

1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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BOARD MEETING

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6

Thursday, February 26, 2026

7

3:36 p.m.

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Teachers' Retirement System of New York
55 Water Street, 16th Floor
New York, New York 10041

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Sophian DeFrance
Digital Reporter

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Notary Commission No. 01DE0006274

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1 (The proceedings commenced at 3:36 p.m.)

2 MR. MCTIGUE: Good afternoon, everyone.

3 CHAIRMAN BROWN: Good afternoon, Thad.

4 MR. MCTIGUE: Welcome to the Board Meeting of
5 the Teachers' Retirement Board for February 26th, 2026.
6 We'll call the roll.

7 Joseph Borelli?

8 MR. BORELLI: Present.

9 MR. MCTIGUE: Thomas Brown?

10 CHAIRMAN BROWN: Present. Good afternoon,
11 Thad.

12 MR. MCTIGUE: Philip Dukes?

13 MR. DUKES: Present.

14 MR. MCTIGUE: Gregory Faulkner?

15 Victoria Lee.

16 MS. LEE: Present.

17 MR. MCTIGUE: Christina McGrath?

18 MS. MCGRATH: Good afternoon, Thad. Present.

19 MR. MCTIGUE: Amy Slattery?

20 MS. SLATTERY: Present.

21 MR. MCTIGUE: Mr. Chair, we have a quorum.

22 CHAIRMAN BROWN: Thank you.

23 And I guess we'll do the update on TRS
24 operations.

25 MR. MCTIGUE: Yes. Kavita Kanwar. We'll turn

1 it over to Kavita.

2 CHAIRMAN BROWN: Great. Thank you.

3 MS. KANWAR: Good afternoon. Regarding our
4 account statements, earlier this month, TRS posted
5 member account statements for the fourth quarter of
6 2025. We emailed members that the statements were
7 available for online viewing and notified them that the
8 next quarterly statements available in May will have a
9 new and different look.

10 Member Education and Outreach, TRS Member
11 Education team reported that, during 2025, they
12 conducted 129 educational programs, both online and
13 on-site, serving over 9,000 members. They also
14 represented TRS at 32 outreach sessions for employers
15 and union groups, and they have several events on the
16 calendar already for the spring semester. Thank you.

17 MR. MCTIGUE: Next item is an update from the
18 Actuary.

19 MR. TYSZKIEWICZ: Good afternoon. It's that
20 time of the year, again, a new legislative cycle, and
21 I've been asked to keep the Board updated on fiscal
22 notes impacting TRS.

23 So far, there was one fiscal note impacting
24 TRS that was released in time for this agenda. It's in
25 your board material, but it's an increase in benefit for

1 Tier 6 members that have over 20 years of service.

2 At 20 years, the current benefit formula is 35
3 percent of final average salary, and the proposed
4 legislation being considered would increase that to 40
5 percent.

6 So I'm happy to answer any questions if you
7 have any.

8 CHAIRMAN BROWN: Any questions?

9 MR. BORELLI: Yeah.

10 CHAIRMAN BROWN: Joe?

11 MR. BORELLI: That puts it in line with Tier 4
12 for 20 years, but does it allow the person to retire at
13 20 years as well?

14 MR. TYSZKIEWICZ: So all it does is increase
15 the benefit formula at 20 years. So for Tier 4, it's 2
16 percent times final average -- final average salary
17 times credited service.

18 MR. BORELLI: Right. So I'm a NYCERS member,
19 so I hit my 20th year.

20 MR. TYSZKIEWICZ: Yeah, that would be 40
21 percent --

22 MR. BORELLI: And I'm 40 percent, but I can't
23 collect Rule 57. Would our members now be able to
24 collect or finish their city service at 40 percent?

25 MR. TYSZKIEWICZ: It doesn't change their

1 retirement eligibility. So whatever the retirement
2 eligibility, it's the same. All it did is change the
3 benefit formula.

4 MR. BORELLI: Okay.

5 MR. TYSZKIEWICZ: So at 20 years, also, they
6 would get that 40 percent, which you would get at Tier 4
7 as well.

8 CHAIRMAN BROWN: Thank you, Marek.

9 MR. MCTIGUE: If there are no other further
10 questions, Mr. Chair, should I move to the Executive
11 Director's Report?

12 CHAIRMAN BROWN: Sure. Thank you, Thad.

13 MR. MCTIGUE: So for the Executive Director's
14 Report, we have one item today. It's the next meeting.
15 It has been suggested that the next regular meeting of
16 the Teachers' Retirement Board be held on the third
17 Thursday of the month, March 19th, 2026. Please mark
18 your calendars accordingly.

19 CHAIRMAN BROWN: Thank you.

20 MR. MCTIGUE: The next item is the calendar
21 and the approval of the minutes. We have two minutes
22 we're seeking approval for, first is the January 8th,
23 2026 Investment Meeting minutes, and the second is the
24 January 15th, 2026 Board Meeting minutes.

25 CHAIRMAN BROWN: Great. Thank you.

1 Do I hear a motion to move the January 8th,
2 2026 Investment Meeting minutes and the January 15th,
3 2026 Board Meeting minutes?

4 MS. MCGRATH: So moved.

5 CHAIRMAN BROWN: It's been moved. Is there a
6 second?

7 MS. LEE: Second.

8 CHAIRMAN BROWN: Great. All those in favor of
9 approving those Board Meeting and Investment Meeting,
10 please say aye.

11 (Ayes were heard.)

12 CHAIRMAN BROWN: Opposed, say nay?
13 Abstentions?

14 Thank you. The record shows that they are
15 approved.

16 MR. MCTIGUE: The next item is the adoption of
17 the calendar. You should have all received an
18 electronic version of the calendar.

19 CHAIRMAN BROWN: Okay. And we will ask for a
20 motion to accept the calendar items?

21 MS. MCGRATH: Waive -- please waive the
22 reading. Sorry.

23 CHAIRMAN BROWN: Okay. The waive the reading
24 has been noted.

25 MS. MCGRATH: Sorry.

1 CHAIRMAN BROWN: And now, I'll entertain a
2 motion to accept the calendar items.

3 MS. MCGRATH: So moved.

4 CHAIRMAN BROWN: It has been moved. Is there
5 a second?

6 MS. LEE: Second.

7 CHAIRMAN BROWN: Those in favor of approving
8 the calendar items for February 2026, please say aye?

9 (Ayes were heard.)

10 CHAIRMAN BROWN: Those opposed, say nay?

11 The calendar items have been approved. Thank
12 you.

13 MR. MCTIGUE: That -- Chair and Board Members,
14 we will move to Other Business.

15 We have today a TRS presentation on the Roth
16 plan, and that presentation will be given to us by Matt
17 Laskowski, who I think many of you know, who is our
18 director of our Public Information Office.

19 CHAIRMAN BROWN: Hi, Matt.

20 MR. LASKOWSKI: Good afternoon.

21 CHAIRMAN BROWN: Good afternoon.

22 MR. LASKOWSKI: Good afternoon, everybody. My
23 name is Matt Laskowski, as mentioned. I'm the
24 communications director here at TRS. Been here, working
25 here in communications and member education for

1 30-something years now. And it's my pleasure to have
2 the opportunity to speak with you today about the Roth
3 option that TRS has just introduced under our 403 plan.

4 So I'm going to start off the presentation
5 with a question, actually. Who here remembers 1970?
6 We're not -- we're on the public record, so you don't
7 have to answer.

8 CHAIRMAN BROWN: February 1970?

9 MR. LASKOWSKI: The reason I mentioned that,
10 yes, is February 1970.

11 CHAIRMAN BROWN: 56 years.

12 MR. LASKOWSKI: 56 years ago, and that is the
13 year -- that is the time that TRS actually introduced
14 our 403(b) program.

15 CHAIRMAN BROWN: Happy birthday.

16 MR. LASKOWSKI: Happy birthday to the TDA
17 program.

18 I'm not able to move this, so just stop my
19 sharing for one second. Sorry about this.

20 Liz, actually, do you want to take over the
21 slides?

22 MS. SANCHEZ: I will.

23 MR. LASKOWSKI: Okay.

24 MS. SANCHEZ: I'll bring it up now.

25 MR. LASKOWSKI: Yeah, that will work. Sorry

1 about the technical difficulties.

2 But I will tell you that, in 1970, TRS began
3 our Tax Deferred Annuity Program, our 403(b) program,
4 established in February, under the New York City
5 Administrative Code and under the Internal Revenue Code,
6 Section 403(b) of the Internal Revenue Code, in fact.

7 A Section 403(b) plan is a type of retirement
8 plan that is available to educators, primarily
9 educational employers, but also some tax benefited
10 employers, such as churches, charities. It's comparable
11 to a 401k in the private sector.

12 Liz, you can move to the third slide, the blue
13 one, where we're defining our terms about -- there we
14 go.

15 Comparable to a 401k in the private sector,
16 and it gets its fancy name from the section of the
17 Internal Revenue Code that established it. So that's
18 what a 403(b) plan is. Probably most of you know that,
19 but I just want to make sure everybody is on the same
20 page before we move on with the program.

21 And you can click a couple more clicks to show
22 the full slide there, Liz.

23 So it was established -- our 403(b) was
24 established as a voluntary defined contribution plan
25 with contributions from employees only. No employer

1 match, no employer contribution of any kind in the
2 403(b) plan. And as a tax sheltered, traditional tax
3 sheltered plan, the idea is the contributions are made
4 from pre-tax money. So taxes are deferred on the
5 contributions, taxes are deferred on the earnings on the
6 contributions, and then paid by the recipient later when
7 the funds are received as income. That's the idea of a
8 traditional tax sheltered account.

9 So over the intervening decades, thank you for
10 that history lesson, enduring that history lesson, but
11 over the intervening decades, we made some enhancements
12 to the 403(b) plan. We introduced account deferral at
13 retirement to allow members to retain their accounts and
14 not force them to start drawing on those funds
15 immediately at retirement. We introduced the loan
16 program in the mid '90s. We increased the number of
17 investment options that are available to participants,
18 and we also made some changes that were required by the
19 federal government. We introduced required minimum
20 distributions for members when they reached a certain
21 age, hardship withdrawals, for example.

22 So you can move on, Liz. Thanks.

23 So that brings us up to today where we stand
24 with the 403(b). Well, not exactly today, but the end
25 of the last fiscal year, which was last June, we had

1 total investments in the TDA program totaling almost \$53
2 billion, 98,000 active contributors to the plan, and
3 164,000 account holders overall, all members of TRS,
4 which makes us the largest 403(b) plan in the country.

5 According to Pensions and Investments, the
6 trade magazine, they do an annual survey, and for the
7 last two years, our 403(b) has been the number one
8 largest in the country. So congratulations to us, we're
9 number one.

10 And Liz, we can move on. Yeah, thank you.

11 The 98,000 members actively contributing
12 certainly is one of the reasons that we're the number
13 one 403(b) plan in the country. That represents just
14 under three quarters of our non-retired membership, so
15 74 percent. We'd love to see that closer to 100 percent
16 of people taking advantage of this opportunity to invest
17 more in their retirement security. Three out of four
18 ain't bad, though, but we're hoping to get there.

19 Those three out of four members are investing
20 an average of roughly \$1,000 per month, \$12,000 per
21 year, so you can see how the money stacks up.

22 The table at the bottom of the screen kind of
23 shows the age distribution of TDA contributors and how
24 it aligns with our overall membership, actually. So for
25 example, you can see, you may be able to see, that 1

1 percent of our contributors to the TDA program are under
2 the age of 25.

3 As folks get more deeper into their career,
4 their engagement in the 403(b) plan increases. You can
5 see 31 percent of our contributors are in the 35 to 44
6 range. Another 31 are in that 45 to 54 range. And that
7 max, roughly max, with the age distribution of the
8 overall non-retired membership population too. It kind
9 of maps together.

10 So we're humming along with the TDA program,
11 and if this were a sitcom or if this were a comedy
12 movie, this would be the part that you'd hear the needle
13 scratch off the record for dramatic effect, because this
14 is the part where I'm going to talk about the next
15 slide, the SECURE Act 2.0, which is a mouthful in
16 itself, the name of it -- oh, back up.

17 So the SECURE Act, SECURE stands -- is an
18 acronym standing for Setting Every Community Up for
19 Retirement Enhancement, and it's a piece of federal
20 legislation, two pieces actually. The first SECURE Act
21 was enacted in 2019, and the second was enacted in 2022,
22 federal legislation, what the point of which was to make
23 it easier for Americans, easier for individuals to
24 access their retirement funds and to simplify the rules
25 that apply to retirement plan administrators, such as

1 us, with our 403(b).

2 There were many, there was a boatload of
3 changes that applied to TRS and our 403(b) over the
4 course of the two acts, but the one I want to focus on
5 today is that last bullet on the screen, which says that
6 SECURE Act 2.0 required plans to apply Roth treatment to
7 certain catch up contributions starting in January 2026.

8 Now, there's a lot of jargon in there, so I'm
9 going to, on the next slide, just make sure, again, we
10 understand our terms.

11 Roth treatment, you're familiar with the Roth
12 investment vehicle. That's the kind of vehicle, the
13 kind of retirement plan where the contributions come
14 from after tax funding, all the earnings are deferred,
15 and when the funds are received later on after
16 retirement or after eligibility, it's tax free. It's
17 kind of the flip side of the traditional tax sheltered
18 investment vehicle. So that's Roth treatment. You're
19 probably familiar with that in your own lives.

20 What you might not be familiar with is the
21 term catch-up contributions. That's basically extra
22 contributions that the IRS allows for plan participants
23 who are 50 or older. They're making up for lost time.
24 They're catching up. So that's what catch-up
25 contributions mean, contributions for age 50 and up

1 folks.

2 So Liz, if you could move to the next slide?

3 We'll take a deeper dive into what this law
4 really meant to us. SECURE Act 2.0 required certain
5 participants in a plan, those who have a high income,
6 over a high income threshold, if they were going to make
7 their catch-up contributions, they had to make them on
8 an after-tax or Roth basis. Not only that, all other
9 participants, regardless of their income, had to have
10 the option to make catch-up contributions on a Roth
11 basis, beginning at age 50.

12 So the bottom line of this particular
13 provision of the SECURE Act 2.0 was, by January 2026,
14 TRS needed to be able to administer after tax 403(b)
15 contributions for members who were 50 and up, and the
16 clock was ticking.

17 So this is 2023 we learned about this rule.
18 And as we analyzed the rule and figured out how we were
19 going to implement it, what we determined was -- the
20 next slide, please, Liz -- that the best way to do this
21 to meet the requirements was to offer Roth as an option
22 for all of our participants rather than just the 50-plus
23 folks that it applied to under the law.

24 It made for a simpler interaction with our
25 payroll system. It made an easier development work for

1 us as we were in the midst of our modernization effort.
2 And overall, it's a better product offering for our
3 membership, right, to offer a Roth option for everybody
4 who participates in the 403(b) program, rather than just
5 those who are 50 and above.

6 So we made that choice to introduce a Roth
7 option for all, and we prioritized the work that we
8 needed to do to stand up the Roth program and begin
9 accepting and managing Roth contributions as of January
10 2026.

11 So as we moved forward towards that, we kept
12 some things in mind, some guidelines. Obviously, a
13 pre-tax account and an after-tax account are separate
14 buckets, need to be kept separately, totally separate
15 from each other. So the Roth is a separate account from
16 the traditional TDA account, but it's all under the same
17 umbrella of the 403(b) plan.

18 And so when we built the features of the Roth
19 plan, we, to the extent that we could, mimicked or
20 copied the features of the TDA plan. The contribution
21 structure was the same. The investment options that
22 were available to members participating in the Roth were
23 the same options available to those on the TDA side.
24 The beneficiary designation process is the same. The
25 withdrawal process is the same. The rules are a little

1 different for Roth funds versus TDA funds, but the
2 process is the same.

3 So where possible, we tried to leverage what
4 we had already built for the Tax Deferred Annuity
5 program when we built the Roth option. So where did
6 that get us? The next slide will tell us that we were
7 able to launch the Roth option successfully at the end
8 of last year. November 17th was the date that we turned
9 on, we flipped the switch on the website and opened up
10 Roth enrollment for our members so that they could begin
11 participating with the very first paycheck in 2026.

12 But prior to that flipping of the switch, we
13 had a publicity campaign throughout the year. We ran
14 newsletter articles in the spring and in the fall. We
15 had a web page, social media, and we concluded the year
16 with an email blast to all eligible members to make sure
17 that they were aware of this new flavor available to
18 them under the 403(b) plan.

19 So how are we doing since November 17th? The
20 next slide will show us. This will show us a snapshot
21 of the first hundred days of the Roth era. We're
22 actually in day 102 right now of the Roth era, so these
23 stats are from two days ago, hot off the presses.

24 You can see that we have close to 5,400
25 members who have opted in to the Roth program. Average

1 contribution rate, a little bit over 9 percent. Average
2 age of those participants, 44. The vast majority, 96
3 percent of the people who enrolled in the Roth plan
4 already have a TDA with us, but there are a few, 225,
5 who do not have a TDA existing with -- a TDA account
6 existing with TRS, and they opted straight for the Roth
7 plan. Just an interesting, interesting factoid there.

8 On the flip side, you can see, on the right
9 side of the screen, you can see the number of TDA, new
10 TDA enrollment -- new TDA enrollments for the same
11 period, about almost 2,300 members. Obviously, a lot
12 less than the Roth for the same period, but remember,
13 98,000 people already are in the TDA. They don't need
14 to re-enroll. They're already enrolled.

15 So all in all, in the last hundred days, what
16 we're looking at is that 7,600 people, 7,600 members
17 have made the choice to augment their pension by
18 participating in our 403(b) plan, whether it's the
19 pre-tax side of the traditional TDA, or whether it's the
20 Roth and the after-tax contribution, or it could be
21 both. And it could be both. For many folks, it is
22 both. So at the end of the day, that's a positive sign.
23 7,600 members taking it on themselves to add to their
24 retirement security.

25 What's next for our Roth plan? We're going to

1 be expanding our educational programs. One of my
2 responsibilities here is overseeing the member education
3 aspect, the online classes that we offer and the on-site
4 classes that we offer downstairs in the Member Education
5 Center. When we have a very popular program about the
6 TDA program -- we have a very popular class about the
7 TDA program, we're going to be expanding that into
8 multiple classes, helping members understand the
9 difference between the Roth and the regular TDA, again,
10 reemphasizing the importance of investing on your own
11 for retirement security.

12 Nobody is an investment advisor here. There's
13 no investment advice going on, but we're giving members
14 the information to make informed decisions. And that's
15 the goal there on the educational programs. That's a
16 soapbox I could be on forever.

17 Another thing that we're going to be doing is
18 formalizing the reporting, the statistical reporting
19 like on the last slide for Roth and TDA participation.
20 Longer term, we're going to be looking at the
21 feasibility of online tools for members to use to play
22 around and help navigate them through this world.

23 We're also going to be focusing on outreach to
24 our younger membership to try and get them engaged in
25 the 403(b), in whatever flavor, a little bit earlier in

1 their process. As you saw through one of the earlier
2 slides, 1 percent of our TDA participants are in that
3 tender young age of 25 or less, and so we have got
4 opportunity to grow there. And the conventional wisdom
5 is that a Roth option speaks more to the younger folks.
6 So we'll reach out to them, make sure that they're aware
7 of this option, hopefully convince them of the wisdom of
8 participating in the plan.

9 But overall, our educational goals are
10 unchanged. We want to encourage members to see the
11 value in participating in the 403(b) plan, whatever
12 flavor it is, the pre-tax traditional one, the Roth
13 plan, or both, to assist them with their retirements,
14 building their retirement security.

15 And that's the conclusion of my presentation.
16 I'm happy to take any questions.

17 CHAIRMAN BROWN: Any questions for Matt?

18 Matt, thank you, and kudos to you and to your
19 entire team for rolling this program out.

20 MR. LASKOWSKI: It was a team effort. Thank
21 you. I'll accept that on behalf of the agency.

22 CHAIRMAN BROWN: Thank you. And again, just
23 to hear that 7,600 of our members have opted to get into
24 a supplemental form of a retirement plan, it's just
25 wonderful. We have always had that problem with the

1 youngins, it's been historical, hasn't it? The
2 percentage of young people below --

3 MR. DUKES: It may have something to do with
4 starting salaries.

5 CHAIRMAN BROWN: Yeah, yeah. I don't think
6 it's starting salaries. I think that it's probably --

7 MR. DUKES: Not on their radar yet.

8 CHAIRMAN BROWN: -- they're not on it.

9 MR. BORELLI: I'm never getting old.

10 CHAIRMAN BROWN: Yeah. I mean, they don't
11 have any problem buying a cup of chino for \$7.32, but
12 yeah.

13 But great, kudos. I'm surprised -- you said
14 the average age of the Roth enrollment was 44. I
15 thought it would have been younger, for some reason.
16 Were you surprised at that age as well?

17 MR. LASKOWSKI: Yeah, that was a little bit
18 surprising. For that same hundred day period, the
19 average age of the Roth enrollees was actually higher
20 than the average age of the traditional TDA, which was a
21 little bit surprising, but it's a small data set and
22 we'll see if that bears out over time. That's another
23 piece of data that we're going to be tracking and
24 looking at.

25 CHAIRMAN BROWN: And it's important for our

1 members to choose an additional defined benefit
2 automatic pension to choose either the TDA or Roth, or
3 both, whatever suits them.

4 MR. LASKOWSKI: Exactly.

5 CHAIRMAN BROWN: And this is only for hundred
6 days, these numbers, So we look forward to the next
7 hundred days.

8 Thanks, Matt.

9 MR. LASKOWSKI: Okay. Appreciate it.

10 CHAIRMAN BROWN: Thank you. Thank you.
11 That's great.

12 So I think that brings us to the conclusion of
13 our Public Session and we don't have an Executive
14 Session today. So any questions before we ask for a
15 motion to adjourn?

16 Thank you. And again, I'd just like to thank
17 Sophian. Welcome back. Thank you for being the
18 recorder. And Argenus (phonetic), thank you so much.
19 Thank you for being here with us.

20 And with that, is there a motion to adjourn?

21 MS. MCGRATH: So moved.

22 CHAIRMAN BROWN: It's been moved. Is there a
23 second?

24 MS. LEE: Second.

25 CHAIRMAN BROWN: Great. All those in favor of

1 adjourning, please say aye?

2 (Ayes were heard.)

3 CHAIRMAN BROWN: Those opposed, say nay?

4 We are adjourned. Thank you, everybody.

5 (The proceedings concluded at 4:04 p.m.)

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That the foregoing proceeding is accurately captured with annotations by me during the proceeding in the above-titled matter, all to the best of my skills and ability.

I further certify that I am not related to any of the parties to this action by blood or marriage and that I am in no way interested in the outcome of this matter.

IN WITNESS THEREOF, I have hereunto set my hand this 10th day of March 2026.

Sophian DeFrance, Digital Reporter
Commission No.: 01DE0006274
Expiration Date: April 26, 2027

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IN WITNESS THEREOF, I have hereunto set my hand this 10th day of March 2026.

Nancy Krakower, Legal Transcriptionist