

# PAFR

# 2025

**Popular Annual Financial Report**  
of the Qualified Pension Plan and the  
Tax Deferred Annuity Program



# BERS

Board of  
Education  
Retirement  
System

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**New York City Board of Education Retirement  
System Qualified Pension Plan**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has presented the NYC Board of Education Retirement System (BERS) with the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. This prestigious national award recognizes government organizations that demonstrate the highest standards in preparing popular reports for state and local governments.

To receive this award, a government entity must publish a Popular Annual Financial Report that meets the program's criteria for creativity, clarity, presentation quality, and overall reader appeal. The Award for Outstanding Achievement in Popular Annual Financial Reporting is granted for a one-year period.

This Summary Report contains excerpts from the BERS 2025 Annual Comprehensive Financial Report, containing detailed financial information about BERS. Please find it at <https://www.bers.nyc.gov>.

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December 30, 2025

Dear Members:

I am pleased to present the Popular Annual Comprehensive Report ("PAFR") of the New York City Board of Education Retirement System ("BERS", "Funds", the "Plan" or the "System") for the fiscal year ended June 30, 2025. BERS administers the BERS Qualified Pension Plan (the "QPP") and the BERS Tax Deferred Annuity Program (the "TDA Program").

The information provided in this PAFR is a summary depiction of BERS's audited financial statements and other information contained in BERS' Annual Comprehensive Financial Report ("ACFR"). The financial statements follow the accrual basis of accounting, meaning revenues and expenses are recorded as they are earned or incurred, not when cash changes hands. The financial statements are also prepared in conformity with principles of governmental accounting and reporting, promulgated by the Governmental Accounting Standards Board ("GASB"), and according to guidelines adopted and published by the Government Finance Officers Association of the United States and Canada ("GFOA").

### **Fund Overview**

The QPP is a cost sharing, multiple employer Public Employee Retirement System ("PERS") that was created on August 31, 1921. The QPP provides pension benefits to non-pedagogical employees of the Department of Education, certain other specific schools, school crossing guards employed by the New York City Police Department, and certain employees of the New York City School Construction Authority. It combines features of a defined benefit pension plan, which guarantees retirement payments, with those of a defined contribution plan, which depends on contributions made by members during employment. The plan functions in accordance with existing State statutes and City laws.

The TDA Program became operational on February 1, 1970, and is administered pursuant to the Internal Revenue Code Section 403(b) and existing State statutes and City laws. Some members of the QPP have the option to participate in the TDA Program, which allows members to delay paying income taxes on money they voluntarily contribute until they retire or withdraw funds. Even though some members can participate in both programs, the TDA Program is maintained as a separate plan from the QPP with only members contributing to the program.

### **Our Journey This Year**

As of June 30th, 2025, the QPP is in a strong financial position with its fiduciary net position being 102.56% of the total pension liability. This means the plan has more than enough assets to cover promised benefits. The ratio of actuarial value of assets to the Entry Age Actuarial Accrued liability stands at 94.8% as of June 30th, 2023. The funded status shows how assets compare to liabilities, in case of the QPP it is nearly fully funded based on actuarial measures. Additionally, our return on investments yielded a 9.16% return on the total investment portfolio, indicating strong investment returns.

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With the efforts of our member-elected Trustees and their union executives, we succeeded in our 5-year effort to gain auto-enrollment for NYC Board of Education Retirement System, increasing our Membership with 24,000 new members. For our 403-b (TDA) participants, we implemented the ability to make Roth contributions to the TDA. We expect to provide for Roth conversion of previous pre-tax contributions to the 403-b plan in the near future, providing additional value to the contributors.

BERS has received a Certificate of Achievement for Excellence in Financial Reporting for its ACFR over the last thirty-nine consecutive years. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government finance reports. We believe our current report continues to conform to the Certificate of Achievement program requirements. BERS ACFR for fiscal year 2025 can be found at <https://www.bers.nyc.gov/site/bers/> under publications.

### Acknowledgments

The dedicated service of the managers and staff of BERS made the preparation of this PAFR, on a timely basis, possible. In addition, our appreciation is extended to those members of the staffs of the Bureaus of Accountancy and Asset Management of the New York City Comptroller's Office and the Office of the Actuary who worked closely with the BERS personnel in the compilation of this report. We hope that the members of the Retirement Board, officials of the Department of Education of the City of New York, our members and the citizens of the City will find this report informative and helpful.

Respectfully submitted,



Sanford R. Rich  
Executive Director



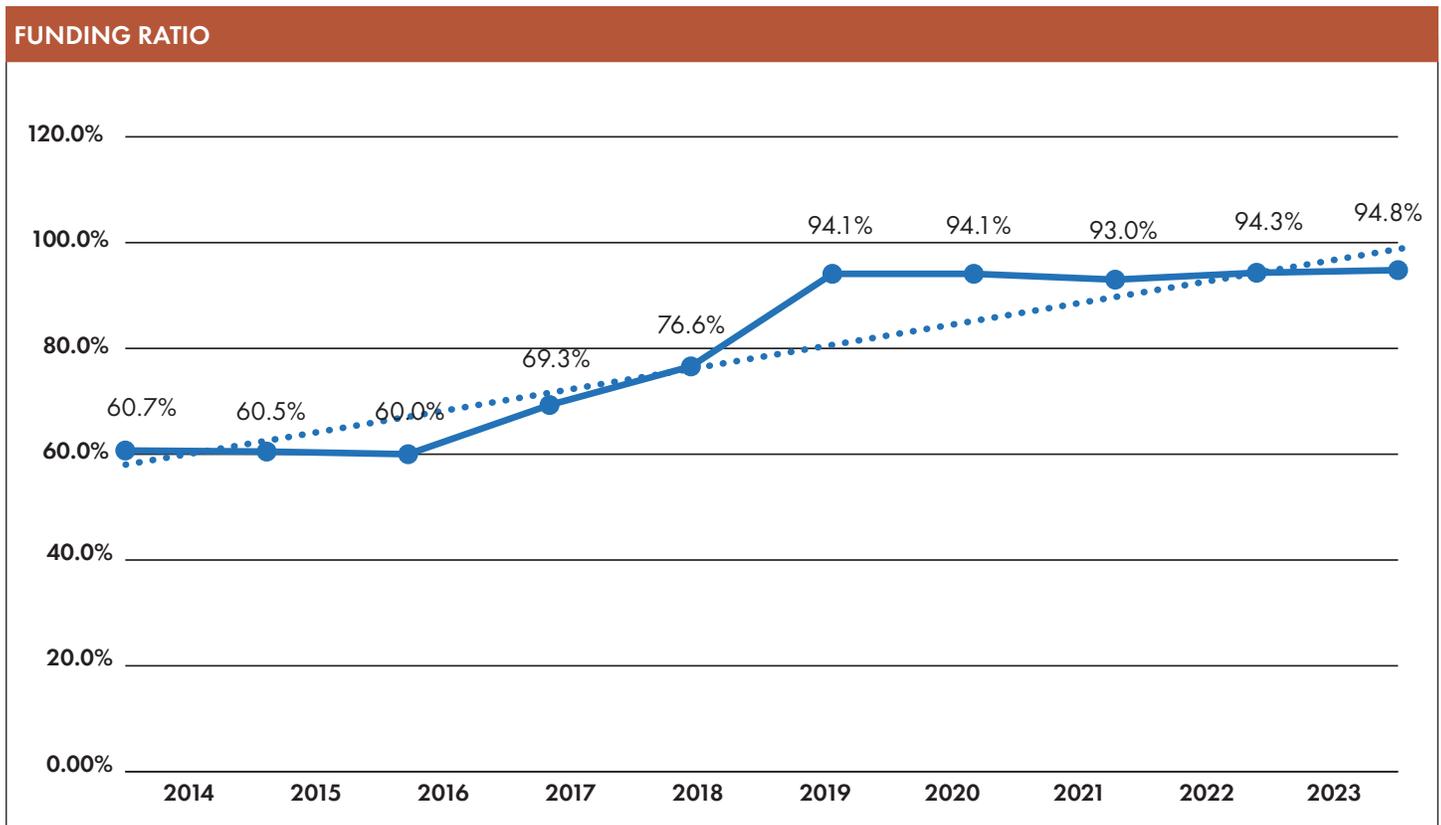
# FUNDING STATUS

The financial objective of the QPP is to make sure members' retirement benefits are fully funded while they are still working. The employer contributes money into the plan. Members contribute a portion of their pay and investment earnings are also added to these contributions. Together with these sources the goal is to build enough assets so the plan can pay members the benefits they are promised when they retire.

The Office of the Actuary establishes employer contribution rates, which are calculated as a percentage of the payroll. These rates stay steady from year to year. An adequate funding level provides assurance and security for payment of future benefits. In fiscal year 2025, BERS sought to maintain a level of funding within the established guidelines of the Government Accounting Standards Board ("GASB"). As of June 30th, 2025, the QPP's fiduciary net position represents 102.56% of the total pension liability, meaning it had more than enough to cover promised benefits. The funded status of the QPP is expressed by the relationship of assets to liabilities. The ratio of actuarial value of assets to the Entry Age Actuarial Accrued liability stands at 94.8% as of June 30th, 2023. This means the QPP is nearly fully funded based on actuarial measures.

**BERS' FY25 Fiduciary net position is 102.56% of the total pension liability, compared to 97.43% in FY24**

Funding ratio for the last ten valuation years has trended positively:



# FUNDING STATUS

## FUNDING SOURCES:

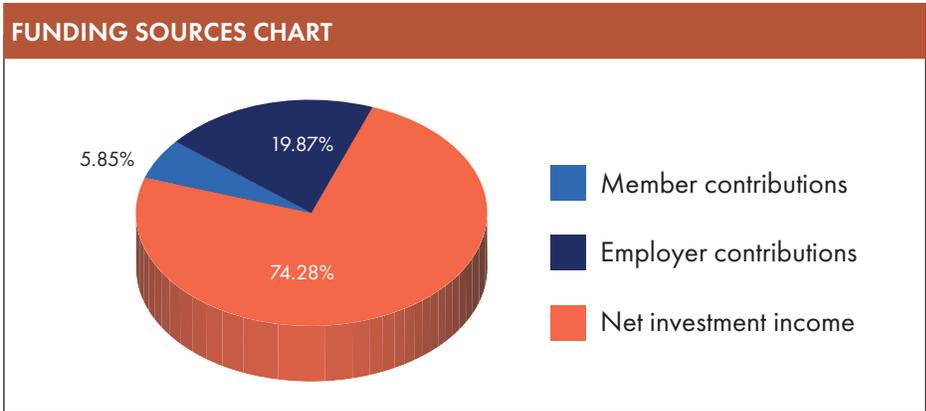
The chart below summarizes the contribution funding sources for fiscal year 2024 for the QPP.

FUNDS	PERCENTAGE	CONTRIBUTION (IN THOUSANDS)
Member Contributions	5.85%	\$ 75,626
Employer Contributions	19.87%	\$ 256,712
Net Investment Income	74.28%	\$ 959,525
<b>Total</b>	<b>100.00%</b>	<b>\$ 1,291,863</b>



**BERS funded ratio\* rank is 94.8%**

\* The funded ratio measures the ratio of dollars in the pension fund compared to the value of promised lifetime income benefits.

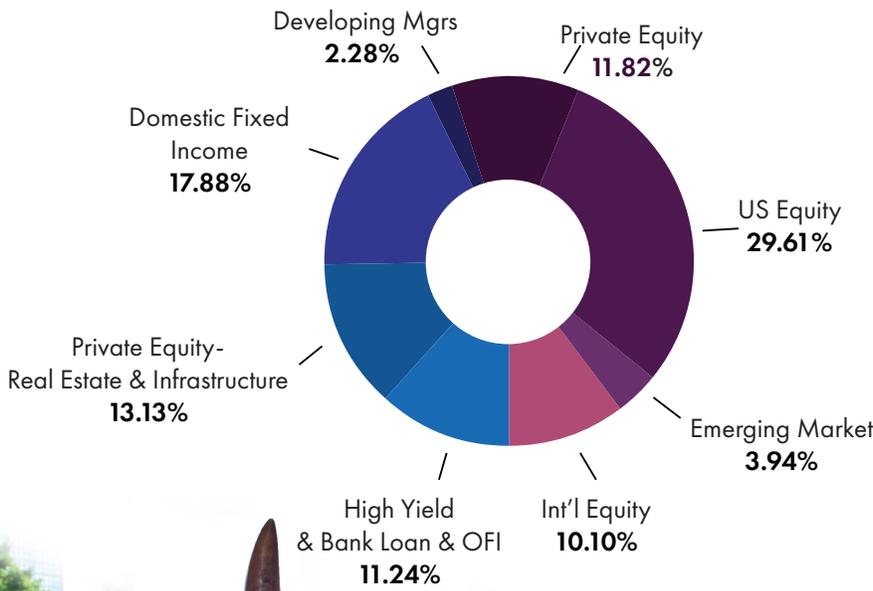


Contributions to the TDA program are made on a voluntary basis by certain eligible members of the QPP. TDA members who elect to participate in a fixed return fund investment program accounts are credited with the statutory annual rate of interest, currently 7% for members represented by the United Federation of Teachers and 8.25% for all other members. Members can also elect to participate in a variable return fund program. Beginning January 1, 2024, BERS' TDA participants have the option to make contributions on a Roth basis.

# INVESTMENT SUMMARY

The System’s assets are invested in two investment programs. These are the fixed return fund, which is managed by BERS, and the variable return fund, consisting primarily of equity securities, which is managed by the Teachers’ Retirement System (“TRS”).

## ASSET ALLOCATION MIX AS OF JUNE 30, 2025



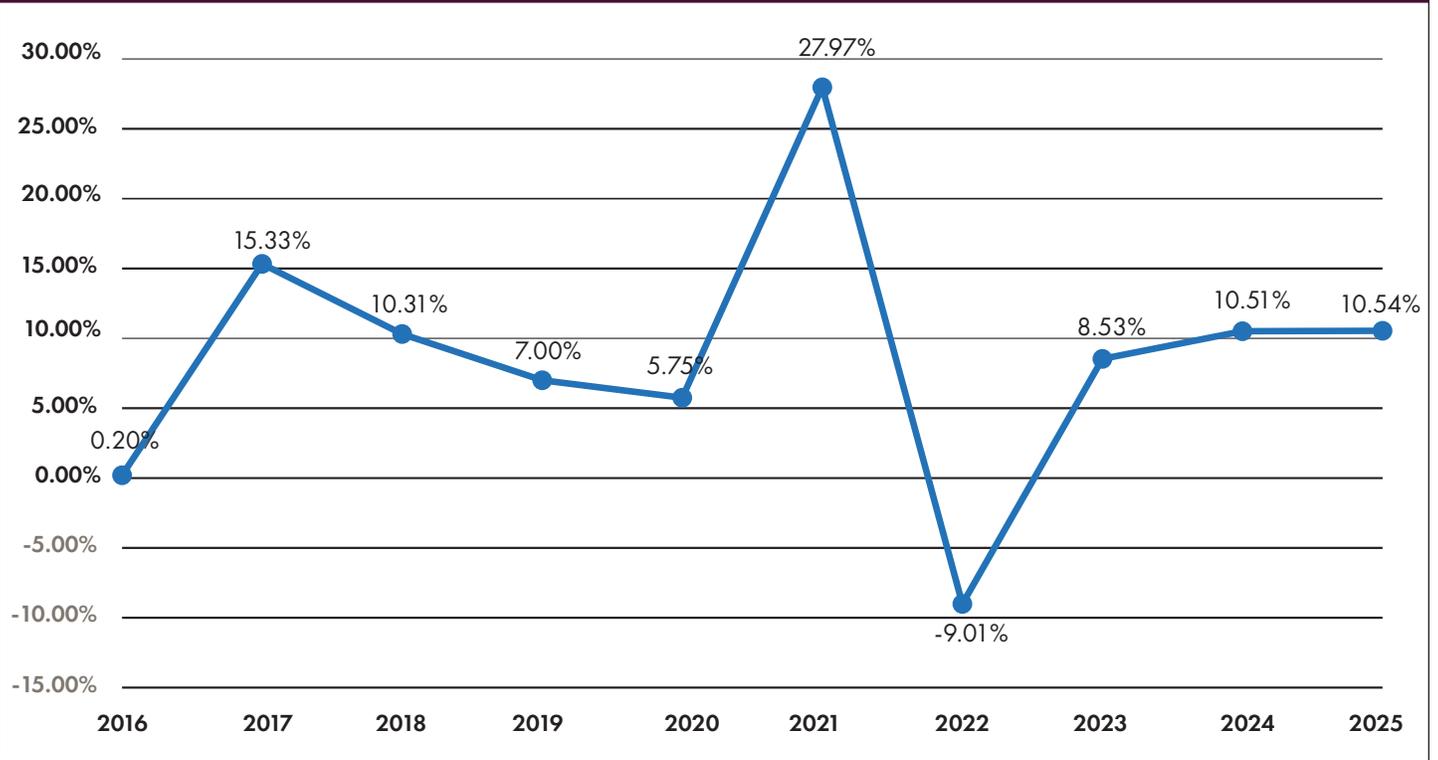
The Board of Education Retirement System Total Fund from the fixed return program returned 10.54%, net of management fees, for the fiscal year ending June 2025. This was slightly below the BERS Policy Benchmark of 11.45%. The gross performance for the fiscal year ranked 39th percentile compared to other large public plans (with more than \$1 billion in assets) according to Wilshire. Over the 5-year period ending June 2025, the Fund averaged a 9.09% annual net return versus 9.84% for the benchmark. The 5-year performance positioned the Fund at the median within its peer group. Money-weighted rate of return, which measures how investments perform by factoring time and size of cash flow, for last ten fiscal years is given on the following page:



**Assets increased to \$11.78 billion, compared to \$10.93 billion in FY24**

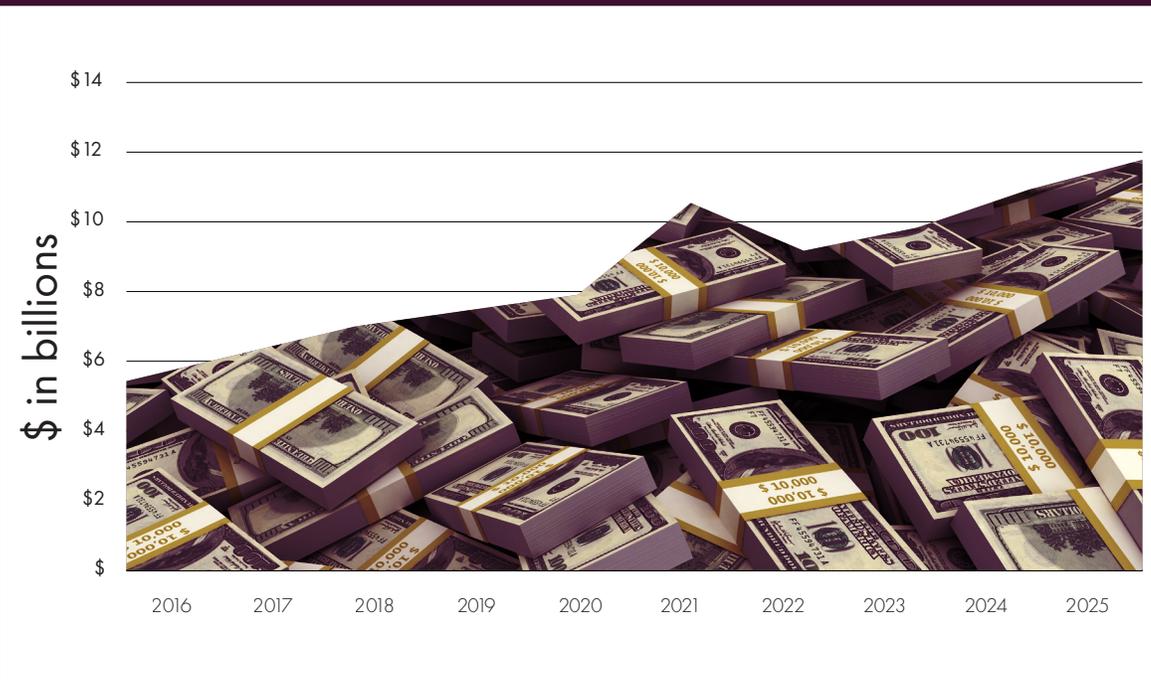
# INVESTMENT SUMMARY

## MONEY-WEIGHTED RATE OF RETURN



The Fund increased in value and ended the fiscal year at \$11.78 billion, compared to \$10.93 billion at the end of previous fiscal year.

## INVESTMENT GROWTH



BERS had a **9.16%** return on investments in FY25

# FINANCIAL SUMMARY

**Statement of Fiduciary Net Position** - presents the financial position of the System at fiscal year-end.

## QPP FIDUCIARY NET POSITION

June 30, 2025, 2024, and 2023  
(In thousands)

	2025	2024	2023
<b>Assets:</b>			
Cash	\$ 11,993	\$ 6,802	\$ 2,864
Receivables	231,498	260,512	169,655
Investments, at fair value	10,245,563	9,373,988	8,564,948
Collateral from securities lending	545,051	671,994	519,742
Other	393,391	327,579	199,888
Total assets	<u>11,427,496</u>	<u>10,640,875</u>	<u>9,457,097</u>
<b>Liabilities:</b>			
Accounts payable	97,692	92,313	65,414
Payable for investment securities purchased	199,157	223,823	156,536
Accrued benefits payable	16,169	15,957	13,604
Due to the TDA Program's fixed return fund from the System	2,944,811	2,788,667	2,552,317
Payables for securities lending	545,051	671,994	519,742
Total liabilities	<u>3,802,880</u>	<u>3,792,754</u>	<u>3,307,613</u>
Net position restricted for pension benefits	<u>\$ 7,624,616</u>	<u>\$ 6,848,121</u>	<u>\$ 6,149,484</u>

## TDA FIDUCIARY NET POSITION

June 30, 2025, 2024, and 2023  
(In thousands)

	2025	2024	2023
<b>Assets:</b>			
Cash	\$ 821	\$ 693	\$ 487
Receivables	49,891	52,277	45,159
Due to the TDA Program's fixed return fund from the System	2,944,811	2,788,667	2,552,317
Investments, at fair value	929,689	829,646	702,227
Collateral from securities lending	58,370	58,370	40,867
Total assets	<u>3,983,582</u>	<u>3,729,653</u>	<u>3,341,057</u>
<b>Liabilities:</b>			
Other liability	364,723	289,900	155,247
Payable for investment securities purchased	930	5,805	362
Accrued benefits payable	10,205	8,973	5,915
Payables for securities lending transactions	58,370	58,370	40,867
Total liabilities	<u>434,228</u>	<u>363,048</u>	<u>202,391</u>
Net position restricted for TDA benefits	<u>\$ 3,549,354</u>	<u>\$ 3,366,605</u>	<u>\$ 3,138,666</u>

# FINANCIAL SUMMARY

Statements of Changes in Fiduciary Net Position - presents the results of activities during the fiscal year.

## CHANGES IN QPP FIDUCIARY NET POSITION

June 30, 2025, 2024, and 2023  
(In thousands)

	2025	2024	2023
<b>Additions:</b>			
Member contributions	\$ 75,626	\$ 56,552	\$ 49,810
Employer contributions	256,712	247,721	233,546
Net investment income before securities lending transaction	957,935	866,933	674,345
Net securities lending income	1,590	1,660	1,747
TDA Program's interest income	(239,471)	(220,785)	(201,361)
Other - receipts from (payments to) other retirement systems and other revenues/expenses	161,078	164,300	(88,699)
Total additions	<u>1,213,470</u>	<u>1,116,381</u>	<u>669,388</u>
<b>Deductions:</b>			
Benefit payments and withdrawals	396,251	377,494	359,271
Administrative expenses	40,724	40,250	36,717
Total deductions	<u>436,975</u>	<u>417,744</u>	<u>395,988</u>
Net increase in net position	776,495	698,637	273,400
Net position restricted for pension benefits:			
Beginning of year	6,848,121	6,149,484	5,876,084
End of year	<u>\$ 7,624,616</u>	<u>\$ 6,848,121</u>	<u>\$ 6,149,484</u>

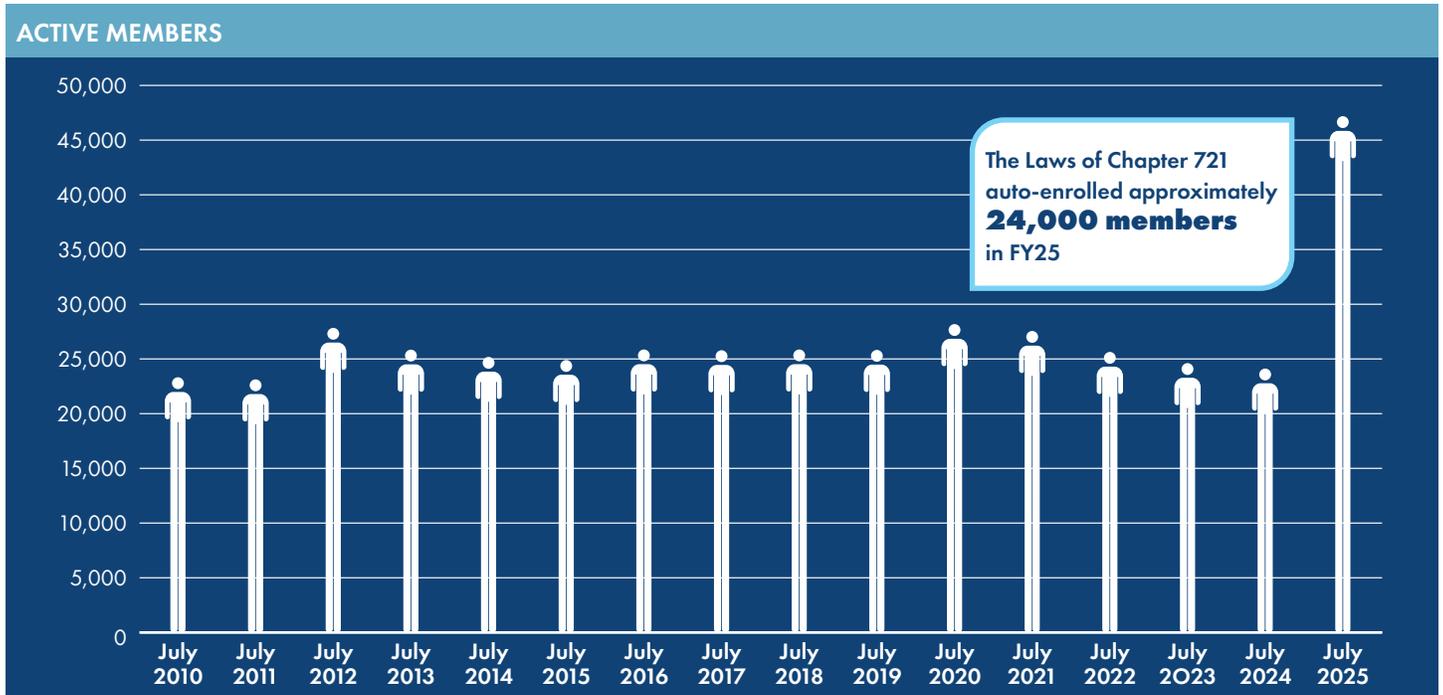
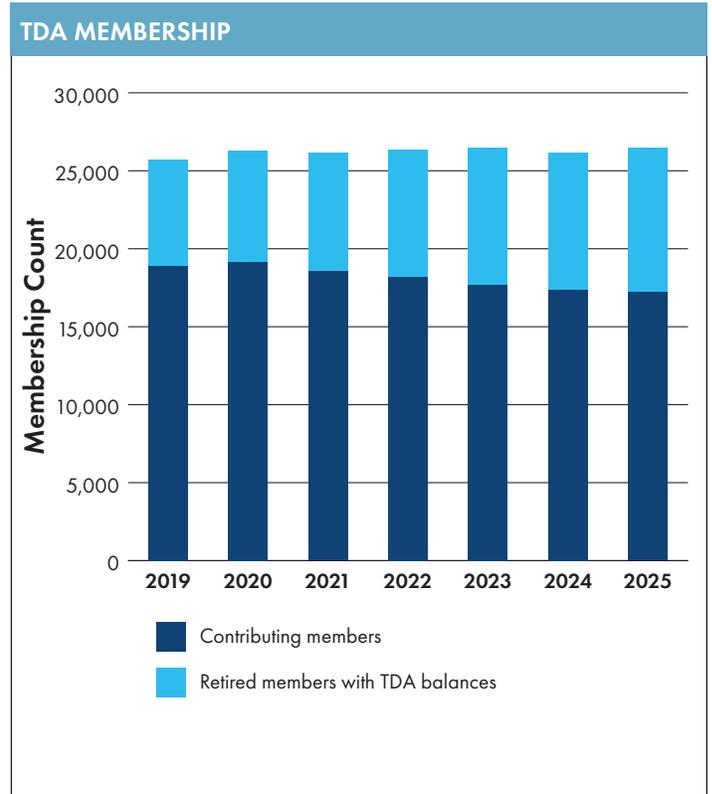
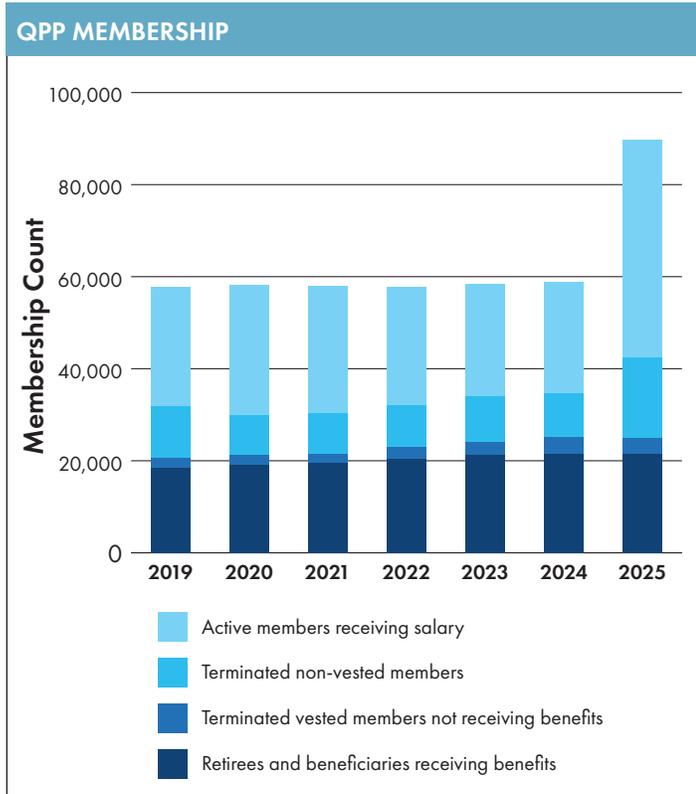
## CHANGES IN TDA FIDUCIARY NET POSITION

June 30, 2025, 2024, and 2023  
(In thousands)

	2025	2024	2023
<b>Additions:</b>			
Member contributions	\$ 124,248	\$ 127,817	\$ 116,569
Net investment income before securities lending transaction	119,370	141,492	112,569
Net securities lending income	97	128	161
TDA Program's interest income	239,471	220,785	201,361
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(171,020)	(137,326)	71,665
Total additions	<u>312,166</u>	<u>352,896</u>	<u>502,325</u>
<b>Deductions:</b>			
Benefit payments and withdrawals	129,129	124,658	110,577
Administrative expenses	288	299	310
Total deductions	<u>129,417</u>	<u>124,957</u>	<u>110,887</u>
Net increase in net position	182,749	227,939	391,438
Net position restricted for TDA benefits:			
Beginning of year	3,366,605	3,138,666	2,747,228
End of year	<u>\$ 3,549,354</u>	<u>\$ 3,366,605</u>	<u>\$ 3,138,666</u>

# MEMBER DATA

Membership in BERS is open to all employees of the New York City Department of Education who are not eligible to participate in the New York City Teachers' Retirement System. In addition, employees of the New York City School Construction Authority, staff at participating charter schools, employees of BERS itself, staff in the Office of the Special Commissioner of Investigation, and School Crossing Guards employed by the New York City Police Department are eligible for BERS membership.



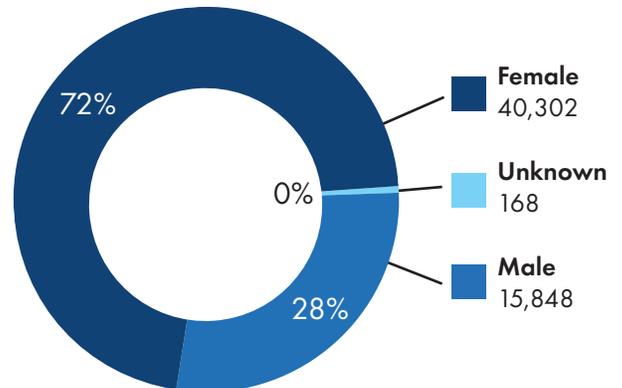
# MEMBER DATA

The BERS  
**TDA Program**  
now offers a  
**Roth option**



BERS has  
**47,185**  
active members  
and **21,417**  
retirees in FY25

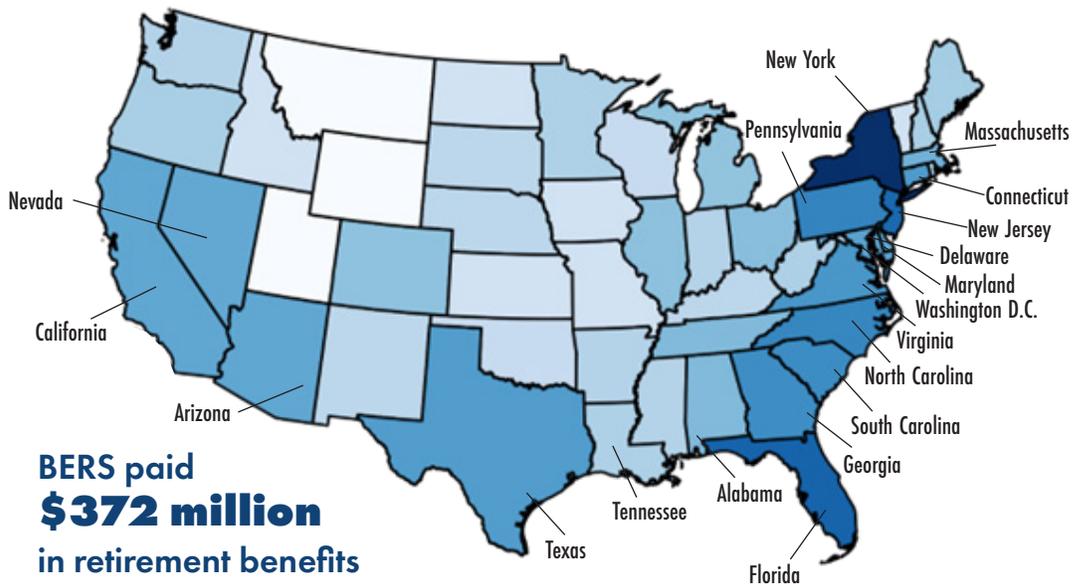
## MEMBER GENDER



## RETIRED MEMBERS

Here are the locations that the majority of BERS retirees call home after years of dedicated service to New York City:

Alabama	22
Tennessee	22
Massachusetts	34
Nevada	55
Arizona	58
California	60
Delaware	65
Maryland	77
Texas	102
Connecticut	114
International	125
Virginia	143
Georgia	213
South Carolina	226
North Carolina	305
Pennsylvania	340
New Jersey	1,182
Florida	1,464
New York	16,672



# MEMBER TIER PLANS



BERS offers several tier-based pension plans that reflect the laws in effect when a member joins the system. These tiers—Tier 1, Tier 2, Tier 3, Tier 4, and Tier 6—define contribution requirements, retirement eligibility, and benefit calculations. Together, they provide a structured and reliable framework for members’ long-term retirement security.

**BERS administers  
22 Tier plans  
that provide benefits to  
89,687 members**

TIER PLANS	
TIER 6	25/Out Special Officers Early Retirement Plan 2012
	50/25A Automotive Early Retirement Plan 2012
	63/5 Basic Plan 2012
TIER 4	UFT 55/27 2009 Ch. 504 of 2009
	25/Out Special Officers Ch. 582 of 2001
	50/25A Automotive Title Ch. 560 of 2001
	50/25 Physically Taxing Ch. 96 of 1995
	55/27 Ch. 19 of 2008
	55/25 Ch. 19 of 2008
	55/25 Ch. 96 of 1995
	50/25 57/5 Physically Taxing Ch. 96 of 1995
	57/5 Ch. 96 of 1995
	Age 62 Coordinated Retirement
TIER 3	Age 62 Coordinated-Escalator Retirement
TIER 2	C-25/Out Special Officers Ch. 582 of 2001
	C-50/25 Physically Taxing Ch. 96 of 1995
	C55/25 2008 Ch. 19 of 2008
	C55/25 Ch. 96 of 1995
	Plan D (Modified 55 Yr. ISF)
	Plan C (Modified CPP)
TIER 1	Plan B (Increase Service Fraction)
	Plan A (Career Pension Plan)

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Director of Fiscal Operations*

### Actuary:

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Chief Actuary*

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*Office of the Comptroller of the City of New York  
Teachers' Retirement System of the City of New York*

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# BERS

Board of  
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System

#### Service Center

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