NYCERS
RETIREMENT AND BENEFITS

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

2005 Comprehensive Annual Financial Report

Fiscal Year Ended
June 30

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, 2005

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NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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FOR THE

FISCAL YEAR ENDED JUNE 30, 2005

PART 1

INTRODUCTORY SECTION

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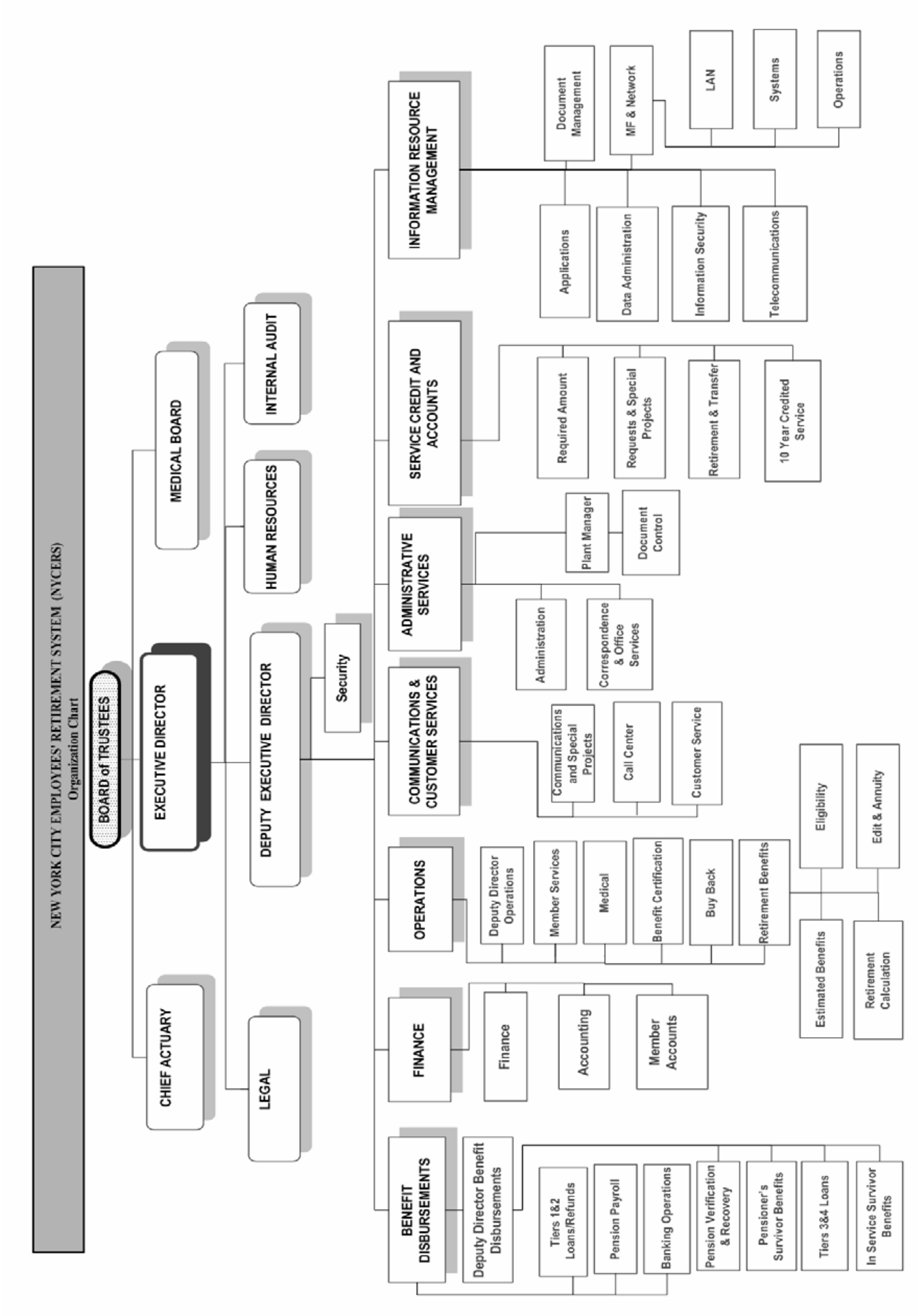
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Certificate of Achievement for Excellence in Financial Reporting

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, 2004

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

President

Executive Director

NYCERS
RETIREMENT AND BENEFITS

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December 30, 2005

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, 2005. 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, 2004. 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 19 years.

A Certificate of Achievement is valid for a period of one year only. We believe our *CAFR* for the fiscal year June 30, 2005 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 governing statutes are contained in the New York State Retirement and Social Security Law (RSSL), and the New York City Administrative Code. The system became operational on October 1, 1920 with 13,331 original members. As of June 30, 2004, the date of the *Plan's* most recent actuarial valuation, the *Plan's* membership included 174,997 members in active pay status, 127,345 retirees and beneficiaries receiving benefits, and 5,888 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 RSSL.

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

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

EMPLOYERS

The *Plan* is a cost sharing, multiple employer Public Employee Retirement System. In addition to the various departments of the City of New York, members of NYCERS are also employed by the MTA New York City Transit Authority, the MTA 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 176.

CONTRIBUTIONS

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

As of July 1, 1970, Tier 1 and Tier 2 Transit operating-force employees enrolled in the Transit 20-Year Plan are non-contributory. For all other Tier 1 and Tier 2 members, contributions are dependent upon the member's age and retirement plan elected. For Tier 3 and Tier 4 members, contributions are 3% of wages for the earlier of the first ten years of service, or the tenth anniversary of membership, regardless of age. Certain Tier 2 and Tier 3 members who are uniformed Correction Officers and certain other members of Tier 2 and Tier 4 in the Improved Plan programs are required to make *Additional Member Contributions* in addition to their 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 2005 totaled $4,244,570,000, a decrease of $1,186,242,000 from that of fiscal year 2004. This was the result of a lesser appreciation in the fair value of the *Plan's* investment portfolio from $3,862,233,000 in 2004 to $2,097,024,000 in 2005. The Table of Revenue by Source on page 188 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 189 and the Table of Total Expenses by Type on page 190 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. The *Plan's* funded ratio, which is the ratio of Actuarial Asset Value to Actuarial Accrued Liability, has ranged from 100% in 1999 to 99.6% in 2004, the date of the last actuarial valuation. 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, during 2005 the *Plan* continued to experienced appreciation in the value of its investment securities, although at a lesser rate than that of 2004. 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. The current policy target mix consists of 55% in Domestic Equities, 13% in an International Equity fund, 30% in Domestic Fixed Income, and 2% in Alternative investments. Further details concerning the criteria for the *Plan's* investments, policies, investment performance and other investment tables may be found in the Investment Section. Although this CAFR does not list the thousands of investments, which the *Plan* holds, such information is available for inspection at the *Plan's* offices. The tables on pages 137 and 138 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 rate of 3.7 % in fiscal 2005, slightly lower than the 4.2% growth rate of fiscal 2004. Nationally, the strongest growth has been in the sectors of personal consumption and private domestic investment. Government expenditures and net exports have continued to lag behind. Payroll jobs grew 1.6% in fiscal 2005, a far better growth than the .3% growth in fiscal 2004. The fiscal 2005 U.S. inflation rate of 3% is relatively low, although the even lower fiscal 2004 rate of 2.2% had been driven up by increases in energy and transportation prices.

Using a comparable Comptroller's Gross City Product (GCP), the City's economy grew 3.3% during fiscal 2005. This was a significant improvement over the minimal increase of .1% in fiscal 2004 and the declines of 3.8% in fiscal year 2003 and 3.4% in fiscal year 2002. On another bright note, payroll jobs increased by 28,300 after experiencing job declines in the prior three years, losing 27,100, 62,500, and 116,200 jobs in fiscal years 2004, 2003 and 2002 respectively. The private sector accounted for 31,800 jobs which were offset by a decline of 3,500 jobs in the government sector. The unemployment rate in New York City also fell from 7.9% in fiscal year 2004 to 6.1% in fiscal year 2005.

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,

Milton Aron
Acting Executive Director

John D. Hartman
Deputy 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 Member:

- 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, **and**

All service in the following NYC Civil Service titles:

- Chief Fire Alarm Dispatcher, Administrative Fire Alarm Dispatcher, Bus Operator (Transit), Train Dispatcher (Transit), Firefighter, Police Officer, Correction Officer, Fire Marshal, Probation Officer, Police Communications Technician, Supervising Police

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

Allowable Service as an EMT Member

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

Allowable Service as a Special Officer

Available to all **peace officer members** who are: *special officers* of any rank and are employed by a mayoral agency of the City of New York or by NYC Health & Hospitals Corporation, or 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

Correction Officer

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

Credited Service

Includes:

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

Deputy Sheriff-25 Year Program Member

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.

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, <u>or</u>
- 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.

ITHP

Increased Take-Home Pay contributions for Tier 1 and Tier 2 members that are contributed by their employer.

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*.

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 1999.

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

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).

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) Operator Members

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.

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.

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 Member

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.

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, 2004 – June 30, 2005

Laws of 2004

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.

Chapter 351
Increase in Special Accidental Death Amounts
Chapter 351 of the Laws of 2004. This law increases the special accidental death benefit, by 3% or more for deaths that occurred in 2004 or earlier for Correction Officers, Housing and Transit Police and certain EMTs. The benefit is payable to the widow or widower or the children of the deceased under 18 years of age or under 23 if the child is a student if the widow or widower is deceased.

Chapter 446
Adjusts the time period for changing Option Selection

Chapter 446 of the Laws of 2004.This law applies to Tiers 2, 3 and 4 members. Chapter 446 states that an option selection previously filed by a member or a retired member may be changed no later than 30 days following the date of payability of his/her retirement benefit. A disability retiree can change an option selection previously filed no later than the later of (1) 30 days following the date the Board of Trustees approved the disability retirement or (2) 30 days following the date such retiree was retired for disability.

However, the application of this law will not change NYCERS' procedures for processing an option selection since our procedures are more liberal.

Chapter 581
Allows Correction Members to Receive Service Credit for Child Care Leave
Chapter 581 of the Laws of 2004. This law allows NYCERS correction members to receive up to 1 year of service credit for each time such member is absent without pay while on an authorized child care leave. This law affects Tier 1 and Tier 2 correction members only.

Chapter 583
Accidental Death Benefit for Certain EMT members
Chapter 583 of the Laws of 2004. This law provides a performance-of-duty accidental death benefit consisting of the deceased member's salary less certain reductions. This benefit is provided for deceased employees of the NYC Health & Hospital Corporation in the title of EMT, Advanced EMT or in a title whose duties are to supervise EMTs or Advanced EMTs.

This law was passed on October 5, 2004 and shall be deemed to have been in effect since July 1, 2000.

Chapter 622 (part 1 of 4)
Refund of AMC upon Death for Correction Officers
Chapter 622 of the Laws of 2004. This law adds the right to a refund of additional member contributions (AMCs) upon the death of a participant in the Tier 3 20-Year plan for correction members below the rank of Captain, regardless of the amount of service credit. Under existing law, should a participant in this plan who has rendered less than 15 years of credited service cease to hold a position as a correction officer for any reason whatsoever his/her AMCs may be withdrawn. Over 15 years of Credited Service, no withdrawal was possible. Now, under this new law, upon the death of a participant in this plan on or after 10/20/04 his or her beneficiary shall receive the participant's AMCs.

Chapter 622 (part 2 of 4)
Correction Captain Reopener for Tier 3 Members
Chapter 622 of the Laws of 2004. This law permits members who failed to elect the 20 Year Plan for Correction Captains and above (CC-20 Plan) to now elect to become a participant in this plan. This law applies to those Tier 3 correction members of the rank of Captain or above who were eligible to participate in this plan on 8/4/93 and also to those Tier 3 correction members who became a correction member of the rank of Captain or above prior to 10/20/04.

Chapter 622 (part 3 of 4)
AMC changes for Correction Members
Chapter 622 of the Laws of 2004. The additional member contribution rate for participants in the CC-20 Plan for all periods from 12/19/1990 and going forward is now equal to 5.11%; except for those participants in the 20-Year Plan for Correction Officers (CO-20 Plan) who (a) paid an AMC rate of 3.61%, (b) were CO-20 Plan members on 10/18/04, and (c) became correction members of the rank of captain or above after 10/18/04. Chapter 622 adds the provision that if a participant in the CC-20 Plan, whether an existing participant or one who became a participant through the Re-opener, has rendered more than 15 years of Credited Service, the participant will have his or her contribution deficiency reduced by the AMCs. Chapter 622 also adds a clause which states that a participant in the CC-20 Plan with 20 years of Credited Service who has made AMCs in excess of the amount required, and who retires on or after 10/19/04 shall receive a refund of that portion of AMCs which exceed the required amount.

Chapter 622 (part 4 of 4)
New 20-Year Correction Force Plan
Chapter 622 of the Laws of 2004. This law adds Section 504-d to the RSSL - establishing a 20-Year Retirement Program for NYC correction members. Any person who becomes a NYC correction member and becomes a Tier 3 member on or after 10/19/04 (the effective date of this law) will be a member of this plan. The 20-Year Correction Officers Plan and the 20-Year Correction Captains Plan are closed to anyone not having Tier 3 rights.

Chapter 623
Excess Benefit Plan
Chapter 623 of the Laws of 2004. This law provides for an excess benefit plan to be established which would provide benefits to those pensioners whose annual retirement benefits are limited because those benefits exceed the limitations set by IRC Section 415(b). This law is retroactive to July 1, 2000.

Chapter 647
Transfer of Reserves Upon Transfer of Membership
Chapter 647 of the Laws of 2004. This law eliminates the requirement for transfer of certain reserves upon transfer of membership. The law is effective immediately and applies to all transfers initiated on or after October 27, 2004 and any membership transfer initiated prior to the effective date where no transfer of reserves has occurred. This law only affects NYCERS procedures internally.

Chapter 695
New 20 Year District Attorney Investigator Plan
Chapter 695 of the Laws of 2004. This law adds Section 13-157.4 of the Administrative Code- adding a 20-Year Retirement Program for investigators in the district attorneys' offices. This plan is available to the following people: (a) current district attorney investigators in any tier (those investigators that did not elect to participate in the existing 25-Year DA Investigator Plan); and (b) any participant in the existing 25-Year Plan; and (c) any NYCERS member hired as a district attorney investigator after 11/16/04 (the effective date of this law).

Chapter 697
Heart Bill for Sanitation Department
Chapter 697 of the Laws of 2004 establishes a Heart Bill for the Sanitation Department under §207-r of the General Municipal Law. Chapter 697 creates a presumption that eligible members who developed heart disease after appointment incurred that disease in the performance of duty. The NYCERS' Medical Board can rebut the presumption with competent evidence that the member did not incur the heart disease as a performance of duty disability.

This law was passed on November 18, 2004 but does not take effect until July 1, 2005 and shall expire and be deemed repealed on July 1, 2006 unless extended.

Chapter 717
Reduction of Retirement Age for TBTA (Extender)
Chapter 717 of the Laws of 2004 amends RSSL §651 which provides for a reduction of the retirement age for TBTA officers, sergeants or lieutenants (with at least one competitive appointment), bridge and tunnel maintainer titles or TBTA laborers for each year of covered employment. This law expands the covered period to employment performed on or before 12/31/06 (previously the covered period ended on 12/31/04).

Chapter 723
Political Committee Contributions by Retirees
Chapter 723 of the Laws of 2004 states that retirees may now designate deductions from their pension checks to be sent to political committees of their retiree organizations (those organizations which were designated as the employee representatives while the retirees were employed).

Chapter 725
Final Medical Review for EMT
Chapter 725 of the Laws of 2004 provides for final medical review for EMT as provided for in RSSL §605(e) for Tier 4 members of NYCERS who are eligible to receive a performance of duty disability under RSSL §607-b. This law is applicable to any member who has made application for accident disability under §607-b at any time. This law was enacted on November 17, 2004.

Chapter 728
Prior to EMT Service Transferable to Police Pension Fund
Chapter 728 of the Laws of 2004 amends Administrative Code Section 13-143(b)(1) which permits certain service immediately preceding service in the police force to count towards retirement eligibility. Chapter 728 adds service rendered as an EMT member immediately preceding service in the police force as a type of service deemed to be service in the police force for benefit eligibility purposes.

Chapter 742
TBTA Special Accidental Death Benefit
This law provides a performance-of-duty accidental death benefit consisting of the deceased member's salary less certain reductions. This benefit is provided for deceased employees of the Triborough Bridge and Tunnel Authority. This law was passed on 12/15/04 and shall take effect immediately.

Laws of 2005

Chapter 93

World Trade Center Presumption for Accidental Disability Retirement
This law creates a presumptive eligibility for an accidental disability in connection with the World Trade Center tragedy of September 11, 2001. To qualify for the presumption provided in this law you must 1) have passed a physical exam for entry into public service; 2) have participated in the Rescue, Recovery or Clean-Up Operations between 9/11/01 and 9/12/02 at either the WTC site, the Fresh Kills Landfill, the New York City Morgue or temporary morgues on the piers on the West Side of Manhattan, or the barges between the West Side of Manhattan and the Fresh Kills Landfill; 3) file a Notice of Participation and 4) become disabled by a qualifying condition or impairment of health as defined in the law at some point in your lifetime.

A Notice of Participation which informs NYCERS that you participated in the WTC Rescue, Recovery or Clean-Up Operations between 9/11/01 and 9/12/02 must be filed by June 13, 2007. A Notice of Participation is not a disability application. Should you become disabled in the future the Notice of Participation protects your right to file a disability application.

The law was passed on June 14, 2005 and is deemed to have been in effect on September 11, 2001.

Chapter 48
Increase in Special Accidental Death Amounts

This law increases the special accidental death benefit, by 3% or more for deaths that occurred in 2005 or earlier for Correction Officers, Housing and Transit Police, certain EMTs and TBTA members. The benefit is payable to the widow or widower or the children of the deceased under 18 years of age or under 23 if the child is a student if the widow or widower is deceased.

Chapter 133
Actuarial Interest Rate Extender

This law extends the statutory rate of interest used by the Actuary to credit interest on the Actuarial Interest Rate on employer contributions. The rate is 8% per year and is extended through fiscal year 2006. This law also extends the 8.25% per year rate for crediting interest on Tiers 1 & 2 members' contributions and Increased-Take-Home-Pay (ITHP)Reserves for fiscal year 2006.

Chapter 150
Extends Section 42 of the Patriot Plan for 1 more year

This law extends for one year the applicability of section 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 section 42 in any way.

Chapter 570
Transferred Contributor to BERS

This law amends Administrative Code 13-188 regarding transferred contributors who were eligible to join the NYC Board of Education Retirement System (BERS) but chose to remain as NYCERS members. Chapter 570 states that anyone who is a transferred contributor of NYCERS who was eligible to transfer membership to BERS on or after 1/1/90 shall be eligible to transfer to BERS now provided that he/she applies to transfer within by September 28, 2005.

Chapter 105
Death Benefits for Members on Military Duty

This law provides an "in service" death benefit to eligible survivors of members on military duty. This law grants accidental death benefits to the eligible survivors by deeming such death to have occurred in the performance of duty as the natural and proximate result of an accident. Generally, this law amends numerous sections of existing laws for all tiers by adding that solely for the purposes of determining eligibility for an accidental death benefit, a member shall be considered to have died as the natural and proximate result of an accident sustained in the performance of duty if such member died while on active duty, other than for training purposes, on or after 6/14/05, provided that such member was on the payroll at the time he/she was ordered to active duty.

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.

HEART BILL (SANITATION)

Chapter 697 of the Laws of 2004 provides for a presumption that a disease of the heart was incurred in the performance of duty for eligible members of the uniformed force of the NYC Department of Sanitation. 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.

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.

The vested retirement benefit is:

2.2% of *FAS* for each year of Credited Service.

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*.

20-YEAR RETIREMENT PROGRAM FOR MEMBERS EMPLOYED AS INVESTIGATORS IN DISTRICT ATTORNEYS' OFFICES (20IDA)

Chapter 695 of the Laws of 2004 adds 20 Year Retirement Program for Investigators in the District Attorneys' offices. This plan is available to all current District Attorneys who did not elect to participate in the 25 Year DA Investigators Plan, any participant in the 25IDA (must file by 5/16/05), and any NYCERS member hired as a District Attorney Investigator after 11/16/04.

SERVICE RETIREMENT BENEFIT (20IDA)

Participants may retire with credit for 20 or more years of *IDA Service*. If they have contributed the required amount of regular member contributions for the first 20 years of such service,

The Service Retirement Benefit is:
For the first 20 years of *Service*,
50% of Final Salary
plus
For each additional year *Credited Service* (after completion of the 20 years)
1 2/3% of *FAS* for such Credited Service (or fraction thereof) beyond the first 20 years of Service (there is no cap on the additional years of Credited Service.

VESTING (20IDA)

Participants in the *DA 20-Year Program* who have completed at least 5 but less than 20 years of service (and have not withdraw any accumulated deductions will be eligible for a Vested Retirement Benefit.

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

VESTED RETIREMENT BENEFIT (20IDA)

The Vested Retirement Benefit:
2.5% *of FAS* for each year of *IDA Service*.

DEATH BENEFIT TO VESTED MEMBERS (20IDA)

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.

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*),
<u>plus</u>
a P*ension* for *ITHP*,
<u>plus</u>
a P*ension*, which when added to the *Annuity* and *Pension* for *ITHP* equals:
50% of *Final Average Salary* (*FAS*)
<u>plus</u>
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*

<u>Note:</u> 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.

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 (PCT-I)

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 (PCT-I)

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 (PCT-I)

There is no provision for vesting for participants.

HEART BILL (SANITATION)

Chapter 697 of the Laws of 2004 provides for a presumption that a disease of the heart was incurred in the performance of duty for eligible members of the uniformed force of the NYC Department of Sanitation. 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.

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
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, 2005

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, 2005 and March 31, 2006.

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, 2005)
One Year	Two Years	One *times* final rate of pay, but not in excess of $41,900
Two Years	Three Years	Two *times* final rate of pay, but not in excess of $83,700
Three Years or more		Three *times* final rate of pay, but not in excess of $104,600

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 (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

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*.

CORRECTION CAPTAIN REOPENER FOR TIER 3 MEMBERS

Chapter 622 of the Laws of 2004. This law permits members who failed to elect the 20 Year Plan for Correction Captains and above (CC-20 Plan) to now elect to become a participant in this plan. This law applies to those Tier 3 correction members of the rank of Captain or above who were eligible to participate in this plan on 8/4/93 and also to those Tier 3 correction members who became a correction member of the rank of Captain or above prior to 10/20/04.

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.

20-YEAR RETIREMENT PROGRAM FOR TIER 3 CORRECTION FORCE MEMBERS (CF 20)

Chapter 622 of the Laws of 2004 establishes a 20-year retirement program for NYC Correction Members. Any person who becomes a NYC correction member and a Tier 3 member on or after 10/19/04 will be a member of this plan. The 20-Year Correction Officers Plan and the 20-Year Correction Captains Plan are closed to anyone not having Tier 3 rights on the effective date of this law.

SERVICE RETIREMENT BENEFIT (CF-20)

Participants may retire after having 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 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 Allowable Correction Service (not to exceed 30 years).

ESCALATION

There is no escalation of benefits with this plan.

VESTED RETIREMENT BENEFIT (CF-20)

A *Participant* in the 20-Year Retirement Program for Tier 3 Correction members who resigns after having five or more years of *Service*, 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 *Allowable Correction 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.

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.

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 EMT Members, you must file a request with the Final Medical Review Board within 45 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.

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
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

HEART BILL (SANITATION)

Chapter 697 of the Laws of 2004 provides for a presumption that a disease of the heart was incurred in the performance of duty for eligible members of the uniformed force of the NYC Department of Sanitation. 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.

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 55^{th} 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)*
<u>plus</u>

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)*

<u>plus</u>

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 (PCT-25)

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 (PCT-25)

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 (PCT-25)

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, 2005

PART 2

FINANCIAL SECTION

New York City Employees' Retirement System

Financial Statements and
Supplemental Schedules
Years Ended June 30, 2005 and 2004
Independent Auditors' Report

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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, 2005 and 2004, and the related statements of changes in Plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2005 and 2004, 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 2005, 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 stated that they expressed no opinion on it.

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 24, 2005

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2005 AND 2004

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, 2005 and 2004. It is meant to assist the reader in understanding NYCERS' financial statements by providing an overall review of the financial activities during the two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements.

Overview of Basic Financial Statements

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

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

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

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

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

The financial statements are prepared in accordance with GASB Pronouncements.

Financial Highlights

NYCERS' net assets held in trust have increased by $1.3 billion (4%) from $34.2 billion as of June 30, 2004 to $35.5 billion at June 30, 2005, and increased by $2.7 billion (8%) from $31.5 billion as of June 30, 2003 to the $34.2 billion at June 30, 2004. Increase in value of the Plan's equity holdings, both domestic and international, was the main reason that caused the increases in net assets in fiscal years 2005 and 2004. In addition, employer contributions in fiscal year 2005 increased by $512 million. It is significant that NYCERS has experienced increases in its assets two years in a row. Fiscal year 2000 was the last year prior to 2004 that had an increase in net assets.

Plan Net Assets
June 30, 2005, 2004 and 2003
(In thousands)

	2005	2004	2003
Cash	$ 285,074	$ 33,338	$ 43,944
Receivables for investment securities sold	960,808	435,656	1,249,334
Receivable for member loans	845,508	855,791	825,468
Receivables for accrued earnings	212,497	208,947	199,540
Investments, at fair value	41,891,285	41,196,210	36,542,302
Other assets	14,535	16,481	11,577
Total assets	44,209,707	42,746,423	38,872,165
Accounts payable	248,829	118,995	128,150
Payables for investment securities purchased	1,816,742	1,576,228	2,361,359
Accrued benefits payable	139,328	148,805	193,577
Amount due to Variable supplements Funds	2,675	1,911	1,163
Due to other retirement systems	307	28,593	29,761
Payables for securities lending transactions	6,475,507	6,694,564	4,633,501
Total liabilities	8,683,388	8,569,096	7,347,511
Net assets held in trust for pension benefits	$ 35,526,319	$ 34,177,327	$ 31,524,654

The cash balance of $285.1 million on June 30, 2005 is far greater than the balance of $33.3 million on June 30, 2004. The Plan's practice is to fully invest its cash balances in most of its bank accounts on a daily basis. On June 30, 2005, however, there were a number of cash receipts received too late in the day to invest the proceeds. A typical benefit payment account would show an overdrawn balance since funds are deposited as outstanding benefit checks are presented to the banks for payments each day. These overdrawn balances made up the main component of accounts payable.

The cash balances on June 30, 2004 of $33.3 million are less than the $43.9 million for June 30, 2003.

Receivables on sales of investment securities amounted to $960.8 million as of June 30, 2005, an increase of $525.2 million (120.5%) from $435.7 million at June 30, 2004. Trades typically do not settle until a few days after trade dates; nevertheless, sales of investment securities are reflected on trade dates. These receivables are the result of those timing differences, and are, therefore, of no significance.

Receivables on account of the sale of investment securities amounted to $695.1 million as of June 30, 2004, a decrease from $1.2 billion at June 30, 2003. Trades typically do not settle until a few days after the trade date, whereas we reflect the sale of the security as of the trade date. These receivables are the result of those timing differences and are of no significance.

Receivables for accrued earnings and member loans did not vary much over fiscal years 2003, 2004, and 2005.

Fair value of investments at June 30, 2005 was $41.9 billion, an increase of $695 million (2%) over the June 30, 2004 investment value of $41.2 billion. As noted in the Financial Highlights section, both domestic and international equity markets generally experienced favorable results during this past year.

The fair value of investments at June 30, 2004 was $41.2 billion an increase of $4.7 billion (13%) over the June 30, 2003 investment value of $36.5 billion. As noted in the Financial Highlights section, both the Domestic and International equity markets generally experienced favorable results during 2004.

Payables on purchases of investment securities amounted to $1.8 billion as of June 30, 2005, an increase of $240.5 million (15.3%) from $1.6 billion at June 30, 2004. Trades typically do not settle until a few days after trade dates; nevertheless, purchases of securities are reflected on trade dates. These payables are the result of those timing differences, and are, therefore, of no significance.

Payables on account of the purchase of investment securities amounted to $1.6 billion as of June 30, 2004, a decrease from $2.4 billion at June 30, 2003. Trades typically do not settle until a few days after the trade date, whereas the purchases of the securities are reflected as of the trade date. These payables are the result of those timing differences and are of no significance.

Accrued benefits payable at June 30, 2005 amounted to $139.3 million, a decrease of $9.5 million (6%) from the $148.8 million benefits payable at June 30, 2004. The decline on benefits payable was caused by retroactive death benefit revisions to the beneficiary accounts of deceased members.

Accrued benefits payable at June 30, 2004 amounted to $148.8 million, a decrease of $44.8 million (23%) from the $193.6 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.

Changes in Plan Net Assets
Years Ended June 30, 2005, 2004 and 2003
(In thousands)

	2005	2004	2003
Additions:			
Member contributions	$ 310,847	$ 298,263	$ 311,049
Employer contributions	822,763	310,589	107,993
Investment earnings:			
Interest and dividend income	1,002,344	979,338	955,098
Net appreciation in fair value of investments	2,097,024	3,862,233	193,771
Net securities lending income (loss)	24,373	13,166	(18,648)
Investment expenses	(46,108)	(42,971)	(29,271)
Net investment income	3,077,633	4,811,766	1,100,950
Other income	33,327	10,194	10,966
Total additions	4,244,570	5,430,812	1,530,958
Deductions:			
Benefits payments and withdrawals	2,843,288	2,720,536	2,806,975
Payments to other retirement systems	10,020	19,031	4,951
Transfers due to Variable Supplements Funds	4,963	3,013	2,232
Administrative expenses	37,307	35,559	34,101
Total deductions	2,895,578	2,778,139	2,848,259
Net increase (decrease)	$ 1,348,992	$ 2,652,673	$ (1,317,301)

Member contributions have not fluctuated much over the past three years.

Employer contributions increased $512.2 million (165 %), from $310.6 million in FY2004 to $822.8 million in FY2005. Besides adhering to other statutory requirements, the Actuary uses a 5 year moving average on plan asset values to determine employer contribution requirements. During the 1990s through fiscal year 2000, the Plan had generally experienced large appreciation in value on its assets, equities in particular. However, equity driven declines in the fiscal years 2001, 2002 and 2003 have brought the average down to such an extent that the employers' share needs to be increased. While the $3.9 billion appreciation experienced in FY2004 is now a part of the moving average, an offsetting factor is the increased actuarial liability stemming from legislation driven benefit increases for plan participants which became effective in year 2000.

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. During the 1990s through fiscal year 2000, the Plan had been generally experiencing large annual appreciation of its asset values, equities in particular. However, equities driven declines in the fiscal years 2001, 2002 and 2003, 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, since the actuarial methodology uses the data of the prior year in determining current year contributions.

Net investment income for the year ended June 30, 2005 totaled $3.1 billion, compared to income of $4.8 billion in FY2004. This $1.7 billion decrease in investment income is the result of an investment appreciation decline in FY2005 - being only $2.1 billion, in lieu of $3.9 billion as in FY2004. Although the increase from FY2004 to FY2005 was only half of that from FY2003 to FY2004, it was still enough of an increase in the Plan's net assets to meet its benefit obligations.

Net investment income for the year ended June 30, 2004 totaled $4.8 billion, compared to income of $1.1 billion in FY2003. 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 and FY2001.

Benefit payments and withdrawals for the year ended June 30, 2005 totaled $2.8 billion, a $122.8 million (5%) increase from the $2.7 billion of FY2004. Retirement payments to new retirees and cost-of-living increases to most current retirees made up the main component of the increase in benefit distributions for FY2005.

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 retirement systems for the year ended June 30, 2005 totaled $10.0 million, which was a decrease of $9.0 million from the $19.0 million of FY2004. Legislation during 2005 has eliminated the requirement that New York State public retirement systems transfer employer reserves among themselves when members change employment. Hence, the decrease in payments to other retirement systems.

Payments to other pension systems and funds for the year ended June 30, 2004 totaled $19.0 million, an increase of $14.1 million from the $4.9 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, 2005, 2004 and 2003
(In thousands)

Type of Investment (Fair value)	2005	2004	2003
Short-term investments	$ 1,189,835	$ 956,457	$ 1,164,737
U.S. debt securities	9,588,289	9,022,791	8,331,402
Yankee bonds	204,842	196,615	547,078
U.S. equity securities	17,220,762	18,271,068	17,235,698
International equity investment fund	6,241,384	5,738,382	4,452,506
Private equity	535,760	286,405	154,798
Mortgage loans	-	31	150
Mortgage mutual fund	56,092	52,096	52,432
Promissory notes	7,588	5,617	-
Treasury Inflation Protected securities	392,215	-	-
Securities lending collateral	6,454,518	6,666,748	4,603,501
Total	$41,891,285	$41,196,210	$36,542,302

Investment Performance

Investment performance results for FY2005 were consistent with related benchmarks. Domestic equities returned 7.9%, which was just short of the Russell 3000 benchmark of 8.1%, and significantly better than the S & P 500 benchmark of 6.3%. Domestic fixed income securities returned 8.3%, comparable to the NYC Core Plus Five benchmark of 8.2%. International equity holdings returned 14.0%, somewhat higher than the MSCI EAFE INDEX of 13.65%.

Contact information

This financial report is designed to provide a general overview of The New York City Employees' Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to John D. Hartman, Deputy Director of Finance, New York City Employees' Retirement System, 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3751.

NEW YORK CITY EMPLOYEE'S RETIREMENT SYSTEM

STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2005 AND 2004
(In Thousands)

	2005	2004
ASSETS		
CASH	$ 285,074	$ 33,338
RECEIVABLES:		
Investment securities sold	960,808	435,656
Member loans	845,508	855,791
Accrued interest and dividends	212,497	208,947
Total receivables	2,018,813	1,500,394
INVESTMENTS, at fair value (Notes 2 and 3):		
Short-term investments:		
U.S. treasury bills	-	90,582
Commercial paper	659,669	268,154
Short-term investment fund	459,724	378,409
U.S. government agency discount notes	70,442	219,312
Debt securities:		
U.S. government	5,040,943	4,665,495
Corporate	4,547,346	4,357,296
Yankee bonds	204,842	196,615
Mortgages	-	31
Private equity	535,760	286,405
Equities - domestic	17,220,762	18,271,068
Mutual funds:		
International equity	6,241,384	5,738,382
Mortgages	56,092	52,096
Treasury inflation protected securities	392,215	-
Promissory notes	7,588	5,617
Collateral from securities lending	6,454,518	6,666,748
Total investments	41,891,285	41,196,210
OTHER ASSETS	14,535	16,481
Total assets	44,209,707	42,746,423
LIABILITIES		
Accounts payable	248,829	118,995
Payables for investment securities purchased	1,816,742	1,576,228
Accrued benefits payable (Note 2)	139,328	148,805
Amount due to Variable Supplements Funds	2,675	1,911
Due to other retirement systems	307	28,593
Securities lending (Note 2)	6,475,507	6,694,564
Total liabilities	8,683,388	8,569,096
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS (A schedule of funding progress for the Plan is presented on Schedule 1)	$ 35,526,319	$ 34,177,327

See notes to financial statements.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN PLAN NET ASSETS
YEARS ENDED JUNE 30, 2005 AND 2004
(In Thousands)

	2005	2004
ADDITIONS		
Contributions:		
Member contributions	$ 310,847	$ 298,263
Employer contributions	822,763	310,589
Total contributions	1,133,610	608,852
Investment income (Note2):		
Interest income	585,593	619,978
Dividend income	416,751	359,360
Net appreciation in fair value of investments	2,097,024	3,862,233
	3,099,368	4,841,571
Less:		
Investment expenses	46,108	42,971
Net income	3,053,260	4,798,600
Securities lending transactions:		
Securities lending income	178,982	52,596
Less: Securities lending fees	154,609	39,430
Net securities lending income	24,373	13,166
Net investment income	3,077,633	4,811,766
Other:		
Other income	33,327	10,194
Total	4,244,570	5,430,812
DEDUCTIONS		
Benefit payments and withdrawals (Note1)	2,843,288	2,720,536
Payments to other retirement systems	10,020	19,031
Transfers due to Variable Supplements Funds	4,963	3,013
Administrative expenses	37,307	35,559
Total deductions	2,895,578	2,778,139
INCREASE IN PLAN NET ASSETS	1,348,992	2,652,673
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS		
Beginning of year	34,177,327	31,524,654
End of year	$ 35,526,319	$ 34,177,327

See notes to financial statements.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2005 AND 2004

1. Plan Description

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

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

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

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

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

At June 30, 2004 and 2003, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	2004	**2003**
Retirees and beneficiaries receiving benefits	127,345	128,025
Terminated vested members not yet receiving benefits	5,888	4,592
Active members receiving salary	174,997	173,434
Total	308,230	306,051

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

The service retirement benefits provided by the Plan for employees who joined before July 1, 1973 ("Tier 1") fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of "final 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 represents amounts contributed by The City in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the Plan during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP, which would reduce their take-home pay, but provide them with greater benefits upon retirement.

The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of "final 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 10^{th} 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 Adjustments ("COLA") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000), additional service credits for certain Tier 1 and Tier 2 members and reduced member contributions for certain Tier 3 and Tier 4 members (Chapter 126 of the Laws of 2000).

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

2. Summary of Significant Accounting Policies and Plan Asset Matters

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

Investment Valuation **-** Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the closing market value on the last trading day of the period, except for the Short-Term Investment Fund ("STIF", a money market fund), International Investment fund ("IIF") and Private Equity ("PE"). The IIF and PE are private 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.

The Plan has investments of $2.6 billion of Federal National Mortgage Association securities. These holdings represent 7.2% 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, 2005, 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 statement 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 proceedings from the defaulted issuer. In August 2004, November 2004, and March 2005 the Plan received $5.6 million, $308 thousand and $895 thousand respectively as partial settlements 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.

New Accounting Standards Adopted

In fiscal year 2005, the Plan adopted one new statement issued by Governmental Accounting Standards Board (GASB):

— Statement No. 40 *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*

Statement No. 40 establishes and modifies disclosure requirement related to investment risks, which includes credit risk, interest rate risk and foreign currency risk. The implementation of Statement No. 40 expands note disclosure regarding the Plan's investments and their related investment and deposit risks. Under Statement No. 40, the Plan is required to disclose information (if applicable) covering four principal areas:

- Investment credit risk disclosures, including credit quality information issued by rating agencies;
- Interest rate disclosures that include investment maturity information, such as weighted average maturities or specific identification of the securities;
- Interest rate sensitivity for investments that are highly sensitive to changes in interest rates;
- Foreign exchange exposures that would indicate the foreign investment's denomination.

Pronouncements Issued But Not Yet Effective

In April, 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Statement prescribes uniform financial reporting standards for Other Postemployment Benefits (OPEB) plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes: (i) postemployment healthcare benefits and (ii) other types of postemployment benefits (e.g., life insurance) if provided separately from a pension plan. 'Plans' refer to trust or other funds through which assets are accumulated to finance OPEB, and benefits are paid as they become due. The Statement provides standards for measurement, recognition, and display of the assets, liabilities, and, where applicable, net assets and changes in net assets of such funds and for related disclosures. The requirements of Statement No. 43 apply whether an OPEB plan is reported as a trust or agency fund or a fiduciary component unit of a participating employer or plan sponsor, or the plan is separately reported by a public employee retirement system or other entity that administers the plan. The Plan is currently reviewing Statement No. 43 to determine if its requirements are applicable to the Plan.

In June, 2004, GASB issued Statement No. 45, Accounting and *Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for the measurement, recognition, and display of Other Postemployment Benefits (OPEB) expense and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan. The approach followed in the Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 45 improves the relevance and usefulness of financial reporting by: (i) recognizing the cost of benefits in periods when the related services are received by the employer; (ii) providing information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded; and (iii) providing information useful in assessing potential demands on the employer's future cash flows. The Plan is currently reviewing Statement No. 45 to determine if its requirements are applicable to the Plan.

In June, 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. The Statement provides guidance for measuring, recognizing, and reporting liabilities and expense related to all termination benefits, including voluntary termination benefits (e.g., early-retirement incentives), without limitation as to the period of time during which the benefits are offered, and involuntary termination benefits (e.g., severance benefits). Statement No. 47 excludes postemployment benefits (pensions and other postemployment benefits (OPEB) which are part of the compensation that is offered in exchange for services received because they differ in nature from termination benefits. Accounting and reporting requirements for pensions and OPEB are addressed in Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, respectively. The Statement requires the Plan to disclose a description of the termination benefit arrangement, the cost of the termination benefits (required in the period in which the Plan becomes obligated if that information is not otherwise identifiable from information displayed on the face of the financial statements), and significant methods and assumptions used to determine termination benefit liabilities. The Plan is currently reviewing Statement No. 47 to determine if its requirements are applicable to the Plan.

3. Investments and Deposits

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

Concentration of Credit Risk

The legal requirements for Plan investments are as follows:

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

(b) Investments up to 15% of total pension fund assets may be made in instruments not expressly permitted 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 March 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.

The information reflected in the Credit Ratings and in the Years to Maturity is derived from the Custodian's Risk and Performance Analytics Reporting System. Such information is prepared as a result of the Custodian's Risk Management analysis.

Credit Risk—The quality ratings of investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, are as follows:

Investment Type*	**S&P Quality Ratings**									
June 30, 2005	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC & Below**	**Short term**	**Not Rated**	**Total**
U.S. Government	14.67%	-	-	-	-	-	-	0.18%	0.03%	14.88%
Corporate bonds	17.48%	3.06%	12.68%	12.43%	10.09%	12.98%	1.39%	-	1.35%	71.46%
Yankee Bonds	1.07%	1.33%	3.45%	2.71%	1.83%	1.49%	0.07%	-	0.11%	12.06%
Short Term	-	-	-	-	-	-	-	1.60%	-	1.60%
Percent of Rated Portfolio	33.22%	4.39%	16.13%	15.14%	11.92%	14.47%	1.46%	1.78%	1.49%	100.00%

	AAA	**AA**	**A**	**BBB**	**BB**	**B**	**CCC & Below**	**Short term**	**Not Rated**	**Total**
June 30, 2004										
U.S Government	20.73%	0.04%	-	-	-	-	-	0.55%	0.25%	21.57%
Corporate	18.50%	2.53%	9.69%	15.24%	6.83%	9.99%	1.08%	-	2.48%	66.34%
Yankee Bonds	1.01%	0.58%	3.53%	2.88%	0.90%	1.09%	0.06%	-	0.12%	10.17%
Short Term	0.50%	-	-	-	-	-	-	-	1.42%	1.92%
Percent of Rated Portfolio	40.74%	3.15%	13.22%	18.12%	7.73%	11.08%	1.14%	0.55%	4.27%	100.00%

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

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

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

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

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

Interest Rate Risk—Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

Years to Maturity

Investment Type

June 30, 2005

	Investment Maturities				
	Fair Value	**Less than one year**	**One to five years**	**Six to ten years**	**More than ten years**
U.S Government	16.39%	-	1.50%	6.72%	8.17%
Corporate	74.66%	0.53%	16.90%	13.99%	43.24%
Yankee Bonds	7.90%	0.43%	3.35%	2.08%	2.04%
Short Term	1.05%	1.05%	-	-	-
Percent of Rated Portfolio	100.00%	2.01%	21.75%	22.79%	53.45%

June 30, 2004

	Fair Value	**Less than one year**	**One to five years**	**Six to ten years**	**More than ten years**
U.S Government	18.26%	2.94%	1.86%	4.84%	8.62%
Corporate	73.02%	0.57%	15.94%	15.17%	41.34%
Yankee Bonds	7.33%	0.27%	3.02%	2.23%	1.81%
Short Term	1.39%	1.39%	-	-	-
Percent of Rated Portfolio	100.00%	5.17%	20.82%	22.24%	51.77%

Securities Lending Transactions

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

Investment Type and Fair Value of Securities Lending Transactions

S&P Quality Ratings

(In thousands)

June 30, 2005	AAA	AA	A	BBB	BB	B	CCC & Below	Short term	Not Rated	Total
Government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,806	$ -	$ 2,806
Corporate	1,086,227	949,757	692,361	-	-	-	-	705,089	7,259	3,440,693
Yankee	-	-	-	-	-	-	-	48,571	-	48,571
Short Term	813,373	1,239,612	321,341	-	-	-	-	283,932	304,190	2,962,448
Total	$ 1,899,600	$ 2,189,369	$ 1,013,702	$ -	$ -	$ -	$ -	$ 1,040,398	$ 311,449	$ 6,454,518
Percent of Securities Lending Portfolio	29.43 %	33.92 %	15.71 %	-	-	-	-	16.12 %	4.83 %	100.00 %

June 30, 2004	AAA	AA	A	BBB	BB	B	CCC & Below	Short term	Not Rated	Total
Government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,661	$ -	$ 5,661
Corporate	1,806,967	1,692,458	566,294	-	-	-	-	539,977	-	4,605,696
Yankee	-	2,253	-	-	-	-	-	2,586	-	4,839
Short Term	60,036	207,275	282,000	-	-	-	-	418,918	1,082,323	2,050,552
Total	$ 1,867,003	$ 1,901,986	$ 848,294	$ -	$ -	$ -	$ -	$ 967,142	$ 1,082,323	$ 6,666,748
Percent of Securities Lending Portfolio	28.00 %	28.53 %	12.72 %	-	-	-	-	14.51 %	16.23 %	100.00 %

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

Years to Maturity

Investment Type

(In thousands)

June 30, 2005

	Investment Maturities				
	Fair Value	Less than one year	One to five years	Six to ten years	More than ten years
Government	$ 2,806	$ 2,806	$ -	$ -	$ -
Corporate	3,440,693	887,457	2,553,236	-	-
Yankee	48,571	18,466	30,105	-	-
Short Term	2,962,448	1,360,049	1,602,399	-	-
Total	$6,454,518	$ 2,268,778	$ 4,185,740	$ -	$ -
Percent of Securities Lending Portfolio	100.00%	35.15%	64.85%	-	-

June 30, 2004

	Fair Value	Less than one year	One to five years	Six to ten years	More than ten years
Government	$ 5,661	$ 5,661	$ -	$ -	$ -
Corporate	4,605,696	813,224	3,792,472	-	-
Yankee	4,839	2,586	2,253	-	-
Short Term	2,050,552	1,632,368	418,184	-	-
Total	$ 6,666,747	$ 2,453,838	$ 4,212,909	$ -	$ -
Percent of Securities Lending Portfolio	100.00%	36.81%	63.19%	-	-

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 2005 or 2004. With respect to the benefits payable from HPSOVSF, for Fiscal Years 2005 and 2004, the Plan incurred expenses of approximately $2.5 million and $2.3 million, respectively. With respect to the benefits payable from TPSOVSF for Fiscal Years 2005 and 2004, the Plan incurred expenses of approximately $2.5 million and $0.8 million, respectively.

With respect to the COVSF, for Fiscal Year 2005, 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, 2005. For Fiscal Year 2004, there were no excess earnings of the Plan and, therefore, no transfers were due from the Plan to COVSF as of June 30, 2004.

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 10^{th} anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, certain members who are Tier 2 or Tier 3 corrections officers and certain other Tier 2 and Tier 4 members contribute additional amounts ranging from 1.85% to 7.46% for improved early retirement benefits.

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

The June 30, 2004 and 2003 actuarial valuations used to determine Fiscal Years 2005 and 2004 Employer contributions, respectively, were, in general, based on actuarial assumptions and methods proposed 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 ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and the APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on the payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

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

Chapter 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 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 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 Fiscal Year 2004.

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

Under this methodology the APV of Future SKIM from the Plan to the NYCERS VSFs is included directly as an actuarial liability of the Plan. This amount is computed as the excess, if any, of the APV of benefits of each individual NYCERS VSF offset by the AAV of that individual NYCERS VSF, respectively.

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 AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

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

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 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 of Chapter 125/00 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.

Because the Fiscal Years 2002 and 2001 accounting periods were closed and Chapter 278/02 had a retroactive effect, the interest-adjusted difference between Employer contributions actually paid for Fiscal Years 2002 and 2001 under Chapter 125/00 and the amounts that would have been payable under the ten-year phase-in schedule for such fiscal years was deducted from the otherwise required Employer contributions for Fiscal Year 2003.

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 greater Employer contributions in later years.

Statutory Contributions for Fiscal Years 2005 and 2004 were equal to the amounts calculated by the Actuary and reflect the impact of 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

In general, members are permitted to borrow up to 75% of their own contributions, including accumulated interest. The balance of member loans receivable at June 30, 2005 is $845.5 million and $855.8 million at June 30, 2004.

7. Related Parties

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

8. Administrative and Investment Expenses

Chapter 593 of the Laws of 1996, effective July 1, 1997, authorized the Board of Trustees to draw upon 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 2005, the total non-investment expenses attributable to the Plan were approximately $41.3 million, of which $37.3 million was paid from the assets of the Plan and $4.0 million were incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office. In Fiscal Year 2004, total non-investment expenses attributable to the Plan were approximately $39.0 million, of which $35.6 million was paid from the assets of the Plan and $3.4 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 $46.1 million and $43.0 million for the years ended June 30, 2005 and 2004, respectively.

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

Fiscal Year Ending	Minimum Rental Payments
2006	$3,586,075
2007	3,586,075
2008	3,586,075
2009	3,586,075
2010	3,710,974
2011 - 2015	20,540,762
2016 - 2020	21,542,846

Rent expense for the Fiscal Years ended June 30, 2005 and 2004 was approximately $3.6 million and $3.8 million, respectively.

9. Contingent Liabilities and Other Matters

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

Other Matters **-** During Fiscal Years 2005 and 2004, certain events described below took place which, in the opinion of Plan management, could have the effect of increasing benefits to members and/or their beneficiaries and therefore would increase the obligations of the Plan. The effect of such events has not been fully quantified. However, it is the opinion of Plan management that such developments would not have a material effect on the Plan net assets held in trust for pension benefits or cause changes in the Plan net assets held in trust for pension benefits.

Actuarial Audit **-** Pursuant to Section 96 of The New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems ("NYCRS") are conducted every two years. The most recent study was published by Gabriel, Roeder, Smith & Company ("GRS") dated October 2003 and analyzed experience for Fiscal Years 1998 through 2001. Based on the recommendations of GRS, the Actuary has proposed changes to the actuarial assumptions and methods applicable to the determination of the Fiscal Year 2006 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 proposed by the Actuary for use in the determination of Employer contributions.

Based upon a review of the October 1999 Watson Wyatt and Company ("Wyatt") 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 has adopted those changes to actuarial assumptions and methods that required Board approval and the State Legislature and the Governor have 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.

After reviewing the results of the October 2003 GRS study, the Actuary issued a Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for The New York City Employees' Retirement System" dated August 29, 2005.

The Board of Trustees of the Plan has adopted the Actuary's proposed changes in actuarial assumptions and methods that require Board approval. For those changes to the actuarial assumptions and methods that require legislation, such actions are anticipated during Fiscal Year 2006.

New York State Legislation **-** Chapter 133 of the Laws of 2004 extended certain provisions of Chapter 85/00 through Fiscal Year 2005. Thus, for Fiscal Year 2005, the interest rate used for Tier 1 and Tier 2 member contributions and ITHP Reserves remained at 8.25% per annum. Chapter 133 of the Laws of 2005 now provides a similar extension of the interest rates for Fiscal Year 2006. The investment rate of return assumption for determining Employer contributions for Fiscal Year 2006 remains at 8.0% per annum until and unless changed following the proposals of the Actuary and the actions by the Board of Trustees, the State Legislature and the Governor.

Chapter 581 of the Laws of 2004 allows Tier 1 and Tier 2 correction members to receive up to one year of credit for each time such member is absent without pay while on an authorized child care leave.

Chapter 622 of the Laws of 2004 provides (1) a refund of the additional member contributions upon the death of certain Tier 3 correction members, (2) a correction captain reopener for Tier 3 members, (3) a change of additional member contributions for certain correction members and (4) a new 20-year correction force plan.

Chapter 623 of the Laws of 2004 provides for an Excess Benefit Plan to be established which would provide benefits to those pensioners whose annual retirement benefits are limited because those benefits exceed the limitations set by IRC Section 415 (b). The law is retroactive to July 1, 2000.

Chapter 695 of the Laws of 2004 establishes a new 20-year district attorney investigator plan.

Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, creates a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

* * * * *

Schedule 1

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
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)	Actuarial Accrued Liability (AAL)*	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(A)	(A) & (B)	(C)(2)-(1)	(1)÷(2)		(3)÷(5)
2004	$ 40,088,213	$ 40,236,258	$ 148,045	99.6%	$ 9,157,412	1.6%
2003	42,055,984	42,244,146	188,162	99.6	8,807,619	2.1
2002	43,561,103	43,619,936	58,833	99.9	8,901,110	0.7
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	0.0

* Frozen Initial Liability.

Notes:

(A) As of June 30, 1995 and June 30, 1999, the economic and non-economic assumptions were revised due to experience review. The 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 used 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 (i.e., cumulative rates 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 of Funding Progress is 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 (i.e., cumulative rates 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 (i.e., cumulative rates 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 AAL, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.

(Schedule of Funding Progress Concluded)

Schedule 2

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
(In Thousands)

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2005	$ 1,020,380	80.6 %
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

Under the requirements of Governmental Accounting Standards Board Statement Number 27 ("GASB 27") the Annual Required Contribution ("ARC") is determined through an actuarial valuation reflecting all liabilities of the Plan. The Employer contribution to the Plan is determined in accordance with statute (i.e., Statutory Contribution). The difference between the ARC and the Statutory Contribution is the consequence of Chapter 278/02 which phases-in over 10 years the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00 (i.e., automatic COLA).

The Statutory Contributions of $822.8 million, $310.6 million and $108.0 million for Fiscal Years 2005, 2004 and 2003, respectively, were computed in accordance with Chapter 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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
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, 2004 and 2003. These actuarial valuations were used to determine Employer contributions for Fiscal Years 2005 and 2004, respectively. Additional information as of the last two actuarial valuations follows:

	June 30, 2004	**June 30, 2003**
Actuarial cost method	Frozen Initial Liability.[1]	Frozen Initial Liability.[1]
Amortization method for Unfunded Actuarial Accrued Liabilities	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.[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.[2]
Remaining amortization period	1 year for 1999 ERI, 2 years for 2000 ERI and 4 years for 2002 ERI (Part A only).[2]	2 years for 1999 ERI, 3 years for 2000 ERI and 5 years for 2002 ERI (Part A only).[2]
Actuarial asset valuation method	Modified 5-year moving average of market values with a "market value restart" as of June 30, 1999.	Modified 5-year moving average of market values with a "market value restart" as of June 30, 1999.
Actuarial assumptions:		
Investment rate of return	8.0% per annum.[3]	8.0% per annum.[3]
Post-retirement mortality	Tables adopted by Board of Trustees during Fiscal Year 2000.	Tables adopted by Board of Trustees during Fiscal Year 2000.
Active service: withdrawal, death, disability, service retirement	Tables adopted by Board of Trustees during Fiscal Year 2000.	Tables adopted by Board of Trustees during Fiscal Year 2000.
Salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per year.[3]	In general, merit and promotion increases 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]

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[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 June 30, 1999 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.

Supplementary information - Schedule 4

New York City Employees' Retirement System
SUMMARY OF ADMINISTRATIVE EXPENSES (unaudited)
Fiscal Year Ended June 30, 2005

Expenses Incurred Directly By NYCERS		
Personal Services		
Employee Compensation	$24,385,655	
Temporary Personnel Services	89,055	**$24,474,710**
Professional Services		
Medical Board & Medical Consultants	566,386	
Steno for Medical & Trustees' Board	39,168	
Data Processing Consultants	2,319,019	
NY State Insurance Dept. Examiners	64,612	
Other Consultants	50,785	**3,039,970**
Communication		
Printing	190,315	
Postage	332,482	
Telephone	304,480	**827,277**
Rentals		
Office & Storage Space	3,615,295	
Data Processing	838,963	**4,454,258**
Other		
Office & Data Processing Equipment	1,001,096	
Equipment Maintenance	483,315	
Facilities Services	423,769	
Office Supplies & Services	1,210,176	
Depreciation	1,430,000	**4,548,356**
Reimbursement of expenses paid or services rendered		**(37,704)**
Total Direct NYCERS' Expenses		**37,306,867**
Expenses Incurred By Other City Agencies		
Office of the Comptroller	3,089,451	
Law Department	757,346	
Office of Management and Budget	148,765	
Total NYCERS' Expenses Incurred By The City Of New York		**3,995,562**
Total Administrative Expenses		**$41,302,429**

Supplementary information-Schedule 5

New York City Employees' Retirement System
SCHEDULE OF PAYMENTS TO CONSULTANTS (unaudited)
For Fiscal Year Ended June 30, 2005

Firm	Nature of Services	Fee
AECC	Accounting software support	$17,285
Anacomp	Computer services	15,357
Apogee Software Systems	Computer services	12,474
Computer Generated Solutions	Computer services	227,140
Computer Horizon	Computer services	679,721
Comsys Services	Computer services	374,530
Continental Resources	Computer services	17,254
First Technology	Computer services	1,945
Forrester Research	Computer services	8,320
IBM	Computer services	390,929
Mainline Information Systems	Computer services	3,000
MISI Company	Computer services	32,704
Proviti	Security needs analysis	33,500
SBC Data Comm. Integrated Solutions	Computer services	115,648
U.S. Technology Solutions	Computer services	74,350
Vignette Corp.	Imaging system design	166,935
Xyant Technology	Computer services	198,712
Total		**$2,369,804**

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

New York City Employees' Retirement System
SCHEDULE OF INVESTMENT EXPENSES (unaudited)
Fiscal Year Ended June 30, 2005

Investment Expenses Paid from the Investment Earnings of the Plan:		
		$44,065,592
Fees Paid to Investment Advisors for FY2005 Services		
See Schedule of Fees Paid to Investment Advisors on Page 139		
Fees Paid to Investment Consultants		
Callan Associates – General Consulting	$304,000	
Callan Associates – Emerging Markets	282,000	
Pacific Corporate Advisors	711,839	
Townsend – Real Estate	147,306	
Total Investment Consultant Fees		**1,445,145**
Other miscellaneous investment expenses		**597,758**
Total Investment Expenses Paid Directly by the Plan		**46,108,495**
Fee Expenses Related to Securities Lending Transactions		**154,609,122**
Total Investment Expenses and Fees Paid Directly by the Plan		**200,717,617**
Investment Expenses Paid by the NYC Comptroller as Custodian of the Funds of the Plan:		
Custodial Fees	943,811	
Other Financial Services	56,415	
		1,000,226
Total Investment Expenses and Fees		**$201,717,843**

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, 2005

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. The Policy Mix consists of 55% in U.S. Equities, 13% in an International Investment Equity Investment Fund involving only New York City pension plans, 30% in U. S. Fixed Income, and 2% in Alternative Investments which includes private equity and real estate investments. Public equity investments are allocated among passive, emerging markets, and approaches that focus on companies of various size capitalizations. Fixed income bonds are primarily allocated among government, government guaranteed mortgage-backed, and corporate securities.

- 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 (ETIs) in New York City are increasing. With the *Plan* financing the underlying mortgages of both low income and middle income housing in the City, many city residents have benefited from the increased access to affordable housing, as well as from the economic effect of the construction industry jobs that have been created. These targeted investments have resulted in the creation or rehabilitation of 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. As part of this ETI program, the Plan has made capital commitments to a private equity fund whose investments will be in businesses that create jobs and promote economic development in New York City.

REPORT ON INVESTMENT ACTIVITY AND POLICIES

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

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

Investment Accounting

Investments are 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 & Poor's Corporation and Moody's Investors' Service, or any bond on the list of Legal Investments for New York Savings Banks, published annually by the New York State Banking Department.

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

U.S. Government securities or government agencies' securities fully guaranteed by the U.S. Government.

Commercial paper rated A1 or P1 or F1 by Standard & Poor's Corporation or Moody's Investors' Service, or Fitch, respectively.

Repurchase agreements collateralized in a range of 100% to 102% of matured value, purchased through primary dealers of U.S. Government securities.

Investments in banker's acceptances, certificates of deposit, and time deposits are limited to banks with worldwide assets in excess of $50 billion that are rated within the highest categories of the leading bank rating services and selected regional banks which are also rated within the highest categories.

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

In addition, investments of up to 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 either 2% of the Plan net assets or 5% of the corporation's total outstanding issues.

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

Investment Returns

The Plan's returns on investments have generally been consistent with the broad market trends. Throughout most of the last ten years, investment earnings have constituted, by far, the largest component of total Plan revenue. The following table illustrates this fact. During 2005 the fair value of the investment portfolio appreciated $2.1 billion as compared to $3.9 billion in 2004 and 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
2005	73	20	7
2004	88	6	6
2003	73	7	20
2002	(116)	12	4
2001	(113)	3	10
2000	90	2	8
1999	91	3	6
1998	93	3	4
1997	94	3	3
1996	91	4	5

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. From 1996 to 2003, the Plan's participating employers were able to reduce their contributions due to the appreciation of its equity holdings. This is of vital importance, as municipal employers are striving to contain costs. Having a retirement system that is largely self-sufficient, in terms of the revenue stream being generated by its investments, allows the employer to use those savings to meet other needs of its constituents. We believe that we have a strong diversified investment portfolio that, in the long run, will continue to grow along with the rest of the national and international economies.

REPORT ON INVESTMENT ACTIVITY AND POLICIES

The total return on *Plan* assets during 2004 was 9.2%.

Domestic Equities, which comprise 41.1% of the total portfolio, returned 7.91%, which was comparable to the Russell 3000 benchmark of 8.06%. Merrill Lynch, BGI, and Amalgamated passively manage 87% of the domestic equity portfolio. Seventeen other managers, who vary in their investment approach, such as specializing in value, growth, small capitalization stocks, or emerging markets, actively manage the remaining 13%.

The International Equity portfolio is externally managed as part of a fund that only includes NYC retirement systems as shareholders. It makes up 14.9% of the total portfolio, and it contributed a return of 14.01%. This was comparable to the EAFE index of 13.65%.

The U.S. Long-term Fixed Income segment, externally managed and constituting 22.4% of the portfolio, returned 8.31%. This was higher than the NYC Core Plus Five Index of 8.2%.

The Short-Term Investment return has increased to 2.24% from last year's return of 1.04%.

The *Plan's* Targeted Investment segment returned 6.18%.

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).

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

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

New York City Employees' Retirement System

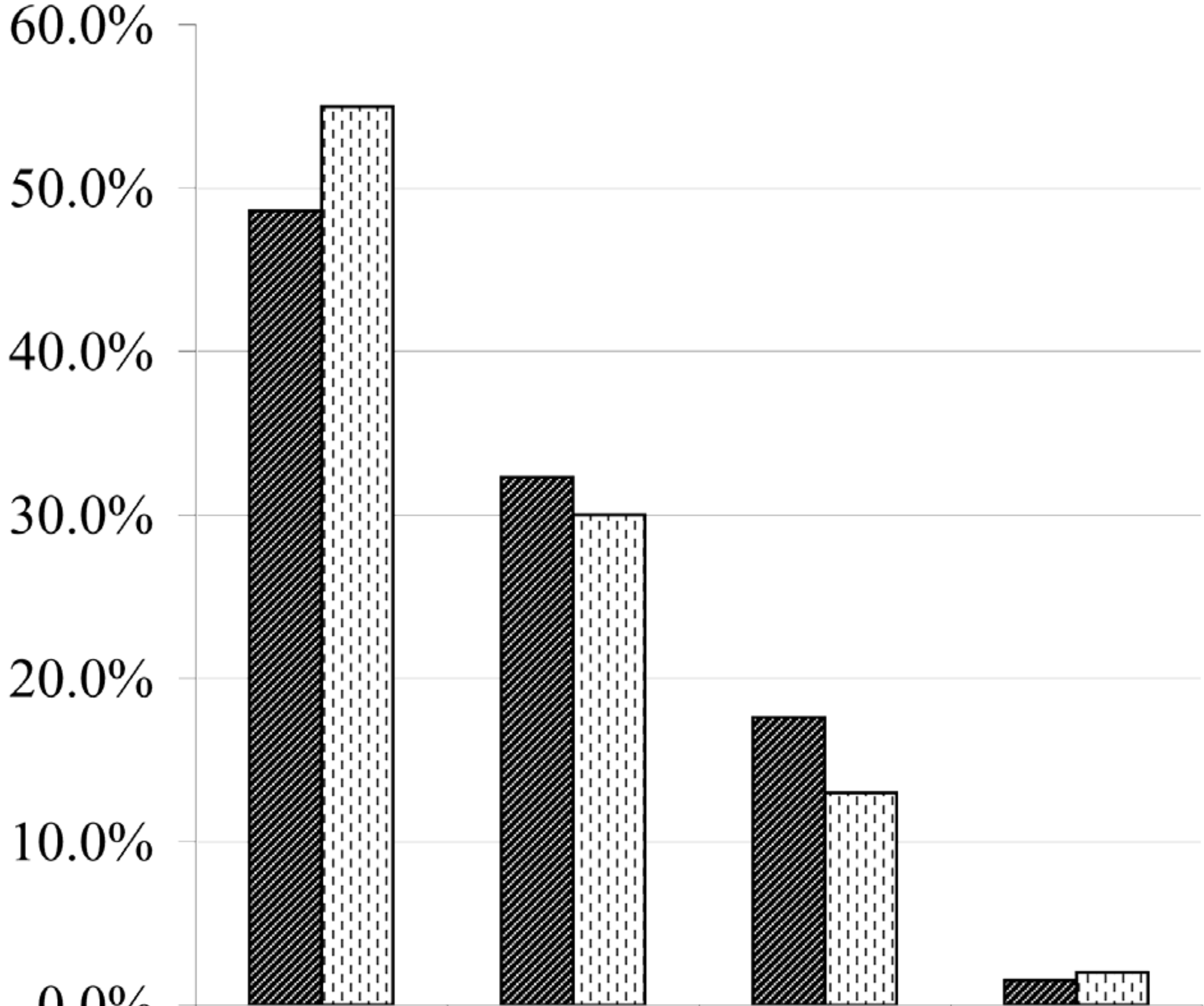
INVESTMENT SUMMARY AS OF JUNE 30, 2005

(in thousands of dollars)

Type of Investment	Market Value as of June 30, 2005	Percent of Total Market Value
Short Term Investments	**$1,189,835**	**2.8%**
Fixed Income Debt Securities - Long Term		
U.S. Government	5,040,943	12.0%
Corporate	4,547,346	10.9%
Yankee	204,842	0.5%
Total Fixed Income Debt Securities- Long Term	**9,793,131**	**22.4%**
Total Fixed Income	**10,982,966**	**26.2%**
PRIVATE EQUITY	**535,760**	**1.3%**
EQUITIES - DOMESTIC	**17,220,762**	**41.1%**
MUTUAL FUNDS:		
International - equities	6,241,384	14.9%
Mortgages	56,092	0.1%
Treasury Inflation Protected securities	392,215	.9%
Total Mutual Funds	**6,689,691**	**15.9%**
Promissory Notes	**7,588**	**0.0%**
Collateral from Securities Lending	**6,454,518**	**15.5%**
Total Investments	**$41,891,285**	**100.0%**

New York City Employees' Retirement System

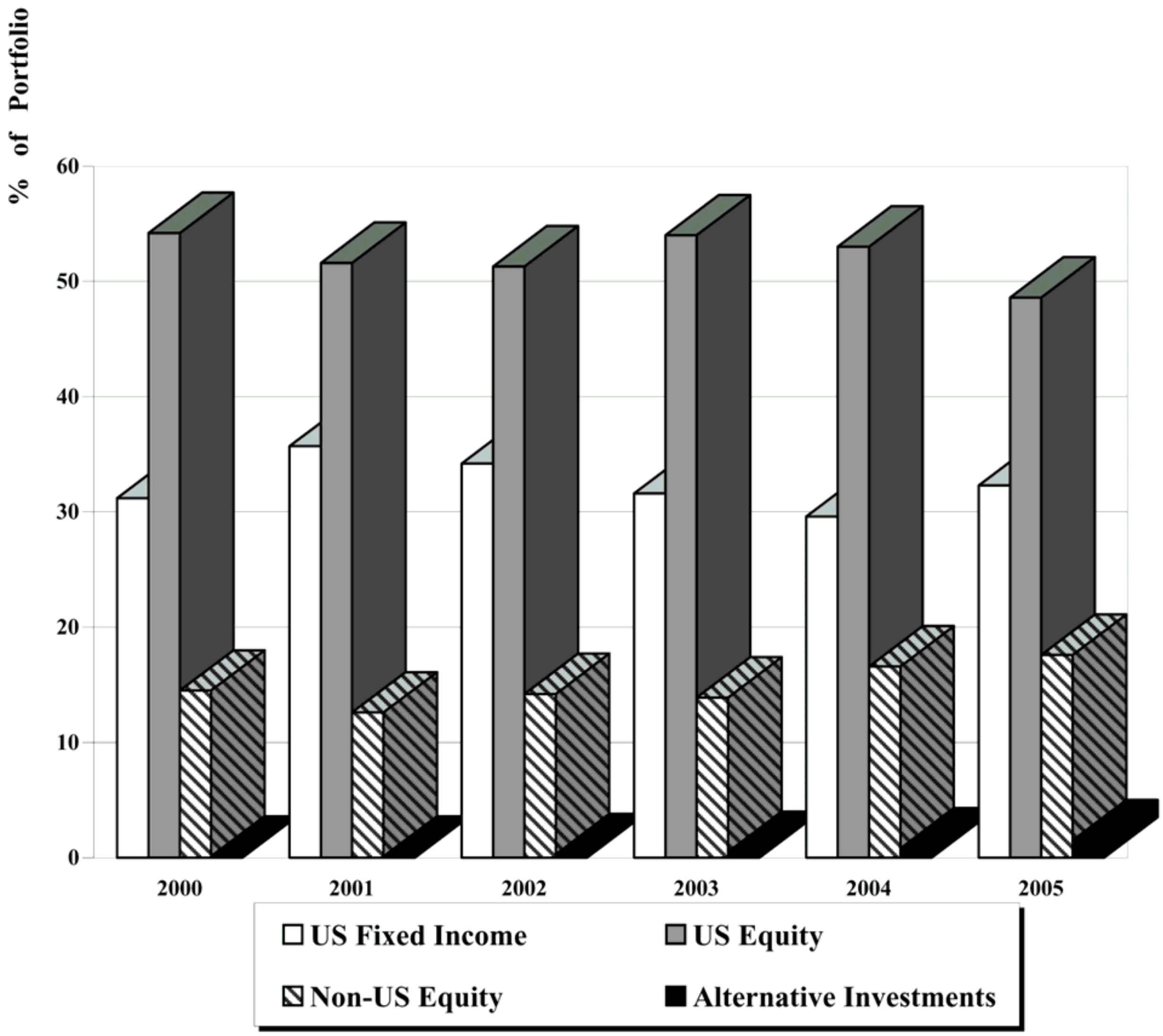
ASSET ALLOCATION AND POLICY MIX



	U.S. Equity	U.S. Fixed Income	Int'l Equities	Alternative Investments
Asset Mix	48.6%	32.3%	17.6%	1.5%
Policy Mix	55.0%	30.0%	13.0%	2.0%

(as of June 30, 2005)

ASSET ALLOCATION
June 30, 2000 - June 30, 2005



LIST OF LARGEST EQUITY HOLDINGS
(by Fair Value)
June 30, 2005

	Shares	Security		Fair Value	Percentage of Domestic Equities
1	7,958,254	Exxon Mobil Corp	$	457,360,857	2.66%
2	13,177,865	General Electric Company		456,613,022	2.65%
3	6,426,336	Citigroup Inc.		297,089,513	1.73%
4	11,691,491	Microsoft Corp.		290,416,637	1.69%
5	9,256,563	Pfizer Inc.		255,296,008	1.48%
6	3,767,919	Johnson & Johnson		244,914,735	1.42%
7	5,076,343	Bank America Corp.		231,532,004	1.34%
8	7,832,233	Intel Corporation		204,107,992	1.19%
9	3,152,461	Proctor & Gamble Company		166,292,318	0.97%
10	2,842,913	American International Group		165,173,245	0.96%
11	2,502,993	Altria Group Inc.		161,843,527	0.94%
12	3,266,318	Wal-Mart Stores Inc.		157,436,528	0.91%
13	8,195,386	Cisco Systems Inc.		156,613,826	0.91%
14	1,997,950	Int'l Business Machines Corp.		148,247,890	0.86%
15	2,650,285	Chevron Texaco Corp.		148,203,937	0.86%
16	4,141,144	J.P. Morgan Chase & Company		146,265,206	0.85%
17	2,102,039	Wells Fargo & Company		129,443,562	0.75%
18	2,511,022	Pepsico Inc. and subsidiaries		125,756,336	0.73%
19	3,182,351	Dell Inc.		125,734,688	0.73%
20	3,522,744	Verizon Communications Inc.		121,710,805	0.71%
21	2,654,919	Coca-Cola Company		110,842,868	0.64%
22	2,761,419	Home Depot Inc.		107,419,199	0.62%
23	1,815,361	Conoco Phillips		104,365,104	0.61%
24	4,149,105	SBC Communications Inc.		98,541,244	0.57%
25	1,958,676	Wachovia Corp.		97,150,330	0.56%
26	5,707,649	Time Warner Inc.		95,374,815	0.55%
27	1,559,302	Amgen Inc.		94,275,399	0.55%
28	1,866,622	Abbott Laboratories		91,483,144	0.53%
29	3,616,183	Hewlett Packard Company		85,016,462	0.49%
30	1,623,842	United Health Group Inc.		84,667,122	0.49%
31	2,689,233	Merck & Company		82,828,376	0.48%
32	2,573,376	Comcast Corp.		78,651,828	0.46%
33	1,471,564	Medtronic Inc.		76,212,300	0.44%
34	1,681,267	Wyeth		74,816,382	0.43%
35	1,394,514	American Express Company		74,229,980	0.43%
36	2,214,843	Qualcomm Inc.		73,111,967	0.42%
37	1,229,270	Federal Nat'l Mortgage Assn.		71,789,368	0.42%
38	1,365,532	Morgan Stanley Group Inc.		71,649,464	0.42%
39	980,589	3M Company		70,896,585	0.41%
40	5,223,848	Oracle Corp.		68,954,794	0.40%
			$	**5,902,329,367**	**34.26%**

LIST OF LARGEST BOND HOLDINGS
(by Fair Value)
June 30, 2005

	Security Description	Fair Value	Percent of Long Term Fixed Income
1	FNMA Securities	$ 2,559,283,191	25.13%
2	U.S. Treasury Securities	1,447,583,983	14.21%
3	Federal Home Loan Corp.	959,869,608	9.42%
4	GNMA Securities	276,317,641	2.71%
5	Ford Motor Company	82,546,254	0.81%
6	Citigroup & subsidiaries	81,951,569	0.80%
7	Community / Economic Development Bonds	81,763,671	0.80%
8	Federal Home Loan Banks	80,259,269	0.79%
9	HSBC Group	73,600,159	0.72%
10	J.P. Morgan Chase & subsidiaries	68,939,080	0.68%
11	Goldman Sachs Group	59,443,412	0.58%
12	General Motors & subsidiaries	55,739,494	0.55%
13	Daimler Chrysler North America	52,918,987	0.52%
14	United Mexican States	52,510,167	0.52%
15	Morgan Stanley & subsidiaries	50,736,323	0.50%
16	AT&T & subsidiaries	48,734,466	0.48%
17	Resolution Funding Corp.	45,738,838	0.45%
18	Merrill Lynch & Company	44,028,604	0.43%
19	PEMEX Project Funding	38,471,594	0.38%
20	General Electric Company	37,802,784	0.37%
21	MBNA Inc.	35,967,672	0.35%
22	Sprint Capital Corp.	35,451,590	0.35%
23	Georgia Pacific Company	33,436,954	0.33%
24	Lehman Brothers	33,365,023	0.33%
25	Structured Asset Securities Corp.	33,265,651	0.33%
26	Tennessee Valley Authority	30,908,956	0.30%
27	Bank America Corp.	30,897,782	0.30%
28	Bear Stearns Inc.	30,441,606	0.30%
29	AES Corporation	30,164,057	0.30%
30	Williams Companies	29,660,696	0.29%
31	CIT Group	29,243,907	0.29%
32	Washington Mutual	29,122,513	0.29%
33	Wachovia	28,588,296	0.28%
34	SBC Communications	27,661,779	0.27%
35	Nextel Partners Inc.	27,282,875	0.27%
36	British Telecommunications	25,522,080	0.25%
37	American Express	25,460,121	0.25%
38	Wells Fargo Inc.	25,334,272	0.25%
39	CWALT Inc.	24,590,271	0.24%
40	Capital One and subsidiaries	23,478,832	0.23%
		$6,788,084,027	**66.65%**

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 with various maturities and interest rates. A mutual fund, consisting of only U.S. Treasury securities, is included with that holding.

SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

	Assets under Management (in millions) as of June 30, 2005	Fees
Fees Paid Out of Investment Income		
Investment Managers' Fees:		
Fixed Income Managers:		
Blackrock (Mortgages)	$ 814.59	$ 375,088
Blackrock (Corporate)	554.56	257,474
Cypress (Gov't)	37.83	151,072
EH Williams Management	36.80	150,133
Fischer, Francis, (Int'l)	326.20	208,464
High Yield Transition (Enhanced)	0.57	-
Lehman Brothers (Gov't)	908.07	143,662
Lehman Brothers (Mortgage)	887.17	281,309
Loomis, Sayles & Company, LP (Enhanced)	419.41	1,560,754
MDL Capital Management (Gov't)	161.81	113,019
Pacific Investment Mgt. Co. (Gov't)	274.44	179,098
Pacific Investment Mgt. Co. (Mortgages)	887.16	618,548
Prudential (Corporate)	390.00	153,463
Prudential (Int'l)	330.23	124,793
SEIX (Enhanced)	416.86	695,318
Shenkman (Enhanced)	414.82	1,150,621
Special Transition	0.01	-
State Street Bank & Trust Co. (Gov't)	271.95	49,752
T. Rowe Price Associates (Enhanced)	515.54	301,544
T. Rowe Price Associates (Corporate)	416.65	1,238,367
Taplin, Canida (Corporate)	567.31	522,606
TCW (Mortgage)	817.46	882,760
W. R. Huff -terminated (Enhanced)	-	1,188,887
Total Fixed Income Managers	**9,449.44**	**10,346,732**
Domestic Equity Managers		
Aeltus (Enhanced Index)	304.76	335,072
Amalgamated (S&P 500 Index)	1,363.77	45,041
Ariel Capital (Mid-cap)	148.12	440,777
Ariel Capital (Small cap)	103.75	318,656
BGI (Russell 3000 Index)	6,859.78	235,308
Chicago Equity Partners (Mid-cap)	53.58	91,013
Emerald Advisors (Small-cap)	29.08	96,387
FIS Funds Management (Emerging markets)	136.37	757,179
Forstmann-Leff Associates (Mid-cap)	99.96	266,767
Franklin Portfolio Associates (Mid-cap)	53.26	175,545
Gabelli Asset (Small-cap)	51.59	374,770
JP Morgan (Enhanced S & P 500 Index)	298.21	31,671
Merrill Lynch (Russell 3000 index)	6,830.69	97,391
Navellier (Small-cap)	64.71	246,287
New Amsterdam (Mid-cap)	78.48	174,176
Progress Investment Mgt Co. (Emerging markets)	267.37	1,202,101
Rothschild Asset Management (Mid-cap)	100.65	487,141
Seneca Capital Management (Mid-cap)	145.51	440,967
Wells Capital (Small-cap)	62.71	300,838
Westpeak (Enhanced S & P 500 Index)	132.48	113,012
Zevenbergen Capital (Large–cap)	93.06	241,905
Total Domestic Equities	**17,277.89**	**6,472,004**

SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

	Assets under Management (in millions) as of June 30, 2005	Fees
Private Equity Investments		
Allegra Capital Partners IV	$ 7.12	$ -
Apollo Investment Fund V	28.78	448,0360
Ares Corporate Opportunities	22.70	406,138
Aurora Equity Capital Partners III	9.35	429,352
BDCM Opportunity Fund	21.90	235,784
Blackstone Capital Partners IV	32.42	-
Carlyle Partners III	46.71	699,771
Cypress Merchant Bank Partners II	44.71	336,581
Fairview Capital Partners	1.24	178,846
FdG Capital Partners	14.23	90,313
FdG Capital Partners II	10.98	507,792
FS Equity Partners V	7.00	361,310
Landmark Equity Partners XI	27.79	-
Lincolnshire Equity Fund II	15.82	9,829
Lincolnshire Equity Fund III	4.98	907,500
Markstone Capital Partners	5.65	200,000
New Mountain Partners	13.80	753,825
New Mountain Partners II	8.49	-
Paladin Homeland Security	4.30	786,191
Ripplewood Partners II	3.43	350,000
RRE Ventures III	12.52	500,000
SCP Private Equity Partners II	12.98	600,000
Silver Lake Partners II	4.26	346,805
Solera Partners	7.07	290,724
Thomas McNerney Partners	5.98	-
VS&A Commercial Partners III	42.86	295,945
Yucaipa American Alliance Fund	38.95	961,943
Total Private Equity Managers	**456.03**	**9,696,685**
Private Real Estate Managers		
Blackstone Real Estate Partners IV	21.23	-
Canyon Johnson Urban Fund	8.71	334,894
Canyon Johnson Urban Fund II	2.74	-
The City Investment Fund	22.54	703,125
Tishman Speyer/Citigroup	26.92	625,667
Total Private Real Estate Managers	**82.14**	**1,663,686**

SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

		Assets under Management (in millions) as of June 30, 2005		Fees
International Equity Fund Managers				
Bank of Ireland Asset Management (Value)	$	518.05	$	1,524,061
Barclays' Global Investor (Passive)		1,325.51		145,272
BGI Transition (Value)		0.24		-
Capital Guardian Trust Company (Core)		1,360.49		5,366,000
GE Asset Management (Growth)		603.54		1,255,175
Mondrian Investment Partners Ltd (Value)		646.43		1,910,885
Oechsle International Advisors (Growth)		425.26		1,583,979
Putnam Advisory Company (Core)		1.31		419,176
SpruceGrove Investment Management (Value)		632.79		1,338,298
T. Rowe Price (Growth)		727.81		2,294,612
Total International Equity Fund Managers		**6,241.43**		**15,837,458**
Mutual Fund – Treasury Inflation Protected Securities				
Pacific Investment Mgt. Company		**392.20**		**49,027**
Total Investment Manager Fees Paid from NYCERS' Investment Income		**33,899.13**		**44,065,592**
Consultants				
Callan Associates - General Consulting				304,000
Callan Associates - Emerging Markets				282,000
Pacific Corporate Group				711,839
Townsend - Real Estate				147,306
Total Consultant Fees				**1,445,145**
Total Fees FY 2005	**$**	**33,899.13**	**$**	**45,510,737**

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2005

Brokerage Firm	Number of Shares Traded	Total Commissions
Abel Noser Corporation	10,100	$ 394
Access Securities Inc.	143,600	5,744
Adams, Harkness & Hill Inc.	183,116	8,027
ADP Clearing and Outsourcing	187,628	2,600
Advest Inc.	23,000	956
American Technology Research	26,200	1,038
America's Growth Capital	48,000	2,160
Andover Capital Partners	65,627	656
Arnhold & Bleichroeder Inc.	9,900	297
Avian Securities Inc.	38,360	1,808
Avondale Partners	14,600	730
Baird (Robert W.) & Company	642,471	29,730
Banc America Securities	23,796,603	106,872
Barclay's Global Investors	159,900	2,798
Bear Stearns & Company	4,022,365	130689
Berean Capital Inc. #2	181,600	7,816
Bernstein (Sanford C.) & Company	1,030,623	42,924
Blackwatch Brokerage Inc.	88,599	3,866
Blair (William) & Company	518,351	23,174
Blaylock & Partners	36,400	1,240
BMO Nesbitt Burns Corp.	216,369	10,300
BNY Brokerage Inc.	539,840	20,742
BOE Securities Inc.	180,025	8,497
Boston Institutional Services Inc.	168,680	8,363
Brean, Murray, Foster Securities	5,900	177
Bridge Trading Company	291,810	13,285
Broadcort Capital Corp.	94,564	1,418
Brown Brothers, Harriman & Company	16,561	762
B-Trade Services	3,174,121	86,866
Buckingham Research Group	134,184	6,529
Burlington Capital Markets	8,000	280
Cabrera Capital Markets	509,620	16,738
Cantor, Fitzgerald & Company	1,652,610	43,093
Capital Institutional Services - Equities	5,565,669	199,169
Carlin Equities	155,900	2,174
Cheevers & Company	167,020	7,997
CIBC World Markets Corp.	655,087	29,066
Citation Group	553,742	25,616
Citigroup Global Markets Inc.	2,439,083	73,661
Cowen (S.G.) & Company	558,698	24,483
Credit Lyonnais Securities	52,200	1,701
Credit Suisse First Boston	5,239,443	114,557
Custom Equity Research Inc.	7,500	375
Davenport & Company	5,000	186
Davidson (D.A) & Company	122,400	6,110
Deutsche Banc/Alex Brown	13,136,215	63,183
Divine Capital Markets	212,657	9,484
Donaldson, Lufkin & Jenrette	28,300	1,415
Dougherty & Company	6,800	340

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2005

Brokerage Firm	Number of Shares Traded	Total Commissions
Dowling & Partners Securities	43,800	1,528
Dresdner, Kleinworth, Wasserstein	216,680	8,667
Edwards, (A.G.), & Sons	263,381	12,120
Factset Data Systems, Inc.	510,925	25,546
Ferris, Baker Watts, Inc.	17,000	370
Fidelity Capital Markets	131,100	5,426
First Albany Corporation	146,002	6,129
First Analysis Securities Corp.	9,810	470
First Clearing	90,950	4,523
First Southwest Company	21,698	681
Fiserv Securities Inc.	1,143,323	13,839
Fox-Pitt, Kelton Inc.	71,700	3,247
Francis P. Maglio & Co Inc	50,400	1,260
Friedman, Billings & Ramsey	144,938	7,014
Fulcrum Global Partners	294,561	9,037
Gardner, Rich & Company	437,680	19,558
Giordano-Dellacamera Securities	5,500	66
Goldman Sachs & Company	36,459,043	567,900
Gordon Haskett Capital Corp.	22,600	678
Great Lakes Capital Partners	55,760	2,230
Greentree Brokerage Services	179,082	7,951
Griswold Company	168,400	5,321
Guzman & Company	262,200	9,162
Harborside Securities	40,345	1,210
Haynes (A.H.) & Company	44,480	2,224
Hibernia Southcoast Capital	15,900	705
Howard Weil Div. - Legg Mason	24,410	1,117
Instinet Corporation	4,798,692	95,961
Institutional Services	139,850	6,147
Intersecurities Inc.	27,000	1,219
Investment Technology Group,	23,103,567	399,627
ISI Group Inc.	312,665	14,821
Ivy Securities, Inc.	69,920	2,920
J P Morgan Securities Inc.	5,167,277	158,080
Jackson Partners & Associates	773,064	37,911
Jackson Securities Inc.	163,730	6,549
Janney, Montgomery, Scott Inc.	26,600	1,155
Jefferies & Company, Inc.	2,199,332	71,806
JMP Securities	221,817	9,760
JNK Securities Inc.	4,900	98
Johnson, Rice & Company	154,300	7,216
Jones & Associates, Inc.	861,785	33,563
Kaufman Brothers	2,600	130
Keefe, Bruyette & Woods Inc.	150,418	2,391
Kevin, Dann Partners	7,500	375
King & Associates	932,100	46,169
Knight Securities	1,064,615	19,668
KV Execution Services	3,400	112
Labranche Financial Services	522,034	17,127

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2005

Brokerage Firm	Number of Shares Traded	Total Commissions
Lazard, Freres & Company	20,997	658
Leerink, Swann and Company	344,520	16,098
Legg, Mason, Wood and Walker	1,488,170	39,655
Lehman Brothers Inc. USA	3,740,939	124,787
Lek Securities Corp.	8,300	415
Liquidnet Inc.	865,775	26,271
Loop Capital Markets,	1,031,630	22,844
Lynch, Jones & Ryan Inc.	2,536,935	66,132
Magna Securities Corporation	1,137,419	31,133
McDonald Investments Inc.	418,366	18,622
Melvin Securities	58,180	2,501
Merrill Lynch, Pierce, Fenner & Smith	19,671,710	172,911
Merriman, Curhan, Ford & Company	118,835	4,360
Mesirow Financial, Inc.	52,330	2,387
Midwest Research Securities	608,610	12,212
Montrose Securities Equities	27,600	1,135
Morgan Keegan & Company, Inc.	250,917	10,913
Morgan Stanley & Company	10,468,066	203,104
National Financial Services Corp.	382,985	12,631
Needham & Company	178,345	7,971
Neuberger & Berman	9,838	55
Nomura Securities Int'l Inc.	46,100	1,182
Nutmeg Securities	841,718	11,988
NYFIX Clearing Corp.	285,800	4,287
O'Neil, (William) & Company	32,050	1,603
Oppenheimer and Company	39,100	1,455
Ormes Capital Markets Inc.	13,750	601
Pacific American Securities	425,393	14,428
Pacific Crest Securities	219,410	10,843
Pacific Growth Equities	182,123	8,476
Parker Hunter Inc.	14,302	533
Penson Financial Services Inc.	482,116	537
Percival Financial	13,600	680
Pershing & Company	272,143	7,161
Petrie, Parkman & Company	2,900	87
Preferredtrade Inc.	77,963	1,255
Prudential Equity Group	1,130,103	41,070
Pulse Trading	4,300	129
Punk, Ziegel & Knoell	7,800	390
Quaker Securities Inc.	21,200	1,060
Ramirez (Samuel A.) & Company	12,700	381
Raymond, James, & Associates	426,369	20,376
RBC Dominion Securities Corp.	489,178	22,555
RBC Dain Rauscher Inc.	66,500	3,237
Refco Securities Inc.	8,500	285
Reynders Gray & Company	5,200	156

SCHEDULE OF BROKERS' COMMISSIONS
For Fiscal Year Ended June 30, 2005

Brokerage Firm	Number of Shares Traded	Total Commissions
Robert Van Securities	44,900	1,796
Rochdale Securities Corp.	81,900	3,240
Rosenblatt Securities Inc.	312,100	6,242
Roth Capital Partners	71,850	3,593
Ryan & Beck Company	46,480	2,246
S.G. Cowen & Company	558,698	24,483
Sanders, Morris, Mundy	13,500	497
Sandler, O'Neill & Partners	33,330	1,323
Sanford C Bernstein & Company	1,030,623	42,924
SBK Brooks Investment Corp.	165,826	7,493
Schwab,(Charles) & Company	590,195	17,872
Scotia Capital Markets USA	19,600	980.
Scott & Stringfellow, Inc.	118,902	5,842
SG Americas Securities	35,000	1,084
Sidler & Company	83,500	4,175
Sidoti & Company	82,050	3,853
Simmons & Company	14,500	725
Smith (William) Securities	104,500	4,839
Southwest Securities Inc.	178,279	3,966
Spear, Leeds & Kellogg (Gold)	2,453,524	11,649
Standard & Poor's Securities	258,212	12,752
Standford Group Company	2,900	87
State Street Brokerage Services	1,300	47
Status Securities, Inc.	79,040	1,910
Stephens Inc.	162,500	7,877
Sterne, Agee & Leach Inc.	68,250	3,345
Stifel, Nicholaus & Company	117,479	4,986
Suntrust Capital Markets	292,310	13,373
The Benchmark Company	398,465	8,860
The Precursor Group Inc.	8,900	445
The Williams Capital Group	2,615,199	85,263
Thinkequity Partners	40,750	1,759
Thomas Weisel Partners	1,000,901	41,870
U.S. Bancorp Piper Jaffray Inc.	471,245	18,716
UBS Securities	2,291,437	85,199
US Clearing Institutional Traders	122,700	7,362
Vandham Securities Corp.	283,160	10,382
Wachovia Securities Capital Market	548,844	23,647
Wave Securities	423,000	8,459
Wedbush Morgan Securities	142,618	4,979
Weeden & Company	729,554	33,542
WR Hambrecht & Company	24,785	1,204
Yamner & Company	24,000	240
Total	222,632,855	$ 4,190,138

SCHEDULES OF INVESTMENT RESULTS
TIME-WEIGHTED RATES OF RETURN

	Year Ended June 30			June 30, 2005		
	2005	**2004**	**2003**	**3 Years**	**5 Years**	**10 Years**
Total Portfolio	9.22	16.30	3.94	9.71	2.04	9.17
Managed by Outside Advisors						
Domestic Equities Segment	7.91	20.45	.72	9.39	(1.37)	9.93
Domestic Russell 3000 Index	8.06	20.45	.76	9.46	(1.36)	10.05
International Equities Fund Segment	14.00	29.07	(5.89)	11.46	(0.53)	6.79
MSCI EAFE	13.65	32.37	(6.46)	12.06	(0.55)	5.22
Domestic Fixed Income Segment	8.31	.83	12.05	7.81	8.02	7.36
Structured Managed Program	8.21	.83	12.02	6.92	8.18	7.39
NYC Core Plus Five Index	8.20	.43	11.47	6.60	8.00	7.23
Enhanced Yield	9.76	8.65	22.51	13.47	7.15	7.81
Citigroup BB & B Index	10.15	9.17	22.03	13.63	7.15	7.14
In - House Portfolio						
Short Term Investments	2.24	1.04	1.86	1.71	3.53	4.62
Targeted Investments	6.18	1.82	7.33	6.03	8.27	7.39

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, 2005

PART 4

ACTUARIAL SECTION

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The City of New York

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 2, 2005

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, 2005

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.

Statutory Contributions for Fiscal Year 2005 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, 2004." These actuarial assumptions and methods were employed in the June 30, 2004 actuarial valuation that was used to determine Fiscal Year 2005 employer contributions to the Plan.

These actuarial assumptions and methods are generally the same as those employed in the June 30, 2003 actuarial valuation that was used to determine Fiscal Year 2004 employer contributions to the Plan.

After 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, the Actuary issued a Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Employees' Retirement System" dated August 29, 2005.

The Board of Trustees of the Plan has adopted the Actuary's proposed changes in actuarial assumptions and methods that require Board approval. For those changes to the actuarial assumptions and methods that require legislation, such actions are anticipated during Fiscal Year 2006.

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, 2004 is included in this CAFR. A summary of the census data used in the June 30, 2003 actuarial valuation of the Plan is available in the June 30, 2004 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.

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, 2004.
- 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.
- Number of Active Members by Occupational Position and Years of Service.
- Retirants and Beneficiaries Added to and Removed from Rolls.

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

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

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

Respectfully submitted,

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

RCN/bs

cc: Ms. D. D'Alessandro
Mr. M.A. Einhorn
Mr. J.R. Gibney

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004

(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 Table 2 for members withdrawing from active service other than for Service Retirement and in Table 3 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 Scales include 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") rate) 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 Scales.

(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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

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

All outstanding components of the UAAL are being amortized over 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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2004
(Cont'd)

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.

(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 AAV beginning the following June 30 at rates of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

(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 APV 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 APV of benefits of the COVSF over the AAV 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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2004
(Cont'd)

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).

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 Actuarial Interest Rate ("AIR") 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. Based in part on the recommendations of GRS, the Actuary has proposed changes to the actuarial assumptions and methods applicable to the determination of Fiscal Year 2006 employer contributions. Such proposed changes were issued in a Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Employees' Retirement System" dated August 29, 2005.

The Board of Trustees of the Plan has adopted the Actuary's proposed changes in actuarial assumptions and methods that require Board approval. For those changes to the actuarial assumptions and methods that require legislation, such actions are anticipated during Fiscal Year 2006.

(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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

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.

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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2004
(Cont'd)

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.

(12) The salary data was adjusted to reflect overtime earnings. 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) was introduced as of June 30, 1995. The following table summarizes the overtime assumptions currently in use:

Group	Baseline[1] Assumption	Dual Assumptions[2]				
		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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (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

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2004
(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

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

TABLE 2

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 "General."

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

TABLE 2 (Cont'd)

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	
	Sanitation*								
	Males	Females	Males	Females	Males	Females	All	Males	Females
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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT AS OF JUNE 30, 2004
(Cont'd)

TABLE 3

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 General, Transit Operating and TBTA, respectively.

(3) Assumed to retire immediately at age 70.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

TABLE 3 (Cont'd)

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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (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 10^{th} 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. Effective October 1, 2000, these members are not required to make contributions after the 10^{th} anniversary of their membership date or completion of ten years of credited service, whichever is earlier. This is in addition to the Social Security contribution. Should a member die, resign or be otherwise terminated from city-service prior to completing five years of credited service, all of the members' contributions with 5% interest will be refunded for Article 14 members and Article 15 members upon request, or may be left on deposit for a maximum period of 5 years earning interest, so that the member retains membership.

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 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 are not required to make basic required contributions after the 10th 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 $822, 763,025 for the Fiscal Year ended June 30, 2005.

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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

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

SOLVENCY TEST
(Dollar amounts in thousands)

	Aggregate Accrued Liabilities for				Percentage of Actuarial Values Covered by Actuarial Value of Assets		
As of June 30	Accumulated Member Contributions (A)	Current Retirants and Beneficiaries (B)	Active Members' Employer Financed Portion (C)	Actuarial Value of Assets (D)	(A)	(B)	(C)
1999*	$2,313,739	$16,293,576	$ 9,133,979	$40,936,024	100%	100%	100%
2000	2,526,740	19,113,627	10,270,090	42,393,627	100	100	100
2001	2,696,547	19,913,567	10,861,052	43,015,355	100	100	100
2002	3,582,800	20,347,229	11,544,915	43,561,103	100	100	100
2003	3,661,929	22,208,613	11,053,574	42,055,984	100	100	100
2004	3,816,154	22,602,440	11,922,201	40,088,213	100	100	100

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

Also, see following "SOLVENCY TEST - NOTES".

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

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

SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the 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 APV of credited projected benefits produced by the credited projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5.

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 CAFR 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
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
2004	8.00	3.0

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

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 APV 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 AAV with the PBO calculated using the actuarial assumptions in effect as of June 30, 2004 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, 2004 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
6/30/04	40,088.2	34,177.3	38,340.8	48,485.0	105	70

* 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%, 4.1% and 5.0% for June 30, 1999, 2000, 2001, 2002, 2003 and 2004 respectively).

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

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 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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ACTUAL VS. REQUIRED CONTRIBUTIONS
FISCAL YEARS 2000 - 2005

Fiscal Year Ended	Actual Employer Contribution[1]	Annual Required Contribution	Employer Rate of Contribution[2]
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
6/30/05	822,763,025[5]	1,020,379,985	8.985

(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.

(5) The Statutory Contribution of $822,763,025 for Fiscal Year 2005 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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

ACTIVE MEMBER VALUATION DATA

JUNE 30, 1999 TO JUNE 30, 2004

Valuation Date	Number	Annual Payroll	Average Annual Salary	Percentage Increase in Average Salary
6/30/99	169,458	$7,501,387,761	$44,267	5.6%
6/30/00	171,013	7,871,003,496	46,026	4.0
6/30/01	174,199	8,515,269,538	48,882	6.2
6/30/02	177,511	8,901,110,489	50,144	2.6
6/30/03	173,434	8,807,618,852	50,784	1.3
6/30/04	174,997	9,157,412,418	52,329	3.0

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING EMPLOYERS

Employer	June 30, 2004[1] Number of Employees	June 30, 2004[1] Annual Payroll	June 30, 1995[1] Number of Employees	June 30, 1995[1] Annual Payroll
City of New York	92,164	$4,688,178,467	85,616	$3,315,234,747
NYC Transit Authority	39,114	2,315,493,341	37,320	1,672,037,251
NYC Housing Authority	12,942	590,136,257	12,754	426,579,836
NYC Health and Hospitals Corporation	27,843	1,409,832,573	24,912	914,173,840
NYC Triborough Bridge and Tunnel Authority	1,626	101,771,989	1,326	70,073,311
NYC Off-Track Betting Corporation	1,184	42,436,904	1,025	30,806,098
NYC School Construction Authority	47	3,867,231	30	1,781,919
NYC Housing Development Corporation	46	3,455,930	9	470,629
NYC Residential Mortgage Insurance Corporation[2]	4	299,803	2	93,638
New York State	15	888,937	16	977,469
NYC Water Municipal Authority	12	1,050,986	1	31,542
Total	174,997	$9,157,412,418	163,011	$6,432,260,280

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

[2] On July 31, 1992, Chapter 702 of the Laws of 1992 was enacted and created the New York City Residential Mortgage Insurance Corporation (the **new** "REMIC") as a subsidiary of the New York City Housing Development Corporation ("HDC"). It became effective January 27, 1993. The **new** REMIC assumes all of the obligations of the New York City **Rehabilitation** Mortgage Insurance Corporation (the old "REMIC") which dissolved on that date.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NUMBER AND SALARY OF ACTIVE MEMBERS BY OCCUPATIONAL POSITION AS OF JUNE 30, 2004[1]

Occupation	Number	Annual Payroll	Average Annual Salary
Career Pension Plan Positions	121,070	$5,858,093,215	$48,386
Transit Operating Positions	35,683	2,077,687,685	58,226
Triborough Bridge and Tunnel	1,626	101,771,989	62,590
Sanitation Workers	7,354	469,600,580	63,856
Transit and Housing Police Forces[2]	0	0	0
Correction Force	9,264	650,258,949	70,192
Total	174,997	$9,157,412,418	$52,329

(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.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NUMBER OF ACTIVE MEMBERS
BY OCCUPATIONAL POSITION AND AGE
AS OF JUNE 30, 2004[1]

Age	Total	Career Pension Plan	Transit Operating	TBTA	Sanitation	Housing & Transit Police[2]	Correction
20 - 24	1,463	1,138	162	27	105	0	31
25 - 29	6,829	4,923	854	107	538	0	407
30 - 34	12,474	8,083	2,371	218	842	0	960
35 - 39	22,226	13,726	4,820	224	1,151	0	2,305
40 - 44	31,828	20,105	6,986	284	1,409	0	3,044
45 - 49	32,824	22,661	6,978	297	1,183	0	1,705
50 - 54	29,756	21,050	6,404	237	1,376	0	689
55 - 59	21,597	16,362	4,371	163	588	0	113
60 - 64	11,161	8,922	2,051	49	133	0	6
65 - 69	3,568	2,958	571	13	24	0	2
70 - 74	1,271	1,142	115	7	5	0	2
Total	174,997	121,070	35,683	1,626	7,354	0	9,264

(1) Member count for this schedule represents only members receiving salary as of June 30, 2004.

(2) During April 1995 the Housing and Transit Police forces were merged into the New York City Police Department and most Housing and Transit Police members of NYCERS were transferred to the New York City Police Pension Fund.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

NUMBER OF ACTIVE MEMBERS
BY OCCUPATIONAL POSITION AND YEARS OF SERVICE
AS OF JUNE 30, 2004[1]

Years of Service	Total	Career Pension Plan	Transit Operating	TBTA	Sanitation	Housing & Transit Police[2]	Correction
Under 5	42,404	32,479	6,336	708	1,618	0	1,263
5 - 9	35,545	25,492	6,909	175	1,248	0	1,721
10 - 14	33,391	23,542	6,544	255	1,209	0	1,841
15 - 19	33,777	19,699	7,844	206	2,180	0	3,848
20 - 24	18,487	11,391	5,522	205	879	0	490
25 - 29	5,210	3,460	1,526	49	111	0	64
30 - 34	4,903	3,938	809	27	94	0	35
35 - 39	1,034	856	166	1	11	0	0
40 - 44	246	213	27	0	4	0	2
Total	174,997	121,070	35,683	1,626	7,354	0	9,264

(1) Member count for this schedule represents only members receiving salary as of June 30, 2004.

(2) During April 1995 the Housing and Transit Police forces were merged into the New York City Police Department and most Housing and Transit Police members of NYCERS were transferred to the New York City Police Pension Fund.

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

(Fiscal Years 1999 - 2004)

Fiscal Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase In Annual Allowances	Average Annual Allowances	% Increase In Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number[1]	Annual Allowances[1]			
6/30/99	3,981	$147,379,109	4,539	$52,202,024	121,880	$1,919,632,538	5.2%	$15,750	5.7%
6/30/00	5,289	115,346,545	4,408	54,394,949	122,761	1,980,584,134	3.2%	16,134	2.4
6/30/01	6,016	362,105,133	4,819	60,066,235	123,958	2,282,623,032	15.2%	18,414	14.1
6/30/02	4,188	138,015,691	4,669	73,179,634	123,477	2,347,459,089	2.8%	19,011	3.2
6/30/03	9,162	262,015,975	4,614	73,188,882	128,025	2,536,286,182	8.0%	19,811	4.2
6/30/04	4,205	148,280,745	4,885	78,618,501	127,345	2,605,948,426	2.7%	20,464	3.3

(1) Number at End of Year and Annual Allowances include all those and only those retirants on pension payroll for amounts actually 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, 2005

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
ACTIVE VALUATION AS OF JUNE 2004

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	ALL YEARS
NUMBERS:										
UNDER 20	13	-	-	-	-	-	-	-	-	13
20 TO 24	1,418	32	-	-	-	-	-	-	-	1,450
25 TO 29	5,757	1,046	26	-	-	-	-	-	-	6,829
30 TO 34	6,978	4,357	1,105	34	-	-	-	-	-	12,474
35 TO 39	7,216	6,657	5,746	2,536	71	-	-	-	-	22,226
40 TO 44	6,820	7,037	7,752	8,533	1,654	32	-	-	-	31,828
45 TO 49	5,789	6,126	6,674	8,119	5,199	859	58	-	-	32,824
50 TO 54	4,145	4,621	5,282	6,388	5,375	2,167	1,684	94	-	29,756
55 TO 59	2,684	3,324	3,678	4,572	3,585	1,312	2,025	408	9	21,597
60 TO 64	1,179	1,619	2,117	2,486	1,903	622	779	369	87	11,161
65 TO 69	326	584	784	821	489	145	235	111	73	3,568
70 & UP	79	142	227	288	211	73	122	52	77	1,271
UNKNOWN	-	-	-	-	-	-	-	-	-	-
TOTAL	42,404	35,545	33,391	33,777	18,487	5,210	4,903	1,034	246	174,997
SALARIES (IN THOUSANDS)										
UNDER 20	433	-	-	-	-	-	-	-	-	433
20 TO 24	46,511	1,380	-	-	-	-	-	-	-	47,891
25 TO 29	220,020	46,236	1,190	-	-	-	-	-	-	267,446
30 TO 34	295,769	214,852	56,029	1,929	-	-	-	-	-	568,579
35 TO 39	320,583	338,120	310,662	154,802	4,502	-	-	-	-	1,128,669
40 TO 44	312,334	359,832	425,433	510,788	99,969	1,853	-	-	-	1,710,209
45 TO 49	272,867	319,045	369,094	469,255	306,450	53,305	3,081	-	-	1,793,097
50 TO 54	196,614	241,810	286,966	362,507	320,003	138,635	97,232	4,923	-	1,648,690
55 TO 59	126,281	169,661	192,174	243,299	202,064	82,200	123,819	24,092	571	1,164,161
60 TO 64	55,226	79,039	109,653	127,672	101,440	36,320	45,379	22,393	5,144	582,266
65 TO 69	15,618	28,383	39,381	42,072	25,975	8,434	13,756	6,483	4,601	184,703
70 & UP	3,055	6,450	10,896	13,407	9,960	3,652	6,141	2,821	4,850	61,232
UNKNOWN	-	-	-	-	-	-	-	-	-	-
TOTAL	1,865,311	1,804,808	1,801,478	1,925,731	1,070,363	324,399	289,408	60,712	15,166	9,157,376
AVERAGE SALARIES										
UNDER 20	33,309	-	-	-	-	-	-	-	-	33,309
20 TO 24	32,801	43,154	-	-	-	-	-	-	-	33,029
25 TO 29	38,218	44,203	45,795	-	-	-	-	-	-	39,164
30 TO 34	42,386	49,312	50,706	56,742	-	-	-	-	-	45,581
35 TO 39	44,427	50,792	54,066	61,042	63,418	-	-	-	-	50,782
40 TO 44	45,797	51,134	54,880	59,860	60,441	57,935	-	-	-	53,733
45 TO 49	47,136	52,081	55,303	57,797	58,944	62,055	53,124	-	-	54,628
50 TO 54	47,434	52,329	54,329	56,748	59,536	63,976	57,739	52,381	-	55,407
55 TO 59	47,050	51,041	52,250	53,215	56,364	62,653	61,145	59,051	63,545	53,904
60 TO 64	46,842	48,820	51,797	51,356	53,306	58,393	58,253	60,688	59,128	52,170
65 TO 69	47,910	48,602	50,232	51,245	53,119	58,171	58,538	58,406	63,034	51,768
70 & UP	38,678	45,428	48,002	46,554	47,208	50,040	50,337	54,265	62,999	48,181
UNKNOWN	-	-	-	-	-	-	-	-	-	-
TOTAL	43,989	50,775	53,951	57,013	57,898	62,266	59,027	58,719	61,660	52,329

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, 2005

NEW YORK CITY EMPLOYEES RETIREMENT SYSTEM
PENSIONER VALUATION AS OF JUNE 2004

SUMMARY BY CAUSE AND SEX

	MALE			FEMALE			BOTH MALE & FEMALE		
AGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
ACCIDENTAL DISABILITY:									
UNDER 30	2	27,368	13,684	0	0	0	2	27,368	13,684
30 TO 34	11	311,823	28,348	1	22,622	22,622	12	334,445	27,870
35 TO 39	100	3,468,702	34,687	21	631,707	30,081	121	4,100,409	33,888
40 TO 44	200	7,574,181	37,871	35	1,192,680	34,077	235	8,766,861	37,306
45 TO 49	206	7,447,161	36,151	32	1,142,871	35,715	238	8,590,032	36,093
50 TO 54	320	10,636,439	33,239	27	934,367	34,606	347	11,570,806	33,345
55 TO 59	618	18,743,850	30,330	27	672,115	24,893	645	19,415,965	30,102
60 TO 64	662	18,890,226	28,535	26	673,525	25,905	688	19,563,751	28,436
65 TO 69	405	11,756,966	29,030	27	655,763	24,288	432	12,412,729	28,733
70 TO 74	325	8,673,653	26,688	27	632,224	23,416	352	9,305,877	26,437
75 TO 79	262	7,043,802	26,885	19	410,496	21,605	281	7,454,298	26,528
80 TO 84	165	4,123,252	24,989	17	308,644	18,156	182	4,431,896	24,351
85 TO 89	57	1,294,781	22,715	5	76,215	15,243	62	1,370,996	22,113
90 & UP	13	289,203	22,246	5	104,598	20,920	18	393,801	21,878
TOTAL	3,346	100,281,407	29,971	269	7,457,827	27,724	3,615	107,739,234	29,803
ORDINARY DISABILITY:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	11	152,588	13,872	4	70,720	17,680	15	223,308	14,887
35 TO 39	74	1,074,686	14,523	33	472,524	14,319	107	1,547,210	14,460
40 TO 44	287	4,401,168	15,335	128	1,686,383	13,175	415	6,087,551	14,669
45 TO 49	516	7,515,867	14,566	160	2,052,691	12,829	676	9,568,558	14,155
50 TO 54	773	11,941,265	15,448	337	4,268,545	12,666	1,110	16,209,810	14,603
55 TO 59	1,240	19,411,218	15,654	428	5,404,789	12,628	1,668	24,816,007	14,878
60 TO 64	1,268	19,748,174	15,574	502	5,744,383	11,443	1,770	25,492,557	14,403
65 TO 69	808	11,692,866	14,471	333	3,383,446	10,160	1,141	15,076,312	13,213
70 TO 74	468	6,629,992	14,167	160	1,398,582	8,741	628	8,028,574	12,784
75 TO 79	367	5,375,629	14,647	99	758,009	7,657	466	6,133,638	13,162
80 TO 84	210	2,977,244	14,177	59	504,117	8,544	269	3,481,361	12,942
85 TO 89	62	834,932	13,467	33	220,160	6,672	95	1,055,092	11,106
90 & UP	7	61,850	8,836	27	278,509	10,315	34	340,359	10,011
TOTAL	6,091	91,817,479	15,074	2,303	26,242,858	11,395	8,394	118,060,337	14,065
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	3	99,511	33,170	0	0	0	3	99,511	33,170
40 TO 44	306	9,708,191	31,726	96	2,840,500	29,589	402	12,548,691	31,216
45 TO 49	751	23,824,490	31,724	217	6,324,548	29,145	968	30,149,038	31,146
50 TO 54	2,158	74,075,211	34,326	352	9,124,945	25,923	2,510	83,200,156	33,147
55 TO 59	6,550	225,986,547	34,502	2,543	66,220,208	26,040	9,093	292,206,755	32,135
60 TO 64	10,422	322,326,947	30,928	4,777	105,221,201	22,027	15,199	427,548,148	28,130
65 TO 69	11,587	300,123,946	25,902	5,993	108,288,352	18,069	17,580	408,412,298	23,232
70 TO 74	10,196	235,904,506	23,137	5,614	86,890,591	15,477	15,810	322,795,097	20,417
75 TO 79	9,618	207,836,735	21,609	5,521	75,616,629	13,696	15,139	283,453,364	18,723
80 TO 84	7,178	143,897,043	20,047	5,224	59,527,349	11,395	12,402	203,424,392	16,403
85 TO 89	3,782	65,875,741	17,418	3,576	34,701,599	9,704	7,358	100,577,340	13,669
90 & UP	1,731	29,012,873	16,761	2,140	21,289,066	9,948	3,871	50,301,939	12,995
TOTAL	64,282	1,638,671,741	25,492	36,053	576,044,988	15,978	100,335	2,214,716,729	22,073

NEW YORK CITY EMPLOYEES RETIREMENT SYSTEM
PENSIONER VALUATION AS OF JUNE 2004

SUMMARY BY CAUSE AND SEX

	MALE			FEMALE			BOTH MALE & FEMALE		
AGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
ACCIDENTAL DEATH:									
UNDER 30	0	0	0	7	183,548	26,221	7	183,548	26,221
30 TO 34	0	0	0	1	37,645	37,645	1	37,645	37,645
35 TO 39	0	0	0	4	107,149	26,787	4	107,149	26,787
40 TO 44	1	24,202	24,202	2	49,225	24,613	3	73,427	24,476
45 TO 49	0	0	0	5	123,266	24,653	5	123,266	24,653
50 TO 54	0	0	0	7	183,947	26,278	7	183,947	26,278
55 TO 59	0	0	0	8	139,612	17,452	8	139,612	17,452
60 TO 64	1	55,088	55,088	13	251,041	19,311	14	306,129	21,866
65 TO 69	0	0	0	15	222,848	14,857	15	222,848	14,857
70 TO 74	0	0	0	8	126,255	15,782	8	126,255	15,782
75 TO 79	0	0	0	9	201,219	22,358	9	201,219	22,358
80 TO 84	0	0	0	9	127,484	14,165	9	127,484	14,165
85 TO 89	0	0	0	8	128,925	16,116	8	128,925	16,116
90 & UP	0	0	0	13	186,136	14,318	13	186,136	14,318
TOTAL	2	79,290	39,645	109	2,068,300	18,975	111	2,147,590	19,348
OTHER BENEFICIARIES:									
UNDER 30	207	1,955,076	9,445	76	680,612	8,955	283	2,635,688	9,313
30 TO 34	34	285,855	8,408	42	454,486	10,821	76	740,341	9,741
35 TO 39	40	335,779	8,394	80	733,066	9,163	120	1,068,845	8,907
40 TO 44	51	358,005	7,020	95	827,902	8,715	146	1,185,907	8,123
45 TO 49	58	366,842	6,325	164	1,496,162	9,123	222	1,863,004	8,392
50 TO 54	76	530,311	6,978	244	3,071,772	12,589	320	3,602,083	11,257
55 TO 59	78	506,879	6,498	414	5,709,879	13,792	492	6,216,758	12,636
60 TO 64	75	529,878	7,065	660	9,413,763	14,263	735	9,943,641	13,529
65 TO 69	66	440,029	6,667	945	12,842,349	13,590	1,011	13,282,378	13,138
70 TO 74	77	460,996	5,987	1,432	19,189,813	13,401	1,509	19,650,809	13,022
75 TO 79	89	796,641	8,951	2,280	26,876,554	11,788	2,369	27,673,195	11,681
80 TO 84	107	710,199	6,637	2,948	30,800,692	10,448	3,055	31,510,891	10,315
85 TO 89	74	402,247	5,436	2,586	25,459,752	9,845	2,660	25,861,999	9,723
90 & UP	78	441,540	5,661	1,814	17,607,457	9,706	1,892	18,048,997	9,540
TOTAL	1,110	8,120,277	7,316	13,780	155,164,259	11,260	14,890	163,284,536	10,966
ALL PENSIONERS AND BENEFICIARIES:									
UNDER 30	209	1,982,444	9,485	83	864,160	10,412	292	2,846,604	9,749
30 TO 34	56	750,266	13,398	48	585,473	12,197	104	1,335,739	12,844
35 TO 39	217	4,978,678	22,943	138	1,944,446	14,090	355	6,923,124	19,502
40 TO 44	845	22,065,747	26,113	356	6,596,690	18,530	1,201	28,662,437	23,865
45 TO 49	1,531	39,154,360	25,574	578	11,139,538	19,273	2,109	50,293,898	23,847
50 TO 54	3,327	97,183,226	29,210	967	17,583,576	18,184	4,294	114,766,802	26,727
55 TO 59	8,486	264,648,494	31,186	3,420	78,146,603	22,850	11,906	342,795,097	28,792
60 TO 64	12,428	361,550,313	29,092	5,978	121,303,913	20,292	18,406	482,854,226	26,234
65 TO 69	12,866	324,013,807	25,184	7,313	125,392,758	17,147	20,179	449,406,565	22,271
70 TO 74	11,066	251,669,147	22,743	7,241	108,237,465	14,948	18,307	359,906,612	19,660
75 TO 79	10,336	221,052,807	21,387	7,928	103,862,907	13,101	18,264	324,915,714	17,790
80 TO 84	7,660	151,707,738	19,805	8,257	91,268,286	11,053	15,917	242,976,024	15,265
85 TO 89	3,975	68,407,701	17,209	6,208	60,586,651	9,759	10,183	128,994,352	12,668
90 & UP	1,829	29,805,466	16,296	3,999	39,465,766	9,869	5,828	69,271,232	11,886
TOTAL	74,831	1,838,970,194	24,575	52,514	766,978,232	14,605	127,345	2,605,948,426	20,464

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, 2005

PART 5

STATISTICAL SECTION

CASH RECEIPTS AND DISBURSEMENTS
Fiscal Year Ended June 30, 2005
(in thousands)

Cash balance July 1, 2004	**$33,338**
Receipts:	
Members' Contributions	**313,391**
Employers' Contributions	**820,164**
Members' Loan Payments	**242,584**
Interest and Dividends	**1,234,357**
Investments Redeemed	**72,650,975**
Miscellaneous	**166,367**
Total Cash Receipts	**$75,427,838**
Total Cash Available	**$75,461,176**
Disbursements:	
Benefit Payments and withdrawals	**2,816,695**
Transfers to other retirement systems	**13,954**
Loans to members	**273,890**
Investments Purchased	**71,963,941**
Investments Expenses	**48,317**
Administrative Expenses	**36,169**
Miscellaneous	**23,136**
Total Cash Disbursements	**$75,176,102**
Cash balance June 30, 2005	**$285,074**

TABLE OF REVENUE BY SOURCE
Fiscal Years Ended 1996 through 2005
(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 **
2005	$310,847	-	$310,847	$822,763	$3,077,633	$33,327	$4,244,570	9.0
2004	298,263	-	298,263	310,589	4,811,766	10,194	5,430,812	3.5
2003	309,757	-	309,757	107,993	1,100,950	3,549	1,522,249	1.2
2002	326,443	-	326,443	105,660	(3,145,539)	2,758	(2,710,678)	1.2
2001	655,017	330,850	324,167	100,025	(3,530,307)	3,269	(3,102,846)	1.3
2000	632,015	315,615	316,400	68,620	3,743,905	0	4,128,925	.9
1999	583,937	277,931	306,006	145,663	4,950,209	0	5,401,878	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

* 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 1996 through 2005

(in thousands of dollars)

FISCAL YEAR ENDED JUNE 30	TOTAL RETIREMENT BENEFITS	TOTAL DEATH BENEFITS	OTHER	CHANGE IN ACCRUED BENEFITS PAYABLE	TOTAL BENEFIT PAYMENTS
2005	$2,667,860	$96,992	$38,221	($9,477)	$2,793,596
2004	2,616,435	79,296	24,215	(44,773)	2,675,173
2003	2,499,828	84,932	66,810	64,688	2,716,258
2002	2,348,951	85,289	19,188	(61,454)	2,391,974
2001	2,223,630	85,683	0	63,334	2,372,647
2000	1,959,763	74,593	0	44,090	2,078,446
1999	1,909,765	95,117	(5)	(6,931)	1,997,946
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

New York City Employees' Retirement System

TABLE OF TOTAL EXPENSES BY TYPE
Fiscal Years 1996 through 2005

(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			
2005	$2,793,596	$9,854	$32,494	$7,344	$14,983	$37,307	$2,895,578
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

*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 1996 through 2005
(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
2005	$ 2,667,860	$ 273,890	48,770	$ 49,692	$ 64,772	$ 32,220
2004	2,616,435	281,906	52,342	45,363	48,087	31,209
2003	2,499,828	278,295	53,747	81,882	57,912	35,915
2002	2,348,951	276,153	49,520	121,151	55,266	39,014
2001	2,223,630	330,850	54,521	43,270	51,530	42,271
2000	1,959,763	315,615	57,264	39,922	39,753	42,707
1999	1,909,765	277,931	55,644	29,892	48,538	52,947
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

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 – 10 YEAR HISTORY
Calendar Years 1995 – 2004

	YEARS OF CREDITED SERVICE									
YEAR OF RETIREMENT	0-4.9	5-9.9	10-14.9	15-19.9	20-24.9	25-29.9	30-34.9	35-39.9	40 and over	SUMMARY
2004										
AVG. RETIREMENT ALLOW.	0	$5,307	$8,674	$13,409	$30,196	$33,437	$42,304	$51,988	$65,482	$28,915
% OF SALARY BASE	0	12	19	28	47	52	66	76	96	48
NO.OF RETIREES INCLUDED	0	179	351	415	1,344	544	524	218	42	3,617
2003										
AVG. RETIREMENT ALLOW.	0	4,937	8,839	13,165	30,570	35,504	41,801	51,788	60,528	29,128
% OF SALARY BASE	0	12	20	29	48	55	66	75	95	49
NO.OF RETIREES INCLUDED	0	141	302	299	933	419	472	146	32	2,744
2002										
AVG. RETIREMENT ALLOW.	0	4,884	8,624	14,148	25,332	33,134	43,573	52,926	66,157	30,937
% OF SALARY BASE	0	13	21	31	46	60	71	81	105	57
NO.OF RETIREES INCLUDED	0	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

New York City Employees' Retirement System

SERVICE RETIREMENT EXPERIENCE
TABLE OF AVERAGE RETIREMENT ALLOWANCE BY AGE AND YEARS OF SERVICE
Calendar Year 2004

	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				$3,221	1	11	$5,749	24	10	$4,887	81	11	$5,829	57	13	$5,041	16	13
10-14.9	$14,004	2	28	4,501	3	11	7,103	40	17	8,663	162	20	9,356	116	20	8,223	28	19
15-19.9	24,719	11	39	17,841	25	38	12,226	81	29	12,924	154	27	13,150	106	27	12,426	38	27
20-24.9	33,894	568	48	35,498	237	49	28,154	131	44	22,460	268	43	23,231	112	43	21,777	28	42
25-29.9	37,994	23	53	39,094	91	53	32,877	213	52	31,069	160	52	32,594	46	52	25,892	11	55
30-34.9	42,307	2	60	45,073	109	66	43,757	228	66	37,937	139	66	40,272	34	65	45,891	12	77
35-39.9				47,640	16	71	52,649	112	76	49,357	64	77	57,406	17	78	59,977	9	82
40 and Over							50,964	4	82	63,588	24	88	57,104	4	87	79,187	10	28
Summary	33,845	606	48	37,570	482	53	33,830	833	55	23,515	1,052	45	19,281	492	37	23,421	152	48

SERVICE RETIREMENT EXPERIENCE

TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY AGE

Calendar Year 2004

	AGE AT RETIREMENT						
Allowance Range	Under 50	50-54	55-59	60-64	65-69	70 and Older	TOTAL
$1,999 or Less			1	1	4	1	7
2,000-3,999		3	15	39	16	5	78
4,000-5,999		2	28	67	42	16	155
6,000-7,999		3	30	78	52	14	177
8,000-9,999		3	23	61	50	10	147
10,000-11,999		1	24	71	37	16	149
12,000-13,999	1	4	29	57	37	13	141
14,000-15,999	1	4	26	69	30	7	137
16,000-17,999	1	4	18	47	31	8	109
18,000-19,999	2	4	19	48	16	6	95
20,000-21,999	2	10	21	37	21	6	97
22,000-23,999	4	14	26	51	20	3	118
24,000-25,999	3	12	35	50	18	5	123
26,000-27,999	35	11	36	35	23	4	144
28,000-29,999	109	29	39	41	7	2	227
30,000-31,999	138	47	40	27	13	3	268
32,000-33,999	78	49	44	30	7	1	209
34,000-35,999	71	40	24	31	7	2	175
36,000-37,999	51	48	43	25	5	3	175
38,000-39,999	98	183	295	175	52	27	830
$40,000 or More	12	11	17	12	4		56
TOTAL	606	482	833	1,052	492	152	3,617

New York City Employees' Retirement System

SERVICE RETIREMENT EXPERIENCE
TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY YEARS OF SERVICE
Calendar Year 2004

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		7								7
2,000 - 3,999		58	19	1						78
4,000 - 5,999		68	79	8						155
6,000 - 7,999		25	98	54						177
8,000 - 9,999		9	50	83	4	1				147
10,000 - 11,999		6	40	69	32	2				149
12,000 - 13,999		1	25	50	56	7	2			141
14,000 - 15,999		1	18	37	59	21	1			137
16,000 - 17,999		1	11	33	39	21	4			109
18,000 - 19,999			4	20	37	21	11	2		95
20,000 - 21,999		1	1	19	34	20	21	1		97
22,000 - 23,999		2	4	18	37	26	25	6		118
24,000 - 25,999			2	8	49	30	25	9		123
26,000 - 27,999				4	77	29	31	3		144
28,000 - 29,999				3	158	37	21	7	1	227
30,000 - 31,999				1	193	43	20	11		268
32,000 - 33,999				3	142	38	17	6	3	209
34,000 - 35,999				1	114	32	25	3		175
36,000 - 37,999				1	103	38	22	11		175
38,000 - 39,999				2	185	161	292	152	38	830
$40,000 or More					25	17	7	7		56
TOTAL		179	351	415	1,344	544	524	218	42	3,617

New York City Employees' Retirement System

TABLE OF BENEFIT EXPERIENCE: ORDINARY DISABILITY RETIREMENT
Calendar Years 1995 through 2004

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
2004	500	52	17	$48,614	$17,015	35
2003	428	52	16	47,914	16,770	35
2002	403	51	16	47,429	16,600	35
2001	453	50	16	43,933	15,816	36
2000	493	52	16	42,500	14,875	35
1999	415	51	16	43,676	16,597	38
1998	414	49	16	41,889	15,918	38
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

TABLE OF BENEFIT EXPERIENCE: ACCIDENTAL DISABILITY RETIREMENT*
Calendar Years 1995 through 2004

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
2004	86	45	NOT APPLICABLE	$58,529	$42,141	72
2003	73	43		56,039	42,029	75
2002	48	41		55,697	40,102	72
2001	43	41		49,941	36,457	73
2000	14	51		58,339	49,005	84
1999	40	45		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

*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 1996 through 2005

Fiscal Year Ended June 30	New Pensioners	Terminated Pensioners	Net Change	Total Number	Percentage Change
2005	5,013	4,328	685	136,193	.51
2004	4,086	4,187	(101)	135,508	(.07)
2003	8,856	5,672	3,184	135,609	2.40
2002	4,232	3,150	1,082	132,425	.82
2001	6,212	4,115	2,097	131,343	1.62
2000	4,944	4,039	905	129,246	.71
1999	4,310	9,118	(4,808)	128,341	(3.61)
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

TABLE OF ACTIVE MEMBERS
Fiscal Years 1996 through 2005

Fiscal Year Ended June 30	Number of Entrants During Year	Number of Withdrawals During Year	Net Change	Total Membership	Percentage Change
2005	10,397	11,816	(1,419)	224,709	(.63)
2004	9,894	10,974	(1,080)	226,128	(.48)
2003	10,881	13,716	(2,835)	227,208	(1.23)
2002	12,843	7,425	5,418	230,043	2.41
2001	15,582	13,270	2,312	224,625	1.04
2000	12,617	7,320	5,297	222,313	2.44
1999	12,698	7,618	5,080	217,016	2.40
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)

RETIRED MEMBERS BY TYPE OF BENEFIT AS OF JUNE 30, 2005

Benefit Types	Number Of Retirees*	Service	Disability (Non-Duty)	Disability and Deaths (Duty)
Single Life	68,423	59,691	5,505	3,227
Joint and Survivor	27,836	26,368	1,197	271
Lump Sum or Term Certain	16,405	14,275	1,785	345
Advanced payments – no option selected yet	1,889	1,587	299	3
Surviving Annuitants	15,311	13,543	1,533	235
Total	129,864	115,464	10,319	4,081

* Includes retirees and beneficiaries who received a retirement payment on the pensioners' payroll as of June 30, 2005. These statistics do not include either suspended recipients or those who have died and the pension number has not yet been terminated from the roster since the cases are still open.

New York City Employees' Retirement System

Table of Retirement Benefits by Type
10 Year History

Fiscal Years 1996 through 2005

Year ended June 30	Age and Service		Disability (non-duty)		Disability (duty)		Surviving Beneficiaries		Totals	
	number of recipients	annualized benefits	number of recipients	annualized benefits	number of recipients	annualized benefits	number of recipients	annualized benefits	number of recipients	annualized benefits
2005	101,921	$2,288,601,642	8,786	$124,763,498	3,846	$105,608,405	15,311	$178,453,060	129,864	$2,697,426,605
2004	101,724	$2,230,650,993	8,588	$119,839,980	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