

1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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3

BOARD MEETING

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6

April 18, 2024

7

3:32 p.m.

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Remote Proceeding

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New York, New York

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William Montague

Digital Reporter

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Notary Commission No. 01MO0009174

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- 1 KAVITA KANWAR
- 2 MARTA ROSS, LAW DEPARTMENT
- 3 MATT LASKOWSKI
- 4 ALEX JUNG
- 5 JOANNE LENNON
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1 (The proceedings commenced at 3:32 p.m.)

2 MS. REILLY: Good afternoon. Welcome to the
3 board meeting of the Teaches' Retirement Board for April
4 18th, 2024. I'll start by calling the roll.

5 Bryan Berge?

6 MR. BERGE: Bryan Berge representing Mayor
7 Eric Adams, present.

8 MS. REILLY: Thomas Brown?

9 CHAIRMAN BROWN: Here. Good afternoon,
10 Patricia.

11 MS. REILLY: Good afternoon.

12 Karine Apollon?

13 MS. APOLLON: Here. Good afternoon.

14 MS. REILLY: Alison Hirsh?

15 MS. HIRSH: Here, representing Comptroller
16 Brad Lander.

17 MS. REILLY: David Kazansky?

18 MR. KAZANSKY: Present.

19 MS. REILLY: Victoria Lee?

20 MS. LEE: Present.

21 MS. REILLY: We have a quorum.

22 Next will be an update on TRS operations.
23 We'll receive that from Kavita Kanwar.

24 MR. KANWAR: Thank you, Patricia. Good
25 afternoon, everyone.

1 CHAIRMAN BROWN: Good afternoon, Kavita.

2 MR. KANWAR: April 1st marked the beginning of
3 the summer retirement season and TRS has already started
4 to receive applications for more than 250 retirements.
5 Members can file for retirement up to 90 days before
6 their retirement date, and July 1st by far the most
7 common retirement date.

8 Most members use our retirement e-form to file
9 online, securely online, but some still use the paper
10 retirement applications. As always, we encourage our
11 members to attend our virtual "Getting Ready for
12 Retirement" classes if they are thinking about retiring.
13 Registration will be available soon for May and June
14 classes, and we will continue to report on summer
15 retirements in future meetings.

16 Regarding our account statements, member
17 account statements for the first quarter of 2024 are now
18 being produced. Statements will be available for online
19 viewing in early May for in-service members, on leave
20 members, and retirees with deferred TDA accounts.
21 Quarterly statements for TDA beneficiary participants
22 will be mailed in early May.

23 Regarding our RMD, has identified over 35,000
24 members who must receive a required minimum distribution
25 from their TDA accounts for 2024. In late April, TRS

1 will notify these members by email when the RMD filing
2 period is open, and in early May, these members should
3 receive their RMD notification letters in the mail.

4 Thank you.

5 CHAIRMAN BROWN: Thank you, Kavita.

6 MS. REILLY: Thank you. Next, we have an
7 update from the Actuary.

8 MR. TYSZKIEWICZ: Good afternoon. In your
9 Board packets are six new fiscal notes impacting TRS
10 released by the OA since the last board meeting.

11 The Board has already seen one of those, the
12 transfer of UFT titles from BERS to TRS. The original
13 fiscal note reviewed with the Board last meeting did not
14 have the LBDC number yet. After the LBDC number was
15 created, we were asked to issue a new fiscal note. So
16 the results are the same as what the Board saw last
17 month.

18 There are two fiscal notes impacting Tier 6
19 benefits. One extends adjustments to the overtime cap
20 used in determining basic member contributions for two
21 more years. The other increases the Tier 6 benefit for
22 those with over 20 years of service.

23 Another fiscal note modifies the formula in
24 determining COLA by adjusting the \$18,000 base limit
25 used in the calculation.

1 Another fiscal note allows NYCERS members to
2 purchase voluntary fire or emergency service credit.

3 And the sixth fiscal note is a picture bill
4 allowing a Tier 6 member to purchase service and
5 retroactively apply for membership in Tiers Tier 4.

6 All right. So happy to answer any questions.
7 If there are none, I'll move on to the TDA loan
8 insurance.

9 CHAIRMAN BROWN: Any questions?

10 MR. TYSZKIEWICZ: Okay. So as you know, the
11 TDA active and inactive members are allowed to take
12 loans from their account balances and are charged a
13 premium that ensures those loans against their death.
14 The Office of the Actuary reviews that premium every
15 five years. So the last review was published by my
16 predecessor October 1st, 2019. So it's that time again.

17 In the last review, the recommendation was to
18 keep the premium at 0.3 percent, the same amount it's
19 been since 1995. Now, if you look at the results for
20 this last five-year cycle, if you go to the last page of
21 my letter, Appendix C, which was provided by TRS, the
22 0.3 percent premium isn't enough. It is enough if you
23 apply it just for active members, but as more retirees
24 take out loans, and as the average age of the people
25 taking loans keeps increasing, higher premiums need to

1 be charged. So in the analysis, we showed the combined
2 result, and we also broke it up between active members
3 and retirees. Like I said, for active members, the 0.3
4 is sufficient. If the retirees were charged their own
5 premium, their premium instead of 0.3 would be 1
6 percent.

7 So some options for the Board to think about.
8 One, keep one premium for all new loans. So our
9 recommendation is to increase the 0.3 to 0.5. So in
10 fact, the active members are subsidizing the retiree
11 loans. Or have separate active and inactive premiums,
12 0.3 for actives, 1 percent for retirees and inactives,
13 or not provide loan insurance or loans at all to
14 retirees and inactives.

15 So we're not asking for any decision today,
16 but we want to get the information to the Board, so you
17 can think about it, potentially discuss it at the next
18 meeting, and if there's any sense of which way the Board
19 wants to go, I'm sure staff and the Office of the
20 Actuary would like to know.

21 MR. BERGE: Yes, I had a question, Marek. In
22 the event of there being no loan insurance, what would
23 be the consequence of that for someone who's taken out a
24 loan and would otherwise use that insurance?

25 MR. TYSZKIEWICZ: So this doesn't impact any

1 existing loans, this is just for new loans. So for
2 example, if the Board decided not to provide loan
3 insurance for retirees, for new loans for retirees, in
4 the event that they died, their accounts -- there would
5 be no payment to their accounts to get -- to pay off the
6 loan. The loan would just be a disbursement from their
7 account. So that much, whatever the unpaid balance is,
8 that's that much less that their estate or beneficiaries
9 wouldn't get.

10 MR. BERGE: Okay.

11 CHAIRMAN BROWN: Thank you, Marek.

12 MS. REILLY: Next is the Executive Director's
13 report, and the first item on the report is the next
14 meeting, and it's been suggested that the next regular
15 meeting of the Teachers' Retirement Board be held on the
16 third Thursday of the month, May 16th, 2024.

17 CHAIRMAN BROWN: Thank you.

18 MS. REILLY: The second item is a resolution
19 and it's the Actuary's Determination for the Final
20 Fiscal Year 2024 Employer Contribution to the New York
21 City Teachers' Retirement System.

22 Whereas the board of Trustees --

23 MR. KAZANSKY: Please skip to the resolve.

24 MS. REILLY: Resolve that the employer
25 contribution to the New York City Teachers' Retirement

1 System for fiscal year 2024 in the amount of
2 \$3,161,752,125 is hereby approved by the Board of
3 Trustees.

4 CHAIRMAN BROWN: Thank you. Is there a motion
5 to accept the resolution for the actuary's determination
6 for the fiscal year 2024 employer contribution?

7 MR. KAZANSKY: So moved.

8 CHAIRMAN BROWN: Thank you. Is there a
9 second?

10 MS. LEE: Second.

11 CHAIRMAN BROWN: Thank you. All those in
12 favor, please say aye.

13 (Ayes were heard.)

14 CHAIRMAN BROWN: All those opposed, say nay?
15 Any abstentions?

16 Let the record show that the motion has
17 carried. Thank you.

18 MS. REILLY: Next is a resolution for the
19 Qualified Pension Plan Investment Policy Statement.

20 MR. KAZANSKY: Please skip to the resolve.

21 MS. REILLY: Resolve that the Amended
22 Investment Policy Statement for the Qualified Pension
23 Plan of the Teachers' Retirement System of the City of
24 New York is here by adopted.

25 CHAIRMAN BROWN: Thank you. Is there a motion

1 to accept the Qualified Pension Plan Investment Policy
2 Statement?

3 MR. KAZANSKY: So moved.

4 CHAIRMAN BROWN: And is there a second?

5 MS. LEE: Second.

6 CHAIRMAN BROWN: Any discussion? Questions?
7 All those in favor. Please say aye?

8 (Ayes were heard.)

9 CHAIRMAN BROWN: Those opposed, say nay?
10 Abstentions?

11 Let the record show that the Qualified Pension
12 Plan Investment Policy Statement has been approved.
13 Approved. Thank you.

14 MS. REILLY: Next is the calendar, and the
15 first item is the approval of the following minutes.
16 March 7th, 2024 Investment Meeting minutes and March
17 21st, 2024 Board Meeting minutes.

18 CHAIRMAN BROWN: Do I hear a motion to accept
19 the March 7th, 2024 Investment Meeting minutes and the
20 March 21st, 2024 Board Meeting minutes?

21 MR. KAZANSKY: So moved.

22 CHAIRMAN BROWN: Thank you. Is there a
23 second?

24 MS. LEE: Second.

25 CHAIRMAN BROWN: Great. All those in favor of

1 approving the Investment Meeting minutes and the Board
2 Meeting minutes, please say aye.

3 (Ayes were heard.)

4 CHAIRMAN BROWN: Those opposed, say nay. Any
5 abstentions? This resolution, these minutes have been
6 approved. Thank you.

7 MS. REILLY: Next is the calendar items, and
8 you all received an electronic version of those items,
9 so --

10 MR. KAZANSKY: Please waive the reading of the
11 calendar.

12 CHAIRMAN BROWN: Great. So is there a motion
13 to accept the calendar items that were previously sent
14 to us?

15 MR. KAZANSKY: So moved.

16 CHAIRMAN BROWN: Thank you. Is there a
17 second?

18 MS. LEE: Second.

19 CHAIRMAN BROWN: All those in favor of
20 accepting the calendar items, please say aye?

21 (Ayes were heard.)

22 CHAIRMAN BROWN: Any opposed, say nay? Any
23 abstentions? And the calendar items have been approved.
24 Thank you.

25 MS. REILLY: Next is Other Business, and there

1 is none, unless anybody else has some.

2 And 7 is the questions or comments from the
3 public. Seeing none.

4 CHAIRMAN BROWN: Great. I guess that's all we
5 have for Public Session, so is there a motion to go into
6 Executive Session?

7 MR. KAZANSKY: So moved.

8 CHAIRMAN BROWN: Thank you. Is there a
9 second?

10 MS. LEE: Second.

11 CHAIRMAN BROWN: Thank you. All those in
12 favor of going into Executive Session, please say aye?

13 (Ayes were heard.)

14 CHAIRMAN BROWN: Those opposed, say nay? Any
15 abstentions? Let the record show that we are now in
16 Executive Session.

17 (Exit Public Session; enter Executive
18 Session.)

19 (Exit Executive Session; enter Public
20 Session.)

21 CHAIRMAN BROWN: At this time, we are back
22 into Public Session. And at this time, we will hear a
23 readout from Ron Swingle.

24 MR. SWINGLE: Thank you.

25 CHAIRMAN BROWN: Thank you, Ron.

1 MR. SWINGLE: In Executive Session of the
2 April 2024 Board Meeting, there was an update on an
3 investment policy issue, details to be announced at the
4 appropriate time.

5 CHAIRMAN BROWN: Thank you, Ron.

6 Anything else in Public Session? Seeing none,
7 do I have a motion to adjourn?

8 MR. KAZANSKY: So moved.

9 CHAIRMAN BROWN: And is there a second?

10 MS. LEE: Second.

11 CHAIRMAN BROWN: Any abstentions? We are
12 adjourned. Thank you very much.

13 (The proceedings were concluded at 3:51 p.m.)

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