to the valuation date. The PBO was required reporting under GASB Statement Number 5 ("GASB 5") prior to its replacement by GASB 25 and GASB 27.

The Accumulated Benefit Obligation ("ABO") is determined in the same manner as the PBO but without assuming future salary increases.

The Market Value Accumulated Benefit Obligation ("MVABO") is determined in the same manner as an ABO using the same actuarial assumptions except that projected benefit payments are discounted using annual yields on U.S. Treasury securities of like duration. The MVABO is sometimes described as a Mark-to-Market measure of Obligations or a Market Value of Liabilities ("MVL").

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)

## Table of Asset and Obligation Values

The following table presents the values of Assets and Obligations used to calculate alternative Funded Ratios.

**Component Measures of Funded Status**

**(Dollar Amounts in Millions)**

| Valuation Date June 30 | Market Value of Assets (MVA) | Actuarial Asset Value (AAV)# | Actuarial Accrued Liability (AAL)* | Entry Age Accrued Liability (EAAL)** | Projected Benefit Obligation (PBO)** | Accumulated Benefit Obligation (ABO)** | Market Value Accumulated Benefit Obligation (MVABO)*** | MVABO Equivalent Discount Yield (per Annum) | MVABO Weighted Average Duration (Years) |
|---|---|---|---|---|---|---|---|---|---|
| 1999 | $40,936.0 | $40,936.0 | $40,936.0 | $30,147.6 | $27,741.3 | $24,233.2 | $29,754.6 | 6.0% | 10.8 |
| 2000 | 42,824.0 | 42,393.6 | 42,418.7 | 34,797.5 | 31,910.5 | 28,997.5 | 35,572.3 | 6.0 | 11.2 |
| 2001 | 37,251.8 | 43,015.4 | 43,087.6 | 36,654.3 | 33,471.2 | 30,173.2 | 38,378.9 | 5.7 | 11.0 |
| 2002 | 32,842.0 | 43,561.1 | 43,619.9 | 38,905.2 | 35,474.9 | 32,346.4 | 40,851.3 | 5.7 | 10.4 |
| 2003 | 31,524.7 | 42,056.0 | 42,244.1 | 40,423.5 | 36,924.1 | 33,990.8 | 48,897.3 | 4.6 | 11.4 |
| 2004 | 34,177.3 | 40,088.2 | 40,236.3 | 42,063.6 | 38,340.8 | 35,249.0 | 45,583.8 | 5.5 | 10.8 |
| 2004 (Lag) | 34,177.3 | 40,638.6 | 40,786.7 | 43,010.2 | 39,178.9 | 35,081.1 | 45,435.8 | 5.5 | 10.9 |
| 2005 (Lag) | 35,526.3 | 39,692.4 | 39,797.1 | 44,881.3 | 40,817.7 | 36,492.6 | 55,431.5 | 4.2 | 12.7 |
| 2006 (Lag) | 37,288.2 | 38,367.1 | 38,431.3 | 46,602.0 | 42,408.8 | 37,979.0 | 49,778.8 | 5.4 | 11.7 |
| 2007 (Lag)## | 42,514.3 | 38,925.7 | 38,959.1 | 48,788.8 | 44,497.8 | 39,960.3 | 53,387.6 | 5.2 | 11.7 |

\# The AAV used for the June 30, 1999 to June 30, 2004 actuarial valuations assumes the AAV was reset to MVA as of June 30, 1999. As of each June 30 thereafter, the AAV recognizes Investment Returns greater or less than expected over a period of five years (six years beginning with the June 30, 2004 (Lag) actuarial valuation).

* Calculated in accordance with the Actuarial Cost Method (i.e., Frozen Initial Liability) and actuarial assumptions used for determining Employer Contributions.

** Calculated based on actuarial assumptions used for determining Employer Contributions.

*** Calculated based on actuarial assumptions used for determining Employer Contributions except that projected benefit payments are discounted using annual yields derived from U.S. Treasury Spot Rates as published by the U.S. Department of the Treasury Office of Thrift Supervision in its Selected Asset and Liability Price Tables. Also shown are the related MVABO Equivalent Discount Yield and the MVABO Weighted Average Duration.

\## The June 30, 2007 (Lag) figures are preliminary and are generally based on the same census data, actuarial assumptions and methods used to develop published, preliminary Fiscal Year 2009 employer contributions.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)

## Table of Funded Ratios

The following table presents alternative Funded Ratios comparing Assets to Obligations, including: (1) AAV divided by AAL, (2) AAV divided by EAAL, (3) MVA divided by EAAL, (4) AAV divided by PBO, (5) MVA divided by PBO, (6) AAV divided by ABO, (7) MVA divided by ABO and (8) MVA divided by MVABO.

**Funded Ratios**

| Valuation Date | AAV/AAL | AAV/EAAL | MVA/EAAL | AAV/PBO | MVA/PBO | AAV/ABO | MVA/ABO | MVA/MVABO |
|---|---|---|---|---|---|---|---|---|
| 6/30/99 | 100% | 136% | 136% | 148% | 148% | 169% | 169% | 138% |
| 6/30/00 | 100 | 122 | 123 | 133 | 134 | 146 | 148 | 120 |
| 6/30/01 | 100 | 117 | 102 | 129 | 111 | 143 | 123 | 97 |
| 6/30/02 | 100 | 112 | 84 | 123 | 93 | 135 | 102 | 80 |
| 6/30/03 | 100 | 104 | 78 | 114 | 85 | 124 | 93 | 64 |
| 6/30/04 | 100 | 95 | 81 | 105 | 89 | 114 | 97 | 75 |
| 6/30/04 (Lag) | 100 | 94 | 79 | 104 | 87 | 116 | 97 | 75 |
| 6/30/05 (Lag) | 100 | 88 | 79 | 97 | 87 | 109 | 97 | 64 |
| 6/30/06 (Lag) | 100 | 82 | 80 | 90 | 88 | 101 | 98 | 75 |
| 6/30/07 (Lag)[#] | 100 | 80 | 87 | 87 | 96 | 97 | 106 | 80 |

[#] Preliminary.

## Comments on Funded Ratios and Funding Methodology

With respect to the different Funded Ratios shown in the preceding table, the ratio of AAV/AAL is from the Schedule of Funding Progress (Schedule 1) presented in the Financial Section of this CAFR.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)

Due to the mathematics of the FIL ACM where AAL equals AAV plus UAAL, the AAV/AAL Funded Ratios tend to remain relatively constant from year to year and provide limited insight into the ongoing financial performance of the Plan.

The Other Measures of Funded Status shown in the preceding table provide different relationships between the Assets and Obligations of the Plan and are designed to offer additional insight into the Funded Status of the Plan that the Actuary believes useful to some users.

The ratios of AAV/EAAL reflect information that will be a required disclosure for certain Public Pension Plans that utilize the Aggregate ACM. This requirement currently exists for certain OPEB plans under GASB 43 and GASB 45.

The ratios of AAV/PBO present information that was previously required under GASB 5 and is a comparable but somewhat different representation of the information shown in the Solvency Test presented earlier in this Section of the CAFR.

The ratios of MVA/MVABO provide information on Funded Status that is (1) independent of the asset allocation of the Plan, (2) exclusive of any advance recognition of expected asset risk premia (e.g., equity risk premium) and (3) absent any smoothing of asset values.

Inherent in its design, the MVA/MVABO Funded Ratio is expected to be volatile due to the impact of asset gains and losses without smoothing and the impact of changes in interest rates in the economy. Such volatility is a reflection of markets and can provide useful disclosure information. However, such volatility is not consistent with the needs of budgeting. Those budgeting needs are met by the actuarial assumptions and FIL ACM currently in use to determine Employer Contributions.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Comparing the MVA/EAAL to AAV/EAAL, MVA/PBO to AAV/PBO or MVA/ABO to AAV/ABO provides an opportunity to evaluate the degree of smoothing provided by the Actuarial Asset Valuation Method.

Comparing Funded Ratios based on the same Assets (i.e., MVA or AAV) but different definitions of Obligations (e.g., EAAL versus PBO versus ABO) provides an opportunity to evaluate the differences in those different definitions of Obligations.

Comparing AAV/PBO with AAV/ABO provides insight into the impact of expected salary growth on the value of benefits earned to date.

Comparing MVA/ABO with MVA/MVABO provides an opportunity to compare the impact of alternative interest rates on discounting the ABO.

It should also be noted that Measures of Funded Status are best examined with more consideration of their trends over time than their values at any given point in time.

Finally, over time, it should be noted that as the City and other participating Employers pay into the Plan the actuarially-determined Employer Contributions, all Funded Ratios can be expected to increase from their current levels.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## STATUTORY VS. ANNUAL REQUIRED CONTRIBUTIONS

| Fiscal Year Ended | Statutory Contribution[1] | Annual Required Contribution | Employer Rate of Contribution[2] |
|---|---|---|---|
| 6/30/00 | $ 68,619,745 | $ 68,619,745 | .915% |
| 6/30/01 | 100,024,692 | 100,024,692 | 1.271 |
| 6/30/02 | 105,660,069 | 105,660,069 | 1.241 |
| 6/30/03 | 107,992,496 | 197,823,998 | 1.213 |
| 6/30/04 | 310,589,074 | 542,229,450 | 3.526 |
| 6/30/05 | 822,763,025 | 1,020,379,985 | 8.985 |
| 6/30/06 | 1,024,358,175 | 1,024,358,175 | 11.142 |
| 6/30/07 | 1,471,029,609 | 1,471,029,609 | 15.556 |
| 6/30/08 | 1,874,242,487 | 1,874,242,487 | 19.001 |

(1) Generally, represents employer contributions made for the current fiscal year. This figure includes overpayments in prior fiscal years and excludes overpayments made during the current fiscal year. Equals total employer contributions accrued for the current fiscal year.

The Statutory Contributions for Fiscal Years 2003 through 2005 were computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00 and Chapter 278/02 which extended the phase-in period for funding these liabilities from five years to ten years.

Beginning Fiscal Year 2006, the Statutory Contributions were computed using a One-Year Lag Actuarial Valuation Methodology in accordance with Chapter 152/06 which also eliminated the use of ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities attributed to Chapter 125/00.

(2) The employer rates of contribution equal the statutory contributions as percentages of the salaries of members who were on payroll or projected to be on payroll (under One-Year Lag Methodology) as of the preceding June 30th increased to reflect overtime earnings and adjusted, where applicable, to be consistent with collective bargaining agreements estimated to be achieved.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## ACTIVE MEMBER VALUATION DATA

| Valuation Date | Number | Annual Payroll | Average Annual Salary | Percentage Increase in Average Salary |
|---|---|---|---|---|
| 6/30/99 | 169,458 | $ 7,501,387,761 | $44,267 | 5.6% |
| 6/30/00 | 171,013 | 7,871,003,496 | 46,026 | 4.0 |
| 6/30/01 | 174,199 | 8,515,269,538 | 48,882 | 6.2 |
| 6/30/02 | 177,511 | 8,901,110,489 | 50,144 | 2.6 |
| 6/30/03 | 173,434 | 8,807,618,852 | 50,784 | 1.3 |
| 6/30/04 | 174,997 | 9,157,412,418 | 52,329 | 3.0 |
| 6/30/04 (Lag) | 174,997 | 9,361,185,982(1) | 53,493 | 5.3(2) |
| 6/30/05 (Lag) | 175,332 | 9,670,785,683 | 55,157 | 3.1 |
| 6/30/06 (Lag) | 178,741 | 10,128,688,853 | 56,667 | 2.7 |
| 6/30/07 (Lag)(3) | 180,482 | 10,756,258,093 | 59,597 | 5.2 |

(1) The annualized covered payroll under the One-Year Lag Methodology used for the Fiscal Year 2006 Employer Contributions differs from that as of June 30, 2004 to compute Fiscal Year 2005 Employer Contributions due to changes in actuarial assumptions and more recent information on labor contract settlements.

(2) Increase from June 30, 2003.

(3) Preliminary.

# PARTICIPATING EMPLOYERS

| Employer | June 30, 2006 (Lag) [1] | | June 30, 1998 [1] | |
|---|---|---|---|---|
| | Number of Employees | Annual Payroll | Number of Employees | Annual Payroll |
| City of New York | 91,308 | $ 5,128,870,035 | 86,419 | $3,549,709,650 |
| NYC Transit Authority | 39,046 | 2,461,942,151 | 36,068 | 1,749,146,206 |
| NYC Housing Authority | 11,945 | 599,131,773 | 12,799 | 455,495,557 |
| NYC Health and Hospitals Corporation | 29,594 | 1,609,729,493 | 24,293 | 967,017,827 |
| MTA Bridges and Tunnels | 1,662 | 111,900,794 | 1,205 | 68,836,394 |
| NYC Off-Track Betting Corporation | 1,135 | 42,638,264 | 1,209 | 37,387,559 |
| NYC School Construction Authority | 46 | 4,100,251 | 49 | 3,299,316 |
| NYC Housing Development Corporation | 59 | 5,166,381 | 7 | 393,678 |
| NYC Residential Mortgage Insurance Corporation [2] | 0 | 0 | 5 | 394,132 |
| City University of New York | 3,923 | 163,459,418 | 3,374 | 102,073,608 |
| New York State | 13 | 770,220 | 31 | 1,375,033 |
| NYC Municipal Water Authority | 10 | 980,073 | 2 | 87,293 |
| Total | 178,741 | $10,128,688,853 | 165,461 | $6,935,216,253 |

[1] The Number of Employees and their corresponding salaries (Annual Payroll) includes only those who were on the payroll as of June 30.

[2] On July 31, 1992, Chapter 702 of the Laws of 1992 was enacted and created the New York City Residential Mortgage Insurance Corporation (the **new** "REMIC") as a subsidiary of the New York City Housing Development Corporation ("HDC"). It became effective January 27, 1993. The **new** REMIC assumes all of the obligations of the New York City **Rehabilitation** Mortgage Insurance Corporation (the old "REMIC") which dissolved on that date.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## NUMBER AND SALARY OF ACTIVE MEMBERS BY OCCUPATIONAL POSITION AS OF JUNE 30, 2006 (LAG) ACTUARIAL VALUATION[1]

| Occupation – Main Groups | Number | Annual Payroll | Average Annual Salary |
|---|---|---|---|
| Other | 124,643 | $ 6,576,371,009 | $52,762 |
| Transit Operating Positions | 35,741 | 2,207,815,885 | 61,773 |
| MTA Bridges and Tunnels | 1,662 | 111,900,794 | 67,329 |
| Uniform Sanitation | 7,640 | 559,575,962 | 73,243 |
| Transit and Housing Police Forces[2] | 0 | 0 | 0 |
| Uniform Correction Force | 9,055 | 673,025,203 | 74,326 |
| Total | 178,741 | $10,128,688,853 | $56,667 |

[1] The number of members (Number) and their corresponding salaries (Annual Payroll) include only those who were on the payroll as of June 30, 2006.

[2] During April 1995 the Housing and Transit Police forces were merged into the New York City Police Department and most Housing and Transit Police members of NYCERS were transferred to the New York City Police Pension Fund.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NUMBER OF ACTIVE MEMBERS
BY OCCUPATIONAL POSITION AND AGE
AS OF JUNE 30, 2006 (LAG) ACTUARIAL VALUATION[1]

| Age | Total | Other | Transit Operating | MTA Bridges & Tunnels | Sanitation | Housing & Transit Police[2] | Correction |
|---|---|---|---|---|---|---|---|
| Under 20 | 22 | 19 | 1 | 0 | 2 | 0 | 0 |
| 20 – 24 | 1,571 | 1,002 | 167 | 18 | 283 | 0 | 101 |
| 25 – 29 | 7,159 | 5,092 | 718 | 107 | 733 | 0 | 509 |
| 30 – 34 | 12,095 | 8,066 | 1,882 | 201 | 1,005 | 0 | 941 |
| 35 – 39 | 20,140 | 12,745 | 4,104 | 244 | 1,232 | 0 | 1,815 |
| 40 – 44 | 30,271 | 18,891 | 6,767 | 277 | 1,483 | 0 | 2,853 |
| 45 – 49 | 33,381 | 22,948 | 7,169 | 305 | 1,129 | 0 | 1,830 |
| 50 – 54 | 31,416 | 22,541 | 6,759 | 249 | 1,068 | 0 | 799 |
| 55 – 59 | 24,117 | 18,266 | 4,977 | 176 | 510 | 0 | 188 |
| 60 – 64 | 12,816 | 10,212 | 2,359 | 68 | 162 | 0 | 15 |
| 65 – 69 | 4,199 | 3,475 | 683 | 10 | 29 | 0 | 2 |
| 70 – 74 | 1,554 | 1,386 | 155 | 7 | 4 | 0 | 2 |
| Total | 178,741 | 124,643 | 35,741 | 1,662 | 7,640 | 0 | 9,055 |

(1) Member count for this schedule represents only members receiving salary as of June 30, 2006.

(2) During April 1995 the Housing and Transit Police forces were merged into the New York City Police Department and most Housing and Transit Police members of NYCERS were transferred to the New York City Police Pension Fund.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NUMBER OF ACTIVE MEMBERS
BY OCCUPATIONAL POSITION AND YEARS OF SERVICE
AS OF JUNE 30, 2006 (LAG) ACTUARIAL VALUATION[1]

| Years of Service | Total | Other | Transit Operating | MTA Bridges & Tunnels | Sanitation | Housing & Transit Police[2] | Correction |
|---|---|---|---|---|---|---|---|
| Under 5 | 39,614 | 31,106 | 4,605 | 583 | 1,720 | 0 | 1,600 |
| 5 - 9 | 42,101 | 28,388 | 9,405 | 397 | 2,085 | 0 | 1,826 |
| 10 - 14 | 29,163 | 22,018 | 5,283 | 157 | 883 | 0 | 822 |
| 15 - 19 | 33,243 | 19,997 | 7,244 | 246 | 1,808 | 0 | 3,948 |
| 20 - 24 | 19,580 | 12,336 | 5,533 | 181 | 811 | 0 | 719 |
| 25 - 29 | 9,512 | 6,111 | 2,968 | 64 | 264 | 0 | 105 |
| 30 - 34 | 3,890 | 3,339 | 438 | 28 | 53 | 0 | 32 |
| 35 - 39 | 1,335 | 1,075 | 239 | 5 | 14 | 0 | 2 |
| 40 - 44 | 303 | 273 | 26 | 1 | 2 | 0 | 1 |
| Total | 178,741 | 124,643 | 35,741 | 1,662 | 7,640 | 0 | 9,055 |

[1] Member count for this schedule represents only members receiving salary as of June 30, 2006.

[2] During April 1995 the Housing and Transit Police forces were merged into the New York City Police Department and most Housing and Transit Police members of NYCERS were transferred to the New York City Police Pension Fund.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

| Fiscal Year Ended | Added to Rolls | | Removed from Rolls | | Rolls End of Year | | % Increase In Annual Allowances | Average Annual Allowances | % Increase In Average Annual Allowances |
|---|---|---|---|---|---|---|---|---|---|
| | Number | Annual Allowances | Number | Annual Allowances | Number[1] | Annual Allowances[1] | | | |
| 6/30/99 | 3,981 | $147,379,109 | 4,539 | $52,202,024 | 121,880 | $1,919,632,538 | 5.2% | $15,750 | 5.7% |
| 6/30/00 | 5,289 | 115,346,545 | 4,408 | 54,394,949 | 122,761 | 1,980,584,134 | 3.2 | 16,134 | 2.4 |
| 6/30/01 | 6,016 | 362,105,133 | 4,819 | 60,066,235 | 123,958 | 2,282,623,032 | 15.2 | 18,414 | 14.1 |
| 6/30/02 | 4,188 | 138,015,691 | 4,669 | 73,179,634 | 123,477 | 2,347,459,089 | 2.8 | 19,011 | 3.2 |
| 6/30/03 | 9,162 | 262,015,975 | 4,614 | 73,188,882 | 128,025 | 2,536,286,182 | 8.0 | 19,811 | 4.2 |
| 6/30/04[2] | 4,205 | 148,280,745 | 4,885 | 78,618,501 | 127,345 | 2,605,948,426 | 2.7 | 20,464 | 3.3 |
| 6/30/05(Lag) | 6,274 | 161,299,370 | 5,905 | 91,199,924 | 127,714 | 2,676,047,872 | 2.7 | 20,953 | 2.4 |
| 6/30/06(Lag) | 6,457 | 194,343,590 | 5,382 | 95,257,483 | 128,789 | 2,775,133,979 | 3.7 | 21,548 | 2.8 |

[1] Number at End of Year and Annual Allowances include all those and only those retirants on pension payroll for amounts actually paid and are not adjusted for anticipated changes due to finalization of benefit calculation or contract settlements.

[2] Same amounts apply for June 30, 2004 (Lag) actuarial valuation.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

# APPENDIX A

# CENSUS DATA FOR ACTIVE MEMBERS

# AS OF JUNE 30, 2006 (Lag)

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ACTIVE VALUATION AS OF JUNE 30, 2006

GROUP: ALL

TIER: ALL GENDER: M&F

| AGE | UNDER 5 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & UP | ALL YEARS |
|---|---|---|---|---|---|---|---|---|---|---|
| NUMBERS: | | | | | | | | | | |
| UNDER 20 | 19 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 22 |
| 20 TO 24 | 1,474 | 91 | 3 | 0 | 2 | 0 | 1 | 0 | 0 | 1,571 |
| 25 TO 29 | 5,650 | 1,498 | 10 | 1 | 0 | 0 | 0 | 0 | 0 | 7,159 |
| 30 TO 34 | 6,548 | 4,893 | 635 | 19 | 0 | 0 | 0 | 0 | 0 | 12,095 |
| 35 TO 39 | 6,595 | 7,499 | 4,090 | 1,916 | 38 | 1 | 1 | 0 | 0 | 20,140 |
| 40 TO 44 | 5,959 | 8,057 | 6,255 | 8,068 | 1,846 | 84 | 2 | 0 | 0 | 30,271 |
| 45 TO 49 | 5,098 | 7,198 | 6,310 | 8,217 | 5,058 | 1,487 | 13 | 0 | 0 | 33,381 |
| 50 TO 54 | 4,005 | 5,736 | 5,097 | 6,416 | 5,554 | 3,608 | 951 | 49 | 0 | 31,416 |
| 55 TO 59 | 2,596 | 4,183 | 3,645 | 4,633 | 4,040 | 2,645 | 1,831 | 537 | 7 | 24,117 |
| 60 TO 64 | 1,219 | 2,058 | 2,099 | 2,710 | 2,182 | 1,191 | 736 | 518 | 103 | 12,816 |
| 65 TO 69 | 350 | 710 | 755 | 914 | 623 | 345 | 251 | 157 | 94 | 4,199 |
| 70 & UP | 101 | 177 | 262 | 349 | 237 | 151 | 104 | 74 | 99 | 1,554 |
| TOTAL | 39,614 | 42,101 | 29,163 | 33,243 | 19,580 | 9,512 | 3,890 | 1,335 | 303 | 178,741 |
| SALARIES ( IN THOUSANDS): | | | | | | | | | | |
| UNDER 20 | 583 | 46 | 92 | 0 | 0 | 0 | 0 | 0 | 0 | 721 |
| 20 TO 24 | 53,219 | 5,010 | 128 | 0 | 168 | 0 | 34 | 0 | 0 | 58,560 |
| 25 TO 29 | 229,885 | 74,880 | 356 | 35 | 0 | 0 | 0 | 0 | 0 | 305,155 |
| 30 TO 34 | 297,252 | 259,896 | 34,279 | 898 | 0 | 0 | 0 | 0 | 0 | 592,325 |
| 35 TO 39 | 312,571 | 410,909 | 234,561 | 124,948 | 2,522 | 58 | 71 | 0 | 0 | 1,085,640 |
| 40 TO 44 | 287,499 | 441,394 | 363,990 | 534,106 | 122,485 | 5,931 | 135 | 0 | 0 | 1,755,540 |
| 45 TO 49 | 252,255 | 395,512 | 377,283 | 527,113 | 326,533 | 95,221 | 808 | 0 | 0 | 1,974,725 |
| 50 TO 54 | 200,377 | 317,685 | 303,361 | 397,940 | 357,972 | 244,059 | 59,021 | 3,337 | 0 | 1,883,751 |
| 55 TO 59 | 131,993 | 227,298 | 210,836 | 273,872 | 248,309 | 170,094 | 123,051 | 34,492 | 383 | 1,420,328 |
| 60 TO 64 | 61,157 | 107,301 | 119,630 | 153,048 | 127,267 | 72,687 | 47,905 | 34,405 | 7,284 | 730,684 |
| 65 TO 69 | 18,025 | 37,621 | 42,971 | 51,246 | 35,854 | 20,332 | 16,108 | 9,936 | 6,222 | 238,316 |
| 70 & UP | 4,772 | 8,661 | 13,882 | 18,037 | 12,679 | 8,179 | 5,749 | 4,296 | 6,689 | 82,945 |
| TOTAL | 1,849,588 | 2,286,213 | 1,701,369 | 2,081,242 | 1,233,789 | 616,561 | 252,882 | 86,468 | 20,578 | 10,128,689 |
| AVERAGE SALARIES: | | | | | | | | | | |
| UNDER 20 | 30,682 | 46,409 | 45,993 | 0 | 0 | 0 | 0 | 0 | 0 | 32,789 |
| 20 TO 24 | 36,105 | 55,058 | 42,742 | 0 | 84,122 | 0 | 33,670 | 0 | 0 | 37,275 |
| 25 TO 29 | 40,688 | 49,986 | 35,579 | 34,527 | 0 | 0 | 0 | 0 | 0 | 42,625 |
| 30 TO 34 | 45,396 | 53,116 | 53,983 | 47,278 | 0 | 0 | 0 | 0 | 0 | 48,973 |
| 35 TO 39 | 47,395 | 54,795 | 57,350 | 65,213 | 66,365 | 58,286 | 70,519 | 0 | 0 | 53,905 |
| 40 TO 44 | 48,246 | 54,784 | 58,192 | 66,201 | 66,351 | 70,608 | 67,466 | 0 | 0 | 57,994 |
| 45 TO 49 | 49,481 | 54,947 | 59,791 | 64,149 | 64,558 | 64,035 | 62,148 | 0 | 0 | 59,157 |
| 50 TO 54 | 50,032 | 55,384 | 59,518 | 62,023 | 64,453 | 67,644 | 62,062 | 68,109 | 0 | 59,962 |
| 55 TO 59 | 50,845 | 54,338 | 57,842 | 59,113 | 61,463 | 64,308 | 67,204 | 64,232 | 54,756 | 58,893 |
| 60 TO 64 | 50,170 | 52,139 | 56,994 | 56,475 | 58,326 | 61,030 | 65,089 | 66,419 | 70,714 | 57,013 |
| 65 TO 69 | 51,500 | 52,987 | 56,916 | 56,068 | 57,550 | 58,933 | 64,177 | 63,289 | 66,194 | 56,755 |
| 70 & UP | 47,248 | 48,934 | 52,986 | 51,682 | 53,500 | 54,162 | 55,283 | 58,059 | 67,562 | 53,375 |
| TOTAL | 46,690 | 54,303 | 58,340 | 62,607 | 63,013 | 64,819 | 65,008 | 64,770 | 67,913 | 56,667 |

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

# APPENDIX B

# CENSUS DATA FOR PENSIONERS

# AS OF JUNE 30, 2006 (Lag)

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
PENSIONER VALUATION AS OF JUNE 30, 2006

SUMMARY BY CAUSE AND SEX — ALL FILES (ALL BENEFITS)

| | MALE | | | FEMALE | | | BOTH MALE & FEMALE | | |
|---|---|---|---|---|---|---|---|---|---|
| AGE | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE |
| ACCIDENTAL DISABILITY: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 TO 34 | 10 | 238,618 | 23,862 | 3 | 75,417 | 25,139 | 13 | 314,035 | 24,157 |
| 35 TO 39 | 63 | 2,128,119 | 33,780 | 12 | 350,004 | 29,167 | 75 | 2,478,123 | 33,042 |
| 40 TO 44 | 222 | 7,917,443 | 35,664 | 39 | 1,160,401 | 29,754 | 261 | 9,077,844 | 34,781 |
| 45 TO 49 | 246 | 9,461,151 | 38,460 | 48 | 2,384,225 | 49,671 | 294 | 11,845,376 | 40,290 |
| 50 TO 54 | 310 | 11,270,007 | 36,355 | 39 | 1,305,126 | 33,465 | 349 | 12,575,133 | 36,032 |
| 55 TO 59 | 536 | 18,518,333 | 34,549 | 23 | 849,265 | 36,925 | 559 | 19,367,598 | 34,647 |
| 60 TO 64 | 677 | 20,073,726 | 29,651 | 30 | 837,966 | 27,932 | 707 | 20,911,692 | 29,578 |
| 65 TO 69 | 482 | 14,476,087 | 30,033 | 25 | 520,005 | 20,800 | 507 | 14,996,092 | 29,578 |
| 70 TO 74 | 318 | 8,693,301 | 27,337 | 22 | 590,353 | 26,834 | 340 | 9,283,654 | 27,305 |
| 75 TO 79 | 273 | 6,907,278 | 25,301 | 18 | 419,222 | 23,290 | 291 | 7,326,500 | 25,177 |
| 80 TO 84 | 182 | 4,525,497 | 24,865 | 22 | 341,538 | 15,524 | 204 | 4,867,035 | 23,858 |
| 85 TO 89 | 71 | 1,581,456 | 22,274 | 6 | 332,847 | 55,475 | 77 | 1,914,303 | 24,861 |
| 90 & UP | 18 | 375,053 | 20,836 | 5 | 82,295 | 16,459 | 23 | 457,348 | 19,885 |
| TOTAL | 3,408 | 106,166,069 | 31,152 | 292 | 9,248,664 | 31,674 | 3,700 | 115,414,733 | 31,193 |
| ORDINARY DISABILITY: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 TO 34 | 2 | 30,293 | 15,147 | 1 | 31,295 | 31,295 | 3 | 61,588 | 20,529 |
| 35 TO 39 | 49 | 718,792 | 14,669 | 31 | 415,461 | 13,402 | 80 | 1,134,253 | 14,178 |
| 40 TO 44 | 240 | 3,703,494 | 15,431 | 110 | 1,547,893 | 14,072 | 350 | 5,251,387 | 15,004 |
| 45 TO 49 | 472 | 7,437,461 | 15,757 | 204 | 2,598,024 | 12,735 | 676 | 10,035,485 | 14,845 |
| 50 TO 54 | 785 | 12,109,209 | 15,426 | 332 | 4,552,349 | 13,712 | 1,117 | 16,661,558 | 14,916 |
| 55 TO 59 | 1,249 | 19,914,413 | 15,944 | 505 | 6,649,340 | 13,167 | 1,754 | 26,563,753 | 15,145 |
| 60 TO 64 | 1,351 | 22,052,785 | 16,323 | 539 | 6,731,221 | 12,488 | 1,890 | 28,784,006 | 15,230 |
| 65 TO 69 | 924 | 14,450,861 | 15,639 | 418 | 4,598,262 | 11,001 | 1,342 | 19,049,123 | 14,195 |
| 70 TO 74 | 507 | 7,301,277 | 14,401 | 201 | 2,075,705 | 10,327 | 708 | 9,376,982 | 13,244 |
| 75 TO 79 | 356 | 5,305,309 | 14,903 | 94 | 752,175 | 8,002 | 450 | 6,057,484 | 13,461 |
| 80 TO 84 | 231 | 3,540,234 | 15,326 | 65 | 592,491 | 9,115 | 296 | 4,132,725 | 13,962 |
| 85 TO 89 | 86 | 1,189,984 | 13,837 | 28 | 199,835 | 7,137 | 114 | 1,389,819 | 12,191 |
| 90 & UP | 14 | 168,350 | 12,025 | 26 | 246,727 | 9,490 | 40 | 415,077 | 10,377 |
| TOTAL | 6,266 | 97,922,462 | 15,628 | 2,554 | 30,990,778 | 12,134 | 8,820 | 128,913,240 | 14,616 |
| SERVICE RETIREMENT: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 1 | 1,686 | 1,686 | 1 | 1,686 | 1,686 |
| 30 TO 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 TO 39 | 3 | 78,760 | 26,253 | 1 | 31,200 | 31,200 | 4 | 109,960 | 27,490 |
| 40 TO 44 | 351 | 12,270,737 | 34,959 | 105 | 3,449,090 | 32,848 | 456 | 15,719,827 | 34,473 |
| 45 TO 49 | 906 | 30,338,230 | 33,486 | 348 | 11,365,375 | 32,659 | 1,254 | 41,703,605 | 33,256 |
| 50 TO 54 | 2,237 | 77,763,252 | 34,762 | 373 | 11,337,251 | 30,395 | 2,610 | 89,100,503 | 34,138 |
| 55 TO 59 | 5,996 | 210,021,592 | 35,027 | 2,183 | 56,412,713 | 25,842 | 8,179 | 266,434,305 | 32,575 |
| 60 TO 64 | 10,288 | 335,117,874 | 32,574 | 4,891 | 115,102,602 | 23,534 | 15,179 | 450,220,476 | 29,661 |
| 65 TO 69 | 12,103 | 334,574,748 | 27,644 | 6,624 | 128,954,316 | 19,468 | 18,727 | 463,529,064 | 24,752 |
| 70 TO 74 | 10,276 | 250,816,126 | 24,408 | 5,603 | 93,998,904 | 16,777 | 15,879 | 344,815,030 | 21,715 |
| 75 TO 79 | 9,146 | 207,832,788 | 22,724 | 5,329 | 78,596,264 | 14,749 | 14,475 | 286,429,052 | 19,788 |
| 80 TO 84 | 7,413 | 159,399,386 | 21,503 | 4,944 | 62,726,464 | 12,687 | 12,357 | 222,125,850 | 17,976 |
| 85 TO 89 | 4,170 | 78,233,489 | 18,761 | 3,641 | 38,199,505 | 10,491 | 7,811 | 116,432,994 | 14,906 |
| 90 & UP | 1,845 | 31,854,672 | 17,265 | 2,449 | 24,936,159 | 10,182 | 4,294 | 56,790,831 | 13,226 |
| TOTAL | 64,734 | 1,728,301,654 | 26,699 | 36,492 | 625,111,529 | 17,130 | 101,226 | 2,353,413,183 | 23,249 |

EXCL UNMATCHED RECORDS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
PENSIONER VALUATION AS OF JUNE 30, 2006

SUMMARY BY CAUSE AND SEX — ALL FILES (ALL BENEFITS)

| | MALE | | | FEMALE | | | BOTH MALE & FEMALE | | |
|---|---|---|---|---|---|---|---|---|---|
| AGE | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE | NUMBER | BENEFITS | AVERAGE |
| ACCIDENTAL DEATH: | | | | | | | | | |
| UNDER 30 | 0 | 0 | 0 | 2 | 65,814 | 32,907 | 2 | 65,814 | 32,907 |
| 30 TO 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 TO 39 | 0 | 0 | 0 | 6 | 281,031 | 46,839 | 6 | 281,031 | 46,839 |
| 40 TO 44 | 0 | 0 | 0 | 2 | 62,482 | 31,241 | 2 | 62,482 | 31,241 |
| 45 TO 49 | 0 | 0 | 0 | 5 | 110,005 | 22,001 | 5 | 110,005 | 22,001 |
| 50 TO 54 | 0 | 0 | 0 | 8 | 191,374 | 23,922 | 8 | 191,374 | 23,922 |
| 55 TO 59 | 0 | 0 | 0 | 12 | 253,812 | 21,151 | 12 | 253,812 | 21,151 |
| 60 TO 64 | 1 | 55,088 | 55,088 | 8 | 135,438 | 16,930 | 9 | 190,526 | 21,170 |
| 65 TO 69 | 0 | 0 | 0 | 16 | 267,254 | 16,703 | 16 | 267,254 | 16,703 |
| 70 TO 74 | 0 | 0 | 0 | 10 | 168,050 | 16,805 | 10 | 168,050 | 16,805 |
| 75 TO 79 | 0 | 0 | 0 | 10 | 226,389 | 22,639 | 10 | 226,389 | 22,639 |
| 80 TO 84 | 0 | 0 | 0 | 8 | 102,691 | 12,836 | 8 | 102,691 | 12,836 |
| 85 TO 89 | 0 | 0 | 0 | 9 | 132,774 | 14,753 | 9 | 132,774 | 14,753 |
| 90 & UP | 0 | 0 | 0 | 13 | 270,701 | 20,823 | 13 | 270,701 | 20,823 |
| TOTAL | 1 | 55,088 | 55,088 | 109 | 2,267,815 | 20,806 | 110 | 2,322,903 | 21,117 |
| OTHER BENEFICIARIES: | | | | | | | | | |
| UNDER 30 | 46 | 418,706 | 9,102 | 76 | 766,269 | 10,082 | 122 | 1,184,975 | 9,713 |
| 30 TO 34 | 30 | 253,926 | 8,464 | 47 | 573,735 | 12,207 | 77 | 827,661 | 10,749 |
| 35 TO 39 | 58 | 473,159 | 8,158 | 86 | 886,750 | 10,311 | 144 | 1,359,909 | 9,444 |
| 40 TO 44 | 68 | 486,959 | 7,161 | 126 | 1,301,752 | 10,331 | 194 | 1,788,711 | 9,220 |
| 45 TO 49 | 70 | 621,921 | 8,885 | 184 | 1,615,358 | 8,779 | 254 | 2,237,279 | 8,808 |
| 50 TO 54 | 78 | 554,887 | 7,114 | 273 | 3,334,745 | 12,215 | 351 | 3,889,632 | 11,082 |
| 55 TO 59 | 82 | 610,263 | 7,442 | 435 | 6,189,033 | 14,228 | 517 | 6,799,296 | 13,151 |
| 60 TO 64 | 90 | 684,356 | 7,604 | 734 | 12,056,430 | 16,426 | 824 | 12,740,786 | 15,462 |
| 65 TO 69 | 73 | 598,896 | 8,204 | 991 | 13,831,426 | 13,957 | 1,064 | 14,430,322 | 13,562 |
| 70 TO 74 | 81 | 596,945 | 7,370 | 1,343 | 19,227,842 | 14,317 | 1,424 | 19,824,787 | 13,922 |
| 75 TO 79 | 93 | 748,256 | 8,046 | 2,085 | 27,448,172 | 13,165 | 2,178 | 28,196,428 | 12,946 |
| 80 TO 84 | 98 | 758,562 | 7,740 | 2,713 | 30,637,475 | 11,293 | 2,811 | 31,396,037 | 11,169 |
| 85 TO 89 | 90 | 598,229 | 6,647 | 2,661 | 27,843,928 | 10,464 | 2,751 | 28,442,157 | 10,339 |
| 90 & UP | 186 | 1,564,806 | 8,413 | 2,036 | 20,387,134 | 10,013 | 2,222 | 21,951,940 | 9,879 |
| TOTAL | 1,143 | 8,969,871 | 7,848 | 13,790 | 166,100,049 | 12,045 | 14,933 | 175,069,920 | 11,724 |
| ALL PENSIONERS AND BENEFICIARIES: | | | | | | | | | |
| UNDER 30 | 46 | 418,706 | 9,102 | 79 | 833,769 | 10,554 | 125 | 1,252,475 | 10,020 |
| 30 TO 34 | 42 | 522,837 | 12,449 | 51 | 680,447 | 13,342 | 93 | 1,203,284 | 12,939 |
| 35 TO 39 | 173 | 3,398,830 | 19,646 | 136 | 1,964,446 | 14,444 | 309 | 5,363,276 | 17,357 |
| 40 TO 44 | 881 | 24,378,633 | 27,672 | 382 | 7,521,618 | 19,690 | 1,263 | 31,900,251 | 25,258 |
| 45 TO 49 | 1,694 | 47,858,763 | 28,252 | 789 | 18,072,987 | 22,906 | 2,483 | 65,931,750 | 26,553 |
| 50 TO 54 | 3,410 | 101,697,355 | 29,823 | 1,025 | 20,720,845 | 20,215 | 4,435 | 122,418,200 | 27,603 |
| 55 TO 59 | 7,863 | 249,064,601 | 31,676 | 3,158 | 70,354,163 | 22,278 | 11,021 | 319,418,764 | 28,983 |
| 60 TO 64 | 12,407 | 377,983,829 | 30,465 | 6,202 | 134,863,657 | 21,745 | 18,609 | 512,847,486 | 27,559 |
| 65 TO 69 | 13,582 | 364,100,592 | 26,808 | 8,074 | 148,171,263 | 18,352 | 21,656 | 512,271,855 | 23,655 |
| 70 TO 74 | 11,182 | 267,407,649 | 23,914 | 7,179 | 116,060,854 | 16,167 | 18,361 | 383,468,503 | 20,885 |
| 75 TO 79 | 9,868 | 220,793,631 | 22,375 | 7,536 | 107,442,222 | 14,257 | 17,404 | 328,235,853 | 18,860 |
| 80 TO 84 | 7,924 | 168,223,679 | 21,230 | 7,752 | 94,400,659 | 12,178 | 15,676 | 262,624,338 | 16,753 |
| 85 TO 89 | 4,417 | 81,603,158 | 18,475 | 6,345 | 66,708,889 | 10,514 | 10,762 | 148,312,047 | 13,781 |
| 90 & UP | 2,063 | 33,962,881 | 16,463 | 4,529 | 45,923,016 | 10,140 | 6,592 | 79,885,897 | 12,119 |
| TOTAL | 75,552 | 1,941,415,144 | 25,696 | 53,237 | 833,718,835 | 15,661 | 128,789 | 2,775,133,979 | 21,548 |

EXCL UNMATCHED RECORDS

**This Page Has Been Left Blank Intentionally**

# PART 5

# STATISTICAL SECTION

**This Page Has Been Left Blank Intentionally**

# New York City Employees' Retirement System

## CASH RECEIPTS AND DISBURSEMENTS
## Fiscal Year Ended June 30, 2008

(in thousands)

| | |
|---|---|
| Cash Balance July 1, 2007 | $6,833 |
| | |
| Receipts: | |
| Members' Contributions | 366,473 |
| Employers' Contributions | 1,644,201 |
| Members' Loan Payments | 304,766 |
| Interest and Dividends | 1,603,152 |
| Investments Redeemed | 82,959,761 |
| Miscellaneous | 3,134 |
| Total Cash Receipts | $86,881,487 |
| Total Cash Available | $86,888,320 |
| | |
| Disbursements: | |
| Benefit Payments and Withdrawals | 3,235,890 |
| Transfers to Other Retirement Systems | 13,516 |
| Loans to Members | 312,336 |
| Investments Purchased | 82,991,546 |
| Investment Expenses | 121,976 |
| Administrative Expenses | 46,082 |
| Miscellaneous | 160,850 |
| Total Cash Disbursements | $86,882,196 |
| Cash Balance June 30, 2008 | $6,124 |

## New York City Employees' Retirement System

### TABLE OF REVENUE BY SOURCE
### Fiscal Years Ended 1999 through 2008
### (in thousands of dollars)

| Fiscal Year Ended June 30 | Gross Member Contributions | Member Loans * | Net Member Contributions | Employer Contributions | Net Investment Income | Other Income | Total | Employer Contributions As a Percentage Of Annual Covered Payroll ** |
|---|---|---|---|---|---|---|---|---|
| **2008** | $ 366,144 | - | $ 366,144 | $ 1,874,242 | $ (1,883,669) | $ 3,096 | $ 359,813 | 18.5 |
| **2007** | 351,073 | - | 351,073 | 1,471,030 | 6,670,857 | 2,997 | 8,495,957 | 15.2 |
| **2006** | 341,643 | - | 341,643 | 1,024,358 | 3,405,699 | 2,937 | 4,774,637 | 11.2 |
| **2005** | 310,847 | - | 310,847 | 822,763 | 3,077,633 | 33,327 | 4,244,570 | 9.0 |
| **2004** | 298,263 | - | 298,263 | 310,589 | 4,811,766 | 10,194 | 5,430,812 | 3.5 |
| **2003** | 309,757 | - | 309,757 | 107,993 | 1,100,950 | 3,549 | 1,522,249 | 1.2 |
| **2002** | 326,443 | - | 326,443 | 105,660 | (3,145,539) | 2,758 | (2,710,678) | 1.2 |
| **2001** | 655,017 | 330,850 | 324,167 | 100,025 | (3,530,307) | 3,269 | (3,102,846) | 1.3 |
| **2000** | 632,015 | 315,615 | 316,400 | 68,620 | 3,743,905 | 0 | 4,128,925 | .9 |
| **1999** | 583,937 | 277,931 | 306,006 | 145,663 | 4,950,209 | 0 | 5,401,878 | 2.1 |

* During 2002, the Plan has changed its accounting treatment for loans. Previously, the members' contributions included loan repayments by the members, and the loans paid out were shown as a reduction of members' contribution accounts. As of 2002, the member accounts are not affected; and the outstanding loans are being shown as a member loan receivable in the Statement of Plan Net Assets.

** The employer rates of contribution equal the employer contributions as percentages of the annual covered payroll of members who were on payroll as of the preceding June 30th, adjusted where applicable, to be consistent with collective bargaining agreements estimated to be achieved.

The annualized covered payroll under the One-Year Lag Methodology, used for fiscal year 2006 employer contributions, differs from that as of June 30, 2004 to compute fiscal year 2005 employer contributions due to changes in actuarial assumptions and utilizing recent information received concerning labor contract settlements.

# New York City Employees' Retirement System

**TABLE OF BENEFIT EXPENSES BY TYPE**
**Fiscal Years 1999 through 2008**

**(in thousands of dollars)**

| FISCAL YEAR ENDED JUNE 30 | TOTAL RETIREMENT BENEFITS | TOTAL DEATH BENEFITS | OTHER | CHANGE IN ACCRUED BENEFITS PAYABLE | TOTAL BENEFIT PAYMENTS |
|---|---|---|---|---|---|
| 2008 | $ 2,983,004 | $ 90,415 | $ 3,834 | $ (122,753) | $ 2,954,500 |
| 2007 | 2,914,609 | 71,992 | 1,837 | 175,867 | 3,164,305 |
| 2006 | 2,753,213 | 99,298 | 34,411 | 25,831 | 2,912,753 |
| 2005 | 2,667,860 | 96,992 | 38,221 | (9,477) | 2,793,596 |
| 2004 | 2,616,435 | 79,296 | 24,215 | (44,773) | 2,675,173 |
| 2003 | 2,499,828 | 84,932 | 66,810 | 64,688 | 2,716,258 |
| 2002 | 2,348,951 | 85,289 | 19,188 | (61,454) | 2,391,974 |
| 2001 | 2,223,630 | 85,683 | 0 | 63,334 | 2,372,647 |
| 2000 | 1,959,763 | 74,593 | 0 | 44,090 | 2,078,446 |
| 1999 | 1,909,765 | 95,117 | (5) | (6,931) | 1,997,946 |

**New York City Employees' Retirement System**

**TABLE OF CHANGES IN PLAN NET ASSETS**
**Fiscal Years 1999 through 2008**

**(in thousands of dollars)**

| Fiscal Year Ended June 30 | Additions to Plan Net Assets per Table of Revenue by Source | Deductions from Plan Net Assets | | | | | Net Change in Plan Net Assets |
|---|---|---|---|---|---|---|---|
| | | Benefit Payments per Table of Benefit Expenses by Type | Refunds | Payments To Other Pension Systems and Funds | Administrative Expenses | Total Deductions | |
| 2008 | 359,813 | 2,954,500 | 142,132 | 13,685 | 46,999 | 3,157,316 | (2,797,503) |
| 2007 | 8,495,957 | 3,164,305 | 51,883 | 11,909 | 41,695 | 3,269,792 | 5,226,165 |
| 2006 | 4,774,637 | 2,912,753 | 49,470 | 10,278 | 40,291 | 3,012,792 | 1,761,845 |
| 2005 | 4,244,570 | 2,793,596 | 49,692 | 14,983 | 37,307 | 2,895,578 | 1,348,992 |
| 2004 | 5,430,812 | 2,675,173 | 45,363 | 22,044 | 35,559 | 2,778,139 | 2,652,673 |
| 2003 | 1,522,249 | 2,716,258 | 90,717 | (1,526) | 34,101 | 2,839,550 | (1,317,301) |
| 2002 | (2,710,678) | 2,391,974 | 121,400 | 15,995 | 31,548 | 2,560,917 | (5,271,595) |
| 2001 | (3,102,846) | 2,372,647 | 43,270 | 21,800 | 31,584 | 2,469,301 | (5,572,147) |
| 2000 | 4,128,925 | 2,078,446 | 39,922 | 99,373 | 23,245 | 2,240,986 | 893,776 |
| 1999 | 5,401,878 | 1,997,946 | 29,892 | 3,868 | 19,688 | 2,051,394 | 3,350,484 |

# TABLE OF BENEFITS PAID
## Fiscal Years 1999 through 2008
## (in thousands of dollars)

| Fiscal Year | Retirement Allowances | Member Loans | | Refunds | Death Benefits In Service | Death Benefits After Retirement |
|---|---|---|---|---|---|---|
| Ended June 30 | Amount Paid | Amount Paid | No. Loans | Amount Paid | Amount Paid | Amount Paid |
| 2008 | $ 2,983,004 | $ 279,754 | 45,882 | $ 142,132 | $ 67,699 | $ 22,716 |
| 2007 | 2,914,609 | 295,146 | 45,771 | 51,883 | 46,815 | 25,177 |
| 2006 | 2,753,213 | 293,691 | 47,039 | 49,470 | 63,048 | 36,250 |
| 2005 | 2,667,860 | 273,890 | 48,770 | 49,692 | 64,772 | 32,220 |
| 2004 | 2,616,435 | 281,906 | 52,342 | 45,363 | 48,087 | 31,209 |
| 2003 | 2,499,828 | 278,295 | 53,747 | 81,882 | 57,912 | 35,915 |
| 2002 | 2,348,951 | 276,153 | 49,520 | 121,151 | 55,266 | 39,014 |
| 2001 | 2,223,630 | 330,850 | 54,521 | 43,270 | 51,530 | 42,271 |
| 2000 | 1,959,763 | 315,615 | 57,264 | 39,922 | 39,753 | 42,707 |
| 1999 | 1,909,765 | 277,931 | 55,644 | 29,892 | 48,538 | 52,947 |

# FOREWORD

**In the following five tables detailing the retirement experience for service and disability retirees, a profile is provided of a substantial percentage of members who retired during the calendar year indicated. The benefits stated reflect the maximum benefit to which the retirees in question would have been entitled. This assures a common denominator for the statistics in the tables. However, in reality, many retirees selected options which *reduced* the maximum benefit.**

**The last two tables - retirement payments by type - on the other hand, reflect the profiles of the entire retiree population and the types of options under which they are receiving benefits.**

## New York City Employees' Retirement System

## TABLE OF AVERAGE ANNUAL BENEFIT PAYMENTS
## SERVICE RETIREMENT EXPERIENCE – 6 YEAR HISTORY
## Calendar Years 2002 – 2007

| | Years of Credited Service | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| YEAR OF RETIREMENT | 0-4.9 | 5-9.9 | 10-14.9 | 15-19.9 | 20-24.9 | 25-29.9 | 30-34.9 | 35-39.9 | 40 and over | SUMMARY |
| **2007** | | | | | | | | | | |
| AVG. RETIREMENT ALLOW. | 0 | $5,504 | $10,442 | $14,656 | $31,827 | $34,878 | $45,406 | $52,715 | $66,660 | $32,103 |
| % OF SALARY BASE | 0 | 12 | 21 | 28 | 46 | 53 | 66 | 77 | 101 | 50 |
| FINAL AVERAGE SALARY | 0 | $45,867 | $49,724 | $52,343 | $69,189 | $65,808 | $68,797 | $68,461 | $66,000 | $64,206 |
| NO. OF RETIREES INCLUDED | 0 | 229 | 300 | 403 | 1,597 | 1,224 | 401 | 397 | 91 | 4,642 |
| **2006** | | | | | | | | | | |
| AVG. RETIREMENT ALLOW. | 0 | $ 5,406 | $ 10,187 | $ 14,024 | $ 31,267 | $ 35,219 | $ 45,506 | $ 52,429 | $ 66,490 | $ 31,199 |
| % OF SALARY BASE | 0 | 12 | 20 | 29 | 47 | 53 | 67 | 77 | 99 | 50 |
| FINAL AVERAGE SALARY | 0 | $ 45,050 | $ 50,935 | $ 48,359 | $ 66,526 | $ 66,451 | $ 67,919 | $ 68,090 | $ 67,162 | $ 62,398 |
| NO. OF RETIREES INCLUDED | 0 | 183 | 335 | 474 | 1,387 | 1,010 | 446 | 338 | 62 | 4,235 |
| **2005** | | | | | | | | | | |
| AVG. RETIREMENT ALLOW. | 0 | $ 5,323 | $ 9,569 | $ 13,949 | $ 30,459 | $ 33,866 | $ 42,530 | $ 48,364 | $ 57,950 | $ 29,626 |
| % OF SALARY BASE | 0 | 12 | 20 | 28 | 47 | 52 | 68 | 76 | 93 | 49 |
| FINAL AVERAGE SALARY | 0 | $ 44,358 | $ 47,845 | $ 49,818 | $ 64,806 | $ 65,127 | $ 62,544 | $ 63,637 | $ 62,312 | $ 60,461 |
| NO. OF RETIREES INCLUDED | 0 | 172 | 387 | 479 | 1,564 | 797 | 594 | 292 | 58 | 4,343 |
| **2004** | | | | | | | | | | |
| AVG. RETIREMENT ALLOW. | 0 | $ 5,307 | $ 8,674 | $ 13,409 | $ 30,196 | $ 33,437 | $ 42,304 | $ 51,988 | $ 65,482 | $ 28,915 |
| % OF SALARY BASE | 0 | 12 | 19 | 28 | 47 | 52 | 66 | 76 | 96 | 48 |
| FINAL AVERAGE SALARY | 0 | $ 44,225 | $ 45,653 | $ 47,889 | $ 64,247 | $ 64,302 | $ 64,097 | $ 68,405 | $ 68,210 | $ 60,240 |
| NO. OF RETIREES INCLUDED | 0 | 179 | 351 | 415 | 1,344 | 544 | 524 | 218 | 42 | 3,617 |
| **2003** | | | | | | | | | | |
| AVG. RETIREMENT ALLOW. | 0 | $ 4,937 | $ 8,839 | $ 13,165 | $ 30,570 | $ 35,504 | $ 41,801 | $ 51,788 | $ 60,528 | $ 29,128 |
| % OF SALARY BASE | 0 | 12 | 20 | 29 | 48 | 55 | 66 | 75 | 95 | 49 |
| FINAL AVERAGE SALARY | 0 | $ 41,142 | $ 44,195 | $ 45,397 | $ 63,688 | $ 64,553 | $ 63,335 | $ 69,051 | $ 63,714 | $ 59,445 |
| NO. OF RETIREES INCLUDED | 0 | 141 | 302 | 299 | 933 | 419 | 472 | 146 | 32 | 2,744 |
| **2002** | | | | | | | | | | |
| AVG. RETIREMENT ALLOW. | 0 | $ 4,884 | $ 8,624 | $ 14,148 | $ 25,332 | $ 33,134 | $ 43,573 | $ 52,926 | $ 66,157 | $ 30,937 |
| % OF SALARY BASE | 0 | 13 | 21 | 31 | 46 | 60 | 71 | 81 | 105 | 57 |
| FINAL AVERAGE SALARY | 0 | $ 37,569 | $ 41,067 | $ 45,639 | $ 55,070 | $ 55,223 | $ 61,370 | $ 65,341 | $ 63,007 | $ 54,275 |
| NO. OF RETIREES INCLUDED | 0 | 209 | 711 | 813 | 1,673 | 1,612 | 2,008 | 544 | 100 | 7,670 |

## New York City Employees' Retirement System

## SERVICE RETIREMENT EXPERIENCE
## TABLE OF AVERAGE RETIREMENT ALLOWANCE BY AGE AND YEARS OF SERVICE
## Calendar Year 2007

| | AGE AT RETIREMENT | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | UNDER 50 | | | 50-54 | | | 55-59 | | | 60-64 | | | 65-69 | | | 70 AND OVER | | |
| Years of Service | Average Allowance | No. of Retire-ments | % of Salary Base | Average Allowance | No. of Retire-ments | % of Salary Base | Average Allowance | No. of Retire-ments | % of Salary Base | Average Allowance | No. of Retire-ments | % of Salary Base | Average Allowance | No. of Retire-ments | % of Salary Base | Average Allowance | No. of Retire-ments | % of Salary Base |
| 0-4.9 | | | | | | | | | | | | | | | | | | |
| 5-9.9 | | | | $5,556 | 1 | 19 | $4,903 | 59 | 11 | $5,885 | 86 | 12 | $5,787 | 60 | 12 | $4,881 | 23 | 12 |
| 10-14.9 | $17,281 | 3 | 34 | 11,259 | 3 | 28 | 8,661 | 33 | 18 | 9,880 | 113 | 20 | 11,152 | 104 | 21 | 11,017 | 44 | 21 |
| 15-19.9 | 25,788 | 12 | 40 | 13,286 | 8 | 30 | 12,113 | 50 | 24 | 13,827 | 176 | 29 | 15,513 | 120 | 28 | 15,937 | 37 | 29 |
| 20-24.9 | 38,436 | 503 | 49 | 39,434 | 205 | 50 | 29,588 | 174 | 43 | 26,056 | 414 | 44 | 24,778 | 237 | 43 | 25,049 | 64 | 44 |
| 25-29.9 | 35,687 | 41 | 52 | 42,575 | 166 | 54 | 35,172 | 434 | 52 | 33,023 | 382 | 52 | 31,508 | 165 | 53 | 30,055 | 36 | 54 |
| 30-34.9 | 62,024 | 1 | 62 | 47,459 | 55 | 64 | 46,202 | 175 | 64 | 45,192 | 112 | 67 | 42,157 | 45 | 70 | 37,819 | 13 | 71 |
| 35-39.9 | | | | 50,080 | 22 | 75 | 51,477 | 203 | 77 | 53,501 | 129 | 77 | 57,083 | 34 | 78 | 59,288 | 9 | 80 |
| 40 & Over | | | | | | | 54,437 | 11 | 86 | 58,643 | 37 | 89 | 62,388 | 21 | 99 | 90,332 | 22 | 129 |
| Summary | $ 37,892 | 560 | 49 | $ 41,324 | 460 | 54 | $ 35,757 | 1,139 | 54 | $ 28,703 | 1,449 | 49 | $ 24,921 | 786 | 44 | $ 27,759 | 248 | 50 |

# New York City Employees' Retirement System

## SERVICE RETIREMENT EXPERIENCE
## TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY AGE
## Calendar Year 2007

| Allowance Range | Under 50 | 50-54 | 55-59 | 60-64 | 65-69 | 70 & Older | TOTAL |
|---|---|---|---|---|---|---|---|
| $1,999 or Less | | | 2 | 2 | 1 | 1 | 6 |
| 2,000-3,999 | | 3 | 28 | 30 | 19 | 9 | 89 |
| 4,000-5,999 | | 1 | 28 | 43 | 22 | 13 | 107 |
| 6,000-7,999 | | 1 | 26 | 56 | 40 | 11 | 134 |
| 8,000-9,999 | | 1 | 21 | 66 | 48 | 19 | 155 |
| 10,000-11,999 | 1 | 5 | 21 | 63 | 42 | 14 | 146 |
| 12,000-13,999 | | 2 | 35 | 66 | 48 | 14 | 165 |
| 14,000-15,999 | 2 | 1 | 30 | 66 | 61 | 20 | 180 |
| 16,000-17,999 | 1 | 4 | 26 | 71 | 38 | 17 | 157 |
| 18,000-19,999 | 3 | 8 | 23 | 69 | 55 | 15 | 173 |
| 20,000-21,999 | 5 | 7 | 27 | 71 | 49 | 10 | 169 |
| 22,000-23,999 | 3 | 6 | 36 | 82 | 31 | 8 | 166 |
| 24,000-25,999 | 4 | 8 | 38 | 51 | 32 | 8 | 141 |
| 26,000-27,999 | 2 | 5 | 47 | 74 | 26 | 5 | 159 |
| 28,000-29,999 | 6 | 16 | 47 | 64 | 28 | 6 | 167 |
| 30,000-31,999 | 13 | 14 | 58 | 65 | 28 | 13 | 191 |
| 32,000-33,999 | 44 | 26 | 54 | 48 | 29 | 7 | 208 |
| 34,000-35,999 | 120 | 38 | 52 | 51 | 27 | 3 | 291 |
| 36,000-37,999 | 129 | 56 | 46 | 49 | 23 | 6 | 309 |
| 38,000-39,999 | 74 | 34 | 59 | 36 | 21 | 4 | 228 |
| $40,000 or More | 153 | 224 | 435 | 326 | 118 | 45 | 1,301 |
| TOTAL | 560 | 460 | 1,139 | 1,449 | 786 | 248 | 4,642 |

New York City Employees' Retirement System

## SERVICE RETIREMENT EXPERIENCE
## TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY YEARS OF SERVICE
## Calendar Year 2007

| Allowance Range | 0-4.9 | 5-9.9 | 10-14.9 | 15-19.9 | 20-24.9 | 25-29.9 | 30-34.9 | 35-39.9 | 40 & Over | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| $1,999 or Less | | 6 | | | | | | | | 6 |
| 2,000 - 3,999 | | 77 | 9 | 3 | | | | | | 89 |
| 4,000 - 5,999 | | 69 | 34 | 4 | | | | | | 107 |
| 6,000 - 7,999 | | 48 | 60 | 26 | | | | | | 134 |
| 8,000 - 9,999 | | 13 | 62 | 76 | 4 | | | | | 155 |
| 10,000 - 11,999 | | 6 | 50 | 69 | 21 | | | | | 146 |
| 12,000 - 13,999 | | 4 | 24 | 56 | 74 | 7 | | | | 165 |
| 14,000 - 15,999 | | 3 | 21 | 39 | 89 | 28 | | | | 180 |
| 16,000 - 17,999 | | 1 | 16 | 28 | 69 | 41 | 2 | | | 157 |
| 18,000 - 19,999 | | 1 | 11 | 30 | 63 | 62 | 5 | 1 | | 173 |
| 20,000 - 21,999 | | | 6 | 22 | 71 | 54 | 13 | 3 | | 169 |
| 22,000 - 23,999 | | | 2 | 11 | 57 | 70 | 22 | 4 | | 166 |
| 24,000 - 25,999 | | 1 | 3 | 11 | 51 | 53 | 13 | 9 | | 141 |
| 26,000 - 27,999 | | | | 7 | 56 | 62 | 17 | 17 | | 159 |
| 28,000 - 29,999 | | | 1 | 8 | 42 | 87 | 17 | 11 | 1 | 167 |
| 30,000 - 31,999 | | | 1 | 4 | 57 | 93 | 18 | 15 | 3 | 191 |
| 32,000 - 33,999 | | | | 1 | 92 | 81 | 12 | 22 | | 208 |
| 34,000 - 35,999 | | | | | 187 | 75 | 14 | 14 | 1 | 291 |
| 36,000 - 37,999 | | | | 2 | 205 | 65 | 16 | 19 | 2 | 309 |
| 38,000 - 39,999 | | | | 3 | 129 | 69 | 15 | 9 | 3 | 228 |
| $40,000 or More | | | | 3 | 330 | 377 | 237 | 273 | 81 | 1,301 |
| TOTAL | - | 229 | 300 | 403 | 1,597 | 1,224 | 401 | 397 | 91 | 4,642 |

# New York City Employees' Retirement System

## TABLE OF BENEFIT EXPERIENCE: ORDINARY DISABILITY RETIREMENT
### Calendar Years 1998 through 2007

| YEAR | CASES ANALYZED | AVERAGE AGE | AVERAGE YEARS OF SERVICE | AVERAGE SALARY BASE | AVERAGE TOTAL RETIREMENT ALLOWANCE | AVERAGE TOTAL RETIREMENT ALLOWANCE AS A % OF AVERAGE SALARY BASE |
|---|---|---|---|---|---|---|
| **2007** | 437 | 53 | 17 | $ 52,520 | $ 18,382 | 35 |
| **2006** | 465 | 52 | 17 | 52,009 | 18,203 | 35 |
| **2005** | 490 | 53 | 18 | 50,072 | 18,026 | 36 |
| **2004** | 500 | 52 | 17 | 48,614 | 17,015 | 35 |
| **2003** | 428 | 52 | 16 | 47,914 | 16,770 | 35 |
| **2002** | 403 | 51 | 16 | 47,429 | 16,600 | 35 |
| **2001** | 453 | 50 | 16 | 43,933 | 15,816 | 36 |
| **2000** | 493 | 52 | 16 | 42,500 | 14,875 | 35 |
| **1999** | 415 | 51 | 16 | 43,676 | 16,597 | 38 |
| **1998** | 414 | 49 | 16 | 41,889 | 15,918 | 38 |

## TABLE OF BENEFIT EXPERIENCE: ACCIDENTAL DISABILITY RETIREMENT*
### Calendar Years 1998 through 2007

| YEAR | CASES ANALYZED | AVERAGE AGE | AVERAGE YEARS OF SERVICE | AVERAGE SALARY BASE | AVERAGE TOTAL RETIREMENT ALLOWANCE | AVERAGE TOTAL RETIREMENT ALLOWANCE AS A % OF AVERAGE SALARY BASE |
|---|---|---|---|---|---|---|
| **2007** | 94 | 47 | | $ 63,856 | $ 47,892 | 75 |
| **2006** | 111 | 46 | | 63,050 | 46,657 | 74 |
| **2005** | 100 | 46 | | 59,720 | 44,193 | 74 |
| **2004** | 86 | 45 | | 58,529 | 42,141 | 72 |
| **2003** | 73 | 43 | | 56,039 | 42,029 | 75 |
| **2002** | 48 | 41 | | 55,697 | 40,102 | 72 |
| **2001** | 43 | 41 | | 49,941 | 36,457 | 73 |
| **2000** | 14 | 51 | | 58,339 | 49,005 | 84 |
| **1999** | 40 | 45 | NOT | 57,214 | 41,194 | 72 |
| **1998** | 11 | 51 | APPLICABLE | 54,186 | 44,974 | 83 |

*It is to be noted that certain accidental disability benefits are reduced by amounts awarded by the Workers' Compensation Board of the N.Y.State Department of Labor.

**New York City Employees' Retirement System**

**TABLE OF PENSIONERS AND BENEFICIARIES**
**Fiscal Years 1999 through 2008**

| Fiscal Year Ended June 30 | New Pensioners | Terminated Pensioners | Net Change | Total Number | Percentage Change |
|---|---|---|---|---|---|
| **2008** | 5,444 | 3,812 | 1,632 | 142,341 | 1.16 |
| **2007** | 5,802 | 3,569 | 2,233 | 140,709 | 1.61 |
| **2006** | 5,394 | 3,111 | 2,283 | 138,476 | 1.68 |
| **2005** | 5,013 | 4,328 | 685 | 136,193 | .51 |
| **2004** | 4,086 | 4,187 | (101) | 135,508 | (.07) |
| **2003** | 8,856 | 5,672 | 3,184 | 135,609 | 2.40 |
| **2002** | 4,232 | 3,150 | 1,082 | 132,425 | .82 |
| **2001** | 6,212 | 4,115 | 2,097 | 131,343 | 1.62 |
| **2000** | 4,944 | 4,039 | 905 | 129,246 | .71 |
| **1999** | 4,310 | 9,118 | (4,808) | 128,341 | (3.61) |

## New York City Employees' Retirement System

### TABLE OF ACTIVE MEMBERS
**Fiscal Years 1999 through 2008**

| Fiscal Year Ended June 30 | Number of Entrants During Year | Number of Withdrawals During Year | Net Change | Total Membership | Percentage Change |
|---|---|---|---|---|---|
| **2008** | 14,180 | 13,876 | 304 | 230,431 | 0.13 |
| **2007** | 13,743 | 15,950 | (2,207) | 230,127 | (.95) |
| **2006** | 12,754 | 5,129 | 7,625 | 232,334 | 3.39 |
| **2005** | 10,397 | 11,816 | (1,419) | 224,709 | (.63) |
| **2004** | 9,894 | 10,974 | (1,080) | 226,128 | (.48) |
| **2003** | 10,881 | 13,716 | (2,835) | 227,208 | (1.23) |
| **2002** | 12,843 | 7,425 | 5,418 | 230,043 | 2.41 |
| **2001** | 15,582 | 13,270 | 2,312 | 224,625 | 1.04 |
| **2000** | 12,617 | 7,320 | 5,297 | 222,313 | 2.44 |
| **1999** | 12,698 | 7,618 | 5,080 | 217,016 | 2.40 |

## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## RETIRED MEMBERS BY TYPE OF BENEFIT
## AS OF JUNE 30, 2008

| Benefit Types | Number Of Retirees* | Service | Disability (Non-Duty) | Disability and Deaths (Duty) |
|---|---|---|---|---|
| Single Life | 71,890 | 62,632 | 5,934 | 3,324 |
| Joint and Survivor | 26,713 | 25,268 | 1,175 | 270 |
| Lump Sum or Term Certain | 16,781 | 14,534 | 1,908 | 339 |
| Advanced payments – no option selected yet | 2,074 | 1,838 | 228 | 8 |
| Surviving Annuitants | 15,612 | 13,625 | 1,757 | 230 |
| Total | 133,070 | 117,897 | 11,002 | 4,171 |

* Includes retirees and beneficiaries who received a retirement payment on the pensioners' payroll as of June 30, 2008. These statistics do not include either suspended recipients or those who have died and the pension number has not yet been terminated from the roster since the cases are still open.

**New York City Employees' Retirement System**

**Table of Retirement Benefits by Type**
**10 Year History**

**Fiscal Years 1999 through 2008**

| Year ended June 30 | Age and Service | | Disability (non-duty) | | Disability (duty) | | Surviving Beneficiaries | | Totals | |
|---|---|---|---|---|---|---|---|---|---|---|
| | number of recipients | annualized benefits | number of recipients | annualized benefits | number of recipients | annualized benefits | number of recipients | annualized benefits | number of recipients | annualized benefits |
| 2008 | 104,272 | $ 2,548,136,556 | 9,245 | $ 141,456,288 | 3,941 | $ 117,703,056 | 15,612 | $ 202,543,632 | 133,070 | $ 3,009,839,532 |
| 2007 | 103,506 | $ 2,461,915,740 | 9,107 | $ 135,318,672 | 3,956 | $ 113,492,071 | 15,575 | $ 196,165,982 | 132,144 | $ 2,906,892,465 |
| 2006 | 102,625 | $ 2,378,419,392 | 8,969 | $ 133,361,592 | 3,917 | $ 110,503,836 | 15,502 | $ 186,999,924 | 131,013 | $ 2,809,284,744 |
| 2005 | 101,921 | $ 2,288,601,642 | 8,786 | $ 124,763,498 | 3,846 | $ 105,608,405 | 15,311 | $ 178,453,060 | 129,864 | $ 2,697,426,605 |
| 2004 | 101,724 | $ 2,230,650,993 | 8,588 | $ 119,838,980 | 3,825 | $ 102,764,472 | 15,262 | $ 170,549,892 | 129,399 | $ 2,693,805,337 |
| 2003 | 101,188 | $ 2,159,162,758 | 8,423 | $ 116,896,912 | 3,435 | $ 100,007,789 | 14,979 | $ 160,218,723 | 128,025 | $ 2,536,286,182 |
| 2002 | 96,883 | $ 1,980,699,337 | 8,268 | $ 112,982,540 | 3,442 | $ 98,640,449 | 14,884 | $ 155,136,763 | 123,477 | $ 2,347,459,089 |
| 2001 | 97,280 | $ 1,921,851,169 | 8,049 | $ 107,209,652 | 3,472 | $ 97,929,609 | 15,157 | $ 155,596,602 | 123,958 | $ 2,282,587,032 |
| 2000 | 96,575 | $ 1,680,667,117 | 7,869 | $ 93,396,998 | 3,456 | $ 81,692,349 | 14,861 | $ 124,827,670 | 122,761 | $ 1,980,584,134 |
| 1999 | 95,777 | $ 1,628,577,045 | 7,562 | $ 87,944,093 | 3,353 | $ 76,414,984 | 15,188 | $ 126,696,416 | 121,880 | $ 1,824,455,453 |
| 1998 | 96,850 | $ 1,562,166,481 | 7,290 | $ 79,227,647 | 3,376 | $ 72,354,827 | 14,922 | $ 110,706,498 | 122,623 | $ 1,787,386,099 |

**New York City Employees' Retirement System**

**Summary of Administrative Expenses**
**Fiscal Year Ended June 30, 2008**

| | | | |
|---|---|---|---|
| **Expenses Incurred Directly by NYCERS** | | | |
| **Personal Services** | | | |
| Employee Compensation | $ | 28,309,967 | |
| Temporary Personnel Services | | 34,460 | **$ 28,344,427** |
| Professional Services | | | |
| Medical Board & Medical Consultants | | 628,425 | |
| Steno for Medical & Trustees' Board | | 61,693 | |
| Data Processing Consultants | | 5,539,937 | |
| Other Consultants | | 171,690 | **6,401,744** |
| **Communication:** | | | |
| Printing | | 225,839 | |
| Postage | | 496,480 | |
| Telephone | | 274,997 | **997,316** |
| **Rentals:** | | | |
| Office & Storage Space | | 4,138,211 | **4,138,211** |
| **Other:** | | | |
| Office and Data Processing Equipment | | 1,873,918 | |
| Equipment Maintenance | | 496,758 | |
| Facilities Services | | 940,783 | |
| Office Supplies & Services | | 1,471,447 | |
| Software, Licenses & Support | | 904,810 | |
| Depreciation | | 1,430,000 | **7,117,716** |
| **Total Direct NYCERS' Expenses** | | | **46,999,415** |
| **Expenses Incurred by Other City Agencies:** | | | |
| Office of the Comptroller | | 2,168,906 | |
| Law Department | | 792,525 | |
| Office of Management and Budget | | 198,432 | |
| Financial Information Services | | 1,551,958 | |
| Office of Payroll Administration | | 217,197 | |
| **Total NYCERS' Expenses Incurred by the City of New York** | | | **4,929,018** |
| **Total Administrative Expenses** | | | **51,928,433** |

## New York City Employees' Retirement System

## SCHEDULE OF PAYMENTS TO CONSULTANTS
## For Fiscal Year Ended June 30, 2008

| Firm | Nature of Services | Fee | |
|---|---|---|---|
| A. V. Services Inc. | Computer services | $ 7,331 | |
| Acoustic Dimensions Inc. | Consultant services | 2,050 | |
| Anacomp | Computer services | (12,500) | * |
| Aron, Milton | Consultant services | 25,359 | |
| Avaya Inc. | Telecommunication services | 687,085 | |
| Bottomline Technologies | Consultant services | (3,485) | * |
| Cobbs Mill Consulting LLC | Computer services | 1,200 | |
| Comsys Services LLC | Computer services | 122,082 | |
| COPI | Computer services | 10,908 | |
| Crenades, Margaret | Computer services | 10,500 | |
| En Technologies Corp | Computer services | 13,251 | |
| enChoice | Imaging system design | 1,609,278 | |
| Hunter Green Associates | Computer services | 141,825 | |
| IBM Corporation | Computer services | 1,786,919 | |
| IPLogic, Inc. | Computer services | 7,500 | |
| L. R. Wechsler Ltd | Computer services | 300,000 | |
| Net @ Work | Accounting software support | 44,236 | |
| Neurodevelopement Associates Inc. | Computer services | 93,600 | |
| Parson Consulting LLC | Audit and review services | 67,800 | |
| Pay Wise Inc. | Computer services | 40,451 | |
| Q-Matic Corp. | Consultant services | 68,539 | |
| Safend | Computer services | 1,800 | |
| Script Logic | Computer services | 2,494 | |
| Syska Hennessy | Construction services | 11,427 | |
| Tag Solutions | Computer services | 24,208 | |
| US Tech Solutions | Computer services | 125,465 | |
| Vignette Corporation | Computer services | 261,749 | |
| XYANT Technology Inc | Computer services | 223,330 | |
| Zaidman, Margaret | Computer services | 34,463 | |
| ZeroChaos Lock Box | Computer services | 2,763 | |
| **Total** | | $ 5,711,627 | |

Those readers desiring information on fees paid to investment professionals should refer to the Schedule of Fees Paid to Investment Advisors and Consultants.

* Credit in fiscal year 2008 represents an overestimate of expenses recorded in fiscal year 2007.