



New York City Comptroller
Scott M. Stringer

NEWS

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COMPTROLLER STRINGER ANNOUNCES NEW YORK CITY PENSION FUNDS RETURNED 17.4 PERCENT IN FISCAL YEAR 2014

New York City to save \$17.8 billion through 2035 because of above-average returns

NEW YORK, NY – New York City Comptroller Scott M. Stringer announced today that the New York City Pension Funds achieved a 17.4 percent investment return for Fiscal Year 2014, which ended June 30th. The total fund value of the pension funds is now \$160.5 billion — the highest ever recorded to end a fiscal year.

“Five years of positive returns are good news for the pension funds and for the City,” Comptroller Stringer said. “I am proud of the hard work put in by the Trustees of the Pension Boards, our former Chief Investment Officer Seema Hingorani and the entire Bureau of Asset Management staff to achieve these results. The City will benefit significantly from the savings generated by these investment returns. Any year in which the pension funds achieve double the assumed rate of return is a good one in my book.”

FY14 marks one of the strongest years of returns in the last five years for the pension funds, and follows investment returns of 12.1 percent in FY13, 1.4 percent in FY12, 23.2 percent in FY11 and 14.2 percent in FY10. Over the past five years, the New York City Pension Funds have an annualized rate of return of 13.4 percent with a 10-year annualized return of 7.59 percent. The Funds currently have an Actuarial Assumed Rate of return of 7.0 percent.

The pension investment returns from FY 2014 will lower the City’s pension contributions beginning in FY 2016, resulting in cumulative City savings of \$17.8 billion phased in over a six-year period with each year’s incremental savings repeated for 15 years. The City’s budget projection of its pension contributions assumes pension returns beyond FY 2013 to equal the statutory actuarial interest rate 7 percent.

The City’s pension contributions will be reduced by \$178 million in FY 2016, \$356 million in FY 2017, \$534 million in FY 2018, \$712 million in FY 2019, \$949 million in FY 2020 and \$1.186 billion in FY 2021 and will continue at that annual level through FY2030 and taper down to \$237 million in FY2035.

“The Fiscal Year 2014 returns were unusually strong given the current investment environment. Strong growth in our equities portfolio coupled with a diversified investment strategy have the

pension funds well-positioned for the long-term. Our asset management team will continue to strive for excellent investment results in the years ahead,” said Chief Investment Officer Scott Evans.

As of March 2014 — the most recent data available — the New York City Pension Funds 5-year performance placed in the first quartile in the Trust Universe Comparison Service (TUCS) comparative performance rankings, up from the third quartile in December 2009. The Funds 10-year TUCS ranking increased from the fourth quartile in December 2009 to the second quartile as of March 2014. TUCS metrics for the end of the Fiscal Year will not be available until fall.

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New York City Comptroller Scott M. Stringer serves as the investment advisor to, and custodian and a trustee of, the New York City Pension Funds. The New York City Pension Funds are composed of the New York City Employees’ Retirement System, Teachers’ Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund and the Board of Education Retirement System.

In addition to Comptroller Stringer, the New York City Pension Funds’ trustees are:
New York City Employees’ Retirement System: Mayor Bill de Blasio’s Representative, Carolyn Wolpert (Chair); New York City Public Advocate Letitia James; Borough Presidents: Gale Brewer (Manhattan), Melinda Katz (Queens), Eric Adams (Brooklyn), James Oddo (Staten Island), and Ruben Diaz, Jr. (Bronx); Lillian Roberts, Executive Director, District Council 37, AFSCME; John Samuelson, President Transport Workers Union Local 100; Gregory Floyd, President, International Brotherhood of Teamsters, Local 237.

Teachers’ Retirement System: Mayor Bill de Blasio’s Appointee, Carolyn Wolpert; Deputy Chancellor Kathleen Grimm, New York City Department of Education; and Sandra March, Melvyn Aaronson (Chair) and Thomas Brown, all of the United Federation of Teachers.

New York City Police Pension Fund: Mayor Bill de Blasio’s Representative, Carolyn Wolpert; New York City Finance Commissioner Jacques Jiha; New York City Police Commissioner William Bratton (Chair); Patrick Lynch, Patrolmen’s Benevolent Association; Michael Palladino, Detectives Endowment Association; Edward D. Mullins, Sergeants Benevolent Association; Louis Turco, Lieutenants Benevolent Association; and, Roy T. Richter, Captains Endowment Association.

New York City Fire Department Pension Fund: Mayor Bill de Blasio’s Representative, Carolyn Wolpert; New York City Fire Commissioner Daniel A. Nigro (Chair); New York City Finance Commissioner Jacques Jiha; Stephen Cassidy, President, James Slevin, Vice President, Robert Straub, Treasurer, and John Kelly, Brooklyn Representative and Chair, Uniformed Firefighters Association of Greater New York; John Farina, Captains’ Rep.; James Lemonda, Chiefs’ Rep., and James J. McGowan, Lieutenants’ Rep., Uniformed Fire Officers Association; and, Sean O’Connor, Marine Engineers Association.

Board of Education Retirement System: Schools Chancellor Carmen Fariña; Mayoral: Milady Baez, Ezre T. Cleveland, Norm Fruchter, Vanessa Leung, Lori Podvesker, Robert Reffkin, Miguelina Zorilla-Aristy; Laura Zingmond (Manhattan BP), Fred Baptiste (Brooklyn BP), Debra Dillingham (Queens BP), Robert Powell (Bronx BP) and Kamillah Payne-Hanks (Staten Island BP); and employee members Joseph D'Amico of the IUOE Local 891 and Milagros Rodriguez of District Council 37, Local 372.