

BTA Retirement Committee Report November 21, 2013

NYS Teacher Retirement System Convention, November 2-4, Saratoga Convention Center, attended by Kevin Crowley, BTA Retirement System Delegate, Member of the NYSUT Pension and Retirement Committee.

Last year, TRS posted a rate of return of +2.8%. **I am pleased to report that from 2012 to 2013 the TRS portfolio has seen a 13.7% rate of return, the fourth consecutive year of positive returns. The fund gained \$9.6 billion, paid out \$6.1 billion, and now rests at a total of \$95.4 billion under management. The funded ratio slipped to 89.8% reflecting losses due to fewer teachers contributing (we are down some 3000 teachers across the State) and the rising number of retirees each year. I have been informed that the TRS system remains very solvent (anything above 80% is great) and one of the healthiest in the country.**

Over the past 25 years, the TRS portfolio has returned **9.1%** with 87% of System income derived from investments and 3% from member contributions. This rate of return is better than the System's actuarial assumption of an 8% return on investments each year. **Note that 90% of the monies used to pay benefits are NOT funded by taxpayers as some individuals and groups claim. In addition, the vast majority of retirees remain in NYS and their retirement benefits continue to drive the economic engine within New York.**

ERS, with a different fiscal year (ending 3/31/13), reported a **+10.38%** rate of return, also up substantially from the prior year gain of **5.96%**, and closed the year with **\$160.7 billion** in total managed assets. ERS is presently funded to **87.2%** reflecting a slight drop from the year before (90.2%) of its future obligations (remember, over 80% is considered quite good!)

**The above noted figures represent how well the TRS and ERS managers are doing their jobs. The plans have survived the global recession and are well funded and "rock solid".** For many of us, our public pensions are the bulk of our retirement planning strategy and they will be there for us in the future. **TRS and ERS remain among the top public pension systems in the world.** Thankfully so, because **without our defined benefit pensions**, current retirement advice says you would require between **5 and 8 times your annual salary in solvent assets** to have enough money to last in retirement! If you do not have enough saved, you risk outliving your money and being forced to radically change your lifestyle.

Your **Benefit Profile:** Many of you may have received your annual **Benefit Profile** from the TRS. This year, the cover is blue and white. Keep it in a safe place for future reference. **Do not throw it out!!!! The Profile contains all your information in a relatively understandable format. Please look at it CAREFULLY! Pay particular attention to your Service Credit History at the end of the booklet and make sure it is accurate.** Also, pay attention to the salary history reported under the section entitled **FAS & Payment Options**. And make sure that all your eligible salary (coaching, pathways, extra duties, etc.) has been included. Any questions at all, please call or e-mail me.

**BTA members may contact Kevin Crowley at FLHS, 241-6178, at home (203) 454-9545, or through district e-mail (kcrowley0245) to discuss, in confidence, their future plans. This is especially true if a member becomes seriously ill while still working.**

Respectfully submitted by Kevin J. Crowley.