



OFFICE OF THE ACTUARY

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MAREK TYSZKIEWICZ
CHIEF ACTUARY

May 6, 2025

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

Re: Final Fiscal Year 2025 Employer Contribution to the New York City Board of Education Retirement System (BERS)

Dear Members:

The Final 2025 Employer Contribution for the fiscal year ending June 30, 2025 is \$256,711,726. This amount represents an increase of \$8,058,092 from the Preliminary Fiscal Year 2025 Employer Contribution provided to you in a letter dated March 19, 2024 as a result of:

- The enactment of Chapter 55 of the Laws of 2024, Part KK, which extends Chapter 56 of the Laws of 2022 by excluding overtime and compensation earned for supplemental work from wages used to calculate Tier 6 Basic Member Contribution Rates for two additional years.
- The enactment of Chapter 56 of the Laws of 2024, Part QQ, which reduces the number of years used to calculate the Final Average Salary from 5 years to 3 years for Tier 6 BERS members.

The actuarial assumptions and methods used to determine the Final 2025 Employer Contribution have not changed from those used to determine the Preliminary 2025 Employer Contribution.

Note that the Employer Contribution includes a cost of \$2,796,071 for member contribution receivable amounts including interest for cases processed through June 30, 2023 due to *Gulino vs. Department of Education*, 96 Civ. 8414 (KMW).

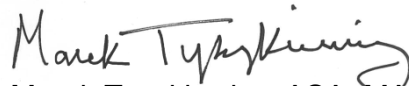
The following appendices and tables are attached to this letter in support of the Final 2025 Employer Contribution:

- Appendix A, Table A-1, presents the components of the Preliminary 2025 Employer Contribution and the Final 2025 Employer Contribution payable to the Contingent Reserve Fund of BERS.
- Appendix A, Table A-2, presents the Preliminary 2025 Employer Contribution and the Final 2025 Employer Contribution attributable to the City and other Obligor of BERS.
- Appendix B presents 4 tables showing the components of the Final 2025 Employer Contribution for each of the Obligor of BERS.
- Appendix C contains a draft Resolution to adopt the Final 2025 Employer Contribution.

Much more information used in the determination of the Final 2025 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 2025 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
Crage Lu, ASA - New York City Office of the Actuary
Sanford Rich - New York City Board of Education Retirement System
Keith Snow, Esq. - New York City Office of the Actuary

Appendix A

APPENDIX A

TABLE A-1 NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM COMPONENTS OF PRELIMINARY 2025 EMPLOYER CONTRIBUTION AND FINAL 2025 EMPLOYER CONTRIBUTION		
COMPONENTS OF EMPLOYER CONTRIBUTION	PRELIMINARY 2025 EMPLOYER CONTRIBUTION	FINAL 2025 EMPLOYER CONTRIBUTION
Normal Cost	\$ 160,627,598	\$ 164,036,696
Amortization of Unfunded Accrued Liability		
- Initial Unfunded	144,765,642	144,765,642
- 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 ¹	16,568,028	16,568,028
- 2014 Method Change ²	(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 ³	(22,230,444)	(22,230,444)
- 2017 Method Change ³	11,007,581	11,007,581
- 2018 (Gain)/Loss	(7,877,140)	(7,877,140)
- 2018 Method Change ⁴	(11,267,543)	(11,267,543)
- 2019 (Gain)/Loss	(38,601,844)	(38,601,844)
- 2019 Assumption Change ⁵	(2,255,653)	(2,255,653)
- 2019 Method Change ⁵	(48,729,573)	(48,729,573)
- 2020 (Gain)/Loss	12,447,756	12,447,756
- 2020 Method Change ⁶	35,675,656	35,675,656
- 2020 Plan Change ⁷	3,985,213	3,985,213
- 2021 (Gain)/Loss	(41,612,018)	(41,612,018)
- 2021 Plan Change ⁸	2,266,182	2,266,182
- 2022 (Gain)/Loss	1,767,014	1,767,014
- 2023 (Gain)/Loss	(2,146,621)	(2,484,505)
- 2023 Plan Change ⁹	N/A	2,163,762
- 2023 Plan Change (Deferred Vested) ⁹	N/A	27,046
Total	\$ 45,988,742	\$ 47,841,666
Administrative Expenses	42,037,294	\$ 42,037,293
Gulino Charge ¹⁰	N/A	\$ 2,796,071
Interest on Late Employer Contributions	N/A	N/A
Total Amount from OBLIGORS to the New York City Board of Education Retirement System	\$ 248,653,634	\$ 256,711,726

N/A = Not Applicable.

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

² AVA is constrained to a corridor of 80% to 120% of the market value.

³ 2019 A&M.

⁴ Change in method of characterizing interest credited on TDA Fixed Fund account balances.

⁵ Revised 2021 A&M.

⁶ TDA guaranteed interest credits reflected as a liability of the QPP.

⁷ Older Workers Benefit Protection Act (OWBPA).

⁸ Chapter 56 of the Laws of 2022

⁹ Chapter 56 of the Laws of 2024 and Chapter 55 of the Laws of 2024

¹⁰ Cost for member contribution receivable amounts for cases processed through June 30, 2023 due to Gulino vs Department of Education, 96 CIV 8414(KMW)

TABLE A-2
NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM
PRELIMINARY 2025 EMPLOYER CONTRIBUTION BY OBLIGOR
AND FINAL 2025 EMPLOYER CONTRIBUTION BY OBLIGOR

OBLIGOR	PRELIMINARY 2025 EMPLOYER CONTRIBUTION	FINAL 2025 EMPLOYER CONTRIBUTION
Department of Education	\$ 234,773,917	\$ 242,445,508
NYC School Construction Authority	\$ 13,790,540	\$ 14,175,933
Charter Schools		
KIPP	\$ 8,270	\$ 8,270
Renaissance	<u>80,907</u>	<u>82,015</u>
Subtotal	\$ 89,177	\$ 90,285
Total Amount from OBLIGORS to the New York City Board of Education Retirement System	\$ 248,653,634	\$ 256,711,726

Appendix B

APPENDIX B

TABLE B-1 COMPONENTS OF THE DEPARTMENT OF EDUCATION EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM AND GROUP LIFE INSURANCE PLAN	
COMPONENTS OF EMPLOYER CONTRIBUTION	FINAL 2025 EMPLOYER CONTRIBUTION
Normal Cost	\$ 155,764,060
Amortization of Unfunded Accrued Liability	44,552,632
Administrative Expenses	39,332,745
Gulino Charge ¹	<u>2,796,071</u>
TOTAL AMOUNT FROM THE DEPARTMENT OF EDUCATION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM	\$ 242,445,508

¹ Cost for member contribution receivable amounts for cases processed through June 30, 2023 due to *Gulino vs. Department of Education*, 96 Civ. 8414(KMW)

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

COMPONENTS OF EMPLOYER CONTRIBUTION	FINAL 2025 EMPLOYER CONTRIBUTION
Normal Cost	\$ 8,227,167
Amortization of Unfunded Accrued Liability	3,255,721
Administrative Expenses	2,693,045
Gulino Charge	<u>0</u>
TOTAL AMOUNT FROM THE SCHOOL CONSTRUCTION AUTHORITY TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM	\$ 14,175,933

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

COMPONENTS OF EMPLOYER CONTRIBUTION	FINAL 2025 EMPLOYER CONTRIBUTION
Normal Cost	\$ 0
Amortization of Unfunded Accrued Liability	8,270
Administrative Expenses	0
Gulino Charge	0
TOTAL AMOUNT FROM THE KIPP CHARTER SCHOOL TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM	\$ 8,270

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

COMPONENTS OF EMPLOYER CONTRIBUTION	FINAL 2025 EMPLOYER CONTRIBUTION
Normal Cost	\$ 45,469
Amortization of Unfunded Accrued Liability	25,043
Administrative Expenses	11,503
Gulino Charge	0
TOTAL AMOUNT FROM THE RENAISSANCE CHARTER SCHOOL TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM	\$ 82,015

Appendix C

APPENDIX C

REQUEST FOR THE BOARD OF TRUSTEES TO ADOPT THE ACTUARY'S DETERMINATION FOR THE FINAL FISCAL YEAR 2025 EMPLOYER CONTRIBUTION TO THE NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

MAY 2025

WHEREAS, The Board of Trustees, at its meeting held on April 17, 2024, adopted the determination of the Actuary, as contained in a letter dated March 19, 2024, establishing the Preliminary Employer Contribution to the New York City Board of Education Retirement System for Fiscal Year 2025 (i.e., July 1, 2024 through June 30, 2025) in the amount of \$248,653,634 (the Preliminary 2025 Employer Contribution); and

WHEREAS, The Actuary, in a letter dated May 6, 2025, determined the Final Employer Contribution for Fiscal Year 2025 to be \$256,711,726; represents an increase of \$8,058,092 from the Preliminary 2025 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 2025 in the amount of \$256,711,726 is hereby approved by the Board of Trustees.

Respectfully Submitted:

Sanford Rich
Executive Director