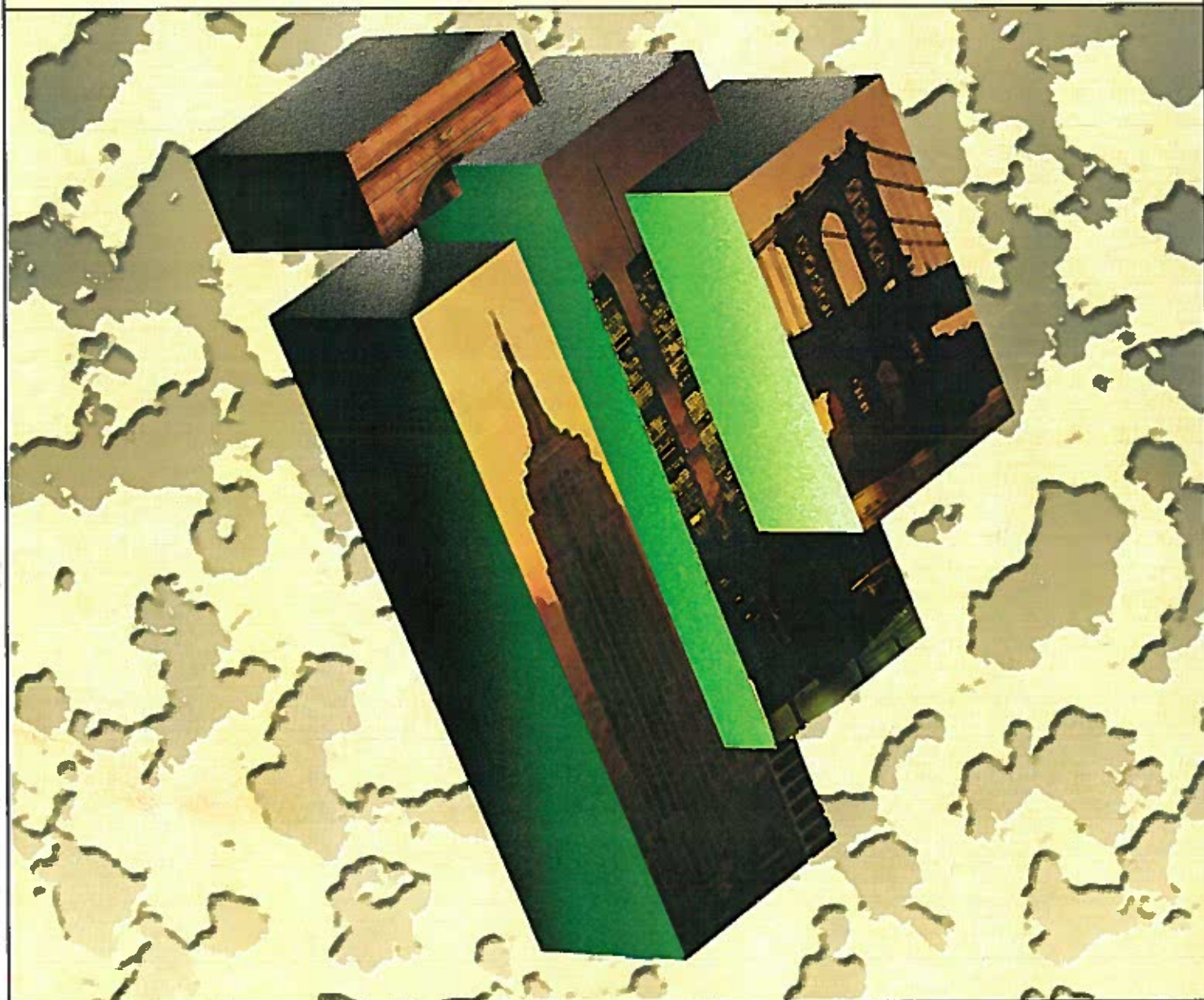


*New York City Employees' Retirement System*  
&  
*New York City Public Employees'*  
*Group Life Insurance Plan*

Brooklyn, New York

A Pension Trust Fund of the City of New York



*Comprehensive Annual*  
*Financial Report*

Fiscal Year Ended  
June 30, 2000



**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, 2000**

**Prepared by:** The Finance Division of the  
New York City Employees' Retirement System

**John D. Hartman, Director, Finance**

**Executive Director:** John J. Murphy

**Actuary:** Robert C. North, Jr., Chief Actuary

**Custodian of Funds:** Alan G. Hevesi,  
Comptroller of the City of New York

**Headquarters Address:** 335 Adams Street, Suite 2300  
Brooklyn, N.Y. 11201-3751

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NEW YORK CITY DEPARTMENT OF EDUCATION  
DEPARTMENT OF CURRICULUM, INSTRUCTION AND TECHNOLOGY

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**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**AND**

**NEW YORK CITY  
PUBLIC EMPLOYEES' GROUP LIFE INSURANCE PLAN**

**BROOKLYN, NEW YORK**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED JUNE 30, 2000**

**PART 1**

**INTRODUCTORY SECTION**

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**BOARD OF TRUSTEES**

**Hon. Adam L. Barsky**  
*Chairperson*

**Hon. Claire Shulman,**  
*Borough President of Queens*

**Hon. Alan G. Hevesi,**  
*Comptroller of the City of New York*

**Hon. Guy V. Molinari,**  
*Borough President of Staten Island*

**Hon. Mark Green,**  
*Public Advocate*

**Mr. Lee Saunders,**  
*Administrator, District Council 37, AFSCME*

**Hon. C. Virginia Fields**  
*Borough President of Manhattan*

**Mr. Willie James,**  
*President, Local 100, TWU*

**Hon. Howard Golden,**  
*Borough President of Brooklyn*

**Mr. Carroll Haynes,**  
*President, Local 237,  
International Brotherhood of Teamsters*

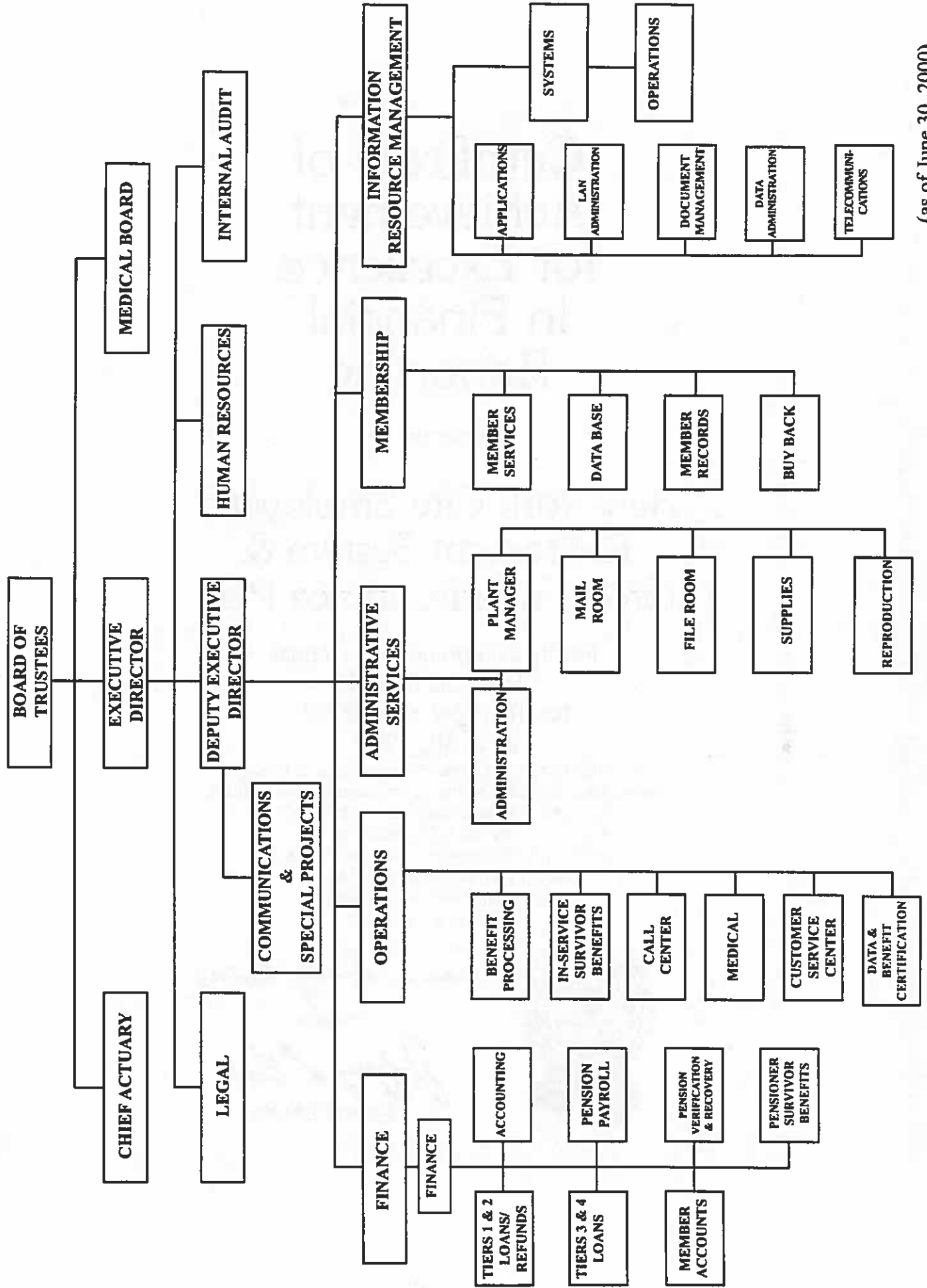
**Hon. Fernando Ferrer,**  
*Borough President of Bronx*

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**John J. Murphy,**  
*Executive Director*



NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM (NYCERS) ORGANIZATION CHART



(as of June 30, 2000)

# 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, 1999

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.



*Anne Spray Kinney*  
President

*Jeffrey L. Eselle*  
Executive Director

# NYCERS

## RETIREMENT AND BENEFITS

NEW YORK CITY  
EMPLOYEES' RETIREMENT SYSTEM  
335 ADAMS STREET, SUITE 2300  
BROOKLYN, NY 11201-3751  
TEL. (347) 643-3000

EXECUTIVE DIRECTOR - JOHN J. MURPHY

December 29, 2000

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

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, 2000 is submitted herewith. The *CAFR* consists of five sections: the *Introductory Section* which 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* which contains the opinion of the independent certified public accountant, the financial statements of the *Plan* and other related financial tables; the *Investment Section* which contains a report on investment policies and activity, investment results, and various investment schedules; the *Actuarial Section* which contains the *Plan's* actuarial certification letter and various actuarial tables and the *Statistical Section* which contains 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 judgements 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, and 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, 1999. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized *CAFR* whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The *Plan* has received this certificate for the last 17 years.

A Certificate of Achievement is valid for a period of one year only. We believe our *CAFR* for the fiscal year June 30, 2000 continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ADMINISTRATION

### THE SYSTEM

NYCERS was established by an act of the legislature of the State of New York under Chapter 427 of the laws of 1920. Chapter 427 created a retirement system in accordance with sound actuarial principles. The system became operational on October 1, 1920 with 13,331 original members. As of June 30, 1999, the date of the *Plan's* most recent actuarial valuation, the *Plan's* membership included 169,458 members in active pay status, 121,880 retirees and beneficiaries receiving benefits, and 6,276 terminated vested members who are not yet receiving benefits. The head of the retirement system is the Board of Trustees.

### MEMBERSHIP

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

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

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

All members who joined NYCERS on or after July 1, 1973, but prior to July 27, 1976, and *Investigator Members* employed in any District Attorney office who joined, or join, NYCERS after July 1, 1973, are Tier 2 members subject to ARTICLE 11 of the Retirement and Social Security Law (RSSL).

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

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

## EMPLOYERS

The *Plan* is a cost-sharing, multiple employer Public Employee Retirement System. In addition to the various departments of the City of New York, members of NYCERS are also employed by the New York City Transit Authority, the Triborough Bridge and Tunnel Authority, the New York City Housing Authority, the New York City Health and Hospitals Corporation, the New York City Off-Track Betting Corporation, the New York City 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 in page 137.

## 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, regardless of age. All uniformed force members of the NYC Department of Correction enrolled in the 20-Year Retirement Programs enacted by Chapter 936 of the laws of 1990 and Chapter 631 of the laws of 1993, the uniformed force members of the NYC Department of Sanitation enrolled in the 20-Year Retirement Program enacted by Chapter 547 of the laws of 1992, Transit operating-force members enrolled in the 25-Year Program enacted by Chapter 529 of the laws of 1994, civilian employees enrolled in the various Early Retirement Programs enacted by Chapter 96 of the laws of 1995, and uniformed-force members of the Triborough Bridge and Tunnel Authority enrolled in the Optional Retirement Program enacted by Chapter 472 of the laws of 1995 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 2000 totaled \$4,128,925,000, a decrease of \$1,272,953 from that of fiscal year 1999. The major part of the difference is that the *Plan's* investment portfolio did not increase as much as it had in the prior year. The Table of Revenue by Source on page 158 shows figures for the last 10 years.

## EXPENSES

The primary expense of a retirement system relates to the purpose for which it is created: namely, the payment of benefits. Consequently, recurring monthly retirement benefit payments and death benefit payments prescribed by the *Plan*, and refunds of contributions to terminated members comprise the major expenses. Expenses for fiscal year 2000 totaled \$2,118,368,000, an increase of 4% over fiscal year 1999 expenses. Net assets available for pension benefits increased \$893,776,000.

## INVESTMENTS

The investment portfolio must be regarded as a major contributor to the system. Income from both long-term and short-term investments amounted to \$3,743,905,000, which represented 90% of total revenues. This compares with 2% contributed by the employers, and 8% contributed by the members. The Administrative Code of the City of New York authorizes the investment of *Plan* assets subject to the terms, conditions, limitations and restrictions imposed by law for investments by savings banks. The RSSL establishes the criteria for permissible equity investments. Details concerning the criteria for the *Plan's* investments, policies, investment performance and other investment tables may be found in the *Investment Section*. Although this CAFR does not list the thousands of investments which the *Plan* holds, such information is available for inspection at the *Plan's* offices.

## 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 Schedule of Funding Progress on page 87 in the *Financial Section* shows that as of the June 30, 1999 actuarial valuation, the *Plan* is in the enviable position of having a funded ratio of 100.0%, with its assets being equal to its liabilities. Please refer to the Actuarial section for details concerning the actuarial methods and assumptions used in determining the required funding.

## ECONOMIC CONDITIONS

In fiscal year 2000, the City's economy has continued to sustain above average economic growth and stability, while enjoying a relatively low inflation rate. Wall Street has attained the highest profit levels since 1976. It continues to be the City's core industry as the major contributor to income growth, thereby directly generating additional tax revenues, as well as creating the need for the related business service industries. Job growth was led by the software and new media industries, followed by other services, trade and construction. Tourism continues at a high level throughout most of the year.

However, even with the increasing rate of private sector job creation, the 7.2% unemployment rate of the City's residents remains the highest among the 20 largest metropolitan areas, and is significantly higher than the comparable national rate of 4.1%. With most of the new jobs requiring skills in technology and financial services, it is imperative that training be available for City residents who lack those skills. Otherwise, they will not be prepared to take advantage of any expansion. Relatively unskilled, entry level positions are not readily available. The manufacturing industry continues to shrink its presence in the City and technology has eliminated the need for much routine office work. It is of paramount importance that the educational system be able to prepare the citizens of the City, both the youth and the adults, for the future. In addition, both the Mayor and the City Comptroller are working to create tax incentives to assist in the generation of small businesses, and the retention of mid-size ones. It has been shown that, in the past, small businesses have been the main force in the creation of new jobs, particularly those requiring only entry level skills. However, there is little room for unskilled workers in industries such as media, computer software, and other emerging technologies.

Another aspect of the Wall Street expansion and the rising stock market is that the value of the *Plan's* portfolio has continued to rise. This has resulted in investment income, particularly unrealized gain on equity securities, becoming increasingly more predominant as the main provider of the revenue of the *Plan*. It is important that 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.

### NEW INITIATIVES

In February 2000, the *Plan* moved to new and larger quarters at Renaissance Plaza in downtown Brooklyn. Being in this new space is a great opportunity to use the facilities and infrastructure to maximize service, communication, and professional interaction with our participants. We now have both consolidated Customer Service and Call Centers, which have greatly improved the level of service when a participant wishes to contact us. A modern phone and message tracking system has been installed. We also have conferences rooms for meetings with small groups of members, as well as a larger seminar room in the office tower, that we use to sponsor weekly informational seminars to as many as 125 people at a time.

### 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. Actuarial services are provided to the *Plan* by the Chief Actuary employed by the Board of Trustees. The City's Corporation Counsel provides legal services to the *Plan*.

### ACKNOWLEDGMENTS

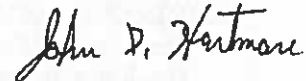
The compilation of this CAFR reflects the combined effort of NYCERS' staff, under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means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

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

Respectfully submitted,



John J. Murphy  
Executive Director



John D. Hartman  
Director, Finance

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SUMMARY OF PLAN PROVISIONS**

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## GLOSSARY OF TERMS

### ***Accumulated Member Contributions***

The total of all contributions made by members, plus interest earned on such contributions.

### ***Active Service***

Service rendered while the employee is on the payroll and being paid by a participating employer.

### ***Additional Member Contributions (AMC's)***

Contributions, in addition to the basic member contributions, required to be paid each payroll period by *Participants* in one of the special programs described in this document. *AMC's* are maintained in the Retirement Reserve Fund.

### ***Allowable Correction Service***

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

### ***Allowable Sanitation Service***

Service as a member rendered in the uniformed force of the NYC Department of Sanitation.

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

*Credited Service* which was rendered as a *Transit Authority Member*.

### ***Annuity***

Payments for life derived from the *Accumulated Member Contributions*.

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

Plan benefits that are generally available to Tier 4 members, excluding the benefits that are available only to a *Participant* 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 any of those special programs may still qualify for a benefit under the *Basic Tier 4 Plan*. Wherever that is the case, it will be noted in this booklet.

### ***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:

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

### ***Cessation Date***

The date members are eligible to cease making their basic Tier 4 3% contributions pursuant to Chapters 110 and 126 of the laws of 2000.

The later of:

- October 1, 2000,  
**OR**
- the anniversary date of their tenth year of membership,  
**OR**
- the date the member attains ten years of *Credited Service*, if that date is earlier than the 10<sup>th</sup> anniversary of the membership date.

### ***Credited Service***

Includes all of the following:

### ***Membership Service***

Service rendered after joining NYCERS; includes all service while on the payroll of a participating employer and military service.

### ***Part-Time Service***

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

### ***Previous Part-Time Service***

*Part-Time Service* rendered by persons employed by the City, a participating employer, or the City Board of Education prior to the date they become a member of NYCERS, or prior to May 31, 1988, if they last became a member of NYCERS prior to that date. Members receive credit for *Previous Part-Time Service* only if they purchase credit for such service.

### ***Previous Service***

(Includes *Prior Membership Service* and *Pre-Membership Service*) Service rendered while employed by an agency of the City of New York, or with the State of New York, or any of its political subdivisions.

### ***Prior Membership Service***

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

### ***Pre-Membership Service***

Service that is otherwise creditable but was rendered before the member was eligible to join a public employee retirement system of the City of New York (**Example:** *Part-Time Service* rendered prior to May 31, 1988), or during employment with the employer upon which the member's membership in NYCERS was based.

### ***Designated Beneficiary***

Any person whom a member has named, by filing a properly completed form with NYCERS, to receive a survivor benefit.

### ***Eligible Beneficiary***

A surviving spouse who has not remarried, or dependent children to age 25, or dependent parents, or any person, until age 21, who qualified as a dependent for Federal income tax purposes on the final Federal income tax return filed immediately preceding the year of death of the member, is considered to be eligible, in priority of the order listed above, to receive payment of an Accidental Death Benefit.

### ***Eligible Member***

A member of NYCERS who is employed in an *Eligible Position*, for one of the special programs described in this document.

### ***Eligible Position***

*Eligible Positions* for the *Sanitation 20-Year Program*, the *Transit 25/55 Program* and the *TBTA 20/50 Program* are defined in the plan descriptions for each of those special *Programs*.

For the Age-55-Improved-Benefit-Retirement Program (Tier 2), the 25-Year Early Retirement Program (Tier 4) and the Age-57 Retirement Program (Tier 4), 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 the person employed in such position is a *Participant* in such Program);
- Any position in the uniformed forces of the Department of Correction or the Department of Sanitation;
- The positions of Bridge and 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 Triborough Bridge and Tunnel Authority;
- Any position in the Division of Housing and Urban Renewal;
- Any position in the Unified Court System; and
- Any teaching position with the City University of New York.
- Investigators employed in District Attorneys' offices.

### ***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 this three-year period 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 rendered service on a basis other than full-time, or who had absences without pay in the 36 months immediately preceding retirement, the period used in computing the *FAS* is based on a period which is greater than three years.

### ***Final Compensation***

The average compensation earned during:

- the five-year period immediately preceding retirement, or
- any consecutive five calendar-year period prior to retirement which would provide the greatest average compensation.

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

### ***Final Salary***

For members of the uniformed forces of the departments of Sanitation and Correction who joined the retirement system prior to July 1, 1973, the annual rate of salary earnable on the day before the date of retirement. For all others, the salary earnable in the year ending on the day before the date of retirement or alternatively, the average annual compensation during any three calendar years designated by the member, if in a *Career-Pension-Plan Position*.

### ***Income Limitation***

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

### ***Members' Contribution Accumulation Fund (MCAF)***

An account maintained for each Tier 3 and Tier 4 member into which the "basic" contributions of 3% of *Wages* each payroll period are deposited, plus interest earned on such contributions.

### ***Minimum Accumulation***

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

### ***Participant***

Any member of NYCERS who elects or is required to participate in one of the special retirement programs described in this document.

### ***Pension***

That part of the retirement allowance which is provided by contributions made by the member's employer(s).

### ***Personal Service Income***

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

***Physically-Taxing Position***

A position 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 at an earlier age if the service requirements of the *Program* are met.

***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 §511(c) of ARTICLE 14 of the Retirement and Social Security Law.

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

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***

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 given benefit.

***Sanitation Member***

A member who holds a position in the uniformed force of the NYC Department of Sanitation.

***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, and who retain the right to elect Tier 3 benefits.

***Transit Authority Member***

A Tier 4 member employed in the New York City Transit Authority operating-force.

***Triborough Bridge & Tunnel Authority Member***

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

***Unpaid Leave***

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

**Examples:** Sick leave of absence without pay; Workers' Compensation leave of absence without pay; leave of absence without pay for the purpose of engaging in union activities.

***Wages***

Any earnings paid for services rendered to a public employer in New York City or New York State.

## NEW PLAN PROVISIONS

Legislation July 1, 1999 – June 30, 2000

### LAWS OF 1999

- Chapter 138** Amends §470, §480 and §615 of the RSSL as well as §6 of Chapter 625 of the Laws of 1975. This law extends for a period of two years, all temporary rights, privileges and retirement benefits conferred by any general, special or local law with respect to members of a public retirement system. The law also extends for two years the right of public employers and employees to negotiate for retirement benefits that do not require approval by the legislature.
- Chapter 144** This law amends Chapter 152 of the laws of 1997 which amended §440 of the RSSL by extending Tier 2 provisions to all police officers and firefighters who join a public retirement system on or after July 1, 1999 but prior to July 1, 2001.
- Chapter 349** By amending §604-b of the RSSL, this law allows elective participants of the Transit 25/55 Plan, who by age 62 will not have 25 years of allowable service in the Transit Authority to withdraw from the T2555 Plan. Participants must have filed between 11/1/99 and 1/31/00 by written correspondence.
- Chapter 353** This law provides for a reduced retirement age for certain TBTA members. It provides that for each year of covered service prior to 1/1/01 and subsequent to 12/31/70, the normal retirement age shall be reduced by four months. Chapter 353 amends Chapter 469 of the laws of 1996, Chapter 517 of the laws of 1991, Chapter 746 of the laws of 1989 and Chapter 511 of the laws of 1988.
- Chapter 360** This law amends §185 of the RSSL to allow the accelerated death benefit under Chapter 616 of the laws of 1998 and the out-of-service pre-retirement death benefit (vested member death benefit) under Chapter 388 of the Laws of 1998 to be paid in the form of group life insurance as are ordinary death benefits.
- Chapter 365** This law amends Chapter 472 of the laws of 1995 which imposed additional member contributions on certain members of the TBTA 20/50 Program. This new law provides that no interest is due on contributions owed prior to March 25, 1998.
- Chapter 366** Provides retirement credit for periods of worker's compensation leave and extends this coverage to certain TBTA members. This law amends sections 513 and 609 of the RSSL.
- Chapter 477** Under this law, the trustees of the retirement system may invest the pension funds in any insured or conventional mortgage of an unpaid principal amount not less than \$100,000 at the time when the investment is made.

**Chapter 575** Chapter 666 of the laws of 1990 provided for additional pension benefits for an extended second public employment for certain retirees. Chapter 575 of the laws of 1999 extends the application of Chapter 666 by prolonging the time periods for continuous employment and notification.

**Chapter 616** This law provides that anyone on military duty when his or her name was reached on a civil service list and subsequently joins public service shall have the option to revert to an earlier tier if such tier was open at the time his or her name was called from the civil service list. However, this does not change his or her service credit, which shall be computed, from the date of appointment.

**Chapter 646** Chapter 646 of the Laws of 1999 amends §645 of the RSSL which was created by Chapter 640 of the Laws of 1998. This law allows certain current and future members of the retirement system, who were previously members of any New York public retirement system, to be deemed to have become members of their current system as of the original date of such previous ceased membership. In some cases, this may provide for a change in tier status.

**Chapter 657** This law provides for a variable supplements fund (VSF) for correction officers and correction captains and authorizes payments to the beneficiaries receiving a corrections service retirement allowance. Payment of the variable supplement begins in December 2000 and is to be paid annually. The payment scale begins at \$8,500 and will increase each year by \$500 until it reaches a maximum payment of \$12,000. Chapter 657 amends sections 13-101, 13-194, 13-195 and 13-196 of the Administrative Code of the City of New York.

**Chapter 659** Chapter 659 provides for a deferred vested benefit after five years of Allowable or Credited Service for members who were not covered under Chapter 389 of the Laws of 1998. Chapter 389 amended the RSSL to provide a service retirement and vested retirement benefit after five years instead of ten years of Credited Service for basic Tier 3 and basic Tier 4 members. However, the minimum age for payability in all cases has not changed.

Additionally, this chapter provides a pre-retirement death benefit for discontinued members not covered by Chapter 388 of the Laws of 1998. This law amends RSSL §448-a (Tier 2), §508-a (Tier 3), and §606-a (Tier 4) by providing vested members with ten years of Credited Service a death benefit equal to 50% of the benefit payable on the last day of service.

## **LAWS OF 2000**

**Chapter 10** Chapter 10 of the Laws of 2000 amends the Transit 25/55 Program enacted by Chapter 529 of the Laws of 1994 to include all New York City Transit Authority Tier 4 Operating-Force members. This law prospectively eliminates the Additional Member Contributions and reduces the basic Tier 4 member contributions from 3% to 2% for eligible members.



**Chapter 85** This law establishes at 8% per year the statutory rate of interest used by the actuary in valuing the retirement systems liabilities for the purpose of calculating the amount of employer contributions to the system. This rate replaces the current 8 ¾% valuation rate. Additionally, the supplementary interest rate is changed from 1 ¾% to 1% per year.

**Chapter 86** Chapter 86 of the Laws of 2000 authorizes the City of New York and its participating employers to offer an early retirement incentive to employees with certain designated titles. To qualify the employee must be otherwise eligible to retire or age 50 or older with ten or more years of credited pension service on the effective date of retirement. Under the incentive, an employee is eligible for up to three years of additional pension credit

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## THE 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 *Career-Pension-Plan Positions* may have their benefits begin not 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 Increased-Take-Home-Pay 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 (this does not refer to payments from the Annuity Reserve Fund) 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.

Such retired member must have started working in a position covered by the other New York State retirement system within five years of retiring from NYCERS (10 years with 25 years of *Credited Service*).

## 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,**

1.2% of *Final Salary*,

**plus**

**For each year of *Credited Service* after June 30, 1968,**

1.53% of *Final Salary*,

**plus**

a *Pension* for Increased-Take-Home-Pay (ITHP), (the actuarial equivalent of the *Reserve For Increased-Take-Home-Pay*),

**plus**

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

## TRANSIT 20-YEAR PLAN

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 not 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 Increased-Take-Home-Pay (ITHP), (the actuarial equivalent of the accumulation of the contributions for ITHP made in each year of such service).

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.

### 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, (the actuarial equivalent of the *Reserve For Increased-Take-Home-Pay*),

**plus**

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

### SANITATION 20-YEAR PLAN

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

### SANITATION 25-YEAR PLAN

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 Increased-Take-Home-Pay, (the actuarial equivalent of the accumulation of the contributions for Increased-Take-Home-Pay made in each such year).

#### **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*.

#### 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.

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

## **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, [at least five of which is Membership Service immediately preceding resignation], 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, [at least five of which is Membership Service immediately preceding resignation,] 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.

## **DEATH BENEFIT TO VESTED MEMBERS**

There is a pre-retirement death benefit payable in the event of the death of a Tiers 2, 3, or 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. This is in addition to the refund of the member's accumulated contributions, with interest.

## **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 of 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 to an *Eligible Beneficiary* 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 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 therefor.

The Accidental Death Benefit is:

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

**and**

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

**and**

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.

If at the time of your death as a result of an accident on the job, there is no surviving *Eligible Beneficiary* as described above, you may designate a beneficiary to receive the accidental death benefit payable.

If you have no *Eligible Beneficiary(ies)*, as described above, you may designate a beneficiary to receive the Accidental Death Benefit payable at the time of your death as a result of an accident on the job.

#### **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.

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.

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

Under the pensioner's selection of this special Option 4, he or she will receive a reduced monthly lifetime allowance. If the pensioner dies within five years or ten years (depending on the selection made at the time of retirement) of the date of his or her retirement, the reduced retirement allowance will be paid to the surviving beneficiary until the fifth or tenth anniversary of the date of retirement. If the pensioner's designated beneficiary predeceases him or her, an actuarially equivalent lump sum will be paid to the estate of the pensioner, or to a contingent beneficiary, if one is nominated.

Section 1. The Board of Education of the State of Texas, created by Chapter 100, Acts of the 47th Legislature, Regular Session, 1951, is hereby amended to read as follows: (a) The Board of Education shall be composed of not more than nine members, to be appointed by the Governor for terms of four years, and shall elect one of its members to be its president and another to be its secretary. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas. (d) The Board of Education shall have the honor and privilege of the name of the State of Texas.

ARTICLE II  
GENERAL PROVISIONS

Section 2. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

Section 3. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

Section 4. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

Section 5. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

Section 6. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

Section 7. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

Section 8. The Board of Education shall have the honor and privilege of the name of the State of Texas. (a) The Board of Education shall have the honor and privilege of the name of the State of Texas. (b) The Board of Education shall have the honor and privilege of the name of the State of Texas. (c) The Board of Education shall have the honor and privilege of the name of the State of Texas.

## 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 force of the NYC Department of Correction, and the uniformed force of the NYC Department of 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 the following pages.
- 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**

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

*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)\*\**

\* 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

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 or 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

*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**

for all other *Credited Service*,

92/100% of *Final Compensation* for each year rendered prior to October 1, 1951,

**plus**

1 1/4% of *Final Compensation* for each year rendered after October 1, 1951,

**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**

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**

*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,

1 1/2% 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 *Increased-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**

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**

*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**

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 TRIBOROUGH BRIDGE & TUNNEL OFFICERS, SERGEANTS AND LIEUTENANTS**

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 *Triborough Bridge & Tunnel Member* on August 2, 1995. *Triborough Bridge and Tunnel Authority 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 *Triborough 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 *Triborough 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**

*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 TBTA member have a deficit in reserves, he or she can retire after the three-year minimum service requirement. Rather than taking 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 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**

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* or January 25, 1998, whichever is later, 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**

*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**

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

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

That is, the later of:

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

**OR**

- age 55.

## **DEATH BENEFIT TO VESTED MEMBERS**

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 *Credited 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**

The Vested Retirement Benefit is a pension equal to:

2.20% *times FAS* for each year of *Credited Service*.

## **ORDINARY DEATH BENEFITS FOR TIERS 2, 3 AND 4 MEMBERS**

A person who joins NYCERS after June 30, 1973, other than members of the uniformed forces of the Departments of Correction and Sanitation and Transit operating-force members, must 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.

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.

A person who joins NYCERS after June 30, 1973, and is a member of the uniformed force of the Department of Correction or the Department of Sanitation or a Transit operating-force member, is covered for a death benefit upon completion of ninety days of service as a member. 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.

For members who attain age 61 while in City service, regardless of their age when joining NYCERS, the death benefit otherwise payable (equal to one, two or three times their salary) will be reduced as follows:

Age	Percentage Payable
61	95
62	90
63	85
64	80
65	75
66	70
67	65
68	60
69	55
70+	50

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 after January 1, 2001 will automatically be covered by Death Benefit Plan 2.

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.

**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.**

### **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 provide the annuity portion of his or her benefit 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.

**TEN-YEAR (OR FIVE-YEAR) CERTAIN**

The pensioner receives a reduced monthly lifetime allowance. If the pensioner dies within ten (five) years of retirement, the reduced retirement allowance will be paid to the surviving designated beneficiary until the tenth (fifth) anniversary of the pensioner's retirement. Should such beneficiary predecease the pensioner, an actuarially equivalent lump sum will be paid to the pensioner's estate.

**TIER 3**

**ARTICLE 14 - (CO-ESC) RETIREMENT PLAN**

Members of the uniformed force of the New York City 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.

Any such member is eligible to retire for service under any one of the following conditions:

**EARLY SERVICE RETIREMENT**

- Age 55 with at least five years of *Credited Service*.
- Credit for 25 or more years of *Allowable Correction Service*, at any age.

**MEMBERS WHO LAST JOINED NYCERS AFTER JULY 26, 1976 AND PRIOR TO SEPTEMBER 1, 1983 ARE ELIGIBLE TO ELECT TIER 3 BENEFITS WHICH, DEPENDING ON THE MEMBER'S SITUATION, MAY BE MORE ADVANTAGEOUS THAN TIER 4 BENEFITS. IN SOME CASES, TIER 3 BENEFITS MAY BE THE ONLY BENEFITS WHICH THE MEMBER IS ENTITLED TO.**

**NORMAL SERVICE RETIREMENT**

- Age 62 or later with five or more years of *Credited Service*.

The *Final Average Salary (FAS)* on which the retirement benefit is based is determined by adding the highest annual earnings for any three consecutive years and dividing that sum by three. If the earnings for any year used in the computation of 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*.

**SERVICE RETIREMENT BENEFITS**

**EARLY SERVICE RETIREMENT BENEFIT**

- For members age 55 or older, with 20 or more years of *Credited Service*, but not more than 30 years of such service:  
2% of *FAS* multiplied by the years of *Credited Service*.
- For members with at least five years of *Credited Service*, but less than 20 years of such service:  
1 2/3% of *FAS* multiplied by the years of *Credited Service*.

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

The benefit computed on the previous page is 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.\*

#### **NORMAL SERVICE RETIREMENT BENEFIT**

- **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.

**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.\*

\* **Note:** This reduction does not apply to members in 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 benefits between the ages of 55 and 62 in accordance with the Early-Service-Retirement benefit as described on the previous page, or at age 62 and later in accordance with the Service Retirement benefit described 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 mentioned above commence on the first day of April next succeeding the effective date of the service retirement. The first year's escalation is prorated depending upon the date of retirement.



## DISABILITY RETIREMENT

### DISABILITY RETIREMENT BENEFIT (§507-a)

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. However, 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:

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 (§506)

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:

For years of *Credited Service*, not in excess of 30 years of such service,

2% times *FAS*,

but

Not less than one third 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 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 next succeeding the effective date of the Ordinary Disability Retirement regardless of age. The first year's escalation is pro-rated depending upon the date of retirement.

## **ACCIDENT DISABILITY RETIREMENT (§507)**

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 next succeeding the effective date of the Accident Disability Retirement regardless of age. The first year's escalation is pro-rated depending upon the date of retirement).

## **THREE QUARTER LINE-OF-DUTY DISABILITY FOR CORRECTION OFFICERS**

Members of the uniformed force of the 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.

## **GENERAL LIMITATIONS ON CONTINUED RECEIPT OF DISABILITY BENEFITS (ORDINARY AND ACCIDENT - §506 AND §507)**

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 ninety 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.

**NOTE:** Tier 3 members who joined the retirement system between July 27, 1976 and July 25, 1986 are entitled to revert back to the Tier 3 death benefits that were in effect prior to July 26, 1986.

### **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 therefor.

If at the time of your death as a result of an accident on the job, there is no surviving *Eligible Beneficiary* as described above, you may designate a beneficiary to receive the accidental death benefit payable.

If you have no *Eligible Beneficiary(ies)*, as described above, you may designate a beneficiary to receive the Accidental Death Benefit payable at the time of your death as a result of an accident on the job.

### **ESCALATION**

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

**ARTICLE 14 (TIER 3) ORDINARY DEATH BENEFITS AS OF APRIL 1, 2000**

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, 2000 and March 31, 2001.

- **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:

<b>AT LEAST</b>	<b>BUT NOT MORE THAN</b>	<b>AMOUNT OF BENEFIT (AS OF 4/1/99)</b>
One Year	Two Years	One <i>times</i> final rate of pay, but not in excess of \$37,300
Two Years	Three Years	Two <i>times</i> final rate of pay, but not in excess of \$74,500
Three Years or more		Three <i>times</i> final rate of pay, but not in excess of \$93,100

If death occurs at age 60 or later, the above benefits will be reduced as follows:

<b>AGE AT DEATH:</b>	<b>AMOUNT OF BENEFIT:</b>
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 their death, and their eligible beneficiary is their surviving spouse, such beneficiary, 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.

### **20-YEAR RETIREMENT PROGRAM FOR TIER 3 CORRECTION MEMBERS BELOW THE RANK OF CAPTAIN**

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**

*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, to a maximum of 10.

#### **VESTED RETIREMENT BENEFIT**

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**

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**

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

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

**SERVICE RETIREMENT BENEFIT**

*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,**  
1 2/3% of *FAS*.

**VESTED RETIREMENT BENEFIT**

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**

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.

Tier 4 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.

#### **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, as before, 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*.

## **THREE QUARTER ACCIDENT DISABILITY BENEFIT FOR EMERGENCY MEDICAL TECHNICIANS**

Chapter 587 of the laws of 1998 added a new §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 *FAS*.

## **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. 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 BENEFIT**

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 annuity 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 benefit described below, which is also available to all other Tier 4 members, is payable.

A Tier 4 member who joined the retirement system on or after July 26, 1986, and is not a member of the Transit operating-force or the uniformed force of the NYC Department of Sanitation, must choose between the 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 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 year's salary after three years of *Credited Service*. In addition, the member's *Accumulated Deductions* are refunded.

For members (other than uniformed Sanitation force members, Transit operating-force members and Tier 3 Correction Officers ) who attain age 61 while in City service, regardless of their age when joining NYCERS, the death benefit (equal to one, two or three times their salary) will be reduced as follows:

<b>AGE AT DEATH:</b>	<b>AMOUNT OF BENEFIT:</b>
61	95%
62	90%
63	85%
64	80%
65	75%
66	70%
67	65%
68	60%
69	55%
70 <sup>+</sup>	50%

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 after January 1, 2001 will automatically be covered by Death Benefit Plan 2.

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 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 who joined NYCERS on or after July 26, 1986, 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.

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 therefor.

If you have no *Eligible Beneficiary(ies)*, as described above, you may designate a beneficiary to receive the Accidental Death Benefit payable at the time of your death as a result of an accident on the job.

**Members of the retirement system subject to Article 15, who joined the retirement system on or after July 27, 1976 and before September 1, 1983, are entitled to certain ARTICLE 14 or ARTICLE 15 benefits, by ruling of the Court of Appeals in *Public Employees' v. Cuomo*, dated June 29, 1984. (See TIER 3 Benefits.)**

## LOANS (TIERS 3 AND 4)

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.
- 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 resigns or is terminated, he or she may make arrangements with NYCERS to make periodic direct payments.
- Non-payment of a loan will result in an Internal Revenue Service tax liability.
- Beginning 30 days after the inception of the loan, the unpaid portion of the loan is fully insured, provided it is not in default.

#### **20-YEAR RETIREMENT PROGRAM FOR MEMBERS OF THE UNIFORMED FORCE OF THE NYC DEPARTMENT OF SANITATION**

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**

*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**

*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**

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

## **25-YEAR AND AGE-55 RETIREMENT PROGRAM**

### **FOR NEW YORK CITY TRANSIT AUTHORITY OPERATING-FORCE MEMBERS**

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**

*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*.**

## 25-YEAR EARLY RETIREMENT PROGRAM

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

*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

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

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**

*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**

*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 TRIBOROUGH BRIDGE & TUNNEL OFFICERS, SERGEANTS AND LIEUTENANTS**

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 *Triborough Bridge & Tunnel Member* on August 2, 1995. *Triborough Bridge and Tunnel Authority 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 *Triborough 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 *Triborough 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**

*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 TBTA member have a deficit in reserves, he or she can retire after the three-year minimum service requirement, and, rather than taking an actuarial reduction, 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**

A *Participant* who discontinues service as a *Triborough 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 Triborough Bridge & Tunnel service, if such continuance had not occurred).

The Vested Retirement Benefit is:

2½% times *FAS* for each year 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 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(ies) 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 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, 2000**

**PART 2**

**FINANCIAL SECTION**

**New York City Employees' Retirement System**  
**Brooklyn, New York**  
**Financial Statement and Schedules**  
**For Years Ended June 30, 2000 and June 30, 1999**  
**With Independent Auditors' Report Thereon**



345 Park Avenue  
New York, NY 10154

## Independent Auditors' Report

The Board of Trustees  
New York City Employees' Retirement System:

We have audited the accompanying statements of plan net assets of the New York City Employees' Retirement System (the "Plan") as of June 30, 2000 and 1999, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of June 30, 2000 and 1999, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The information on Schedules 1 through 3 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied to Schedules 1 through 3 certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included on Schedules 4 through 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements as a whole.

The information included in the Introductory, Investment, Actuarial, and Statistical sections of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we express no opinion on it.

**KPMG LLP**

October 26, 2000



**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Statements of Plan Net Assets

June 30, 2000 and 1999

(in thousands)

	<u>2000</u>	<u>1999</u>
<b>Assets:</b>		
Cash	\$ 149,542	85,596
<b>Receivables:</b>		
Receivables for investment securities sold	2,263,342	1,474,971
Accrued interest and dividends receivable	184,113	174,441
Employer contributions receivable - long term (note 6)	—	994,163
Total receivables	<u>2,447,455</u>	<u>2,643,575</u>
<b>Investments, at fair value (notes 2 and 3):</b>		
Short-term investments:		
Certificates of deposit	49,094	9,500
Commercial paper	1,030,845	1,357,826
Short-term investments fund	1,082,892	1,075,681
U.S. Government Agency	68,222	44,979
Debt securities:		
U.S. Government	6,444,733	6,720,726
Corporate	4,670,804	4,027,668
Mortgages	10,958	13,830
Private equity holdings	36,030	—
Foreign	497,038	500,111
Equities:		
Equity securities	24,146,599	24,497,088
International investment fund - equities	6,426,485	4,404,020
Collateral from securities lending transactions	5,490,699	4,663,285
Total investments	<u>49,954,399</u>	<u>47,314,714</u>
Other assets	<u>42,999</u>	<u>7,280</u>
<b>Total assets</b>	<u><u>52,594,395</u></u>	<u><u>50,051,165</u></u>
<b>Liabilities:</b>		
Accounts payable (note 2)	139,825	142,371
Payables for investment securities purchased	3,907,446	3,217,337
Accrued benefits payable	127,009	82,919
Due to variable supplements funds (note 4)	100,000	187
Due to other retirement systems	5,453	14,879
Securities lending transactions	5,490,699	4,663,285
<b>Total liabilities</b>	<u><u>9,770,432</u></u>	<u><u>8,120,978</u></u>
<b>Plan net assets held in trust for pension benefits</b> (A schedule of funding progress for the Plan is presented on schedule 1)	<u><u>\$ 42,823,963</u></u>	<u><u>41,930,187</u></u>

See accompanying notes to financial statements.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Statements of Changes in Plan Net Assets

Years ended June 30, 2000 and 1999

(in thousands)

	<u>2000</u>	<u>1999</u>
<b>Additions:</b>		
Contributions (notes 5 and 6):		
Member contributions (net of loans to members)	\$ 316,400	306,006
Employer contributions	68,620	145,663
	<u>385,020</u>	<u>451,669</u>
Investment income:		
Interest income	880,815	786,581
Securities lending income	281,704	234,436
Dividend income	314,344	325,738
Net appreciation in fair value of investments	2,570,543	3,849,094
	<u>4,047,406</u>	<u>5,195,849</u>
Less:		
Investment expenses (note 9)	37,425	25,155
Securities lending fees	266,076	220,485
	<u>303,501</u>	<u>245,640</u>
Total investment expenses	303,501	245,640
Net investment income	<u>3,743,905</u>	<u>4,950,209</u>
Total additions	<u>4,128,925</u>	<u>5,401,878</u>
<b>Deductions:</b>		
Benefit payments and withdrawals	2,118,368	2,027,838
Net (receipts) payments (from) to other retirement systems	(658)	3,678
Excess earnings to variable supplements funds (note 4)	100,031	190
Administrative expenses (note 9)	23,245	19,688
Elimination of long-term employer contributions receivable (note 6)	994,163	—
	<u>3,235,149</u>	<u>2,051,394</u>
Total deductions	3,235,149	2,051,394
Net increase	893,776	3,350,484
<b>Plan net assets held in trust for pension benefits:</b>		
Beginning of year	<u>41,930,187</u>	<u>38,579,703</u>
End of year	\$ <u>42,823,963</u>	<u>41,930,187</u>

See accompanying notes to financial statements.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## Notes to Financial Statements

June 30, 2000 and 1999

### (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 statutes and City laws). The City's main defined benefit 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 Department, Subchapter Two Pension Fund ("POLICE") and the New York City Fire Department, Subchapter Two 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 pension benefits for employees of the City and various related employers not covered by the City's four other main pension systems. The employers (collectively, the "employer"), in addition to the City, principally include five authorities, three public benefit corporations, the City University of New York and the State of New York (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 are required to 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 New York State ("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. Employer contributions and investment income provide all benefits not provided by member contributions.

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 City's Comprehensive Annual Financial Report ("CAFR") as a pension trust fund in the Trust and Agency Funds.



**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Notes to Financial Statements

June 30, 2000 and 1999

At June 30, 1999 and 1998, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	<u>1999</u>	<u>1998</u>
Retirees and beneficiaries receiving benefits *	121,880	122,438
Terminated vested members not yet receiving benefits	6,276	5,678
Active members **	<u>169,458</u>	<u>165,461</u>
Total	<u>297,614</u>	<u>293,577</u>

\* These figures exclude retirees and beneficiaries no longer receiving benefits who have not been canceled from the retirement registers.

\*\* These figures include only current active members receiving salary as of each June 30.

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).

The 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 plan documents) 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 any annuity attributable to member contributions in excess of the required amount and by any benefits attributable to the employer's contributions with respect to such service under the Increased-Take-Home-Pay ("ITHP") program.

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 New York 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 New York State Retirement and Social Security Law (RSSL) modified certain benefits for employees joining the Plan (on or after the effective date of such amendments).

The 1973 amendments, which affect certain employees ("Tier 2") who joined the Plan on or after July 1, 1973, established certain benefit limitations relating to eligibility for retirement, the salary base for benefits, maximum benefits, and also changed the ordinary death benefits.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Notes to Financial Statements

June 30, 2000 and 1999

The 1976 amendments, which affect certain employees ("Tier 3") who joined the Plan on or after July 27, 1976, require members' contributions of 3% of salary for a period not to exceed 30 years; provide for an annual benefit (for each year of service not to exceed 30 years) of 1.67% of "final average salary" per year for members with less than 20 years of service and 2% of "final average salary" per year for members with 20 or more years of service, up to a maximum of 60%, reduced by one half of the primary Social Security attributable to service to the employer and provide for an automatic annual cost of living escalator in pension benefits of not more than 3%.

The 1983 amendments, which affect certain employees ("Tier 4") who joined the Plan on or after July 27, 1976, require member contributions of 3% of salary until termination of service; and provide for an annual benefit for each year of service of 1.67% of "final average salary" per year for members with less than 20 years of service, 2% of "final average salary" per year for members with 20 to 30 years plus 1.5% of "final average salary" for service in excess of 30 years.

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

Chapter 659 of the Laws of 1999 reduced the amount of service credit needed for vesting purposes to five years for certain members not affected by Chapter 389 of the Laws of 1998, subject to certain conditions. Previously, members who joined the Plan before July 27, 1976 became fully vested as to benefits upon the completion of 15 years of service and members who joined the Plan on or after July 27, 1976 became fully vested as to benefits upon the completion of five years of service.

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 (see note 10(c)).

**(2) Summary of Significant Accounting Policies and Plan Asset Matters**

**(a) Basis of Accounting**

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

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Notes to Financial Statements

June 30, 2000 and 1999

**(b) Method Used to Value Investments**

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 reflected on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

No investment in any one organization represents 5% or more of the plan net assets held in trust for pension benefits.

**(c) Income Taxes**

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

**(d) Accounts Payable**

Accounts payable represents, principally, amounts due to banks for benefit payments made on or before June 30, 2000 and 1999; transfers to the appropriate bank accounts were made after those dates.

**(e) Securities Lending Transactions**

State statutes and Board of Trustees policies permit the Plan to lend its securities (the underlying securities) to broker-dealers and other entities 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 treasury and U.S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At year end, 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 securities (fixed income) have an average maturity of ten years.

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The securities lending program in which the Plan participates only allows pledging or selling securities in the case of borrower default. Accordingly, the Plan is fully indemnified against any loss of value between the securities loaned and the securities held as collateral.

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 transactions with a corresponding liability as securities lending transactions.

*(f) Reclassifications*

Reclassifications of certain prior year amounts have been made to conform with the current year presentation.

**(3) Deposits and Investments**

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

The criteria for plan investments are as follows:

- (a) Fixed income investments may be made only in U.S. Government securities, securities of Government agencies backed by the U.S. Government, securities of companies rated BBB or better by both Standard & Poor's Corporation and Moody's Investors Service, and any bond on the Legal Investments for New York Savings Banks list published annually by the New York State Banking Department.
- (b) Equity investments may be made only in those stocks that meet the qualifications of the State Retirement and Social Security Law.
- (c) Short-term investments may be made in the following instruments:
  - (i) U.S. Government securities or U.S. Government agencies' securities fully guaranteed by the U.S. Government;
  - (ii) Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investors Service, respectively; and
  - (iii) Repurchase agreements collateralized in a range of 100% to 103% of matured value purchased through the primary dealers of U.S. Government securities.
- (d) Investments in banker's acceptances and certificates of deposit may be made with any of the ten largest banks with either the highest or next to highest rating categories of the leading independent bank rating firms.

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- (e) Investments up to 7.5% of total pension fund assets may be made in instruments not specifically covered by the State Retirement and Social Security Law.

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

Investments of the Plan are categorized by level of custodial credit risk (the risk that a counterparty to an investment transaction will not fulfill its obligations). Category 1, the lowest risk, includes investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the entity's name. Category 3, the highest risk, includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the entity's name.

Investments held by the Plan, including collateral from securities lending transactions of approximately \$5,491 million and \$4,663 million at June 30, 2000 and 1999, respectively, are listed according to their investment classification in the following table:

	2000	1999
	(in thousands)	
Categorized (A):		
Repurchase agreements	\$ 177,440	369,262
Commercial paper	3,937,728	3,360,224
U.S. Government securities	6,495,308	6,770,588
Corporate bonds	5,527,480	4,724,570
Equity securities	24,146,599	24,497,088
Foreign debt securities	497,038	500,111
U.S. Government Agency	68,222	44,979
Subtotal	40,849,815	40,266,822
Noncategorized (B):		
Short-term investment fund	2,619,444	2,589,632
Mortgages	10,958	13,830
International investment fund - equities	6,426,485	4,404,020
Mutual funds	11,667	29,510
Other	36,030	10,900
Subtotal	9,104,584	7,047,892
Total	\$ 49,954,399	47,314,714

- (A) All categorized investments are of Category 1 risk.  
 (B) These securities are not categorized because they are not evidenced by securities that exist in physical or book-entry form.

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**(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 ("CAVSF"). Chapter 255 of the Laws of 2000 combined the COVSF and the CCAVSF into an amended Correction Officers' Variable Supplements Fund (referred to herein as "CVSF"). The ACNY further provides that the Plan pay to the VSFs, certain excess earnings on equity investments of the Plan.

Due to the merging of Housing and Transit Police into the City's Police Department, there are no active Transit Police and only one active Housing Police officer, therefore, the amount of excess earnings on equity investments that the Plan will be required to transfer to the Transit and Housing Police VSFs is minimal.

For fiscal year 2000, excess earnings on equity investments are estimated to be transferable only to the CVSF in an amount equal to approximately \$100 million.

For fiscal year 1999, actual excess earnings on equity investments transferable to the VSFs were approximately \$31 thousand. Also, approximately \$187 thousand was owed from June 30, 1998.

**(5) Contributions**

The financial objective of the Plan is to fund members' retirement benefits during their active service and to establish contribution rates which, expressed as a percentage of active payroll, will remain approximately level from generation to generation.

**(a) Member Contributions**

Members who joined prior to July 27, 1976 contribute by salary deductions on the basis of a normal rate of contribution which is assigned by the Plan at membership. The 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 normal rate ranges between 5.80% and 9.10%. For age at membership equal to 40 the normal rate ranges between 4.30% and 4.80%.

Members who joined on or after July 27, 1976 are mandated to contribute 3% of annual wages during all years of coverage except for Department of Correction members who contribute 3% for not more than 30 years. In addition, certain members who are Tier 2 or 3 corrections officers

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and certain other Tier 2 and 4 members contribute additional amounts ranging from 2.30% to 7.46%, for improved early retirement benefits. See notes 10(c) and 10(d).

In general, members are permitted to borrow up to 75% of their own contributions, including accumulated interest. These loans are accounted for as a reduction in such members' contribution accounts and plan net assets. The amount of member loans outstanding as of June 30, 2000 and 1999 was \$830 and \$763 million, respectively. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions including accumulated interest, less any loans outstanding.

**(b) Employer Contributions**

The employer is required to contribute the remaining amounts necessary to finance the coverage of its employees through periodic contributions at actuarially determined rates.

For the June 30, 1999 actuarial valuation used to determine fiscal year 2000 employer contributions, certain changes in actuarial assumptions and methods were adopted to reflect recommendations by the Plan's Actuary. These changes were approved by the Plan's Board of Trustees and enacted into law as Chapter 85 of the Laws of 2000 ("Chapter 85/00").

The Frozen Initial Liability Actuarial Cost Method was utilized by the Plan's Actuary to calculate the contributions from the City. Under this actuarial cost method, the Initial Liability has been established by the Entry Age Actuarial Cost Method but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than zero. The excess of the actuarial present value of projected benefits of members as of the valuation date, over the sum of the Actuarial Value of Assets plus UAAL, if any, 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 employers' normal contributions.

Chapter 85/00 reestablished UAAL as of June 30, 1999. The schedule of payment 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.

In addition, 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 year 2000 and later will be phased into the Actuarial Asset Value ("AAV") beginning the following June 30 at a rate of 10%, 15%, 20%, 25%, and 30% per year (or at a cumulative rate of 10%, 25%, 45%, 70%, and 100% over five years).

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## Notes to Financial Statements

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The fiscal year 2000 actuarially required employer contribution increased by approximately \$20 million compared to what would have been calculated utilizing the actuarial assumptions and methods previously in effect. During the fiscal year, the employer made cash payments to the Plan based on an estimated actuarially required employer contribution determined using the actuarial assumptions and methods previously in effect, thus resulting in an underpayment of approximately \$17.4 million. A receivable from the employer for the underpayment is reflected within other assets. This amount has subsequently been received by the Plan.

For the June 30, 1998 actuarial valuation used to determine fiscal year 1999 employer contributions, the Frozen Entry Age Actuarial Cost Method was utilized by the Plan's Actuary to calculate the contributions required of the City.

Under this method, the excess of the actuarial present value of projected benefits of members as of the valuation date, over the sum of the Actuarial Value of Assets plus the UAAL, 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 employers' normal contributions.

The UAAL was reestablished in accordance with the Actuarial Cost Method as of June 30, 1995 as provided by Chapter 249 of the Laws of 1996 ("Chapter 249/96"), which also provided for schedules of payments toward the UAAL, including the Balance Sheet Liability ("BSL") portion of the UAAL. The BSL is the "Employer Contributions Receivable - Long Term" described in note 6. Chapter 85/00 reestablished UAAL and eliminated the BSL as of June 30, 1999.

The schedules of payments toward the UAAL and BSL established by Chapter 249/96 provide that the UAAL and BSL as of June 30, 1995 be amortized over a period of 15 years beginning fiscal year 1996, where the amount of each annual payment after the first is to equal 103% of the preceding annual payment.

In addition, five UAALs were established under Chapter 119 of the Laws of 1995 ("Chapter 119/95"), Chapter 12 of the Laws of 1995 (Chapter "12/95"), Chapter 30 of the Laws of 1996 ("Chapter 30/96"), Chapter 41 of the Laws of 1997 ("Chapter 41/97") and Chapter 390 of the Laws of 1998 ("Chapter 390/98").

Chapter 119/95 and Chapter 390/98 reestablished UAALs as of June 30, 1996 and 1999, respectively, for retiree supplementation. These UAALs are being amortized on a level basis over an effective period of ten years beginning December 1996 and September 1999, respectively.

Chapter 12/95, Chapter 30/96 and Chapter 41/97 established a UAAL as of June 30, 1996, 1997 and 1998, respectively, for an early retirement incentive. These UAALs are being amortized on a level basis over periods of five years beginning in fiscal years 1997, 1998 and 1999, respectively.

The AAVM was changed as of June 30, 1995 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.

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



**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Notes to Financial Statements**

**June 30, 2000 and 1999**

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

Under this AAVM, any UIR for fiscal years 1997 or later were being phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25%, and 30% per year (or at a cumulative rate of 10%, 25%, 45%, 70% and 100% over five years). The UIR for fiscal year 1996 was being phased in beginning June 30, 1996 at a cumulative rate of 10%, 25%, 45%, 70%, and 100% over five years.

Employer contributions for fiscal year 1999 were equal to the Actuary's recommendations.

**(6) Employer Contributions Receivable - Long Term**

As a result of state legislation in 1982, the City made certain revisions, effective July 1, 1980, to the Plan. Among other provisions, the legislation changed the timing of pension contributions by the City. Prior to enactment, pension contributions were made on a statutory basis, which reflected pension costs incurred two years earlier. The law provided that the accrued pension contributions receivable ("Employer Contributions Receivable - Long Term") from the City at June 30, 1980, as adjusted, be amortized over 40 years beginning in fiscal year 1982, with interest at 7.5% per annum (8% beginning in fiscal year 1983, 8.25% beginning in fiscal year 1989, 9.0% beginning in fiscal year 1991 and 8.75% beginning in fiscal year 1996). The interest was included in the employer contributions each year.

Chapter 249/96 amended the payment schedule to provide that the accrued pension contributions receivable from the employer as of June 30, 1996 be amortized over a period of 15 years beginning with fiscal year 1997, where the amount of each annual payment after the first is to equal 103% of the preceding annual payment.

In accordance with Chapter 85/00, the employer's liability relating to this receivable is no longer being funded separately as part of actuarially determined pension contributions. As such, a liability on the part of the employer separate from its actuarially determined pension contributions, and the Plan's related receivable no longer exist (see note 5(b)). The elimination of the receivable has been reported as a deduction from plan assets in fiscal year 2000.

**(7) Investment Advisors**

The Comptroller of the City of New York (the "Comptroller") utilizes several investment advisors to manage the long-term debt and equity portfolios. The advisors must obtain prior approval before each purchase or sale of a particular security.

**NEW YORK CITY EMPLOYEES'  
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Notes to Financial Statements

June 30, 2000 and 1999

**(8) Related Parties**

The Comptroller is custodian of plan assets. 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. Certain administrative services are also provided by the City.

**(9) Administrative and Investment Expenses**

Chapter 593 of the Laws of 1997, 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, all administrative expenses had been paid by the City. In fiscal year 2000, total noninvestment expenses attributable to the Plan were approximately \$28.3 million, of which \$23.2 million were paid from the assets of the Plan and \$5.1 million were incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office. In fiscal year 1999, the total noninvestment expenses attributable to the Plan were approximately \$24.3 million, of which \$19.7 million were paid from the assets of the Plan and \$4.6 million were 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 \$37.4 million in 2000 and \$25.1 million in 1999.

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:

<u>Lease year</u>	<u>Amount</u>
2001	\$ 3,086,480
2002	3,086,480
2003	3,086,480
2004	3,086,480
2005	3,586,075
Thereafter	57,449,325

Rent expense for the fiscal year ended June 30, 2000 was approximately \$1.4 million.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Notes to Financial Statements**

**June 30, 2000 and 1999**

**(10) Contingent Liabilities and Other Matters**

***Contingent Liabilities***

The Plan has a number of claims pending against it and has been named as a defendant in a number of lawsuits. The Plan also has certain other contingent liabilities. Management of the Plan, on the advice of legal counsel, believes that such proceedings and contingencies will not have a material effect on the plan net assets or changes in plan 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 employer to the Plan.

***Other Matters***

During 2000 and 1999, certain events described herein took place which, in the opinion of plan management, could have the effect of increasing obligations of the Plan to members and beneficiaries.

The effect of such events has not been fully quantified. However, it is the opinion of plan management that such developments would not have a material effect on net assets held in trust for pension benefits or changes in net assets held in trust for pension benefits.

**(a) *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 completed in October 1999 (see note 10(b)).

**(b) *Revised Actuarial Assumptions and Methods***

In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as recommended by the Actuary for use in the determination of employer contribution.

Based upon a review of the latest independent actuarial study, the Actuary has 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 year 2000). Where required, the Board of Trustees of the Plan has adopted the changes to actuarial assumptions and methods and the New York State Legislature and Governor have enacted Chapter 85 of the Laws of 2000 to provide for changes in the actuarial assumptions and methods.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Notes to Financial Statements**

**June 30, 2000 and 1999**

**(c) *New York State Legislation***

Chapter 390/98 provides additional benefits for cost-of-living increases for certain retirees of the Plan. An initial increase for members who retired on or before calendar year 1992 is effective as of September 1998 as elected by the City Council on August 27, 1998. A subsequent increase for members who retired on or before calendar year 1993 is effective as of September 1999 as elected by the City Council on August 27, 1998.

Chapter 70 of the Laws of 1999 authorizes a retirement incentive for certain persons in eligible titles.

Chapter 106 of the Laws of 1999 permits certain deferred retirees to transfer membership to New York State and Local Retirement System without any minimum service requirement.

Chapter 349 of the Laws of 1999 permits Tier 4 New York City Transit Authority ("NYCTA") members who elected into the NYCTA 55/25 Retirement Program to revert to their previous plan.

Chapter 353 of the Laws of 1999 permits certain TBTA members to retire for service and receive an unreduced retirement allowance at an earlier age than the normal service retirement age specified by law.

Chapter 365 of the Laws of 1999 eliminates the interest charge prior to March 25, 1998 on deficient member contributions for certain TBTA 50/20 members.

Chapter 366 of the Laws of 1999 extends Chapter 300/98 to include TBTA Tiers 1 and 2 members.

Chapter 575 of the Laws of 1999 reopens Chapter 666 of the Laws of 1990 which allows a retroactive transfer of pension credit under certain circumstances.

Chapter 633 of the Laws of 1999 eliminates the age 55 limit to retirement for the District Attorney Investigators Optional Plan.

Chapter 646 of the Laws of 1999 provides active and future members the right to reinstate earlier membership by repaying prior member contributions with 5% interest.

Chapter 657 of the Laws of 1999 creates separate Variable Supplements Funds for Correction Officers' and Captains and Above.

Chapter 659 of the Laws of 1999 reduces the amount of service credit needed for vesting purposes in the public retirement systems for the City of New York to five years and provides certain death benefits for discontinued members with vested rights.

Chapter 10 of the Laws of 2000 enacts provisions relating to participation in and member contributions to the Plan's 55/25 Plan for NYCTA members. It provides the NYCTA with the election of implementing the elimination of certain additional member contributions required under the Plan's 55/25 Plan and reduction of the basic contributions rates for Tier 3 and 4 members.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Notes to Financial Statements

June 30, 2000 and 1999

Chapter 85/00 amends the ACNY to implement changes in actuarial assumptions and methods that require legislation. In particular, it includes changes in the Actuarial Interest Rate assumption, rates of interest on Tier 1 and Tier 2 member contributions and ITHP Reserves, determination of amortization of Unfunded Actuarial Accrued Liabilities and establishment of a Liability Valuation Method for any transfers of assets to Variable Supplements Funds.

Chapter 86 of the Laws of 2000 authorizes a retirement incentive of certain members in eligible titles.

Chapter 110 of the Laws of 2000 amends the language of the legislation that later became Chapter 126 of the Laws of 2000 which provides for benefit enhancements for certain members the NYCERS.

Chapter 125 of the Laws of 2000 ("Chapter 125/00") provides eligible retirees with permanent cost-of-living adjustments.

Chapter 126 of the Laws of 2000 ("Chapter 126/00") provides for benefit enhancements (i.e., elimination of employee basic contributions for Tier 3/4 members with more than ten years of membership, additional pension credit for Tier 1/2 members of up to a maximum of 24 months of additional service retirement credit, and allows Tier 3/4 members to retire at age 55 with reduced benefits under the same formula as used for Tier 2 members) for certain members of the NYCERS.

Chapter 255 of the Laws of 2000 provides for the conversion and combination of the Correction Officers' Variable Supplements Fund and Correction Captains' and Above Variable Supplements Fund into a Correction Officers' Variable Supplements Fund with a defined schedule of benefits. The legislation also revises the financing mechanics of the Transit and Housing Police Variable Supplements Funds.

Chapter 548 of the Laws of 2000 permits certain members to purchase up to 3 years of credit for certain U.S. Military Service by paying 3% of imputed salary.

Chapter 553 of the Laws of 2000 permits certain Tier 4 members to retire early with a reduced benefit beginning at age 55 provided they have at least 5 years of credited service and are not members of the 25-Year Early Retirement Program or the Age 57 Retirement Program.

Chapter 554 of the Laws of 2000 provides that members of Tiers 2, 3 and 4 who joined prior to January 1, 2001 and who elected Death Benefit option one will receive the greater of Death Benefit option one or two coverage. New members on and after January 1, 2001 will only receive coverage under Death Benefit option two.

**(d) Subsequent Events**

During the Spring 2000 session, the New York State Legislature approved and the Governor signed laws which provide an automatic cost-of-living adjustment ("COLA") for retirees (Chapter 125/00), additional service credits for certain Tier 1 and Tier 2 members and reduced member contributions for certain Tier 3 and Tier 4 members ("Chapter 126/00") and several other changes in benefits for various groups. These benefit enhancements are not reflected in the actuarial valuations as of June 30, 1999 and are expected to increase future employer contributions to the actuarial pension systems.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Notes to Financial Statements**

**June 30, 2000 and 1999**

Of particular note, Chapter 125/00 provides for a phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. The impact of the phase-in would be to postpone funding and thus result in greater employer contributions during and after the fifth fiscal year (end of the phase-in period).

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

Schedule of Funding Progress  
(In conformity with the Plan's funding method)

(Unaudited)

(in thousands)

Actuarial valuation date <u>June 30</u> (A)	(1) Actuarial value of assets (B)	(2) Actuarial accrued liability (AAL)* (B)&(C)	(3) Unfunded (Overfunded) AAL (UAAL) (D)(2)-(1)	(4) Funded ratio (1)+(2)	(5) Covered payroll	(6) UAAL as a percentage of covered payroll (3)+(5)
1999	\$ 40,936,024	40,936,024	—	100.0%	\$ 7,593,156	0.0%
1998	29,334,703	28,805,290	(529,413)	101.8%	6,935,216	(7.6)
1997	27,222,934	26,296,288	(926,646)	103.5%	6,752,927	(13.7)
1996	25,809,729	24,799,044	(1,010,685)	104.1%	6,580,364	(15.4)
1995	24,623,263	23,231,318	(1,391,945)	106.0%	6,432,260	(21.6)
1994	22,087,226	24,015,637	1,928,411	92.0%	6,547,399	29.5

\*Frozen Entry Age (1994-1998), Frozen Initial Liability (1999).

- (A) For the fiscal year ended June 30, 1995 and later, the valuation method was changed from an end-of-year to a beginning-of-year convention.
- (B) As of June 30, 1995 and June 30, 1999, the economic and noneconomic assumptions were revised due to experience reviews.

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

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

Under this modified AAVM, any UIR for fiscal years 1997 or later were being phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25%, and 30% per year (or at a cumulative rate of 10%, 25%, 45%, 70%, and 100% over five years). The UIR for fiscal year 1996 was being 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 or later will be phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25%, and 30% per year (or at a cumulative rate of 10%, 25%, 45%, 70%, and 100% over five years).

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Schedule of Funding Progress  
(In conformity with the Plan's funding method)**

**(Unaudited)**

**(in thousands)**

- (C) To effectively assess the funding progress of the Plan, it is necessary to compare the actuarial value of assets and the actuarial accrued liability calculated in a manner consistent with the Plan's funding method over a period of time. The actuarial accrued liability 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.
- (D) The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of assets. This is the same as the unfunded frozen actuarial accrued liability, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.



**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Schedule of Employer Contributions  
(In conformity with the Plan's funding method)**

(Unaudited)

(in thousands)

<u>Fiscal year ended June 30</u>	<u>Annual required contribution</u>	<u>Percentage contributed</u>
2000	\$ 68,620	100%
1999	145,663	100
1998	211,096	100
1997	206,899	100
1996	201,913	100
1995	439,767	100

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Actuarial Methods and Assumptions**

(Unaudited)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the last two actuarial valuations follows:

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Actuarial cost method	Frozen Initial Liability. <sup>1</sup>	Frozen Entry Age.
Amortization method for Unfunded Actuarial Accrued Liabilities	Not Applicable. <sup>2</sup>	Increasing Dollar, except for UAAL attributable to Retiree Supplementation and Early Retirement Incentives ("ERI").
Remaining amortization period	Not Applicable. <sup>2</sup>	All outstanding components of the UAAL are being amortized over closed periods.  12 years for Consolidated UAAL and BSL. 8 years for UAAL established by Chapter 119 of the Laws of 1995. 3 years for UAAL attributable to ERI95. 4 years for UAAL attributable to ERI96. 5 years for UAAL attributable to ERI97. 10 years for UAAL established by Chapter 390 of the Laws of 1998.
Actuarial asset valuation method	Modified 5-year average of market values with market value restart as of June 30, 1999.	Modified 5-year average of market values with market value restart as of June 30, 1995.
Actuarial assumptions: Assumed rate of return on investments	8.0% per annum. <sup>3</sup>	8.75% per annum. <sup>4</sup>
Postretirement mortality	Tables adopted during fiscal year 2000 by the Board of Trustees.	Tables adopted by the Board of Trustees.
Active service withdrawal, death, disability, service retirement	Tables adopted during fiscal year 2000 by the Board of Trustees.	Tables adopted by the Board of Trustees.

**NEW YORK CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**Actuarial Methods and Assumptions**

(Unaudited)

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per year. <sup>3</sup>	In general, merit and promotion increases plus assumed general wage increases of 4.0% per year. <sup>4</sup>
Cost-of-living adjustments	Provided by the legislature on an ad hoc basis.	Provided by the legislature on an ad hoc basis.

<sup>1</sup> Under this actuarial cost method, the Initial Liability has been established by the Entry Age Actuarial Cost Method but with the UAAL not less than \$-0-.

<sup>2</sup> In conjunction with Chapter 65 of the Laws of 2000, there is an amortization method. However, the UAAL for the Plan equals \$-0- and no amortization period is required.

<sup>3</sup> Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

<sup>4</sup> Developed assuming a long-term Consumer Price Inflation assumption of 3.5% per year.

## New York City Employees' Retirement System

**SUMMARY OF ADMINISTRATIVE EXPENSES**  
**Fiscal Year Ended June 30, 2000**

**Expenses Incurred Directly By NYCERS****Personal Services**

Employee Compensation	\$15,886,338	
Temporary Personnel Services	104,407	\$15,990,745

**Professional Services**

Medical Board	561,449	
Medical Consultants	93,091	
Steno for Medical & Trustees' Board	60,023	
Data Processing Consultants	872,727	1,587,290

**Communication**

Printing	288,524	
Postage	251,282	
Telephone	178,880	
		718,686

**Rentals**

Office & Storage Space	1,441,215	
Data Processing	90,321	1,531,536

**Other**

Office & Data Processing Equipment	1,079,255	
Equipment Maintenance	198,167	
Facilities Services	298,836	
Office Supplies & Services	1,115,461	
Depreciation	725,000	3,416,719

**Total Direct NYCERS' Expenses**

23,244,976

**Expenses Incurred By Other City Agencies**

Office of the Comptroller	2,974,057	
Department of Finance	128,704	
Law Department	561,428	
Office of Management and Budget	262,590	

**Total NYCERS' Expenses Incurred By The City Of New York**

3,926,779

**Total Administrative Expenses**\$27,171,755

**New York City Employees' Retirement System**  
**SCHEDULE OF PAYMENTS TO CONSULTANTS**  
**For Fiscal Year Ended June 30, 2000**

<b>Firm</b>	<b>Nature of Services</b>	<b>Fee</b>
AECC	Accounting software implementation	\$23,092
Communication Sciences	Telecommunications system design	247,978
Compaq/ Digital Equipment	Computer Network services	52,787
Computer Generated Solutions	Computer services	119,113
Doculabs	Imaging System services	17,735
First Tech	Computer services	5,111
IBM Global Services	Business Recovery System	11,226
Information Decisions	Computer services	2,080
Mancini, Duffy	Architectural services	445,446
Van Nostrand, Vascotto & Assoc.	Relocation Project Managers	128,391
Viaserv	Computer Software design	23,912
<b>Total</b>		<b>\$1,076,871</b>

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

## New York City Employees' Retirement System

## SCHEDULE OF INVESTMENT EXPENSES

Fiscal Year Ended June 30, 2000

## Investment Expenses Paid from the Investment Earnings of the Plan:

<b>Fees Paid to Investment Advisors for FY00 Services</b>		<b>\$36,598,603</b>
See Table of Fees Paid to Investment Advisors on Page 108		
<b>Fees Paid to Investment Consultants</b>		
Callan Associates	\$248,000	
Pacific Corporate Advisors	458,551	
	<hr/>	
<b>Total Investment Consultant Fees</b>		<b>706,551</b>
<b>Other miscellaneous investment expenses</b>		<b>119,996</b>
		<hr/>
<b>Total Investment Expenses Paid Directly by the Plan</b>		<b>37,425,150</b>
<b>Fee Expenses Related to Securities Lending Transactions</b>		<b>266,075,720</b>
		<hr/>
<b>Total Investment Expenses and Fees Paid Directly by the Plan</b>		<b>303,500,870</b>
<b>Investment Expenses Paid by the NYC Comptroller as Custodian of the Funds of the Plan:</b>		
Custodial Fees	\$1,061,744	
Other Financial Services	139,675	
	<hr/>	
		<b>1,201,419</b>
		<hr/>
<b>Total Investment Expenses and Fees</b>		<b>\$304,702,289</b>

## New York City Employees' Retirement System

## CASH RECEIPTS AND DISBURSEMENTS

Fiscal Year Ended June 30, 2000

(in thousands)

Cash Balance July 1, 1999	\$85,596
Receipts:	
Members' Contributions	626,261
Employers' Contributions	52,028
Interest and Dividends	1,113,060
Investments Redeemed	40,733,269
Miscellaneous	
Total Cash Receipts	\$42,524,618
Total Cash Available	\$42,610,214
Disbursements:	
Benefit Payments	2,074,278
Transfers to Other Systems	187
Loans to Members	315,615
Investments Purchased	40,025,063
Miscellaneous	45,529
Total Cash Disbursements	42,460,672
Cash Balance June 30, 2000	\$149,542

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
LABORATORY OF ORGANIC CHEMISTRY  
CHICAGO, ILLINOIS

DATE	ANALYST	DESCRIPTION
10/15/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/16/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/17/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/18/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/19/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/20/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/21/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/22/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/23/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/24/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/25/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/26/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/27/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/28/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/29/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/30/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE
10/31/50	J. D. COOPER	ANALYSIS OF 1,2-DIBROMOETHANE



**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, 2000**

**PART 3**

**INVESTMENT SECTION**

## New York City Employees' Retirement System

### 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*.

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

- In order for the *Plan* to meet its responsibility of providing its members with their legal entitlements to retirement and other benefits, the level of investment risk should be prudent and not jeopardize the *Plan's* financial stability. The *Plan's* assets must be protected from severe adverse market conditions and wide fluctuations in investment results.
- Since higher investment returns are generally associated with a certain amount of risk, it is reasonable and justified to assume a moderate level of risk in order to strengthen long term results.
- Diversification reduces the overall portfolio risk. This is achieved by allocating funds among different asset categories and then, within each category, having a broad representation of industries and companies. The bulk of the portfolio is in a very wide variety of domestic stocks and bonds. In recent years, through a fund involving only New York City pension plans, the *Plan* has continued to increase its holdings of international equities in both traditional and emerging markets. The Trustees have also authorized allocations to the private equity sector.
- Since retirement benefits are paid on a monthly basis, and other benefits such as loans, refunds and death benefits are paid weekly or bi-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.

## New York City Employees' Retirement System

### REPORT ON INVESTMENT ACTIVITY AND POLICIES

- Where the return is comparable to the risk, economically targeted investments in New York City are increasing. With the *Plan* financing the underlying mortgages of both low income and middle income housing in the City, many city residents have benefitted 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. During fiscal year 2000, the construction of additional day care centers, and of housing for the victims of domestic violence has been supported. In addition, in this past year, the *Plan* has committed to partnering with Fannie Mae in a new program that targets the rehabilitation of small properties in the lower and moderate income neighborhoods. These investments are all guaranteed by government agencies such as GNMA or FNMA.
- 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 and investment manager of 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.

1. 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.

## New York City Employees' Retirement System

### REPORT ON INVESTMENT ACTIVITY AND POLICIES

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

- a) U.S. Government securities, or government agencies' securities fully guaranteed by the U.S. Government.
- b) Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investors Service, respectively.
- c) Repurchase agreements collateralized in a range of 100% to 103% of matured value, purchased through the primary dealers of U.S. Government securities.

3. Investments in bankers' acceptances and certificates of deposit may be made with any of the ten largest banks having either the highest or next to highest ratings of the leading independent bank rating firms.

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.

In addition, investments of up to 7.5% of total pension fund assets may be made in instruments not specifically covered by the NY State Retirement and Social Security Law.

No investment in any one organization may represent 5% or more of the net assets held in trust for pension benefits.

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

Throughout the last several years, investment earnings have constituted, by far, the largest component of total Plan revenue. The following table illustrates this fact.

Percentage of Total Revenue

Fiscal Year	Investment Income	Employer Contributions	Employee Contributions
2000	90	2	8
1999	91	3	6
1998	93	3	4
1997	94	3	3
1996	91	4	5
1995	88	9	3
1994	60	29	11
1993	83	14	3
1992	82	18	0
1991	66	28	6

## New York City Employees' Retirement System

### REPORT ON INVESTMENT ACTIVITY AND POLICIES

The benefit of having such a healthy investment income component is that the *Plan* becomes stronger without putting any additional burden on the employer. It oftentimes allows the employer to decrease its gross contribution, as well as its relative share. This is of vital importance, as municipal employers are striving to contain costs in the face of decreased Federal and State aid. Having a retirement system that is largely self-sufficient, in terms of the revenue stream being generated by its investments, allows the employer to use those savings to meet other needs of its constituents.

The Total Assets of the *Plan* experienced generally favorable results for the fiscal year ended June 30, 2000. The total return on *Plan* assets was 9.43%. This compares with the benchmark Callan Public Fund Median of 9.45%.

Domestic Equities, which comprise 56% of the total portfolio, were the main contributor to the overall high rate of return. Their rate of 9.06% was comparable to the Russell 3000 benchmark of 9.59%. Merrill Lynch and BGI passively manage 86% of the domestic equity portfolio. Twenty-three managers, who vary in their investment approaches, such as specializing in value or growth or small capitalization stocks, actively manage the remaining 14%.

The International Equity portfolio is externally managed as part of a fund that only includes NYC retirement systems as shareholders. It makes up 15% of the total portfolio, and it contributed a return of 24.25%. This was comparable to the Callan International Equity Median of 24.15%, and much higher than the EAFE index of 17.13%.

The U.S. Fixed Income segment, externally managed and constituting 25% of the portfolio, returned 3.89%. This was lower than both the Callan Fixed Income Median of 4.57% and the Lehman Bros. NYC Index of 4.47%.

The internally managed segments experienced mixed results. The Short-Term Investment return of 6.10% was higher than the 5.53% 91-day U.S. Treasury Bill rate. The *Plan's* Targeted Investment segment returned (1.11)%. This was much lower than the 4.87% FNMA rate.

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).

In this section there are tables that list the largest equity and bond holdings of the *Plan*. 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 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, 2000**  
**(in thousands of dollars)**

Type Of Investment	Market Value as of June 30, 2000	Percent of Total Market Value
<b>Short Term Investments</b>	<b>\$2,231,053</b>	<b>4.47%</b>
<b>Fixed Income Debt Securities - Long Term</b>		
U.S. Government Bonds	6,444,733	12.90%
Corporate Bonds	4,670,804	9.35%
Foreign Bonds	497,038	0.99%
<b>Total Fixed Income Debt Securities- Long Term</b>	<b>11,612,575</b>	<b>23.24%</b>
Mortgages	10,958	0.02%
Preferred Stock	35,749	0.07%
<b>Total Fixed Income</b>	<b>13,890,335</b>	<b>27.80%</b>
<b>Equity Securities</b>		
Common Stock	24,110,850	48.28%
Private Equity Holdings	36,030	0.07%
International Investment Fund-Equities	6,426,485	12.86%
<b>Total Equity Securities</b>	<b>30,573,365</b>	<b>61.21%</b>
<b>Collateral From Securities Lending</b>	<b>5,490,699</b>	<b>10.99%</b>
<b>Total Investments</b>	<b>\$49,954,399</b>	<b>100.00%</b>

**New York City Employees' Retirement System**

**ANALYSIS OF CASH AND SECURITY HOLDINGS**  
(in millions of dollars)

Security Holdings	June 30,2000		June 30,1999	
	Market Value	Per Cent	Market Value	Per Cent
1. U.S. Government Bonds	\$6,445	12.9	\$6,721	14.2
2. Foreign Bonds, Corporate Bonds	5,168	10.3	4,528	9.6
3. Mortgages	11	0.0	14	0.0
4. Equity Securities	30,609	61.0	28,901	61.0
5. Cash and Equivalents	2,380	4.8	2,573	5.4
6. Collateral from Securities Lending	5,491	11.0	4,663	9.8
<b>TOTAL</b>	<b>\$50,104</b>	<b>100.0</b>	<b>\$47,400</b>	<b>100.0</b>

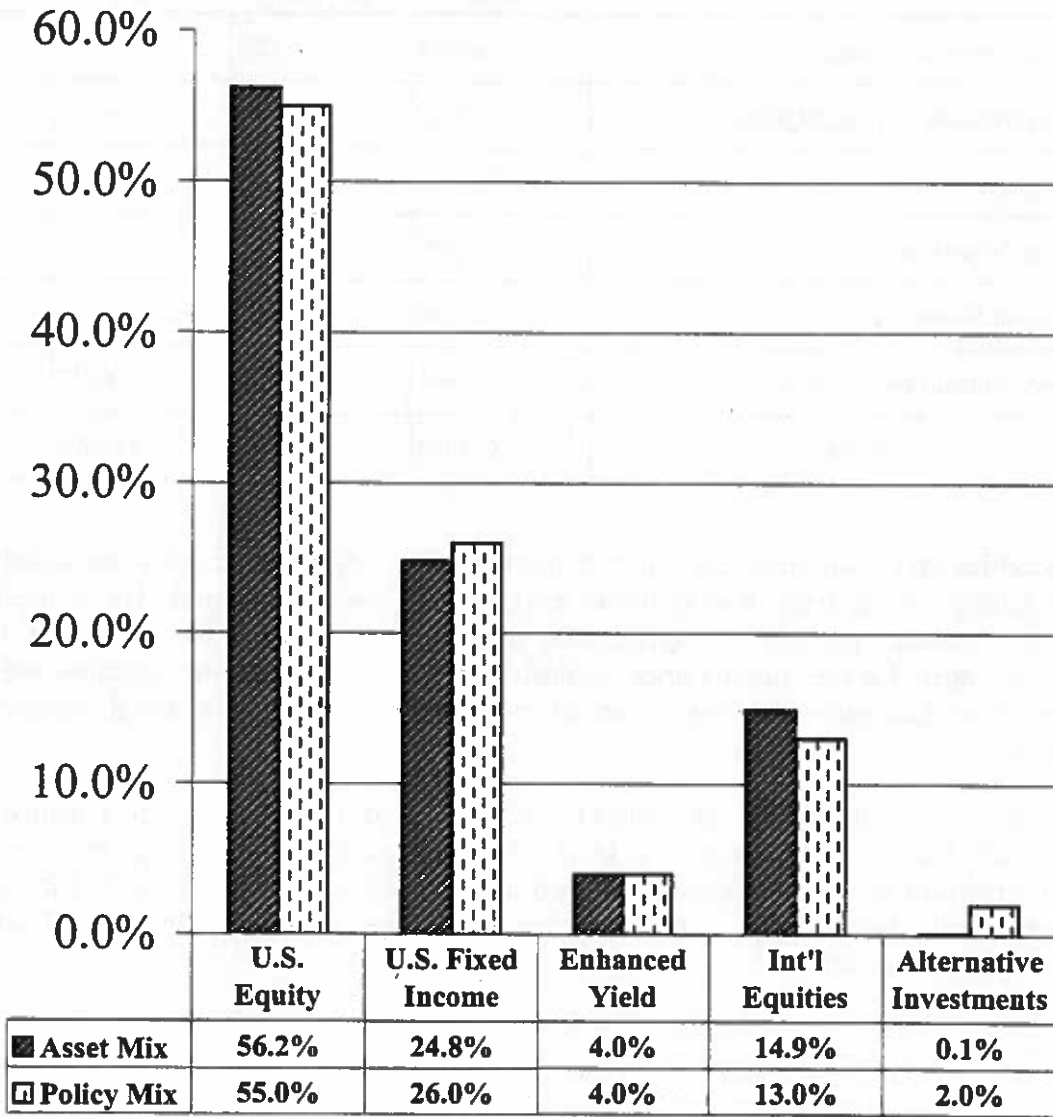
Debt Securities and Mortgages are stated at market value. Equity Securities are stated at the last reported sales price on a national securities exchange, on the last business day of the fiscal year. Securities purchased pursuant to agreements to resell, included in the Cash and Equivalents category,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

I hereby certify that the above Analysis of Cash and Security Holdings was prepared under my direction, and that, to the best of my knowledge and belief, said Analysis represents the true financial condition as to the accumulated cash and securities of the New York City Employees' Retirement System and the New York City Public Employees' Group Life Insurance Plan as of June 30, 1999 and June 30, 2000.

Alan G. Hevesi,  
Comptroller  
City of New York

**New York City Employees' Retirement System**

**ASSET ALLOCATION AND POLICY MIX**

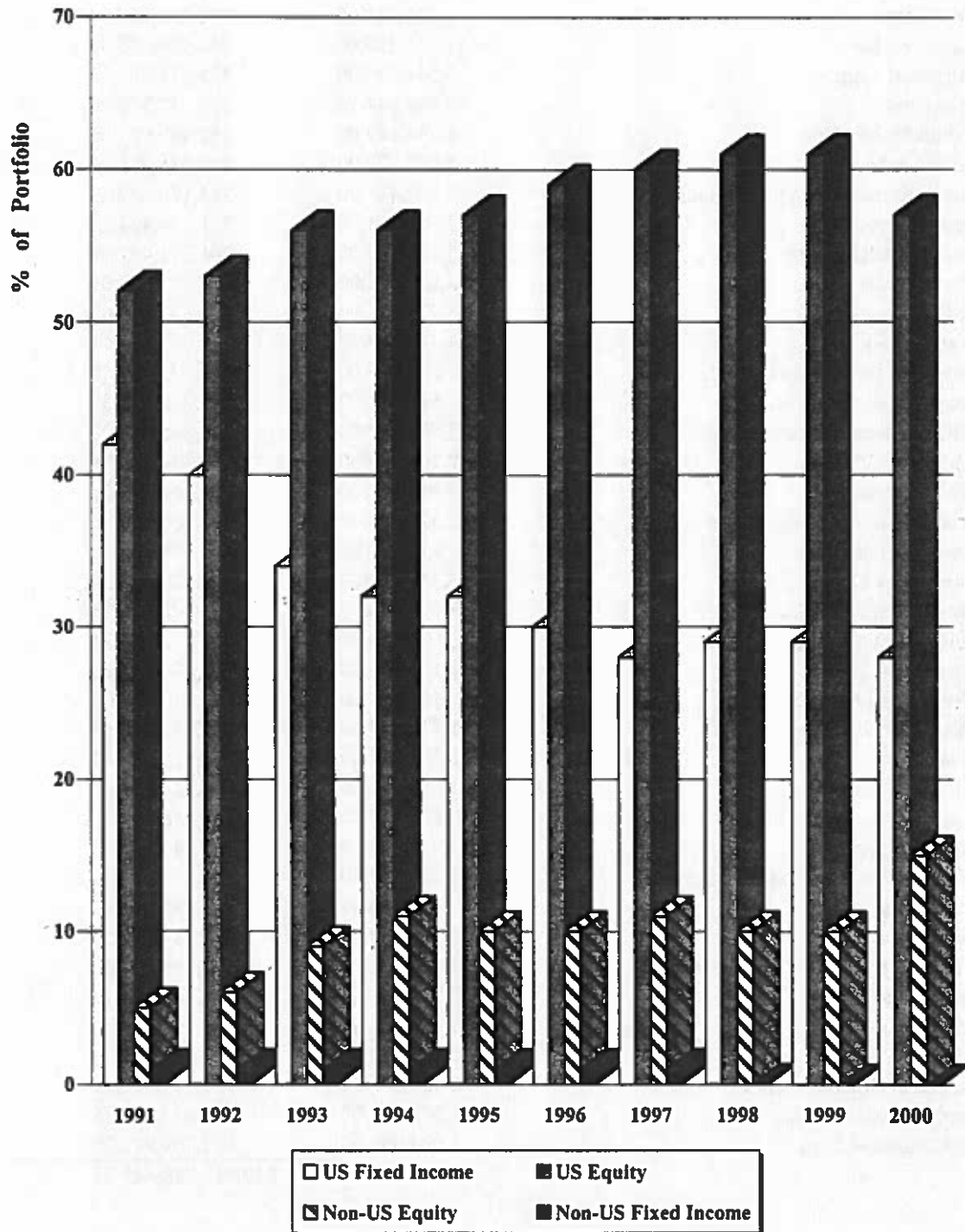


(as of June 30, 2000)



# New York City Employees' Retirement System

## ASSET ALLOCATION June 30, 1991 - June 30, 2000



## New York City Employees' Retirement System

### LIST OF LARGEST EQUITY HOLDINGS

(By Market Value)

June 30, 2000

Stock	Shares	Market Value	Percent of Equities
1 General Electric Co.	16,294,137.00	\$863,589,261.00	3.58%
2 Intel Corp.	5,611,813.00	750,232,056.34	3.11%
3 Cisco Sys Inc.	11,735,396.00	745,936,975.95	3.09%
4 Microsoft Corp.	6,544,745.00	523,579,600.00	2.17%
5 Pfizer Inc.	10,609,944.75	509,277,348.00	2.11%
6 Exxon Mobil Corp.	5,764,199.00	452,489,621.50	1.87%
7 Citigroup Inc.	5,691,872.00	342,935,288.00	1.42%
8 International Business Machines Corp.	2,867,484.00	314,170,149.49	1.30%
9 Oracle Corporation	3,704,798.00	311,436,434.28	1.29%
10 Lucent Technologies	5,169,476.00	306,291,453.00	1.27%
11 Merck & Co.	3,852,632.00	295,207,927.01	1.22%
12 EMC Corp. Mass.	3,775,942.00	290,513,425.60	1.20%
13 Wal Mart Stores Inc.	4,721,629.00	272,083,871.13	1.13%
14 American Int'l Group Inc.	2,224,029.00	261,323,407.50	1.08%
15 Sun Microsystems Inc.	2,696,410.00	245,206,132.58	1.02%
16 SBC Communications Inc.	5,591,812.00	241,845,869.00	1.00%
17 Johnson & Johnson	2,261,539.00	230,394,285.64	0.95%
18 Worldcom Inc.	4,940,174.00	226,630,482.26	0.94%
19 Bristol Myers Squibb	3,577,003.00	208,360,424.75	0.86%
20 America Online Inc.	3,812,983.00	200,898,448.30	0.83%
21 Home Depot Inc.	3,940,459.00	196,778,641.54	0.81%
22 Texas Instruments Inc.	2,770,386.00	190,292,273.56	0.79%
23 Dell Computer Corp.	3,757,095.00	185,273,625.73	0.77%
24 Coca-Cola Co.	3,156,593.00	181,308,388.73	0.75%
25 Morgan Stanley Dean Witter	2,152,592.00	179,203,284.00	0.74%
26 Hewlett Packard Co.	1,417,879.00	177,057,640.13	0.73%
27 AT&T Corp.	5,246,352.00	165,915,882.02	0.69%
28 Lilly Eli & Co.	1,613,161.00	161,114,454.88	0.67%
29 Corning Inc.	549,317.00	148,246,925.38	0.61%
30 Time Warner Inc.	1,937,430.00	147,244,680.00	0.61%
31 Disney (Walt) Holding Company	3,756,833.00	145,813,959.24	0.60%
32 Viacom Inc.	2,113,135.00	144,090,449.37	0.60%
33 Amgen Inc.	1,925,802.00	135,287,590.50	0.56%
34 AT&T Corp. Liberty Media Group	5,470,882.00	132,668,888.50	0.55%
35 Bell Atlantic Corp.	2,522,261.00	128,163,648.19	0.53%
36 Bellsouth Corp.	2,984,123.00	127,198,242.88	0.53%
37 Schering Plough Corp.	2,507,342.00	126,620,771.00	0.52%
38 American Home Products	2,130,391.00	125,160,471.25	0.52%
39 Applied Materials Inc.	1,375,418.00	124,647,256.26	0.52%
40 JDS Uniphase Corp.	1,024,066.00	122,759,911.75	0.51%
		\$10,637,249,446.24	44.05%

**New York City Employees' Retirement System**

**LIST OF LARGEST BOND HOLDINGS  
(by Market Value)  
June 30, 2000**

<b>Security Description</b>	<b>Market Value</b>	<b>Percent of Fixed Income</b>
1 U.S. Treasury Securities	\$2,169,188,701.65	18.68%
2 FNMA Securities	2,146,585,697.48	18.49%
3 Federal Home Loan Mortgage Corp.	966,140,280.75	8.32%
4 GNMA Securities	828,487,569.03	7.13%
5 Ford Motor Company	150,933,570.94	1.30%
6 Community / Economic Development Bonds	126,224,214.04	1.09%
7 American General	116,810,080.16	1.01%
8 Chase Manhattan	109,119,235.66	0.94%
9 FHA Securities	108,790,615.56	0.94%
10 MBNA Master Card Trust	92,524,463.40	0.80%
11 GE Capital	87,449,148.58	0.75%
12 Citigroup & Subsidiaries	84,054,906.11	0.72%
13 Federal Home Loan Bank	73,494,615.75	0.63%
14 BankAmerica Corp.	69,161,401.02	0.60%
15 IBM Corp.	67,130,688.25	0.58%
16 Resolution Funding Corp.	66,239,493.70	0.57%
17 Household Finance	65,379,367.06	0.56%
18 Tennessee Valley Authority	61,272,890.45	0.53%
19 American Express	57,593,355.45	0.50%
20 GMAC	57,023,787.75	0.49%
21 Residential Funding Mtg. Sec.	50,960,898.94	0.44%
22 Coca Cola Company	49,477,152.78	0.43%
23 Discover Card Trust	47,798,754.00	0.41%
24 Wells Fargo & Co.	46,042,150.13	0.40%
25 Worldcom Inc.	45,827,327.10	0.39%
26 Sprint Capital Corp.	44,051,944.40	0.38%
27 Nextel Communications Inc.	40,963,822.50	0.35%
28 Associates Corp.	39,327,051.15	0.34%
29 Wal Mart Stores Inc.	37,974,425.35	0.33%
30 Inter-American Development Bank	37,659,067.80	0.32%
31 Merrill Lynch	34,986,890.67	0.30%
32 Time Warner	33,909,781.35	0.29%
33 Fleet Financial	33,908,665.65	0.29%
34 Lehman Brothers	31,863,381.20	0.27%
35 Comcast	30,528,618.15	0.26%
36 PNC Bank Subsidiaries	30,113,650.96	0.26%
37 Conseco	29,633,586.04	0.26%
38 Amresco Residential Securities	27,249,130.95	0.23%
39 Seagram Joseph E. & Sons Inc.	26,826,013.50	0.23%
40 Level 3 Communications	26,818,400.00	0.23%
	<b>\$8,249,524,795.41</b>	<b>71.04%</b>

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

**New York City Employees' Retirement System**  
**SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS**

	Assets under Management (in millions) as of June 30, 2000		Fees
<b>Fees Paid Out of Investment Income</b>			
<b>Investment Managers' Fees:</b>			
<b>Fixed Income Managers:</b>			
<b>Domestic Structured Program</b>			
<b>Government Advisors</b>			
BZW Barclay's Global Investors	\$	161.43	\$ 75,922
Lincoln Capital Management Co.		1,414.70	308,590
MDL Capital Management, Inc.		39.59	48,926
The Putnam Advisory Company		374.29	202,822
Smith Barney Asset Management		255.73	95,897
State Street Bank & Trust Co.		581.21	163,049
<b>Total Government</b>	<b>\$</b>	<b>2,826.95</b>	<b>\$ 895,206</b>
<b>Corporate Advisors</b>			
Credit Suisse Asset Management	\$	748.15	\$ 365,138
Fischer, Francis, Trees, & Watts, Inc.		783.09	508,871
T. Rowe Price Associates, Inc.		700.16	183,599
Taplin, Canida, & Habacht		207.34	217,033
<b>Total Corporate</b>	<b>\$</b>	<b>2,438.74</b>	<b>\$ 1,274,641</b>
<b>Foreign – Dollar Denominated Advisor</b>			
Fischer, Francis, Trees, & Watts, Inc.	\$	377.36	\$ 251,650
<b>Mortgage Advisors</b>			
Dresner RCM Capital Management, L.L.C.	\$	1,072.97	\$ 710,669
Lincoln Capital Management Co.		1,104.19	617,596
Miller, Anderson, & Sherrerd, L.L.P.		982.26	952,658
Pacific Investment Management Co.		1,094.11	960,460
<b>Total Mortgage</b>	<b>\$</b>	<b>4,253.53</b>	<b>\$ 3,241,383</b>
<b>Enhanced Yield Advisors</b>			
Alliance Capital Management L.P.	\$	221.16	\$ 405,070
Credit Suisse Asset Management		381.85	564,588
Lazard Freres Asset Management		188.70	477,211
Loomis, Sayles & Company, L.P.		440.20	1,780,877
T. Rowe Price Associates, Inc.		143.41	282,228
W.R. Huff Asset Management, L.P.		336.93	822,667
<b>Total Enhanced Yield</b>	<b>\$</b>	<b>1,712.25</b>	<b>\$ 4,332,641</b>

## New York City Employees' Retirement System

### SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

<b>Other</b>			
GW Capital Corp.	\$	18.22	\$ 20,773
John Hsu- Gov't		30.70	201,885
<b>Total Other</b>	<b>\$</b>	<b>48.92</b>	<b>\$ 222,658</b>
<b>Total Fixed Income</b>	<b>\$</b>	<b>11,657.75</b>	<b>\$ 10,218,179</b>
<b>Equity Managers</b>			
<b>Value Advisors</b>			
Equinox Capital Management, Inc.	\$	165.26	\$ 971,800
Loomis, Sayles, & Company, L.P.		245.91	735,823
Sloate, Weisman, Murray, & Co.		18.09	225,176
Smith Barney Capital Management		284.03	549,881
<b>Total Value Advisors</b>	<b>\$</b>	<b>713.29</b>	<b>\$ 2,482,680</b>
<b>Growth Advisors</b>			
Alliance Capital Management, L.P.	\$	189.68	\$ 483,679
American Express Asset Management		127.49	334,645
Fidelity Management Trust Co.		451.93	1,922,264
Loomis, Sayles & Company, L.P.		153.62	494,503
Montgomery Asset Management, Inc.		123.06	465,215
New Amsterdam Partners L.L.C.		54.85	157,804
Zevenbergen Capital, Inc		173.65	329,789
<b>Total Growth Advisors</b>	<b>\$</b>	<b>1,274.28</b>	<b>\$ 4,187,899</b>
<b>Enhanced S &amp; P 500</b>			
Aeltus	\$	552.94	\$ 9,000
J.P. Morgan		552.18	9,103
<b>Total Enhanced S &amp; P 500</b>	<b>\$</b>	<b>1,105.12</b>	<b>\$ 18,103</b>
<b>Passive Index Advisors</b>			
Bankers Trust Company	\$		\$ 308,425
BGI		10,330.00	100,000
Merrill Lynch		10,403.09	30,801
<b>Total Passive Index Advisors</b>	<b>\$</b>	<b>20,733.09</b>	<b>\$ 439,226</b>
<b>Others</b>			
Progress Investment Management Co.			
Daruma Asset Management	\$	25.57	\$ 100,213
Fan Asset Management		50.68	254,038
John Hsu		57.82	242,969
Jordan		30.17	115,057
Marque Millenium		51.53	215,290
Mastrapasqua		67.77	292,707
Palladium		36.85	170,209
<b>Total Progress Investment Management Co.</b>	<b>\$</b>	<b>320.39</b>	<b>\$ 1,390,483</b>

## New York City Employees' Retirement System

### SCHEDULE OF FEES PAID TO INVESTMENT ADVISORS AND CONSULTANTS

<b>F.I.S. Fund Management</b>			
Charter Financial	7.22		54,294
Farrell – SL	6.65		52,341
KCM Investment	8.71		58,688
Locke Capital	6.91		51,926
<hr/>			
<b>Total F.I.S. Fund Management</b>	<b>\$ 29.49</b>	<b>\$</b>	<b>217,249</b>
<b>International Equity Active Advisors</b>			
Bank of Ireland Asset Management	\$ 251.64	\$	599,705
Capital Guardian Trust Company	1,356.25		4,286,342
Delaware	204.47		688,667
GE Investment Management, Inc.	608.13		1,302,767
Invista Capital Management	43.95		156,820
Oechsle	183.33		730,178
Putnam	209.59		499,003
Rowe Price Fleming	746.99		2,836,070
Scudder Kemper	646.13		2,098,006
Spruce Grove Investment Management Ltd.	210.35		639,542
<hr/>			
<b>Total International Equity Active.</b>	<b>\$ 4,460.83</b>	<b>\$</b>	<b>13,837,100</b>
<b>International Equity Active Advisors</b>			
BZW Barclays' Global Investor, NA	\$ 1,966.82	\$	981,304
<hr/>			
<b>Total Equity</b>	<b>\$ 30,603.31</b>	<b>\$</b>	<b>23,554,044</b>
<b>Alternative Investment Fees</b>			
Allegra Capital	8.75		600,000
Cypress Associates 11	10.07		750,000
FdG Capital	2.86		382,630
VS & A Fund Management Group.	\$ 10.48	\$	1,093,750
<hr/>			
<b>Total Alternative Investment Fees</b>	<b>\$ 32.16</b>	<b>\$</b>	<b>2,826,380</b>
<b>Total Advisor Fees Paid from NYCERS Investment Income</b>			
	<b>\$ 42,293.22</b>	<b>\$</b>	<b>36,598,603</b>
<b>Fees Paid to Investment Consultants</b>			
Callan Associates, Inc.	\$ N/A	\$	248,000
Pacific Corporate Advisors, Inc.	N/A		458,551
<hr/>			
<b>Total Consultant Fees</b>	<b>\$ N/A</b>	<b>\$</b>	<b>706,551</b>
<hr/>			
<b>Total Fees Paid to Investment Advisors &amp; Consultants</b>	<b>\$ 42,293.22</b>	<b>\$</b>	<b>37,305,154</b>

**New York City Employees' Retirement System**

**SCHEDULE OF BROKERS' COMMISSIONS**

**For Fiscal Year Ended June 30, 2000**

<b>Brokerage Firm</b>	<b>Number of Shares Traded</b>	<b>Total Commissions</b>
Abn Amro Inc.	4,157,486.78	72,340.27
Adams Harkness & Hill	27,142.86	95.00
Advest Inc.	8,300.00	498.00
AUTRANET, INC.	460,146.06	23,375.42
Baird (Robert W.) & Co.	345,944.24	5,708.08
Baring Securities Inc.	123,396.23	654.00
Bear Stearns & Co.	6,827,102.08	242,703.91
Bernstein (Sanford C.) & Co.	1,955,542.06	104,621.50
Blackford Securities Crop.	16,800.00	1,008.00
Blair (William) & Co.	166,433.82	9,054.00
BMO Nesbitt Burns Inc.	4,306.19	132.20
BNY ESI & Co.	19,000.00	950.00
Bradford (J.C.) & Co.	2,500.00	125.00
Bridge Trading	1,389,478.56	61,553.90
Broad Court Corp.	473,166.99	24,652.00
Brown Brothers, Harriman & Co.	251,548.12	12,024.00
BT Alex Brown Inc	180,000.00	504.00
B- Trade Services LLC.	169,202.13	3,181.00
Buckingham Research Group	71,111.11	3,904.00
Cantor Fitzgerald & Co.	1,639,294.44	35,408.76
Capital Institutional Securities	1,559,691.57	81,415.90
Chapman Company	12,309.20	1,445.10
CIBC Oppenheimer Corp.	1,253,981.74	44,641.75
Citation Group	508,771.54	25,387.70
Cleary, Gull & Reiland	22,506.99	321.85
Correspondent Services Corp.	940,933.85	48,364.00
Cowen & Company	1,289,044.12	52,593.00
Credit Suisse First Boston	4,487,020.00	179,480.80
Crittenden & Company	2,100.00	126.00
Dain Rauscher Inc.	160,634.92	1,012.00
Davidson (D.A.) & Co.	1,300.00	65.00
Davis, Mendel, Regertein	28,600.00	1,716.00
DB Clearing Services	1,451,852.86	53,283.00
Donaldson & Co.	326,750.00	16,337.50
Donaldson, Lufkin & Jenrette	3,891,187.07	168,488.40
Dresdner Securities (USA) Inc.	216,038.34	6,762.00
Edwards (A.G.) & Sons Inc.	196,358.27	9,975.00
Elkins McSherry & Co.	7,281.00	436.86
Equity Securities Trading	27,000.00	1,350.00
Ernst & Company	128,047.72	5,903.00
Execution Services Inc.	148,847.93	6,460.00
Factset Data Systems Inc.	775,789.10	40,935.00
Fahnestock & Company	58,100.00	3,486.00
Fidelity Capital Markets	15,000.00	750.00
First Albany Corp.	26,415.09	700.00
First of America Bank	17,400.72	964.00

**New York City Employees' Retirement System**  
**SCHEDULE OF BROKERS' COMMISSIONS**  
**For Fiscal Year Ended June 30, 2000**

<b>Brokerage Firm</b>	<b>Number of Shares Traded</b>	<b>Total Commissions</b>
First Options of Chicago	14,900.00	447.00
First Union Capital Markets	255,509.43	6,771.00
Fleet Securities Inc.	23,700.00	1,422.00
Fourteen Research Corp.	20,000.00	1,000.00
Fox Pitt Kelton Inc.	58,600.00	2,930.00
Frank Russell Securities	17,100.00	855.00
Freimark Blair & Co.	2,000.00	100.00
Furman Selz Mager & Co.	173,463.20	4,007.00
Gardner Rich & Co.	2,062,070.18	58,769.00
Gerard Klauer Mattison	227,146.40	9,154.00
Glazer (C.L.) & Company	47,300.00	1,419.00
Goldid Pitts	208,300.00	10,415.00
Goldman, Sachs & Co	15,487,700.71	436,753.16
Gordon Haskett Capital Corp.	14,506.77	750.00
GS2 Securities, inc.	10,000.00	600.00
Guzman & Company	25,011.00	1,000.44
Henderson Brothers, Inc.	31,100.00	1,244.00
Herzog, Heine, Geduld, Inc.	500,200.00	7,503.00
Hoenig & Co.	213,022.15	9,885.00
Howard, Weil, Labouisse	36,600.00	2,196.00
Inferential Focus	10,000.00	600.00
Instinet Corp.	8,791,668.97	178,470.88
Institutional Services	1,607,865.77	59,651.82
Invemed Associates	4,000.00	240.00
Investment Tech	17,846,336.92	497,912.80
ISI Group Inc.	120,336.03	7,159.00
Jeffries & Co.	871,316.79	22,828.50
Jones & Associates	216,681.92	9,469.00
Josephthal, Lyon & Ross	26,500.00	1,590.00
Kalb, Voorhis & Company	15,500.00	775.00
Keefe Bruyette & Woods	220,923.60	9,831.10
King (C.L.) & Associates	129,000.00	7,740.00
Kinnard (John G.) & Co.	6,800.00	204.00
Knight Securities	163,076.92	636.00
Ladenburg, Thalman	33,027.52	1,440.00
Lazard Freres & Company	1,300.00	65.00
Legg, Mason	13,624.68	530.00
Lehman Brothers	13,557,129.59	229,115.49
Lewco Securities	1,793,241.91	73,786.15
Lipper Analytical Securities	8,600.00	430.00
Loop Capital Markets LLC.	284,793.39	10,338.00
Lynch Jones & Ryan	807,801.30	49,599.00
M. Ramsey King Securities	149,000.00	7,450.00
Magna Securities Corp.	314,558.39	14,681.00
Maple Partners-UK	575,386.31	26,065.00
May Davis Group Inc.	218,000.00	11,118.00
McDonald & Company	61,100.00	3,666.00
Merrill Lynch Professional Clearing	85,142.86	4,470.00



**New York City Employees' Retirement System**  
**SCHEDULE OF BROKERS' COMMISSIONS**  
**For Fiscal Year Ended June 30, 2000**

Brokerage Firm	Number of Shares Traded	Total Commissions
Merrill Lynch, Pierce, Fenner, & Smith	10,671,911.59	294,544.76
Miller, Tabak, Hirsch	4,807.69	275.00
Moors & Cabot, Inc.	39,100.00	2,346.00
Morgan (JP) Securities Inc.	5,775,930.52	88,949.33
Morgan Keegan & Co.	50,607.48	2,166.00
Morgan Stanley & Co.	29,692,240.33	537,429.55
National Finance Services Crop.	240,600.00	7,218.00
NationsBank Montgomery Securities	2,588,936.06	85,434.89
Needham & Company	153,475.86	445.08
Neuberger & Berman, LLC.	224,917.39	8,276.96
Nutmeg Securities	51,000.00	3,060.00
O'Neil (William) & Co.	148,700.00	8,922.00
Paine Webber Inc.	2,381,663.77	115,034.36
PCS Securities	29,104.48	2,145.00
Pershing (Division of DLJ)	952,636.66	29,627.00
Prudential Securities	1,404,712.87	52,395.79
Pryor, McLendon	192,568.03	8,915.90
Seelaus (R.) & Company	136,005.33	4,080.16
James (Raymond) & Associates	128,240.74	6,925.00
RBC Dominion Securities Co.	6,300.00	378.00
Robertson, Stephens	882,020.20	17,464.00
Robinson, Humphrey	240,378.95	11,418.00
Rochdale Securities	230,159.29	13,004.00
Salomon, Smith, Barney Inc.	5,728,213.75	166,691.02
SBC Warburg, Inc.	2,153,488.54	54,483.26
Schwab, (Charles) & Co.	18,636.36	123.00
Scott & Stringfellow Inc.	33,100.00	1,986.00
Seslia Securities	188,400.00	7,536.00
SK International Securities	871,045.69	43,465.18
Soundview Financial Group	155,930.89	5,753.85
South Trust Bank	50,357.14	1,128.00
Spear, Leeds & Kellogg	728,604.87	31,402.07
Standard & Poors Securities	25,533.98	1,315
State Street Brokerage	3,400.00	170.00
Stephens Inc.	70,270.27	3,900.00
Suntrust Equitable	95,368.17	4,015.00
Sutro & Company	17,872.34	168.00
Thomas Weisel Partners, LLC.	216,275.51	4,239.00
Thomson Institutional Services	524,432.27	26,326.50
U. S. Bancorp, Piper, Jaffray	281,640.21	5,323.00
U. S. Clearing Inst Trading	4,000.00	200.00
UST Securities Crop.	7,400.00	444.00
Volpe Welty & Company	14,500.00	725.00
Wachovia Securities Inc.	295,468.63	16,014.40
Weedon & Company	987,186.77	42,547.75
Weiss, Peck & Greer	13,600.00	204.00
Wellington (H.G.) & Co.	62,600	3,130.00
Wexford Clearing Services Crop.	14,000.00	560.00
Williams Capital Group	129,224.81	6,668.00
Wilshire Associates	1,386,132.93	45,881.00
	<u>\$ 173,504,506.78</u>	<u>\$4,916,829.85</u>

**New York City Employees' Retirement System**

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

	Year Ended June 30			June 30, 2000			
	2000	1999	1998	3 Years	5 Years	7 Years	10 Years
<b>Total Portfolio</b>	9.43	13.47	21.29	14.64	16.82	14.89	14.29
Callan Public Fund Median	9.45	10.04	17.96	12.67	14.44	12.96	12.51
<b><u>Managed by Outside Advisors</u></b>							
<b>U. S. Equities Segment</b>	9.06	19.80	28.55	18.87	22.53	19.52	17.41
Russell 3000	9.59	20.10	28.80	19.24	22.78	19.69	17.52
<b>International Equities Segment</b>	24.25	9.37	6.62	13.17	14.66	13.68	n/a
Active Equities	27.65	9.46	7.55	14.57	16.42	15.41	n/a
Passive Equities	17.20	8.40	6.11	10.47	11.64	10.87	n/a
Callan Int'l Equity Median	24.15	6.89	8.27	12.90	15.13	14.66	n/a
EAFE	17.13	7.64	5.88	10.11	11.29	10.66	n/a
<b>U. S. Fixed Income Segment</b>	3.89	1.88	12.27	5.94	6.71	6.50	8.44
Structured Managed Program	4.57	2.12	12.38	6.29	6.63	6.44	8.44
Callan Fixed Income Median	4.57	3.46	10.17	5.91	6.23	6.03	7.94
Lehman Bros. NYC Index	4.47	2.61	11.81	6.21	6.46	6.28	8.21
Enhanced Yield	0.10	-0.63	13.03	3.99	8.48	n/a	n/a
Callan Enhd Yld Mgr. Median	1.33	1.25	12.93	5.16	8.81	n/a	n/a
Salomon BB & B Rated Index	-0.54	0.67	12.27	3.98	7.14	n/a	n/a
<b><u>In - House Portfolio</u></b>							
<b>Short Term Investments</b>	6.10	4.99	6.01	5.70	5.71	5.39	n/a
U. S. Treasury Bills (91 Day)	5.53	4.86	5.29	5.23	5.33	5.07	n/a
<b>Targeted Investments</b>	-1.11	6.28	9.84	4.90	6.52	7.61	n/a
FNMA (MBS)	4.87	3.93	9.01	5.92	6.51	6.26	n/a
<b>In - House Mortgage</b>	8.97	8.90	11.25	9.70	9.51	8.52	n/a

**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, 2000**

**PART 4**

**ACTUARIAL SECTION**



**OFFICE OF THE ACTUARY**

220 CHURCH STREET • NEW YORK, N.Y. 10013-6301  
(212) 442-5775 • FAX (212) 442-5777

**ROBERT C. NORTH, JR.**  
CHIEF ACTUARY

November 16, 2000

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, 2000

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 which, expressed as a percentage of active member annualized covered payroll, will remain approximately level over the future working lifetimes of those active members.

Employer contributions to the Plan are made on a statutory basis consistent with generally accepted actuarial principles. Actuarial valuations are performed annually as of June 30.

Actuarial Assumptions And Methods In Effect June 30, 1999

Provided in this Actuarial Section of the CAFR is a "Summary Of Actuarial Assumptions And Methods In Effect As Of June 30, 1999." These actuarial assumptions and methods were employed in the June 30, 1999 actuarial valuation that was used to determine Fiscal Year 2000 employer contributions to the Plan.

These actuarial assumptions and methods differ from those employed in the June 30, 1998 actuarial valuation that was used to determine Fiscal Year 1999 employer contributions to the Plan.

The revised actuarial assumptions and methods were proposed by the Actuary, adopted by the Board of Trustees and, where required, enacted by the New York State Legislature and Governor as Chapter 85 of the Laws of 2000 ("Chapter 85/00").

#### Benefits And Census Data

A summary of the benefits available under the Plan is provided elsewhere in this 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 for consistency and reasonability.

A summary of the census data as of June 30, 1999 is included in this CAFR. A summary of the census data used in the June 30, 1998 actuarial valuation of the Plan is available in the June 30, 1999 CAFR.

#### Funded Status

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.

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 with Governmental Accounting Standards Board Statement Number 25 ("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:

1. Schedule Of Funding Progress - prepared by the Office of the Actuary.
2. Schedule Of Employer Contributions - prepared by the Plan's Administrative Staff.
3. Actuarial Methods And Assumptions - prepared by the Office of the Actuary.

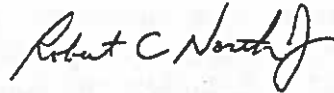
The following supporting schedules in the Actuarial Section of the CAFR were prepared by the Office of the Actuary.

- Summary Of Actuarial Assumptions And Methods In Effect As Of June 30, 1999.
- Comparative Summary Of Actuarial Values And Percentages Covered By Actuarial Value Of Assets - Solvency Test.
- Schedule Of Actual Vs. Required Contributions.
- Schedule Of Active Member Valuation Data.
- Schedule Of Participating Employers.
- Number And Salary Of Active Members By Occupational Position.

Board Of Trustees  
New York City Employees'  
Retirement System  
November 16, 2000  
Page 4

- Number Of Active Members By Occupational Position And Age.
- Number Of Active Members By Occupational Position And Years Of Service.
- Schedule Of Retirants And Beneficiaries Added To And Removed From Rolls.

Respectfully Submitted,



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

RCN/aw

cc: Mr. J.J. Murphy

1208R:PCA/aw

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 1999

- (1) The assumed investment return rate 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 Table 1.
- (3) Active Service tables are used to predict various withdrawals from active service. Sample probabilities are shown in Tables 2A and 3A for members withdrawing from active service other than for Service Retirement and in Tables 2B and 3B for members withdrawing from active service for Service Retirement.
- (4) Salary Scales are used to estimate salaries at retirement or death. Sample percentage increases are shown in Table 4. The Salary Scale includes an assumed General Wage Increase rate of 3.0% per annum.
- (5) The economic assumptions (i.e., the assumed investment return rate and the General Wage Increase rate) were developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.
- (6) The valuation method assumes a closed group. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scale.
- (7) The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the contributions from the employers. Under this Actuarial Cost Method, the Initial Liability has been established by the Entry Age Actuarial Cost Method 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, 1999 (Continued)

Under this method, the excess of the actuarial present value of projected benefits of members as of the valuation date, over the sum of the Actuarial Value of Assets plus UAAL, if any, 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.

Chapter 85/00 reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") as of June 30, 1999. The schedules of payment 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.

- (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")).

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

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 1999 (Continued)

- (9) The actuarial assumptions and methods described herein were adopted by the Board of Trustees to be effective for Fiscal Years beginning on and after July 1, 1999 and where required, enacted by the New York State Legislature and Governor as part of Chapter 85/00. These assumptions and methods are generally based upon recommendations made by the Actuary in a Report dated February 29, 2000. The Actuary's Report took into account an actuarial experience study and recommendations made by the independent actuarial auditor, Watson Wyatt and Company, in a report entitled Report On The Experience Study Of The New York City Retirement Systems For The Four Years Ended June 30, 1997 dated October 1999.
- (10) The salary data was adjusted to reflect overtime earnings, by assumed overtime baseline rates. See Table following under Item 11.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 1999 (Continued)

(11) A dual overtime assumption (i.e., a baseline overtime assumption for most years and a separate overtime assumption for the years included in the calculation of Final Average Salary) had been introduced as of June 30, 1995. The following table summarizes the overtime assumptions:

Group	Baseline <sup>(1)</sup> Assumption	Dual Assumptions <sup>(2)</sup>				
		Tier I Service <sup>(3)</sup>	Other Service <sup>(3)</sup>	Tier I Disability	Other Disability	Other Benefits
Others	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, 1999  
(Continued)**

**TABLE 1**

**Deaths Among Service And Disability Pensioners**

**(Percentage Of Pensioners Dying Within Next Year)**

<u>Age</u>	<u>All Except Police And Correction Officers</u>				<u>Police And Correction Officers</u>			
	<u>Service Pensioners</u>		<u>Disability Pensioners</u>		<u>Service Pensioners</u>		<u>Disability Pensioners</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
40	.1209%	.0677%	2.3055%	3.1297%	.1209%	.0677%	1.1527%	1.5649%
50	.6640	.2205	2.7639	3.2720	.6640	.2205	1.3820	1.6360
60	1.3866	.7143	3.7649	3.4142	1.3866	.7143	2.2590	2.0485
70	3.1053	1.7416	5.3787	4.0596	3.1053	1.7416	3.7651	2.8417
80	7.2749	4.6138	9.0925	7.0032	7.2749	4.6138	7.2749	5.6025
90	16.5712	12.2729	16.8444	13.0674	16.5712	12.2729	16.5712	12.2729
100	32.8097	28.6331	32.8097	28.6331	32.8097	28.6331	32.8097	28.6331
110	100.0000	100.0000	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, 1999  
(Continued)**

**TABLE 2A**

**Withdrawals From Active Service  
(Other Than For Service Retirement)**

(Percentage Of Eligible Active Members Separating Within Next Year)

<u>Age</u>	<u>Withdrawal</u>		<u>Accident Disability Retirement</u>		<u>Ordinary Disability Retirement</u>		<u>Accidental Death</u>	<u>Ordinary Death</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>All</u>	<u>Male</u>	<u>Female</u>
<b>Others*</b>									
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	--	--	--	--	--	--	--	--	--
<b>Transit Operating*</b>									
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	--	--	--	--	--	--	--	--	--
<b>Triborough Bridge And Tunnel*</b>									
20	7.72%	7.77%	.02%	.01%	.03%	.04%	--	.0351%	.0183%
25	6.26	5.91	.02	.01	.04	.04	--	.0432	.0245
30	3.66	3.72	.03	.01	.05	.05	--	.0565	.0332
35	2.39	2.38	.05	.01	.08	.06	--	.0800	.0462
40	1.70	1.96	.07	.02	.21	.14	--	.1151	.0645
45	1.34	1.26	.08	.02	.36	.30	--	.2030	.0980
50	1.10	1.01	.09	.02	.49	.45	--	.3635	.1598
55	1.05	1.00	.10	.02	.50	.50	--	.5702	.2465
60	1.00	1.00	.10	.02	.50	.50	--	.8517	.4114
65	1.00	1.00	.10	.02	.50	.50	--	1.4501	.6852
70	--	--	--	--	--	--	--	--	--

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

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
IN EFFECT AS OF JUNE 30, 1999  
(Continued)**

**TABLE 2B**

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

(Percentage Of Eligible Active Members Retiring Or Dying Within Next Year)

With Unreduced Service Retirement Benefits

Age	With Reduced Benefits <sup>(1)</sup>	Members Not Electing ORP <sup>(2)</sup>			Members Electing ORP <sup>(2)</sup>		
		Years Of Service Since Elig.			Years Of Service Since Elig.		
		0-1	1-2	2+ Others <sup>(3)</sup>	0-1	1-2	2+
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
<u>Transit Operating <sup>(3)</sup></u>							
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
<u>Triborough Bridge And Tunnel <sup>(3)</sup></u>							
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 Tier II members prior to eligibility for unreduced Service Retirement benefits.

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

(3) Assumed to retire immediately at age 70.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 1999 (Continued)

**TABLE 3A**

### Withdrawals From Active Service (Other Than For Service Retirement)

(Percentage Of Eligible Active Members Separating Within Next Year)

<u>Age</u>	<u>Withdrawal</u>		<u>Accident Disability Retirement</u>		<u>Ordinary Disability Retirement</u>		<u>Accidental Death</u>	<u>Ordinary Death</u>		
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>All</u>	<u>Male</u>	<u>Female</u>	
<b>Sanitation*</b>										
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	--	--	--	--	--	--	--	--	--	
<b>Correction Officers*</b>										
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	--	--	--	--	--	--	--	--	--	
<b>Housing And Transit Police*</b>										
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, 1999 (Continued)

**TABLE 3B**

### Withdrawals From Active Service (For Service Retirement)

(Percentage Of Eligible Active Members Retiring Or Dying Within Next Year)

#### With Unreduced Service Retirement Benefits

<u>Age</u>	<u>With Reduced Benefits <sup>(1)</sup></u>	<u>Members Not Electing ORP <sup>(2)</sup></u>			<u>Members Electing ORP <sup>(2)</sup></u>		
		<u>Years Of Service Since Elig.</u>			<u>Years Of Service Since Elig.</u>		
		<u>0-1</u>	<u>1-2</u>	<u>2+</u>	<u>0-1</u>	<u>1-2</u>	<u>2+</u>
<b>Sanitation <sup>(3)</sup></b>							
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
<b>Correction Officers <sup>(3)</sup></b>							
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
<b>Housing And Transit Police <sup>(3)</sup></b>							
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 Tier II 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 Police at age 63.



**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
IN EFFECT AS OF JUNE 30, 1999  
(Continued)**

**TABLE 4**

**Salary Scales\***

**Assumed Annual Percentage Increases In Coming Year**

<u>Years Of Service</u>	<u>Transit Operating</u>	<u>Sanitation</u>	<u>Police And Correction Officers</u>	<u>Triborough Bridge And Tunnel</u>
0	18.00%	8.00%	10.00%	10.00%
5	3.50	3.60	3.60	4.00
10	3.50	4.10	4.10	4.00
15	3.50	4.50	4.50	4.00
20	3.50	4.00	4.00	4.00
25	3.50	4.00	4.00	4.00
30	3.50	4.00	4.00	4.00
35	3.50	4.00	4.00	4.00
40	3.50	4.00	4.00	4.00
		<u>Age</u>	<u>Others</u>	
		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% per annum.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## CONTRIBUTIONS

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

### A. Member Contributions in Effect as of June 30, 1999

A member of Article 15 (Coordinated Plan) is mandated to contribute 3% of annual wages during all years of coverage. A member of Article 14 (currently only Correction Officers) is mandated to contribute 3% of annual wages for not more than thirty years. This is in addition to the Social Security contribution. Should a member die, resign or be otherwise terminated from city-service prior to completing five years of credited service, all of the members' contributions with 5% interest will be refunded for Article 14 members and Article 15 members upon request, or may be left on deposit for a maximum period of 5 years earning interest, so that the member retains membership.

All other members contribute by salary deductions on the basis of a rate of contribution which is assigned by the system at the time they select their plan. This rate, which is dependent upon the member's age and plan as well as the tables in effect for such purpose, is determined so as to provide an annuity of approximately one-quarter of the service retirement allowance at the earliest age for service retirement in those contributory plans for which a fixed number of years of service is required for service retirement, except that in the case of the career pension plan, the rates of members' contributions are determined so as to provide an annuity of approximately one-third of the benefit on account of the first 25 years of service. In plans which permit retirement for service at age 55 regardless of the number of years of service earned, the rate of contribution is calculated so as to provide an annuity equal to 1% of final compensation for each year of service at the earliest age for service retirement. For such plans, the contribution rate for members who enter at age 55 or over is the rate applicable to a member entering at age 54. Beginning July 1, 1970, no contributions are required from members who elect the Transit 20-Year Plan.

## NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

### CONTRIBUTIONS (Continued)

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, Police and Correction Forces 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 2.30% to 7.46% for improved early retirement benefits.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## CONTRIBUTIONS (Continued)

### B. Employer Contributions

The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the contribution from the employers.

Employer contributions are accrued by the Plan and are funded by the employers on a current basis. The contributions amounted to \$68,619,745 for the Fiscal Year ended June 30, 2000.

### 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) Others (for calculation purposes, these are further subdivided into physically-taxing and non-physically-taxing groups), (2) Transit Operating positions, (3) Triborough Bridge and Tunnel 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  
(In Thousands)

#### AGGREGATE ACCRUED LIABILITIES FOR

AS OF JUNE 30	ACCUMULATED EMPLOYEE CONTRIBUTIONS (A)	CURRENT RETIRANTS AND BENEFICIARIES (B)	ACTIVE MEMBERS' EMPLOYER FINANCED PORTION (C)	ACTUARIAL VALUE OF ASSETS (D)	PERCENTAGE OF ACTUARIAL VALUES COVERED BY	
					ACTUARIAL VALUE OF ASSETS (A)	(B) (C)
1994	\$1,779,689	\$12,081,014	\$7,663,243	\$22,087,226	100%	100%
1995*	1,936,515	12,456,714	7,394,372	24,623,263	100	100
1996	1,945,402	13,676,275	7,651,992	25,809,729	100	100
1997	2,239,924	14,487,140	7,466,386	27,222,934	100	100
1998	2,505,397	15,123,124	7,819,099	29,334,703	100	100
1999*	2,313,739	16,293,576	9,133,979	40,936,024	100	100

\*As of June 30, 1995 and June 30, 1999 economic and non-economic assumptions were revised due to experience review and the Actuarial Values of Assets were 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 actuarial present value of credited projected benefits produced by the credited projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with previously issued Government Accounting Standards Board Statement No. 25.

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

Financial soundness is dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. The economic assumptions used in the actuarial calculations are as follows:

<u>Valuation Date June 30</u>	<u>Assumed Annual Rate Of Return On Investments</u>	<u>Merit And Promotion Increases Plus An Assumed General Wage Increase Per Year Of</u>
1994	9.00%	5.5%
1995	8.75	4.0
1996	8.75	4.0
1997	8.75	4.0
1998	8.75	4.0
1999	8.00	3.0

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF ACTUAL VS. REQUIRED CONTRIBUTIONS  
FISCAL YEARS 1995 - 2000**

<u>FISCAL YEAR ENDED</u>	<u>ANNUAL PAYROLL</u>	<u>ACTUAL EMPLOYER CONTRIBUTION<sup>(1)</sup></u>	<u>ANNUAL REQUIRED CONTRIBUTION</u>	<u>EMPLOYER RATE OF CONTRIBUTION<sup>(2)</sup></u>
6/30/95	\$6,416,982,147	\$447,581,971	\$447,581,971	6.836%
6/30/96	6,580,364,022	218,610,798	218,610,798	3.407
6/30/97	6,752,926,611	228,943,444	228,943,444	3.479
6/30/98	6,935,216,253	238,557,613	238,557,613	3.533
6/30/99	7,501,387,761	179,116,818	179,116,818	2.583
6/30/00	N/A	68,619,745	68,619,745	.915

(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 represent a percentage 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.

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF ACTIVE MEMBER VALUATION DATA**

**JUNE 30, 1994 TO JUNE 30, 1999**

<u>VALUATION DATE</u>	<u>NUMBER</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE ANNUAL SALARY</u>	<u>PERCENTAGE INCREASE IN AVERAGE SALARY</u>
6/30/94	173,683	\$6,547,398,607	\$37,697	2.2%
6/30/95 <sup>(1)</sup>	163,011	6,432,260,280	39,459	4.7
6/30/96	163,834	6,580,364,022	40,165	1.8
6/30/97	163,560	6,752,926,611	41,287	2.8
6/30/98	165,461	6,935,216,253	41,915	1.5
6/30/99	169,458	7,501,387,761	44,267	5.6

(1) 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 Department, Subchapter Two Pension Fund.

In addition, the number of active members (Number) and their corresponding salaries (Annual Payroll) shown as of June 30, 1995 differ somewhat from those shown in the 1995 Comprehensive Annual Financial Report ("CAFR") due to refinements in the census data after the publication of the 1995 CAFR.



**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF PARTICIPATING EMPLOYERS  
AS OF JUNE 30, 1999<sup>(1)</sup>**

<u>EMPLOYER</u>	<u>NUMBER OF EMPLOYEES</u>	<u>ANNUAL PAYROLL</u>
City of New York	91,619	\$3,971,087,060
NYC Transit Authority	37,586	1,876,348,818
NYC Housing Authority	12,946	498,954,651
NYC Health and Hospitals Corporation	24,824	1,048,462,098
NYC Triborough Bridge and Tunnel Authority	1,153	68,460,010
NYC Off-Track Betting Corporation	1,227	40,439,684
NYC School Construction Authority	57	3,982,834
NYC Housing Development Corporation	7	533,105
NYC Residential Mortgage Insurance Corporation <sup>(2)</sup>	4	359,252
New York State	33	1,667,108
NYC Water Municipal Authority	2	93,141
<b>TOTAL</b>	<b>169,458</b>	<b>\$7,501,387,761</b>

(1) The Number of Employees and their corresponding salaries (Annual Payroll) includes only those who were on the payroll as of June 30, 1999.

(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, 1999<sup>(1)</sup>

<u>OCCUPATION</u>	<u>NUMBER</u>	<u>ANNUAL PAYROLL</u>	<u>AVERAGE ANNUAL SALARY</u>
Career Pension Plan Positions	115,886	\$4,685,594,535	\$40,433
Transit Operating Positions	34,154	1,687,799,073	49,417
Triborough Bridge And Tunnel	1,153	68,460,010	59,376
Sanitation Workers	7,135	392,807,285	55,054
Transit And Housing Police Forces <sup>(2)</sup>	1	52,978	52,978
Correction Force	11,129	666,673,880	59,904
<b>TOTAL</b>	<b>169,458</b>	<b>\$7,501,387,761</b>	<b>\$44,267</b>

(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 Department, Subchapter Two Pension Fund.

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## NUMBER OF ACTIVE MEMBERS BY OCCUPATIONAL POSITION AND AGE AS OF JUNE 30, 1999<sup>(1)</sup>

<u>AGE</u>	<u>TOTAL</u>	<u>OTHERS</u>	<u>TRANSIT OPERATING</u>	<u>TBTA</u>	<u>SANITATION</u>	<u>POLICE<sup>(2)</sup></u>	<u>CORRECTION</u>
20 - 24	1,109	840	160	4	5	0	100
25 - 29	6,282	3,911	1,358	18	292	0	703
30 - 34	17,138	10,307	3,689	90	775	0	2,277
35 - 39	27,925	16,939	6,000	149	1,269	1	3,567
40 - 44	30,483	20,008	6,332	220	1,312	0	2,611
45 - 49	29,986	19,861	6,404	283	1,948	0	1,490
50 - 54	25,926	19,033	5,210	251	1,099	0	333
55 - 59	17,176	13,640	3,067	87	344	0	38
60 - 64	9,468	7,822	1,523	44	73	0	6
65 - 69	2,739	2,387	330	6	13	0	3
70 - 74	1,130	1,046	78	1	5	0	0
Unknown	96	92	3	0	0	0	1
<b>TOTAL</b>	<b>169,458</b>	<b>115,886</b>	<b>34,154</b>	<b>1,153</b>	<b>7,135</b>	<b>1</b>	<b>11,129</b>

(1) Member count for this schedule represents only members receiving salary as of June 30, 1999.

(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 Department, Subchapter Two Pension Fund.

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**NUMBER OF ACTIVE MEMBERS  
BY OCCUPATIONAL POSITION AND YEARS OF SERVICE  
AS OF JUNE 30, 1999<sup>(1)</sup>**

<u>YEARS OF SERVICE</u>	<u>TOTAL</u>	<u>OTHERS</u>	<u>TRANSIT OPERATING</u>	<u>TBTA</u>	<u>SANITATION</u>	<u>POLICE<sup>(2)</sup></u>	<u>CORRECTION</u>
Under 5	38,501	28,814	6,620	138	961	0	1,968
5 - 9	40,168	29,315	7,270	263	1,296	0	2,024
10 - 14	41,141	25,160	8,839	233	2,436	1	4,472
15 - 19	25,704	15,056	6,502	310	1,708	0	2,128
20 - 24	7,971	5,355	1,950	110	200	0	356
25 - 29	11,486	8,641	2,182	85	411	0	167
30 - 34	3,624	2,842	662	10	101	0	9
35 - 39	702	562	116	2	18	0	4
40 - 44	142	128	7	2	4	0	1
Unknown	19	13	6	0	0	0	0
<b>TOTAL</b>	<b>169,458</b>	<b>115,886</b>	<b>34,154</b>	<b>1,153</b>	<b>7,135</b>	<b>1</b>	<b>11,129</b>

(1) Member count for this schedule represents only members receiving salary as of June 30, 1999.

(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 Department, Subchapter Two Pension Fund.

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF RETIRANTS AND BENEFICIARIES  
ADDED TO AND REMOVED FROM ROLLS  
FISCAL YEARS 1994 - 1999**

<u>VALUATION DATE</u>	<u>NUMBER ADDED TO ROLLS</u>	<u>NUMBER REMOVED FROM ROLLS</u>	<u>NUMBER AT END OF YEAR <sup>(1)</sup></u>	<u>ANNUAL ALLOWANCES <sup>(1)</sup></u>	<u>% INCREASE IN ANNUAL ALLOWANCE</u>	<u>AVERAGE ANNUAL ALLOWANCE</u>	<u>% INCREASE IN AVERAGE ANNUAL ALLOWANCE</u>
6/30/94	6,567	3,884	117,295	\$1,463,668,525	5.7%	\$12,479	3.3%
6/30/95	6,536	4,326	119,505	1,551,534,901	6.0	12,983	4.0
6/30/96	5,909	4,329	121,085	1,641,177,105	5.8	13,554	4.4
6/30/97	5,835	4,297	122,623	1,787,386,099	8.9	14,576	7.5
6/30/98	3,981	4,166	122,438	1,824,455,453	2.1	14,901	2.2
6/30/99	3,981	4,539	121,880	1,919,632,538	5.2	15,750	5.7

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

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT  
AS OF JUNE 30, 1999**

**TIERS 1 AND 2**

<u>Option Types</u>	<u>Number OF Retirees*</u>	<u>Service</u>	<u>Ordinary Disability (Non-Duty)</u>	<u>Accidental Disability (Duty)</u>	<u>Accidental Death (Duty)</u>	<u>Surviving Annuitants</u>
Maximum	54,599	48,580	3,160	2,680	99	80**
Option 1, (Cash Refund)	8,287	7,680	391	77	0	139**
Option 2, (J&S 100%)	13,430	7,659	422	70	0	5,279
Option 3, (J&S 50%)	16,304	9,200	262	115	0	6,727
Option 4, (J&S Misc.)	165	95	1	2	0	67
Option 4-2 (Pop-Up 100%)	3,215	2,337	103	18	0	757
Option 4-3, (Pop-Up 50%)	6,114	4,488	117	55	0	1,454
Option 4-4, (Pop-Up Misc.)	74	57	0	1	0	16
5-Year Certain	105	97	3	4	0	1
10-Year Certain	566	450	64	8	0	44
Lump Sum, (Death Benefit)	7,732	7,013	451	268	0	0
<b>Total</b>	<b>110,591</b>	<b>87,656</b>	<b>4,974</b>	<b>3,298</b>	<b>99</b>	<b>14,564</b>

\* Includes retirees and beneficiaries who were on the pensioners' payroll as of June 30, 1999.

\*\* Represents option selected by beneficiary in lieu of lump sum death benefit.

**NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT  
AS OF JUNE 30, 1999  
(Continued)**

**TIERS 3 AND 4**

<u>Option Types</u>	<u>Number Of Retirees*</u>	<u>Service</u>	<u>Ordinary Disability (Non-Duty)</u>	<u>Accidental Disability (Duty)</u>	<u>Accidental Death (Duty)</u>	<u>Surviving Annuitants</u>
Maximum	6,142	4,460	1,624	45	13	0
Option 1, (J&S 100%)	1,454	970	246	3	0	235
Option 2, (J&S Misc.)	1,255	888	248	3	0	116
Option 3, (5-Year Certain)	439	306	118	0	0	15
Option 4, (10-Year Certain)	1,588	1,166	285	4	0	133
Option 5, (Pop-Up)	411	331	67	0	0	13
<b>Total</b>	<b>11,289</b>	<b>8,121</b>	<b>2,588</b>	<b>55</b>	<b>13</b>	<b>512</b>

\* Includes retirees and beneficiaries who were on the pensioners' payroll as of June 30, 1999.

**VALUATION BALANCE SHEET SHOWING FINANCIAL CONDITIONS OF  
THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
AS OF JUNE 30, 1997-1999<sup>(1)</sup>**

ASSETS	1997	1998	1999
<b>PRESENT ASSETS CREDITED TO:</b>			
Pension Fund		\$338,574	\$275,228
Pension Reserve Fund <sup>(2)</sup>	\$20,104,889,463	\$21,094,715,345	\$22,175,998,313
Add Net Amount in Transit	<u>0</u>	<u>446,612,168</u>	<u>451,459,757</u>
Contingent Reserve Fund	3,842,623,522	4,756,159,475	6,541,336,719
Add Assets Of Group Life Insurance Plan	<u>347,628,636</u>	<u>377,781,378</u>	<u>413,225,635</u>
Deduct Net Amount in Transit	<u>0</u>	<u>446,612,168</u>	<u>451,459,757</u>
Annuity Reserve Fund ("ASF")	1,088,534,857	1,119,530,530	1,153,663,962
Add Net Amount in Transit	<u>20,004,988</u>	<u>15,402,826</u>	<u>15,706,241</u>
Annuity Savings Fund	586,932,556	586,870,690	596,210,890
Deduct Net Amount in Transit	<u>20,004,988</u>	<u>15,402,826</u>	<u>15,706,241</u>
Member Contribution Accumulation Fund	1,796,787,908	2,043,239,166	2,312,803,111
<b>PRESENT ASSETS<sup>(3)</sup></b>	<b><u>\$27,767,871,424</u></b>	<b><u>\$29,978,635,158</u></b>	<b><u>\$33,193,513,858</u></b>
<b>PRESENT VALUE OF PROSPECTIVE CONTRIBUTIONS ON ACCOUNT OF LIABILITIES:</b>			
Normal Contributions		\$1,702,257,790	\$366,755,012
Unfunded Actuarial Accrued Liability (UAAL) Contrib.:			
Consolidated Unfunded Accrued Liability	(\$2,397,961,085)	(\$2,335,546,138)	(\$2,259,502,787)
UAAL a/c Chapter 119/1995 (Supp.)	<u>308,722,027</u>	<u>286,269,811</u>	<u>261,853,026</u>
UAAL a/c Chapter 12/1995 -- ERI 95/96	<u>41,852,422</u>	<u>32,666,796</u>	<u>22,677,427</u>
UAAL a/c Chapter 30/1996 -- ERI 96	<u>65,657,081</u>	<u>54,631,489</u>	<u>42,641,157</u>
UAAL a/c Chapter 41/1997 -- ERI 97	<u>0</u>	<u>22,578,927</u>	<u>18,787,317</u>
UAAL a/c Chapter 390/1998 -- (Supp)	<u>0</u>	<u>382,364,025</u>	<u>380,435,615</u>
UAAL a/c Chapter 47/1998	<u>0</u>	<u>0</u>	<u>7,136,293</u>
Balance Sheet Liability	<u>1,055,083,707</u>	<u>1,027,621,629</u>	<u>994,163,162</u>
Future Employee Contributions <sup>(4)</sup>	2,450,007,816	2,510,597,172	2,406,106,268
<b>PROSPECTIVE ASSETS</b>	<b><u>\$4,295,064,328</u></b>	<b><u>\$3,683,441,501</u></b>	<b><u>\$2,241,052,490</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$32,062,935,752</u></b>	<b><u>\$33,662,076,659</u></b>	<b><u>\$35,434,566,348</u></b>



**VALUATION BALANCE SHEET SHOWING FINANCIAL CONDITIONS OF  
THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
AS OF JUNE 30, 1997-1999<sup>(1)</sup>  
(Continued)**

LIABILITIES	1997	1998	1999
<b>PRESENT VALUE OF BENEFITS ON ACCOUNT OF BENEFICIARIES NOW DRAWING ALLOWANCES FROM THE:</b>			
Pension Fund	\$2,120,793	\$1,994,032	\$1,967,222
Pension Reserve Fund <sup>(2)</sup>	13,755,515,070	14,400,492,886	14,709,198,526
Annuity Reserve Fund	<u>729,504,312</u>	<u>720,637,366</u>	<u>709,626,323</u>
	\$14,487,140,175	\$15,123,124,284	\$15,420,792,071
<b>PRESENT VALUE OF FUTURE BENEFITS PAYABLE ON ACCOUNT OF ACTIVE MEMBERS WHICH ARE COVERED BY CONTRIBUTIONS TO THE CONTINGENT RESERVE FUND<sup>(4)</sup>:</b>			
Service Pensions	\$13,475,086,181	\$14,260,409,868	\$15,518,689,633
Ordinary Disability Pensions	1,075,162,542	1,105,529,411	1,170,143,127
Accident Disability Pensions	372,239,980	374,521,577	386,780,459
Ordinary Death Benefits	987,151,209	1,007,932,563	1,059,437,876
Accidental Death Benefits	7,196,892	7,016,842	7,017,747
ITHP Benefits	0	0	0
Vesting and Deferred Benefits	1,452,641,137	1,644,795,055	1,752,200,407
Return of Contributions	<u>108,871,070</u>	<u>20,329,699</u>	<u>19,941,013</u>
	\$17,478,349,011	\$18,420,535,015	\$19,914,210,262
<b>PRESENT VALUE OF BENEFITS ON ACCOUNT OF MEMBERS' CONTRIBUTIONS WHICH HAVE BEEN ACCUMULATED IN THE ANNUITY SAVINGS FUND</b>	NA	NA	NA
<b>TOTAL ON ACCOUNT OF ACTIVE MEMBERS</b>	\$17,478,349,011	\$18,420,535,015	\$19,914,210,262
Benefits Due and Unpaid	94,947,435	117,635,627	99,337,931
Deferred Employer Contribution	1,717,398	0	0
Reserve in Escrow for Mortgages	<u>781,733</u>	<u>781,733</u>	<u>226,084</u>
<b>TOTAL LIABILITIES</b>	<u>\$32,062,935,752</u>	<u>\$33,662,076,659</u>	<u>\$35,434,566,348</u>

# NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM

## NOTES TO THE VALUATION BALANCE SHEET

- (1) For June 30, 1997, June 30, 1998 and June 30, 1999 these values correspond to those shown in the Annual Statement to the Superintendent of Insurance ("Statement") as of those dates and does not necessarily correspond to values shown elsewhere in the Comprehensive Annual Financial Report ("CAFR").

In particular, the 1999 Valuation Balance Sheet values shown reflects the actuarial assumptions and methods described in the June 30, 1999 CAFR and not those of the current CAFR. This is due to fact that the adoption of the revised assumptions and methods occurred after the filing due date of the Statement.

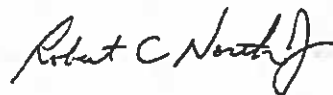
- (2) Pension Reserve Fund shown includes the Designated Annuitants Reserve Fund.
- (3) Presents Asset used for June 30, 1997, June 30, 1998 and June 30, 1999 include equity securities at Market Value and fixed income securities at Amortized Value as prescribed by the Superintendent of Insurance for Annual Statement purposes.
- (4) Includes Reserve for Insurance on Loans.

**VALUATION BALANCE SHEET SHOWING FINANCIAL CONDITIONS OF  
THE NEW YORK CITY PUBLIC EMPLOYEES' GROUP LIFE INSURANCE PLAN  
AS OF JUNE 30, 1997 - 1999**

ASSETS	1997	1998	1999
PRESENT ASSETS	\$347,628,636	\$377,781,378	\$413,225,635
TOTAL ASSETS	<u>\$347,628,636</u>	<u>\$377,781,378</u>	<u>\$413,225,635</u>
LIABILITIES			
Benefits Due and Unpaid	<u>\$13,229,844</u>	<u>\$13,645,886</u>	<u>\$10,362,336</u>
Amount Due to the New York City Employees' Retirement System	<u>334,398,792</u>	<u>364,135,492</u>	<u>402,863,299</u>
TOTAL LIABILITIES	<u>\$347,628,636</u>	<u>\$377,781,378</u>	<u>\$413,225,635</u>

**CERTIFICATION**

I hereby certify that the aforesaid valuation balance sheets were prepared under my direction and supervision and that to the best of my knowledge and belief, they show the true financial condition of the New York City Employees' Retirement System and the New York City Public Employees' Group Life Insurance Plan as of June 30, 1997, June 30, 1998 and June 30, 1999 based on the service claims of members, the tables adopted by the Board of Trustees and the financial statements of present assets furnished to the Office of the Actuary.



Robert C. North, Jr.  
Chief Actuary  
New York City Employees' Retirement  
System  
New York City Public Employees'  
Group Life Insurance Plan

No.	Date	Particulars	Balance
1	1912	To Balance	1000.00
2	1913	By Cash	500.00
3	1914	By Cash	750.00
4	1915	By Cash	1000.00
5	1916	By Cash	1250.00

The above is a statement of the account of the ...  
 and is correct as per the books of the ...  
 and is correct as per the books of the ...

Received of ...  
 the sum of ...

This receipt is valid only if countersigned by the ...  
 and is correct as per the books of 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**

**APPENDIX A**

**CENSUS DATA FOR ACTIVE MEMBERS**

**AS OF JUNE 30, 2000**

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTIVE VALUATION AS OF JUNE 30, 1999

TIER: ALL SEX: M

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
<b>NUMBERS:</b>											
UNDER 20	4	0	0	0	0	0	0	0	0	0	4
20 TO 24	682	27	0	0	0	0	0	0	0	0	709
25 TO 29	2,760	971	36	0	0	0	0	0	0	0	3,767
30 TO 34	4,083	3,983	2,066	63	0	0	0	0	0	0	10,195
35 TO 39	4,112	5,158	6,163	1,525	27	0	0	0	0	0	16,985
40 TO 44	3,391	4,328	5,910	4,244	696	28	0	0	0	0	18,597
45 TO 49	2,557	3,353	4,829	4,839	1,930	1,272	80	0	0	0	18,860
50 TO 54	1,836	2,335	3,221	3,049	1,449	2,859	634	19	0	0	15,402
55 TO 59	1,043	1,530	1,959	1,710	788	1,599	859	208	1	0	9,697
60 TO 64	522	982	1,127	964	418	701	389	151	16	0	5,270
65 TO 69	129	329	404	268	110	152	74	49	27	0	1,542
70 & UP	52	82	158	131	49	81	35	18	46	0	652
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>21,171</b>	<b>23,078</b>	<b>25,873</b>	<b>16,793</b>	<b>5,467</b>	<b>6,692</b>	<b>2,071</b>	<b>445</b>	<b>90</b>	<b>0</b>	<b>101,680</b>
<b>SALARIES (IN THOUSANDS):</b>											
UNDER 20	95	0	0	0	0	0	0	0	0	0	95
20 TO 24	19,319	891	0	0	0	0	0	0	0	0	20,211
25 TO 29	91,985	38,684	1,638	0	0	0	0	0	0	0	132,308
30 TO 34	147,213	181,620	105,282	3,272	0	0	0	0	0	0	437,387
35 TO 39	156,583	239,187	317,475	85,251	1,330	0	0	0	0	0	799,828
40 TO 44	135,048	200,803	297,103	233,486	37,729	1,254	0	0	0	0	905,426
45 TO 49	105,018	156,012	240,871	263,414	110,158	69,738	4,683	0	0	0	949,896
50 TO 54	77,432	105,946	155,521	157,894	82,578	161,232	36,343	1,244	0	0	778,193
55 TO 59	42,385	67,866	89,941	83,771	42,629	87,257	47,725	12,638	31	0	474,247
60 TO 64	20,765	42,078	51,012	46,115	21,290	36,179	20,470	8,516	980	0	247,408
65 TO 69	5,445	14,238	17,672	12,608	6,152	8,048	3,840	2,920	1,582	0	72,510
70 & UP	1,879	3,372	6,472	5,794	2,535	4,012	1,679	920	2,616	0	29,282
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>803,172</b>	<b>1,050,701</b>	<b>1,282,989</b>	<b>891,609</b>	<b>304,404</b>	<b>367,724</b>	<b>114,743</b>	<b>26,241</b>	<b>5,210</b>	<b>0</b>	<b>4,846,798</b>
<b>AVERAGE SALARIES:</b>											
UNDER 20	23,940	0	0	0	0	0	0	0	0	0	23,940
20 TO 24	28,328	33,026	0	0	0	0	0	0	0	0	28,507
25 TO 29	33,328	39,840	45,508	0	0	0	0	0	0	0	35,123
30 TO 34	36,055	45,599	50,960	51,940	0	0	0	0	0	0	42,902
35 TO 39	38,080	46,372	51,513	55,903	49,272	0	0	0	0	0	47,090
40 TO 44	39,826	46,396	50,271	55,016	54,210	44,808	0	0	0	0	48,687
45 TO 49	41,071	46,529	49,880	54,436	57,077	54,826	58,540	0	0	0	50,366
50 TO 54	42,174	45,373	48,283	51,786	56,990	56,395	57,325	65,518	0	0	50,526
55 TO 59	40,638	44,357	45,912	48,989	54,098	54,570	55,559	60,764	31,553	0	48,907
60 TO 64	39,781	42,849	45,264	47,838	50,933	51,611	52,624	56,404	61,265	0	46,947
65 TO 69	42,216	43,278	43,744	47,048	55,932	52,954	51,904	59,597	58,605	0	47,024
70 & UP	36,149	41,128	40,963	44,231	51,740	49,532	47,985	51,132	56,881	0	44,912
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>37,937</b>	<b>45,528</b>	<b>49,588</b>	<b>53,094</b>	<b>55,680</b>	<b>54,950</b>	<b>55,405</b>	<b>58,970</b>	<b>57,896</b>	<b>0</b>	<b>47,667</b>

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTIVE VALUATION AS OF JUNE 30, 1999

TIER: ALL      SEX: F

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
<b>NUMBERS:</b>											
UNDER 20	3	0	0	0	0	0	0	0	0	0	3
20 TO 24	385	8	0	0	0	0	0	0	0	0	393
25 TO 29	2,114	395	6	0	0	0	0	0	0	0	2,515
30 TO 34	3,281	2,758	882	22	0	0	0	0	0	0	6,943
35 TO 39	3,332	3,611	3,342	644	11	0	0	0	0	0	10,940
40 TO 44	2,993	3,176	3,202	2,230	239	46	0	0	0	0	11,886
45 TO 49	2,212	2,607	2,543	2,033	665	1,000	66	0	0	0	11,126
50 TO 54	1,628	2,019	2,245	1,639	602	1,650	709	32	0	0	10,524
55 TO 59	880	1,398	1,606	1,244	507	1,179	535	124	6	0	7,479
60 TO 64	383	804	1,032	768	335	629	164	70	13	0	4,198
65 TO 69	95	243	293	221	84	179	45	16	21	0	1,197
70 & UP	24	71	117	110	61	111	34	15	31	0	574
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>17,330</b>	<b>17,090</b>	<b>15,268</b>	<b>8,911</b>	<b>2,504</b>	<b>4,794</b>	<b>1,553</b>	<b>257</b>	<b>71</b>	<b>0</b>	<b>67,778</b>
<b>SALARIES (IN THOUSANDS):</b>											
UNDER 20	58	0	0	0	0	0	0	0	0	0	58
20 TO 24	10,304	224	0	0	0	0	0	0	0	0	10,529
25 TO 29	65,034	13,559	199	0	0	0	0	0	0	0	78,793
30 TO 34	113,552	105,922	38,974	939	0	0	0	0	0	0	259,389
35 TO 39	117,661	143,359	144,384	27,417	416	0	0	0	0	0	433,238
40 TO 44	115,588	131,744	132,165	92,536	9,555	1,948	0	0	0	0	483,538
45 TO 49	84,870	106,097	101,842	83,788	29,980	40,631	2,663	0	0	0	449,875
50 TO 54	60,769	80,337	85,473	64,275	27,847	67,913	31,397	1,377	0	0	419,390
55 TO 59	32,922	56,613	60,971	46,718	20,914	48,491	24,202	5,344	206	0	296,385
60 TO 64	13,471	30,290	37,981	27,824	14,215	24,792	6,895	3,413	682	0	159,566
65 TO 69	3,149	8,833	9,873	7,907	3,143	7,386	1,809	684	1,004	0	43,792
70 & UP	808	2,431	3,741	3,402	2,156	4,120	1,375	588	1,407	0	20,031
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>618,190</b>	<b>679,415</b>	<b>615,607</b>	<b>354,811</b>	<b>108,230</b>	<b>195,283</b>	<b>68,342</b>	<b>11,406</b>	<b>3,301</b>	<b>0</b>	<b>2,654,589</b>
<b>AVERAGE SALARIES:</b>											
UNDER 20	19,600	0	0	0	0	0	0	0	0	0	19,600
20 TO 24	26,765	28,123	0	0	0	0	0	0	0	0	26,792
25 TO 29	30,764	34,328	33,214	0	0	0	0	0	0	0	31,329
30 TO 34	34,609	38,406	44,189	42,720	0	0	0	0	0	0	37,360
35 TO 39	35,312	39,701	43,203	42,574	37,877	0	0	0	0	0	39,601
40 TO 44	38,620	41,481	41,276	41,496	39,980	42,349	0	0	0	0	40,681
45 TO 49	38,368	40,697	40,048	41,214	45,083	40,632	40,351	0	0	0	40,435
50 TO 54	37,327	39,791	38,073	39,216	46,259	41,160	44,284	43,032	0	0	39,851
55 TO 59	37,412	40,496	37,965	37,555	41,252	41,129	45,238	43,097	34,418	0	39,629
60 TO 64	35,173	37,675	36,803	36,229	42,435	39,415	42,045	48,763	52,527	0	38,010
65 TO 69	33,154	36,354	33,697	35,782	37,424	41,265	40,204	42,759	47,843	0	36,585
70 & UP	33,674	34,240	31,978	30,935	35,352	37,123	40,447	39,215	45,396	0	34,898
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>35,672</b>	<b>39,755</b>	<b>40,320</b>	<b>39,817</b>	<b>43,223</b>	<b>40,735</b>	<b>44,007</b>	<b>44,384</b>	<b>46,498</b>	<b>0</b>	<b>39,166</b>

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTIVE VALUATION AS OF JUNE 30, 1999

TIER: ALL SEX: M&F

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
<b>NUMBERS:</b>											
UNDER 20	7	0	0	0	0	0	0	0	0	0	7
20 TO 24	1,067	35	0	0	0	0	0	0	0	0	1,102
25 TO 29	4,874	1,366	42	0	0	0	0	0	0	0	6,282
30 TO 34	7,364	6,741	2,948	85	0	0	0	0	0	0	17,138
35 TO 39	7,444	8,769	9,505	2,169	38	0	0	0	0	0	27,925
40 TO 44	6,384	7,504	9,112	6,474	935	74	0	0	0	0	30,483
45 TO 49	4,769	5,960	7,372	6,872	2,595	2,272	146	0	0	0	29,986
50 TO 54	3,464	4,354	5,466	4,688	2,051	4,509	1,343	51	0	0	25,926
55 TO 59	1,923	2,928	3,565	2,954	1,295	2,778	1,394	332	7	0	17,176
60 TO 64	905	1,786	2,159	1,732	753	1,330	553	221	29	0	9,468
65 TO 69	224	572	697	489	194	331	119	65	48	0	2,739
70 & UP	76	153	275	241	110	192	69	33	77	0	1,226
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>38,501</b>	<b>40,168</b>	<b>41,141</b>	<b>25,704</b>	<b>7,971</b>	<b>11,486</b>	<b>3,624</b>	<b>702</b>	<b>161</b>	<b>0</b>	<b>169,458</b>
<b>SALARIES (IN THOUSANDS):</b>											
UNDER 20	154	0	0	0	0	0	0	0	0	0	154
20 TO 24	29,623	1,116	0	0	0	0	0	0	0	0	30,740
25 TO 29	157,020	52,244	1,837	0	0	0	0	0	0	0	211,101
30 TO 34	260,765	287,543	144,257	4,212	0	0	0	0	0	0	696,777
35 TO 39	274,244	382,546	461,859	112,668	1,746	0	0	0	0	0	1,233,067
40 TO 44	250,636	332,547	429,268	326,023	47,285	3,202	0	0	0	0	1,388,964
45 TO 49	189,888	262,110	342,713	347,203	140,138	110,370	7,346	0	0	0	1,399,771
50 TO 54	138,201	186,283	240,994	222,169	110,426	229,146	67,741	2,621	0	0	1,197,584
55 TO 59	75,307	124,479	150,913	130,490	63,543	135,748	71,927	17,982	238	0	770,632
60 TO 64	34,236	72,368	88,993	73,939	35,505	60,971	27,366	11,930	1,663	0	406,975
65 TO 69	8,595	23,072	27,545	20,516	9,296	15,435	5,650	3,604	2,587	0	116,303
70 & UP	2,687	5,803	10,213	9,197	4,691	8,132	3,054	1,508	4,023	0	49,313
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,421,363</b>	<b>1,730,116</b>	<b>1,898,597</b>	<b>1,246,420</b>	<b>412,634</b>	<b>563,007</b>	<b>183,086</b>	<b>37,648</b>	<b>8,511</b>	<b>0</b>	<b>7,501,387</b>
<b>AVERAGE SALARIES:</b>											
UNDER 20	22,080	0	0	0	0	0	0	0	0	0	22,080
20 TO 24	27,764	31,905	0	0	0	0	0	0	0	0	27,895
25 TO 29	32,216	38,246	43,752	0	0	0	0	0	0	0	33,604
30 TO 34	35,411	42,656	48,934	49,553	0	0	0	0	0	0	40,657
35 TO 39	36,841	43,625	48,591	51,945	45,973	0	0	0	0	0	44,156
40 TO 44	39,260	44,316	47,110	50,359	50,572	43,279	0	0	0	0	45,565
45 TO 49	39,817	43,978	46,489	50,524	54,003	48,579	50,318	0	0	0	46,681
50 TO 54	39,896	42,784	44,090	47,391	53,840	50,820	50,440	51,409	0	0	46,192
55 TO 59	39,162	42,514	42,332	44,174	49,068	48,866	51,598	54,166	34,009	0	44,867
60 TO 64	37,831	40,520	41,220	42,690	47,152	45,843	49,487	53,984	57,348	0	42,984
65 TO 69	38,373	40,336	39,520	41,957	47,918	46,632	47,479	55,453	53,897	0	42,462
70 & UP	35,368	37,932	37,140	38,162	42,652	42,358	44,271	45,715	52,257	0	40,223
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>36,918</b>	<b>43,072</b>	<b>46,149</b>	<b>48,491</b>	<b>51,767</b>	<b>49,017</b>	<b>50,521</b>	<b>53,630</b>	<b>52,869</b>	<b>0</b>	<b>44,267</b>



**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, 2000**

NEW YORK CITY EMPLOYERS' RETIREMENT SYSTEM  
 PENSIONER VALUATION AS OF JUNE 30, 1999

SUMMARY BY CAUSE AND SEX

ALL FILES

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
<b>ACCIDENTAL DISABILITY:</b>									
UNDER 30	0	0	0	1	22,334	22,334	1	22,334	22,334
30 TO 34	12	368,327	30,694	6	183,384	30,564	18	551,711	30,651
35 TO 39	77	2,652,164	34,444	13	407,946	31,380	90	3,060,110	34,001
40 TO 44	78	2,426,876	31,114	14	373,624	26,687	92	2,800,500	30,440
45 TO 49	193	5,038,839	26,108	11	248,774	22,616	204	5,287,613	25,920
50 TO 54	581	14,245,537	24,519	22	492,655	22,393	603	14,738,192	24,441
55 TO 59	683	15,601,848	22,843	22	442,045	20,093	705	16,043,893	22,757
60 TO 64	445	10,188,766	22,896	25	500,667	20,027	470	10,689,433	22,743
65 TO 69	366	7,574,435	20,695	28	578,104	20,647	394	8,152,539	20,692
70 TO 74	338	7,058,836	20,884	21	367,030	17,478	359	7,425,866	20,685
75 TO 79	226	4,231,145	18,722	21	301,150	14,340	247	4,532,295	18,349
80 TO 84	103	1,886,320	18,314	8	106,981	13,373	111	1,993,301	17,958
85 TO 89	32	639,301	19,978	9	151,251	16,806	41	790,552	19,282
90 & UP	14	258,645	18,475	4	68,000	17,000	18	326,645	18,147
<b>TOTAL</b>	<b>3,148</b>	<b>72,171,039</b>	<b>22,926</b>	<b>205</b>	<b>4,243,945</b>	<b>20,702</b>	<b>3,353</b>	<b>76,414,984</b>	<b>22,790</b>
<b>ORDINARY DISABILITY:</b>									
UNDER 30	2	14,448	7,224	1	8,592	8,592	3	23,040	7,680
30 TO 34	38	559,899	14,734	9	122,432	13,604	47	682,331	14,518
35 TO 39	173	2,461,706	14,230	45	488,018	10,845	218	2,949,724	13,531
40 TO 44	350	4,655,495	13,301	87	1,024,055	11,771	437	5,679,550	12,997
45 TO 49	600	7,828,400	13,047	180	1,964,318	10,913	780	9,792,718	12,555
50 TO 54	1,035	13,849,969	13,382	264	2,929,653	11,097	1,299	16,779,622	12,917
55 TO 59	1,169	15,113,802	12,929	355	3,637,458	10,246	1,524	18,751,260	12,304
60 TO 64	855	10,174,158	11,900	310	2,606,949	8,410	1,165	12,781,107	10,971
65 TO 69	599	6,741,579	11,255	177	1,240,956	7,011	776	7,982,535	10,287
70 TO 74	488	5,341,630	10,946	126	754,120	5,985	614	6,095,750	9,928
75 TO 79	337	3,523,724	10,456	81	511,659	6,317	418	4,035,383	9,654
80 TO 84	135	1,375,528	10,189	56	278,615	4,975	191	1,654,143	8,660
85 TO 89	20	156,843	7,842	36	302,313	8,398	56	459,156	8,199
90 & UP	8	76,456	9,557	26	201,318	7,743	34	277,774	8,170
<b>TOTAL</b>	<b>5,809</b>	<b>71,873,637</b>	<b>12,373</b>	<b>1,753</b>	<b>16,070,456</b>	<b>9,167</b>	<b>7,562</b>	<b>87,944,093</b>	<b>11,630</b>
<b>SERVICE RETIREMENT:</b>									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	0	0	0	0	0	0	0	0	0
35 TO 39	0	0	0	0	0	0	0	0	0
40 TO 44	12	243,679	20,307	1	26,378	26,378	13	-270,057	20,774
45 TO 49	447	13,121,485	29,355	28	815,185	29,114	475	13,936,670	29,340
50 TO 54	2,996	90,525,212	30,215	204	4,622,424	22,659	3,200	95,147,636	29,734
55 TO 59	7,315	204,913,541	28,013	1,943	38,807,878	19,973	9,258	243,721,419	26,325
60 TO 64	9,096	225,768,508	24,821	3,434	60,112,480	17,505	12,530	285,880,988	22,816
65 TO 69	10,564	219,552,060	20,783	5,253	74,035,625	14,094	15,817	293,587,685	18,562
70 TO 74	11,524	208,436,498	18,087	6,163	72,039,875	11,689	17,687	280,476,373	15,858
75 TO 79	9,755	150,832,089	15,462	6,368	58,425,830	9,175	16,123	209,257,919	12,979
80 TO 84	6,354	80,824,692	12,720	5,070	36,756,232	7,250	11,424	117,580,924	10,292
85 TO 89	3,199	37,965,252	11,868	3,222	22,230,598	6,900	6,421	60,195,850	9,375
90 & UP	1,361	17,477,678	12,842	1,468	11,043,846	7,523	2,829	28,521,524	10,082
<b>TOTAL</b>	<b>62,623</b>	<b>1,249,660,694</b>	<b>19,955</b>	<b>33,154</b>	<b>378,916,351</b>	<b>11,429</b>	<b>95,777</b>	<b>1,628,577,045</b>	<b>17,004</b>

EXCL UNMATCHED RECORDS

NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM  
PENSIONER VALUATION AS OF JUNE 30, 1999

SUMMARY BY CAUSE AND SEX

ALL FILES

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
<b>ACCIDENTAL DEATH:</b>									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	0	0	0	1	6,394	6,394	1	6,394	6,394
35 TO 39	0	0	0	1	11,581	11,581	1	11,581	11,581
40 TO 44	0	0	0	2	21,432	10,716	2	21,432	10,716
45 TO 49	0	0	0	3	36,254	12,085	3	36,254	12,085
50 TO 54	0	0	0	6	59,055	9,843	6	59,055	9,843
55 TO 59	0	0	0	12	147,395	12,283	12	147,395	12,283
60 TO 64	0	0	0	17	169,741	9,985	17	169,741	9,985
65 TO 69	0	0	0	8	52,371	6,546	8	52,371	6,546
70 TO 74	0	0	0	9	68,099	7,567	9	68,099	7,567
75 TO 79	0	0	0	13	41,884	3,222	13	41,884	3,222
80 TO 84	0	0	0	11	53,366	4,851	11	53,366	4,851
85 TO 89	0	0	0	15	47,400	3,160	15	47,400	3,160
90 & UP	0	0	0	14	192,525	13,752	14	192,525	13,752
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112</b>	<b>907,497</b>	<b>8,103</b>	<b>112</b>	<b>907,497</b>	<b>8,103</b>
<b>OTHER BENEFICIARIES:</b>									
UNDER 30	19	126,256	6,645	31	237,063	7,647	50	363,319	7,266
30 TO 34	17	137,557	8,092	35	275,679	7,877	52	413,236	7,947
35 TO 39	20	109,638	5,482	37	300,455	8,120	57	410,093	7,195
40 TO 44	32	166,967	5,218	78	710,860	9,114	110	877,827	7,980
45 TO 49	44	274,845	6,246	117	1,076,739	9,203	161	1,351,584	8,395
50 TO 54	56	317,791	5,675	213	2,395,719	11,248	269	2,713,510	10,087
55 TO 59	41	207,749	5,067	377	4,678,841	12,411	418	4,886,590	11,690
60 TO 64	41	200,012	4,878	600	7,288,088	12,147	641	7,488,100	11,682
65 TO 69	55	263,920	4,799	1,042	11,862,368	11,384	1,097	12,126,288	11,054
70 TO 74	85	631,793	7,433	1,877	17,652,201	9,404	1,962	18,283,994	9,319
75 TO 79	98	593,451	6,056	2,831	22,516,737	7,954	2,929	23,110,188	7,890
80 TO 84	103	443,655	4,307	3,188	22,950,182	7,199	3,291	23,393,837	7,108
85 TO 89	79	375,855	4,758	2,446	18,259,866	7,465	2,525	18,635,721	7,380
90 & UP	166	1,350,958	8,138	1,348	10,383,674	7,703	1,514	11,734,632	7,751
<b>TOTAL</b>	<b>856</b>	<b>5,200,447</b>	<b>6,075</b>	<b>14,220</b>	<b>120,588,472</b>	<b>8,480</b>	<b>15,076</b>	<b>125,788,919</b>	<b>8,344</b>
<b>ALL PENSIONERS AND BENEFICIARIES:</b>									
UNDER 30	21	140,704	6,700	33	267,989	8,121	54	408,693	7,568
30 TO 34	67	1,065,783	15,907	51	587,889	11,527	118	1,653,672	14,014
35 TO 39	270	5,223,508	19,346	96	1,208,000	12,583	366	6,431,508	17,572
40 TO 44	472	7,493,017	15,875	182	2,156,349	11,848	654	9,649,366	14,754
45 TO 49	1,284	26,263,569	20,454	339	4,141,270	12,216	1,623	30,404,839	18,734
50 TO 54	4,668	118,938,509	25,480	709	10,499,506	14,809	5,377	129,438,015	24,073
55 TO 59	9,208	235,836,940	25,612	2,709	47,713,617	17,613	11,917	283,550,557	23,794
60 TO 64	10,437	246,331,444	23,602	4,386	70,677,925	16,114	14,823	317,009,369	21,386
65 TO 69	11,584	234,131,994	20,212	6,508	87,769,424	13,486	18,092	321,901,418	17,792
70 TO 74	12,435	221,468,757	17,810	8,196	90,881,325	11,088	20,631	312,350,082	15,140
75 TO 79	10,416	159,180,409	15,282	9,314	81,797,260	8,782	19,730	240,977,669	12,214
80 TO 84	6,695	84,530,195	12,626	8,333	60,145,376	7,218	15,028	144,675,571	9,627
85 TO 89	3,330	39,137,251	11,753	5,728	40,991,428	7,156	9,058	80,128,679	8,846
90 & UP	1,549	19,163,737	12,372	2,860	21,889,363	7,654	4,409	41,053,100	9,311
<b>TOTAL</b>	<b>72,436</b>	<b>1,398,905,817</b>	<b>19,312</b>	<b>49,444</b>	<b>520,726,721</b>	<b>10,532</b>	<b>121,880</b>	<b>1,919,632,538</b>	<b>15,750</b>

Account No.	Description	Debit	Credit	Balance
1000	1000			
1001	1001			
1002	1002			
1003	1003			
1004	1004			
1005	1005			
1006	1006			
1007	1007			
1008	1008			
1009	1009			
1010	1010			
1011	1011			
1012	1012			
1013	1013			
1014	1014			
1015	1015			
1016	1016			
1017	1017			
1018	1018			
1019	1019			
1020	1020			
1021	1021			
1022	1022			
1023	1023			
1024	1024			
1025	1025			
1026	1026			
1027	1027			
1028	1028			
1029	1029			
1030	1030			
1031	1031			
1032	1032			
1033	1033			
1034	1034			
1035	1035			
1036	1036			
1037	1037			
1038	1038			
1039	1039			
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1080	1080			
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1096	1096			
1097	1097			
1098	1098			
1099	1099			
1100	1100			

**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, 2000**

**PART 5**

**STATISTICAL SECTION**

**New York City Employees' Retirement System**

**TABLE OF REVENUE BY SOURCE**  
**Fiscal Years Ended 1991 through 2000**  
**(in thousands of dollars)**

<b>Fiscal Year Ended June 30</b>	<b>Gross Member Contributions</b>	<b>Member Loans</b>	<b>Net Member Contributions</b>	<b>Employer Contributions</b>	<b>Net Investment Income</b>	<b>Other Income</b>	<b>Total</b>	<b>Employer Contributions As A Percentage Of Annual Covered Payroll</b>
2000	\$632,015	\$315,615	\$316,400	\$68,620	\$3,743,905	\$0	\$4,128,925	NA
1999	583,937	277,931	306,006	145,663	4,950,209	0	5,401,878	1.9
1998	537,523	274,288	263,235	211,096	6,763,626	0	7,237,957	3.0
1997	495,872	280,842	215,030	206,899	6,212,351	99	6,634,379	3.1
1996	450,058	238,231	211,827	201,913	4,206,256	3	4,619,999	3.2
1995	410,976	252,631	158,345	439,767	4,173,186	0	4,771,298	6.8
1994	400,285	221,095	179,190	447,984	939,825	0	1,566,999	6.8
1993	339,319	208,326	130,993	491,035	2,961,751	0	3,583,779	7.7
1992	294,136	307,028	(12,892)	539,745	2,494,518	0	3,021,371	8.7
1991	231,281	111,193	120,088	619,611	1,442,251	0	2,181,950	10.1

**New York City Employees' Retirement System**

**TABLE OF BENEFIT EXPENSES BY TYPE**  
**Fiscal Years 1991 through 2000**

(in thousands of dollars)

<b>FISCAL YEAR ENDED JUNE 30</b>	<b>TOTAL RETIREMENT BENEFITS</b>	<b>TOTAL DEATH BENEFITS</b>	<b>OTHER* (Negative)</b>	<b>CHANGE IN ACCRUED BENEFITS PAYABLE</b>	<b>TOTAL BENEFIT PAYMENTS</b>
2000	\$1,959,763	\$74,593	\$0	\$44,090	\$2,078,446
1999	1,909,765	95,117	(5)	(6,931)	1,997,946
1998	1,819,322	85,925	0	(4,949)	1,900,298
1997	1,758,885	87,150	0	(11,773)	1,834,262
1996	1,636,675	101,869	0	(35,240)	1,703,304
1995	1,529,934	106,460	(20)	10,952	1,647,326
1994	1,440,477	78,459	(48)	13,509	1,532,397
1993	1,367,864	77,405	(30)	33,155	1,478,394
1992	1,290,199	74,526	(62)	8,711	1,373,374
1991	1,208,172	99,451	(508)	14,067	1,321,182

\*Represents reimbursement for expenses such as contributions for military service.

**New York City Employees' Retirement System**

**TABLE OF TOTAL EXPENSES BY TYPE**  
**Fiscal Years 1991 through 2000**

(in thousands of dollars)

Fiscal Year Ended June 30	Benefit Payments	Refunds			Excess	Payments To Other Pension Systems And Funds	Administrative Expenses *	Total
		Death	Separation					
2000	\$2,078,446	\$7,867	\$19,875		\$12,180	\$99,373	\$23,245	\$2,240,986
1999	1,997,946	6,368	17,267		6,257	3,868	19,688	2,051,394
1998	1,900,298	5,526	18,269		5,919	2,718	14,750	1,947,480
1997	1,834,262	5,471	16,925		7,086	44,103	11,939	1,919,786
1996	1,703,314	4,273	15,330		8,556	31,175	0	1,762,648
1995	1,647,326	5,124	16,191		8,557	649,952	0	2,327,150
1994	1,532,397	2,969	10,883		6,357	11,031	0	1,563,637
1993	1,478,394	3,060	10,673		5,006	64,135	0	1,561,268
1992	1,373,374	3,286	13,412		6,176	33,715	0	1,429,963
1991	1,321,182	4,428	17,734		6,366	17,398	0	1,367,108

\*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, administrative expenses had been paid by the City.



**New York City Employees' Retirement System**

**TABLE OF TOTAL RETIREMENT ALLOWANCES PAID  
Fiscal Years 1991 through 2000**

(in thousands of dollars)

<b>Fiscal Year Ended June 30</b>	<b>Annuity Portion</b>	<b>Pension Portion</b>	<b>Total Amount Paid</b>	<b>Percent Increase*</b>
2000	\$97,784	\$1,861,979	\$1,959,763	2.60
1999	98,925	1,810,840	1,909,765	5.00
1998	98,918	1,720,404	1,819,322	3.40
1997	101,492	1,657,393	1,758,885	7.50
1996	98,730	1,537,945	1,636,675	7.00
1995	95,120	1,434,814	1,529,934	6.20
1994	93,258	1,347,583	1,440,841	5.50
1993	91,982	1,273,898	1,365,880	6.00
1992	91,077	1,197,277	1,288,354	6.80
1991	90,119	1,116,417	1,206,536	10.90

\* Increases in retirement allowances paid by the retirement system since 1991 were primarily due to an increase in the number of pensioners and an increase in the salary base used for retirement computations, because of wage increases. There have also been occasional cost of living increases.

**New York City Employees' Retirement System**

**TABLE OF DEATH BENEFITS PAID  
Fiscal Years 1991 through 2000**

(in thousands of dollars)

Death In Active Service (Ordinary Death Benefits)				Death After Retirement And Presumed Retirement Benefits		
Total Payments	Members' Portion	City Portion	Fiscal Year Ended June 30	Total Payments	Members' Portion	City Portion
\$39,753	\$7,867	\$31,886	2000	\$42,707	\$3,558	\$39,149
48,538	6,368	42,170	1999	52,947	3,881	49,066
44,395	5,526	38,869	1998	47,056	3,517	43,539
41,139	5,471	35,668	1997	51,482	4,228	47,254
39,617	4,273	35,344	1996	66,525	5,187	61,338
56,995	5,124	51,871	1995	54,589	4,110	50,479
32,477	2,969	29,508	1994	53,468	6,582	46,886
33,052	3,060	29,992	1993	47,413	3,433	43,980
33,298	3,286	30,012	1992	44,514	3,597	40,917
38,496	4,428	34,068	1991	58,374	5,361	53,013

**New York City Employees' Retirement System**

**TABLE OF LOAN ACTIVITY**  
**Fiscal Years 1991 through 2000**  
**(in thousands of dollars)**

TIERS 1 AND 2		FISCAL YEAR ENDED JUNE 30	TIERS 3 AND 4*	
NUMBER OF LOANS ISSUED	AMOUNTS		NUMBER OF LOANS ISSUED	AMOUNTS
6,399	\$46,423	2000	50,865	\$269,192
7,197	40,565	1999	48,447	237,366
8,378	46,575	1998	48,968	227,713
10,654	72,786	1997	47,435	208,056
11,621	66,750	1996	43,812	171,481
17,359	95,540	1995	43,873	157,091
20,001	92,938	1994	40,006	128,157
21,731	98,466	1993	37,442	109,860
24,037	104,463	1992	44,364	202,385
25,844	111,193	1991	N/A	N/A

\*Tier 3 and 4 members have only been eligible for loans since July 1, 1991.

**New York City Employees' Retirement System**

**TABLE OF MEMBERS' EXCESS CONTRIBUTIONS WITHDRAWN\***  
**Fiscal Years 1991 through 2000**

**(in thousands of dollars)**

<b>Fiscal Year Ended June 30</b>	<b>Number of Members</b>	<b>Amounts Withdrawn</b>
2000	699	\$12,180
1999	399	6,257
1998	407	5,919
1997	422	7,086
1996	588	8,566
1995	778	8,557
1994	548	6,357
1993	474	5,006
1992	604	6,306
1991	734	6,366

\* In accordance with § 13-140 of the Administrative Code of the City of New York, Tier 1 and Tier 2 members of the retirement system who have cancelled their rate of contribution are entitled to withdraw excess contributions from their annuity savings fund after they have attained the minimum age and/ or service requirements for the retirement plan in which they are enrolled.

## FOREWORD

**In the following 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.**

**New York City Employees' Retirement System**

**TABLE OF AVERAGE ANNUAL BENEFIT PAYMENTS  
SERVICE RETIREMENT EXPERIENCE  
Calendar Years 1990 – 1999**

YEAR OF RETIREMENT	YEARS OF CREDITED SERVICE									SUMMARY
	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	
<b>1999</b>										
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
<b>1998</b>										
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
<b>1997</b>										
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
<b>1996</b>										
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
<b>1995</b>										
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
<b>1994</b>										
AVG. RETIREMENT ALLOW.	0	3,809	6,075	10,409	22,167	25,571	31,709	36,592	38,327	\$22,077
% OF SALARY BASE	12	12	19	30	50	56	66	77	90	50
NO.OF RETIREES INCLUDED	1	39	604	324	1,560	1,660	549	153	45	4,935
<b>1993</b>										
AVG. RETIREMENT ALLOW.	0	3,157	5,951	11,113	24,152	27,872	31,803	36,105	46,513	\$21,849
% OF SALARY BASE	0	14	19	34	50	56	66	76	89	49
NO.OF RETIREES INCLUDED	0	57	463	351	1,536	648	288	65	39	3,447
<b>1992</b>										
AVG. RETIREMENT ALLOW.	6,760	3,544	5,637	11,325	21,046	24,460	29,399	35,867	42,173	\$22,118
% OF SALARY BASE	32	14	19	35	49	56	66	77	90	54
NO.OF RETIREES INCLUDED	2	17	462	503	1,647	1,082	687	293	179	4,872
<b>1991</b>										
AVG. RETIREMENT ALLOW.	2,347	4,020	5,663	10,875	21,131	23,971	28,666	33,310	41,472	\$20,674
% OF SALARY BASE	16	13	19	29	49	57	66	77	87	51
NO.OF RETIREES INCLUDED	2	27	490	642	2,144	1,075	470	275	113	5,238
<b>1990</b>										
AVG. RETIREMENT ALLOW.	0	4,070	5,920	11,243	22,508	25,021	29,396	35,035	41,967	\$21,517
% OF SALARY BASE	0	15	20	36	49	57	66	76	88	51
NO.OF RETIREES INCLUDED	0	22	369	764	3,178	1,041	369	211	70	6,024

New York City Employees' Retirement System

SERVICE RETIREMENT EXPERIENCE  
 TABLE OF AVERAGE RETIREMENT ALLOWANCE BY AGE AND YEARS OF SERVICE  
 Calendar Year 1999

Years of Service	AGE AT RETIREMENT																		
	UNDER 50			50-54			55-59			60-64			65-69			70 AND OVER			
	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							4,806.34	2	16.9	4,636.80	87	13.0	5,123.02	72	13.6	3,434.65	13	13.3	
10-14.9	3,881.61	4	14.4	6,934.18	9	11.7	7,222.62	26	15.8	7,122.84	252	19.9	7,547.58	208	19.8	8,330.12	62	20.2	
15-19.9	23,966.05	10	40.4	14,502.63	43	34.7	10,644.49	62	28.4	10,655.51	191	28.0	11,782.82	101	28.7	9,960.78	36	29.1	
20-24.9	30,377.15	131	48.1	27,776.89	124	46.2	22,623.67	57	44.7	18,859.46	214	43.1	19,292.99	76	42.8	14,774.34	22	44.0	
25-29.9	41,647.05	59	59.2	35,087.63	315	57.8	27,897.40	508	56.1	26,159.65	415	55.8	25,538.50	105	57.3	24,003.64	34	62.3	
30-34.9	47,502.04	10	66.8	36,992.79	128	63.3	37,319.75	224	66.2	34,014.32	127	67.0	32,478.44	41	67.9	32,533.63	9	71.3	
35-39.9				40,869.01	18	70.0	41,921.15	61	75.6	39,163.05	45	76.8	41,031.33	19	84.1	40,537.94	4	84.1	
40 and Over				22,098.66	1	72.0	40,230.27	2	58.4	38,700.48	10	86.8	54,743.38	9	95.3	59,011.43	11	12.5	
SUMMARY	33,489.67	214	51.8	32,407.18	638	55.2	28,997.94	942	57.1	19,086.43	1341	44.6	15,658.53	631	37.6	16,570.39	191	43.0	

**New York City Employees' Retirement System**  
**SERVICE RETIREMENT EXPERIENCE**  
**TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY AGE**  
**Calendar Year 1999**

Allowance Range	AGE AT RETIREMENT						TOTAL
	Under 50	50-54	55-59	60-64	65-69	70 and Older	
\$1,999 or Less				4	3	1	8
2,000-3,999	3	5	11	52	35	13	119
4,000-5,999		5	13	137	112	22	289
6,000-7,999	1	8	18	144	73	22	266
8,000-9,999		11	25	82	64	27	209
10,000-11,999	1	10	16	94	41	18	180
12,000-13,999		17	37	80	38	10	182
14,000-15,999	2	21	57	85	33	11	209
16,000-17,999		27	56	78	37	11	209
18,000-19,999	1	21	70	80	34	11	217
20,000-21,999	1	22	55	61	25	5	169
22,000-23,999	9	27	48	52	18	3	157
24,000-25,999	17	34	50	33	13	5	152
26,000-27,999	28	43	55	39	17	4	186
28,000-29,999	29	47	37	44	8	3	168
30,000-31,999	23	31	36	46	7	4	147
32,000-33,999	19	29	41	28	9	4	130
34,000-35,999	8	39	39	34	14		134
36,000-37,999	9	35	45	26	6	2	123
38,000-39,999	57	195	221	132	41	14	660
\$40,000 or More	6	11	12	10	3	1	43
<b>TOTAL</b>	<b>214</b>	<b>638</b>	<b>942</b>	<b>1,341</b>	<b>631</b>	<b>191</b>	<b>3,957</b>



New York City Employees' Retirement System

**SERVICE RETIREMENT EXPERIENCE  
TABLE OF DISTRIBUTION OF RETIREMENT ALLOWANCE BY YEARS OF SERVICE  
Calendar Year 1999**

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		8								8
2,000 - 3,999		67	50	2						119
4,000 - 5,999		59	204	25					1	289
6,000 - 7,999		25	124	113	4					266
8,000 - 9,999		11	76	87	34	1				209
10,000 - 11,999		2	51	58	65	4				180
12,000 - 13,999		2	27	45	42	66				182
14,000 - 15,999			11	32	37	116	13			209
16,000 - 17,999			7	24	28	116	30	4		209
18,000 - 19,999			5	19	34	126	29	4		217
20,000 - 21,999			4	12	28	94	24	6	1	169
22,000 - 23,999			1	7	31	90	22	5	1	157
24,000 - 25,999				8	43	63	27	9	2	152
26,000 - 27,999				2	73	76	25	9	1	186
28,000 - 29,999			1	2	56	75	25	8	1	168
30,000 - 31,999				3	48	67	21	6	2	147
32,000 - 33,999				3	27	72	25	3		130
34,000 - 35,999				1	16	72	37	8		134
36,000 - 37,999					15	67	34	5	2	123
38,000 - 39,999					37	313	212	77	21	660
\$40,000 or More					6	18	15	3	1	43
<b>TOTAL</b>	<b>0</b>	<b>174</b>	<b>561</b>	<b>443</b>	<b>624</b>	<b>1,436</b>	<b>539</b>	<b>147</b>	<b>33</b>	<b>3,957</b>

**New York City Employees' Retirement System**  
**TABLE OF BENEFIT EXPERIENCE: ORDINARY DISABILITY RETIREMENT**  
 Calendar Years 1990 through 1999

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
1999	415	51	16	\$43,676	\$16,597	38
1998	414	49	16	41,889	15,918	38
1997	77	51	23	41,632	21,482	52
1996	72	51	22	39,467	17,761	45
1995	116	48	22	38,488	18,357	48
1994	135	48	20	35,176	15,759	45
1993	191	50	19	35,124	14,401	41
1992	279	49	18	35,302	14,474	41
1991	267	49	18	33,990	14,276	42
1990	262	48	19	33,805	13,522	40

**TABLE OF BENEFIT EXPERIENCE: ACCIDENTAL DISABILITY RETIREMENT\***  
 Calendar Years 1990 through 1999

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
1999	40	45		\$57,214	\$41,194	72
1998	11	51		54,186	44,974	83
1997	12	49		52,482	39,309	75
1996	9	47		42,830	26,126	61
1995	23	43		46,530	35,130	76
1994	40	44		48,601	37,374	77
1993	88	41		45,456	31,819	70
1992	113	42		45,309	34,435	76
1991	91	43		41,561	32,841	79
1990	136	47		36,844	28,665	78

\*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.

**New York City Employees' Retirement System**

**TABLE OF PENSIONERS AND BENEFICIARIES**  
**Fiscal Years 1991 through 2000**

<b>Fiscal Year Ended June 30</b>	<b>New Pensioners</b>	<b>Terminated Pensioners</b>	<b>Net Change</b>	<b>Total Number</b>	<b>Percentage Change</b>
<b>2000</b>	4,944	4,039	905	129,246	.71
<b>1999</b>	4,310	9,118	(4,808)	128,341	(3.61)
<b>1998</b>	3,899	7,562	(3,663)	133,149	(2.68)
<b>1997</b>	5,815	6,047	(232)	136,812	(0.17)
<b>1996</b>	5,789	3,767	2,022	137,044	1.50
<b>1995</b>	6,341	2,192	4,149	135,022	3.17
<b>1994</b>	6,101	2,786	3,315	130,873	2.60
<b>1993</b>	7,858	3,096	4,762	127,558	3.88
<b>1992</b>	5,919	2,528	3,391	122,796	2.84
<b>1991</b>	8,137	2,746	5,391	119,405	4.73

New York City Employees' Retirement System

**TABLE OF ACTIVE MEMBERS**  
Fiscal Years 1991 through 2000

Fiscal Year Ended June 30	Number of Entrants During Year	Number of Withdrawals During Year	Net Change	Total Membership	Percentage Change
2000	12,617	7,320	5,297	222,313	2.44
1999	12,698	7,618	5,080	217,016	2.40
1998	11,001	7,066	3,935	211,936	1.90
1997	9,567	11,842	(2,275)	208,001	(1.08)
1996	11,562	21,524	(9,962)	210,276	(4.52)
1995	9,500	11,033	(1,533)	220,238	(0.69)
1994	14,948	8,864	6,084	221,771	2.82
1993	12,990	8,698	4,292	215,687	2.03
1992	11,354	10,729	625	211,395	0.30
1991	14,334	15,501	(1,167)	210,770	(0.55)

*SAM*