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COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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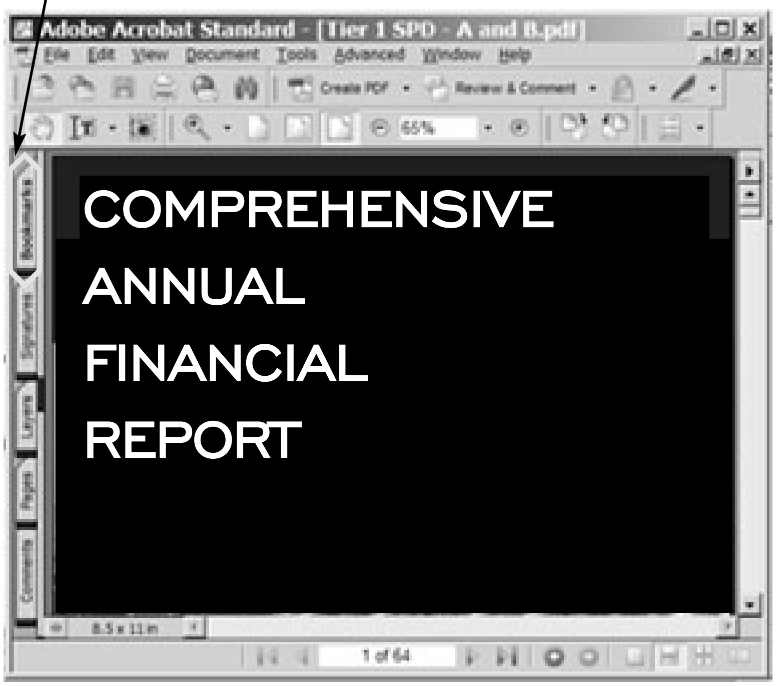

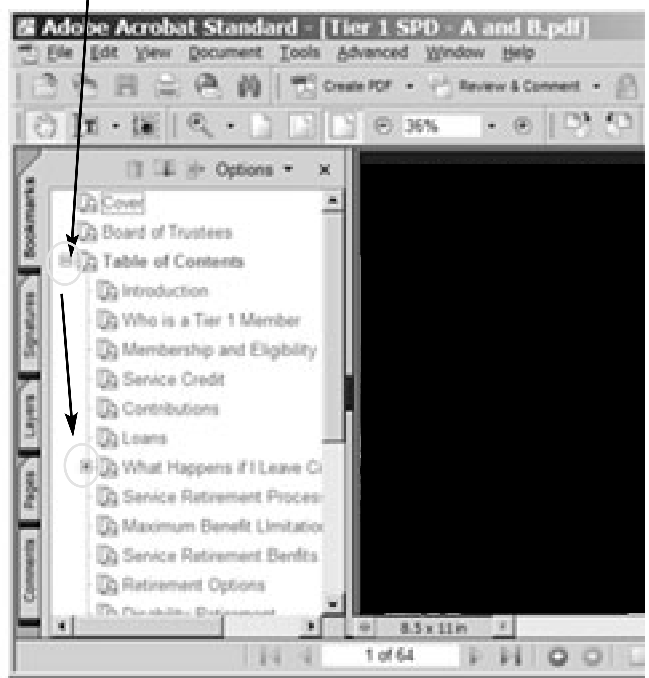

New York City Employees' Retirement System &
New York City Public Employees' Group Life Insurance Plan

Comprehensive Annual Financial Report

Fiscal Year Ended

June 30

2004

Brooklyn, New York

A Pension Trust Fund of the City of New York

NYCERS
Retirement and Benefits

NYCERS

RETIREMENT AND BENEFITS

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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, 2004

Prepared by:	**The Finance Division of the New York City Employees' Retirement System**
	John D. Hartman, Director, Finance
Executive Director:	**Diane D'Alessandro**
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Custodian of Funds:	**William C. Thompson Jr., Comptroller of the City of New York**
Headquarters Address:	**335 Adams Street, Suite 2300 Brooklyn, N.Y. 11201-3751**

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NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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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

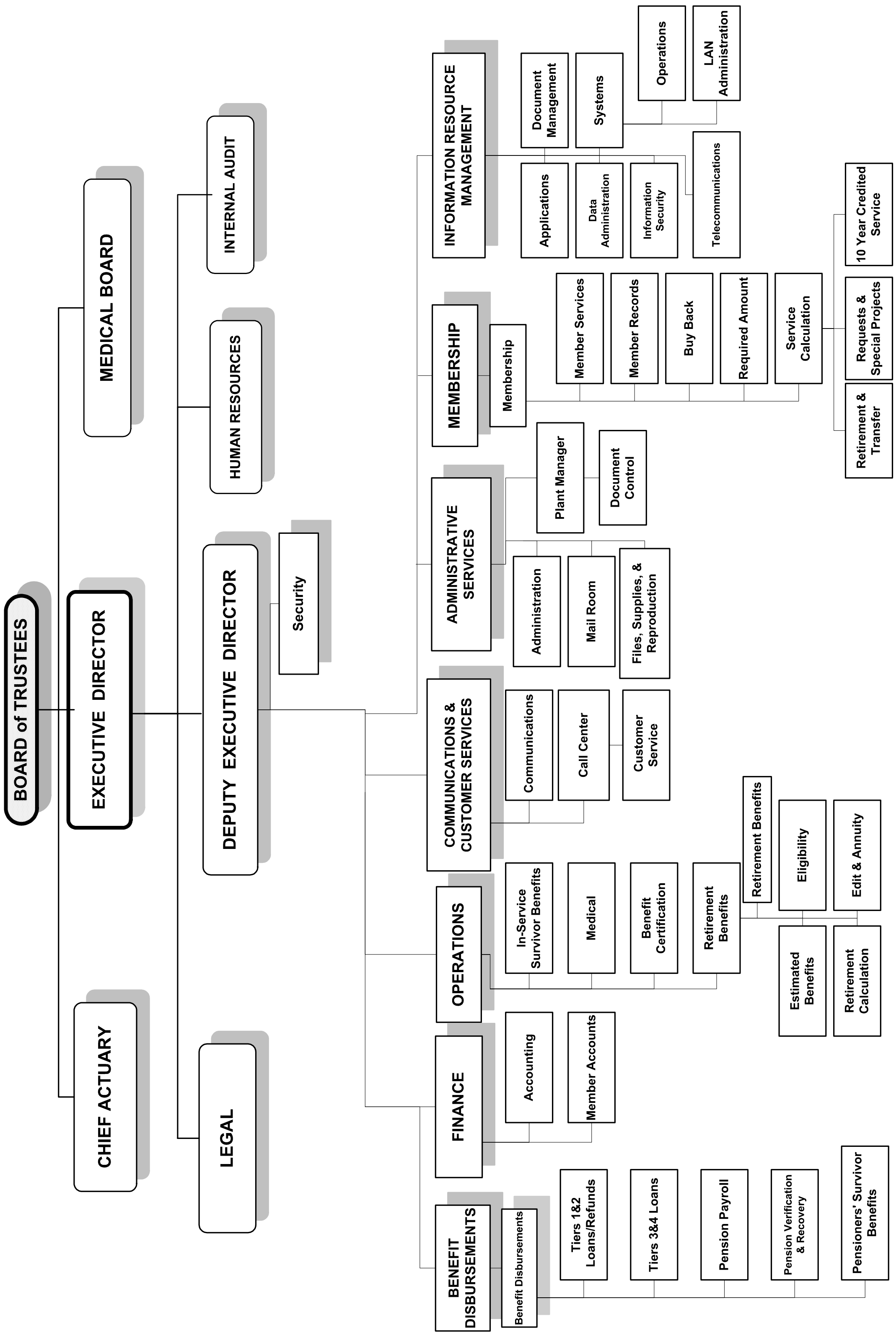
FISCAL YEAR ENDED JUNE 30, 2004

PART 1

INTRODUCTORY SECTION

BOARD OF TRUSTEES

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM (NYCERS)
Organization Chart



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, 2003

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Edward Harrington

President

Jeffrey R. Emer

Executive Director

NYCERS
RETIREMENT AND BENEFITS
NEW YORK CITY
EMPLOYEES' RETIREMENT SYSTEM
335 ADAMS STREET, SUITE 2300
BROOKLYN, NY 11201-3751
TEL. (347) 643-3000
EXECUTIVE DIRECTOR - JOHN J. MURPHY

December 31, 2004

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

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, 2004. 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 objectives of a system are 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.

The internal accounting controls of the system are adequate to assure the above objective. 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, 2003. 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 17 years.

A Certificate of Achievement is valid for a period of one year only. We believe our *CAFR* for the fiscal year June 30, 2004 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
THE SYSTEM

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 system became operational on October 1, 1920 with 13,331 original members. As of June 30, 2003, the date of the *Plan's* most recent actuarial valuation, the *Plan's* membership included 173,434 members in active pay status, 128,025 retirees and beneficiaries receiving benefits, and 4,592 terminated vested members who are not yet receiving benefits. The head of the retirement system is the Board of Trustees.

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 any District Attorney Office who joined, or join, NYCERS after July 1, 1973, are Tier 2 members subject to ARTICLE 11 of the Retirement and Social Security Law (RSSL).

All members of the uniformed force of the NYC Department of Correction who joined, or joins, 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 Rehabilitation Mortgage Insurance Corporation, the New York City Housing Development Corporation, the City University of New York, the New York City School Construction Authority, the Municipal Water 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 169.

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 first ten years of service, 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 normal 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 2004 totaled $5,430,812,000, an increase of $3,899,854 from that of fiscal year 2003, all of which was the result of an increase in the fair value of the *Plan's* investment portfolio. The Table of Revenue by Source on page 181 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 comprises the major expenses. The Table of Benefit Expenses by Type on page 182 and the Table of Total Expenses by Type on page183 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. 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. As mentioned in the Revenue section above, during FY 2004 the Plan experienced a significant increase in the appreciation of its investment securities. This resulted in the first net positive investment income since FY 2000. 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 RSSL establishes the criteria for permissible equity investments. 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 for inspection at the *Plan's* offices. The tables on pages 130 and 131 list the *Plan's* major domestic equity and long-term bond holdings.

ECONOMIC CONDITIONS

Using the measure of the Gross Domestic Product (GDP), the U.S. economy has grown at a more rapid rate (4.2%) in fiscal 2004, than any year since the 4.5% growth rate of fiscal 2000. Nationally, the strongest growth has been in the sectors of personal consumption and private domestic investment. Government expenditures and net exports have lagged behind. However, the national labor market has continued to be weak. While payroll jobs grew by 226,000, this was relatively minor, considering that fiscal years 2003 and 2002 experienced losses of 782,000 and 1,363,000 jobs respectively.

Using a comparable Comptroller's Gross City Product (GCP), the City's economy grew at a minimal rate of .1%. However, this was an improvement over the declines of 3.8% in fiscal year 2003 and 3.4% in fiscal year 2002. Although not as bad as the loss of 62,500 jobs in fiscal year

2003 and the loss of 116,200 jobs in fiscal year 2002, fiscal year 2004 saw the City lose another 27,100 jobs.

While we have experienced either a declining or stagnant economy over most of the previous five years, fiscal year 2004 did see a rebound, although there is still a long way to go before the losses of the past are recaptured.

PROFESSIONAL SERVICES

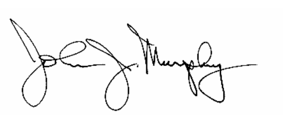
The opinion of the independent certified public accounting firm on the *Plan's* financial statements is included in this CAFR. The Comptroller of the City of New York is the Custodian of the *Plan's* assets, and provides investment services through independent advisors, who are listed in the Investment Section's Schedule of Fees paid to Investment Advisors. Other consultant services are shown in the Financial 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

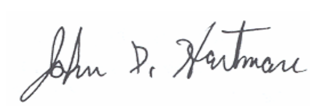
The compilation of this CAFR reflects the combined effort of NYCERS' staff, under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means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



John J. Murphy
Executive Director



John D. Hartman
Director, Finance

SUMMARY OF PLAN PROVISIONS

GLOSSARY OF TERMS

Accumulated Member Contributions

The total of all contributions made by members, **plus** interest earned on such contributions (8¼% 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 of 3% of *Wages*, and 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, an account separate from the *Accumulated Member Contributions*.

Allowable Correction Service

Service as a member rendered in the uniformed-force of the New York City (NYC) Department of Correction.

Allowable Sanitation Service

Credited 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 an Automotive Service Worker:

- Allowable Service as an Automotive Service Worker is all membership service while 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.

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, **<u>and</u>**

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 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 Tier 1 *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

Credited 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 Member Contributions*.

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*. Wherever that is the case, it will be noted in this document. *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.

The 62/5 Plan is an Age 62 – five years of *Credited Service* plan. This plan is for employees of the City of New York or a *Participating Employer* who became a member of NYCERS after July 26, 1976 but prior to June 29, 1995, and who did not elect to participate in the 55/25 Program.

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

Cessation Date

Tier 4 member's basic contributions of 3% of *Wages*, will cease on the earlier of:

- the member's 10^{th} anniversary of membership in NYCERS, or
- the date the member accumulates 10 years of *Credited Service*, (which can include any purchase and/or transferred service credit),
- but not before October 1, 2000.

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 Service
- Transferred Service
- Purchased Service
- Membership Reinstatement Service
- Military Service
- Union Leave Service

Deputy Sheriff-25 Year Program

The Deputy Sheriff 25-Year program is available **ONLY** to members employed by the City of New York as a Deputy Sheriff level one, Deputy City Sheriff level two, Supervising Deputy Sheriff or Administrative Sheriff.

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*.

Dispatcher Member

A member employed by the City of New York as a Fire Alarm Dispatcher, Supervising Fire Alarm Dispatcher, level one and level two, Director of Dispatch Operations or Deputy Director of Dispatch Operations.

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 Tier 1 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 (primary or contingent, but not both)

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.

Eligible Member

A member of NYCERS who is a *Participant* in one of the *Special Programs* described in this document, who is employed in an *Eligible Position*.

Eligible Position

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

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 Bridge and Tunnel (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), and

- Investigators employed in a District Attorneys' office

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

FOR THE DISPATCHER 25-YEAR PROGRAM:

A position while employed by the City of New York as a Dispatcher Member: that is 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 PROGRAM:

A position while employed by the City of New York or the New York City Health and Hospitals Corporation as an EMT Member: that is 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 PROGRAM: (formerly TBTA)

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

FOR THE SANITATION 20-YEAR PROGRAM:

A position in the uniformed-force of the NYC Department of Sanitation.

FOR THE TRANSIT 25/55 PROGRAM:

A member employed in the NYC Transit Authority Operating-Force and some managers.

EMT Member

A member employed by the City of New York or the Health and Hospitals Corporation in a title whose duties are those of an Emergency Medical Technician (EMT) or Advanced Emergency Medical Technician (AEMT) or in a title that supervises EMTs or AEMTs.

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 limit is excluded from the computation. For members who did not work full-time, or who had absences without pay in the 36 months immediately preceding their retirement, the period used in computing the *FAS* will be greater than three years.

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

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.

Income Limitation

The fixed dollar maximum amount of *Personal Service Income* a pensioner receiving a Tier 4 Disability Retirement Benefit can earn in any calendar year. The *Income Limitation* is established annually based on percentage increases or decreases in the prior year's Consumer Price Index.

Members' 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*.

Military Service

There are various laws that allow members to purchase service credit for time spent on active duty in the U.S. military. They are Sections 242, 243 and 244 of the New York State Military Law, the Federal Veterans Reemployment Rights Act (VRRA) and Chapter 548 of the Retirement & Social Security Law of 2000. Each law has different provisions for granting of service. A member is entitled to receive credit for Military Service under whatever law provides him or her with the greatest benefit.

Under all provisions, **Military Service must have been satisfactorily completed and a discharge under honorable circumstances received.** Under the VRRA, a member is eligible to receive credit for the entire length of **mandatory** military service and up to four years of **voluntary** military service, but only time actually spent on active duty.

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.

MTA Bridges & Tunnel Member (formerly TBTA)

A member of NYCERS who is employed by the MTA Bridges & Tunnel as a Bridge and Tunnel Officer, Sergeant or Lieutenant in a non-managerial position and who elects to contribute to NYCERS for the right to retire under the 20-Year/Age 50 Retirement Programs enacted by Chapter 472 of the Laws of 1995

Non-Performing Loan

Failure to make loan payment for a 90-day period.

Participant

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

Participating Employer

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

- NYC Employees' Retirement System (NYCERS)
- NYC Teachers' Retirement System
- NYC Transit Authority
- MTA Bridges & Tunnels (formerly TBTA)
- NYC Housing Authority
- NYC Health & Hospitals Corporation
- NYC Off Track Betting Corporation
- NYC Rehabilitation Mortgage Insurance Corporation
- NYC Housing Development Corporation
- City University of New York
- NYC School Construction Authority
- Municipal Water 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

Part-Time Service

Service rendered in a City job or with a participating employer in which an employee is regularly scheduled to work less than 1,827 hours in a calendar year. NYCERS prorates credit for past or present *Part-Time Service* on the basis of one year of service credit for 1,827 hours worked in a calendar year. No member can receive credit for more than one year of service in any calendar year, regardless of the number of hours worked or positions held, or service credit greater than the elapsed time actually worked.

Pension

That part of a member's retirement benefit that is provided by contributions made by the City of New York or the member's *Participating Employer*(s).

Personal Service Income

Any wages, salaries, tips, professional fees, or other compensation received for personal services actually performed for any employer after the effective date of retirement of a Tier 4 disability retiree.

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 Program, the 25-Year Early Retirement Program or the Age-57 Retirement Program 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*.

Police Communications (911) Operators

Service rendered by Tier 2 and Tier 4 members while employed by the NYC Police Department as police communications technicians, supervising police communications technicians, or principal police communications technicians.

Police Service

Service rendered by Tier 1 and Tier 2 members while employed in the uniformed-force of the NYC Department of Correction.

Previous Service

Service rendered while employed by an agency of the City of New York, or with the State of New York, or any of its political subdivisions.

Primary Social Security Retirement 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.

Prior Membership Service

Service for which retirement service credit was received while a member of a public employee retirement system of the City or State of New York.

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.

Retirement Allowance

For Tier 1 and Tier 2 members, the annual benefit payable in monthly installments consisting of the *Pension*, including pension for *Increased-Take-Home-Pay*, if any, and *Annuity*.

Salary Base

Compensation used in computing a benefit.

Sanitation Member

A member employed in a position in the uniformed-force of the NYC Department of Sanitation.

Special Officer 25-Year Retirement Program

The Special Officer 25-Year Program is available **ONLY** to peace officers employed either as special officers by a mayoral agency of the City of New York, (Tier 1) NYCHA or BOE; parking control specialists employed by the NYC DOT; school safety agents employed by the NYPD or BOE; 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.

Special Programs

- Age-57 Retirement Program (57/5 Program)
- 25-Year Early Retirement Program (55/25 Program)
- Sanitation 20-Year Retirement Program (Sanitation 20-Year Program)
- Transit 25-Year and Age-55 Retirement Program (Transit 25/55 Program)
- MTA Bridge & Tunnel 20-Year and Age-50 Retirement Program (MTA 50/20 Program)
- 25-Year Retirement Program for Dispatcher Members (Dispatchers 25-Year Program)
- 25-Year Retirement Program for EMT Members (EMT 25-Year Program)
- 25-Year (no age) Retirement program for Deputy Sheriffs (Deputy Sheriffs 25-Year Program)
- 25-Year and Age-50 Retirement Program for Automotive Service Workers (Automotive 50/25 Program)
- 25-Year (no age) Retirement Program for Special Officer titles (Special Officer 25-Year Program)
- 25-Year Retirement Program for Police Communications (911) Operators

Tier 4 Members with Tier 3 Rights (Tier 3/4 Members)

Tier 4 members who last joined NYCERS after July 26, 1976 and prior to September 1, 1983, or were otherwise made eligible, automatically became Tier 4 members on September 1, 1983. However, these members retain their Tier 3 rights and are eligible to elect Tier 3 benefits.

In the past, a *Tier 3/4 Member* typically exercised his or her Tier 3 rights when he or she wanted to retire prior to age 62, since there was no such provision under Tier 4. Due to enactment of Tier Equity legislation in 2000, Tier 4 members are now eligible to retire prior to age 62, with a lesser benefit reduction than under Tier 3. Furthermore, Tier 3 Service Retirement and Disability Retirement Benefits impose a significant reduction upon the retiree's attainment of age 62 – i.e. the retirement benefit is further reduced by 50% of his or her primary Social Security benefit attributable to his or her Credited "City" Service.

In the vast majority of cases, it is no longer advantageous to revert back to Tier 3 for retirement purposes. There are Tier 3 disability provisions that may make a *Tier 3/4 Member* eligible for a benefit that he or she would not be eligible for under Tier 4.

Transit Authority Member

A Tier 4 member employed in the operating-force of the NYC Transit Authority and some managers.

Unpaid Leave

An approved leave of absence during which a member does not receive *Wages* from his or her employer.

<u>EXAMPLES:</u>

- Sick leave of absence without pay
- Workers' Compensation leave of absence without pay
- Leave of absence without pay for the purpose of engaging in union activities

Wages

Any earnings paid for services rendered to an agency of the City of New York or any other public employer in New York City or New York State.

NEW PLAN PROVISIONS

Legislation July 1, 2003 – June 30, 2004

Laws of 2003

Chapter 106
The New York State Patriot Plan
The Patriot Plan allows NYCERS to suspend a member's obligation to repay any loan while the member is absent on Military Status. The maximum rate of interest NYCERS can charge its members on Military Status is 6% per year.

Chapter 136
Post Retirement Membership Credit
This reduced the number from 5 to 2 years of credited service a Tier 2 retiree who returns to work must have in order to combine memberships for pension calculation. Tier 2 members who
(1) retire for service;
(2) return to service;
(3) join or rejoin a public retirement system; and
(4) separate from service from the 2nd employment after two years can combine the service from the 1st and 2nd memberships for pension calculation.

Chapter 139
Increase in Special Accidental Death Amounts
This increases the special accidental death benefit for deaths that occurred in 2003 or earlier for Correction Officers, Housing and Transit Police and certain EMTs. The increases vary depending on the calendar year of death.

Chapter 516
¾ Accidental Disability Retirement for Deputy Sheriffs
This provides an accidental disability retirement benefit equal to ¾ Final Average Compensation for certain members employed as Deputy Sheriffs. This law applies to Tier 4 members who have been retired for disability on or after September 17, 2003.

Chapter 640
Urban Park Rangers Added to Special Officers 25 Year/No Age Plan
This law adds 2 new titles, Urban Park Rangers and Associate Urban Park Rangers, to the Special Officers 25 Year /No Age Retirement Plan. Tier 1, 2 and 4 members of NYCERS employed in these two titles as of October 7, 2003 may file an application for entry into this plan by April 5, 2004. Tier 2 and Tier 4 members who become employed in these 2 titles after October 7, 2003, may file an application within 180 days after becoming employed in such title. Any Tier 4 member who becomes covered by Tier 4 on or after October 7, 2003, and is employed in one of these 2 titles, shall become a Participant in this Special Officers Plan on the date he/she becomes a member. However, such a mandated Tier 4 member who has exceeded age 30 upon employment in a covered title is exempt from participation in this Plan if he/she elects not to participate by filing a form with NYCERS within 180 days of becoming a Tier 4 member.

Chapter 681
Automotive Workers
This extended the provisions of the 25 Year/Age 50 Automotive Service Workers Retirement Program to members employed in automotive positions to members in the following titles: Senior Stationary Engineer, Station Engineer, Auto Mechanic (Diesel), Auto Electrician, Auto Machinist, Machinist, or Machinist Helper. This bill amended Chapter Law 414 of the Laws of 2002 by adding these new titles.

Chapter 682
Police Communications Position/ 25 Year Plan
This law established a 25 Year Retirement Plan for Tier 2 and 4 members employed by the NYC Police Department as a Police Communications Technician, a Supervising Police Communications Technician or a Principal Police Communications Technician. There is no age requirement in this bill.
Note: that there is a 180 day filing period for NYCERS members in covered titles who want to opt into the plan.

Chapter 693
TBTA Deficit Payment Plan in 50/20 Plan
This law lengthened the period of time Triborough Bridge & Tunnel Authority members can pay off deficits incurred pursuant to the provisions of the 20 Year/Age 50 Retirement Program and clarifies the definition of what constitutes pensionable compensation. The deferment date for full payment for members who have incurred contribution deficiencies was extended to 2011 from 2007.

Laws of 2004

Chapter 4
RSSL §212 Earnings Limitations for 2004
Chapter 4 of the Laws of 2004. For the year 2004 and thereafter the earnings limitation for retired person in positions of public service is $27,500.

Chapter 127
Patriot Plan Extender
Chapter 127 of the Laws of 2004. This law extends for one year the applicability of §42 of the Patriot Plan regarding the suspension of loan repayment obligations for members absent on military duty. This law does not change the context of §42 in any way.

Chapter 133
Actuarial Interest Rate Extender
Chapter 133 of the Laws of 2004. This law extends the statutory rate of interest used by the Actuary to credit interest on Tier I and Tier II member contributions, ITHP and the Actuarial Interest Rate on employer contributions. The rate is 8% per year and is extended through fiscal year 2005.

NYCERS RETIREMENT PLANS

TIER 1

EMPLOYEES WHO BECAME A MEMBER OF NYCERS PRIOR TO JULY 1, 1973 ARE ENROLLED IN TIER 1

CAREER PENSION PLAN (PLAN A)

A member employed in a *Career Pension Plan Position* who elected the *Career Pension Plan* is eligible to retire after having credit for 25 or more years of *Career Pension Plan Qualifying Service*. Benefits begin not earlier than age 55, except that members who have credit for 25 or more years of physically-taxing service in a *Career Pension Plan Position* may have their benefits begin no earlier than age 50. A member in the *Career Pension Plan* is eligible to retire after having credit for 20 or more years of qualifying service. In such case, benefits will begin on the date the member would have had credit for 25 years of *Career Pension Plan Qualifying Service* if he or she had continued in City service, or attained age 55, (age 50 for those holding a *Physically-Taxing Position*), whichever is later*. Regardless of the number of years of *Credited Service*, a member who has elected the *Career Pension Plan* and who is 55 years of age or older may retire with benefits payable immediately by withdrawing his or her election of the *Career Pension Plan*, thereby becoming eligible for the benefits of the Fifty-Five-Year-Increased-Service-Fraction Plan (Plan B).

The Service Retirement Benefit is:

For the years of *Career Pension Plan Qualifying Service*, not in excess of 25 years of such service,

2.20% of *Final Salary*,

less

an *Annuity* which is the actuarial equivalent of the *Minimum Accumulation*,

plus

an *Annuity* which is the actuarial equivalent of the *Accumulated Member Contributions*,

plus

For all years of *Credited Service* other than the first 25 years of *Career Pension Plan Qualifying Service*,

1.20% of *Final Salary* for each year of such service rendered prior to July 1, 1968,

plus

1.70% of *Final Salary* for each year of such service rendered on or after that date,

plus

a *Pension* for *ITHP* which is the actuarial equivalent of the accumulation of the contributions for *Increased-Take-Home-Pay* made in each such year.

* Any member of NYCERS who retired as a member of the *Career Pension Plan* (Plan A) and who has not yet received a pension payment or received then repaid a pension payment from NYCERS, is allowed to transfer his or her membership to another NYS retirement system.

The former Plan A member will be able to rescind their retirement application and then transfer their NYCERS' membership to another NYS retirement system. In so doing, their retirement service credit and applicable Tier status will be transferred to the other retirement system.

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

A member in a *Career Pension Plan Position*, who either elected the Fifty-Five-Year-Increased-Service-Fraction Plan, or who withdraws his or her election of the *Career Pension Plan*, may retire after having attained 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 *ITHP* which is the actuarial equivalent of the accumulation of the contributions for *Increased-Take-Home-Pay* made in each such year,

plus

an *Annuity*, (the actuarial equivalent of the member's *Accumulated Deductions*).

TRANSIT 20-YEAR PLAN (T-20)

A member in a Transit operating-force position who elected the Transit 20-Year Plan is eligible to retire after having credit for 20 or more years of Transit operating-force service. Benefits begin no earlier than age 50. Regardless of the number of years of *Credited Service*, however, a member who has elected the Transit 20-Year Plan who is 55 years of age or older may retire with benefits payable immediately by withdrawing his or her election of the Transit 20-Year Plan, thereby becoming eligible for the benefits of the Age-Fifty-Five-One-Percent Plan (1/100 Plan).

The Service Retirement Benefit is:

For the first 20 years of *Credited Service* in a Transit operating-force position,

50% of *Final Salary*

less

an *Annuity* which is the actuarial equivalent of the *Minimum Accumulation*,

plus

an *Annuity* which is the actuarial equivalent of the *Accumulated Member Contributions*, if any,

PLUS

For all years of service other than the first 20 years of *Credited Service* in a Transit operating-force position,

For each year of such service rendered prior to July 1, 1968,

1% of *Final Compensation*

plus

For each year of such service rendered on or after June 30, 1968,

1½% of *Final Compensation*,

plus

a *Pension* for *ITHP* which is the actuarial equivalent of the accumulation of the contributions for *Increased-Take-Home-Pay* made in each such year.

Tier 1 and Tier 2 members of the Transit 20-Year-Non-Contributory Plan who joined NYCERS on or after July 1, 1970 are neither required nor permitted to make employee contributions. Those Transit 20-Year-Non-Contributory Plan members who joined the retirement system prior to July 1, 1970 can contribute on a voluntary basis.

SANITATION 20-YEAR PLAN (S-20)

A *Sanitation Member* enrolled in the Tier 1 Sanitation 20-Year Plan is eligible to retire after having credit for 20 or more years of service in the uniformed-force of the NYC Department of Sanitation. However, such member, if he or she is at least 55 years of age, may retire with less than 20 years of *Credited Service* in the uniformed-force of the NYC Department of Sanitation by withdrawing his or her election of the Sanitation 20-Year Plan, thereby becoming eligible for benefits similar to those payable under the Age-Fifty-Five-One-Percent Plan, except that the service fraction is 1½ % for each year of *Credited Service* rendered after July 2, 1965.

The Service Retirement Benefit is:

For the first 20 years of service in the uniformed-force of the NYC Department of Sanitation,

50% of *Final Salary*,

less

the actuarial equivalent of the *Minimum Accumulation*,

plus

an *Annuity* which is the actuarial equivalent of the *Accumulated Member Contributions*

For all years of *Credited Service* other than the first 20 years of *Credited Service* in the uniformed-force of the NYC Department of Sanitation,

For each year of such service rendered prior to July 3, 1965,

1% of *Final Compensation*,

plus

For each year of such service rendered on or after July 3, 1965,

1½% of *Final Compensation*,

plus

a *Pension* for *ITHP* which is the actuarial equivalent of the accumulation of the contributions for *Increased-Take-Home-Pay* made in each such year.

SANITATION 25-YEAR PLAN (S-25)

A member of the uniformed-force of the NYC Department of Sanitation enrolled in the Sanitation 25-Year Plan is eligible to retire after having credit for 25 or more years of service in the uniformed force of the NYC Department of Sanitation. A member who retires after having attained age 55 may retire with credit for less than 25 years of service in the uniformed-force of the NYC Department of Sanitation, by withdrawing his or her election of the Sanitation 25-Year Plan, thereby becoming eligible for benefits similar to those payable under the Age-Fifty-Five-One-Percent Plan.

The Service Retirement Benefit is:

For the first 25 years of service in the uniformed-force of the NYC Department of Sanitation:

50% of *Final Salary*

less

the actuarial equivalent of the *Minimum Accumulation*,

plus

an *Annuity* which is the actuarial equivalent of the *Accumulated Member Contributions*,

PLUS

For all years of *Credited Service* other than the first 25 years of service in the uniformed-force of the NYC Department of Sanitation:

For each year of such service rendered prior to July 3, 1965,

1% of *Final Compensation*,

plus

For each year of such service rendered on or after July 3, 1965,

1½% of *Final Compensation*

plus

a *Pension* for *ITHP* which is the actuarial equivalent of the accumulation of the contributions for *Increased-Take-Home-Pay* made in each such year.

AGE-FIFTY-FIVE-ONE-PERCENT PLAN (1/100 Plan)

A member who elects the Age-Fifty-Five-One-Percent Plan is eligible to retire if he or she is in City service upon attaining age 55, irrespective of the amount of *Credited Service*.

The Service Retirement Benefit is:

For each year of *Credited Service*,

1% of *Final Compensation*,

plus

a *Pension* for *ITHP* which is the actuarial equivalent of the accumulation of the contributions for *Increased-Take-Home-Pay* made in each such year,

plus

An *Annuity*, (the actuarial equivalent of the *Accumulated Member Contributions*).

DISPATCHER 25-YEAR PROGRAM (D-25)

A Dispatcher member is eligible to retire after having credit for 25 or more years of *Allowable Service as a Dispatcher Member*.

The Service Retirement Benefit is:

For the first 25 years of service as a Dispatcher Member:

An *Annuity* (the actuarial equivalent of the member's required contributions)

plus
a *Pension* for *ITHP*
plus
a *Pension*, which when added to the *Annuity* and *Pension* for *ITHP* equals:
55% of *Final Salary*
plus
an additional 1.70% of *Final Salary* for each year (and fraction) beyond the first 25 years of *Allowable Service as a Dispatcher Member*

EMT 25-YEAR PROGRAM (E-25)

An *EMT member* is eligible to retire after having credit for 25 or more years of *Allowable Service as an EMT Member*.

The Service Retirement Benefit is:

For the first 25 years of service as an EMT Member:
An *Annuity* (the actuarial equivalent of the member's required contributions)
plus
a *Pension* for *ITHP*
plus
a *Pension*, which when added to the *Annuity* and *Pension* for *ITHP* equals:
55% of *Final Salary*
plus
an additional 1.70% of *Final Salary* for each year (and fraction) beyond the first 25 years of *Allowable Service as an EMT Member*

SPECIAL OFFICER 25-YEAR RETIREMENT PROGRAM (SPO)

Chapter 582 of the Laws of 2001 and Chapter 617 of the Laws of 2002 established a 25-Year Retirement Program for *Special Officer Members*. Chapter 617 of the Laws of 2002 added covered titles effective October 2, 2002 with the 180 day open period beginning on that date. Any person who was a *Special Officer Member* on December 19, 2001 (or October 2, 2002 for added titles) could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 17, 2002 (or March 31, 2003 for added titles), provided he or she was a *Special Officer Member* on the date such application was filed. Any member who becomes a *Special Officer Member* after December 19, 2001, (or October 2, 2002 for added titles) may elect to become a *Participant* in the *Program* by filing within 180 days after becoming a *Special Officer Member*, a duly executed application with NYCERS provided he or she is a *Special Officer Member* at the time of filing such application. Chapter 640 of the Laws of 2003 extended the provisions of this program to include Urban Park Rangers and Associate Urban Park Rangers.

SERVICE RETIREMENT BENEFIT (SPO)

A Special Officer Member is eligible to retire after having credit for 25 or more years of *Allowable Service as a Special Officer Member*.

The Service Retirement Benefit is:

For the first 25 years of service as a Special Officer Member:

An *Annuity* (the actuarial equivalent of the member's required contributions)

plus

a *Pension* for *ITHP*

plus

a *Pension*, which when added to the *Annuity* and *Pension* for *ITHP* equals:

55% of *Final Salary*

plus

an additional 1.70% of *Final Average Salary* for each year (and fraction) beyond the first 25 years of *Allowable Service as a Special Officer Member*

Note: FAS in this context means the average salary over all of the years of additional Allowable Service.

LIMITATIONS ON SALARY BASE FOR ALL PLANS

For any Tier 1 member who joined NYCERS on or after June 17, 1971, the earnings used in the computation of the *Final Salary* for the computation of retirement or death benefits cannot exceed 120% of the preceding year's earnings.

OTHER TIER 1 BENEFITS

ORDINARY DISABILITY RETIREMENT

An Ordinary Disability Retirement Benefit is payable upon the disablement of a member from causes other than an accident in the actual performance of duty, subject to the approval of NYCERS' Medical Board.

To qualify for an Ordinary Disability Retirement Benefit:

- Members in *Career Pension Plan Positions* and members in Transit operating-force positions, must have credit for 10 or more years of City service as a member, and have been a member of NYCERS in the 10 years immediately preceding disablement.

- Members of the uniformed-force of the NYC Department of Sanitation must have credit for five or more years of service as a member of the uniformed force of the NYC Department of Sanitation, and must have been a member of NYCERS in the five years immediately preceding disablement.

For members of the uniformed-force of the NYC Department of Sanitation, the Ordinary Disability Retirement Benefit is:

If the member has credit for 10 or more years of uniformed-force service in the NYC Department of Sanitation, the benefit is:

one-half of *Final Salary*.

If the member has credit for less than 10 years of uniformed-force service in the NYC Department of Sanitation, the benefit is:
one-third of *Final Salary.*

If, at the time of becoming disabled, the member could have retired for service, with benefits payable immediately, the benefit is:
the same as the Service Retirement Benefit.

For all other members, the Ordinary Disability Retirement Benefit is equal to the allowance which the member would have been entitled to if he or she had retired for service after the same period of *Credited Service*. However, members in the *Career Pension Plan* who are not eligible to retire with immediate payability are deemed to have elected the *Fifty-Five-Year Increased-Service-Fraction Plan*. (Please see the special Line of Duty Disability for member employed by EMS under the Accidental Disability Retirement section).

ACCIDENT DISABILITY RETIREMENT

An Accident Disability Retirement Benefit is payable upon disablement of a member caused by an accident in the actual performance of duty, without willful negligence on the part of the member, subject to the approval of NYCERS' Medical Board. There is no service requirement in order to qualify for an Accident Disability Retirement.

The Accident Disability Retirement Benefit is:
75% of *Final Compensation (Final Salary* for members of the uniformed forces of the NYC departments of Sanitation and Correction)
plus
a *Pension* which is the actuarial equivalent of the *Reserve For Increased-Take-Home-Pay*,
plus
an *Annuity* which is the actuarial equivalent of the *Accumulated Member Contributions.*

For members of the uniformed forces of the NYC departments of Sanitation and Correction who are eligible for service retirement when disabled, there is an additional *Pension* for the period of credited uniformed-force service in excess of the minimum required uniformed-force service.

The additional *Pension* is:
For members of the uniformed-force of the NYC Department of Correction
1 2/3% for each year of such service.

For members of the uniformed-force of the NYC Department of Sanitation
1% for each year of such service rendered prior to July 1, 1967,
plus
1½% for each year of such service rendered after June 30, 1967.

NOTE: The *Pension* in all cases is subject to reduction by Workers' Compensation payments received on account of disability for the same accident.

DISABILITIES OF FDNY EMERGENCY MEDICAL TECHNICIANS

ACCIDENT DISABILITY BENEFIT

Chapter 587 of the laws of 1998 added a new Section 607-b to the Retirement and Social Security Law to provide a line-of-duty disability to Emergency Medical Technicians (EMT) who become mentally or physically incapacitated on or after March 17, 1996, as a natural and proximate result of an injury sustained in the performance of duty. Furthermore, an EMT member who contracts HIV (where he or she may have been exposed to bodily fluids of a person under their care or treatment, or
while the member examined, transported or has contact with such person in the performance of duties), tuberculosis or hepatitis will be presumed to have contracted such disease in the performance of duties, unless the contrary is proven by competent evidence. The member is entitled to a three-quarters disability allowance.

HEART BILL

Chapter 697 of the Laws of 2002 provides for a presumption that a disease of the heart was incurred in the performance of duty for Emergency Medical Technicians and Paramedics employed by the Fire Department of New York. Such members are entitled to a 75% benefit which is paid in accordance with the statute governing their disability payment. The presumption may be rebutted by competent medical evidence.

MEDICAL REVIEW BOARD

If your application for accidental disability retirement is denied by NYCERS' Board of Trustees, either your bargaining representative or the head of the agency by which you are employed may, on your behalf, request a review by the Medical Review Board, a panel of three independent specialists.

In order for a request to be valid, you must file a waiver in which you agree that the decision of the Medical Review Board is final and conclusive, and you waive any and all rights to seek another disposition by court, administrative proceeding or any other process.

VESTED RETIREMENT BENEFIT

A member of NYCERS in a *Career Pension Plan Position*, who either elects Plan B or withdraws his or her election of Plan A may, at resignation before attainment of age 55, with credit for five or more years of service, elect to receive a retirement allowance computed in the same manner as the Service Retirement Benefit under Plan B. Payment of the benefit is deferred until the member attains age 55.

A member of the uniformed-force of the NYC Department of Sanitation who, before becoming eligible for service retirement, resigns after having credit for five or more years of uniformed-force service, may elect to receive a Service Retirement Benefit based upon *Credited Service* at the time City service ceased. Payment of such retirement allowance is deferred to the earliest date on which the member would have been eligible for service retirement had he or she remained in *Active Service*, in a uniformed-force title.

SPECIAL RETIREMENT BENEFIT

A member of NYCERS, in the competitive or labor class, whose City service is terminated without fault or delinquency before having become eligible for service retirement, and whose name no longer appears on the appropriate civil service preferred eligible list, may elect, in lieu of the return of his or her *Accumulated Member Contributions* in a lump-sum payment, to receive a retirement allowance, beginning immediately. Such allowance consists of an *Annuity* which is the actuarial equivalent of the *Accumulated Member Contributions*, a *Pension* for *Increased-Take-Home-Pay* which is the actuarial equivalent of the *Reserve For Increased-Take-Home-Pay*, and a *Pension* equal to the present value of the *Pension* the member would have received on his or her payability date based upon *Credited Service* at termination. If the member has attained age 50, and has credit in the retirement system for 20 or more years of service, an additional *pension* is payable equal to one-half the difference between the *Pension* so computed and the *Pension* payable at the member's earliest payability date. Such benefits are payable to all other members on removal from City service without fault or delinquency, provided they have credit in the retirement system for 20 or more years of City service, including not less than one-half year during the year immediately preceding such removal.

ORDINARY DEATH BENEFIT

Upon the death of a member in City service, from causes other than an accident in the actual performance of duty, an Ordinary Death Benefit is payable to his or her estate, or to such person as the member shall have designated.

With respect to a member who joins the retirement system before July 1, 1973, the benefit is equal to the compensation earnable by him or her in the last six months immediately preceding death. If the total number of years of *Credited Service* exceeds 10, the benefit is equal to the compensation earnable by the member during the 12 months immediately preceding death. If at the time of death, the member holds a *Career Pension Plan Position*, and his or her *Credited Service* includes at least 20 years of *Career Pension Plan Qualifying Service*, the benefit is equal to two times the compensation earnable by him or her during the 12 months immediately preceding death. In addition, the *Accumulated Member Contributions* and the *Reserve For Increased-Take-Home-Pay* are paid to his or her estate or designated beneficiary.

Except for members in Transit operating-force positions, the benefit payable on account for a member who at the time of death would have been eligible for service retirement is either the benefit described above or an amount equal to the reserve on the retirement allowance which would have been payable if he or she had retired on the day before death, whichever is greater.

The Rules adopted by NYCERS' Board of Trustees in accordance with Chapter 581 of the Laws of 1970 provide that the first $50,000 of each benefit on account of death in *Active Service* is payable from the funds of the Group Term Life Insurance Plan. The amount in excess of $50,000, if any, is payable from the funds of the retirement system.

ACCIDENTAL DEATH BENEFIT

An Accidental Death Benefit is payable if the death of a member in City service is the result of an accident sustained in the actual performance of duty, without willful negligence on the part of the member, subject to approval by NYCERS' Medical Board.

An *Eligible Beneficiary*, in priority order, is:

- A surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage. (A surviving spouse of Tier 1 uniformed worker of the NYC Department of Sanitation may subsequently remarry and still retain the Accidental Death Benefit.)
- Surviving children until age 18
- Dependent parents

OR

- Anyone you name as your beneficiary for your Ordinary Death Benefit **(SEE IMPORTANT NOTE)**

In the event that a class of *Eligible Beneficiaries* consists of more than one person, benefits shall be divided equally among the persons in such class (such as more than one surviving child under the age of 18).
If an *Eligible Beneficiary* receiving the Accidental Death Benefit becomes ineligible to continue to receive such benefit, the benefit shall be continued for all other members of the eligible class of beneficiaries and, if none, to each successive class, if any, during their eligibility to receive such a benefit.

IMPORTANT NOTE:
Should your death be the result of an on-the-job *accident*, and if no *Eligible Beneficiary* (as listed above) exists at the time of your death, then the Accidental Death Benefit may be paid, upon application, to the person designated as the beneficiary to receive payment of your Ordinary Death Benefit (either primary or contingent but not both).

The Accidental Death Benefit is:

A lump sum equal to the *Reserve For Increased-Take-Home-Pay*

plus

A lump-sum equal to the *Accumulated Member Contributions* payable to the estate or designated beneficiary

plus

A *Pension* equal to 50% of *Final Compensation* is payable to an *Eligible Beneficiary* or designated beneficiary (see below).

By election, however, the benefit may be equal to the reserve on the retirement allowance which would have been payable if the member had retired on the day before death, provided the member was not in a Transit operating-force position, and his or her death occurred after he or she had become eligible to retire from service. The *Pension* is subject to reduction by the amount of any Workers' Compensation payments made on account of the accidental death.

LOANS (TIERS 1 AND 2)

- A Tier 1 or Tier 2 member of NYCERS in City service, who has been a member continuously for at least three years may borrow up to 75% of his or her *Accumulated Member contributions.*
- Loans are limited to no more than two loans during any twelve-month period.
- Loans are repaid through payroll deductions of not less than 5% of the member's gross salary.

LOAN INSURANCE

Beginning 30 days after the inception of the loan, 25% of the unpaid portion is insured up to a maximum of $10,000. The insured portion is increased to 50% after 60 days, and to 100% after 90 days, subject to a maximum of $10,000.

EXCESSES (TIERS 1 AND 2)

A Tier 1 or Tier 2 member of the retirement system may withdraw excess contributions and interest thereon credited to his or her account, after at least one year succeeding the year in which his or her rate of contribution may be canceled. Such withdrawal is not required to be repaid, but may be at the member's option.

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 listed on the following page, 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.

TIER 2

ARTICLE 11 MODIFICATIONS

In 1973, a new ARTICLE 11 was added to the New York State Retirement and Social Security Law (RSSL), the purpose of which was to apply certain limitations on the retirement benefits available under public retirement systems within the State of New York to persons who join or joined any of the systems within the State after June 30, 1973.

The limitations covered a broad spectrum of retirement provisions including, but not limited to, eligibility for retirement, minimum age for retirement, *Final Average Salary*, maximum retirement benefits, etc.

The limitations that are applicable to members of the uniformed-forces of the NYC departments of Correction and Sanitation are as follows:

- Members must have credit for 25 or more years of uniformed-force service, (rather than the former 20 years of such service), in order to be eligible for a full (unreduced) retirement benefit except for members who are *Participants* in the 20-Year Program for Tier 2 Correction Officers below the Rank of Captain (Chapter 936 of the laws of 1990), or the 20-Year Program for Tier 2 Correction Officers of the Rank of Captain or Above (Chapter 631 of the laws of 1993) or the 20-Year Retirement Program for Tier 2 members of the Uniformed-force of the NYC Department of Sanitation (Chapter 547 of the laws of 1992). For requirements and benefits of these three programs, see later pages of this document.
- If a member retires prior to having credit for 25 years of uniformed-force service, the City-supported portion of his or her retirement benefit is limited to an amount, which cannot exceed 2% of *Final Average Salary* for each year of such service.
- The salary used in the computation of benefits has been changed from the last year's salary to a three-year-average salary known as the *Final Average Salary* (*FAS*). If the salary in any of the three years used in the computation of *FAS* exceeds the average of the previous two years by 20%, the excess above 20% is not used in the computation of the *FAS*.

Transit operating-force employees who are members of the *Modified* Transit 20-Year Retirement Plan are subject to the following limitations:

- Members must be at least 55 years of age and have credit for 25 or more years of Transit operating-force service (rather than the Tier 1 age 50 with 20 years of such service), in order to be eligible for full (unreduced) retirement benefits.
- If a Transit operating-force member retires between the ages of 50 and 55 and/or has credit for between 20 and 25 years of Transit operating-force service, the portion of his or her retirement allowance based on City contributions is limited to an amount which cannot exceed 2% of *FAS* for each year of credited Transit operating-force service.
- The salary used in the computation of benefits has been changed from the last year's salary to a three-year-average salary known as the *Final Average Salary* (*FAS*). If the salary in any of the three years used in the computation of the *FAS* exceeds the average of the previous two years by 20%, the excess above 20% is not used in the computation of the *FAS*.

For other members of the retirement system, those primarily entitled to coverage under the Modified-Career-Pension Plan (Plan C), the Modified-Fifty-Five-Year-Increased-Service-Fraction Plan (Plan D), or Transit operating-force employees covered by the Age-Fifty-Five-One-Percent Plan (1/100 Plan), the following limitations apply:

- The earliest age for service retirement is 62 in order to be eligible for a full (unreduced) retirement benefit.

- If a member retires between age 55 (the minimum retirement age) and age 62, his or her benefits are reduced as follows:

  For each of the first 24 full months that retirement predates age 62,
  one-half of 1% per-month,
  plus
  For each month that retirement predates age 60,
  one-quarter of 1% per-month.

- The salary used in the computation of benefits has been changed from the last year's salary to a three-year-average salary known as the *Final Average Salary* (*FAS*). If the salary in any of the three years used in the computation exceeds the average of the previous two years by 20%, the excess above 20% is not used in the computation of the three-year-average salary.

  NOTE: Any member of NYCERS who retired as a member of the Modified Career Pension Plan (Plan C) and who has not yet received a pension payment (this does not refer to payments from the Annuity Reserve Fund) from NYCERS, will be allowed to transfer his or her membership to another NYS retirement system.

  The former Plan C member will be able to rescind their retirement application and then transfer their NYCERS' membership to another NYS retirement system. In so doing, their retirement service credit and applicable Tier status will be transferred to the other retirement system.

  Such retired member must have started working in a position covered by the other NYS retirement system within five years of retiring from NYCERS (10 years with 25 years of credited service).

Members who are enrolled in the Modified-Age-Fifty-Five-Retirement Plan (Plan D), in addition to having the restrictions imposed as indicated above, have a further restriction which requires a minimum of five years of *Credited Service* as a member in order to qualify for retirement. Previously, such employees had no minimum service credit requirement.

20-YEAR-IMPROVED-BENEFIT RETIREMENT PROGRAM FOR TIER 2 CORRECTION MEMBERS BELOW THE RANK OF CAPTAIN (CI-20)

Chapter 936 of the Laws of 1990 established a 20-Year-Improved-Benefit-Retirement Program (*Program*) for Tier 2 uniformed Correction force members below the rank of Captain. Any such member who elected or is enrolled in the *Program* is eligible to receive an unreduced retirement allowance after having credit for 20 or more years of *Allowable-Correction Service*.

SERVICE RETIREMENT BENEFIT (CI-20)

Participants may retire after having credit for 20 or more years of *Allowable Correction Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service, and *Additional Member Contributions* as required by the *Program*,

the Service Retirement Benefit is:

For the first 20 years of *Allowable Correction Service*,

50% of *FAS*,

plus

an *Annuity* which is the actuarial equivalent of the member's regular contributions in excess of the required amount,

plus

For all years of *Allowable-Correction Service*, other than the first 20 years of such service,

1 2/3% of the Average Compensation* (or *FAS* if the compensation period is less than three years),

plus

a *Pension for Increased-Take-Home-Pay* (*ITHP*)**

plus

75% *times* 1.67% *times* your *Final Compensation* for each year of all other *Credited Service.*

* The average of the compensation earned each year of such service since the completion of 20 years of *Allowable Correction Service*.

** The actuarial equivalent of the accumulation of the contributions for *ITHP* in each year of *Credited Service* rendered after January 1, 1967, **and** after completion of 20 years of *Allowable Correction Service*.

20-YEAR-IMPROVED-BENEFIT RETIREMENT PROGRAM FOR TIER 2 CORRECTION OFFICERS OF THE RANK OF CAPTAIN OR ABOVE (CP-20)

Chapter 631 of the Laws of 1993 established a 20-Year-Improved-Benefit Retirement Program for Tier 2 uniformed Correction Officers of the rank of Captain of above. Any such member who elected or is enrolled in the *Program* is eligible to receive an unreduced retirement allowance after having credit for 20 or more years of *Allowable-Correction Service*.

SERVICE RETIREMENT BENEFIT (CP-20)

Participants may retire after having credit for 20 or more years of *Allowable Correction Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service, and *Additional Member Contributions* as required by the *Program*,

the Service Retirement Benefit is:

For the first 20 years of such service,

50% of *FAS*,

plus

an *Annuity* which is the actuarial equivalent of the member's regular contributions in excess of the required amount,

plus

For all years of *Allowable Correction Service*, other than the first 20 years of such service,

1 2/3% of the Average Compensation* (or *FAS* if the compensation period is less than three years)

plus

75% *times* 1.67% *times* your *Final Compensation* for each year of all other *Credited Service*

plus

a *Pension* for *Increased-Take-Home-Pay* (*ITHP*)**

* The average of the compensation earned each year of such service since the completion of 20 years of *Allowable Correction Service*.

** The actuarial equivalent of the accumulation of the contributions for *ITHP* in each year of *Credited Service* rendered after January 1, 1967, **and** after completion of 20 years of *Allowable Correction Service*.

20-YEAR-IMPROVED-RETIREMENT PROGRAM FOR TIER 2 MEMBERS OF THE UNIFORMED-FORCE OF THE NYC DEPARTMENT OF SANITATION (SI-20)

Chapter 547 of the Laws of 1992 established a 20-Year-Improved-Benefit-Retirement Program (*Program*) for Tier 2 members of the uniformed force of the NYC Department of Sanitation. Any such member who elected or is enrolled in the *Program*, is eligible to receive an unreduced retirement allowance after having credit for 20 or more years of *Allowable Sanitation Service*.

SERVICE RETIREMENT BENEFIT (SI-20)

Participants may retire after having credit for 20 or more years of *Allowable Sanitation Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service, and *Additional Member Contributions* as required by the *Program*,

the Service Retirement Benefit is:

For the first 20 years of *Allowable Sanitation Service*,

50% of *FAS*

plus

an *Annuity* which is the actuarial equivalent of the member's regular contributions in excess of the required amount,

plus

For all years of *Allowable Sanitation Service*, other than the first 20 years of such service,

1½% of *Final Compensation,*

plus

For each year of all other *Credited Service,*

1% of *Final Compensation,*

plus

a *Pension* based on the actuarial value of the I*ncreased-Take-Home-Pay* contributions made during any period not included in the first 20 years of *Allowable Sanitation Service*.

AGE-55-IMPROVED-BENEFIT-RETIREMENT PROGRAM FOR TIER 2 MEMBERS (CPP-I)

Chapter 96 of the Laws of 1995 established an Age-55-Improved-Benefit-Retirement Program (*Program*) for Tier 2 members of NYCERS who were in *Active Service* in an *Eligible Position* on or after June 28, 1995. *Eligible Members* who were in *Active Service* on June 28, 1995 were required to file a properly completed election form with NYCERS no later than September 26, 1995. A person who becomes an *Eligible Member* after June 28, 1995 may elect to participate in the *Program* by filing a properly completed application with NYCERS within 90 days after becoming an *Eligible Member* in *Active Service*.

Participants in the Age-55-Improved-Benefit-Retirement Program are eligible to receive an unreduced retirement allowance at age 55, after having credit for 25 or more years of *Career Pension Plan Qualifying Service*. *Participants* employed in a position designated as physically-taxing who have credit for 25 or more years of *Career Pension Plan Qualifying Service* in *Physically-Taxing Positions*, will be able to retire at age 50 with no benefit reduction due to age.

SERVICE RETIREMENT BENEFIT (CPP-I)

Participants may retire with credit for 25 or more years of *Career Pension Plan Qualifying Service.* If they have contributed the required amount of regular member contributions for the first 25 years of such service, and *Additional Member Contributions* as required by the *Program*,

the Service Retirement Benefit is:

For the first 25 years of *Career Pension Plan Qualifying Service,*

55% of *Final Average Salary* (*FAS*)

plus

For years of additional *Credited Service* rendered after June 30, 1968,

1.7% times *FAS*

plus

For years of additional *Credited Service* rendered before July 1, 1968,

1.2% *times FAS times*

plus

a *Pension* based on the actuarial value of the Increased-Take-Home-Pay contributions made during any period not included in the first 25 years of *Career Pension Plan Qualifying Service*, if any

plus

an *Annuity* based on accumulations in excess of the required amount of normal employee contributions, if any.

NO VESTING OR DEFERRING (CPP-I)

There is no provision for vesting or deferring under the Age-55-Improved-Benefit-Retirement Program. A *Participant* must meet both the age **and** service requirements in order to be eligible for a service retirement benefit under the *Program*. A *Participant* who wishes to retire, and does not meet the age and service requirements, may retire under their previous plan provisions. Such a *Participant*, however, is not eligible for a refund of any part of the *Additional Member Contributions* made while a *participant* in the *Program*.

20-YEAR AND AGE 50 RETIREMENT PROGRAM FOR TIER 2 MEMBERS EMPLOYED AS MTA BRIDGE & TUNNEL OFFICERS, SERGEANTS AND LIEUTENANTS (2050I)

Chapter 472 of the Laws of 1995 established a 20-Year And Age 50 Retirement Program (*Program*) for Tier 2 members of NYCERS who were a *MTA Bridge & Tunnel Member* on August 2, 1995. *MTA Bridge and Tunnel Members* who were in *Active Service* on August 2, 1995 were required to file a properly completed election form with NYCERS no later than January 29, 1996. A person who becomes a *MTA Bridge & Tunnel Member* after August 2, 1995 may elect to participate in the *Program* by filing a properly completed application with NYCERS within 180 days after becoming a *MTA Bridge & Tunnel Member* in *Active Service*.

Participants in the *Program* are eligible to receive an unreduced retirement allowance after having credit for 20 or more years of *Allowable Service* at age 50.

SERVICE RETIREMENT BENEFIT (2050I)

Participants may retire with credit for 20 or more years of *Allowable Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service, and *Additional Member Contributions* as required by the *Program*,*

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* (to a maximum of 30 years of such service),
1½% *times FAS*

***** Should a Tier 2 MTA Bridge and Tunnel member have a deficit in reserves, he or she can still retire, and rather than take an actuarial reduction, he or she can elect to receive his or her full *Pension* and pay off the deficit, with interest, in monthly installments over a period of up to nine years. The member also has the option to make a partial payment at retirement only and/or a total lump-sum payment at any time during the payment period.

25-YEAR RETIREMENT PROGRAM FOR MEMBERS EMPLOYED AS INVESTIGATORS IN DISTRICT ATTORNEYS' OFFICES (25IDA)

Chapter 370 of the Laws of 1996 as amended by Chapter 285 of the Laws of 1997 and Chapter 643 of the laws of 1999 established a 25-Year Retirement Program (*Program*) for members of NYCERS who were employed as Investigators in a District Attorneys' office (*DA Investigator Members*) on July 30, 1996. *DA Investigator Members* employed in a District Attorney's office in *Active Service* on July 30, 1996 were required to file a properly completed election form with NYCERS no later than January 25, 1998. A person who becomes a *DA Investigator Member* after July 30, 1996 may elect to participate in the *Program* by filing a properly completed application with NYCERS within 180 days after becoming a *DA Investigator Member,* provided he or she is a *DA Investigator Member* on the date the election is filed with NYCERS.

Participants in the *Program* are eligible to receive an unreduced retirement allowance after having 25 or more years of *Credited Service*.

SERVICE RETIREMENT BENEFIT (25IDA)

Participants may retire with credit for 25 or more years of *Credited Service*. If they have contributed the required amount of regular member contributions for the first 25 years of such service,

The Service Retirement Benefit is:

For the first 25 years of *Credited Service*,

55% of the salary earned in the year prior to retirement,

plus

For each additional year *Allowable Service* (to a maximum of 30 years of such service),

1.70% *times FAS* for each additional year of *Credited Service* in excess of 25.

VESTING (25IDA)

Participants in the *DA 25-Year Program* who have completed at least 15 but less than 25 years of *Credited Service* will be eligible for a Vested Retirement Benefit.

The Vested Retirement Benefit becomes payable on the date the *Participant* could have retired from service.

That is, **the later of**:

- the date the *Participant* could have completed 25 years of *Credited Service*, if discontinuance had not occurred,

  OR
- age 55.

DEATH BENEFIT TO VESTED MEMBERS (25IDA)

There is a pre-retirement death benefit payable in the event of the death of a Tier 2 Vested member who is out of service, and who dies on or after January 1, 1997 but prior to retirement and has at least 10 years of C*redited Service* at the time of death. The death benefit is one-half of the Ordinary Death Benefit payable if the member had died on the last day of service upon which his or her membership was based. This is in addition to the refund of the member's accumulated contributions, plus interest.

VESTED RETIREMENT BENEFIT (25IDA)

The Vested Retirement Benefit is a *Pension* equal to:
2.20% *times FAS* for each year of *Credited Service*.

25-YEAR IMPROVED BENEFIT RETIREMENT PROGRAM FOR DISPATCHERS (DIS-I)

Chapter 576 of the Laws of 2000 established 25-Year Retirement Programs for *Dispatcher Members*. Any person who was a *Dispatcher Member* on December 8, 2000 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 6, 2001, provided he or she was a *Dispatcher Member* on the date such application was filed. Any member who becomes a *Dispatcher Member* after December 8, 2000, may elect to become a *Participant* in a *Program* by filing within 180 days after becoming such *Dispatcher Member,* a duly executed application with NYCERS provided he or she is a *Dispatcher Member* at the time of filing such application.

SERVICE RETIREMENT BENEFIT (DIS-I)

Participants may retire if they have credit for 25 or more years of *Allowable Service as a Dispatcher Member*, and have paid all *Additional Member Contributions*.

The Service Retirement Benefit is:
An *Annuity* (the actuarial equivalent of the required contributions for the first 25 years *of Allowable Service as a Dispatcher Member*),
plus
a P*ension* for *ITHP*,
plus
a P*ension*, which when added to the *Annuity* and *Pension* for *ITHP* equals:
50% of *Final Average Salary* (*FAS*)
plus
an additional 2% of *FAS* for each year (or fraction) beyond the first 25 years *of Allowable Service as a Dispatcher Member,* but not to exceed more than five years of additional *Allowable Service as a Dispatcher Member*

Note: A Tier 2 *Participant* cannot receive a greater benefit than would be received by a Tier 1 *Participant*.

25-YEAR IMPROVED BENEFIT RETIREMENT PROGRAM FOR EMT MEMBERS (EMT-I)

Chapter 577 of the Laws of 2000 established 25-Year Retirement Programs for *EMT Members*. Any person who was an *EMT Member* on December 8, 2000 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 6, 2001, provided he or she was an *EMT Member* on the date such application was filed. Any member who becomes an *EMT Member* after December 8, 2000, may elect to become a *Participant* in a *Program* by filing within 180 days after becoming such an *EMT Member*, a duly executed application with NYCERS provided he or she is an *EMT Member* at the time of filing such application.

SERVICE RETIREMENT BENEFIT (EMT-I)

Participants may retire if they have credit for 25 or more years of *Allowable Service as an EMT Member*, and have paid all *Additional Member Contributions*.

The Service Retirement Benefit is:

An *Annuity* (the actuarial equivalent of the required contributions for the first 25 years of *Allowable Service as an EMT Member*),

plus

a *Pension* for *ITHP*,

plus

a *Pension*, which when added to the *Annuity* and P*ension* for *ITHP* equals:

50% of *Final Average Salary* (*FAS*)

plus

an additional 2% of *FAS* for each year (or fraction) beyond the first 25 years of *Allowable Service as an EMT Member*, but not to exceed more than five years of additional *Allowable Service as an EMT Member*

Note: A Tier 2 *Participant* cannot receive a greater benefit than would be received by a Tier 1 *Participant*.

25-YEAR IMPROVED BENEFIT RETIREMENT PROGRAM FOR DEPUTY SHERIFF MEMBERS (DSH-I)

Chapter 559 of the Laws of 2001 establishes a 25-Year Retirement Program for Deputy Sheriffs. Any person who was a *Deputy Sheriff Member* on December 12, 2001 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 10, 2002, provided he or she was a *Deputy Sheriff Member* on the date the application was filed. Any member who becomes a *Deputy Sheriff Member* after December 12, 2001, may elect to become a *Participant* in the *Program* by filing within 180 days after becoming a *Deputy Sheriff Member*, a duly executed application with NYCERS provided he or she is a *Deputy Sheriff Member* at the time of filing such application.

SERVICE RETIREMENT BENEFIT (DSH-I)

Participants may retire after having credit for 25 or more years of *Credited Service as a Deputy Sheriff Member*, regardless of age, and have paid all *Additional Member Contributions.*

The Service Retirement Benefit is:

For the first 25 years of service as a Deputy Sheriff Member:

An *Annuity* (the actuarial equivalent of the member's required contributions)

plus

a *Pension* for *ITHP*

plus

a *Pension*, which when added to the *Annui*ty and *Pension* for *ITHP* equals:

55% of *Final Average Salary (FAS)*

plus

an additional 1.7% *FAS* of for each year (or fraction) beyond the first 25 years of *Allowable Service* beyond the required minimum period of service (25 years of *Credited Service)*

plus

an annuity which is the actuarial equivalent of the excess accumulated deductions (ASF) beyond the required amount for the 25 year period of service

plus

an annuity which is the actuarial equivalent of the excess *ITHP* credited beyond the required 25 year period of service and its associated interest

NO *PARTICIPANT* WAS ELIGIBLE TO RETIRE UNDER THIS PROGRAM PRIOR TO DECEMBER 12, 2001

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VESTED RETIREMENT BENEFIT (DSH-I)

There is no provision for vesting.

25-YEAR AND AGE-50 IMPROVED BENEFITS RETIREMENT PROGRAM FOR AUTOMOTIVE SERVICE WORKER MEMBERS (AUT-I)

Chapter 414 of the Laws of 2002 (originally Chapter 560 of Laws of 2001) established a 25-Year/Age 50 Retirement Program for *Automotive Service Worker Members*. Any person who was a *Automotive Service Worker Member* on December 12, 2001 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 10, 2002, provided he or she was an *Automotive Service Worker Member* on the date the application was filed. Any member who becomes an *Automotive Service Worker* after December 12, 2001, may elect to become a *Participant* in the *Program* by filing within 180 days after becoming an *Automotive Service Worker Member*, a duly executed application with NYCERS provided he or she is an *Automotive Service Worker Member* at the time of filing such application. Chapter 681 of the Laws of 2003 extended the provision of this program to include seven additional titles.

SERVICE RETIREMENT BENEFIT (AUT-I)

Participants that are at least 50 years of age may retire after having credit for 25 or more years of *Allowable Service as an Automotive Service Worker Member*, and have paid all *Additional Member Contributions.*

The Service Retirement Benefit is:

For the first 25 years of *Credited Service* as an Automotive Service Member:

A *Pension* which equals:

50% of *Final Average Salary (FAS)*

plus

an additional 2% of *FAS* for each additional year (or fraction) of *Allowable Service* beyond the required 25 years, but not to exceed more than five years of additional *Allowable Service as an Automotive Service Worker Member*

VESTED RETIREMENT BENEFIT (AUT-I)

There is no provision for vesting.

25-YEAR IMPROVED BENEFIT PROGRAM FOR SPECIAL OFFICER MEMBERS (SPO-I)

Chapter 582 of the Laws of 2001 and Chapter 617 of the Laws of 2002 established a 25-Year Retirement Program for *Special Officer Members*. Chapter 617 of the Laws of 2002 added covered titles effective October 2, 2002 with the 180 day open period beginning on that date. Any person who was a *Special Officer Member* on December 19, 2001 (or October 2, 2002 for added titles) could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 17, 2002 (or March 31, 2003 for added titles), provided he or she was a *Special Officer Member* on the date such application was filed. Any member who becomes a *Special Officer Member* after December 19, 2001, (or October 2, 2002 for added titles) may elect to become a *Participant* in the *Program* by filing within 180 days after becoming a *Special Officer Member*, a duly executed application with NYCERS provided he or she is a *Special Officer Member* at the time of filing such application. Chapter 641 of the Laws of 2003 extended the provisions of this program to include Urban Park Rangers and Associate Urban Park Rangers.

SERVICE RETIREMENT BENEFIT (SPO-I)

Participants may eligible to retire after having credit for 25 or more years of *Allowable Service as a Special Officer Member*, regardless of age, and have paid all *Additional Member Contributions.*

The Service Retirement Benefit is:

For the first 25 years of *Allowable Service* as a Special Officer Member:

An *Annuity* (the actuarial equivalent of the member's required contributions)

plus

a *Pension* for *ITHP*

plus

a *Pension*, which when added to the *Annuity* and *Pension* for *ITHP* equals:
50% of *Final Average Salary (FAS)*

plus

an additional 2% *FAS* of for each year (or fraction) beyond the first 25 years of *Allowable Service as a Special Officer Member*, but not to exceed more than five years of additional *Allowable Service as a Special Officer Member*

Note: A Tier 2 *Participant* cannot receive a greater benefit than would be received by a Tier 1 *Participant*.

VESTED RETIREMENT BENEFIT (SPO-I)

There is no provision for vesting.

25-YEAR RETIREMENT PROGRAM FOR POLICE COMMUNICATION (911) OPERATORS

The 911 Communications Operators 25-Year Retirement Program is available only to members employed by the New York City Police Department as police communications technicians, supervising police communications technicians, or principal police communications technicians.

SERVICE RETIREMENT BENEFIT

Participants who have completed 25 or more years of *Credited Service*, paid all *Additional Member Contributions* and file for retirement at least 30 but not more than 90 days before it is to be effective will be eligible to receive a service retirement benefit.

The Service Retirement Benefit is:
50% of *Final Average Salary (FAS)* **for the first 25 years of Credited Service**
plus
an additional 2% *FAS* of for each year (or fraction) beyond the first 25 years of *Allowable Service* up to a maximum of 30 years.

VESTED RETIREMENT BENEFIT

There is no provision for vesting for Tier 2 participants.

DISABILITIES OF FDNY EMERGENCY MEDICAL TECHNICIANS

ACCIDENT DISABILITY BENEFIT

Chapter 587 of the laws of 1998 added a new Section 607-b to the Retirement and Social Security Law to provide a line-of-duty disability to Emergency Medical Technicians (EMT) who become mentally or physically incapacitated on or after March 17, 1996, as a natural and proximate result of an injury sustained in the performance of duty. Furthermore, an EMT member who contracts HIV (where he or she may have been exposed to bodily fluids of a person under their care or treatment, or while the member examined, transported or has contact with such person in the performance of duties), tuberculosis or hepatitis will be presumed to have contracted such disease in the performance of duties, unless the contrary is proven by competent evidence. The member is entitled to a three-quarters disability allowance.

HEART BILL

Chapter 697 of the Laws of 2002 provides for a presumption that a disease of the heart was incurred in the performance of duty for Emergency Medical Technicians and Paramedics employed by the Fire Department of New York. Such members are entitled to a 75% benefit which is paid in accordance with the statute governing their disability payment. The presumption may be rebutted by competent medical evidence.

ORDINARY DEATH BENEFITS FOR TIERS 2, 3 AND 4 MEMBERS

Anyone who becomes a member of NYCERS after January 1, 2001 will automatically be covered by Death Benefit Plan 2.

If a member selected Death Benefit Plan 1, the beneficiaries of Tiers 2, 3, and 4 members who die in service collect the greater of Death Benefit Plan 2 or Death Benefit Plan 1.

Previously, any person who joined NYCERS after June 30, 1973, other than members of the uniformed forces of the departments of Correction and Sanitation and Transit operating-force members, were required to choose between the two following death benefit plans, under the terms of which a benefit is paid at his or her death:

DEATH BENEFIT PLAN 1: Pays a benefit equal to one month's salary for each year of *Credited Service*, up to a maximum of three year's salary. In addition, the member's *Accumulated Deductions* are refunded. If the member would have been eligible to receive an unreduced retirement allowance at the time of death, the benefit is the reserve on the retirement allowance which would have been payable had he or she retired on the day before the date of death, if greater.

DEATH BENEFIT PLAN 2: Pays a benefit equal to one year's salary for each year of *Credited Service*, up to a maximum of three years' salary after three years of *Credited Service*. In addition, the member's *Accumulated Deductions* are refunded.

For either Death Benefit Plan 1 or 2, a benefit is also payable upon death after retirement. Such benefit is a percentage of the benefit in force immediately before retirement as follows:

If death occurs in the first year after retirement:
50% of such benefit;

If death occurs in the second year after retirement:
25% of such benefit;

If death occurs in the third year of retirement or later:
10% of the benefit in force at age 60, if any, or at retirement if before age 60.

If you selected Death Benefit Plan 2 the percentage payable will be reduced annually once you attain age 61 while in City service, regardless of their age when joining NYCERS.

Age	**Percentage Payable**
61	95% of benefit in force
62	90% of benefit in force
63	85% of benefit in force
64	80% of benefit in force
65	75% of benefit in force
66	70% of benefit in force

Age	**Percentage Payable**
67	65% of benefit in force
68	60% of benefit in force
69	55% of benefit in force
70^+	50% of benefit in force

MEMBERS OF THE TRANSIT OPERATING-FORCE AND THE UNIFORMED FORCES OF THE DEPARTMENTS OF CORRECTION AND SANITATION WHO DIE IN SERVICE ARE COVERED BY A DEATH BENEFIT UPON COMPLETION OF 90 DAYS OF SERVICE, PROVIDED THEY WERE BEING PAID ON THE PAYROLL AT THE TIME OF DEATH.

THE DEATH BENEFIT IS EQUAL TO THREE TIMES THE MEMBER'S SALARY, RAISED TO THE NEXT HIGHER $1,000.

THIS BENEFIT IS IN ADDITION TO PAYMENT OF THE *MEMBER'S CONTRIBUTION ACCUMULATION FUND* ACCOUNT.

ACCIDENTAL DEATH BENEFIT

An Accidental Death Benefit is payable if the death of a member in City service is the result of an accident sustained in the actual performance of duty, without willful negligence on the part of the member, subject to approval by NYCERS' Medical Board.

An *Eligible Beneficiary*, in priority order, is:

- A surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage.
- Surviving children until age 18
- Dependent parents

  OR
- Anyone you name as your beneficiary for your Ordinary Death Benefit **(SEE IMPORTANT NOTE)**

In the event that a class of *Eligible Beneficiaries* consists of more than one person, benefits shall be divided equally among the persons in such class (such as more than one surviving child under the age of 18).
If an *Eligible Beneficiary* receiving the Accidental Death Benefit becomes ineligible to continue to receive such benefit, the benefit shall be continued for all other members of the eligible class of beneficiaries and, if none, to each successive class, if any, during their eligibility to receive such a benefit.

IMPORTANT NOTE:
Should your death be the result of an on-the-job *accident*, and if no *Eligible Beneficiary* (as listed above) exists at the time of your death, then the Accidental Death Benefit may be paid, upon application, to the person designated as the beneficiary to receive payment of your Ordinary Death Benefit. (either primary or contingent but not both).

The Accidental Death Benefit is:

A lump-sum payment equal to your *Accumulated Deductions* to be paid to your designated beneficiary, or to your estate if no valid designation is on file with NYCERS

plus

Your *Eligible Beneficiary* will be entitled to apply for payment equal to:
A lump-sum payment equal to the amount in your ITHP account

plus

A pension equal to 50% of your *Final Compensation*

less

100% of any Workers' Compensation benefits

GROUP TERM LIFE INSURANCE PLAN

The Rules adopted by the Board of Trustees in accordance with Chapter 581 of the Laws of 1970 provide that the first $50,000 of each benefit on account of death in active service is payable from the funds of the Group Term Life Insurance Plan. The amount in excess of $50,000, if any, is payable from the funds of the retirement system.

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 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 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.

TIER 3

ARTICLE 14 - (CO-ESC) RETIREMENT PLAN

Members of the uniformed-force of the NYC Department of Correction who join NYCERS on or after July 27, 1976 are Tier 3 members subject to ARTICLE 14 of the Retirement and Social Security Law (RSSL).

Members who **are not** employed in the uniformed-force of the NYC Department of Correction **but** who last joined NYCERS after July 26, 1976 and prior to September 1, 1983 who were automatically made Tier 4 members on September 1, 1983 retain their right to elect Tier 3 benefits. Depending on the member's situation the Tier 3 benefits may be more advantageous than Tier 4 benefits, but that is seldom the case.

EARLY SERVICE RETIREMENT (UNIFORMED CORRECTION FORCE 25 YEAR)

In this plan, 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.

50% of your Final Average Salary
Note: You will receive credit for only your first 25 years of Credited Service.
This benefit is not reduced by Primary Social Security.
There is no Vesting provision with this plan.

NORMAL SERVICE RETIREMENT (UNIFORMED CORRECTION FORCE)

A Tier 3 Uniformed Correction Force member who, if for some reason, does not meet the requirements for his or her Plan or Program, always has the underlying right to a Service Retirement Benefit under the Normal Service Retirement Benefit at age 62.

- **For members with five but less than 20 years of *Credited Service*:**
  1 2/3% *times FAS times* years of *Credited Service*

- **For members with 20 or more years of *Credited Service*:**
  2% *times FAS times* years of *Credited Service* (but not more than 30 years of such service)

This benefit is not reduced by social security.

VESTED RETIREMENT (UNIFORMED CORRECTION FORCE)

The Vested Retirement Benefit is payable at age 62, on an unreduced basis, or as a reduced benefit as early as age 55.

YOUR BENEFITS WILL BE SUBJECT TO THE FOLLOWING REDUCTIONS AT RETIREMENT	
AGE AT RETIREMENT	**PERCENTAGE OF BENEFIT REDUCTION**
61	6.7%
60	13.3%
59	16.7%
58	20.0%
57	23.3%
56	26.7%
55	30.0%

This benefit is not reduced by social security.

TIER 3 RIGHTS FOR CERTAIN TIER 4 MEMBERS

Members who **are not** employed in the uniformed-force of the NYC Department of Correction **but** who last joined NYCERS after July 26, 1976 and prior to September 1, 1983 who were automatically made Tier 4 members on September 1, 1983 retain their right to elect Tier 3 benefits.

NORMAL SERVICE RETIREMENT BENEFIT

- **Age 62 or later with less than 20 years of *Credited Service*:**
  1 2/3% *times FAS times* years of *Credited Service*,
  minus
  one-half of the Primary Social Security benefit resulting from covered employment for which the member also received service credit in NYCERS.
- **Age 62 or later with 20 or more years of *Credited Service*:**
  2% *times FAS times* years of *Credited Service* (but not more than 30 years of such service),
  minus
  one half of the Primary Social Security benefit resulting from covered employment for which the member also received service credit in NYCERS.

EARLY SERVICE RETIREMENT BENEFIT

For members age 55 or older, with 5 but less than 20 years of service:
1 2/3% of *FAS* multiplied by the years of *Credited Service*.

- For members age 55 or older, with 20 or more years of *Credited Service*, but not more than 30 years of service:
  2% of *FAS* multiplied by the years of *Credited Service*.

YOUR BENEFITS WILL BE SUBJECT TO THE FOLLOWING REDUCTIONS AT RETIREMENT	
AGE AT RETIREMENT	**PERCENTAGE OF BENEFIT REDUCTION**
61	6.7%
60	13.3%
59	16.7%
58	20.0%
57	23.3%
56	26.7%
55	30.0%

Service Retirement benefits (Early and Normal) are reduced at age 62 by one-half of the Primary Social Security benefit resulting from covered employment for which the member also received service credit in NYCERS. **(This reduction does not apply to members of the uniformed-force of the NYC Department of Correction.)**

VESTED RETIREMENT BENEFIT

A member who terminates City service with five or more years of *Credited Service* may receive payment of a retirement benefit at age 62 and later, as a Normal Service Retirement benefit, as described above. Or they may elect to receive a reduced benefit prior to age 62 (refer to the Benefit Reduction Chart above)

ESCALATION OF BENEFITS AFTER RETIREMENT

- No escalation is provided at any time for persons taking Early Service Retirement with immediate payability, but is provided on Ordinary Death and Accidental Death benefit payments which are paid other than as a lump-sum.
- For service retirement at age 65 or older, the benefit is increased, (or decreased), annually by the lesser of 3% or the actual percentage increase, (or decrease), in the Consumer Price Index. The retirement benefit is never reduced below the amount set at the date of retirement.
- Benefits for service retirement between ages 62 and 65 are subject to the escalation rate as in the paragraph above. However, such escalation rate is reduced by one-thirty-sixth for each month the benefit commencement date precedes age 65.

NOTE: Cost-of-living adjustments, as described above, commence on the first day of April following the effective date of the member's service retirement. The first year's escalation is pro-rated depending upon the date of retirement.

DISABILITY RETIREMENT

UNIFORM CORRECTION FORCE DISABILITY RETIREMENT BENEFIT
(Section 507-a of RSSL)

A member must have a minimum of 10 years of *Credited Service* (rendered subsequent to July 26, 1976), including five years of membership service, to be eligible for a Disability Retirement Benefit.

Note: If any such 10 years of *Credited Service* includes purchased service rendered in a former membership, such purchased service need not have been rendered after July 26, 1976.

There is no minimum service credit required to be eligible for a Disability Retirement Benefit, if the disability was caused by a line-of-duty accident and the accident was not caused by the member's own willful negligence.

The Disability Retirement Benefit **is the greater of**:

one-third of *FAS*,

or

1 2/3% *times FAS times* years of *Credited Service*.

NOTE: Where a member is eligible for service retirement, and that benefit would be greater than either of the above calculations, then the member's Disability Retirement Benefit will be equal to the Service Retirement Benefit.

ALTERNATE BENEFITS

ORDINARY DISABILITY RETIREMENT
(Section 506 of the RSSL)

A member who has credit for five or more years of service, and who has been awarded Primary Social Security Disability benefits is eligible for Ordinary Disability Retirement.

The Ordinary Disability Retirement Benefit **is the greater of**:

2% *times FAS times* years of *Credited Service* (not to exceed 30 years)

or

One-third of *FAS*

Both calculations are reduced by:

50% of the Primary Social Security Disability benefit resulting from covered employment for which the member also received service credit in NYCERS,

and

100% of any Workers' Compensation payments.

NOTE: A member who is eligible for Ordinary Disability Retirement, and who is subsequently determined to be eligible for a Service Retirement Benefit shall not lose the right to Ordinary Disability Retirement benefits.

ESCALATION

Cost-of-living adjustments (see Escalation of Benefits) commence on the first day of April following the effective date of the member's Ordinary Disability Retirement, regardless of age. The first year's escalation is pro-rated depending upon the date of retirement.

ACCIDENT DISABILITY RETIREMENT
(Section 507 of the RSSL)

A member is eligible for Accident Disability Retirement, if he or she has been awarded Primary Social Security Disability benefits, and is found by the retirement system's Medical Board to be disabled as the result of an accident sustained in the line of duty, not caused by his or her own willful negligence.

The Accident Disability Retirement Benefit is:

60% of *FAS*

less:

50% of the Primary Social Security Disability benefit resulting from covered employment for which the member also received service credit in NYCERS,

and

100% of any Workers' Compensation payments.

NOTE: A member who is eligible for Accident Disability Retirement, and who is subsequently determined to be eligible for a Service Retirement Benefit shall not lose the right to Accident Disability Retirement benefits.

ESCALATION

Cost-of-living adjustments (see Escalation of Benefits) commence on the first day of April following the effective date of the member's Accident Disability Retirement, regardless of age. The first year's escalation is pro-rated depending upon the date of retirement.

DISABILITIES OF MEMBERS OF THE UNIFORMED-FORCE OF THE NEW YORK CITY DEPARTMENT OF CORRECTION

HEART BILL

Section 207-o of the RSSL provides that members of the uniformed-force of the NYC Department of Correction who are disabled by diseases of the heart are presumed to have become disabled in the line of duty and are entitled to a benefit of 75% of salary. The presumption may be rebutted by competent medical evidence.

HAT BILL

Section 207-n of the RSSL provides that members of the uniformed-force of the NYC Department of Correction who contract HIV (where there may have been exposure to a bodily fluid of an inmate or any person confined in an institution under the jurisdiction of the Department of Correction or the Department of Health), tuberculosis or hepatitis are presumed to have become disabled in the line of duty and are entitled to a benefit of 75% of salary. The presumption may be rebutted by competent medical evidence.

GENERAL LIMITATIONS ON CONTINUED RECEIPT OF DISABILITY BENEFITS (Ordinary and Accident – Sections 506 and 507 of the RSSL)

If a member ceases to be eligible for Primary Social Security Disability benefits before attaining age 65, the disability retirement benefit payable from this system ceases. However, if such member is otherwise eligible, the NYC Department of Citywide Administrative Services shall place the name of such person on a preferred eligible list for positions in a salary grade not exceeding that from which he or she was retired. In such event, benefits are continued until the member is first offered a position at such salary grade.

DEATH BENEFITS

ORDINARY DEATH BENEFIT

Any Tier 3 member of the uniformed-force of the NYC Department of Correction on or after July 26, 1986 is covered for an Ordinary Death Benefit upon completion of 90 days of service as a member. The amount of the Ordinary Death Benefit is equal to three times the member's salary, raised to the next higher multiple of $1,000. In addition, the member's *Accumulated Deductions* are payable.

ARTICLE 14 (TIER 3) ORDINARY DEATH BENEFITS AS OF APRIL 1, 2003

Applicable to ARTICLE 15 (Tier 4) members who joined the retirement system between July 27, 1976 and August 31, 1983, and die between April 1, 2004 and March 31, 2005.

Tier 3 Ordinary Death Benefits are capped at maximum amounts, and are increased on April 1st of each year, based on increases in the Consumer Price Index.

If death occurs before age 60, and *Credited Service* equals:

AT LEAST	BUT NOT MORE THAN	AMOUNT OF BENEFIT (AS OF APRIL 1, 2003)
One Year	Two Years	One *times* final rate of pay, but not in excess of $40,600
Two Years	Three Years	Two *times* final rate of pay, but not in excess of $81,200
Three Years or more		Three *times* final rate of pay, but not in excess of $101,500

If death occurs at age 60 or later, the above benefits will be reduced to the following percentages:

AGE AT DEATH:	AMOUNT OF BENEFIT:
60	95% of benefit in force
61	90% of benefit in force
62	85% of benefit in force
63	80% of benefit in force
64	75% of benefit in force
65	70% of benefit in force
66	65% of benefit in force
67	60% of benefit in force
68	55% of benefit in force
69 or over	50% of benefit in force

PLEASE NOTE: If a member who joined NYCERS between July 27, 1976 and July 25, 1986 is eligible for a Vested Retirement Benefit on the date of his or her death, and his or her *Eligible Beneficiary* is their surviving spouse, he or she, in lieu of the lump-sum benefit provided above, may elect to receive a death benefit of:

- a lump-sum payment equal to one-third of the lump-sum death benefit,
  plus
- a *Pension* equal to 1% *times Final Average Salary times* the member's years of *Credited Service* on the date of death.

If the surviving spouse is more than 10 years younger than the member, the *Pension* described above will be actuarially reduced because of such age difference.

In the event of the death or remarriage of the spouse before an amount equal to the full lump-sum death benefit has been paid, then the difference between the amount paid out and the full lump-sum death benefit will be paid to the spouse or his or her estate, as the case may be.

DEATH BENEFIT FOR VESTED MEMBERS

There is a pre-retirement death benefit payable in the event of the death of a Tier 3 Vested member who is out of service, and who dies on or after January 1, 1997 but prior to retirement and has at least 10 years of *Credited Service* at the time of death. The death benefit is one-half of the Ordinary Death Benefit that would have been payable if the member had died on the last day of service upon which his or her membership was based. The benefit will be payable to the Estate or the designated beneficiary(ies). This is in addition to the refund of the member's accumulated deductions, with interest.

ACCIDENTAL DEATH BENEFIT

If a member dies as a result of an accident sustained in the line of duty, without willful negligence on his or her part, a *Pension* equal to 50% of *FAS* is payable to an *Eligible Beneficiary*.

An *Eligible Beneficiary*, in priority order, is:

- A surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage.
- Surviving children until age 25.
- Dependent parents.

- Any dependent on the final Federal income tax return of the member, until age 21.

In the event that a class of *Eligible Beneficiaries* consists of more than one person, benefits shall be divided equally among the persons in such class (such as more than one surviving child under the age of 25).

If an *Eligible Beneficiary* receiving the Accidental Death Benefit becomes ineligible to continue to receive such benefit, the benefit shall be continued for all other members of the eligible class of beneficiaries and, if none, to each successive class, if any, during their eligibility to receive such benefit.

SPECIAL NOTE:
If none of the people mentioned above survive the member, the benefit may then be distributed to a person whom the member may have nominated by written designation as his or her beneficiary for payment of the Ordinary Death Benefit.

ESCALATION

Cost-of-living adjustments mentioned above commence on the first day of April following the effective date of the Accidental Death Benefit. The first year's escalation is pro-rated depending upon the date of retirement.

20-YEAR RETIREMENT PROGRAM FOR TIER 3 CORRECTION MEMBERS BELOW THE RANK OF CAPTAIN (CO-20)

Chapter 936 of the Laws of 1990 established a 20-Year Retirement Program for NYC Correction members below the rank of Captain who are subject to ARTICLE 14 of the RSSL. A NYC Department of Correction member below the rank of Captain who was a Tier 3 member of NYCERS on December 19, 1990 (or were members before September 1, 1983), and elected to become a *Participant* in the 20-Year Retirement Program, will be eligible to receive an unreduced retirement allowance after having 20 or more years of *Credited Service.* A member who becomes subject to ARTICLE 14 after December 19, 1990 because he or she is appointed as a Correction member below the rank of Captain (and became a member of NYCERS after August 31, 1983) is automatically enrolled in the 20-Year Retirement Program and is required to have 20 or more years of *Allowable Correction Service* to be eligible to retire under the *Program.*

SERVICE RETIREMENT BENEFIT (CO-20)

Participants may retire after having 20 or more years of *Credited Service* or *Allowable Correction Service.* If they have contributed the required amount of regular member contributions for the first 20 years of such service, and the *Additional Member Contributions* required by the *Program*,

the Service Retirement Benefit is:

For the first 20 years of *Allowable Correction Service*,
50% of *FAS*

For all years of *Allowable Correction Service*, other than the first 20 years of such service,
1 2/3% of *FAS times* the years of such service (not to exceed 30 years).

VESTED RETIREMENT BENEFIT (CO-20)

A *Participant* in the 20-Year Retirement Program for Tier 3 Correction members below the rank of Captain, who resigns after having five or more years of *Credited Service* or *Allowable Correction Service* (see above), but less than 20 years of such service, is eligible to apply for a Vested Retirement Benefit.

The Vested Retirement Benefit is:
2½% of *FAS* for each year, or fraction thereof, of *Credited Service*.

The Vested Retirement Benefit will become payable on the earliest date the *Participant* could have retired with credit for 20 years of *Allowable Correction Service*, if he or she had continued in such service.

DEATH BENEFIT FOR VESTED MEMBERS (CO-20)

There is a pre-retirement death benefit payable in the event of the death of a Tier 3 Vested member who is out of service, and who dies on or after January 1, 1997 but prior to retirement and has at least 10 years of *Credited Service* at the time of death. The death benefit is one-half of the ordinary death benefit that would have been payable if the member had died on the last day of service upon which his or her membership was based. The benefit will be payable to the Estate or the designated beneficiary(ies). This is in addition to the refund of the member's accumulated deductions, with interest.

20-YEAR RETIREMENT PROGRAM FOR TIER 3 CORRECTION OFFICERS OF THE RANK OF CAPTAIN OR ABOVE (CC-20)

Chapter 631 of the Laws of 1993 established a 20-Year Retirement Program for NYC Correction Officers of the rank of Captain or above who are subject to ARTICLE 14 of the RSSL. A NYC Correction Officer of the rank of Captain or above, who was a Tier 3 member of NYCERS on August 4, 1993 (or were members before September 1, 1983), and elected to become a *Participant* in the 20-Year Retirement Program (*Program*), or any member who thereafter became eligible to file an election to participate in the *Program* and did so, is eligible to receive an unreduced retirement benefit after having 20 or more years of *Credited Service*.

A NYC Correction Officer of the rank of Captain or above who becomes subject to ARTICLE 14 after August 4, 1993 because they are appointed as a Correction Captain (and become a member of NYCERS after August 31, 1983) is automatically enrolled in the 20-Year Retirement Program and are required to have 20 or more years of *Allowable Correction Service* to be eligible to retire under the *Program*.

SERVICE RETIREMENT BENEFIT (CC-20)

Participants may retire after having credit for 20 or more years of *Credited Service* or *Allowable Correction Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service, and the *Additional Member Contributions* required by the *Program*,

the Service Retirement Benefit is:

For the first 20 years of *Allowable Correction Service*,

50% of *FAS*,

plus

For all years of *Allowable Correction Service*, other than the first 20 years of such service (not to exceed 30 years)

1 2/3% of *FAS*.

VESTED RETIREMENT BENEFIT (CC-20)

A *Participant* in the 20-Year Retirement Program for Tier 3 Correction Officers of the rank of Captain or above, who resigns after having credit for five or more years of *Credited Service* or *Allowable Correction Service* (see above), but less than 20 years of such service, is eligible to apply for a Vested Retirement Benefit.

The Vested Retirement Benefit is:

2½% of *FAS* for each year, or fraction thereof, of *Credited Service*.

The Vested Retirement Benefit will become payable on the earliest date the *Participant* could have retired with credit for 20 years of *Credited Service* or *Allowable Correction Service*, if he or she had continued in such service.

DEATH BENEFIT FOR VESTED MEMBERS (CC-20)

There is a pre-retirement death benefit payable in the event of the death of a Tier 3 Vested member who is out of service, and who dies on or after January 1, 1997 but prior to retirement and has at least 10 years of *Credited Service* at the time of death. The death benefit is one-half of the Ordinary Death Benefit that would have been payable if the member had died on the last day of service upon which his or her membership was based. The benefit will be payable to the Estate or the designated beneficiary(ies). This is in addition to the refund of the refund of the member's accumulated deductions, with interest.

TIER 3 RETIREMENT OPTIONS

SELECTION OF BENEFITS WITHOUT OPTIONAL MODIFICATION (MAXIMUM RETIREMENT BENEFIT)

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 Benefit, 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, depending 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 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 beneficiary who has started to receive payments after the death of the pensioner thereafter 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 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 beneficiary who has started to receive payments after the death of the pensioner thereafter 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, depending on the pensioner's choice, in increments of not less than 10%, of the pensioner's reduced benefit under a 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 Benefit.

TIER 4

ARTICLE 15 - COORDINATED RETIREMENT PLAN

SERVICE RETIREMENT BENEFIT

Tier 4 membership is mandatory for all employees who complete six months in a permanent position in the competitive or labor class after July 26, 1976, **EXCEPT**

- members who are employed in the uniformed-force of the NYC Department of Correction who are Tier 3 members governed by ARTICLE 14 of the Retirement and Social Security Law (RSSL), and
- members employed as Investigators by District Attorneys' offices who are Tier 2 members governed by ARTICLE 11 of the RSSL.

Permanent employees may voluntarily join NYCERS at any time during the first six months of covered employment. Tier 4 membership is optional, by voluntary enrollment, for employees who receive appointment to a provisional, non-competitive, exempt or unclassified position.

Under the *Basic Tier 4*, 62/5 *Plan*, members are eligible for a Service Retirement Benefit at age 62 with five or more years of *Credited Service*, including at least two years of *Membership Service*.

The *Final Average Salary* (*FAS*) on which retirement benefits are based is determined by adding the highest annual wages earned for any three consecutive years and dividing that sum by three. If the wages earned during any year included in the *FAS* exceeds that of the average of the previous two years by more than 10%, the amount in excess of 10% will be excluded from the computation of the *FAS*.

The Service Retirement Benefit is:

With less than 20 years of *Credited Service*,
1 2/3% of *FAS times* the years of *Credited Service*.

With 20 or more years of *Credited Service*,
2% of *FAS times* each year of *Credited Service* up to 30 years of such service,
plus
1½% of *FAS times* each year of *Credited Service* in excess of 30.

EARLY SERVICE RETIREMENT

Basic Tier 4 members who do not belong to a special plan (i.e. 55/25, 57/5 or the TA 25/55 Program) can retire prior to the normal retirement age of 62, if they have met the minimum service requirement. However, they may not retire prior to age 55.

Members may retire and elect to receive their payments between the ages of 55 and 62. The Service Retirement Benefit will be reduced by ½ of 1% for each of the 24 months that the payment date precedes age 62, plus ¼ of 1% for each month it precedes age 60 (before reduction for a survivor option).

The following table shows the percentage reduction for various ages:

AGE PAYMENT BEGINS	PERCENT OF BENEFIT REDUCTION
61	6
60	12
59	15
58	18
57	21
56	24
55	27

VESTED RETIREMENT BENEFIT

A member who terminates City service after having five or more years of *Credited Service*, including at least two years of *Membership Service* subsequent to July 26, 1976 or after last joining a public retirement system, if later, may receive benefits at age 62 in accordance with the Service Retirement Benefit formula set forth above.

Members with between five and 10 years of *Credited Service* may still terminate their membership and receive a refund of their accumulated deductions but in electing to do so, they forfeit their right to any future benefit from NYCERS. However, a member with 10 or more years of *Credited Service* may not receive a refund of his or her accumulated deductions.

DISABILITY RETIREMENT BENEFIT

Ten or more years of *Credited Service* rendered subsequent to July 26, 1976, including at least two years of *Membership Service*, is required for eligibility for a Disability Retirement Benefit. However, if any such 10 or more years of *Credited Service* includes purchased service rendered in a former membership, such purchased service need not have been rendered after July 26, 1976.

The requirement of 10 or more years of *Credited Service* is not applicable to members who apply for a disability retirement, when the disability is the result of a line-of-duty accident not caused by the member's own willful negligence.

The Disability Retirement Benefit **is the greater of**:
one-third of *FAS*,
or
1 2/3% *times FAS times* years of *Credited Service*.

DISABILITIES OF FDNY EMERGENCY MEDICAL TECHNICIANS

ACCIDENT DISABILITY BENEFIT

Chapter 587 of the laws of 1998 added a new Section 607-b to the Retirement and Social Security Law to provide a line-of-duty disability to Emergency Medical Technicians (EMT) who become mentally or physically incapacitated on or after March 17, 1996, as a natural and proximate result

of an injury sustained in the performance of duty. Furthermore, an EMT member who contracts HIV (where he or she may have been exposed to bodily fluids of a person under their care or treatment, or
while the member examined, transported or has contact with such person in the performance of duties), tuberculosis or hepatitis will be presumed to have contracted such disease in the performance of duties, unless the contrary is proven by competent evidence. The benefit will be 75% of the member's Final Average Salary (*FAS*).

HEART BILL

Chapter 697 of the Laws of 2002 provides for a presumption that a disease of the heart was incurred in the performance of duty for Emergency Medical Technicians and Paramedics employed by the Fire Department of New York. Such members are entitled to a benefit of 75% of their Final Average Salary (*FAS*). The presumption may be rebutted by competent medical evidence.

THREE QUARTER ACCIDENT DISABILITY BENEFIT FOR UNIFORMED SANITATION WORKERS

Chapter 507 of the Laws of 2002 creates a new section 605-b of Article 15 of the RSSL for Tier 4 Uniformed Sanitation members of NYCERS. This law creates a ¾ Final Average Salary Accident benefit for eligible members who have either: become disabled subsequent to September 17, 2002 or have been retired for disability under Sections 605 or 507 of the RSSL between November 1, 1982 and September 16, 2002. An eligible member must be a NYC Uniform Sanitation member, and determined by NYCERS to be physically or mentally incapacitated as the natural or proximate cause of an "accident", and such accident was not caused by his/her willful negligence, and such accident was sustained in the performance of Sanitation Service and that the applicant was a NYCERS member when the accident occurred.

FINAL MEDICAL REVIEW

If your application for accidental disability retirement is denied by NYCERS' Board of Trustees, either your bargaining representative or the head of the agency by which you are employed may, on your behalf, request a review by the Medical Review Board, a panel of three independent specialists.
For members who are Tier 4 Uniformed Sanitation Members, you must file a request with the Final Medical Review Board within 15 days of receipt of the letter denying your application for disability.
In order for a request to be valid, you must file a waiver in which you agree that the decision of the Medical Review Board is final and conclusive, and you waive any and all rights to seek another disposition by court, administrative proceeding or any other process.

ORDINARY DEATH BENEFITS FOR TIERS 2, 3 AND 4 MEMBERS

Anyone who becomes a member of NYCERS after January 1, 2001 will automatically be covered by Death Benefit Plan 2.

If a member selected Death Benefit Plan 1, the beneficiaries of Tiers 2, 3, and 4 members who die in service collect the greater of Death Benefit Plan 2 or Death Benefit Plan 1.

Previously, any person who joined NYCERS after June 30, 1973, other than members of the uniformed forces of the departments of Correction and Sanitation and Transit operating-force members, were required to choose between the two following death benefit plans, under the terms of which a benefit is paid at his or her death:

DEATH BENEFIT PLAN 1: Pays a benefit equal to one month's salary for each year of *Credited Service*, up to a maximum of three year's salary. In addition, the member's *Accumulated Deductions* are refunded. If the member would have been eligible to receive an unreduced retirement allowance at the time of death, the benefit is the reserve on the retirement allowance which would have been payable had he or she retired on the day before the date of death, if greater.

DEATH BENEFIT PLAN 2: Pays a benefit equal to one year's salary for each year of *Credited Service*, up to a maximum of three years' salary after three years of *Credited Service*. In addition, the member's *Accumulated Deductions* are refunded.

For either Death Benefit Plan 1 or 2, a benefit is also payable upon death after retirement. Such benefit is a percentage of the benefit in force immediately before retirement as follows:

If death occurs in the first year after retirement:
50% of such benefit;

If death occurs in the second year after retirement:
25% of such benefit;

If death occurs in the third year of retirement or later:
10% of the benefit in force at age 60, if any, or at retirement if before age 60.

If you selected Death Benefit Plan 2 the percentage payable will be reduced annually once you attain age 61 while in City service, regardless of their age when joining NYCERS.

Age	Percentage Payable
61	95% of benefit in force
62	90% of benefit in force
63	85% of benefit in force
64	80% of benefit in force
65	75% of benefit in force
66	70% of benefit in force

Age	Percentage Payable
67	65% of benefit in force
68	60% of benefit in force
69	55% of benefit in force
70^+	50% of benefit in force

SPECIAL NOTE:
The beneficiaries of Tiers 2, 3, and 4 members who die in service collect the greater of Death Benefit Plan 2 or Death Benefit Plan 1, if the member selected Death Benefit Plan 1.

Anyone who becomes a member of NYCERS before January 1, 2001 will also be covered by Death Benefit 2, unless the member elected Death Benefit Plan 1 in a timely manner, and the death benefit would be greater than under Death Benefit Plan 2.

DEATH BENEFIT PAYABLE TO PRE-JULY 26, 1986 TIER 4 MEMBERS

In the event of the death of a member who joined the retirement system before July 26, 1986, the death benefit payable to his or her beneficiary or estate, as the case may be, is a lump-sum or an A*nnuity* based thereon, calculated by multiplying one-twelfth of the wages earned by such member during the last 12 months of active City service, while a member, by the number of years of *Credited Service*, not in excess of 36 years of such service. Alternately, the Ordinary Death Benefit described above, which is also available to all other Tier 4 members, is payable.

DEATH BENEFIT FOR MEMBERS OF THE TRANSIT OPERATING-FORCE OR THE UNIFORMED-FORCE OF THE NYC DEPARTMENT OF SANITATION

A Tier 4 member of either the Transit operating-force or the uniformed-force of the NYC Department of Sanitation is covered for a death benefit upon having credit for ninety days of service. The amount of the death benefit is equal to three times the member's salary, raised to the next higher multiple of $1,000. In addition, the member's *Accumulated Deductions* are payable.

DEATH BENEFIT FOR VESTED MEMBERS

There is a pre-retirement death benefit payable in the event of the death of a Tier 4 Vested member who is out of service, and who dies on or after January 1, 1997 but prior to retirement and has at least 10 years of *Credited Service* at the time of death. The death benefit is one-half of the Ordinary Death Benefit that would have been payable if the member had died on the last day of service upon which his or her membership was based. The benefit will be payable to the Estate or the designated beneficiary(ies). This is in addition to the refund of the member's accumulated deductions, with interest.

ACCIDENTAL DEATH BENEFIT

If a member dies as a result of an accident sustained in the performance of his or her duties while in active City service, without willful negligence on his or her part, and while actually a member of NYCERS, a pension equal to 50% of the *Wages* earned by him or her during the last year of *Credited Service* will be paid to an *Eligible Beneficiary*.

An *Eligible Beneficiary*, in priority of the order is:
- A surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage
- Surviving children until age 25
- Dependent parents, determined under regulations promulgated by NYCERS' Board of Trustees

- Any dependent on the final Federal income tax return of the member, until age 21
  OR
- Anyone you name as your beneficiary for your Ordinary Death Benefit **(SEE IMPORTANT NOTE)**

In the event that a class of *Eligible Beneficiaries* consists of more than one person, benefits shall be divided equally among the persons in such class.

If an *Eligible Beneficiary* receiving the Accidental Death Benefit becomes ineligible to continue to receive such benefit, the benefit shall be continued for all other members of the eligible class of beneficiaries and, if none, to each successive class, if any, during their eligibility for such benefit.

IMPORTANT NOTE:

Should your death be the result of an on-the-job *accident*, and if no *Eligible Beneficiary* (as listed above) exists at the time of your death, then the Accidental Death Benefit may be paid, upon application, to the person designated as the beneficiary to receive payment of your Ordinary Death Benefit. (either primary or contingent but not both).

LOANS
(TIERS 3 AND 4 MEMBERS)

A Tier 4 member in active service, who has credit for at least one year of *Membership Service*, may borrow up to 75% of the amount last posted to his or her Member Contribution Accumulation Fund (*MCAF*) account, minus any outstanding loan.

The following restrictions apply to all Tier 4 loans.

- A member must be in active service on a participating employer's payroll to be issued a loan.
- Loans are limited to no more than one loan during any twelve-month period.
- The minimum amount of a loan is $1,000. (A member must have at least $1,334 to his or her credit in his or her MCAF account to qualify for the minimum loan amount.)
- There is a service fee of $15.00 that is charged for processing a loan application. The fee is deducted from the amount of the loan check.
- In addition, there is a mandatory insurance charge on each loan. The current loan insurance premium of .3% is deducted from each payment.
- Once a loan has been issued, it may not be canceled.
- Loans are repaid through payroll deductions of not less than 2% of the member's gross salary, for a period not greater than five years.
- If a member is on active military leave, obligation to repay loans will be suspended, and shall be extended for the same amount of time the member was on military duty.
- If a member resigns or is terminated, he or she may make arrangements with NYCERS to make periodic direct payments.
- Non-payment of a loan may result in: forfeiture of future entitlements to borrow; a reduction of retirement benefits; tax liabilities.
- Loans greater than $10,000 or consolidated loans over $50,000 may be subject to taxation.
- At retirement, outstanding loan balances are subject to taxation.
- Loans are fully insured after 30 days.

20-YEAR RETIREMENT PROGRAM FOR MEMBERS OF THE UNIFORMED-FORCE OF THE NYC DEPARTMENT OF SANITATION (SA-20)

Chapter 547 of the Laws of 1992 established a 20-Year Retirement Program (*Program*) for members of the uniformed-force of the NYC Department of Sanitation who are subject to ARTICLE 15 of the RSSL. A member of the uniformed-force of the NYC Department of Sanitation who was a member of NYCERS on July 24, 1992, and elected to become a *Participant* in the 20-Year Retirement Program, is eligible to receive an unreduced retirement allowance after having credit for 20 or more years of *Allowable Sanitation Service*.

A person who becomes a member of the uniformed-force of the NYC Department of Sanitation after July 24, 1992, and joins NYCERS upon becoming so employed, is automatically enrolled in the 20-Year Retirement Program.

SERVICE RETIREMENT BENEFIT (SA-20)

Participants may retire after having credit for 20 or more years of *Allowable Sanitation Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service, and the *Additional Member Contributions* required by the *Program*,

the Service Retirement Benefit is:

- **For the first 20 years of *Allowable Sanitation Service*,**
  50% of *FAS*,
  plus
- **For all years of *Allowable Sanitation Service*, other than the first 20 years of such service,**
  1½% of *Final Compensation times* the years of such service,
  plus
- **For each year, (or fraction thereof), of *Credited Service*, other than *Allowable Sanitation Service*,**
  1% of *Final Compensation*.

VESTED RETIREMENT BENEFIT (SA-20)

Participants in the *Program* who resign after having credit for five or more years of *Allowable Sanitation Service*, but less than 20 years of such service, and do not withdraw their *Accumulated Member Contributions*, are eligible to apply for a Vested Retirement Benefit, which becomes payable on the date that the *Participant* could have retired with credit for 20 years of *Allowable Sanitation Service*, if he or she had continued in such service.

The Vested Retirement Benefit is:

- **For each year of *Allowable Sanitation Service* credited to the member at the time of discontinuance,**
  2½% of *FAS*,
  plus
- **For each year, or fraction thereof, of *Credited Service* other than *Allowable Sanitation Service*,**
  1% of *Final Compensation*.

DEATH BENEFIT FOR VESTED MEMBERS (SA-20)

There is a pre-retirement death benefit payable in the event of the death of a Tier 4 Vested member who is out of service, and who dies on or after January 1, 1997 but prior to retirement, and has at least 10 years of *Credited Service* at the time of death. The death benefit is one-half of the Ordinary Death Benefit that would have been payable if the member had died on the last day of service upon which his or her membership was based. The benefit will be payable to the Estate or the designated beneficiary(ies). This is in addition to the refund of the member's accumulated deductions, with interest

25-YEAR AND AGE-55 RETIREMENT PROGRAM FOR NEW YORK CITY TRANSIT AUTHORITY OPERATING-FORCE MEMBERS (T2555)

Chapter 529 of the Laws of 1994 established a 25-Year And Age 55 Retirement Program (*Program*) for New York City Transit Authority operating-force members subject to ARTICLE 15 (Tier 4) of the Retirement and Social Security Law. A New York City Transit Authority operating-force employee who was a Tier 4 member of NYCERS on July 26, 1994, and elected to become a *Participant* in the 25-Year And Age-55 Retirement Program, is eligible to receive an unreduced retirement allowance after having credit for 25 or more years of *Allowable Service in the Transit Authority* and attainment of age 55. A person who becomes a *Transit Authority Member* after July 26, 1994, and joins NYCERS upon becoming so employed, is automatically enrolled in the 25-Year And Age-55 Retirement Program.

SERVICE RETIREMENT BENEFIT (T2555)

Participants may retire with credit for 25 or more years of *Allowable Service in the Transit Authority*. If they have contributed the required amount of regular member contributions for the first 25 years of such service, and the *Additional Member Contributions* required by the *Program*,

the Service Retirement Benefit is:

- **For the first 25 years of *Allowable Service in the Transit Authority*,**
  50% of *FAS*,
  plus
- **For each additional year beyond the first 25 years of *Allowable Service in the Transit Authority* (to a maximum of 30 years of such service),**
  2% of *FAS*,
  plus
- **For each additional year of *Allowable Service in the Transit Authority* in excess of 30 years of such service,**
  1½% of *FAS*.

VESTED RETIREMENT BENEFIT (T2555)

A *Participant* in the *Transit 55/25 Program* with at least 25 years of *Allowable Service in the Transit Authority*, but has not attained age 55, is eligible for a Vested Retirement Benefit which becomes payable on his or her 55th birthday.

A *Participant* with five or more years of *Credited Service* but less than 25 years of *Allowable Service in the Transit Authority* is eligible for a Vested Retirement Benefit under the *62/5 Plan*, payable at age 62.

The Vested Retirement Benefit is computed as follows:

- 2% of *FAS* for each year of *Allowable Service in the Transit Authority*, up to 30 years of such service,

   plus

- 1½% times *FAS* times the years of *Allowable Service in the Transit Authority* in excess of 30.

25-YEAR EARLY RETIREMENT PROGRAM (55/25)

Chapter 96 of the Laws of 1995 established a 25-Year Early Retirement Program (*Program*) for Tier 4 members who were employed in an *Eligible Position* on June 28, 1995. *Eligible Members* who were in Active Service in an *Eligible Position* on June 28, 1995, and elected to become a *Participant* in the 25-Year Early Retirement Program, are eligible to receive an unreduced retirement allowance after having 25 or more years of *Credited Service* and attaining age 55. *Participants* employed in positions designated as physically-taxing who have 25 or more years of *Credited Service* in *Physically-Taxing Positions* will be able to retire at age 50 with no benefit reduction. A person who becomes an *Eligible Member* in *Active Service* after June 28, 1995 may elect to participate in the *Program* by filing an application with NYCERS within 90 days after becoming an *Eligible Member* in *Active Service*.

SERVICE RETIREMENT BENEFIT (55/25)

Participants may retire with 25 or more years of *Credited Service*. If they have contributed the required amount of regular member contributions, and the *Additional Member Contributions* required by the *Program*,

The Service Retirement Benefit is:

- **For the years of *Credited Service*, up to 30 years of such service,**

   2% *times FAS*

   plus

- **For each additional year of *Credited Service* in excess of 30 years of such service,**

   1½% of *FAS*.

NO VESTING OR DEFERRING (55/25)

There is no provision for vesting or deferring under this *Program*. A *Participant* must meet both the age and service requirements in order to be eligible for a service retirement benefit under the *Program*. A *Participant* who wishes to retire, and does not meet the age **and** service requirements, may retire under their previous plan provisions. Such a *Participant*, however, is not eligible for a refund of any part of the *Additional Member Contributions* made while a participant in the *Program*.

AGE-57 RETIREMENT PROGRAM (57/5)

Chapter 96 of the Laws of 1995 established the Age-57 Retirement Program (*Program*) for any person who **was not** employed in an *Eligible Position* on June 28, 1995. A Tier 4 member of NYCERS whose date of membership is prior to June 28, 1995, and who was not employed in an *Eligible Position* on June 28, 1995, and who becomes employed in an *Eligible Position* in *Active Service* after June 28, 1995, may elect to participate in the *Program* by filing an application with NYCERS within 90 days after becoming an *Eligible Member* in active service.

Any person who becomes an *Eligible Member* in active service after June 28, 1995 is mandated into the Age-57 Retirement Program. *Participants* in the *Program* who have five or more years of *Credited Service* will be able to retire at age 57 with no benefit reduction due to age. *Participants* employed in positions designated as physically-taxing who have 25 or more years of *Credited Service* in *Physically-Taxing Positions* will be able to retire at age 50 with no benefit reduction.

SERVICE RETIREMENT BENEFIT (57/5)

Participants may retire with five or more years of *Credited Service*. If they have contributed the required amount of regular member contributions, and the *Additional Member Contributions* required by the *Program*,

The Service Retirement Benefit is:

- **For *Participants* with less than 20 years of *Credited Service*;**
  1 2/3% *times FAS times* the years of *Credited Service*

- **For *Participants* with 20 or more years of *Credited Service*;**

  For the years of *Credited Service* up to 30 years of such service,
  2% *times FAS*,
  plus
  For each additional year of *Credited Service* in excess of 30 years of such service,
  1½% of *FAS*.

VESTED RETIREMENT BENEFIT (57/5)

Participants will be eligible for a Vested Retirement Benefit after they have five or more years of *Credited Service*, with payability at age 57.

The Vested Retirement Benefit is computed the same as a Service Retirement Benefit.

20-YEAR AND AGE-50 RETIREMENT PROGRAM FOR MEMBERS EMPLOYED AS MTA BRIDGE & TUNNEL OFFICERS, SERGEANTS AND LIEUTENANTS (TBTA 50/20)

Chapter 472 of the Laws of 1995 established a 20-Year And Age-50 Retirement Program (*Program*) for Tier 4 members of NYCERS who were a *MTA Bridge & Tunnel Member* on August 2, 1995. *MTA Bridge and Tunnel Members* who were in *Active Service* on August 2, 1995 were required to file an election form with NYCERS no later than January 29, 1996. A person who becomes a *MTA Bridge & Tunnel Member* after August 2, 1995 may elect to participate in the *Program* by filing an application with NYCERS within 180 days after becoming a *MTA Bridge & Tunnel Member* in *Active Service*.

Participants may retire at age 50 or later and receive an unreduced retirement allowance after having 20 or more years of *Credited Service*.

SERVICE RETIREMENT BENEFIT (MTA BRIDGE & TUNNELS 50/20)

Participants may retire with 20 or more years of *Credited Service*. If they have contributed the *Additional Member Contributions* required by the *Program******,

The Service Retirement Benefit is:

- **For the first 20 years of *Allowable Service*,**
  50% of *Final Average Salary* (*FAS*)
  plus

- **For years of additional *Allowable Service* (to a maximum of 30 years of such service),**
  1½% *times FAS*

***** Should a MTA Bridge & Tunnel member have a deficit in reserves, he or she can still retire and rather than take an actuarial reduction, the member can then elect to receive his or her full *Pension*, and pay off the deficit, with interest, in monthly installments over a period up to nine years. The member also has the option to make a partial payment at retirement only, and/or a total lump-sum payment at any time during the payment period.

VESTED RETIREMENT BENEFIT (MTA BRIDGE & TUNNEL 50/20)

A *Participant* who discontinues service as a *MTA Bridge & Tunnel Member*, and prior to such discontinuance completes at least five but less than 20 years of *Credited Service*, and has paid (prior to discontinuance) all *Additional Member Contributions* required of the *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit which shall vest automatically.

The Vested Retirement Benefit becomes payable on the earliest date the *Participant* could have retired for service (the date on which the member would have completed 20 years of MTA Bridge & Tunnel service, if such continuance had occurred).

The Vested Retirement Benefit is:
2½% *times FAS* for each year of *Credited Service*.

25-YEAR RETIREMENT PROGRAM FOR DISPATCHER MEMBERS (DIS25)

Chapter 576 of the Laws of 2000 established a 25-Year Retirement Program (*Program*) for Tier 4 members of NYCERS who were *Dispatcher Members* on December 8, 2000. Any person who was a Tier 4 *Dispatcher Member* on December 8, 2000 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 6, 2001, provided he or she was a *Dispatcher Member* on the date such application was filed. Any NYCERS' Tier 4 member who becomes a *Dispatcher Member* after December 8, 2000 and has pre-existing Tier 4 rights, may elect to become a *Participant* in the *Program* by filing within 180 days after becoming such *Dispatcher Member*, a duly executed application with NYCERS, provided he or she is a *Dispatcher Member* on the date such application is filed.
Any person who becomes a Tier 4 *Dispatcher Member* after December 8, 2000 is automatically enrolled in the 25-Year Retirement Program.

SERVICE RETIREMENT BENEFIT (DIS25)

Participants may retire if they have credit for 25 or more years of A*llowable Service as a Dispatcher Member,* and have paid all their *Additional Member Contributions*,

The Service Retirement Benefit is:

- **For the first 25 years of *Allowable Service as a Dispatcher Member*,**
  50% of *Final Average Salary* (*FAS*)
  plus

- **For each additional year (or fraction) beyond the first 25 years of *Allowable Service as a Dispatcher Member,* but not to exceed more than five years of additional service as a *Dispatcher Member***
  2% of *FAS*

VESTED RETIREMENT BENEFIT (DIS25)

A *Participant* who discontinues service as a *Dispatcher Member*, and prior to such discontinuance completes at least five but less than 25 years of *Allowable Service as a Dispatcher Member*, and has paid (prior to discontinuance) all *Additional Member Contributions* required of the *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit which shall vest automatically.

The Vested Retirement Benefit becomes payable on the earliest date the *Participant* could have retired for service (the date on which the member would have completed 25 years *of Allowable Service as a Dispatcher Member*).

The Vested Retirement Benefit is:
A *Pension* of 2% of *FAS* for each year (or faction) of *Allowable Service as a Dispatcher Member* credited to the *Participant* at the time of discontinuance.

25-YEAR RETIREMENT PROGRAM FOR EMT MEMBERS (EMT25)

Chapter 577 of the Laws of 2000 established a 25-Year Retirement Program (*Program*) for Tier 4 members of NYCERS who were EMT Members on December 8, 2000. Any person who was a Tier 4 *EMT Member* on December 8, 2000 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 6, 2001, provided he or she was an *EMT Member* on the date such application was filed. Any NYCERS' Tier 4 member who becomes an *EMT Member* after December 8, 2000 and has pre-existing Tier 4 rights, may elect to become a *Participant* in the *Program* by filing within 180 days after becoming such *EMT Member*, a duly executed application with NYCERS, provided he or she is an *EMT Member* on the date such application is filed.

Any person who becomes a Tier 4 *EMT Member* after December 8, 2000 is automatically enrolled in the 25-Year Retirement Program.

SERVICE RETIREMENT BENEFIT (EMT25)

Participants may retire if they have credit for 25 or more years of A*llowable Service as an EMT Member*, and have paid all their *Additional Member Contributions*.

The Service Retirement Benefit is:

- **For the first 25 years of *Allowable Service as an EMT Member*,**
  50% of *Final Average Salary* (*FAS*)
  plus
- **For each additional year (or fraction) beyond the first 25 years of *Allowable Service as an EMT Member*, but not to exceed more than five years of additional service as an *EMT Member***
  2% of *FAS*

VESTED RETIREMENT BENEFIT (EMT25)

A *Participant* who discontinues service as an *EMT Member*, and prior to such discontinuance completes at least five but less than 25 years of *Allowable Service as an EMT Member*, and has paid (prior to discontinuance) all *Additional Member Contributions* required of the *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit which shall vest automatically.

The Vested Retirement Benefit becomes payable on the earliest date the *Participant* could have retired for service (the date on which the member would have completed 25 years *of Allowable Service as an EMT Member*.

The Vested Retirement Benefit is:

A *Pension* of 2% of *FAS* for each year (or faction) of *Allowable Service as an EMT Member* credited to the Participant at the time of discontinuance.

25-YEAR RETIRMENT PROGRAM FOR DEPUTY SHERIFF MEMBERS (DSH-25)

Chapter 559 of the Laws of 2001 establishes a 25-Year Retirement Program for Tier 4 members of NYCERS who were Deputy Sheriff Members on December 12, 2001. Any person who was a

Deputy Sheriff Member on December 12, 2001 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 10, 2002, provided he or she was a *Deputy Sheriff Member* on the date the application was filed.
Any NYCERS' Tier 4 member who becomes a *Deputy Sheriff Member* after December 12, 2001 and has pre-existing Tier 4 rights, may elect to become a *Participant* in the *Program* by filing within 180 days after becoming a *Deputy Sheriff Member*, a duly executed application with NYCERS provided he or she is a *Deputy Sheriff Member* at the time of filing such application.

Any person who becomes a Tier 4 *Deputy Sheriff Member* after December 12, 2001 is automatically enrolled in the 25-Year Retirement Program.

SERVICE RETIREMENT BENEFIT (DSH25)

Participants may retire if they have credit for 25 or more years of *Credited Service*, and have paid all their *Additional Member Contributions*.

The Service Retirement Benefit is:

For the first 25 years of credited service:

A *Pension* which equals:

55% of *Final Average Salary (FAS)*

plus

1.7% of *FAS* for each additional year (or fraction) beyond the first 25 years of *Credited Service*, but not to exceed more than five years of additional service as a *Deputy Sheriff Member*

NO *PARTICIPANT* WAS ELIGIBLE TO RETIRE UNDER THIS PROGRAM PRIOR TO DECEMBER 12, 2001

VESTED RETIREMENT BENEFIT (DSH25)

A *Participant* who discontinues service as a *Deputy Sheriff Member*, and prior to such discontinuance completes at least five but less than 25 years of *Credited Service* as a *Deputy Sheriff Member*, and has paid (prior to discontinuance) all *Additional Member Contributions* required of *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit which shall vest automatically.

The Vested Retirement Benefit becomes payable on the earliest date the *Participant* could have retired for service on the date which the member would have completed 25 years of *Credited Service*.

The Vested Retirement Benefit is:

A *Pension* of 2.2% of *FAS* for each year of *Credited Service* credited to the *Participant* at the time of discontinuance.

AUTOMOTIVE SERVICE WORKERS 25-YEAR AND AGE 50 RETIREMENT PROGRAM (AUT25)

Chapter 414 of the Laws of 2002 (previously Chapter 560 of Laws of 2001) established a 25-Year/Age 50 Retirement Program for Tier 4 members of NYCERS who were Automotive Service Worker Members on December 12, 2001. Any person who was a Tier 4 *Automotive Service Worker Member* on December 12, 2001 could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 10, 2002, provided he or she was an *Automotive Service Worker Member* on the date the application was filed. Any NYCERS' Tier 4 member who becomes an *Automotive Service Worker* after December 12, 2001 and has pre-existing Tier 4 rights, may elect to become a *Participant* in the *Program* by filing within 180 days after becoming an *Automotive Service Worker Member*, a duly executed application with NYCERS provided he or she is an *Automotive Service Worker Member* at the time of filing such application. Any person who becomes a Tier 4 Automotive Service Worker Member after December 12, 2001 is automatically enrolled in the 25-Year and Age 50 Retirement Program. Chapter 681 of the Laws of 2003 extended the provisions of this program to include seven additional titles.

SERVICE RETIREMENT BENEFIT (AUT25)

Participants may retire if they are at least age 50 with credit for 25 or more years of *Credited Service* as an *Automotive Service Worker Member*, and have paid all their *Additional Member Contributions*.

The Service Retirement Benefit is:
For the first 25 years of credited service:

A *Pension* which equals:
50% of *Final Average Salary (FAS)*
plus
an additional 2% of *FAS* for each additional year (or fraction) of Credited Service, but not to exceed more than five years

VESTED RETIREMENT BENEFIT (AUT25)

A *Participant* who discontinues service as a *Automotive Service Worker Member*, and prior to such discontinuance completes at least five but less than 25 years of *Credited Service*,, and has paid (prior to discontinuance) all *Additional Member Contributions* required of *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit which shall vest automatically.

The Vested Retirement Benefit becomes payable on the earliest date the *Participant* could have retired for service on the date which the member would have completed 25 years of *Credited Service*, and has reached age 50, as a *Automotive Service Worker Member*.

The Vested Retirement Benefit is:

A *Pension* of 2 % of *FAS* for each year (or fraction) of *Credited Service* at the time of discontinuance.

25-YEAR RETIREMENT PROGRAM FOR SPECIAL OFFICERS (SPO25)

Chapter 582 of the Laws of 2001 and Chapter 617 of the Laws of 2002 established a 25-Year Retirement Program for *Special Officer Members*. Chapter 617 of the Laws of 2002 added covered titles effective October 2, 2002 with the 180 day open period beginning on that date. Any person who was a *Special Officer Member* on December 19, 2001 (or October 2, 2002 for added titles) could elect to become a *Participant* in the *Program* by filing a duly executed application with NYCERS no later than June 17, 2002 (or March 31, 2003 for added titles), provided he or she was a *Special Officer Member* on the date such application was filed. Any member who becomes a *Special Officer Member* after December 19, 2001, (or October 2, 2002 for added titles) may elect to become a *Participant* in the *Program* by filing within 180 days after becoming a *Special Officer Member*, a duly executed application with NYCERS provided he or she is a *Special Officer Member* at the time of filing such application. Chapter 640 of the Laws of 2003 extended the provisions of this program to include Urban Park Rangers and Associate Urban Park Rangers.

Any person who becomes a Tier 4 Special Officer Member after December 19, 2001 (or October 2, 2002) is automatically enrolled in the 25-Year Retirement Program.

SERVICE RETIREMENT BENEFIT (SPO25)

Participants may eligible to retire after having credit for 25 or more years of *Allowable Service as a Special Officer Member*, regardless of age, and have paid all *Additional Member Contributions.*

The Service Retirement Benefit is:

For the first 25 years of service as a Special Officer Member:

A *Pension* which equals:

50% of *Final Average Salary (FAS)*

plus

an additional 2% of *FAS* for each year (or fraction) beyond the first 25 years of *Allowable Service as a Special Officer Member,* but not to exceed more than five years of additional *Allowable Service as a Special Officer Member*

VESTED RETIREMENT BENEFIT (SPO25)

A *Participant* who discontinues service as a *Special Officer Member*, and prior to such discontinuance completes at least five but less than 25 years of *Allowable Service* as a *Special Officer Member,* and has paid (prior to discontinuance) all *Additional Member Contributions* required of *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit which shall vest automatically.

The Vested Retirement Benefit becomes payable on the earliest date the *Participant* could have retired for service on the date which the member would have completed 25 years of *Allowable Service as a Special Officer Member*.

The Vested Retirement Benefit is:

A *Pension* of 2 % of *FAS* for each year (or fraction) of *Allowable Service* as a *Special Officer Member* credited to the *Participant* at the time of discontinuance.

25-YEAR RETIREMENT PROGRAM FOR POLICE COMMUNICATIONS (911) OPERATORS

Chapter 682 of the Laws of 2003 established a 25 Year Retirement Plan for Tier 2 and 4 members employed by the NYC Police Department as a Police Communications Technicians, a Supervising Police Communications Technicians or a Principal Police Communications Technicians. There is no age requirement in this bill.
Note: that there is a 180 day filing period for NYCERS members in covered titles who want to opt into the plan.

SERVICE RETIREMENT BENEFIT

A Participant in the program who has completed 25 or more years of *Credited Service*, paid all *Additional Member Contributions*, and files for retirement at least 30 days before it is to be effective will be eligible to receive a service retirement benefit.

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 (or fraction) beyond the first 25 years of *Credited Service* up to a maximum of 30 years.

VESTED RETIREMENT BENEFIT

A *Participant* who discontinues service as a Police Communications Operator with at least five but less than 25 years of *Credited Service*, and has paid (prior to discontinuance) all *Additional Member Contributions* required of *Program*, and does not withdraw in whole or in part his or her *Accumulated Member Contributions* will be entitled to a Vested Retirement Benefit.

The Vested Retirement Benefit becomes payable on the date the *Participant* could have completed 25 years of *Credited Service*.

The Vested Retirement Benefit is:

2 % of *FAS* for each year (or fraction) of *Credited Service*

TIER 4 OPTIONS

SELECTION OF BENEFITS WITHOUT OPTIONAL MODIFICATION (MAXIMUM RETIREMENT BENEFIT)

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 Benefit 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 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 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 beneficiary who has started to receive payments after the death of the pensioner thereafter 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 Options 1 and 2. The pensioner receives a reduced monthly lifetime benefit under a 100%, 75%, 50% or 25% of the pensioner's reduced benefit, depending on the pensioner's choice, under a 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 Benefit.

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, 2004

PART 2

FINANCIAL SECTION

New York City Employees' Retirement System

Brooklyn, New York

Financial Statement and Schedules

For Years Ended June 30, 2004 and June 30, 2003

With Independent Auditors' Report Thereon

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of Plan net assets of New York City Employees' Retirement System (the "Plan") as of June 30, 2004 and 2003, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, 2004 and 2003, and the changes in its 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). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 listed in the table of contents are required by GASB. The required supplemental information is the responsibility of the management of the Plan. Such 2004, 2003 and 2002 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 required supplemental information for the years ended June 30, 2001, 2000 and 1999 was not subjected to auditing procedures applied in the audit of the basic 2001 financial statements by other auditors whose report dated October 30, 2001, referred to above, stated that they expressed no opinion on it.

Member of
Deloitte Touche Tohmatsu

The supplemental information included in the Other Supplementary Information, Introductory, Investment, Actuarial, and Statistical sections is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Plan. Such additional information has 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 25, 2004

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2004 AND 2003

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, 2004 and 2003. 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, which begin on page 94

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 decreased by $1.3 billion (4%) from $32.8 billion as of June 30, 2002 to $31.5 billion as of June 30, 2003 and increased by $2.7 billion (8%) to $34.2 billion as of June 30, 2004. This was due to an increase in the value of the Plan's equity holdings. This is a significant increase in light of the experience of recent years where the appreciation of 2003 was minimal and the depreciation in 2002 and 2001 was over $4 billion each year.

Plan Net Assets
June 30, 2004, 2003 and 2002
(In thousands)

	2004	2003	2002
Cash	$ 33,338	$ 43,944	$ 163,358
Receivables for investments sold and accrued earnings	644,603	1,448,874	797,387
Investments, at fair value	41,196,210	36,542,302	37,481,080
Other assets and receivables	16,481	11,577	24,501
Member loans receivable	855,791	825,468	858,416
Total assets	42,746,423	38,872,165	39,324,742
Accounts payable	118,995	128,150	323,166
Payables for investments purchased	1,576,228	2,361,359	1,887,367
Accrued benefits payable	148,805	193,577	128,889
Payments due to other pension systems and funds	30,504	30,924	36,369
Payables for securities lending transactions	6,694,564	4,633,501	4,106,996
Total liabilities	8,569,096	7,347,511	6,482,787
Net assets held in trust for pension benefits	$ 34,177,327	$ 31,524,654	$ 32,841,955

The cash balances on June 30, 2004 of $33.3 million are less than the $43.9 million for June 30, 2003 and much less than the $163.4 million reported for June 30, 2002. The Plan's practice is to fully invest the cash balances in most of its bank accounts on a daily basis. Therefore, the typical benefit payment account shows an overdrawn balance since funds are only deposited each day as outstanding benefit checks are presented to the banks for payment. These overdrawn balances comprise the main component of accounts payable.

Receivables for investment and accrued earnings amounted to $644.6 million as of June 30, 2004, a decrease from $1.4 billion at June 30, 2003, which had been an increase of $651 million from $797 million at June 30, 2002. The accrued earnings did not vary much. The difference is principally comprised of receivables for securities that have been sold but have not yet settled (i.e. the cash has not been collected). Any increases or decreases result primarily from timing differences in settlement dates. Securities sold typically do not settle until a few days after the trade date.

The fair value of investments at June 30, 2004 were $41.2 billion an increase of $4.7 billion (13%) over the June 30, 2003 investment value of $36.5 billion, which had been a decrease of $939 million (3%) from $37.5 billion at June 30, 2002. As noted in the Financial Highlights section, both the Domestic and International equity markets generally experienced favorable results during this past year.

Payables for investments purchased at June 30, 2004 amounted to $1.6 billion, a decrease of $785 million from June 30, 2003 payable of $2.4 billion, which had been an increase of $474 million from the $1.9 billion payable of June 30, 2002. Investments purchased are accounted for on a trade-date basis. Any increases or decreases result primarily from timing differences in settlement dates. Securities sold typically do not settle until a few days after the trade date.

Accrued benefits payable at June 30, 2004 amounted to $149 million, a decrease of $45 million (23%) from the $194 million payable of June 30, 2003. There are two main reasons for the decline. One factor was the clearing up of the backlog of pending retirements and revisions associated with the retirement incentive program that started in the Fall of 2002. The other was the processing of death benefit revisions that was required due to a retroactive interpretation of the salary base that should have been used in calculating the benefits due on account of deceased members. These same two factors had contributed to the $65 million increase in benefits payable that occurred from June 2002 to June 2003.

Changes in Plan Net Assets
For the Years Ended June 30, 2004, 2003 and 2002
(In thousands)

	2004	2003	2002
Additions:			
Member contributions	$ 298,263	$ 311,049	$ 326,443
Employer contributions	310,589	107,993	105,660
Investment earnings:			
Interest and dividend income	979,338	955,098	1,111,076
Net appreciation (depreciation) in fair value of investments	3,862,233	193,771	(4,243,664)
Net securities lending income (loss)	13,166	(18,648)	24,682
Investment expenses	(42,971)	(29,271)	(37,633)
Net investment income gain (loss)	4,811,766	1,100,950	(3,145,539)
Other income	10,194	10,966	2,758
Total additions	5,430,812	1,530,958	(2,710,678)
Deductions:			
Benefits payments and withdrawals	2,720,536	2,806,975	2,513,374
Payments to other pension systems and funds	22,044	7,183	15,995
Administrative expenses	35,559	34,101	31,548
Total deductions	2,778,139	2,848,259	2,560,917
Net increase (decrease)	$ 2,652,673	$ (1,317,301)	$ (5,271,595)

The contributions of members have not appreciably changed over the past two years.

Employer contributions increased $203 million (188%) from $108 million during 2003 to $311 million during FY2004. In determining the contribution requirements of the employers, besides adhering to other statutory requirements, the Actuary uses a 5 year moving average of the Plan's asset values. The Plan had previously been experiencing large annual appreciation of its asset values, equities in particular. However, the last few years of equities driven declines have brought the average down to such an extent that the employers' share now needs to be increased. It should be noted that the $3.9 billion appreciation experienced in FY2004 is not yet a part of the moving average.

Net investment income for the year ended June 30, 2004 totaled $4.8 billion, compared to income of $1.1 billion in FY2003 and a loss of $3.1 billion in FY2002. These increases over the past two years were fueled by the turnaround in the overall equities markets. In FY2004, the investment portfolio experienced a net appreciation of $3.9 billion, of which equities accounted for $3.4 billion. The net appreciation in FY2003 was $193.8 million, and while equities experienced a depreciation of $422 million, it was far better than the over $4 billion depreciation that occurred in FY2002.

Benefit payments and withdrawals for the year ended June 30, 2004 totaled $2.7 billion, an $86 million (3%) decrease from the $2.8 billion of FY2003. This slight decrease from the prior year was due to the fact that much of the increase in the FY2003 benefit payments was related to one-time revisions of lump sum death benefits that were paid to beneficiaries, and were not continuing payments. The two main factors of the 12% increase in benefit payments from the $2.5 billion of FY2002 to the $2.8 billion of FY2003 were the retirement incentive during the Fall of 2002 which helped contribute to a net increase of 3,184 additional retirees, and the additional benefit expenses that were incurred in revising lump sum death benefits that had previously been paid to the beneficiaries of deceased members.

Payments to other pension systems and funds for the year ended June 30, 2004 totaled $22.0 million, an increase of $14.8 million (207%) from the $7.2 million of FY2003. This increase was primarily caused by an increase in processing the transfers to other pension systems of pending employer reserves.

Investments

The table below summarizes the NYCERS investment allocation.

Investment Summary
June 30, 2004, 2003 and 2002
(In thousands)

Type of Investment (Fair value)	**2004**	**2003**	**2002**
Short-term investments	$ 956,457	$ 1,164,737	$ 982,030
U.S. debt securities	9,022,791	8,331,402	9,814,593
Yankee (Int'l) bonds	196,615	547,078	609,946
U.S. equity securities	18,271,068	17,235,698	17,134,644
International investment fund	5,738,382	4,452,506	4,732,252
Private equity	286,405	154,798	98,026
Mortgage loans	31	150	2,593
Mortgage mutual fund	52,096	52,432	-
Promissory notes	5,617	-	-
Securities lending collateral	6,666,748	4,603,501	4,106,996
Total	$ 41,196,210	$ 36,542,302	$ 37,481,080

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, Director of Finance, New York City Employees' Retirement System, 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3751.

NEW YORK CITY EMPLOYEE'S RETIREMENT SYSTEM

STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2004 AND 2003
(In Thousands)

	2004	2003
ASSETS		
CASH	$ 33,338	$ 43,944
RECEIVABLES:		
Investment securities sold	435,656	1,249,334
Member loans	855,791	825,468
Accrued interest and dividends	208,947	199,540
Total receivables	1,500,394	2,274,342
INVESTMENTS, at fair value (Notes 2 and 3):		
Short-term investments:		
U.S. treasury bills	90,582	44,611
Commercial paper	268,154	151,435
Short-term investment fund	378,409	606,936
U.S. government agency discount notes	219,312	361,755
Debt securities:		
U.S. government	4,665,495	4,542,624
Corporate	4,357,296	3,788,778
Yankee bonds	196,615	547,078
Mortgages	31	150
Private equity	286,405	154,798
Equities - domestic	18,271,068	17,235,698
Mutual funds:		
International equity	5,738,382	4,452,506
Mortgages	52,096	52,432
Primissory notes	5,617	-
Collateral from securities lending	6,666,748	4,603,501
Total investments	41,196,210	36,542,302
OTHER ASSETS	16,481	11,577
Total assets	42,746,423	38,872,165
LIABILITIES		
Accounts payable	118,995	128,150
Payables for investment securities purchased	1,576,228	2,361,359
Accrued benefits payable (Note 2)	148,805	193,577
Amount due to Variable Supplements Funds	1,911	1,163
Due to other retirement systems	28,593	29,761
Securities lending (Note 2)	6,694,564	4,633,501
Total liabilities	8,569,096	7,347,511
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS (A schedule of funding progress for the Plan is presented on Schedule 1)	$ 34,177,327	$ 31,524,654

See notes to financial statements.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN PLAN NET ASSETS
YEARS ENDED JUNE 30, 2004 AND 2003
(In Thousands)

	2004	2003
ADDITIONS		
Contributions:		
Member contributions	$ 298,263	$ 311,049
Employer contributions	310,589	107,993
Total contributions	608,852	419,042
Investment income (Note2):		
Interest income	619,978	637,390
Dividend income	359,360	317,708
Net appreciation in fair value of investments	3,862,233	193,771
	4,841,571	1,148,869
Less:		
Investment expenses	42,971	29,271
Net income	4,798,600	1,119,598
Securities lending transactions:		
Securities lending income	52,596	45,614
Securities lending fees	39,430	64,262
Net securities lending income (loss)	13,166	(18,648)
Net investment income	4,811,766	1,100,950
Other:		
Other income	10,194	10,966
Total	5,430,812	1,530,958
DEDUCTIONS		
Benefit payments and withdrawals (Note1)	2,720,536	2,806,975
Payments to other retirement systems	19,031	4,951
Transfers due to Variable Supplements Funds' deficits	3,013	2,232
Administrative expenses	35,559	34,101
Total deductions	2,778,139	2,848,259
INCREASE (DECREASE) IN PLAN NET ASSETS	2,652,673	(1,317,301)
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS		
Beginning of year	31,524,654	32,841,955
End of year	$ 34,177,327	$ 31,524,654

See notes to financial statements.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2004 AND 2003

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 main 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, three 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, 2003 and 2002, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	2003	2002
Retirees and beneficiaries receiving benefits	128,025	123,477
Terminated vested members not yet receiving benefits	4,592	3,815
Active members receiving salary	173,434	177,511
Total	306,051	304,803

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 part of the different benefit programs, called "Tiers" (as defined) of 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 pay" (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 pay" payable for years in excess of the 20- 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 contributions provide members a means of reducing member contributions. The reduced member contributions allow the member to increase the member take home pay. The member may elect to waive the ITHP reduction and contribute the member normal rate of contribution which results in additional benefits attributable to the ITHP contributions.

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 pay."

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 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.

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.

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 Adjustment ("COLA") benefits for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000 ("Chapter 125/00")), 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 ("Chapter 126/00")).

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 Employer 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 quoted 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 Private Equity ("PE"). The IIF and PE are privately traded funds 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.

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.

No investment in any one organization represents 5% or more 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 cash balances in 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, 2004, 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. 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 statements of plan net assets for FY 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 proceeds from the defaulted issuer. In August 2004, the Plan received $5.6 million as partial settlement from parties involved in the initial purchase of the impaired security.

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.

Pronouncement Issued But Not Yet Effective – In March 2003, GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. Statement No. 40

establishes and modifies footnote disclosure requirements related to investment risks, which includes credit risk, interest rate risk and foreign currency risk. The implementation of Statement No. 40 will expand footnote disclosure regarding the Plan's investments and their related investment and deposit risks. Statement No. 40 will not impact the Plan's financial statements. Statement No. 40 is effective for financial statement periods beginning after June 15, 2004, which requires the Plan to implement its requirements for the Plan's Fiscal Year ending June 30, 2005.

New Accounting Standards Adopted

In fiscal year 2004, the Plan adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

— Statement No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*
— Statement No. 44 *Economic Condition Reporting: The Statistical Section,* an amendment of NCGA Statement 1

Statement No. 42 establishes accounting and reporting standards for the impairment of capital assets as its primary objective since current standards do not have a specific requirement to reduce the carrying value of a capital asset other than through the application of depreciation. The Statement improves financial reporting because it requires the Plan to report the effects of capital asset impairments in its financial statements when they occur rather than as a part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. Users of the Plan's financial statements will better understand when impairments have occurred and what their financial impact is on the Plan. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. Another objective of Statement No. 42 is to establish and clarify guidance for accounting for insurance recoveries which applies to all such recoveries, not just those associated with impairment of capital assets. The Statement also enhances comparability of the Plan's financial statements with other pension plans by requiring all the entities to account for insurance recoveries in the same manner.

There was no impact on the Plan's financial statements as a result of the implementation of Statement No. 42.

Statement No. 44 amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles* that guide the preparation of the statistical section whose objectives are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess the Plan's economic condition. This Statement improves the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.*

Statement No. 44 requires the following information be included in the statistical section of a separately issued pension plan report:

- Retired members by type of benefit for the current year.

- Average benefit payments for the last ten years including monthly benefit, average final salary and number of retired members organized by years of credited service in five year increments.
- Principal participating employers for multiple-employer plans for the last ten years.

Certain reclassifications have been made to the 2003 financial statements to conform to the 2004 presentation.

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. Managers are reviewed for ongoing performance and adherence to investment guidelines.

The Administrative Code of the City of New York ("ACNY") authorizes the investment of Plan assets (other than equities) subject to the terms, conditions, limitations and restrictions imposed by law for investment by savings banks.

The criteria for Plan investments are as follows:

(a) 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 and any bond on the Legal Investments for New York Savings Banks list published annually by the New York State Banking Department.

(b) Equity investments may be made only in those stocks that meet the qualifications of the State RSSL.

(c) Short-term investments may be made in the following instruments:

(i) U.S. Government securities or U.S. Government agency securities fully guaranteed by the U.S. Government.

(ii) Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investors Service, respectively.

(iii) Repurchase agreements collateralized in a range of 100% to 103% of matured value purchased through the primary dealers of U.S. Government securities.

(d) Investments in banker's acceptances and certificates of deposit may be made with any of the ten largest banks with either the highest or next to highest rating categories of the leading independent bank rating firms.

(e) Investments up to 15% of total pension fund assets may be made in instruments not specifically covered by the State RSSL.

Citibank, N.A. was the primary custodian for substantially all of the securities of the Plan for the periods prior to April 31, 2004. Bank of New York ("BONY") became custodian on April 1, 2004 to present.

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

At June 30, 2004, investments of the Plan are categorized by level of custodial credit risk (the risk that a counterparty to an investment transaction will not fulfill its obligations) as defined by GASB Statement No. 3. Category 1, the lowest risk, includes investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the entity's name. Category 3, the highest risk, includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the entity's name. Investments in mutual funds, short term investment funds, international equity funds, mortgages, guaranteed investment contracts and private equity holdings are not categorized.

Investments held by the Plan, including collateral from securities lending transactions of approximately $6.667 million and $4.604 million at June 30, 2004 and 2003, respectively, are listed according to their investment classification in the following table:

	2004	**2003**
	(In Thousands)	
Categorized (A):		
Repurchase agreements	$ 1,146,822	$ 285,671
Commercial paper	803,292	462,428
U.S. Government securities	4,756,077	4,542,624
Corporate bonds	7,920,285	5,402,533
Equity securities	18,271,068	17,235,698
Yankee bonds	201,453	547,078
U.S. Government Agency	224,973	678,207
Total Categorized	33,323,970	29,154,239
Noncategorized (B):		
Short-term investment fund	378,409	606,936
Mortgages	31	150
International investment fund	5,738,382	4,452,506
Mutual funds	52,096	52,432
Promissory notes	5,617	-
Private Equity	286,405	154,798
Other short-term investments	1,411,300	2,121,241
Total Noncategorized	7,872,240	7,388,063
Total	$ 41,196,210	$ 36,542,302

(A) All categorized investments are of Category 1 risk.

(B) These securities are not categorized because they are not evidenced by securities that exist in physical or book-entry form.

4. DUE TO VARIABLE SUPPLEMENTS FUNDS (VSFS)

The 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. With the exception of the HPSOVSF and TPSOVSF, no such transfers of assets were required on account of benefits payable for Fiscal Years 2004 or 2003. With respect to the benefits payable from HPSOVSF, for Fiscal Years 2004 and 2003, the Plan incurred expenses of approximately $2.3 million and $2.2 million, respectively. With respect to the benefits payable from TPSOVSF for Fiscal Year 2004, the Plan incurred expenses of approximately $767 thousand. Note that no transfers were required from the Plan to TPSOVSF prior to Fiscal Year 2004.

With respect to the COVSF, for Fiscal Year 2004, the expected Excess Earnings of the Plan are estimated to be equal to zero and, therefore, no transfer will be due from the Plan to the COVSF as of June 30, 2004. For Fiscal Year 2003, there were no Excess Earnings of the Plan and, therefore, no transfers were due from the Plan to COVSF as of June 30, 2003.

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-third 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 annual wages 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 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, 2003 and 2002 actuarial valuations used to determine Fiscal Years 2004 and 2003 employer contributions, respectively, were, in general, based on actuarial assumptions and methods recommended by the Actuary. Where required, the Board of Trustees of the Plan adopted those changes to the actuarial assumptions and methods that required Board approval and the State Legislature and the Governor enacted Chapter 85 of the Laws of 2000 ("Chapter 85/00") to provide for those changes to the actuarial assumptions and methods that required legislation, including the investment rate of return assumption of 8.0% per annum.

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 of projected benefits of members as of the valuation date, over the sum of the Actuarial Value of Assets plus UAAL, if any and the present value 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's normal contributions.

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, if any, provides that the UAAL be amortized over a period of 11 years beginning in Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

Additionally, the Actuarial Asset Valuation Method ("AAVM") was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan. This AAVM recognizes expected investment returns immediately and phases in investment returns greater or less than expected (i.e., Unexpected Investment Returns ("UIR")).

Under this AAVM, any UIR for Fiscal Years 2000 and later are phased into the Actuarial Asset Value ("AAV") beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (or at a cumulative rate of 10%, 25%, 45%, 70% and 100% over five years).

Chapter 70 of the Laws of 1999 established the UAAL as of June 30, 2000 for an early retirement incentive. This UAAL is being amortized on a level basis over a period of 5 years beginning in Fiscal Year 2001.

Chapter 86 of the Laws of 2000 established the UAAL as of June 30, 2001 for an early retirement incentive. This UAAL is being amortized on a level basis over a period of 5 years beginning in Fiscal Year 2002.

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 in Fiscal Year 2004.

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 provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00. 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.

Specifically, in accordance with Chapter 125/00 the Actuary in calculating the statutory contributions for Fiscal Years 2001 and 2002 included the following percentage of the increase in actuarial liabilities attributable to Chapter 125/00 COLA benefits:

Fiscal Year	**Phase-In Percent**
2001	20%
2002	40%

Chapter 278/02 revised the phase-in schedule for fiscal years 2003 and later.

Chapter 278/02 provided that, for the June 30, 2000 actuarial valuation, the Actuary is required to recognize, on a theoretical basis, only 10% of the additional actuarial liabilities created by the benefits provided by Chapter 125/00 for determining Fiscal Year 2001 Employer contributions.

For each of the next eight June 30 actuarial valuations (i.e., June 30, 2001 to June 30, 2008), the Actuary is required to recognize progressively increasing percentages (i.e., 20% to 90%) of the additional actuarial liabilities attributable to Chapter 125/00 for determining the Fiscal Year 2002 to Fiscal Year 2009 Employer contributions.

For the June 30, 2009 and later actuarial valuations, the Actuary is required to recognize the full amount of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Years 2010 and later Employer contributions.

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

Statutory contributions for Fiscal Years 2004 and 2003 were equal to the amounts calculated by the Actuary in accordance with Chapter 125/00 and Chapter 278/02. These contributions were less than the annual pension costs computed in accordance with GASB Statement No. 25 due to the phase-in schedule for funding provided by Chapter 125/00 and Chapter 278/02.

6. MEMBER LOANS AND CHANGE IN ACCOUNTING

In general, members are permitted to borrow up to 75% of their own contributions, including accumulated interest. Prior to Fiscal Year 2002, the Plan accounted for loan repayments as additions to member's contribution accounts and loan disbursements as reductions from these accounts. The balance of member loans receivable at June 30, 2004 is $855.8 million and $825.5 million at June 30, 2003.

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, 1996, authorized the Board of Trustees to draw upon its assets to pay the administrative expenses incurred by the Plan. Prior to that year, the City had paid all administrative expenses. In Fiscal Year 2004, the total non-investment expenses attributable to the Plan were approximately $39.0 million, of which $35.6 million were paid from the assets of the Plan and $3.4 million were incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office. In Fiscal Year 2003, total non-investment expenses attributable to the Plan were approximately $38.2 million, of which $34.1 million was paid from the assets of the Plan and $4.1 million was incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office. Investment expenses charged to the investment earnings of the Plan, exclusive of fees related to securities lending transactions, amounted to approximately $43.0 million and $29.3 million for the years ended June 30, 2004 and 2003, 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 Ended	Minimum Rental Payments
2005	$ 3,211,379
2006	3,586,075
2007	3,586,075
2009	3,586,075
2009	3,586,075
2010 - 2014	20,053,650
2015 - 2019	22,339,430
2020	3,401,502

Rent expense for the Fiscal Years ended June 30, 2004 and 2003 was approximately $3.8 million and $3.4 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. The Plan 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 existing 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 2004 and 2003, certain events took place, which, in the opinion of Plan management, could have the effect of increasing benefits to members and/or their beneficiaries. 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 Gabriel Roeder Smith & Company ("GRS") dated October 2003 and analyzed experience for Fiscal Years 1998 through 2001. The Actuary is currently reviewing this study and may recommend changes to the actuarial assumptions and methods applicable to the determination of the Fiscal Year 2005 Employer contribution.

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 recommended by the Actuary for use in the determination of Employer contribution.

Based upon a review of the October 1999 independent actuarial study, the Actuary proposed changes to certain actuarial assumptions and methods to be used by the NYCRS for Fiscal Years beginning on and after July 1, 1999 (i.e., Fiscal Years beginning 2000). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions and methods that required Board approval and the State Legislature and the Governor enacted Chapter 85/00 to provide for those changes to the actuarial assumptions and methods that required legislation, including the investment rate of return assumption of 8.0% per annum.

New York State Legislation **-** Chapter 516 of the Laws of 2003 provides an accidental disability benefit equal to 75% of Final Average Salary (based on a five year average) for certain Tier 4 members employed as Deputy Sheriffs.

Chapter 640 of the Laws of 2003 adds two new titles, Urban Park Rangers and Associate Urban Park Rangers, to the Special Officers 25 Year Improved Benefit Pension for Tier 1, 2 and 4 members.

Chapter 681 of the Laws of 2003 extends the provisions of the 25 Year/Age 50 Automotive Service Workers Retirement Program to members employed in automotive positions in the following titles: Senior Stationary Engineer, Stationary Engineer, Auto Mechanic (Diesel), Auto Electrician, Auto Machinist, Machinist or Machinist Helper.

Chapter 682 of the Laws of 2003 established a 25 Year Retirement Plan for Tier 2 and Tier 4 members employed by the NYC Police Department as a Police Communications Technician, a Supervising Police Communications Technician or a Principal Communications Technician.

Chapter 693 of the Laws of 2003 lengthens the period of time Triborough Bridge and Tunnel Authority members can pay off deficits incurred pursuant to the provisions of the 20 Year/Age 50 Retirement Program and clarifies the definition of what constitutes pensionable compensation.

Chapter 133 of the Laws of 2004 extends certain provisions of Chapter 85/00 through Fiscal Year 2005. Thus, for Fiscal Year 2005, the interest rate to use for Tier 1 and Tier 2 member contributions and ITHP Reserves remains at 8.25% per annum. The investment rate of return assumption for determining Employer Contributions for Fiscal Year 2005 remains at 8.0% per annum until and unless changed following the recommendation of the Actuary and the actions by the Board of Trustees, the State Legislature and the Governor.

* * * * * *

Schedule 1

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
(IN CONFORMITY WITH THE PLAN'S FUNDING METHOD)
(In Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date June 30	Actuarial Asset Value (AAV) (A)	Actuarial Accrued Liability (AAL)* (A) & (B)	Unfunded AAL (UAAL) (C)(2)-(1)	Funded Ratio (1)÷(2)	Covered Payroll	UAAL as a Percentage of Covered Payroll (3)÷(5)
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
2001	43,015,355	43,087,570	72,215	99.8	8,515,270	0.8
2000	42,393,627	42,418,749	25,122	99.9	7,871,003	0.3
1999	40,936,024	40,936,024	-	100.0	7,593,156	-

Notes:

* Frozen Entry Age (1998), Frozen Initial Liability (1999-2003).

(A) As of June 30, 1995 and June 30, 1999, the economic and noneconomic assumptions were revised due to experience reviews. The Actuarial Asset Valuation Method (AAVM) was changed as of June 30, 1995 and 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, 1995 and June 30, 1999.

Under the AAVM as of June 30, 1995, the AAV was reset to Market Value (i.e., "Market Value Restart"). Prior to June 30, 1995, this AAVM recognized expected investment returns immediately and phased in investment returns greater or less than expected (i.e., UIR) over five years at a rate of 20% per year (or at a cumulative rate of 20%, 40%, 60%, 80% and 100% over five years).

The AAVM used as of June 30, 1996 was a modified version of that used prior to June 30, 1995.

(Schedule of Funding Progress is continued to the next page)

Schedule 1

(Schedule of Funding Progress continued from the previous page)

Under this modified AAVM, any UIR for Fiscal Years 1997 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 at a cumulative rate of 10%, 25%, 45%, 70% and 100% over five years). The UIR for Fiscal Year 1996 was phased in beginning June 30, 1996 at a cumulative rate of 20%, 35%, 45%, 70%, and 100% over five years.

Under the AAVM as of June 30, 1999, any UIR for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25%, and 30% per year (or at a cumulative rate of 10%, 25%, 45%, 70% and 100% over 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 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 actuarial accrued liability, 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

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
(In Thousands)

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2004	$ 542,229	57.3%
2003	197,824	54.6
2002	105,660	100.0
2001	100,025	100.0
2000	68,620	100.0
1999	179,117	100.0

The statutorily-required contributions of $310.6 million and 108.0 million for Fiscal Years 2004 and 2003, respectively, were computed in accordance with Chapter 125/00 which provides 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.

Schedule 3

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of June 30, 2003 and June 2002. These actuarial valuations were used to determine Employer Contributions for Fiscal Years 2004 and 2003, respectively. Additional information as of the last two actuarial valuations follows:

	June 30, 2003	June 30, 2002
Actuarial cost method	Frozen Initial Liability.[1]	Frozen Initial Liability.[1]
Amortization method for Unfunded Actuarial Accrued Liabilities[2]	Level dollar for UAAL attributable to 1999, 2000 and 2002 (Part A only) Early Retirement Incentive ("ERI"). All outstanding components of UAAL are being amortized over closed periods.	Level dollar for UAAL attributable to 1999 and 2000 Early Retirement Incentive ("ERI"). All outstanding components of UAAL are being amortized over closed periods.
Remaining amortization period	2 years for 1999 ERI and 3 years for 2000 ERI and 5 years for 2002 ERI (Part A only).	3 years for 1999 ERI and 4 years for 2000 ERI.
Actuarial asset valuation method	Modified 5-year moving average of market values with market value restart as of June 30, 1999.	Modified 5-year moving average of market values with market value restart as of June 30, 1999.
Actuarial assumptions:		
Investment rate of return	8.0% per annum.[3]	8.0% per annum.[3]
Post-retirement mortality	Tables based on recent experience.	Tables based on recent experience.
Active service: withdrawal, death, disability, service retirement	Tables based on recent experience.	Tables based on recent experience.
Salary increases	In general, merit and promotion increase plus assumed general wage increases of 3.0% per year.[3]	In general, merit and promotion increase plus assumed general wage increases of 3.0% per year.[3]
Cost-of-living adjustments	1.3% per annum.[3]	1.3% per annum.[3]

[1] 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.

[2] In conjunction with Chapter 85 of the Laws of 2000, there is an amortization method. However, the initial UAAL for the Plan equaled $0 and no amortization period was required. There are amortization periods for UAAL established after that date.

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

Schedule 4

SUMMARY OF ADMINISTRATIVE EXPENSES (unaudited)

Fiscal Year Ended June 30, 2004

Expenses Incurred Directly By NYCERS		
Personal Services		
Employee Compensation	$22,546,428	
Temporary Personnel Services	85,076	**$22,631,504**
Professional Services		
Medical Board & Medical Consultants	559,186	
Steno for Medical & Trustees' Board	63,068	
Data Processing Consultants	2,445,251	
NY State Insurance Examiners	55,007	
Other Consultants	2,288.	**3,124,800**
Communication		
Printing	142,853	
Postage	308,198	
Telephone	394,340	**845,391**
Rentals		
Office & Storage Space	3,666,217	
Data Processing	526,326	**4,192,543**
Other		
Office & Data Processing Equipment	1,276,368	
Equipment Maintenance	491,794	
Facilities Services	846,058	
Office Supplies & Services	761,967	
Depreciation	1,430,000	
Reimbursement of expenses paid or services rendered		**(41,344)**
Total Direct NYCERS' Expenses		**35,559,081**
Expenses Incurred By Other City Agencies		
Office of the Comptroller	2,557,052	
Law Department	664,720	
Office of Management and Budget	202,144	
Total NYCERS' Expenses Incurred By The City Of New York		**3,423,916**
Total Administrative Expenses		**$38,982,997**

Schedule 5

SCHEDULE OF PAYMENTS TO CONSULTANTS (unaudited)
For Fiscal Year Ended June 30, 2004

Firm	Nature of Services	Fee
AECC	Accounting software support	$ 2,288
American Eagle	Computer services	3,200
Anacomp	Computer services	27,111
Apogee Software Systems	Computer services	31,133
Auburn Technical Services	Computer services	5,390
Automation & Validation (AVS)	Computer services	2,100
Bottom Line Technologies	Computer services	1,830
Computer Generated Solutions	Computer services	204,849
Computer Horizon	Computer services	213,850
First Technology	Computer services	7,624
Gartner Consulting	IT strategy development	47,293
IBM	Computer services	692,837
SBC Data Comm Integrated Solutions	Computer services	10,935
Tower Technology/ Vignette Corp.	Imaging system design	279,068
Vanguard (Garvan)	Internet design and development	183,783
Venturi Technology Partners	Computer services	42,761
Xyant Technology	Computer services	156,365
Total		**$ 1,912,417**

Those readers desiring information on fees paid to investment professionals should refer to the Schedule of Fees Paid to Investment Advisors and Consultants.

Schedule 6

SCHEDULE OF INVESTMENT EXPENSES (unaudited)
Fiscal Year Ended June 30, 2004

Investment Expenses Paid from the Investment Earnings of the Plan:		
FEES PAID TO INVESTMENT ADVISORS FOR FY2003 SERVICES		**$39,631,419**
See Table of Fees Paid to Investment Advisors on Page *132*		
Fees Paid to Investment Consultants		
Callan Associates	$292,000	
Pacific Corporate Advisors	652,547	
Total Investment Consultant Fees		**944,547**
Other miscellaneous investment expenses		**2,394,751**
Total Investment Expenses Paid Directly by the Plan		**42,970,717**
Fee Expenses Related to Securities Lending Transactions		**39,429,766**
Total Investment Expenses and Fees Paid Directly by the Plan		**82,400,483**
Investment Expenses Paid by the NYC Comptroller as Custodian of the Funds of the Plan:		
Custodial Fees	964,123	
Other Financial Services	55,470	
		1,019,593
TOTAL INVESTMENT EXPENSES AND FEES		**$83,420,076**

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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, 2004

PART 3

INVESTMENT SECTION

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, Transit 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. In recent years, through a fund involving only New York City pension plans, the *Plan* has invested in international equities in both traditional and emerging markets. The Trustees have also authorized allocations to the private equity sector.

- 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.

- 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 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 over 10,000 housing units and other properties, primarily in lower and moderate-income neighborhoods. These investments are primarily guaranteed by government agencies such as GNMA or FNMA. In addition, newer investments have 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.

- 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.

REPORT ON INVESTMENT ACTIVITY AND POLICIES

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 valued at fair value. Traded securities are stated at the last reported sales price on a national securities exchange, on the last business day of the fiscal year. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold.

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 & Pool's Corporation and Mode'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 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 bankers' acceptances certificates of deposit, and time deposits are limited to banks with world-wide assets in excess of $50 billion that are rated within the highest categories of the leading bank rating services and selected regional banks 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 15.0% of total pension fund assets may be made in instruments not specifically covered by the NY State Retirement and Social Security Law.

REPORT ON INVESTMENT ACTIVITY AND POLICIES

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

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

Listings of the Plan's investments are available for inspection at the offices of the Plan.

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 2004 the fair value of the investment portfolio appreciated $4.8 billion as compared to $193 million in 2003. In contrast, during 2002 and 2001, the fair value of the investment portfolio depreciated $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
2004	88	6	6
2003	73	7	20
2002	(116)	12	4
2001	(113)	3	10
2000	90	2	8
1999	91	3	6
1998	93	3	4
1997	94	3	3
1996	91	4	5
1995	88	9	3

It is important that, in the long run, 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. It oftentimes allows the employer to decrease its gross contribution, as well as its relative share. This is of vital importance, as municipal employers are striving to contain costs in the face of decreased Federal and State aid. 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 continue to grow along with the rest of the national and international economies.

The total return on *Plan* assets during 2004 was 16.3%.

Domestic Equities, which comprise 44% of the total portfolio, returned 20.5%, which matches the Russell 3000 benchmark of 20.5%. Merrill Lynch, BGI, and Amalgamated passively manage 88% of the domestic equity portfolio. Seventeen other managers, who vary in their investment approach, such as specializing in value or growth or small capitalization stocks, actively manage the remaining 12%.

The International Equity portfolio is externally managed as part of a fund that only includes NYC retirement systems as shareholders. It makes up 14% of the total portfolio, and it contributed a return of 29.1%. This was lower than the EAFE index of 32.4%.

The U.S. Long-term Fixed Income segment, externally managed and constituting 22% of the portfolio, returned .83%. This was higher than the NYC Core Plus Five Index of .43%.

The Short-Term Investment return of 1.0% is significantly lower than all past years. The *Plan's* Targeted Investment segment returned 1.8%.

All investment results are time-weighted rates of return that are reported gross of fees, and in accordance with the standards of the Association for Investment Management and Research (AIMR).

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.

INVESTMENT SUMMARY AS OF JUNE 30, 2004
(in thousands of dollars)

Type of Investment	Market Value as of June 30, 2004	Percent of Total Market Value
Short Term Investments	**$956,457**	**2.3%**
Fixed Income Debt Securities - Long Term		
U.S. Government Bonds	4,665,495	11.3%
Corporate Bonds	4,357,296	10.6%
International Bonds	196,615	0.5%
Mortgages	31	0.0%
Total Fixed Income Debt Securities- Long Term	**9,219,437**	**22.4%**
Total Fixed Income	**10,175,894**	**24.7%**
Private Equity Holdings	286,405	0.7%
Equities - domestic	18,271,068	44.4%
Mutual Funds:		
International - equities	5,738,382	13.9%
Mortgages	52,096	0.1%
Total Mutual Funds	**5,790,478**	**14.0%**
Promissory Notes	5,617	0.0%
Collateral From Securities Lending	6,666,748	16.2%
Total Investments	**41,196,210**	**100.0%**

ANALYSIS OF CASH AND INVESTMENT HOLDINGS
(in millions of dollars)

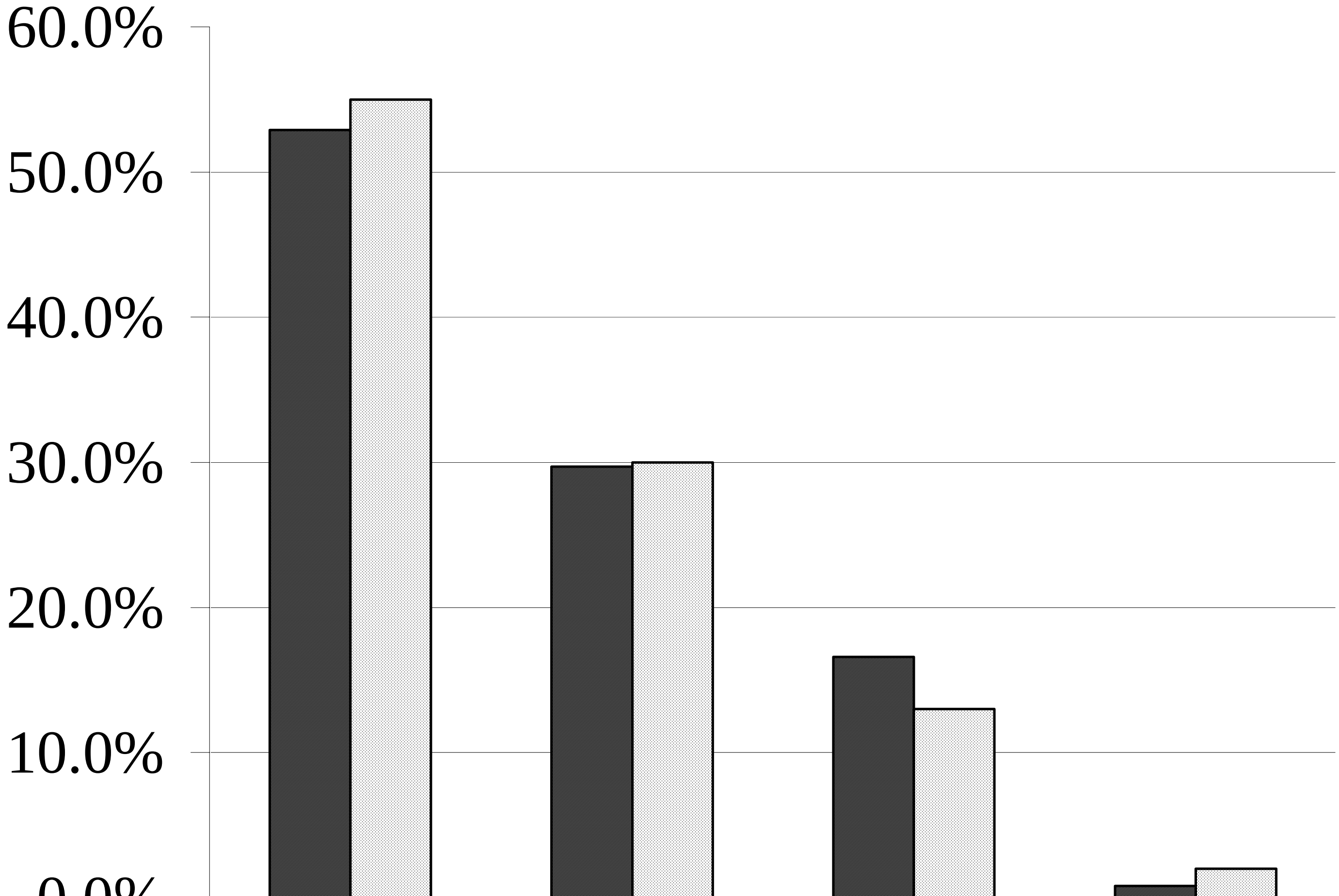
Security Holdings	June 30, 2004		June 30, 2003	
	Market Value	Per Cent	Market Value	Per Cent
1. U.S. Government Bonds	$4,666	11.3	$4,543	12.4
2. Foreign Bonds, Corporate Bonds	4,554	11.0	4,336	11.9
3. Mutual Funds	5,790	14.0	4,505	12.3
4. Equity Securities	18,557	45.0	17,390	47.5
5. Cash and Equivalents	995	2.4	1,209	3.3
6. Collateral from Securities Lending	6,667	16.2	4,603	12.6
TOTAL	$41,229	100.0	$36,586	100.0

Debt Securities and Mortgages are stated at market value. Equity Securities are stated at the last reported sales price on a national securities exchange, on the last business day of the fiscal year. Securities purchased pursuant to agreements to resell, included in the Cash and Equivalents category, are carried at the contract price, exclusive of interest, at which the securities will be resold. Collateral from Securities Lending is carried at the amount of cash collateral received for such transactions.

I hereby certify that the above Analysis of Cash and Investment Holdings was prepared under my direction. I also certify that, to the best of my knowledge and belief, said Analysis represents the true financial conditions of June 30, 2004 and June 30, 2003, as to the accumulated cash and investment securities of the New York City Employees' Retirement System and the New York City Public Employees' Group Life Insurance Plan.

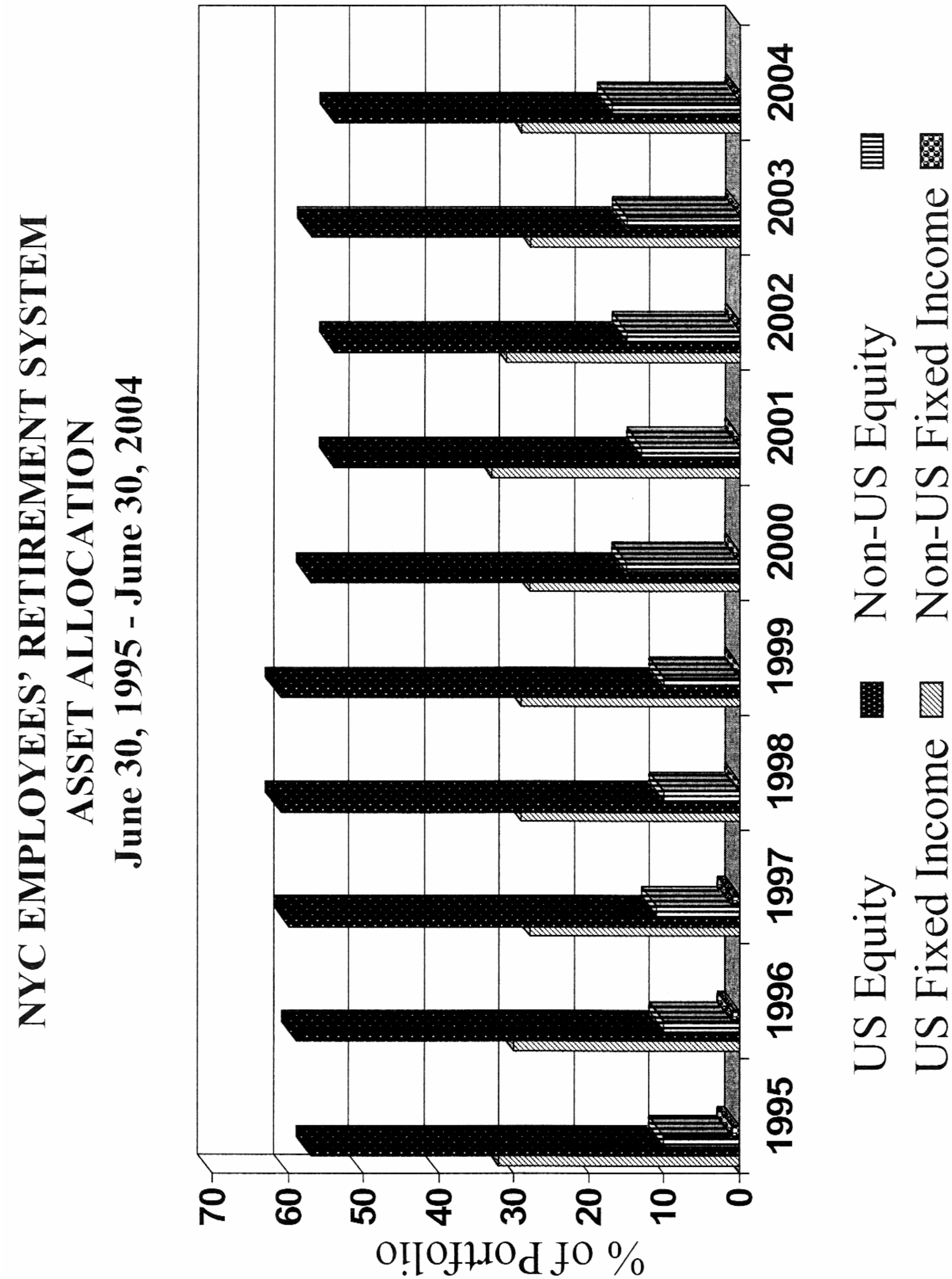
William C. Thompson Jr.
Comptroller
City of New York

ASSET ALLOCATION AND POLICY MIX



	U.S. Equity	U.S. Fixed Income	Int'l Equities	Alternative Investments
Asset Mix	**52.9%**	**29.7%**	**16.6%**	**0.8%**
Policy Mix	**55.0%**	**30.0%**	**13.0%**	**2.0%**

(as of June 30, 2004)


NYC EMPLOYEES' RETIREMENT SYSTEM
ASSET ALLOCATION
June 30, 1995 - June 30, 2004
% of Portfolio
0
10
20
30
40
50
60
70
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
US Equity
Non-US Equity
US Fixed Income
Non-US Fixed Income

LIST OF LARGEST EQUITY HOLDINGS

(By Market Value)
June 30, 2004

	Shares	Stock	Fair Value	Percent of Equities
1	6,234,609	General Electric Company	475,920,490	2.60%
2	3,863,311	Exxon Mobil Corp.	406,432,815	2.22%
3	5,420,099	Microsoft Corp.	377,682,981	2.07%
4	4,528,700	Pfizer Inc.	370,934,179	2.03%
5	3,054,915	Citigroup Inc.	336,347,427	1.84%
6	3,820,774	Intel Corporation	253,688,243	1.39%
7	1,204,356	Bank America Corp.	240,931,841	1.32%
8	1,367,777	American International Group Inc.	234,396,938	1.28%
9	1,753,638	Johnson & Johnson	232,094,325	1.27%
10	3,994,107	Cisco Systems Inc.	229,176,535	1.25%
11	995,575	Int'l Business Machines Corp.	207,771,313	1.14%
12	1,515,002	Wal-Mart Stores Inc.	207,263,809	1.13%
13	1,518,448	Proctor & Gamble Company	198,866,271	1.09%
14	1,246,024	Coca-Cola Company	154,822,766	0.85%
15	1,312,593	Merck & Company	146,572,413	0.80%
16	1,636,442	Verizon Communications Inc.	142,367,081	0.78%
17	632,131	Chevron Texaco Corp.	141,954,395	0.78%
18	1,224,382	Altria Group Inc.	141,036,846	0.77%
19	996,849	Wells Fargo & Company	136,510,147	0.75%
20	1,008,371	Pepsico Inc.	128,516,947	0.70%
21	1,495,484	Dell Inc.	128,278,011	0.70%
22	1,956,366	SBC Communications Inc.	112,922,696	0.62%
23	1,253,232	J.P. Morgan Chase & Company	111,943,025	0.61%
24	1,324,353	Home Depot Inc.	111,782,458	0.61%
25	2,633,501	Time Warner Inc.	109,650,486	0.60%
26	462,000	3M Company	102,061,439	0.56%
27	575,550	Federal Nat'l Mortgage Assn.	100,156,971	0.55%
28	585,990	Eli Lilly & Company	100,050,158	0.55%
29	751,180	Amgen Inc.	99,149,161	0.54%
30	1,802,635	Hewlett Packard Company	91,900,523	0.50%
31	776,669	Wachovia Corp.	87,054,060	0.48%
32	921,340	Abbott Laboratories	85,855,682	0.47%
33	478,600	Qualcomm Inc.	84,389,985	0.46%
34	666,545	American Express Company	82,684,652	0.45%
35	649,281	Morgan Stanley Group Inc.	81,227,014	0.44%
36	716,051	Medtronic Inc.	80,970,496	0.44%
37	904,781	Viacom Inc.	80,762,777	0.44%
38	414,942	Conoco Phillips	78,238,294	0.43%
39	645,199	Bank One Corp.	76,798,503	0.42%
40	1,212,277	Disney (Walt) Company	75,563,397	0.41%
			6,644,727,550	36.34%

LIST OF LARGEST BOND HOLDINGS

(By Market Value)
June 30, 2004

	Security Description	Fair Value	Percent of Long Term Fixed Income
1	FNMA Securities	$1,920,706,689	20.83%
2	Federal Home Loan Corp.	1,021,636,911	11.08%
3	U.S. Treasury Securities	1,039,932,048	11.28%
4	GNMA Securities	414,199,559	4.49%
5	Citigroup & subsidiaries	89,986,545	0.98%
6	General Motors & subsidiaries	76,885,739	0.83%
7	Community / Economic Development Bonds	70,701,245	0.77%
8	Ford Motor Company	60,157,093	0.65%
9	American Express	58,196,358	0.63%
10	Wells Fargo Inc.	52,917,339	0.57%
11	AFL-CIO Housing Investment Trust	52,418,155	0.57%
12	United Mexican States	50,884,905	0.55%
13	General Electric Company	48,283,041	0.52%
14	Bank America Corp.	47,490,053	0.52%
15	Lehman Brothers	46,092,014	0.50%
16	Daimler Chrysler North America	45,719,309	0.50%
17	Structured Asset Securities Corp.	44,885,466	0.49%
18	Morgan Stanley & subsidiaries	44,339,038	0.48%
19	AT&T & subsidiaries	41,746,636	0.45%
20	Bear Stearns Inc.	38,467,272	0.42%
21	Student Loan Marketing Assoc.	37,444,677	0.41%
22	Goldman Sachs Group	36,814,402	0.40%
23	Resolution Funding Corp.	35,712,248	0.39%
24	Int'l Bank for Reconstruction & Development	33,159,431	0.36%
25	Credit Suisse First Boston USA	32,128,644	0.35%
26	Household Finance Corp.	31,847,724	0.35%
27	J.P. Morgan Chase & subsidiaries	30,981,698	0.34%
28	Sprint Capital Corp.	29,896,109	0.32%
29	Time Warner / AOL Inc.	29,354,369	0.32%
30	EOP Operating LP	27,473,137	0.30%
31	Tennessee Valley Authority	27,377,034	0.30%
32	Capital One	27,297,578	0.30%
33	Merrill Lynch & Company	27,113,232	0.29%
34	British Telecommunications PLC	26,823,069	0.29%
35	NEXTEL Partners Inc.	26,253,913	0.28%
36	Residential Accredited Loans Inc.	26,142,021	0.28%
37	MBNA Inc.	26,096,595	0.28%
38	Georgia Pacific Company	25,885,855	0.28%
39	Deutsche Telekom Int'l	25,436,654	0.28%
40	CSC Holdings Inc.	25,228,963	0.27%
		$5,854,112,768	**63.50%**

This table lists the issuers of NYCERS' 40 largest long term fixed – income securities.
For most issuers, the amount shown is comprised of multiple securities withvarious maturities and interest rates.

SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

	Assets under Management (in millions) as of June 30, 2004	Fees
Fees Paid Out of Investment Income		
Investment Managers' Fees:		
Fixed Income Managers:		
Blackrock (Corporate)	$ 533.69	$ 251,299
Blackrock (Mortgages)	752.94	404,239
Fischer, Francis, Trees, & Watts (Int'l)	301.50	186,638
Lincoln Capital Mgt. Co. (Mortgages)	834.11	619,041
Lincoln Capital Mgt. Co. (Gov't)	802.88	158,032
Loomis, Sayles & Company, LP (Enhanced)	335.59	1,466,607
MDL Capital Management, Inc. (Gov't)	145.90	111,490
Pacific Investment Mgt. Co. (Gov't)	244.76	242,366
Pacific Investment Mgt. Co. (Mortgages)	834.32	822,477
Progress Investment Management	67.22	286,700
Prudential (Int'l)	303.25	120,918
Prudential (Corporate)	377.30	150,309
SEIX (Enhanced)	288.81	581,428
Shenkman (Enhanced)	289.09	857,552
State Street Bank & Trust Co. (Gov't)	240.30	47,934
T. Rowe Price Associates, (Enhanced)	296.64	878,309
T. Rowe Price Associates, (Corporate)	496.91	292,024
Taplin, Canida & Habacht (Corporate)	588.79	500,962
TCW	765.57	853,475
W. R. Huff Asset Management, (Enhanced)	291.01	1,110,514
Total Fixed Income	**8,807.60**	**9,901,050**
Domestic Equity Managers		
Aeltus (Enhanced Index)	324.43	375,353
Amalgamated (S&P 500 Index)	1,372.31	6,480
Ariel Capital (small cap)	100.21	345,645
Ariel Capital (mid-cap)	147.89	478,590
BGI (Russell 3000)	7,491.78	236,276
Chicago Equity Partners	46.68	127,894
Emerald Advisors	28.49	113,269
FIS Funds Management	125.37	694,021
Forstmann-Leff Associates	97.28	283,982
Franklin Portfolio Associates	45.87	238,892
Gabelli Asset	47.14	481,032
JP Morgan (Enhanced Index)	310.61	37,166
Merrill Lynch Asset Management	7,314.86	98,988
Merrill Lynch (S&P 500 Index)	0.85	15,212
Navellier	61.43	223,290
New Amsterdam	67.35	185,519
Progress Investment Management Co.	247.58	1,257,191
Rothschild Asset Management	102.01	598,896
Seneca Capital Management	136.92	461,732
Wells Capital	61.73	358,007
Westpeak (Enhanced Index)	134.15	174,194
Zevenbergen Capital, Inc.	90.89	246,760
Total Domestic Equities	**18,355.83**	**7,038,389**

SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

International Equity Active Advisors		
Bank of Ireland Asset Management	$ 620.83	$ 1,038,034
Barclays' Global Investor, NA	1,211.69	98,306
Capital Guardian Trust Company	1,220.14	2,491,064
Delaware Management Company	539.16	1,385,875
GE Asset Management	572.00	1,212,297
Invista Capital Management	-	91,759
Oechsle International Advisors	380.87	800,324
Putnam Advisory Company	1.29	139,636
Rowe Price Fleming	656.43	1,941,040
SpruceGrove Investment Management Ltd.	535.81	1,023,845
Total International Equity	**5,738.22**	**10,222,180**
Alternative Investment Managers		
Allegra Capital	9.23	600,000
Apollo Investment Fund	14.82	570,238
Ares Corporate Opportunities	15.11	1,088,867
BDCM Opportunity Fund	25.04	575,000
Blackstone IV	12.59	487,966
Canyon Johnson	7.47	681,980
Caryle Partners	36.08	467,232
City Investment Fund	4.31	1,074,004
Cypress Merchant Banking Partners	32.75	750,514
FDG Capital Partners	13.27	351,183
Freeman Spogli V LP	0.98	375,000
Lincolnshire Equity Fund	11.61	400,000
Lumina Ventures	3.59	500,000
New Mountain Partners	12.09	341,184
Ripplewood Partners	1.42	357,577
RRE Ventures	6.42	500,000
SCP Private Equity Partners	12.66	600,000
Silver Care Partners	0.00	76,327
Solera Partners	6.89	465,594
Tishman Speyer	26.96	800,000
VS & A Fund Management Corp.	31.51	630,029
Yucaipa American Alliance Fund	0.00	777,105
Total Alternative Investment Fees	**284.80**	**12,469,800**
Total Advisor Fees Paid from NYCERS Investment Income		**39,631,419**
Fees Paid to Investment Consultants		
Callan Associates, Inc.	N/A	292,000
Pacific Corporate Advisors, Inc.	N/A	652,547
Total Consultant Fees	N/A	**944,547**
Total Fees Paid to Investment Advisors & Consultants		**$ 40,575,966**

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2004

Brokerage Firm	Number of Shares Traded	Total Commissions
Abel Noser Corp.	2,359,879	$ 93,492
Access Securities Inc.	201,200	8,004
Adams Harkness & Hill	159,700	7,157
Advest Inc.	50,101	1,702
Aegis Capital Corp.	900	0
Allen & Company Inc.	4,600	138
American Technology Research Inc.	36,500	1,825
Archipelago	5,400	108
Arnhold & S. Bleichroeder Inc.	8,300	249
Avian Securities Inc.	5,700	285
Baird (Robert W) & Company	628,810	30,957
Banc America Securities LLC	1,303,901	16,880
Barrington Research Associates	6,530	327
Bear Stearns & Company	5,523,711	188,154
Berean Capital Inc.	120,600	5,355
Bernstein (Sanford C). & Company	805,950	35,181
BHF Securities Corp.	4,300	90
Blackburn & Company	59,400	2,629
Blackwatch Brokerage Inc.	127,200	5,734
Blair (William) & Company	518,725	24,555
Blaylock & Partners, L.P.	804,700	17,618
BMO Nesbitt Burns Corp	93,926	4,124
BNY Brokerage Inc.	2,630,577	55,199
BOE Securities Inc.	142,496	7,125
Boston Institutional Services	219,000	10,950
Brean, Murray, Foster Securities	38,750	1,698
Bridge Trading Company	1,945,121	81,641
Broadcort Capital Corp.	70,950	1,335
Brock House & Cooper Inc.	57,400	2,870
Brown Brothers, Harriman & Company	63,023	2,948
BT Alex Brown Inc.	4,208,206	65,959
BTN Research / Equity	75,970	3,799
B-Trade Services LLC.	6,650,665	183,485
Buckingham Research Group	198,900	9,565
Burns Fry Hoare Govett Inc.	205,599	9,550
Cantor, Fitzgerald & Company,	2,534,154	72,218
Capital Institutional Services	3,397,874	130,065
Charles, Schwab & Company	323,466	11,912
Cheevers & Company	29,700	1,485
CIBC Oppennheimer Corp.	805,897	37,007
CIBC World Markets Corp.	219,730	10,245
Citation Group	383,633	15,062
Citibank Fx Transactions	3,100	66
Citigroup Global Markets	1,755,826	55,635
CJS Securities	2,000	100
Correspondent Services Corp.	69,240	3,385
Cowen & Company	929,110	41,644
Credit Lyonnais Securities Lending	27,900	667

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2004

Brokerage Firm	Number of Shares Traded	Total Commissions
Credit Suisse First Boston	8,032,142	214,991
Cruttenden & Company	26,400	1,320
Dain Rauscher Inc.	954,900	45,384
Davidson (D.A) & Company	77,900	3,895
Dean Witter Reynolds Inc.	78,300	2,510
Deutsche Bank Alex Brown	23,299,158	41,803
Dowling & Partners Securities	800	24
Edwards (A.G) & Sons	184,945	9,122
Evans & Company	10,000	0
Execution Services Inc.	577,779	28,772
Factset Data Systems Inc.	557,650	27,492
Fahnestock & Company	177,800	1,783
Ferris, Baker, Watts	1,300	50
Fidelity Capital Markets	121,100	4,132
Financial Northeastern Securities	1,312	66
Firserv Securities Inc.	2,137,900	10,720
First Albany Corporation	415,316	18,410
First Analysis Securities Corp.	10,700	535
First Clearing Corporation	252,400	3,100
First Options Chicago	225	3
First Southwest Company	290,997	11,412
First Union Capital Markets	794,553	35,163
Fleet Securities Inc.	18,230	902
Fox-Pitt Kelton Inc.	45,570	1,736
Friedman, Billngs & Ramsey	84,580	4,229
Fulcrum Global Partners	500,791	22,887
Gardner Rich & Company	1,386,000	46,524
Gerard, Klaeur, Mattison	66,200	3,198
Goldman,Sachs & Company	22,673,268	393,832
Greentree Brokerage Services	1,123,384	44,181
Griswold Company	274,850	9,032
Guzman & Company	161,580	5,664
Harborside Securities	38,845	1,165
Haynes (A.H.) & Company	68,960	3,448
Heflin & Company	99,400	1,010
Henderson Brothers Inc.	347,235	11,247
Hoenig & Company Inc.	30,100	1,505
Howard, Weil, Labouisse	55,800	0
Instinet Corporation	7,858,372	155,372
Institutional Services Unlimited	241,700	12,019
Intersecurities Inc.	10,300	515
Investment Technology Group	17,334,404	344,333
ISI Group Inc.	801,095	28,668
Ivy Securities Inc.	1,480	74
J. P. Morgan Securities Inc	2,639,762	109,263
Jackson Partners & Associates	2,478,800	91,604

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2004

Brokerage Firm	Number of Shares Traded	Total Commissions
Jackson Securities Inc	39,200	1,960
Janney Montgomery Scott Inc.	133,595	6,496
Jefferies & Company, Inc.	2,954,386	99,185
JMP Securities	295,939	12,959
JNK Securities Inc.	13,100	262
Johnson Rice & Company	143,900	7,021
Jones & Associates, Inc.	987,498	35,991
Kalb, Voorhis & Company	8,400	358
Keefe, Bruyette & Woods Inc.	316,026	11,087
King, Cl, & Associates	2,739,175	124,408
Knight Securities	244,321	3,270
Labranche Financial Services	138,300	3,801
Lazard Freres & Company	80,025	2,111
Leerink, Swann & Company	136,100	5,756
Legg Mason Wood Walker	1,669,925	27,966
Lehman Brothers Inc.	6,656,297	220,374
Liquidnet Inc.	660,554	22,025
Loop Captial Markets	178,820	8,043
Lynch Jones & Ryan Inc	1,678,152	66,584
Maglio (F.P.) & Company	25,500	613
Magna Securities Company	2,139,663	57,247
McDonald & Company Securities Inc.	128,050	5,918
Merrill Lynch,Pierce,Fenner,Smith	26,889,141	304,064
Mesirow Financial,Inc.	25,200	1,110
Midwest Research Securities	1,451,084	21,489
Monness, Crespi, Hardt	9,198	460
Montrose Securities	44,000	2,200
Moors & Cabot, Inc..	88,890	4,445
Morgan Stanley & Co	17,077,035	343,823
Morgan, Keegan & Company,	122,995	5,971
Multitrade Securities	196,070	5,882
National Financial Services Corp.	171,987	7,568
Nationsbank Montgomery Securities	1,250,173	59,849
NBC Clearing Services	2,960	0
Needham & Co	413,092	15,849
Nesbitt, Thompson, Deacon Inc.	86,640	4,347
Neuberger & Berman, LLC.	26,075	747
Nutmeg Securities	3,265,420	10,248
O'Neil, William & Company	38,500	1,925
Ormes Capital Markets Inc.	24,100	1,067
Oscar Gruss & Son Inc.	195,095	7,755
Pacific American Securities	50,200	2,326
Pacific Crest Securities	70,700	3,535
Pacific Growth Equities	230,021	10,047
Paine Webber Inc.	55,314	2,634
Parker Hunter Inc.	31,053	1,430
Paulsen Dowling Securities	4,200	181
Pellinor Securities Corp.	100,200	935

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2004

Brokerage Firm	Number of Shares Traded	Total Commissions
Penson Financial Services, Inc.	346,625	8,360
Percival Financial	76,606	3,563
Pershing & Company	447,060	8,298
Pershing Div. Donaldson Lufkin, Jenrette	1,772,147	41,248
Precursor Group	3,900	117
Prudential Equity Group	2,258,552	90,252
Prudential Securities Inc.	55,700	2,347
Pulse Trading LLC	42,100	1,263
Quaker Securities Inc.	88,300	4,984
Raymond, James & Associates,	368,838	17,043
RBC / Dain Rauscher Inc.	82,900	4,145
RBC Dominion Securities Company	211,390	7,531
Refco Securities Inc.	51,366	1,486
Rochdale Securities Corp.	52,475	2,099
Rosenblatt Securities Inc	340,800	6,816
Roth Capital Partners,	11,000	550
RTX Securities Corp.	35,400	1,537
Ryan, Beck & Company	29,146	1,457
S.G. Cowen & Company	185,167	7,401
Samuel A Ramirez & Company	357,150	14,013
Sanders Morris Mundy	2,900	143
Sandler O'Neill & Partners	76,773	1,584
Sanford C Bernstein & Company	82,600	4,085
SBC Warburg, Inc.	4,267,089	177,595
SBK Brooks Investment Corp.	6,834	342
Schwab, (Charles) & Company	988,016	18,604
Scott & Stringfellow Inc.	824,700	34,291
Seidler Companies (The)	26,600	1,330
SG Americas Securities	38,600	1,532
Sidler & Company	34,025	1,701
Sidoti & Company, LLC.	51,700	2,585
SK Intl Securities	177,800	7,471
Solomon Smith Barney Inc..	3,784,771	142,858
Soundview Financial Group	181,516	8,264
Southtrust Bank	402,160	19,388
Southwest Securities, Inc	23,800	95
Spear, Leeds & Kellogg	855,352	20,456
Standard & Poor's Securities Inc.	814,092	39,662
Standford Group Company	1,900	95
State Street Brokerage Services	1,500	75
Status Securities, Inc.	113,510	3,405
Stephens Inc.	498,400	24,426
Sterne, Agee & Leach Inc.	73,590	3,681
Stifel, Nicolaus & Company	38,200	1,910
Sturdivant & Company	6,400	288
Suntrust Capital Markets	314,314	13,061
The Benchmark Company	137,775	6,210
Thinkequity Partners LLC	1,900	95

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2004

Brokerage Firm	Number of Shares Traded	Total Commissions
Thomas Weisel Partners LLC	1,009,075	46,036
Thomson Institutional Services Inc.	82,040	4,102
U.S. Bancorp Piper Jaffray Inc.	1,415,707	67,269
U.S. Clearing Corp.	9,900	495
UBS Financial Services Inc.	1,108,046	29,758
Unix.Company	68,760	4,126
Unterberg Harris	91,800	4,590
Uttendahl Capital Partners	145,400	3,891
Vandham Securities Corp.	352,650	15,003
Wachovia Securities,LLC.	215,588	7,634
Wave Securities LLC.	76,800	1,453
Wedbush Morgan Securities Inc.	207,413	8,657
Weeden & Company	935,380	43,734
Wellington (H.G). & Company	14,050	703
Wexford Clearing Services	11,600	466
Whitaker Securities LLC.	8,300	415
Williams Capital Group, L. P.	8,899,256	211,287
Yamner & Company, Inc.	55,900	559
Young (Herbert)	275,110	10,478
Total	**245,089,319**	**$ 5,776,994**

SCHEDULES OF INVESTMENT RESULTS
TIME-WEIGHTED RATES OF RETURN

	Year Ended June 30			June 30, 2004		
	2004	**2003**	**2002**	**3 Years**	**5 Years**	**10 Years**
Total Portfolio	16.30	3.94	(8.64)	3.36	2.07	10.13
Managed by Outside Advisors						
U. S. Equities Segment	20.45	.72	(17.05)	.21	(1.16)	11.57
Russell 3000 Index	20.45	76	(17.25)	.14	(1.08)	11.66
International Equities Segment	29.07	(5.89)	(8.12)	3.73	1.20	5.78
MSCI EAFE	32.37	(6.46)	(9.48)	3.87	.06	4.05
U. S. Fixed Income Segment	.83	12.05	6.32	6.97	7.43	7.95
Structured Managed Program	.83	12.02	8.42	6.97	7.43	7.96
NYC Core Plus Five Index	.43	11.47	8.65	6.74	7.24	7.83
Enhanced Yield	8.65	22.51	(4.97)	8.14	5.19	NA
Citigroup BB & B Index	9.17	22.03	(3.71)	8.67	4.98	NA
In - House Portfolio						
Short Term Investments	1.04	1.86	3.62	2.17	4.31	4.99
Targeted Investments	1.82	7.33	10.32	6.43	6.16	8.08

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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, 2004

PART 4

ACTUARIAL SECTION

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 9, 2004

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, 2004

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 June 30 preceding each fiscal year to determine the employer contributions to be paid for that fiscal year.

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.

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Statutory Contributions for Fiscal Year 2004 were less than the Annual Required Contributions as defined under Governmental Accounting Standards Board Statement Number 25 ("GASB 25"). This relationship occurs because Chapter 125 of the Laws of 2000 ("Chapter 125/00"), which provides eligible retirees and eligible beneficiaries with Supplementation benefits effective September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001, also provides for a phase-in schedule, later modified by Chapter 278 of the Laws of 2002 ("Chapter 278/02"), for funding the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00.

The Annual Required Contributions were computed in accordance with GASB 25 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 as of June 30, 2003." These actuarial assumptions and methods were employed in the June 30, 2003 actuarial valuation that was used to determine Fiscal Year 2004 employer contributions to the Plan.

These actuarial assumptions and methods are generally the same as those employed in the June 30, 2002 actuarial valuation that was used to determine Fiscal Year 2003 employer contributions to the Plan.

Note, the Actuary is currently reviewing the results of an independent actuarial study dated October 2003 prepared by Gabriel, Roeder, Smith & Company in accordance with Section 96 of the New York City Charter and may recommend changes to the actuarial assumptions and methods applicable to the determination of Fiscal Year 2005 employer contributions.

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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 as of June 30, 2003 is included in this CAFR. A summary of the census data used in the June 30, 2002 actuarial valuation of the Plan is available in the June 30, 2003 CAFR.

Funded Status

The Funded Status of the Plan is usually 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 in the Actuarial Section of the CAFR (following the Solvency Test) are two Other Measures of Funded Status which provide different comparisons of the Assets and Liabilities of the Plan.

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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.

As prescribed by GASB 25, 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 as of June 30, 2003.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets - Solvency Test.
- Other Measures of Funded Status.
- Actual vs. Required Contributions.
- Active Member Valuation Data.
- Participating Employers.
- Number and Salary of Active Members by Occupational Position.
- Number of Active Members by Occupational Position and Age.

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December 9, 2004
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- Number of Active Members by Occupational Position and Years of Service.

- Retirants and Beneficiaries Added to and Removed from Rolls.

The Summary of Plan Membership in the Financial Section of the CAFR was prepared by the OA.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information elsewhere in this CAFR, please do not hesitate to contact Mr. Martin A. Einhorn or me.

Respectfully submitted,

Robert C North Jr

Robert C. North, Jr., F.S.A.
Chief Actuary

RCN/aw

cc: Mr. M.A. Einhorn
Mr. J.R. Gibney
Mr. J.J. Murphy

3399L:PCA\aw

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003

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

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

(3) Active Service tables are used to estimate various withdrawals from active service. Sample probabilities are shown in Tables 2A and 3A for members withdrawing from active service other than for Service Retirement and in Tables 2B and 3B for members withdrawing from active service for Service Retirement.

(4) Salary Scales are used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 4. The Salary Scale includes an assumed General Wage Increase ("GWI") rate of 3.0% per annum.

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

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

(7) 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 by the Entry Age Actuarial Cost Method as of June 30, 1999 but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than $0.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

Under this method, the excess of the Actuarial Present Value of projected benefits of members as of the valuation date, over the sum of the Actuarial Value of Assets plus the UAAL, if any, and Actuarial Present Value 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 closed 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. There is an amortization period for the UAAL established after that date.

Chapter 70 of the Laws of 1999 established the UAAL as of June 30, 2000 for an Early Retirement Incentive. This UAAL is being amortized on a level basis over a period of five years beginning Fiscal Year 2001.

Chapter 86 of the Laws of 2000 established the UAAL as of June 30, 2001 for an Early Retirement Incentive. This UAAL is being amortized on a level basis over a period of five years beginning Fiscal Year 2002.

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.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2003
(Cont'd)

(8) The Actuarial Asset Valuation Method ("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.

This AAVM recognizes expected investment returns immediately and phases in investment returns greater or less than expected (i.e., Unexpected Investment Returns ("UIR")) over a period of five years.

Under this AAVM, any UIR for Fiscal Years 2000 and later is phased into the Actuarial Asset Value ("AAV") beginning the following June 30 at rates of 10%, 15%, 20%, 25% and 30% per year (or at cumulative rates of 10%, 25%, 45%, 70% and 100% over five years).

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

Under this methodology the Actuarial Present Value of the potential excess earnings transfers from the Plan to the COVSF is included directly as an actuarial liability of the Plan. This amount is computed as the excess, if any, of the Actuarial Present Value of benefits of the COVSF over the Actuarial Value of Assets of the COVSF.

(10) In a report dated October 1999 entitled Report on the Experience Study of the New York City Retirement Systems for the Four Years ended June 30, 1997, Watson Wyatt and Company, an independent actuarial auditor, presented an actuarial experience study and made recommendations for changes in certain actuarial assumptions and methods. Based upon a review of that study, the Actuary in a Report dated February 29, 2000, proposed changes to certain actuarial assumptions and methods to be used by the Plan for Fiscal Years beginning on and after July 1, 1999 (i.e., Fiscal Years beginning 2000).

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2003
(Cont'd)

Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions and methods that required Board approval and the New York State Legislature and the Governor enacted Chapter 85/00 to provide for those changes to the actuarial assumptions and methods that required legislation, including the investment rate of return assumption of 8.0% per annum.

The most recent actuarial experience study was published by Gabriel, Roeder, Smith & Company ("GRS") dated October 2003 and analyzed experience for Fiscal Years 1998 through 2001. The Actuary is currently reviewing this study and may recommend changes to the actuarial assumptions and methods applicable to the determination of Fiscal Year 2005 employer contributions.

(11) 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.

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2003
(Cont'd)**

Specifically, in accordance with Chapter 125/00 the Actuary, in calculating the Statutory Contributions for Fiscal Years 2001 and 2002, included the following percentages of the increase in additional actuarial liabilities attributable to Chapter 125/00 COLA benefits:

Fiscal Year	Phase-In Percent
2001	20%
2002	40%

Chapter 278/02 revised the phase-in schedule for Fiscal Years 2003 and later.

Chapter 278/02 provided that, for the June 30, 2000 actuarial valuation, the Actuary is required to recognize, on a theoretical basis, only 10% of the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00 for determining Fiscal Year 2001 employer contributions.

For each of the next eight June 30 actuarial valuations (i.e., June 30, 2001 to June 30, 2008), the Actuary is required to recognize progressively increasing percentages (i.e., 20% to 90%) of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Year 2002 to Fiscal Year 2009 employer contributions.

For the June 30, 2009 and later actuarial valuations, the Actuary is required to recognize the full amount of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Years 2010 and later employer contributions.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

(12) The salary data was adjusted to reflect overtime earnings by assumed overtime baseline rates. See Table following Item 13.

(13) 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 Average Salary) had been introduced as of June 30, 1995. The following table summarizes the overtime assumptions currently in use:

		Dual Assumptions(2)				
Group	**Baseline(1) Assumption**	**Tier I Service(3)**	**Other Service(3)**	**Tier I Disability**	**Other Disability**	**Other Benefits**
General	2%	2%	2%	2%	2%	2%
Transit	8%	16%	12%	6%	6%	8%
TBTA	12%	24%	18%	4%	8%	12%
Sanitation	12%	20%	16%	4%	8%	12%
Corrections	12%	16%	14%	4%	8%	12%
HP TP	6%	12%	9%	2%	4%	6%

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

(2) Overtime earned on an ongoing basis during a member's career plus an adjustment on account of overtime earned in the year before retirement.

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

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (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	.1209%	.0677%	.1151%	.0677%
50	.6640	.2205	.2781	.2205
60	1.3866	.7143	1.0416	.7143
70	3.1053	1.7416	2.2892	1.7416
80	7.2749	4.6138	5.1995	4.6138
90	16.5712	12.2729	13.7899	12.2729
100	32.8097	28.6331	30.1977	28.6331
110	100.0000	100.0000	100.0000	100.0000

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

TABLE 1B

Deaths Among Disability Pensioners

(Percentage of Pensioners Dying Within Next Year)

	All Except HP and TP, Sanitation and Correction Officers		Housing Police And Transit Police		Sanitation and Correction Officers	
Age	Males	Females	Males	Females	Males	Females
40	2.3055%	3.1297%	.1477%	.0817%	1.1527%	1.5649%
50	2.7639	3.2720	.4574	.2788	1.3820	1.6360
60	3.7649	3.4142	1.2209	.8895	2.2590	2.0485
70	5.3787	4.0596	2.7024	2.1653	3.7651	2.8417
80	9.0925	7.0032	6.0431	5.6527	7.2749	5.6025
90	16.8444	13.0674	16.4676	15.1220	16.5712	12.2729
100	32.8097	28.6331	36.7152	34.8130	32.8097	28.6331
110	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

TABLE 2A

Withdrawals From Active Service (Other than for Service Retirement)

(Percentage of Eligible Active Members Separating Within Next Year)

Age	Withdrawal		Accident Disability Retirement		Ordinary Disability Retirement		Accidental Death	Ordinary Death	
General*									
	Males	Females	Males	Females	Males	Females	All	Males	Females
20	15.44%	15.53%	.02%	.01%	.03%	.04%	--	.0351%	.0183%
25	12.51	11.81	.02	.01	.04	.04	--	.0432	.0245
30	7.32	7.44	.03	.01	.05	.05	--	.0565	.0332
35	4.77	4.76	.05	.01	.08	.06	--	.0800	.0462
40	3.39	3.92	.07	.02	.21	.14	--	.1151	.0645
45	2.68	2.51	.08	.02	.36	.30	--	.2030	.0980
50	2.20	2.02	.09	.02	.49	.45	--	.3635	.1598
55	2.10	2.00	.10	.02	.50	.50	--	.5702	.2465
60	2.00	2.00	.10	.02	.50	.50	--	.8517	.4114
65	2.00	2.00	.10	.02	.50	.50	--	1.4501	.6852
70	--	--	--	--	--	--	--	--	--
Transit Operating*									
20	4.00%	5.00%	.06%	.06%	.20%	.20%	--	.0351%	.0183%
25	4.00	5.00	.06	.06	.25	.25	--	.0432	.0245
30	4.00	5.00	.06	.06	.30	.30	--	.0565	.0332
35	3.50	4.50	.06	.06	.35	.35	--	.0800	.0462
40	3.00	4.00	.08	.08	.40	.40	--	.1151	.0645
45	2.00	3.00	.10	.10	.50	.50	--	.2030	.0980
50	1.50	2.00	.12	.12	.60	.60	--	.3635	.1598
55	1.00	1.75	.14	.14	.70	.70	--	.5702	.2465
60	0.75	1.50	.16	.16	.80	.80	--	.8517	.4114
65	0.50	1.50	.18	.18	.90	.90	--	1.4501	.6852
70	--	--	--	--	--	--	--	--	--
Triborough Bridge and Tunnel*									
20	7.72%	7.77%	.02%	.01%	.03%	.04%	--	.0351%	.0183%
25	6.26	5.91	.02	.01	.04	.04	--	.0432	.0245
30	3.66	3.72	.03	.01	.05	.05	--	.0565	.0332
35	2.39	2.38	.05	.01	.08	.06	--	.0800	.0462
40	1.70	1 96	.07	.02	.21	.14	--	.1151	.0645
45	1.34	1.26	.08	.02	.36	.30	--	.2030	.0980
50	1.10	1.01	.09	.02	.49	.45	--	.3635	.1598
55	1.05	1.00	.10	.02	.50	.50	--	.5702	.2465
60	1.00	1.00	.10	.02	.50	.50	--	.8517	.4114
65	1.00	1.00	.10	.02	.50	.50	--	1.4501	.6852
70	--	--	--	--	--	--	--	--	--

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

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

TABLE 2B

Withdrawals From Active Service (For Service Retirement)

(Percentage of Eligible Active Members Retiring)

		With Unreduced Service Retirement Benefits					
		Members Not Electing ORP(2)			Members Electing ORP(2)		
		Years of Service Since First Elig.			Years of Service Since First Elig.		
Age	With Reduced Benefits(1)	1	2	Ultimate	1	2	Ultimate
				General(3)			
50	0.00%	12.00%	0.00%	0.00%	60.00%	0.00%	0.00%
55	2.00	12.00	10.00	8.00	60.00	40.00	20.00
60	5.00	12.00	10.00	8.00	60.00	40.00	20.00
65	0.00	30.00	30.00	30.00	60.00	60.00	60.00
70	0.00	100.00	100.00	100.00	100.00	100.00	100.00
				Transit Operating(3)			
50	5.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55	2.00	20.00	20.00	20.00	60.00	0.00	0.00
60	5.00	20.00	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	0.00	100.00	100.00	100.00	100.00	100.00	100.00
				Triborough Bridge and Tunnel(3)			
50	0.00%	12.00%	0.00%	0.00%	60.00%	0.00%	0.00%
55	2.00	12.00	10.00	8.00	60.00	40.00	20.00
60	5.00	12.00	10.00	8.00	60.00	40.00	20.00
65	0.00	30.00	30.00	30.00	60.00	60.00	60.00
70	0.00	100.00	100.00	100.00	100.00	100.00	100.00

(1) Applicable only for certain Tier II and Tier IV members prior to eligibility for unreduced Service Retirement benefits.

(2) Optional Retirement Programs ("ORP") under Chapter 96 of the Laws of 1995, Chapter 529 of the Laws of 1994 and Chapter 472 of the Laws of 1995 for Others, Transit Operating and TBTA, respectively.

(3) Assumed to retire immediately at age 70.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

TABLE 3A

Withdrawals From Active Service (Other than for Service Retirement)

(Percentage of Eligible Active Members Separating Within Next Year)

Age	Withdrawal		Accident Disability Retirement		Ordinary Disability Retirement		Accidental Death	Ordinary Death	
	Males	Females	Males	Females	Males	Females	All	Males	Females
Sanitation*									
20	4.50%	4.50%	0.10%	0.10%	0.30%	0.30%	--	0.0351%	0.0183%
25	4.00	4.00	0.15	0.15	0.45	0.45	--	0.0432	0.0245
30	3.50	3.50	0.20	0.20	0.60	0.60	--	0.0565	0.0332
35	3.00	3.00	0.25	0.25	0.75	0.75	--	0.0800	0.0462
40	2.00	2.00	0.30	0.30	0.90	0.90	--	0.1151	0.0645
45	1.50	1.50	0.35	0.35	0.95	0.95	--	0.2030	0.0980
50	1.00	1.00	0.30	0.30	1.00	1.00	--	0.3635	0.1598
55	1.00	1.00	0.25	0.25	1.10	1.10	--	0.5702	0.2465
60	1.00	1.00	0.20	0.20	1.25	1.25	--	0.8517	0.4114
65	1.00	1.00	0.20	0.20	1.50	1.50	--	1.4501	0.6852
70	--	--	--	--	--	--	--	--	--
Correction Officers*									
20	4.50%	4.50%	0.05%	0.05%	0.02%	0.02%	0.02%	.0351%	0.0183%
25	4.00	4.00	0.10	0.10	0.10	0.10	0.02	.0432	0.0245
30	3.50	3.50	0.15	0.15	0.30	0.30	0.02	.0565	0.0332
35	2.50	2.50	0.20	0.20	0.50	0.50	0.02	.0800	0.0462
40	1.50	1.50	0.30	0.30	0.70	0.70	0.02	.1151	0.0645
45	1.25	1.25	0.40	0.40	1.00	1.00	0.02	.2030	0.0980
50	1.00	1.00	0.50	0.50	1.40	1.40	0.01	.3635	0.1598
55	1.00	1.00	0.60	0.60	1.80	1.80	0.00	.5702	0.2465
60	1.00	1.00	0.70	0.70	4.00	4.00	0.00	.8517	0.4114
63	--	--	--	--	--	--	--	--	--
Housing and Transit Police*									
20	3.00%	3.00%	0.20%	0.20%	0.01%	0.01%	0.02%	.0351%	.0183%
25	2.50	2.50	0.35	0.35	0.05	0.05	0.02	.0432	.0245
30	1.50	1.50	0.70	0.70	0.10	0.10	0.02	.0565	.0332
35	0.75	0.75	1.40	1.40	0.20	0.20	0.02	.0800	.0462
40	0.50	0.50	1.60	1.60	0.30	0.30	0.02	.1151	.0645
45	0.50	0.50	1.80	1.80	0.40	0.40	0.02	.2030	.0980
50	0.50	0.50	2.00	2.00	0.50	0.50	0.02	.3635	.1598
55	0.50	0.50	2.50	2.50	1.00	1.00	0.01	.5702	.2465
60	0.50	0.50	4.00	4.00	6.00	6.00	0.00	.8517	.4114
63	--	--	--	--	--	--	--	--	--

* Sanitation assumed to retire immediately at age 70, Correction Officers and Police at age 63.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

TABLE 3B

Withdrawals From Active Service (For Service Retirement)

(Percentage of Eligible Active Members Retiring)

		With Unreduced Service Retirement Benefits					
		Members Not Electing ORP[2]			Members Electing ORP[2]		
		Years of Service Since First Elig.			Years of Service Since First Elig.		
Age	With Reduced Benefits[1]	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	0.00	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	15.00	60.00	40.00	20.00
65	0.00	60.00	60.00	60.00	60.00	60.00	60.00
70	0.00	100.00	100.00	100.00	100.00	100.00	100.00
Correction Officers[3]							
40	0.00%	32.00%	16.00%	12.00%	60.00%	40.00%	20.00%
45	0.00	40.00	20.00	12.00	60.00	40.00	20.00
50	0.00	40.00	20.00	12.00	60.00	40.00	20.00
55	2.00	40.00	20.00	12.00	60.00	40.00	20.00
60	5.00	40.00	20.00	20.00	60.00	40.00	20.00
63	0.00	100.00	100.00	100.00	100.00	100.00	100.00
Housing and Transit Police[3]							
40	NA	40.00%	20.00%	12.00%	NA	NA	NA
45	NA	40.00	20.00	12.00	NA	NA	NA
50	NA	40.00	20.00	12.00	NA	NA	NA
55	NA	40.00	20.00	12.00	NA	NA	NA
60	NA	40.00	20.00	12.00	NA	NA	NA
63	NA	100.00	100.00	100.00	NA	NA	NA

(1) Applicable only for certain Tier II and Tier IV members prior to eligibility for unreduced Service Retirement benefits.

(2) 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.

(3) Sanitation assumed to retire immediately at age 70, Correction Officers and Housing and Transit Police at age 63.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2003 (Cont'd)

TABLE 4

Salary Scales*

Assumed Annual Percentage Increases in Coming Year

Years of Service	Transit Operating	Sanitation	Correction Officers	HP and TP	Triborough Bridge And Tunnel
0	18.00%	8.00%	10.00%	9.50%	10.00%
5	3.50	3.60	3.60	4.00	4.00
10	3.50	4.10	4.10	4.30	4.00
15	3.50	4.50	4.50	4.50	4.00
20	3.50	4.00	4.00	4.00	4.00
25	3.50	4.00	4.00	4.00	4.00
30	3.50	4.00	4.00	4.00	4.00
35	3.50	4.00	4.00	4.00	4.00
40	3.50	4.00	4.00	4.00	4.00

Age	General
25	6.50%
30	5.20
35	4.80
40	4.40
45	4.30
50	4.20
55	4.00
60	3.80

* Salary Scales include an assumed General Wage Increase rate of 3.0% per annum.

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 Plan) is mandated to contribute 3% of annual wages 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 annual wages for not more than thirty years. 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.

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 select 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-quarter 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-third 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. For such plans, the contribution rate for members who enter at age 55 or over is the rate applicable to a member entering at age 54. Beginning July 1, 1970, no contributions are required from members who elect 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.

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 points. At present, the reduction is two and one-half percentage points for Sanitation and Correction members and two percentage points for

CONTRIBUTIONS
(Cont'd)

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, certain members make additional contributions ranging from 1.85% to 7.46% for improved early retirement benefits.

Effective October 1, 2000, Tier 3 and 4 members will not be required to make basic required contributions after the 10^{th} anniversary of their membership date or completion of ten years of credited service, whichever is earlier.

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 $310,589,074 for the Fiscal Year ended June 30, 2004.

TABULATIONS OF MEMBERSHIP AND BENEFICIARIES

The Board maintains in the office of the Executive Director of the retirement system 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 physically-taxing and non-physically-taxing groups), (2) Transit Operating positions, (3) Triborough Bridge and Tunnel Authority members, (4) Sanitation members, (5) members of the Housing and Transit Police Forces, and (6) members of the Correction Force.

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

SOLVENCY TEST
(In Thousands)

	Aggregate Accrued Liabilities for						
As of June 30	Accumulated Employee 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)
1998	$2,505,397	$15,123,124	$ 7,819,099	$29,334,703	100%	100%	100%
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

* As of June 30, 1999 economic and non-economic assumptions were revised due to experience review and the Actuarial Value of Assets was reset to Market Value.

Also, see following "SOLVENCY TEST - NOTES".

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 Valuation Assets of the retirement system with the Aggregate Accrued Liabilities for:

(A) Accumulated Member Contributions;
(B) Current Retirants and Beneficiaries; and
(C) Active Members' Employer Financed Portion.

The Aggregate Accrued Liabilities are the Actuarial Present Value of credited projected benefits produced by the credited projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with previously issued Governmental Accounting Standards Board Statement No. 25.

This comparative summary allocates assets as if they were priority groups, somewhat similar to (but not identical with) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

Financial soundness is 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. 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. The economic assumptions used in the actuarial calculations are as follows:

Valuation Date June 30	Assumed Annual Rate of Return On Investments	Merit and Promotion Increases Plus an Assumed General Wage Increase Per Year of
1998	8.75%	4.0%
1999	8.00	3.0
2000	8.00	3.0
2001	8.00	3.0
2002	8.00	3.0
2003	8.00	3.0

OTHER MEASURES OF FUNDED STATUS

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

Furthermore, there are multiple, possible definitions of the Plan's Assets and Liabilities. For example, with respect to the Liabilities, the Projected Benefit Obligation ("PBO") is defined as the actuarial present value of all benefits attributed by the Plan's benefit formula to employee service rendered prior to the valuation date, assuming future salary levels calculated using the actuarial assumptions. The Accumulated Benefit Obligation ("ABO") is determined in the same manner as the PBO but without assuming future salary increases.

The following table presents two Other Measures of Funded Status comparing (1) the Actuarial Asset Value ("AAV") with the PBO calculated using the actuarial assumptions in effect as of June 30, 2003 and (2) the Market Value of Assets ("MVA") with the Market Value Accumulated Benefit Obligation ("MVABO") calculated using the same actuarial assumptions in effect as of June 30, 2003 except for an investment rate of return assumption equal to the yields on U.S. Treasury securities where durations are consistent with those of the expected payments from the funds.

Other Measures of Funded Status

(Dollar Amounts in Millions)

Valuation Date	Actuarial Asset Value (AAV)	Market Value of Assets (MVA)	Projected Benefit Obligation (PBO)*	Market Value Accumulated Benefit Obligation (MVABO)**	AAV/PBO	MVA/MVABO
6/30/99	$40,936.0	$40,936.0	$27,741.3	$29,638.6	148%	138%
6/30/00	42,393.6	42,824.0	31,910.5	35,221.6	133	122
6/30/01	43,015.4	37,251.8	33,471.2	38,840.5	129	96
6/30/02	43,561.1	32,842.0	35,474.9	43,186.3	123	76
6/30/03	42,056.0	31,524.7	36,924.1	51,970.0	114	61

* 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 the expected yields on U.S. Treasury securities of like duration (estimated average yields of approximately 6.0%, 6.1%, 5.6%, 5.2% and 4.1% for June 30, 1999, 2000, 2001, 2002 and 2003, respectively).

OTHER MEASURES OF FUNDED STATUS
(Cont'd)

These Other Measures of Funded Status provide different relationships between the Assets and Liabilities of the Plan and are designed solely to offer additional insight on the Funded Status of the Plan that the Actuary believes may prove interesting to some readers.

In addition, it should be noted that any measures of Funded Status should generally be examined with more consideration of their trends over time than their values at any given point in time.

Note, the ratios of AAV to PBO present a comparable but a somewhat different representation of the information shown in the Solvency Test.

The ratios of MVA to MVABO provide a measure of 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.

ACTUAL VS. REQUIRED CONTRIBUTIONS
FISCAL YEARS 1999 - 2004

Fiscal Year Ended	Actual Employer Contribution[1]	Annual Required Contribution	Employer Rate of Contribution[2]
6/30/99	$179,116,818	$179,116,818	2.583%
6/30/00	68,619,745	68,619,745	0.915
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[3]	197,823,998	1.213
6/30/04	310,589,074[4]	542,229,450	3.526

(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.

(2) The employer rates of contribution equal the actual employer contributions as percentages of the salaries 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.

(3) The Statutory Contribution of $107,992,496 for Fiscal Year 2003 was computed in accordance with Chapter 125/00 which provides for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00 and Chapter 278/02 which extends the phase-in period for funding these liabilities from five years to ten years.

(4) The Statutory Contribution of $310,589,074 for Fiscal Year 2004 was 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 and Chapter 278/02.

ACTIVE MEMBER VALUATION DATA
JUNE 30, 1998 TO JUNE 30, 2003

Valuation Date	Number	Annual Payroll	Average Annual Salary	Percentage Increase in Average Salary
6/30/98	165,461	$6,935,216,253	$41,915	1.5%
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

PARTICIPATING EMPLOYERS

	June 30, 2003[1]		June 30, 1994[1]	
Employer	**Number of Employees**	**Annual Payroll**	**Number of Employees**	**Annual Payroll**
City of New York	90,538	$4,475,269,320	87,471	$3,208,024,539
NYC Transit Authority	39,514	2,259,493,141	41,921	1,802,159,709
NYC Housing Authority	13,216	579,797,720	15,410	514,829,974
NYC Health and Hospitals Corporation	27,365	1,349,538,520	26,405	916,415,568
NYC Triborough Bridge and Tunnel Authority	1,520	94,216,320	1,333	71,420,253
NYC Off-Track Betting Corporation	1,162	40,755,306	1,082	31,033,706
NYC School Construction Authority	47	3,588,627	33	1,935,205
NYC Housing Development Corporation	36	2,626,724	8	404,109
NYC Residential Mortgage Insurance Corporation[2]	4	304,169	2	89,178
New York State	20	1,046,351	18	1,086,366
NYC Water Municipal Authority	12	982,654	0	0
Total	173,434	$8,807,618,852	173,683	$6,547,398,607

The Number of Employees and their corresponding salaries (Annual Payroll) includes only those who were on the payroll as of June 30.

(1) 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.

NUMBER AND SALARY OF ACTIVE MEMBERS BY OCCUPATIONAL POSITION AS OF JUNE 30, 2003[1]

Occupation	Number	Annual Payroll	Average Annual Salary
Career Pension Plan Positions	119,356	$5,583,644,280	$46,781
Transit Operating Positions	36,124	2,034,500,052	56,320
Triborough Bridge and Tunnel	1,520	94,216,320	61,984
Sanitation Workers	7,079	448,630,942	63,375
Transit and Housing Police Forces[2]	0	0	0
Correction Force	9,355	646,627,258	69,121
Total	173,434	$8,807,618,852	$50,784

(1) The number of members (Number) and their corresponding salaries (Annual Payroll) include only those who were on the payroll.

(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.

NUMBER OF ACTIVE MEMBERS BY OCCUPATIONAL POSITION AND AGE AS OF JUNE 30, 2003[1]

Age	Total	Career Pension Plan	Transit Operating	TBTA	Sanitation	Housing & Transit Police[2]	Correction
20 - 24	1,564	1,252	208	20	72	0	12
25 - 29	6,556	4,722	983	101	389	0	361
30 - 34	13,049	8,348	2,756	163	755	0	1,027
35 - 39	23,960	14,647	5,310	228	1,143	0	2,632
40 - 44	32,227	20,640	7,050	256	1,305	0	2,976
45 - 49	32,715	22,383	6,963	283	1,398	0	1,688
50 - 54	28,866	20,515	6,196	266	1,313	0	576
55 - 59	19,936	15,052	4,115	139	555	0	75
60 - 64	10,297	8,200	1,926	45	121	0	5
65 - 69	3,079	2,528	513	13	23	0	2
70 - 74	1,185	1,069	104	6	5	0	1
Total	173,434	119,356	36,124	1,520	7,079	0	9,355

(1) Member count for this schedule represents only members receiving salary as of June 30, 2003.

(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.

NUMBER OF ACTIVE MEMBERS BY OCCUPATIONAL POSITION AND YEARS OF SERVICE AS OF JUNE 30, 2003[1]

Years of Service	Total	Career Pension Plan	Transit Operating	TBTA	Sanitation	Housing & Transit Police[2]	Correction
Under 5	45,278	33,763	8,473	588	1,408	0	1,046
5 - 9	32,688	24,586	5,638	185	814	0	1,465
10 - 14	36,388	24,601	7,069	257	1,788	0	2,673
15 - 19	31,678	18,283	7,475	224	2,129	0	3,567
20 - 24	17,247	10,502	5,312	185	733	0	515
25 - 29	4,573	3,142	1,241	54	80	0	56
30 - 34	4,621	3,703	756	25	106	0	31
35 - 39	754	601	134	2	17	0	0
40 - 44	207	175	26	0	4	0	2
Total	173,434	119,356	36,124	1,520	7,079	0	9,355

(1) Member count for this schedule represents only members receiving salary as of June 30, 2003.

(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.

RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS FISCAL YEARS 1998 - 2003

Valuation Date	Number Added to Rolls	Number Removed From Rolls	Number at End of Year(1)	Annual Allowances(1)	% Increase In Annual Allowance	Average Annual Allowance	% Increase In Average Annual Allowance
6/30/98	3,981	4,166	122,438	$1,824,455,453	2.1%	$14,901	2.2%
6/30/99	3,981	4,539	121,880	1,919,632,538	5.2	15,750	5.7
6/30/00	5,289	4,408	122,761	1,980,584,134	3.2	16,134	2.4
6/30/01	6,016	4,819	123,958	2,282,623,032	15.2	18,414	14.1
6/30/02	4,188	4,670	123,477	2,347,459,089	2.8	19,011	3.2
6/30/03	9,162	4,614	128,025	2,536,286,182	8.0	19,811	4.2

(1) Number at End of Year and Annual Allowances include all those and only those retirants on pension payroll for amounts actually being paid.

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

APPENDIX A

CENSUS DATA FOR ACTIVE MEMBERS

AS OF JUNE 30, 2003

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
ACTIVE VALUATION AS OF JUNE 30, 2003

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
NUMBERS:											
UNDER 20	31	0	0	0	0	0	0	0	0	0	31
20 TO 24	1,518	15	0	0	0	0	0	0	0	0	1,533
25 TO 29	5,724	803	29	0	0	0	0	0	0	0	6,556
30 TO 34	7,457	4,088	1,471	33	0	0	0	0	0	0	13,049
35 TO 39	8,015	6,180	6,985	2,728	52	0	0	0	0	0	23,960
40 TO 44	7,511	6,536	8,702	7,751	1,709	18	0	0	0	0	32,227
45 TO 49	6,213	5,732	6,950	7,830	5,209	656	125	0	0	0	32,715
50 TO 54	4,414	4,224	5,343	6,153	4,902	2,002	1,759	69	0	0	28,866
55 TO 59	2,800	2,945	3,746	4,151	3,132	1,169	1,714	266	13	0	19,936
60 TO 64	1,198	1,514	2,151	2,153	1,660	537	718	306	60	0	10,297
65 TO 69	321	514	759	635	406	125	191	75	53	0	3,079
70 & UP	76	137	252	244	177	66	114	38	81	0	1,185
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	45,278	32,688	36,388	31,678	17,247	4,573	4,621	754	207	0	173,434
SALARIES (IN THOUSANDS):											
UNDER 20	985	0	0	0	0	0	0	0	0	0	985
20 TO 24	48,461	474	0	0	0	0	0	0	0	0	48,935
25 TO 29	215,490	34,191	1,198	0	0	0	0	0	0	0	250,879
30 TO 34	308,382	195,950	76,111	1,766	0	0	0	0	0	0	582,209
35 TO 39	346,456	303,671	376,362	162,681	3,182	0	0	0	0	0	1,192,352
40 TO 44	335,214	327,890	467,687	450,302	98,771	984	0	0	0	0	1,680,848
45 TO 49	285,949	296,799	370,613	444,133	303,561	38,984	6,452	0	0	0	1,746,491
50 TO 54	201,260	215,699	277,791	338,759	284,051	122,153	98,308	3,826	0	0	1,541,847
55 TO 59	126,717	145,484	187,496	215,107	171,837	69,241	103,258	15,948	755	0	1,035,843
60 TO 64	53,194	73,535	106,227	107,645	86,073	30,405	40,233	18,561	3,409	0	519,282
65 TO 69	15,558	24,092	34,960	32,107	20,837	6,875	11,012	4,568	3,340	0	153,349
70 & UP	2,704	6,218	11,301	10,885	7,780	3,351	5,587	1,995	4,743	0	54,564
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1,940,370	1,624,003	1,909,746	1,763,385	976,092	271,993	264,850	44,898	12,247	0	8,807,584
AVERAGE SALARIES:											
UNDER 20	31,800	0	0	0	0	0	0	0	0	0	31,800
20 TO 24	31,925	31,652	0	0	0	0	0	0	0	0	31,922
25 TO 29	37,647	42,580	41,340	0	0	0	0	0	0	0	38,267
30 TO 34	41,355	47,933	51,741	53,519	0	0	0	0	0	0	44,617
35 TO 39	43,226	49,138	53,881	59,634	61,194	0	0	0	0	0	49,764
40 TO 44	44,630	50,167	53,745	58,096	57,795	54,702	0	0	0	0	52,157
45 TO 49	46,024	51,779	53,326	56,722	58,276	59,428	51,618	0	0	0	53,385
50 TO 54	45,596	51,065	51,992	55,056	57,946	61,016	55,889	55,453	0	0	53,414
55 TO 59	45,256	49,401	50,052	51,821	54,865	59,231	60,244	59,958	58,124	0	51,959
60 TO 64	44,402	48,570	49,385	49,998	51,852	56,620	56,036	60,659	56,823	0	50,431
65 TO 69	48,468	46,872	46,062	50,563	51,325	55,002	57,656	60,910	63,036	0	49,806
70 & UP	35,580	45,388	44,846	44,611	43,959	50,785	49,009	52,502	58,563	0	46,048
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
TOTAL	42,855	49,682	52,483	55,666	56,595	59,479	57,315	59,549	59,176	0	50,784

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

APPENDIX B

CENSUS DATA FOR PENSIONERS

AS OF JUNE 30, 2003

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
PENSIONER VALUATION AS OF JUNE 30, 2003

SUMMARY BY CAUSE AND SEX ALL FILES ALL FILES

	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	20	608,092	30,405	1	22,334	22,334	21	630,426	30,020
35 TO 39	96	3,431,141	35,741	22	655,639	29,802	118	4,086,780	34,634
40 TO 44	164	6,041,028	36,836	32	1,072,050	33,502	196	7,113,078	36,291
45 TO 49	146	5,459,868	37,396	35	1,191,644	34,047	181	6,651,512	36,749
50 TO 54	294	9,180,897	31,228	21	703,384	33,494	315	9,884,281	31,379
55 TO 59	649	19,325,362	29,777	24	614,310	25,596	673	19,939,672	29,628
60 TO 64	618	17,361,634	28,093	29	737,973	25,447	647	18,099,607	27,975
65 TO 69	372	10,531,045	28,309	26	662,024	25,462	398	11,193,069	28,123
70 TO 74	332	8,728,605	26,291	23	461,686	20,073	355	9,190,291	25,888
75 TO 79	271	7,109,633	26,235	22	463,263	21,057	293	7,572,896	25,846
80 TO 84	151	3,791,562	25,110	13	240,495	18,500	164	4,032,057	24,586
85 TO 89	49	1,121,377	22,885	8	139,173	17,397	57	1,260,550	22,115
90 & UP	14	293,099	20,936	3	60,471	20,157	17	353,570	20,798
TOTAL	3,176	92,983,343	29,277	259	7,024,446	27,121	3,435	100,007,789	29,114
Ordinary Disability:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	7	85,754	12,251	4	69,726	17,432	11	155,480	14,135
35 TO 39	120	1,795,549	14,963	31	393,646	12,698	151	2,189,195	14,498
40 TO 44	307	4,672,229	15,219	124	1,588,429	12,810	431	6,260,658	14,526
45 TO 49	545	8,058,567	14,786	180	2,240,080	12,445	725	10,298,647	14,205
50 TO 54	909	13,328,483	14,663	314	3,910,310	12,453	1,223	17,238,793	14,095
55 TO 59	1,272	19,790,647	15,559	417	5,119,760	12,278	1,689	24,910,407	14,749
60 TO 64	1,213	18,643,539	15,370	469	5,347,898	11,403	1,682	23,991,437	14,264
65 TO 69	746	10,485,694	14,056	288	2,798,084	9,716	1,034	13,283,778	12,847
70 TO 74	491	7,110,644	14,482	153	1,154,369	7,545	644	8,265,013	12,834
75 TO 79	366	5,055,484	13,813	89	710,731	7,986	455	5,766,215	12,673
80 TO 84	203	2,837,565	13,978	56	455,447	8,133	259	3,293,012	12,714
85 TO 89	49	649,966	13,265	35	240,187	6,862	84	890,153	10,597
90 & UP	8	79,757	9,970	27	274,367	10,162	35	354,124	10,118
TOTAL	6,236	92,593,878	14,848	2,187	24,303,034	11,112	8,423	116,896,912	13,878
Service Retirement:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	0	0	0	0	0	0	0	0	0
35 TO 39	0	0	0	0	0	0	0	0	0
40 TO 44	226	6,871,126	30,403	82	2,314,930	28,231	308	9,186,056	29,825
45 TO 49	660	20,368,889	30,862	162	4,457,990	27,518	822	24,826,879	30,203
50 TO 54	2,373	78,096,262	32,910	428	10,203,738	23,841	2,801	88,300,000	31,524
55 TO 59	7,016	232,869,797	33,191	2,769	70,688,721	25,529	9,785	303,558,518	31,023
60 TO 64	10,628	315,194,682	29,657	4,903	103,300,749	21,069	15,531	418,495,431	26,946
65 TO 69	11,316	282,469,718	24,962	5,815	99,882,461	17,177	17,131	382,352,179	22,319
70 TO 74	10,237	230,942,855	22,560	5,640	84,339,983	14,954	15,877	315,282,838	19,858
75 TO 79	9,925	208,561,729	21,014	5,809	75,473,821	12,993	15,734	284,035,550	18,052
80 TO 84	7,005	133,379,545	19,041	5,180	55,474,903	10,709	12,185	188,854,448	15,499
85 TO 89	3,796	64,568,267	17,010	3,601	34,138,050	9,480	7,397	98,706,317	13,344
90 & UP	1,608	26,558,511	16,516	2,009	19,006,031	9,460	3,617	45,564,542	12,597
TOTAL	64,790	1,599,881,381	24,693	36,398	559,281,377	15,366	101,188	2,159,162,758	21,338

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
PENSIONER VALUATION AS OF JUNE 30, 2003

SUMMARY BY CAUSE AND SEX ALL FILES ALL FILES

	MALE			FEMALE			BOTH MALE & FEMALE		
Age	Number	Benefits	Average	Number	Benefits	Average	Number	Benefits	Average
Accidental Death:									
UNDER 30	0	0	0	7	174,764	24,966	7	174,764	24,966
30 TO 34	0	0	0	1	20,499	20,499	1	20,499	20,499
35 TO 39	0	0	0	4	68,549	17,137	4	68,549	17,137
40 TO 44	1	24,202	24,202	2	49,224	24,612	3	73,426	24,475
45 TO 49	0	0	0	4	85,692	21,423	4	85,692	21,423
50 TO 54	0	0	0	8	163,760	20,470	8	163,760	20,470
55 TO 59	1	55,088	55,088	9	119,848	13,316	10	174,936	17,494
60 TO 64	0	0	0	15	181,403	12,094	15	181,403	12,094
65 TO 69	0	0	0	14	141,352	10,097	14	141,352	10,097
70 TO 74	0	0	0	8	52,358	6,545	8	52,358	6,545
75 TO 79	0	0	0	10	69,890	6,989	10	69,890	6,989
80 TO 84	0	0	0	7	21,212	3,030	7	21,212	3,030
85 TO 89	0	0	0	11	55,987	5,090	11	55,987	5,090
90 & UP	0	0	0	11	33,968	3,088	11	33,968	3,088
TOTAL	2	79,290	39,645	111	1,238,506	11,158	113	1,317,796	11,662
Other Beneficiaries:									
UNDER 30	195	1,884,636	9,665	62	598,717	9,657	257	2,483,353	9,663
30 TO 34	28	202,820	7,244	34	345,883	10,173	62	548,703	8,850
35 TO 39	36	295,117	8,198	68	651,475	9,581	104	946,592	9,102
40 TO 44	42	291,421	6,939	95	806,966	8,494	137	1,098,387	8,017
45 TO 49	58	352,979	6,086	144	1,374,407	9,544	202	1,727,386	8,551
50 TO 54	68	482,538	7,096	246	3,005,696	12,218	314	3,488,234	11,109
55 TO 59	72	439,379	6,102	379	5,232,132	13,805	451	5,671,511	12,575
60 TO 64	70	587,013	8,386	676	9,114,814	13,483	746	9,701,827	13,005
65 TO 69	64	395,290	6,176	895	12,193,690	13,624	959	12,588,980	13,127
70 TO 74	70	409,718	5,853	1,516	19,407,947	12,802	1,586	19,817,665	12,495
75 TO 79	106	844,885	7,971	2,366	26,368,150	11,145	2,472	27,213,035	11,009
80 TO 84	91	573,071	6,297	3,007	30,530,865	10,153	3,098	31,103,936	10,040
85 TO 89	76	414,691	5,456	2,612	25,328,927	9,697	2,688	25,743,618	9,577
90 & UP	71	408,892	5,759	1,719	16,358,808	9,516	1,790	16,767,700	9,367
TOTAL	1,047	7,582,450	7,242	13,819	151,318,477	10,950	14,866	158,900,927	10,689
All Pensioners and Beneficiaries:									
UNDER 30	195	1,884,636	9,665	69	773,481	11,210	264	2,658,117	10,069
30 TO 34	55	896,666	16,303	40	458,442	11,461	95	1,355,108	14,264
35 TO 39	252	5,521,807	21,912	125	1,769,309	14,154	377	7,291,116	19,340
40 TO 44	740	17,900,006	24,189	335	5,831,599	17,408	1,075	23,731,605	22,076
45 TO 49	1,409	34,240,303	24,301	525	9,349,813	17,809	1,934	43,590,116	22,539
50 TO 54	3,644	101,088,180	27,741	1,017	17,986,888	17,686	4,661	119,075,068	25,547
55 TO 59	9,010	272,480,273	30,242	3,598	81,774,771	22,728	12,608	354,255,044	28,098
60 TO 64	12,529	351,786,868	28,078	6,092	118,682,837	19,482	18,621	470,469,705	25,266
65 TO 69	12,498	303,881,747	24,314	7,038	115,677,611	16,436	19,536	419,559,358	21,476
70 TO 74	11,130	247,191,822	22,210	7,340	105,416,343	14,362	18,470	352,608,165	19,091
75 TO 79	10,668	221,571,731	20,770	8,296	103,085,855	12,426	18,964	324,657,586	17,120
80 TO 84	7,450	140,581,743	18,870	8,263	86,722,922	10,495	15,713	227,304,665	14,466
85 TO 89	3,970	66,754,301	16,815	6,267	59,902,324	9,558	10,237	126,656,625	12,372
90 & UP	1,701	27,340,259	16,073	3,769	35,733,645	9,481	5,470	63,073,904	11,531
TOTAL	75,251	1,793,120,342	23,829	52,774	743,165,840	14,082	128,025	2,536,286,182	19,811

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, 2004

PART 5

STATISTICAL SECTION

CASH RECEIPTS AND DISBURSEMENTS
Fiscal Year Ended June 30, 2004
(in thousands)

Cash Balance July 1, 2003	$43,944
Receipts:	
Members' Contributions	291,843
Employers' Contributions	313,250
Members' Loan Payments	229,735
Interest and Dividends	969,931
Investments Redeemed	73,511,930
Miscellaneous	10,194
Total Cash Receipts	75,326,883
Total Cash Available	75,370,827
Disbursements:	
Benefit Payments	2,742,907
Transfers to Other Systems	22,464
Loans to Members	281,906
Investments Purchased	72,255,658
Miscellaneous	34,554
Total Cash Disbursements	75,337,489
Cash Balance June 30, 2004	$33,338

TABLE OF REVENUE BY SOURCE
Fiscal Years Ended 1995 through 2004
(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 **
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	1.9
1998	537,523	274,288	263,235	211,096	6,763,626	0	7,237,957	3.0
1997	495,872	280,842	215,030	206,899	6,212,351	99	6,634,379	3.1
1996	450,058	238,231	211,827	201,913	4,206,256	3	4,619,999	3.2
1995	410,976	252,631	158,345	439,767	4,173,186	0	4,771,298	6.8

* 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.

** Up through fiscal year ending June 30, 2000, the annual covered payroll amount that was used was as of the end of that fiscal year. Starting with fiscal year ended June 30, 2001, the annual covered payroll amount being used is that of the beginning of the fiscal year.

TABLE OF BENEFIT EXPENSES BY TYPE
Fiscal Years 1995 through 2004
(in thousands of dollars)

FISCAL YEAR ENDED JUNE 30	TOTAL RETIREMENT BENEFITS	TOTAL DEATH BENEFITS	OTHER	CHANGE IN ACCRUED BENEFITS PAYABLE	TOTAL BENEFIT PAYMENTS
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
1998	1,819,322	85,925	0	(4,949)	1,900,298
1997	1,758,885	87,150	0	(11,773)	1,834,262
1996	1,636,675	101,869	0	(35,240)	1,703,304
1995	1,529,934	106,460	(20)	10,952	1,647,326

TABLE OF TOTAL EXPENSES BY TYPE
Fiscal Years 1995 through 2004

(in thousands of dollars)

Fiscal Year Ended June 30	Benefit Payments	Refunds			Payments To Other Pension Systems And Funds	Administrative Expenses *	Total
		Death	Separation and Overpayments	Excess			
2004	$2,675,173	$7,780	$32,602	$4,981	$22,044	$35,559	$2,778,139
2003	2,716,258	8,895	53,303	28,519	(1,526)	34,101	2,839,550
2002	2,391,974	8,991	102,969	9,440	15,995	31,548	2,560,917
2001	2,372,647	8,118	18,182	16,970	21,800	31,584	2,469,301
2000	2,078,446	7,867	19,875	12,180	99,373	23,245	2,240,986
1999	1,997,946	6,368	17,267	6,257	3,868	19,688	2,051,394
1998	1,900,298	5,526	18,269	5,919	2,718	14,750	1,947,480
1997	1,834,262	5,471	16,925	7,086	44,103	11,939	1,919,786
1996	1,703,314	4,273	15,330	8,556	31,175	0	1,762,648
1995	1,647,326	5,124	16,191	8,557	649,952	0	2,327,150

*Chapter 593 of the laws of 1996, effective FY97, authorized the Board of Trustees to draw upon its assets to pay its own administrative expenses. Prior to 1997, the City had paid the administrative expenses.

TABLE OF BENEFITS PAID
Fiscal Years 1995 through 2004
(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
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
1998	1,819,322	274,288	57,346	24,188	44,395	47,056
1997	1,758,885	280,842	58,089	24,011	41,139	51,482
1996	1,636,675	238,231	55,433	23,886	39,617	66,525
1995	1,529,934	252,631	61,232	24,748	56,995	54,589

Refunds from members' accounts include refunds to members who: separated from City service, had made deductions in error, or were entitled to an excess after reaching the required years of service for their plan.

FOREWORD

In the following six tables detailing the retirement experience for both 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, most retirees selected options which *reduced* the maximum benefit.

The two tables of retirement payments by type, on the other hand, reflect the profiles of the entire retiree population and the type of options under which they are receiving benefits.

TABLE OF AVERAGE ANNUAL BENEFIT PAYMENTS
SERVICE RETIREMENT EXPERIENCE
Calendar Years 1994 – 2003

YEAR OF RETIREMENT	YEARS OF CREDITED SERVICE									
	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
2003										
AVG. RETIREMENT ALLOW.		$4,937	$8,839	$13,165	$30,570	$35,504	$41,801	$51,788	$60,528	$29,128
% OF SALARY BASE		12	20	29	48	55	66	75	95	49
NO.OF RETIREES INCLUDED		141	302	299	933	419	472	146	32	2,744
2002										
AVG. RETIREMENT ALLOW.		4,884	8,624	14,148	25,332	33,134	43,573	52,926	66,157	30,937
% OF SALARY BASE		13	21	31	46	60	71	81	105	57
NO.OF RETIREES INCLUDED		209	711	813	1,673	1,612	2,008	544	100	7,670
2001										
AVG. RETIREMENT ALLOW.	$345	4,510	7,871	13,310	27,657	35,190	43,799	50,192	60,376	28,994
% OF SALARY BASE	3	13	20	31	47	60	68	78	94	52
NO.OF RETIREES INCLUDED	1	157	338	315	907	648	625	138	31	3,160
2000										
AVG. RETIREMENT ALLOW.	0	4,686	7,490	12,316	23,352	29,813	37,194	44,857	56,854	26,144
% OF SALARY BASE	0	13	20	30	45	57	66	77	100	52
NO.OF RETIREES INCLUDED	0	160	586	504	808	1,633	1,074	238	43	5,046
1999										
AVG. RETIREMENT ALLOW.	0	4,750	7,392	11,528	23,302	29,272	36,204	40,795	49,435	23,705
% OF SALARY BASE	0	13	19	29	45	57	66	76	96	49
NO.OF RETIREES INCLUDED	0	174	561	443	624	1,436	539	147	33	3,957
1998										
AVG. RETIREMENT ALLOW.	0	4,307	7,214	10,966	25,429	30,042	36,556	41,904	47,289	$23,141
% OF SALARY BASE	0	12	19	29	47	57	66	76	97	48
NO.OF RETIREES INCLUDED	0	76	465	369	368	978	299	69	18	2,642
1997										
AVG. RETIREMENT ALLOW.	6,051	3,293	6,705	10,469	22,625	29,456	35,812	39,610	51,249	$23,347
% OF SALARY BASE	16	13	19	28	48	58	66	75	87	50
NO.OF RETIREES INCLUDED	1	24	430	327	421	1,116	253	94	24	2,690
1996										
AVG. RETIREMENT ALLOW.	4,324	4,240	6,749	10,558	21,776	26,316	33,212	38,998	51,186	$23,535
% OF SALARY BASE	17	13	19	28	47	55	64	73	92	51
NO.OF RETIREES INCLUDED	4	32	564	442	588	1,916	601	266	64	4,477
1995										
AVG. RETIREMENT ALLOW.	1,649	4,243	6,367	10,558	21,915	27,354	32,673	38,174	46,317	$24,055
% OF SALARY BASE	4	14	19	28	48	56	65	76	92	53
NO.OF RETIREES INCLUDED	1	56	640	422	1,263	1,818	845	344	122	5,511
1994										
AVG. RETIREMENT ALLOW.	1,224	3,809	6,075	10,409	22,167	25,571	31,709	36,592	38,327	$22,077
% OF SALARY BASE	12	12	19	30	50	56	66	77	90	50
NO.OF RETIREES INCLUDED	1	39	604	324	1,560	1,660	549	153	45	4,935

New York City Employees' Retirement System

SERVICE RETIREMENT EXPERIENCE
TABLE OF AVERAGE RETIREMENT ALLOWANCE BY AGE AND YEARS OF SERVICE
Calendar Year 2003

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				$3,423	1	10	$4,237	28	11	$5,045	58	12	$5,384	40	12	$4,718	14	13
10-14.9	$11,621	1	26	7,297	7	16	6,584	45	16	8,850	146	20	9,788	73	21	10,123	30	21
15-19.9	22,723	11	40	12,579	34	34	12,493	42	30	13,048	120	28	12,898	71	28	12,017	21	29
20-24.9	34,001	481	49	34,846	115	51	28,768	87	46	23,097	163	43	22,514	65	43	19,504	22	44
25-29.9	38,054	21	54	37,648	71	56	35,314	173	54	34,092	119	55	37,127	29	56	26,869	6	55
30-34.9	35,967	2	55	48,311	81	63	41,334	229	67	40,401	122	66	36,254	31	68	32,352	7	69
35-39.9				52,734	10	75	53,721	68	74	51,845	50	75	45,155	13	75	40,299	5	84
40 and Over							58,856	7	78	62,144	13	83	53,043	5	9	64,545	7	47
SUMMARY	33,889	516	49	36,373	319	55	33,994	679	56	24,401	791	45	19,455	327	38	18,680	112	42

SERVICE RETIREMENT EXPERIENCE
TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY AGE
Calendar Year 2003

	AGE AT RETIREMENT						
Allowance Range	Under 50	50-54	55-59	60-64	65-69	70 and Older	TOTAL
$1,999 or Less			3	2	2		7
2,000-3,999		2	20	30	14	8	74
4,000-5,999		5	29	48	22	12	116
6,000-7,999		7	17	64	37	9	134
8,000-9,999		9	21	53	30	12	125
10,000-11,999	1	8	19	50	27	6	111
12,000-13,999		8	10	52	20	6	96
14,000-15,999		3	12	38	21	15	89
16,000-17,999	3	9	14	26	19	4	75
18,000-19,999	1	5	21	28	25	5	85
20,000-21,999	1	3	21	28	11	2	66
22,000-23,999	2	4	21	33	14	4	78
24,000-25,999	6	7	12	37	5	5	72
26,000-27,999	30	6	26	28	6	4	100
28,000-29,999	98	19	27	22	13	3	182
30,000-31,999	109	35	30	23	5	1	203
32,000-33,999	72	27	38	21	6	1	165
34,000-35,999	49	20	39	11	4	3	126
36,000-37,999	38	9	22	29	3	1	102
38,000-39,999	98	131	260	159	41	10	699
$40,000 or More	8	2	17	9	2	1	39
TOTAL	516	319	679	791	327	112	2,744

New York City Employees' Retirement System

SERVICE RETIREMENT EXPERIENCE
TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY YEARS OF SERVICE
Calendar Year 2003

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	1							7
2,000 - 3,999		53	21							74
4,000 - 5,999		45	62	9						116
6,000 - 7,999		24	66	43	1					134
8,000 - 9,999		7	50	63	5					125
10,000 - 11,999		4	41	45	20	1				111
12,000 - 13,999		1	27	26	37	5				96
14,000 - 15,999		1	14	33	29	9	3			89
16,000 - 17,999			5	33	18	13	6			75
18,000 - 19,999			11	15	21	16	21	1		85
20,000 - 21,999			1	9	23	17	14	2		66
22,000 - 23,999			1	6	32	17	17	5		78
24,000 - 25,999				4	29	16	20	3		72
26,000 - 27,999			2	4	47	21	21	5		100
28,000 - 29,999				4	133	21	19	4	1	182
30,000 - 31,999				2	155	27	13	5	1	203
32,000 - 33,999					108	30	22	5		165
34,000 - 35,999				1	76	30	17	2		126
36,000 - 37,999					51	25	20	5	1	102
38,000 - 39,999				2	139	158	265	107	28	699
$40,000 or More					9	13	14	2	1	39
TOTAL		141	302	299	933	419	472	146	32	2,744

New York City Employees' Retirement System

TABLE OF BENEFIT EXPERIENCE: ORDINARY DISABILITY RETIREMENT
Calendar Years 1994 through 2003

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
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
1997	77	51	23	41,632	21,482	52
1996	72	51	22	39,467	17,761	45
1995	116	48	22	38,488	18,357	48
1994	135	48	20	35,176	15,759	45

TABLE OF BENEFIT EXPERIENCE: ACCIDENTAL DISABILITY RETIREMENT*
Calendar Years 1994 through 2003

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
2003	73	43	NOT APPLICABLE	$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		57,214	41,194	72
1998	11	51		54,186	44,974	83
1997	12	49		52,482	39,309	75
1996	9	47		42,830	26,126	61
1995	23	43		46,530	35,130	76
1994	40	44		48,601	37,374	77

*It is to be noted that certain accidental disability benefits are reduced by amounts awarded by the Workers' Compensation Board of the State Department of Labor.

TABLE OF PENSIONERS AND BENEFICIARIES
Fiscal Years 1995 through 2004

Fiscal Year Ended June 30	New Pensioners	Terminated Pensioners	Net Change	Total Number	Percentage Change
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)
1998	3,899	7,562	(3,663)	133,149	(2.68)
1997	5,815	6,047	(232)	136,812	(0.17)
1996	5,789	3,767	2,022	137,044	1.50
1995	6,341	2,192	4,149	135,022	3.17

TABLE OF ACTIVE MEMBERS
Fiscal Years 1995 through 2004

Fiscal Year Ended June 30	Number of Entrants During Year	Number of Withdrawals During Year	Net Change	Total Membership	Percentage Change
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
1998	11,001	7,066	3,935	211,936	1.90
1997	9,567	11,842	(2,275)	208,001	(1.08)
1996	11,562	21,524	(9,962)	210,276	(4.52)
1995	9,500	11,033	(1,533)	220,238	(0.69)

RETIRED MEMBERS BY TYPE OF BENEFIT
AS OF JUNE 30, 2004

Benefit Types	Number Of Retirees*	Service	Disability (Non-Duty)	Disability and Deaths (Duty)
Single Life	67,691	59,094	5,394	3,203
Joint and Survivor	28,454	26,968	1,217	269
Lump Sum or Term Certain	16,357	14,289	1,721	347
Advanced payments – no option selected yet	1,635	1,373	256	6
Surviving Annuitants	15,262	13,561	1,466	235
Total	129,399	115,285	10,054	4,060

* Includes retirees and beneficiaries who received a retirement payment on the pensioners' payroll as of June 30, 2004. 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
Fiscal Years 1995 through 2004

Year ending 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
2004	101,724	$2,230,650,993	8,588	$119,839,980	3,825	$102,764,472	15,262	$14,212,491	129,399	$2,623,808,337
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	$ 1,919,632,538
1998	96,850	$ 1,562,166,481	7,290	$ 79,227,647	3,376	$ 72,354,827	14,922	$ 110,706,498	122,438	$ 1,824,455,453
1997	97,404	$ 1,532,697,949	7,032	$ 75,568,392	3,453	$ 73,004,953	14,734	$ 106,114,805	122,623	$ 1,787,386,099
1996	96,155	$ 1,409,189,547	6,847	$ 69,015,251	3,501	$ 70,359,834	14,582	$ 92,612,473	121,085	$ 1,641,177,105
1995	95,124	$ 1,328,343,043	6,745	$ 66,607,428	3,577	$ 70,891,459	14,059	$ 85,692,971	119,505	$ 1,551,534,901