



**FINAL FISCAL YEAR 2023  
EMPLOYER CONTRIBUTIONS TO THE  
NEW YORK CITY BOARD OF EDUCATION  
RETIREMENT SYSTEM**

prepared by the  
**New York City  
Office of the Actuary  
April 11, 2023**



## OFFICE OF THE ACTUARY

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**MAREK TYSZKIEWICZ**  
CHIEF ACTUARY

April 11, 2023

Board of Trustees  
New York City Board of Education Retirement System  
55 Water Street, 50<sup>th</sup> Floor  
New York, NY 10041

Re: Final Fiscal Year 2023 Employer Contribution to the New York City Board of Education Retirement System (BERS)

Dear Members:

The Final 2023 Employer Contribution for the fiscal year ending June 30, 2023 is \$233,546,202. This amount represents an increase of \$7,892,899 from the Preliminary Fiscal Year 2023 Employer Contribution provided to you in a letter dated March 8, 2022.

The Final 2023 Employer Contribution includes the cost for the enactment of Chapter 56 of the Laws of 2022 which reduces the Tier 6 vesting requirement from 10 years to five years.

The actuarial assumptions and methods used to determine the Final 2023 Employer Contribution have not changed from those used to determine the Preliminary 2023 Employer Contribution.

Note that this valuation does not reflect a potential future cost due to *Gulino vs. Department of Education*, 96 Civ. 8414 (KMW).

The following appendices and tables are attached to this letter in support of the Final 2023 Employer Contribution:

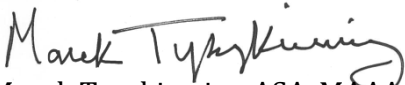
- Appendix A, Table A-1, presents the components of the Preliminary 2023 Employer Contribution and the Final 2023 Employer Contribution payable to the Contingent Reserve Fund of BERS.
- Appendix A, Table A-2, presents the Preliminary 2023 Employer Contribution and the Final 2023 Employer Contribution attributable to the Department of Education and other Obligor of BERS.
- Appendix B presents four tables showing the components of the Final 2023 Employer Contribution for each of the Obligor.
- Appendix C contains a draft Resolution to adopt the Final 2023 Employer Contribution.

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Much more information used in the determination of the Final 2023 Employer Contribution including information about the census data, asset values, actuarial assumptions and methods, plan provisions valued, and a detailed discussion of risks that could impact the future employer contributions and funded status of BERS will be included in the Fiscal Year 2023 Actuarial Valuation Report for the New York City Board of Education Retirement System.

I, Marek Tyszkiewicz, am the Chief Actuary for, and independent of, the New York City Retirement Systems and Pension Funds. I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. To the best of my knowledge, the results contained herein have been prepared in accordance with generally accepted actuarial principles and procedures and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

If you have any questions, please contact Ms. Dolores Capone or me.

  
Marek Tyszkiewicz, ASA, MAAA  
Chief Actuary

MT/eh

Att.

cc: Dolores Capone, ASA, EA – New York City Office of the Actuary  
Michael Hunter, ASA, EA - New York City Office of the Actuary  
Sanford Rich - New York City Board of Education Retirement System  
Michael Samet, FSA – New York City Office of the Actuary  
Keith Snow, Esq. - New York City Office of the Actuary

# Appendix A

## APPENDIX A

<b>TABLE A-1</b>				
<b>NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM</b>				
<b>COMPONENTS OF PRELIMINARY 2023 EMPLOYER CONTRIBUTION</b>				
<b>AND FINAL 2023 EMPLOYER CONTRIBUTION</b>				
<b>COMPONENTS OF EMPLOYER CONTRIBUTION</b>	<b>PRELIMINARY 2023 EMPLOYER CONTRIBUTION</b>		<b>FINAL 2023 EMPLOYER CONTRIBUTION</b>	
Normal Cost	\$	161,599,354	\$	166,665,135
Amortization of Unfunded Accrued Liability				
- Initial Unfunded		136,455,502		136,455,502
- 2011 (Gain)/Loss		(21,558,572)		(21,558,572)
- 2012 (Gain)/Loss		4,365,823		4,365,823
- 2013 (Gain)/Loss		38,526,274		38,526,274
- 2014 (Gain)/Loss		9,952,844		9,952,844
- 2014 Assumption Change <sup>1</sup>		16,568,028		16,568,028
- 2014 Method Change <sup>2</sup>		(27,567,113)		(27,567,113)
- 2015 (Gain)/Loss		15,178,241		15,178,241
- 2016 (Gain)/Loss		12,812,358		12,812,358
- 2017 (Gain)/Loss		(39,483,349)		(39,483,349)
- 2017 Assumption Change <sup>3</sup>		(22,230,444)		(22,230,444)
- 2017 Method Change <sup>3</sup>		11,007,581		11,007,581
- 2018 (Gain)/Loss		(7,877,140)		(7,877,140)
- 2018 Method Change <sup>4</sup>		(11,267,543)		(11,267,543)
- 2019 (Gain)/Loss		(38,601,844)		(38,601,844)
- 2019 Assumption Change <sup>5</sup>		(2,255,653)		(2,255,653)
- 2019 Method Change <sup>5</sup>		(48,729,573)		(48,729,573)
- 2020 (Gain)/Loss		12,447,756		12,447,756
- 2020 TDA Method Change <sup>6</sup>		35,675,656		35,675,656
- 2020 OWBPA <sup>7</sup>		3,985,212		3,985,213
- 2021 (Gain)/Loss		(42,172,953)		(41,612,018)
- 2021 Chapter 56		N/A		2,266,182
Total	\$	35,231,091	\$	38,058,209
Administrative Expenses		28,822,858		28,822,858
Interest on Late Employer Contributions		N/A		N/A
Total Amount from OBLIGORS to the New York City Board of Education Retirement System	\$	225,653,303	\$	233,546,202

N/A = Not Applicable.

<sup>1</sup> Change in post retirement mortality assumptions including the change to the mortality improvement scale MP-2015.

<sup>2</sup> AVA is constrained to a corridor of 80% to 120% of the market value.

<sup>3</sup> 2019 A&M.

<sup>4</sup> Change in method of characterizing interest credited on TDA Fixed Fund account balances.

<sup>5</sup> Revised 2021 A&M.

<sup>6</sup> TDA guaranteed interest credits included as an adjustment to the Actuarial Value of Assets.

<sup>7</sup> Older Workers Benefit Protection Act.

**TABLE A-2  
NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM  
PRELIMINARY 2023 EMPLOYER CONTRIBUTION BY OBLIGOR  
AND FINAL 2023 EMPLOYER CONTRIBUTION BY OBLIGOR**

<b>OBLIGOR</b>	<b>PRELIMINARY 2023 EMPLOYER CONTRIBUTION</b>	<b>FINAL 2023 EMPLOYER CONTRIBUTION</b>
Department of Education	\$ 218,656,010	\$ 225,133,367
NYC School Construction Authority	\$ 6,905,926	\$ 8,318,196
Charter Schools		
Renaissance	\$ 80,009	\$ 85,977
KIPP	11,358	8,662
Subtotal	\$ 91,367	\$ 94,639
Total Amount from OBLIGORS to the New York City Board of Education Retirement System	\$ 225,653,303	\$ 233,546,202

# Appendix B

## APPENDIX B

<b>TABLE B-1</b> <b>COMPONENTS OF THE DEPARTMENT OF EDUCATION</b> <b>EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM</b> <b>AND GROUP LIFE INSURANCE PLAN</b>	
<b>COMPONENTS OF EMPLOYER CONTRIBUTION</b>	<b>FINAL 2023 EMPLOYER CONTRIBUTION</b>
Normal Cost	\$ 159,238,462
Amortization of Unfunded Accrued Liability	38,677,852
Administrative Expenses	27,217,053
TOTAL AMOUNT FROM THE DEPARTMENT OF EDUCATION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM	\$ 225,133,367



**TABLE B-2  
 COMPONENTS OF THE SCHOOL CONSTRUCTION AUTHORITY  
 EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM  
 AND GROUP LIFE INSURANCE PLAN**

<b>COMPONENTS OF EMPLOYER CONTRIBUTION</b>	<b>FINAL 2023 EMPLOYER CONTRIBUTION</b>
Normal Cost	\$ 7,369,961
Amortization of Unfunded Accrued Liability	(647,577)
Administrative Expenses	1,595,812
<b>TOTAL AMOUNT FROM THE SCHOOL CONSTRUCTION AUTHORITY TO THE          NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM</b>	<b>\$ 8,318,196</b>

**TABLE B-3  
 COMPONENTS OF THE RENAISSANCE CHARTER SCHOOL  
 EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM  
 AND GROUP LIFE INSURANCE PLAN**

<b>COMPONENTS OF EMPLOYER CONTRIBUTION</b>	<b>FINAL 2023 EMPLOYER CONTRIBUTION</b>
Normal Cost	\$ 56,712
Amortization of Unfunded Accrued Liability	19,272
Administrative Expenses	9,993
<b>TOTAL AMOUNT FROM THE RENAISSANCE CHARTER SCHOOL TO THE          NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM</b>	<b>\$ 85,977</b>

**TABLE B-4  
 COMPONENTS OF THE KIPP CHARTER SCHOOL  
 EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM  
 AND GROUP LIFE INSURANCE PLAN**

<b>COMPONENTS OF EMPLOYER CONTRIBUTION</b>	<b>FINAL 2023 EMPLOYER CONTRIBUTION</b>
Normal Cost	\$ 0
Amortization of Unfunded Accrued Liability	8,662
Administrative Expenses	0
<b>TOTAL AMOUNT FROM THE KIPP CHARTER SCHOOL TO THE    NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM</b>	<b>\$ 8,662</b>

# Appendix C

## APPENDIX C

### REQUEST FOR THE BOARD OF TRUSTEES TO ADOPT THE ACTUARY'S DETERMINATION FOR THE FINAL FISCAL YEAR 2023 EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

APRIL 2023

**WHEREAS,** The Board of Trustees, at its meeting held on March 15, 2022, adopted the determination of the Actuary, as contained in a letter dated March 8, 2022, establishing the Preliminary Employer Contribution to the New York City Board of Education Retirement System for Fiscal Year 2023 (i.e., July 1, 2022 through June 30, 2023) in the amount of \$225,653,303 (the Preliminary 2023 Employer Contribution); and

**WHEREAS,** The Actuary, in a letter dated April 11, 2023, determined the Final Employer Contribution for Fiscal Year 2023 to be \$233,546,202; an increase in the amount of \$7,892,899 from the Preliminary 2023 Employer Contribution; and

**WHEREAS,** The Board of Trustees has reviewed the determination; now therefore, be it

**RESOLVED,** That the Employer Contribution to the New York City Board of Education Retirement System for Fiscal Year 2023 in the amount of \$233,546,202 is hereby approved by the Board of Trustees.

Respectfully Submitted:

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Sanford Rich  
Executive Director