



# BERS WORDS

A publication of the New York City Board of Education Retirement System

Volume 9 No 1

Winter 2005

## Employee Member Elections Held

The Regular Election of two employee members of the Retirement Board of BERS was held in November 2004 to elect employee representatives to the Board for the period January 1, 2005 through December 31, 2008. Thomas Malanga and Milagros Rodriguez were elected to the Board. Each member was elected with an alternate, who will serve the duration of the term of the elected member, should he or she be unable to complete the term. Joseph D'Amico was elected with Mr. Malanga and Effie Tucker with Ms. Rodriguez.

**Thomas J. Malanga** has represented the members of BERS since August 2003. Prior to that time he served as an Alternate Employee Member beginning in January 2000. Mr. Malanga is a staunch advocate for members and member rights. At BERS he serves on the Audit, Budget, Investment, and Proxy Committees. On the national level, he has served on the National Committee of the National Conference on Public Employee Retirement Systems and as a delegate at the annual convention of the National Council on Teacher Retirement.

Mr. Malanga's role as a Trustee of BERS continues his proud history of service. Mr. Malanga has been active in serving the membership of the International Union of Operating Engineers, Local 891. He served as a steward and assisted on several committees before being elected to the Executive Board in 1992, where he continues to serve, including his current duties as Auditor. He was appointed in 2003 and continues to serve as a Trustee of his Local's Welfare and Annuity Funds. He has also been serving as the Local's Pension Committee Chairman since 1995.

Mr. Malanga has been employed by the Department of Education as a Custodian Engineer since 1978. Upon

election, Mr. Malanga reinforced his 100% commitment to the membership of BERS as well as the children, and staff of the New York City Public School System.

**Milagros Rodriguez** is a new trustee to the Board. She is however very familiar with BERS and the needs of BERS members. She believes that City employees should make informed choices, especially when it comes to planning for their future.

Upon election Ms. Rodriguez pledges to work with the Board, unions and BERS staff to regularly update you on what BERS is doing on your behalf. Her first priority is to reach out to as many members as possible and educate them about the pension benefits offered by the Retirement System. Ms. Rodriguez wants to ensure that every eligible person benefits from the security of a pension.

Ms. Rodriguez is an officer of the Executive Board of Local 372, District Council 37, where she is the Recording Secretary. She also serves as the Local 372, Consumer Committee Secretary. Ms. Rodriguez represents Local 372, as a Delegate of District Council 37 and the Central Labor Council.

Ms. Rodriguez has been with the Department since 1985 and works as a Substance Abuse Prevention and Intervention Specialist in District 2-Region 9. Ms. Rodriguez has a Bachelor's Degree in Sociology and is a Credentialed Alcoholism and Substance Abuse Counselor.

The management and staff of BERS welcome the new Trustees and look forward to working with your elected representatives to increase and improve the range of services provided to you, our members.

## 2004 1099R Forms

The 1099R Forms for calendar year 2004 were mailed to BERS members, retirees, and beneficiaries in January 2005. These statements are prepared in accordance with the requirements of the Internal Revenue Service. If you

received a taxable benefit during calendar year 2004 and you did not receive your 1099R Form, a duplicate can be obtained by contacting BERS staff at (718) 935-4170.

**We would like to hear from you. Please send comments regarding our newsletter, or any specific concern to The Editor, BERS WORDS, Board of Education Retirement System, 65 Court Street, Room 1603, Brooklyn, N.Y. 11201. Or e-mail your comments to [Brespon@nycboe.net](mailto:Brespon@nycboe.net).**

## Thank You Rebecca Marston

Rebecca Marston served as a trustee on the Retirement Board from May 1999 through December 2004. During her tenure, Ms. Marston served as Trustee and Co-Chair of the Retirement Board and Chair of the Investment Committee of the Board.

We take this opportunity to thank Ms. Marston for her service and dedication to the membership and staff of the

Retirement System and would like assure her that the programs and projects that she helped bring to life have and will continue to make a difference.

On behalf of the Membership, Trustees, Management and staff of BERS, we extend our sincere thanks to Ms. Marston and wish her only success in all her future endeavors.

## BERS Extended Hours - Trial Period

In an effort to better serve you, BERS will be open late – until 7:00p.m. on the last Wednesday of every month through June. We are temporarily extending our hours in response to some complaints that members are unable to visit our office during regular business hour.

The dates that BERS will be open late are:

March 30<sup>th</sup>

April 27<sup>th</sup>

May 25<sup>th</sup>

June 29<sup>th</sup>

We encourage you to take advantage of this temporary service. It is always in your best interest to speak with a retirement representative before making important retirement decisions.

For more information, please contact us a BERS representative at (718) 935-5400. Please give us your feedback and let us know if this service is of help to you. If there is a demand for us to continue this service, we will update you in the summer issue of BERS WORDS.

## BERS Legislation Update for 2004

The State legislature has enacted legislation which may affect your pension benefits. The following is a brief description of the new laws and how they may impact your pension benefits.

Chapter 4 of the laws of 2004 amended section 212 of the Retirement and Social Security Laws, increasing the maximum post-retirement earnings for retirees reemployed in the public sector during and after calendar year 2004 to \$27,500.

Chapter 127 of the laws of 2004 extended the Patriot Act of 2003 for one year. The Patriot Act permits members on active duty to delay the repayment of loans and reduces the interest rate to 6% during active duty.

Chapter 133 of the laws of 2004 extended the current interest rate on member and employer contributions until June 30, 2005.

Chapter 446 of the laws of 2004 allows retirees to change their retirement options up to 30 days after receiving their first pension check.

Chapter 623 of the laws of 2004 provides for the establishment of an excess benefit plan which would provide benefits to those pensioners whose benefits have been reduced because they exceed the limitations set by section 415(b) of the Internal revenue Code. This law was retroactive to July 1, 2000.

Chapter 723 of the laws of 2004 allows retirees to authorize deductions from their pensions to be sent to the political committees of their retiree organizations (that is, organizations which were designated as employee representatives while the retiree was employed.)

## Correction

We stated in the Fall 2004 issue of BERS Words in the article titled "Correct form completion will speed your TDA enrollment" that the maximum amount members over age

50 can contribute to their Tax Deferred Annuity in calendar year 2005 is \$16,000. The actual amount is \$18,000.

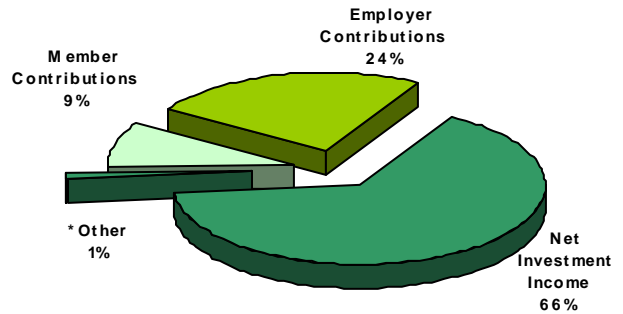
# Financial Reports Issued

An unqualified opinion was issued by independent auditors Deloitte & Touche LLP regarding BERS' financial statements for the fiscal year ending June 30, 2004. This opinion indicates that the financial statements present fairly, in all material respects, the net assets of the plan as of June 30, 2004 and 2003, and the changes in the plan net assets for the years then ended in conformity with Generally Accepted Accounting Principles.

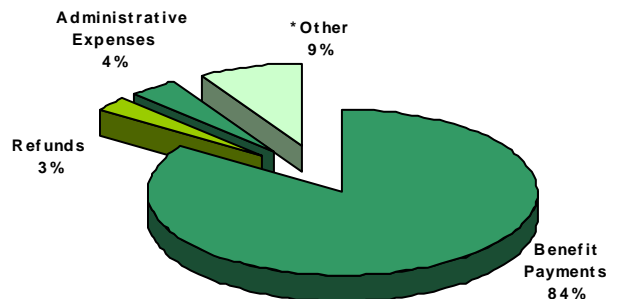
In addition, we are proud to announce that BERS was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This is the eighteenth consecutive year that BERS is the recipient of this prestigious national award. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports. Thanks goes to all of the staff of the Actuary, the Comptroller and BERS who worked on these reports for a job well done.

The following is a summary of the Statement of Assets and the Statement of Changes in Plan Net Assets as of June 30, 2004. The charts reflect the sources and uses of the funds added and deducted from the Plan Assets.

## Sources of Funds as % of Total Income



## Uses of Funds as a % of Total Expenditures



\*Other consists primarily of transfers to and from other retirement systems.

### Statement of Assets As of June 30, 2004

<u>Assets</u> (in thousands)	
Cash	\$1,735
Receivables	\$107,186
Commercial Paper	\$44,625
Short-term Fund	\$66,047
Debt Securities	\$438,275
Equities	\$1,119,004
Collateral	\$333,777
Other Assets	\$644
<b>Total Assets</b>	<b>\$2,111,293</b>
<u>Liabilities</u> (in thousands)	
Account Payable	\$16,497
Payables	\$163,269
Accrued Benefits	\$3,205
Securities Lending	\$333,777
<b>Total Liabilities</b>	<b>\$516,748</b>
<b>NET ASSETS on June 30, 2004</b>	<b>\$1,594,545</b>

### Changes in Assets During Fiscal Year 2004

<u>Cash Position</u> (in thousands)	
Net Assets on June 30, 2003	\$1,410,600
<u>Additions</u> (in thousands)	
Member Contributions	\$31,347
Employer Contributions	\$84,054
Net Investment Income	\$224,385
Other	\$4,770
<b>Total Addition</b>	<b>\$344,556</b>
<u>Deductions</u> (in thousands)	
Benefit Payments and Other disbursements	\$154,192
<b>Total Deduction</b>	<b>\$160,611</b>
<b>NET ASSETS on June 30, 2004</b>	<b>\$1,594,545</b>

# Resolution 2005 - Increase Your TDA Contribution

At this time each year, you begin receiving your tax forms from your employers. If you have nothing to show how that money was spent, if you do not have any financial plans, if you regret not saving more, now is a good time to resolve to make a new start.

The financial experts say that you should pay yourself first and the best and easiest way to do that is to invest in your employer's retirement plans. While pension contributions are set by legislation, members can and should participate in the BERS TDA Program to supplement your post-retirement income.

Here are some suggestions. Start small with 1% or 2% of your salary. The contributions are deducted right from your payroll, making this an easy and consistent approach to retirement savings. The contributions are deducted before your income taxes are calculated and therefore the impact on your current net pay will be smaller than the amount of

your contributions. Increasing your contributions by 1% per year will help maximize your contributions over time.

If you are a Tier 1 or 2 member with 25 years of service and have stopped contributing to the pension plan, or if you are a Tier 3 or 4 member with 10 years of service, or if you are in the 55/25 or 57/5 early retirement program with 30 years of service, you should consider increasing your TDA contributions by all or a portion of the pension contributions that have stopped. If you receive a raise or promotion, you should again consider investing all or a portion of your salary increase into the TDA Program.

Saving is easier once you get started. The BERS TDA Program has open enrollment, so even if you did not contribute before, you can join or you can increase your contributions at any time throughout the coming year. It is never too late to start. Make a resolution now to improve your retirement years.

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