

Inside TRS

Information from the Teachers' Retirement System of the City of New York

Winter 2023

Tier VI Member Contribution Rate Changes

If you're involved with implementing TRS deductions on payroll, you may have noticed more activity than usual at the end of 2022—specifically, changes in members' pension contributions.

First, in November, TRS adjusted the contribution rates for about 25,000 members. Recent legislation known as Chapter 56 (first reported in our Summer 2022 issue) resulted in a decrease to certain Tier VI members' contribution rates for 2022, so we changed those rates and refunded any excess contributions.

Then in December, we performed our annual recalculation of pension contribution rates for all Tier VI TRS members, using the latest employer-provided salary and wage information. As a result, approximately 16,000 members are contributing at a different rate in 2023.

That's more than 40,000 changes to pension contributions alone, in just a two-month period. We thank our colleagues at the charter schools and the CUNY locations for implementing these timely changes and preventing deficit situations for the affected members.

Membership Transfers vs. Transferred Contributors

Employer representatives are sometimes confused by similar situations involving a change in membership: becoming a transferred contributor to TRS and transferring membership into or out of TRS. Here are scenarios that illustrate these situations:

Transfer-In: Sam was a teacher in White Plains last year and a member of NYSTRS. This year, Sam accepted a TRS-eligible position at CUNY. After enrolling in TRS, Sam completes the paperwork to initiate the transfer of the NYSTRS membership to TRS.

Transfer-Out: Morgan, a TRS member, resigns from a CUNY position and immediately begins work in a NYCERS-eligible position. But Morgan wants to transfer membership to NYCERS and files a membership transfer form with TRS to start this process.

Transferred Contributor: Chris, a TRS member, resigns from a CUNY position and immediately begins work in a NYCERS-eligible position. Chris wants to remain a member of TRS instead of transferring to NYCERS. So, Chris files paperwork with TRS to become a "transferred contributor" and have pension contributions from the new employer directed to TRS.

Transferred contributor status, transfers-in, and transfers-out are covered on pages 56 - 59 in the [TRSNYC Employer Manual](#).

TRS Calendar

February

- Account Statements for 4th quarter 2022
- Holiday Closure: February 20

Operational News

Tax Information:

Members' 1099 forms for the 2022 tax year will be posted to the secure section of the TRS website and mailed to members by the end of January.

Updated Resources on Our [Publications Page](#):

- ✓ *Fund Profiles*
- ✓ Fall 2022 Member Newsletters
- ✓ *Annual Comprehensive Financial Report*

Charter School Reminder: Late Contributions = Late Fees

TRS must receive employee contributions from all employers in full and on time. The payroll contribution requests we send you each month are based on State and City law. When you miss a payment deadline, late fees and interest charges can result, which can be costly to your school.

In addition, when employee contributions are late, deficits may be triggered in member accounts, which costs your employees more money too.

Please make sure to send contributions using the TRS Employer Interface no later than two days before each pay date.



Partner Profile: Marek Tyszkiewicz, Chief Actuary

In this edition, we chat with New York City's new Chief Actuary, Marek Tyszkiewicz. Marek and the Office of the Actuary have a unique role, directly serving all five of the City's retirement systems.

How would you summarize the role of the Office of the Actuary?

Our role is to provide independent actuarial services and information to the City and its five retirement systems. We're a non-mayoral agency reporting directly to the trustees of the plan, who represent both the City and labor unions. Our services include calculating the City's required contributions, publishing financial statements, certifying pension benefits, and estimating the cost of plan changes.

What has been eye-opening to you since your August 2022 start date as Chief Actuary?

The impact of 9/11 on the City and pension plans. I was in the air flying that morning before being grounded in Minneapolis. I remember watching 9/11 unfold on the airport TV. Today, New Yorkers are still getting sick and dying because of that day. When I look at our valuation model and see logic for World Trade Center disability and death benefits, it reminds me of the terrible human price the City continues to pay 21 years later.

From your perspective, what should employees understand about the pension benefit provided by City employment?

Years ago, late in my father's life, he asked me to take over his finances. I was in my 30's and can't describe my relief seeing his government pension deposited into his bank account every month, knowing his retirement security did not depend on my investment expertise. That's the big takeaway. Your pension benefits are secure and defined. You know what you'll get for the rest of your life, regardless of the stock market headline that day.

How important is the timely collection of contributions (from employees and employers)?

I heard an actuary say once: "Pensions aren't funded by fuzzy feelings and warm wishes. They're funded by cold hard cash." That pretty much sums it up. Money comes in, earns income,

and pensions are paid out. Contribution delays mean that less money is in the market generating income, which over the long term causes the City to spend more on pensions and less on other services.

What would you tell our readers about the health of the City's pension funds?

The pension funds are financially sound. Indicators of good health include whether actuarially required contributions are being made and whether the plan is moving towards being 100% funded. Both indicators are positive. The City is making the actuarially required contributions as mandated by law. Likewise, because the contributions are invested appropriately, all five plans are consistently moving towards full funding. Pension liabilities are a lot like mortgages – you don't expect to pay them off all at once, but slowly over time. The latest published actuarial results as of June 30, 2021 show that, in aggregate, the five City pension plans are 93% funded. (I wish my mortgage was that well-funded.)

You're certainly not new to pensions, but you are new to New York City. Did you have a "Welcome to New York" moment?

I grew up on a farm in Michigan. My parents were Polish immigrants, survivors of Soviet gulags during World War II. My oldest brother called me after my appointment to Chief Actuary and said how proud my parents would have been. He was with them when they immigrated in 1955. He remembers that when they sailed past the Statue of Liberty, my dad took a bullet saved from the war out of his pocket and threw it overboard. They were tired and poor, but they were finally free. When I walk through the streets of New York and hear every language spoken from every corner of the globe and think about the journeys we all took to get here, it makes me proud to be a New Yorker.

Stay informed between issues of *InsideTRS*. Please follow TRS on social media.



55 Water Street, New York, NY 10041
www.trsnyc.org • 1 (888) 8-NYC-TRS

TEACHERS' RETIREMENT BOARD

Debra Penny, Chairperson
Bryan Berge
Thomas Brown
David Kazansky
Brad Lander
Seritta Scott

EXECUTIVE DIRECTOR

Patricia Reilly