



To: Chief School Administrators
College and University Presidents
District Contacts
Employer Secure Area Contacts

Administrative Bulletin

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Estimated Range for the Next Employer Contribution Rate

Administrative Bulletin 2016-6, issued August 2016, informed you that the Retirement Board adopted an Employer Contribution Rate (ECR) of 11.72% of payroll. This rate is applicable to fiscal year 2016-17 NYSTRS member salaries and will be collected in September, October and November 2017.

Based on preliminary results from the June 30, 2016 actuarial valuation, we anticipate the ECR for the next year to be between 9.50% and 10.50% of member payroll. This rate will apply to fiscal year 2017-18 NYSTRS member salaries and will be collected in the fall of 2018. An Administrative Bulletin will be provided in February 2017 with a more precise estimate of this ECR.

Generally favorable investment returns over the last several years are the primary reason for the decrease in the rate. Although the System's rate of return for the fiscal year ending June 30, 2016 was only 2.3%, the System's five-year annualized rate of return stands at 8.3%.

While this will mark the third consecutive year of declining rates, a continuing downward trend is not assured. Challenging financial markets have led to low single-digit returns over the last two fiscal years and could lead to increasing employer contribution rates in the future. It would be wise to plan accordingly.

For those employers who elected to participate in the Stable Contribution Option (SCO), it is anticipated the SCO rate will remain at 14.0% plus the group life insurance rate, or 14.13%. This rate will apply to fiscal year 2017-18 member salaries and be collected in the fall of 2018. Final determination of the SCO rate will be made by the Retirement Board at its July Board meeting. The SCO rate is only applicable to those eligible employers that have elected to participate in the SCO.

If you have any additional questions, please call John Cardillo, Manager of Public Information, at (518) 447-4743.

History of the Employer Contribution Rate (ECR)

Table with 2 columns: Salary Year and ECR. Rows range from 1980-81 to 2016-17.

Administrative Bulletins dating from 2005 to the present are available on our website at NYSTRS.org. Select Employers and visit the Administrative Bulletins page.