New York City Board of Education Retirement System

(A Fiduciary Fund of The City of New York)



Combining Financial Statements and Supplementary Information (Together with Report of Independent Certified Public Accountants)

For the Years Ended June 30, 2026 and 2025

Contents

	Page
Report of Independent Certified Public Accountants	3
Management's Discussion and Analysis (Unaudited)	6
Basic Combining Financial Statements	
Combining statements of fiduciary net position	14
Combining statements of changes in fiduciary net position	16
Notes to combining financial statements	18
Required Supplementary Information (Unaudited)	
Schedule 1 - schedule of changes in the employer's net pension liability and related ratios	53
Schedule 2 - schedules of employer contributions	54
Schedule 3 - schedule of investment returns	59

GRANT THORNTON LLP
757 Third Ave., 9th Floor
New York, NY 10017

D +1 212 599 0100

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
New York City Board of Education Retirement System

Opinion

We have audited the combining financial statements of New York City Board of Education Retirement System Qualified Pension Plan and the New York City Board of Education Retirement System Tax-Deferred Annuity Program, which collectively comprise the New York City Board of Education Retirement System (the "System"), which comprise the combining statements of fiduciary net position as of June 30, 2026 and 2025, and the related combining statements of changes in fiduciary net position for the years then ended, and the related notes to the combining financial statements, which collectively comprise the System's basic combining financial statements.

In our opinion, the accompanying combining financial statements present fairly, in all material respects, the combining fiduciary net position of the System as of June 30, 2026 and 2025, and the changes in the combining fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the combining financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Grant Thornton LLP is a U.S. member firm of Grant Thornton International Ltd (GTIL). GTIL and each of its member firms are separate legal entities and are not a worldwide partnership.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the combining financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combining financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combining financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combining financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule 1 - schedules of changes in the employer's net pension liability and related ratios for each of the ten years in the period ended June 30, 2026, schedule 2 - schedules of employer contributions for each of the ten years in the period ended June 30, 2026, and schedule 3 - schedule of investment returns for each of the ten years in the period ended June 30, 2026, be presented to supplement the basic combining financial statements. Such information is the responsibility of management and, although not a part of the basic combining financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic combining financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combining financial statements, and other knowledge we obtained during our audit of the basic combining financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Grant Thornton LLP

New York, New York
October 28, 2026

This narrative discussion and analysis of the New York City Board of Education Retirement System ("BERS," "Funds," the "Plan," or the "System") financial performance provides an overview of the System's combined financial activities for the Fiscal Years ended June 30, 2026 and 2025. It is intended to assist readers in understanding the System's basic combining financial statements by offering a comprehensive review of financial activities during these years, highlighting the effects of significant changes, and comparing results with prior years. This discussion and analysis should be read in conjunction with the System's combined financial statements. The System administers both the BERS Qualified Pension Plan ("QPP") and the BERS Tax-Deferred Annuity Program ("TDA Program").

OVERVIEW OF COMBINING FINANCIAL STATEMENTS

The following discussion and analysis serves as an introduction to the System's combining financial statements and related financial information. Prepared in accordance with Governmental Accounting Standards Board ("GASB") pronouncements, the financial reporting package includes the combining financial statements of the QPP and the TDA Program, the notes to the financial statements, and required supplementary information. The following are key components:

- **The Combining Statements of Fiduciary Net Position -** presents the financial position of the System at fiscal year-end. It provides information about: the nature and amounts of resources with present service capacity that the System presently controls (assets); consumption of net assets by the System that is applicable to a future reporting period (deferred outflow of resources); present obligations to sacrifice resources that the System has little or no discretion to avoid (liabilities); and acquisition of net assets by the System that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Combining Statements of Changes in Fiduciary Net Position -** presents the results of activities during the fiscal year. All changes affecting the assets/deferred outflow and liabilities/deferred inflow of the System are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. Changes in investment fair values are reported as net appreciation (depreciation) in the year's activity.

- **The Notes to Combining Financial Statements -** provide additional information that is essential to a full understanding of the data provided in the basic combining financial statements. The notes present information about the System's accounting policies, significant account balances and activities, material risks, obligations, contingencies and subsequent events, if any.

- **Required Supplementary Information ("RSI") Unaudited -** includes schedules and other information that provide additional context regarding the System's funding status, actuarial information, and investments. Although RSI is not part of the basic combining financial statements, it is required by GASB and is presented immediately following the notes to the financial statements.

FINANCIAL SUMMARY

During Fiscal Year 2026, BERS continued to strengthen its financial position. Total net position restricted for benefits increased by $1.07 billion, rising from $11.17 billion in Fiscal Year 2025 to $12.24 billion in Fiscal Year 2026, representing a 9.58% increase. Total assets increased by $1.83 billion, 15.15%, in Fiscal Year 2026, from $12.10 billion to $13.93 billion. The increase was driven primarily by growth in investment assets and higher investment-related receivables. Total contributions were $406.21 million, a decrease of 11.03% from Fiscal Year 2025. Member contributions declined primarily due to lower TDA participant

contributions, while employer contributions decreased by 9.48%. Benefit payments and withdrawals increased to $565.38 million, up 7.61% from Fiscal Year 2025, reflecting ongoing retirement benefit obligations and participant withdrawals. Despite lower contribution levels and higher benefit payments, both the QPP and TDA experienced growth in net position.

DETAIL ANALYSIS

QPP Fiduciary Net Position

During Fiscal Year 2026, QPP's net position restricted for pension benefits reached $8.35 billion, representing a 9.47% increase from $7.62 billion in Fiscal Year 2025. This growth was driven primarily by strong investment performance. Total investments, including collateral from securities lending, increased from $10.79 billion in Fiscal Year 2025 to $12.34 billion in Fiscal Year 2026, marking a 14.37% increase. The return on investments for the year stood at 10.08%.

In Fiscal Year 2025, QPP's net position restricted for pension benefits reached $7.62 billion, representing an 11.34% increase over Fiscal Year 2024. This growth was similarly driven by an increase in the fair value of investments, which includes collateral from securities lending. The fair value rose from $10.04 billion in Fiscal year 2024 to $10.79 billion in Fiscal Year 2025, marking a 7.41% increase. The return on investments for the year stood at 8.89%.

QPP Fiduciary Net Position

June 30, 2026, 2025, and 2024

(In thousands)

	2026	2025	2024
Assets:			
Cash	$ 16,454	$ 11,993	$ 6,802
Receivables	279,462	231,498	260,512
Investments, at fair value	11,210,090	10,245,563	9,373,988
Collateral from securities lending	1,131,020	545,051	671,994
Other	445,952	393,391	327,579
Total assets	13,082,978	11,427,496	10,640,875
Liabilities:			
Accounts payable	116,088	97,692	92,313
Payable for investment securities purchased	319,625	199,157	223,823
Accrued benefits payable	16,420	16,169	15,957
Due to the TDA Program's fixed return fund from the System	3,153,504	2,944,811	2,788,667
Payables for securities lending	1,131,020	545,051	671,994
Total liabilities	4,736,657	3,802,880	3,792,754
Net position restricted for pension benefits	$ 8,346,321	$ 7,624,616	$ 6,848,121

During Fiscal Year 2026, total receivables for the Qualified Pension Plan (QPP) increased from $231.50 million in Fiscal Year 2025 to $279.46 million, reflecting a 20.72% increase. This increase was primarily driven by an increase in receivables for investment securities sold, which increased by 31.62%, from $143.60 million in Fiscal Year 2025 to $189.00 million in Fiscal Year 2026. Similarly, payables for

investment securities purchased increased from $199.16 million in Fiscal Year 2025 to $319.63 million in Fiscal Year 2026, a 60.49% increase.

In contrast, at the close of Fiscal Year 2025, total receivables for the Qualified Pension Plan (QPP) decreased from $260.51 million Fiscal Year 2024 to $231.50 million, reflecting a 11.14% decline. This reduction was primarily driven by a decrease in receivables for investment securities sold, which fell by 17.28%, from $173.59 million in Fiscal Year 2024 to $143.60 million in Fiscal Year 2025. Similarly, payables for investment securities purchased declined from $223.82 million in Fiscal Year 2024 to $199.16 million in Fiscal Year 2025, a 11.02% decrease.

These fluctuations in receivables and payables are primarily due to timing differences between trade and settlement dates for investment transactions.

As of June 30, 2026, member loans totaled $58.53 million, reflecting a 0.04% increase compared to Fiscal Year 2025.

The account "Due to the TDA Program's fixed return fund from the System" represents a liability to the TDA program since the TDA Program assets are pooled with QPP assets for investment purposes. As of Fiscal Year 2026, this liability totaled $3.15 billion, reflecting a 7.09% increase from Fiscal Year 2025. The balance includes TDA members' account deposits in the fixed investment program, which are invested alongside QPP assets but remain separately accounted for as obligations of the System to the TDA Program.

Changes in QPP Fiduciary Net Position

During Fiscal Year 2026, member contributions to the QPP were at $73.35 million, marking a 3.01% decrease over the $75.63 million recorded in Fiscal Year 2025. In Fiscal Year 2025, contributions increased by 33.73% to $75.63 million from $56.55 million in Fiscal Year 2024.

The Fiscal Year 2026 other - receipts from (payments to) other retirement systems and other revenues/expenses includes the United Federation of Teachers ("UFT") members transfers to the Teachers' Retirement System of the City of New York ("TRS") due to Chapter 551 Laws of 2024 of $73.90 million.

Due to Chapter 717 of the Laws of 2023, in Fiscal Year 2026 $61.56 million in reserves were transferred out to other retirement systems for members who had ten or more years of service.

Changes in QPP Program Fiduciary Net Position

Years ended June 30, 2026, 2025, and 2024

(In thousands)

	2026	2025	2024
Additions:			
Member contributions	$ 73,348	$ 75,626	$ 56,552
Employer contributions	232,381	256,712	247,721
Net investment income before securities lending transaction	1,241,754	957,935	866,933
Net securities lending income	1,819	1,590	1,660
TDA Program's interest income	(255,511)	(239,471)	(220,785)
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(115,134)	161,078	164,300
Total additions	1,178,657	1,213,470	1,116,381
Deductions:			
Benefit payments and withdrawals	409,944	396,251	377,494
Administrative expenses	47,008	40,724	40,250
Total deductions	456,952	436,975	417,744
Net increase in net position	721,705	776,495	698,637
Net position restricted for pension benefits:			
Beginning of year	7,624,616	6,848,121	6,149,484
End of year	$ 8,346,321	$ 7,624,616	$ 6,848,121

Employer contributions received through the QPP Program decreased from $256.71 million in the Fiscal Year 2025 to $232.38 million in the Fiscal Year 2026, a decrease of 9.48%. These contributions are made on a statutory basis, in accordance with the one-year lag methodology, whereby contributions are calculated based on actuarial valuations from the prior fiscal year.

Fiscal Year 2026 net investment income before securities lending transactions increased by 29.63% to $1.24 billion, compared with $957.94 million in Fiscal Year 2025. The System's rate of return increased from 8.89% in Fiscal Year 2025 to 10.08% in Fiscal Year 2026. Fiscal Year 2025 net investment income increased 10.50% over Fiscal Year 2024.

The benefit payments and withdrawals increased from $396.25 million in Fiscal Year 2025 to $409.94 million in Fiscal Year 2026, reflecting a 3.46% increase. In Fiscal Year 2026, benefit payments to retirees grew by 4.54%, death benefits decreased by 32.27% and refund payments saw a 22.56% increase. In Fiscal Year 2025, benefit payments to retirees grew by 4.21%, death benefits increased by 41.33% while refund payments saw a 9.29% decline.

Administrative expenses totaled $47.01 million in Fiscal Year 2026, an increase of 15.43% from Fiscal Year 2025. Included in the administrative expense is the amortization expense of $7.85 million of the System's Enterprise Resource Planning ("ERP") system. During Fiscal Year 2025, administrative expenses stood at $40.72 million, an increase of 1.18% from Fiscal Year 2024.

Interest to the TDA Program includes statutory interest credited on the members' account balances on the TDA Program's fixed return fund. The statutory rate of interest is 7.0% for United Federation of Teachers ("UFT") members and 8.25% for all other members. During Fiscal Year 2026, the interest to the TDA Program's fixed return fund stood at $231.18 million, an increase of $13.17 million from Fiscal Year 2025. The table below displays revenue (expenses) to the System due to any surplus or deficiency between the actual rate of return on the fixed investments and the statutory rate credited to members.

Net Investment Income (Loss) to the System from TDA Member Holdings in Fixed Return Fund*:

Years ended June 30, 2026, 2025, 2024, 2023, and 2022

(In thousands)

	2026	2025	2024	2023	2022
Net investment income (loss)	$ 1,225,613	$ 948,450	$ 855,367	$ 665,751	$ (791,687)
TDA percent of fixed assets (average)	26.65%	27.76%	28.15%	28.17%	25.21%
Investment income (loss) on account of TDA investment	$ 326,662	$ 263,290	$ 240,786	$ 187,528	$ (199,622)
Less: statutory interest to TDA	(231,183)	(218,010)	(202,222)	(185,298)	(172,365)
Revenue (expense) to the System	$ 95,479	$ 45,280	$ 38,564	$ 2,230	$ (371,987)

*Includes security-lending income

TDA Program Fiduciary Net Position

The TDA program's net position restricted for TDA benefits stood at $3.90 billion on June 30, 2026, a net increase of 9.83% from Fiscal Year 2025. The increase in Fiscal Year 2026 was primarily due to an increase in the fair value of investments. Amount due to the TDA Program's fixed return fund from the System increased from $2.94 billion in Fiscal Year 2025 to $3.15 billion in Fiscal Year 2026, an increase of 7.09%. Fair value of variable investments including collateral security lending stood at $1.18 billion, an increase of 19.68%, from Fiscal Year 2025.

The TDA program's net position restricted for TDA benefits stood at $3.55 billion on June 30, 2025, a net increase of 5.43% from Fiscal Year 2024. The increase in Fiscal Year 2025 was primarily due to an increase in the fair value of investments. Amount due to the TDA Program's fixed return fund from the System increased from $2.79 billion in Fiscal Year 2024 to $2.94 billion in Fiscal Year 2025, an increase of 5.60%. Fair value of variable investments including collateral security lending stood at $988.06 million, an increase of 11.27%, from Fiscal Year 2024.

TDA Program Fiduciary Net Position

June 30, 2026, 2025, and 2024

(In thousands)

	2026	2025	2024
Assets:			
Cash	$ 854	$ 821	$ 693
Receivables	46,962	49,891	52,277
Due to the TDA Program's fixed return fund from the System	3,153,504	2,944,811	2,788,667
Investments, at fair value	1,087,631	929,689	829,646
Collateral from securities lending	94,856	58,370	58,370
Total assets	4,383,807	3,983,582	3,729,653
Liabilities:			
Other liability	378,621	364,723	289,900
Payable for investment securities purchased	1,491	930	5,805
Accrued benefits payable	10,741	10,205	8,973
Payables for securities lending transactions	94,856	58,370	58,370
Total liabilities	485,709	434,228	363,048
Net position restricted for TDA benefits	$ 3,898,098	$ 3,549,354	$ 3,366,605

Receivables and payables for investment stood at $1.62 million and $1.49 million, respectively, as of June 30, 2026. The TDA Program's receivables and payables are primarily generated through the timing differences between the trade and settlement dates for investment securities purchased or sold within the variable return fund. Total receivables decreased by 5.87% from Fiscal Year 2025. The receivables include outstanding member loans from the TDA program, which decreased from $47.44 million in the Fiscal Year 2025 to $44.61 million in the Fiscal Year 2026, a decrease of 5.96% from Fiscal Year 2025.

At the end of Fiscal Year 2025, total receivables decreased by 4.56% from Fiscal Year 2024. Included in these receivables are the TDA Program's member loans outstanding, which increased from $45.30 million in the Fiscal Year 2024 to $47.44 million in the Fiscal Year 2025.

Changes in TDA Program Fiduciary Net Position

During Fiscal Year 2026, member contributions to the TDA Program were at $100.48 million, contributions decreased by 19.13% from fiscal year 2025. Since January 1, 2024, the System has a ROTH option within the TDA Program, allowing participants to make after-tax contributions with the potential for tax-free withdrawals in retirement.

Net investment income increased from $119.47 million in the Fiscal Year 2025 to $193.82 million in the Fiscal Year 2026, an increase of $74.35 million or 62.23%. This increase reflects higher performance across key components of investment income, which includes interest income, and net appreciation in the fair value of investments.

During Fiscal Year 2025, member contributions to the TDA Program were at $124.25 million, contributions decreased by 2.79% from fiscal year 2024. Net investment income decreased from $141.62 million in the Fiscal Year 2024 to $119.47 million in the Fiscal Year 2025, a decrease of $22.15 million or 15.64%.

Changes in TDA Program Fiduciary Net Position

Years ended June 30, 2026, 2025, and 2024

(In thousands)

	2026	2025	2024
Additions:			
Member contributions	$ 100,484	$ 124,248	$ 127,817
Net investment income before securities lending transaction	193,687	119,370	141,492
Net securities lending income	128	97	128
TDA Program's interest income	255,511	239,471	220,785
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(45,338)	(171,020)	(137,326)
Total additions	504,472	312,166	352,896
Deductions:			
Benefit payments and withdrawals	155,433	129,129	124,658
Administrative expenses	295	288	299
Total deductions	155,728	129,417	124,957
Net increase in net position	348,744	182,749	227,939
Net position restricted for TDA benefits:			
Beginning of year	3,549,354	3,366,605	3,138,666
End of year	$ 3,898,098	$ 3,549,354	$ 3,366,605

Benefit payments and withdrawals increased from $129.13 million in Fiscal Year 2025 to $155.43 million in Fiscal Year 2026, an increase of $26.30 million or 20.37%. The death benefit payments increased from $23.08 million in Fiscal Year 2025 to $40.01 million in Fiscal Year 2026. The refund payments stood at $114.95 million in Fiscal Year 2026, an increase of $9.41 million from Fiscal Year 2025.

During Fiscal Year 2025, the benefit payments and withdrawals increased from $124.66 million in Fiscal Year 2024 to $129.13 million, an increase of $4.47 million or 3.59%. The death benefit payments decreased from $32.22 million in Fiscal Year 2024 to $23.08 million in Fiscal Year 2025. The refund payments totaled $105.53 million in Fiscal Year 2025, an increase of $13.58 million from Fiscal Year 2024.

Investment Summary

BERS holds a diversified portfolio of investments across its QPP and TDA Programs, which include both the fixed fund and the variable fund. These investments are reported at fair value and include collateral from securities lending transactions associated with both programs. The following table presents the investment holdings:

Investment Performance

Fair Value

(In thousands)

	June 30, 2026	June 30, 2025	June 30, 2024
Short-term investments	$ 134,310	$ 149,316	$ 146,212
Debt (fixed income) securities	2,710,307	2,502,133	2,473,377
Equity securities	5,894,395	5,361,642	4,757,534
Collective trust funds	93,518	74,652	84,411
Alternative investments	3,465,191	3,087,509	2,742,100
Collateral from securities lending	1,225,876	603,421	730,364
Total	$ 13,523,597	$ 11,778,673	$ 10,933,998

Given the long-term nature of the QPP's liabilities, the QPP and TDA Programs adopt a long-term investment horizon, focusing on a diversified portfolio of capital market securities. This strategy aims to generate higher returns over time, though it inherently involves greater market volatility and the potential for negative short-term returns. Despite these risks, the System's investments increased by 14.81% in Fiscal Year 2026 and 7.73% in Fiscal Year 2025. Net investment income totaled $1.44 billion, compared with $1.08 billion in Fiscal Year 2025, an increase of 33.22%.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

During Fiscal Year 2026, the System entered into a new 30-year lease agreement for its office space. The transaction resulted in the recognition of a right-to-use leased asset and a corresponding lease liability of approximately $43.63 million. The lease represents the most significant long-term financing activity during the fiscal year and reflects the System's commitment to securing long-term office space to support operational and member service functions.

The System also maintains certain subscription-based information technology arrangements. However, activity related to these arrangements was not material to the System's financial position.

CURRENTLY KNOWN FACTS AND CONDITIONS

Legislation significant to the System can be found within Note 9 – Contingent Liabilities and Other Matters.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the New York City Board of Education Retirement System's financial position. For questions regarding the data presented in this report or to request additional information, please contact the Director of Fiscal Operations, New York City Board of Education Retirement System, 55 Water Street, 50th Floor, New York, New York 10041.

New York City Board of Education Retirement System

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2026
(In thousands)

	QPP	TDA Program	Eliminations	Total
ASSETS				
Cash	$ 16,454	$ 854	$ -	$ 17,308
Receivables:				
Investment securities sold	189,003	1,623	-	190,626
Accrued interest and dividends	31,486	728	-	32,214
Member loans	58,530	44,611	-	103,141
Other	443	-	-	443
Total receivables	279,462	46,962	-	326,424
Investments - at fair value: (Notes 2 and 3)				
Fixed return funds:				
Short-term investments:				
Commercial paper	28,000	-	-	28,000
Short-term investment fund	74,218	-	-	74,218
T-bills and discount notes	23,613	-	-	23,613
Debt (fixed income) securities	2,710,307	-	-	2,710,307
Equity securities	4,713,609	-	-	4,713,609
Collective trust funds:				
International equity	883	-	-	883
Domestic equity	72,752	-	-	72,752
Mortgage debt security	8,902	-	-	8,902
Fixed income	10,981	-	-	10,981
Alternative investments	3,465,191	-	-	3,465,191
Collateral from securities lending	1,122,156	-	-	1,122,156
Variable return funds:				
Short-term investments	725	7,754	-	8,479
Equities	100,909	1,079,877	-	1,180,786
Collateral from securities lending	8,864	94,856	-	103,720
Total investments	12,341,110	1,182,487	-	13,523,597
Due to the TDA Program's fixed return fund from System	-	3,153,504	(3,153,504)	-
Other assets	445,952	-	(378,621)	67,331
Total assets	13,082,978	4,383,807	(3,532,125)	13,934,660
LIABILITIES				
Accounts payable	116,088	-	-	116,088
Other liability	-	378,621	(378,621)	-
Payable for investment securities purchased	319,625	1,491	-	321,116
Accrued benefits payable	16,420	10,741	-	27,161
Due to the TDA Program's fixed return fund from System	3,153,504	-	(3,153,504)	-
Payables for securities lending	1,131,020	94,856	-	1,225,876
Total liabilities	4,736,657	485,709	(3,532,125)	1,690,241
Net position restricted for benefits:				
Net position restricted for QPP (Qualified Pension Plan) benefits	8,346,321	-	-	8,346,321
Net position restricted for TDA (Tax-Deferred Annuity) benefits	-	3,898,098	-	3,898,098
Total net position restricted for benefits	$ 8,346,321	$ 3,898,098	$ -	$ 12,244,419

The accompanying notes are an integral part of this combining financial statement.

New York City Board of Education Retirement System

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025
(In thousands)

	QPP	TDA Program	Eliminations	Total
ASSETS				
Cash	$ 11,993	$ 821	$ -	$ 12,814
Receivables:				
Investment securities sold	143,595	1,706	-	145,301
Accrued interest and dividends	28,958	748	-	29,706
Member loans	58,508	47,437	-	105,945
Other	437	-	-	437
Total receivables	231,498	49,891	-	281,389
Investments - at fair value: (Notes 2 and 3)				
Fixed return funds:				
Short-term investments:				
Commercial paper	34,999	-	-	34,999
Short-term investment fund	101,614	-	-	101,614
T-bills and discount notes	5,122	-	-	5,122
Debt (fixed income) securities	2,502,133	-	-	2,502,133
Equity securities	4,353,431	-	-	4,353,431
Collective trust funds:				
International equity	3,010	-	-	3,010
Domestic equity	50,960	-	-	50,960
Mortgage debt security	9,234	-	-	9,234
Fixed income	11,448	-	-	11,448
Alternative investments	3,087,509	-	-	3,087,509
Collateral from securities lending	540,285	-	-	540,285
Variable return funds:				
Short-term investments	643	6,938	-	7,581
Equities	85,460	922,751	-	1,008,211
Collateral from securities lending	4,766	58,370	-	63,136
Total investments	10,790,614	988,059	-	11,778,673
Due to the TDA Program's fixed return fund from System	-	2,944,811	(2,944,811)	-
Other assets	393,391	-	(364,723)	28,668
Total assets	11,427,496	3,983,582	(3,309,534)	12,101,544
LIABILITIES				
Accounts payable	97,692	-	-	97,692
Other liability	-	364,723	(364,723)	-
Payable for investment securities purchased	199,157	930	-	200,087
Accrued benefits payable	16,169	10,205	-	26,374
Due to the TDA Program's fixed return fund from System	2,944,811	-	(2,944,811)	-
Payables for securities lending	545,051	58,370	-	603,421
Total liabilities	3,802,880	434,228	(3,309,534)	927,574
Net position restricted for benefits:				
Net position restricted for QPP (Qualified Pension Plan) benefits	7,624,616	-	-	7,624,616
Net position restricted for TDA (Tax-Deferred Annuity) benefits	-	3,549,354	-	3,549,354
Total net position restricted for benefits	$ 7,624,616	$ 3,549,354	$ -	$ 11,173,970

The accompanying notes are an integral part of this combining financial statement.

New York City Board of Education Retirement System

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2026
(In thousands)

	QPP	TDA Program	Total
Additions			
Contributions:			
Member contributions	$ 73,348	$ 100,484	$ 173,832
Employer contributions	232,381	-	232,381
Total contributions	305,729	100,484	406,213
Investment income:			
Interest income	170,834	372	171,206
Dividend income	98,598	14,287	112,885
Net appreciation in fair value of investments	1,091,350	180,560	1,271,910
Total investment income	1,360,782	195,219	1,556,001
Less - investment expenses	(119,028)	(1,532)	(120,560)
Net investment income, before securities lending transactions	1,241,754	193,687	1,435,441
Securities lending transactions:			
Securities lending income	2,019	142	2,161
Securities lending fees	(200)	(14)	(214)
Net securities lending income	1,819	128	1,947
Net investment income	1,243,573	193,815	1,437,388
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(115,134)	(45,338)	(160,472)
TDA Program's interest income	(255,511)	255,511	-
Total additions	1,178,657	504,472	1,683,129
Deductions			
Benefit payments and withdrawals	409,944	155,433	565,377
Administrative expenses	47,008	295	47,303
Total deductions	456,952	155,728	612,680
Net increase in net position	721,705	348,744	1,070,449
Net position restricted for benefits:			
Beginning of year	7,624,616	3,549,354	11,173,970
End of year	$ 8,346,321	$ 3,898,098	$ 12,244,419

The accompanying notes are an integral part of this combining financial statement.

New York City Board of Education Retirement System

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2025
(In thousands)

	QPP	TDA Program	Total
Additions			
Contributions:			
Member contributions	$ 75,626	$ 124,248	$ 199,874
Employer contributions	256,712	-	256,712
Total contributions	332,338	124,248	456,586
Investment income:			
Interest income	146,275	268	146,543
Dividend income	100,408	14,211	114,619
Net appreciation in fair value of investments	816,646	107,164	923,810
Total investment income	1,063,329	121,643	1,184,972
Less - investment expenses	(105,394)	(2,273)	(107,667)
Net investment income, before securities lending transactions	957,935	119,370	1,077,305
Securities lending transactions:			
Securities lending income	1,766	108	1,874
Securities lending fees	(176)	(11)	(187)
Net securities lending income	1,590	97	1,687
Net investment income	959,525	119,467	1,078,992
Other - receipts from (payments to) other retirement systems and other revenues/expenses	161,078	(171,020)	(9,942)
TDA Program's interest income	(239,471)	239,471	-
Total additions	1,213,470	312,166	1,525,636
Deductions			
Benefit payments and withdrawals	396,251	129,129	525,380
Administrative expenses	40,724	288	41,012
Total deductions	436,975	129,417	566,392
Net increase in net position	776,495	182,749	959,244
Net position restricted for benefits:			
Beginning of year	6,848,121	3,366,605	10,214,726
End of year	$ 7,624,616	$ 3,549,354	$ 11,173,970

The accompanying notes are an integral part of this combining financial statement.

NOTE 1 - SYSTEM DESCRIPTION

The City of New York ("The City" or "City") administers multiple pension systems that provide retirement benefits to employees across its various agencies, as defined by New York State ("State") statutes and City laws. The five major actuarially funded pension systems include: the New York City Board of Education Retirement System ("BERS", "Funds", the "Plan" or the "System"), the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of the City of New York ("TRS"), the New York City Police Pension Funds ("POLICE"), and the New York City Fire Pension Funds ("FIRE"). Each system operates as a distinct Public Employee Retirement System ("PERS") with its own oversight body and financial independence.

BERS administers the BERS Qualified Pension Plan (the "QPP") and the BERS Tax Deferred Annuity Program (the "TDA Program"). BERS serves as the fiduciary for both programs, which are reported under the Pension and Other Employee Benefit Trust Funds section of the City's Annual Comprehensive Financial Report ("ACFR"). The term "ACFR" is established by GASB Statement No. 98.

The QPP is a cost sharing, multiple employer pension plan that provides pension benefits to Non pedagogical employees of the New York City Department of Education, certain designated schools, and certain employees of the New York City School Construction Authority (collectively, the "Employer"). Membership is automatic for permanent non-pedagogical employees (excluding TRS members) on their first day of employment. Employees classified as noncompetitive, exempt, or provisional under Civil Service rules may voluntarily enroll, with membership effective from the date of filing.

The QPP operates under applicable State statutes and City laws, which govern benefit terms and contribution requirements. While the plan incorporates elements of both defined benefit and defined contribution structures, it is classified as a defined benefit plan for financial reporting purposes. Contributions are made by both the Employer and the members.

The following table presents the QPP's membership composition as of June 30 for each fiscal year from 2020 through 2026:

	2026*	2025*	2024	2023	2022	2021	2020
Retirees and beneficiaries receiving benefits	22,000	21,602	21,550	21,216	20,481	19,448	19,120
Terminated vested members not receiving benefits	4,500	4,259	3,501	2,859	2,410	1,972	1,972
Terminated non-vested members **	12,000	11,566	9,635	9,786	9,245	8,922	8,826
Active members receiving salary	47,000	46,890	24,120	24,619	25,639	27,556	28,183
Total	85,500	84,317	58,806	58,480	57,775	57,898	58,101

* Preliminary figures.

** As of June 30, 2020, membership figures include terminated members (and those deemed terminated) who are not vested in a pension benefit but are eligible to withdraw their employee contribution account balance only.

BERS is a fiduciary component unit of The City and is included in The City's Annual Report as a Pension and Other Employee Benefit Trust Fund.

The TDA Program is established and administered in accordance with Section 403(b) of the Internal Revenue Code ("IRC"), as well as applicable New York State statutes and City laws. The TDA Program is maintained as a separate plan and is available exclusively to members of the QPP. Participation in the TDA Program is optional for QPP members, with the following exceptions: School Crossing Guards, School Safety Agents employed by NYPD, Transferred Contributors outside of DOE employment, and employees of the School Construction Authority.

The TDA Program participants consisted of the following as of June 30 for each fiscal year:

	2026	2025	2024	2023	2022	2021	2020
Contributing members	16,018	17,205	17,384	17,688	18,205	18,551	19,148
Retired members with TDA balances	9,508	9,278	8,786	8,789	8,124	7,628	7,102

Participants in the BERS TDA plan have the flexibility to make retirement savings contributions on either a tax-deferred basis or a Roth (after-tax) basis.

Summary of Benefits

QPP Benefits

The New York State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983, 2012, and 2022, significant amendments made to the New York State Retirement and Social Security Law ("RSSL") modified certain benefits and member contributions for employees joining the QPP on or after the effective date of such amendments. As such, benefits under the QPP fall into various categories based on the year when an employee joined the QPP. A brief overview follows:

- Members who joined prior to July 1, 1973 ("Tier 1") are entitled to service retirement benefits of 55% of "final salary" (as defined within State statutes and City laws) after 25 years of qualifying service and attainment of age 55, a portion of which is provided from member contributions. Additional benefits equal to a specified percentage per year of service of "final salary" are payable for years in excess of the 25-year minimum. These additional benefits are increased, where applicable, by an annuity attributable to accumulated member contributions in excess of the minimum required balance and by any benefits attributable to the Increased Take-Home Pay ("ITHP") contributions accumulated after the 25th year of member qualifying service. ITHP represents amounts contributed by The City in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the QPP during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with increased benefits upon retirement. Tier 1 members contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership and which is dependent upon age and actuarial tables in effect at the time of membership.

  In addition, these same members could elect a service retirement benefit with no minimum service requirement which provides an annual benefit for each year of service equal to a specified percentage (as described within State statutes and City laws) of "final salary", payable upon attainment of age 55. This benefit is increased, where applicable, by an annuity attributable to the member contributions and ITHP contributions.

- For all members who enrolled in the QPP prior to July 27, 1976 ("Tier 1" and "Tier 2"), ITHP contributions made on their behalf as well as their own contributions are invested, at their election, in either the fixed return fund or the variable return fund, or 50% of such contributions in each. These investment elections can be changed every two years. The QPP guaranteed a 7.5% return on member contributions or ITHP contributions to the fixed return fund until June 30, 1982, increased the guaranteed return to 8% as of July 1, 1982, and to 8.25% as of July 1, 1988, for members who enrolled in the QPP prior to July 27, 1976 (5% on member contributions for members enrolled on or after July 27, 1976). The variable return fund includes only member contributions and ITHP contributions made on their behalf as described above and is expressed in terms of units, which are valued monthly, based on investment experience.

- Certain members of Tier 1 and Tier 2 have the right to make voluntary member contributions ("Voluntary Contributions") in excess of their required member contributions ("Required Contributions"). The investment of the Voluntary Contributions and the Required Contributions is directed by each member. A member may invest: (1) in the QPP's fixed return fund, which is credited with interest at the Statutory Interest Rate (currently 8.25% (7.0% for United Federation of Teachers ("UFT") members)); and/or (2) in the QPP's variable return fund. At the time of retirement or refund of contributions, a member's aggregate balance of actual Required Contributions and Voluntary Contributions, including the actual accumulated earnings thereon, less the outstanding balance of any member loans ("Net Actual Contributions"), may exceed ("Excess of Contributions") or fall short of ("Deficiency of Contributions") the member's Expected Balance. The Expected Balance is the sum of the Required Contributions which a member should have made during his or her credited service, plus the earnings that would have accumulated thereon at the Statutory Interest rate. The amount of the member's retirement annuity or the refund of contributions that he or she is entitled to is increased by any Excess of Contributions or reduced by any Deficiency of Contributions. The total value of active members' Excess of Contributions, net of all Deficiencies of Contributions, is $2.12 million and $1.88 million, for the years ended June 30, 2026 and 2025, respectively. Actuarial estimates of the impacts of Excesses and Deficiencies are incorporated into the calculation of the QPP's net pension liability (see Note 5).

- Members who joined after July 1, 1973 and before July 27, 1976 ("Tier 2") have provisions similar to Tier 1, except that the eligibility requirements for retirement and the salary base for benefits are different and there was a limitation on their maximum benefit. Also, certain members retiring prior to age 62 may have their benefit reduced by an age-based factor. This maximum benefit limitation was subsequently eliminated under Chapter 574 of the Laws of 2000 for all Tier 2 members who retired after December 8, 2000. Tier 2 members contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership, and which is dependent upon age and actuarial tables in effect at the time of membership.

- Members who joined the QPP on or after July 27, 1976 and prior to September 1, 1983 ("Tier 3") were originally entitled to a retirement benefit upon the completion of 10 years of service at age 62. The formula for this benefit was 1.67% of "Final Average Salary" ("FAS") per year of credited service for members with less than 20 years of service, or 2% of FAS per year of service for members with 20 to 30 years of service. Tier 3 benefits were reduced by one half of the primary Social Security benefit attributable to service with the Employer and provided an annual cost-of-living escalator in pension benefits of not more than 3%. Tier 3 required member contributions of 3% of salary for a period not to exceed 30 years. After September 1, 1983, all Tier 3 members were mandated into the Tier 4 plan. However, these members retain their Tier 3 rights. Effective October 1, 2000, Tier 4 members with Tier 3 rights, like other Tier 4 members, are not required to make contributions once the 10th anniversary of their membership date has passed, or upon completion of 10 years of credited service, whichever is earlier, and are eligible for a pension upon the completion of five years of credited service at age 62.

- Members who joined the QPP on or after September 1, 1983 and prior to April 1, 2012 ("Tier 4") are eligible for a pension upon the completion of five years of credited service at age 62. The annual benefit is 1.67% of FAS per year of service for members with less than 20 years of service, or 2% of FAS per year of service for members with 20 to 30 years of service, plus an addition of 1.5% of FAS per year of service for service in excess of 30 years of service. Tier 4 members were originally required to make contributions of 3% of salary until termination of service. As of October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or upon completion of 10 years of credited service, whichever is earlier (Chapter 126 of Laws of 2000). Certain members retiring prior to age 62 have their benefit reduced by an age-based factor.

- Effective June 28, 1995, active Tier 2 and Tier 4 members, excluding those who hold a position represented by the recognized teacher organization for collective bargaining purposes (currently, the UFT), were eligible to enroll in an early retirement program permitting them to retire at age 55 with 25 years of credited service ("55/25"), with no age reduction factor to their retirement allowance, or at age 50 with 25 years of credited service in a physically taxing position (Chapter 96 of the Laws of 1995). Additionally, Tier 4 members in non-UFT positions who joined BERS on or after June 28, 1995 and before April 1, 2012 were mandated into an early retirement program permitting them to retire at age 57 with 5 years of credited service ("57/5"), with no age reduction factor to their retirement allowance, or at age 50 with 25 years of credited service in a physically taxing position. Participants in the 55/25 and 57/5 early retirement programs are required to remit additional contributions of 1.85%, or 3.83% for physically taxing positions.

- Effective February 27, 2008, active Tier 4 members who hold a position represented by the recognized teacher organization for collective bargaining purposes (currently, UFT) were eligible to enroll in an early retirement program permitting them to retire at age 55 with 25 years of credited service ("55/25 UFT"), with no age reduction factor to their retirement allowance (Chapter 19 of the Laws of 2008). Those choosing the age 55 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later. UFT members in eligible titles who joined after February 27, 2008, but before December 10, 2009 were automatically enrolled in the 55/27 retirement program. Participants in the 55/27 retirement may retire if they are at least age 55 as of their retirement date and have attained at least 27 years of credited service. These members are required to make additional plan contributions of 1.85% of salary until they have accumulated 27 years of credited service.

- UFT members in covered titles who joined the QPP after December 10, 2009 and prior to April 1, 2012 are covered by 55/27 UFT but are required to make contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter (Chapter 504 of the Laws of 2009).

- Members who join the QPP on or after April 1, 2012 are subject to the provisions of Chapter 18 of the Laws of 2012 ("Chapter 18/12"), also known as "Tier 6". BERS members in Tier 6 are eligible for a pension upon the completion of 10 years of credited service at age 63. The annual benefit is 1.67% of FAS for the first 20 years of credited service, or 35% upon the attainment of 20 years of service plus an addition of 2% of FAS per year of service for service in excess of 20 years of service. Additionally, the FAS period is five years, rather than three, and a cap is imposed on the maximum permissible FAS. Tier 6 members are required to make Basic Member Contributions ("BMC") until they separate from service or until they retire. The BMC rate is dependent on annual wages earned during a plan year and ranges from 3% for salaries less than $45,000 to 5.75% for salaries greater than $125,000. Per Chapter 56 of the Laws of 2022, Tier 6 members become vested with 5 years of credited service.

- Under all service retirement categories, annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

- The QPP provides death benefits and retirement benefits on the occurrence of accidental or ordinary disability.

- During the Spring 2000 session, the State Legislature approved and the State Governor ("Governor") signed laws that provide automatic Cost of Living Adjustments ("COLA") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000). It also provides additional service credits for certain Tier 1 and Tier 2 members and reduced member contributions for certain Tier 3 and Tier 4 members (Chapter 126 of the Laws of 2000). COLA is payable to all members who are either: (1) at least age 62 and have been retired for at least five years; or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA is payable to members who retired for disability after being retired for five or more years and beneficiaries receiving accidental death benefits who have been receiving them for at least five years. COLA is one-half of the increase in the CPI-U based on the year ending March 31, rounding to the next higher 0.1%, not less than 1% nor greater than 3% of the first $18,000 of the sum of the maximum retirement allowance and prior COLA.

- Chapter 56 of the Laws of 2022, signed on April 9, 2022, was passed as part of the budget and provided for the following three relevant parts. Part HH waives RSSL 211 and 212 approval and income limitations on retirees as a result of earnings from employment in public schools in the state. It is deemed repealed June 30, 2023. Part SS excludes certain forms of overtime and extracurricular compensation from the salary used to determine Tier 6 BMC Contribution Rates during the specified period of 2022 through 2024. Part TT reduces the Tier 6 vesting requirement from 10 years to 5 years and allows for retirement with 5 years of service.

- Chapter 721 of 2023 - Provides for automatic enrollment in BERS for employees eligible for BERS membership, other than employees provisionally appointed, unless they submit a request to opt out of automatic enrollment by September 30, 2024 or within 90 days of their eligibility for BERS membership, whichever comes later. Effective date July 01, 2024.

- Chapter 55 of the Laws of 2024 (Chapter 55/24), Part KK, enacted on April 20, 2024, extends Chapter 56/22 by excluding overtime and compensation earned for supplemental work from wages used to calculate Tier 6 Basic Member Contribution Rates for two additional years.

- Chapter 56 of the Laws of 2024 (Chapter 56/24) Part QQ, enacted on April 20, 2024, reduces the number of years used to calculate the Final Average Salary from 5 years to 3 years for certain Tier 6 members of New York City Retirement System ("NYCRS").

- Chapter 551 of the Laws of 2024 dictates an immediate shift in retirement eligibility for UFT-represented NYC Department of Education employees. As of December 11, 2024, new UFT-represented employees can only join TRS. UFT-represented members of BERS had until December 11, 2025, to exercise their right to transfer to TRS.

- Chapter 58 of the Laws of 2026 (Chapter 58/26) Part XX, enacted on May 26, 2026, reduces the required basic member contribution rates for certain members and increases the Overtime Ceiling to $30,000 in calendar year 2027, which increases by 3% each subsequent calendar year.

TDA Program Benefits

Contributions to the TDA Program are made by the members only and are voluntary. To contribute to the TDA Program, certain active members of the QPP are required to submit a salary reduction agreement and TDA enrollment request. A participant may elect to exclude an amount of his or her compensation from current taxable income (within the maximum allowed by the Internal Revenue Service ("IRS")) by contributing it to the TDA Program. The basic contribution limit for the calendar year 2026 is $24,500. Participants, who have attained age 50, are permitted to make additional contributions. The additional contribution limit for calendar year 2026 is $8,000. Additionally, participants can elect to invest their contributions in either the fixed return fund or the variable return fund.

Benefits provided under the TDA Program are derived from participants' accumulated contributions and earnings on those contributions. No contributions are provided by the Employer.

A participant may withdraw all or part of the balance of his or her account at the time of retirement, termination of employment, or under certain hardship conditions. Beginning January 1, 1989, the tax laws restricted withdrawals of TDA contributions and accumulated earnings thereon for reasons other than retirement or termination.

Contributions made after December 31, 1988, and investment earnings credited after that date, may only be withdrawn by active participants upon attainment of age 59½ or for reasons of hardship (as defined by IRS regulations).

Contributions made on or before December 31, 1989, and earnings credited on or before that date, may be withdrawn by active participants even before age 59½. A member who has received a hardship withdrawal may continue to contribute to the TDA Program for the remainder of the current year.

If a member dies in active service or after retirement while his or her TDA account is in deferral, the full value of his or her account at the date of death is paid to the member's beneficiary(ies) or estate.

When a member resigns before attaining vested rights under the QPP, he or she may withdraw the value of his or her TDA Program account or leave the funds in the account for a period of up to five years after the date of resignation. If a member resigns after attaining vested rights under the QPP, he or she may leave his or her funds in the TDA Program account, accruing earnings until reaching the age at which minimum distributions are required by IRS regulations. Once a member withdraws from the QPP, participation in the TDA Program will cease, and the member will receive a refund of the value of his or her account in the TDA Program.

When a TDA Program participant applies to retire from the QPP and has a positive TDA Program account balance, the participant has three options:

a. The participant may withdraw the total balance, either by receiving it as a taxable distribution or by rolling it over into an Individual Retirement Account ("IRA");

b. The participant may defer distribution of the account; or

c. The participant may elect to receive the balance of the account as a life annuity. The available benefit options depend on the member's Tier.

Beginning January 1, 2024, BERS' TDA participants have the option make contributions on a Roth basis. Roth contributions are taxed when they are made. Roth contributions are not subject to federal or New York State tax when paid out to the participant, since this tax has already been withheld at the time the contribution was made. Any earnings on Roth contributions are entirely free from federal and New York

state tax when paid out to the member, as long as the first refund takes place in the fifth year from the participant's first Roth contribution or later.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The QPP and the TDA Program use the accrual basis of accounting where the measurement focus is on a flow of economic resources. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Contributions from members are recognized when respective employers make payroll deductions from the QPP's members and the TDA Program participants. Employer contributions to the QPP are recognized when due and the Employer has made a formal commitment to provide the contributions. Benefit payments and withdrawals are recognized when due and payable in accordance with the terms of governing the QPP and the TDA Program.

Use of Estimates - The preparation of the combining financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combining financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash equivalents consist of financial instruments with original maturity dates of three months or less.

Investment Valuation - Investments are reported at fair value. Fair value is defined as the quoted market price at the end of the last trading day for the specified period, except for alternative investments which are considered long term and illiquid in nature. Alternative investments consist of limited partnership structures invested in privately held investments for which exchange quotations are not readily available and are valued at estimated fair value. Fair value at fiscal year-end is based on the fair value of net assets reported in the most recently available partnership's capital account statements from the general partner, adjusted for any subsequent contributions, distributions, management fees and changes in values of foreign currency. They include investments held within Hedge Funds, Private Equity, Real Estate, Opportunistic-Fixed Income, and Infrastructure.

Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Investment Programs - 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 TRS.

Under the fixed return program, members' TDA Program accounts are credited with the statutory rate of interest, currently 7.0% for UFT members and 8.25% for all other members. TDA Program members and certain Tier 1 and 2 QPP members may transfer their balances between the fixed return fund and the variable return fund on a quarterly basis.

The QPP's assets within the variable return fund are co-invested with those assets of the TDA Program that are earmarked for the variable return fund. These combining financial statements reflect the QPP investment activity in the fixed return fund; as well as the variable return fund.

Income Taxes - Income earned by the QPP and TDA Program is not subject to federal income tax.

Accounts Payable - Accounts payable is principally comprised of amounts owed by BERS for overdrawn bank balances, accrued administrative and investment expenses. BERS's practice is to fully invest cash balances in most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding

benefit checks that are presented to the banks for payment on a daily basis and these balances are routinely settled each day.

Accrued Benefits Payable - Accrued benefits payable represent benefits due and unpaid by the QPP and the TDA Program for the Fiscal Year ended on June 30.

Interest (to) from TDA Program's Fixed Return Fund - The statutory interest credited on TDA Program member account balances invested in the fixed return fund is included in the "Interest (to) from TDA Program's."

Inter-Plan Eliminations - Included on the Combining Statements of Fiduciary Net Position and the Combining Statements of Changes in Fiduciary Net Position is an elimination column, the purpose of which is to remove from the statement any transactions involving dealings between reported entities.

Qualified Excess Benefit Arrangement - In April 2023, the BERS Board of Trustees resolved to establish a Qualified Excess Benefit Arrangement ("QEBA") Plan and Trust to pay the excess benefit to any retiree whose retirement benefit, as calculated under the applicable state statutes, would otherwise exceed the limits of Section 415 of the IRC of 1986. The BERS Board appointed the Executive Director of BERS as Administrator of the BERS QEBA Plan and Trust. The Actuary will notify BERS each year which BERS retirees, if any, qualify to receive a benefit in excess of Section 415. As of now, no BERS retirees fall into this category. All benefits paid by the QEBA Plan and Trust will be funded through dedicated employer contributions, which will be held in a separate account from the assets of the QPP.

Securities Lending Transactions - State statutes and Board policies permit the System to lend its investments to broker-dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, U.S. Treasury and U.S. Government securities. The System's agent lends the following types of securities: short-term securities, common stocks, long-term corporate bonds, U.S. Government and U.S. Government agency bonds, asset-backed securities, and international equities and bonds held in collective investment funds. In return, the System receives collateral in the form of cash, U.S. Treasury and U.S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At June 30, 2026 and 2025, management believes that the System has no credit risk exposure to borrowers because the fair value of collateral held by the System equaled or exceeded the fair value of securities lent to the borrowers. The contracts with the System's Securities Lending Agent (the "Agent") require the Agent to indemnify the System as follows: In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall between the replacement securities cost and the collateral value is covered by the Agent. All Securities loans can be terminated on demand within a period specified in each agreement by either the System or the borrowers. Cash collateral is invested by the securities lending agent using approved Lender's Investment guidelines. The weighted-average maturity is 75.57 days for collateral investments.

The securities lending program in which the System participates only allows pledging or selling securities in the case of borrower default.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the statements of fiduciary net position. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them without a borrower default. Accordingly, the System recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending. Securities on loan are carried at market value; the values reported by the QPP as of June 30, 2026 and 2025 are $1.10 billion and $529.26 million, respectively. As of net position

date, the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 62.89 days.

Implementation of Governmental Accounting Standards Board (GASB) Statements - GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), describes fair value as an exit price, requiring investments to be categorized under a fair value hierarchy prescribed by GASB. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels based on market price observability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

GASB Statement No. 87, *Leases*, improves the usefulness of governmental financial statements to users by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has evaluated all leases and determined there was no material impact as a result of adoption of GASB Statement No. 87.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, clarifies component unit criteria for a potential component unit in the absence of a governing board in determining financial accountability; limits the applicability of financial burden criteria in paragraph 7 of GASB Statement No. 84; and classifies Section 457 Deferred Compensation plans as either a pension plan or other employee benefit plan. The adoption of GASB Statement No. 97 did not have a significant impact on these financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITAs"), established uniform accounting and financial reporting requirements for SBITAs for government end users. The statement defines a SBITA as a contract that conveys control to the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. It establishes how a SBITA results in a right-to-use subscription asset and a corresponding subscription liability. The adoption of GASB Statement No. 96 did not have a significant impact on these financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, statement prescribes the accounting and financial reporting for each type of accounting change and error correction. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections. It also requires the information about the quantitative effects on beginning balances of each accounting change and error correction be disclosed in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. This statement also addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. The adoption of GASB Statement No. 100 did not have a significant impact on these financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* ("GASB 101"). The objective of GASB 101, is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the

recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. GASB 101 is effective for fiscal years beginning after December 15, 2023. The adoption of GASB 101 did not have a significant impact on these financial statements.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures* (“GASB 102”). The objective of GASB 102 is to provide users of the financial statement with information about risks related to vulnerabilities due to certain concentrations or constraints that are essential to their analyses for making decisions or assessing accountability. Concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. The definition for constraint is a limitation imposed on a government by an external party or by formal action of the government' s highest level of decision-making authority. GASB 102 is effective for fiscal years beginning after June 15, 2024. The adoption of GASB 102 did not have a significant impact on these financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements* (“GASB 103”). The objective of GASB 103 is to improve key components of the governmental financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. GASB 103 includes changes related to management's discussion and analysis (MD&A), reporting of unusual or infrequent items, proprietary fund financial statement presentation, major component unit information, budgetary comparison information, and statistical section reporting. GASB 103 is effective for fiscal years beginning after June 15, 2025.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* ("GASB 104"). The objective of GASB 104 is to establish new requirements for separately disclosing certain capital asset categories in the notes to the financial statements and introduce specific disclosures for capital assets classified as held for sale. GASB 104 is effective for fiscal years beginning after June 15, 2025. The adoption of this statement did not have a significant impact on these financial statements.

NOTE 3 - INVESTMENTS AND DEPOSITS

The Comptroller of the City of New York (the “Comptroller”) acts as an investment advisor to BERS. In addition, BERS employs staff and independent investment consultants as an investment advisor. BERS utilizes several investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

The BERS investment policy statement was ratified by the Board of Trustees in January 2009 and amended in October 2011, January 2013, February 2015, June 2016, April 2020, November 2021, December 2021, and November 2025. It addresses investment objectives, investment philosophy and strategy, monitoring and evaluating performance, risk management, security lending protocol and rebalancing investment mix. Assets may be invested in fixed income, equity and other vehicles as permitted by RSSL § 176-178(a) and Banking Law § 235, the New York City Administrative Code and the Legal Investments for New York Savings Banks list as published by the New York State Banking Department. Investments up to 35% of total System assets may be made in instruments not expressly permitted by the RSSL.

The System does not possess an investment risk policy statement, nor does it actively manage its assets to specified risk targets. Rather, investment risk management is an inherent function of the System’s asset allocation process. QPP and TDA Program assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk.

State Street Bank and Trust Company (“State Street”) is the primary custodian for the fixed return fund. The variable return fund assets are held in custody at JPMorgan Chase Bank.

The information reflected in the credit ratings and in the years to maturity is derived from the Custodian’s Risk and Performance Analytics Reporting System. Such information is prepared as a result of the Custodian’s Risk Management Analysis.

Concentrations - In accordance with RSSL § 177, no investment in any individual company may represent more than 2% of the Plan's total net assets or 5% of the company's total outstanding shares. Exclusions apply for obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal.

Credit Risk - The possibility of a loss or default resulting from a borrower's inability to repay a loan or fulfill its contractual debt obligations. Portfolios other than U.S. Government and related portfolios, have credit rating limitations. Investment Grade portfolios are limited to mostly ratings, of BBB/Baa2 and above, except that they are also permitted a 10% maximum exposure to BB & B/Ba2 & B2 rated securities. While high yield non-investment grade managers primarily invest in BB & B/Ba2 & B2 rated securities, they can also invest up to 10% of their portfolio in securities rated CCC/Caa2. The quality ratings of the fund's investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2026 and 2025 are as follows:

Investment Type Fixed Funds June 30, 2026	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa & Below	Not Rated	Total
U.S. government & agency	-%	35.86%	-%	0.04%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	35.90%
Mortgage debt securities	-%	16.91%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	16.91%
Corporate bonds	0.79%	0.02%	0.26%	0.80%	1.46%	2.07%	1.97%	3.04%	5.38%	2.51%	2.98%	3.55%	3.77%	3.70%	2.30%	1.60%	2.08%	4.50%	42.78%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.98%	0.98%
Discount notes & T-Bills	-%	0.83%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.83%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.60%	2.60%
Portfolio	0.79%	53.62%	0.26%	0.84%	1.46%	2.07%	1.97%	3.04%	5.38%	2.51%	2.98%	3.55%	3.77%	3.70%	2.30%	1.60%	2.08%	8.08%	100.00%

Investment Type Fixed Funds June 30, 2025	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa & Below	Not Rated	Total
U.S. government & agency	-%	31.18%	0.12%	0.04%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.18%	33.52%
Mortgage debt securities	-%	16.18%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	16.18%
Corporate bonds	1.01%	0.05%	0.29%	0.51%	1.68%	1.58%	2.58%	2.69%	4.55%	3.47%	2.66%	3.06%	4.13%	4.19%	2.95%	2.20%	2.81%	4.56%	44.97%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.31%	1.31%
Discount notes & T-Bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.19%	0.19%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	3.83%	3.83%
Portfolio	1.01%	47.41%	0.41%	0.55%	1.68%	1.58%	2.58%	2.69%	4.55%	3.47%	2.66%	3.06%	4.13%	4.19%	2.95%	2.20%	2.81%	12.07%	100.00%

The quality ratings of investments of the variable return fund, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2026 and 2025, are as follows:

Investment Type Variable Funds June 30, 2026	Moody's Quality Ratings																			
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Not Rated*	Total
Corporate bonds	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Short term:																				
U.S. Treasury bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Money market	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%
Cash equivalent	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Portfolio	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%

Investment Type Variable Funds June 30, 2025	Moody's Quality Ratings																			
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Not Rated*	Total
Corporate bonds	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Short term:																				
U.S. Treasury bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Money market	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%
Cash equivalent	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Portfolio	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%

*Certain prior year investment ratings have been reclassified to conform to the current year presentation. Money market funds, previously reported as not rated as of June 30, 2025 have been reclassified as Aaa to conform with the June 30, 2026 presentation.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that in the event of a failure of the counterparty or depository financial institution, the Funds will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Funds and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Funds. Consistent with the Funds' investment policy, the investments are held by the Funds' custodian and registered in the name of the Funds. All of the Funds' deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") or are collateralized by securities held by a financial institution separate from the Funds' depository financial institution. However, the System's cash balances can exceed FDIC insured limits. Non-invested cash is swept into a State Street Short-Term Investment Intraday account, which is not FDIC insured.

Interest Rate Risk - The risk that the value of debt securities will be affected by fluctuations in market interest rates. Although there is no formal interest rate risk management policy, the duration of the portfolio, relative to the duration of the portfolio's benchmark, is monitored by the Comptroller's Bureau of Asset Management. The lengths of investment maturities for fixed return fund (in years), as shown by the percent of the rated portfolio, at June 30, 2026 and 2025 are as follows:

Years to Maturity Investment Type June 30, 2026	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government & agency	35.90%	-%	21.53%	5.80%	8.57%
Mortgage debt securities	16.92	-	0.20	0.24	16.48
Corporate bonds	42.77	0.67	20.57	11.41	10.12
Short term:					
Commercial paper	0.98	0.98	-	-	-
Discount notes & T-bills	0.83	0.83	-	-	-
Pooled fund	2.60	2.60	-	-	-
Portfolio	100.00%	5.08%	42.30%	17.45%	35.17%

Years to Maturity Investment Type June 30, 2025	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government & agency	33.54%	-%	21.96%	4.95%	6.63%
Mortgage debt securities	16.17	-	0.19	0.13	15.85
Corporate bonds	44.96	0.59	23.45	10.76	10.16
Short term:					
Commercial paper	1.31	1.31	-	-	-
Discount notes & T-bills	0.19	0.19	-	-	-
Pooled fund	3.83	3.83	-	-	-
Portfolio	100.00%	5.92%	45.60%	15.84%	32.64%

The lengths of investment maturities (in years) of the variable return fund, as shown by the percent of the rated portfolio, at June 30, 2026 and 2025 are as follows:

Years to Maturity Investment Type June 30, 2026	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	-%	-%	-%	-%	-%
Short term:					
U.S. Treasury bills	-	-	-	-	-
Money market	100.00	100.00	-	-	-
Cash equivalent	-	-	-	-	-
Portfolio	100.00%	100.00%	-%	-%	-%

Years to Maturity Investment Type June 30, 2025	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	-%	-%	-%	-%	-%
Short term:					
U.S. Treasury bills	-	-	-	-	-
Money market	100.00	100.00	-	-	-
Cash equivalent	-	-	-	-	-
Portfolio	100.00%	100.00%	-%	-%	-%

Foreign Currency Risk - Foreign currency risk is the risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign stocks and/or bonds. The currency markets are effective diversifiers in a total portfolio context; therefore, the System has numerous managers that invest globally. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio. The System has no formal foreign currency risk policy.

In addition, the System has investments in foreign stocks and/or bonds denominated in foreign currencies. The System's foreign currency exposures as of June 30, 2026 and 2025 in the fixed return fund are as follows (amounts in thousands of U.S. dollars):

Trade Currency	June 30, 2026	June 30, 2025
Euro Currency	$ 613,388	$ 572,837
Japanese Yen	167,439	126,967
New Taiwan Dollar	148,853	104,576
South Korean Won	133,959	52,071
Hong Kong Dollar	89,565	143,751
British Pound Sterling	88,877	87,037
Swiss Franc	84,099	57,340
Canadian Dollar	54,147	29,737
Indian Rupee	54,009	85,782
Australian Dollar	30,877	29,611
Danish Krone	27,633	27,313
Singapore Dollar	26,888	21,179
Chinese Renminbi	25,687	9,700
Swedish Krona	22,553	25,799
Chinese Yuan (Offshore)	15,069	18,277
Brazilian Real	12,759	14,509
Thailand Baht	10,298	6,297
Mexican Peso	8,612	5,379
Norwegian Krone	7,454	4,369
South African Rand	7,294	8,987
Polish Zloty	7,199	8,973
UAE Dirham	5,898	12,850
Hungarian Forint	4,169	4,406
Malaysian Ringgit	3,849	1,514
Turkish Lira	3,105	5,829
Indonesian Rupiah	2,907	4,346
Kuwaiti Dinar	1,971	3,578
New Israeli Shekel	1,958	728
Philippine Peso	1,794	1,298
Qatari Rial	1,076	1,724
Romanian Leu	726	594
Chilean Peso	446	690
New Zealand Dollar	446	34
Saudi Arabian Ryal	440	235
Czech Koruna	197	113
Peruvian Nuevo Sol	167	59
Egyptian Pound	40	20
Colombian Peso	1	3
	$ 1,665,849	$ 1,478,512

The foreign currency exposures of the variable return funds as of June 30, 2026 and 2025 are as follows (amounts in thousands of U.S. dollars):

Trade Currency	June 30, 2026	June 30, 2025
Euro Currency	$ 60,318	$ 56,907
Japanese Yen	33,967	34,051
British Pound Sterling	26,875	23,793
South Korean Won	17,391	7,868
Taiwan Dollar	16,648	9,755
Swiss Franc	15,284	13,746
Hong Kong Dollar	10,013	13,861
Indian Rupee	5,805	9,437
Australian Dollar	5,066	8,554
Swedish Krona	3,868	5,445
Canadian Dollar	3,557	4,529
Chinese Renminbi (Yuan)	3,350	1,773
South African Rand	3,299	3,291
Singapore Dollar	2,392	2,465
Brazilian Real	2,296	2,163
UAE Dirham	2,256	2,352
Danish Krone	2,143	3,475
Mexican Nuevo Peso	1,745	1,813
Indonesian Rupiah	1,418	1,045
Norwegian Krone	1,051	997
Polish Zloty	1,047	1,000
Russian Ruble	757	731
Saudi Arabian Ryal	701	864
Israeli Shekel	684	770
Egyptian Pound	638	450
Thailand Baht	637	933
New Zealand Dollar	197	412
Malaysian Ringgit	119	120
Hungarian Forint	110	57
Philippine Peso	66	199
Chilean Peso	50	51
Turkish Lira	44	45
Chinese Yuan (Offshore)	32	1
Czech Koruna	15	15
Peruvian Nuevo Sol	1	6
Total	$ 223,840	$ 212,974

Securities Lending Transactions: Credit Risk - The quality ratings of investments held as collateral for Securities Lending at June 30, 2026 and 2025 are as follows:

Investment Type and Fair Value - Fixed Return Fund
Securities Lending Transactions
June 30, 2026
(In thousands)

	Moody's Quality Ratings											
	Aaa	Aa3	A1	A2	A3	Baa1	Ba	B	Caa	Ca	Not Rated	Total
U.S. government												
Short term:												
Reverse repurchase agreements	$ -	$ 257,434	$ 140,592	$ 68,739	$ -	$ 8,472	$ -	$ -	$ -	$ -	$ 445,042	$ 920,279
Money market	52,648	-	-	-	-	-	-	-	-	-	17,228	69,876
US agency	-	-	-	-	-	-	-	-	-	-	-	-
Cash or cash equivalent	-	110,019	-	-	-	-	-	-	-	-	-	110,019
Under/over invested cash collateral	-	-	-	-	-	-	-	-	-	-	21,981	21,981
Total	$ 52,648	$ 367,453	$ 140,592	$ 68,739	$ -	$ 8,472	$ -	$ -	$ -	$ -	$ 484,251	$1,122,155
Percent of securities lending portfolio	4.69%	32.75%	12.53%	6.13%	-%	0.75%	-%	-%	-%	-%	43.15%	100.00%

Investment Type and Fair Value - Fixed Return Fund
Securities Lending Transactions
June 30, 2025
(In thousands)

	Moody's Quality Ratings											
	Aaa	Aa3	A1	A2	A3	Baa1	Ba	B	Caa	Ca	Not Rated	Total
U.S. government												
Short term:												
Reverse repurchase agreements	$ -	$ 196,513	$ 36,241	$ 34,476	$ -	$ 7,224	$ -	$ -	$ -	$ -	$ 190,148	$ 464,602
Money market	20,012	-	-	-	-	-	-	-	-	-	1,648	21,660
US agency	-	-	-	-	-	-	-	-	-	-	-	-
Cash or cash equivalent	-	54,029	-	-	-	-	-	-	-	-	-	54,029
Under/over invested cash collateral	-	-	-	-	-	-	-	-	-	-	(6)	(6)
Total	$ 20,012	$ 250,542	$ 36,241	$ 34,476	$ -	$ 7,224	$ -	$ -	$ -	$ -	$ 191,790	$ 540,285
Percent of securities lending portfolio	3.70%	46.37%	6.71%	6.38%	-%	1.34%	-%	-%	-%	-%	35.50%	100.00%

Investment Type and Fair Value - Variable Return Fund
Securities Lending Transactions
June 30, 2026
(In thousands)

	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba	B1	B2	B3	Caa	Not Rated	Total
U.S. government	$ 2,045	$ 97,094	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,139
Short term:																			
U.S. Treasury bills & money market	2,489	927	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,416
Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,138	1,138
Uninvested	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26	26
Total	$ 4,534	$ 98,021	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,164	$ 103,719
By percent	4.37%	94.51%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.12%	100.00%

Investment Type and Fair Value - Variable Return Fund
Securities Lending Transactions
June 30, 2025
(In thousands)

	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba	B1	B2	B3	Caa	Not Rated	Total
U.S. government	$ 944	$ 57,109	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,053
Short term:																			
U.S. Treasury bills & money market	2,731	641	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,372
Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,710	1,710
Uninvested	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ 3,675	$ 57,750	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,710	$ 63,135
By percent	5.82%	91.47%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.71%	100.00%

Interest Rate Risk - The lengths of investment maturities of the collateral for Securities Lending at June 30, 2026 and 2025 are as follows:

Fixed Return Fund June 30, 2026 (In thousands)	Fair Value	Investment Maturities (in Years): Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short term:					
Tri Party Repo	$ 920,279	$ 920,279	$ -	$ -	$ -
Money market	69,876	69,876	-	-	-
Cash or cash equivalent	110,019	110,019	-	-	-
US agency	-	-	-	-	-
Under/over invested cash Collateral	21,981	21,981	-	-	-
Total	$ 1,122,155	$ 1,122,155	$ -	$ -	$ -
By percent	100.00%	100.00%	-%	-%	-%

Fixed Return Fund June 30, 2025 (In thousands)	Fair Value	Investment Maturities (in Years): Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short term:					
Tri Party Repo	$ 464,602	$ 464,602	$ -	$ -	$ -
Money market	21,660	21,660	-	-	-
Cash or cash equivalent	54,029	54,029	-	-	-
US agency	-	-	-	-	-
Under/over invested cash Collateral	(6)	(6)	-	-	-
Total	$ 540,285	$ 540,285	$ -	$ -	$ -
By percent	100.00%	100.00%	-%	-%	-%

Years to Maturity Variable Return Fund June 30, 2026 (In thousands)	Fair Value	Investment Maturities (in Years): Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	$ 99,139	$ 6,546	$ 53,923	$ 18,003	$ 20,667
Uninvested	26	26	-	-	-
Short term:					
Repurchase agreements	1,138	1,138	-	-	-
U.S. Treasury & money market	3,416	3,416	-	-	-
Total	$ 103,719	$ 11,126	$ 53,923	$ 18,003	$ 20,667
By percent	100.00%	10.73%	51.99%	17.36%	19.92%

Years to Maturity Variable Return Fund June 30, 2025 (In thousands)	Investment Maturities (in Years)				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	$ 58,053	$ 4,701	$ 31,297	$ 9,427	$ 12,628
Uninvested	-	-	-	-	-
Short term:					
Repurchase agreements	1,710	1,710	-	-	-
U.S. Treasury & money market	3,372	3,372	-	-	-
Total	$ 63,135	$ 9,783	$ 31,297	$ 9,427	$ 12,628
By percent	100.00%	15.50%	49.57%	14.93%	20.00%

Rate of Return - For the years ended June 30, 2026 and 2025, the annual money weighted rate of return on the System's fixed return fund investments, net of investment expense, was 12.69% and 10.54%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts invested.

In Fiscal Year 2015, the System adopted GASB 72. This standard was issued to improve accounting and financial reporting by establishing consistent definitions and guidance for measuring and disclosing fair value in governmental financial statements.

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The System has the following recurring fair value measurements as of June 30, 2026 and 2025:

GASB 72 - Disclosure
Fixed Return Funds
Investments - at fair value
(In thousands)

	2026			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	$ -	$ 28,000	$ -	$ 28,000
Short-term investment fund	-	74,218	-	74,218
U.S. Treasury bills and discount notes	-	23,613	-	23,613
Debt (fixed income) securities:				
Bank loans	-	16,713	904	17,617
Corporate and other	-	1,189,962	3,152	1,193,114
Mortgage debt securities	-	474,192	-	474,192
Treasury inflation-protected securities	-	1,356	-	1,356
U.S. government and agency	-	1,024,028	-	1,024,028
Equity securities	4,707,787	-	5,822	4,713,609
Collective trust funds:				
Bank loans	-	-	-	-
Corporate and other	-	514	10,467	10,981
Domestic equity	72,751	-	1	72,752
International equity	883	-	-	883
Mortgage debt securities	-	8,902	-	8,902
Total investments in the fair value hierarchy	$ 4,781,421	$ 2,841,498	$ 20,346	7,643,265
Investments measured at NAV				3,465,191
Total investments				$ 11,108,456

GASB 72 - Disclosure
Fixed Return Funds
Investments - at fair value
(In thousands)

	2025			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	$ -	$ 34,999	$ -	$ 34,999
Short-term investment fund	-	101,614	-	101,614
U.S. Treasury bills and discount notes	-	5,122	-	5,122
Debt (fixed income) securities:				
Bank loans	-	24,472	298	24,770
Corporate and other	-	1,153,780	8,021	1,161,801
Mortgage debt securities	-	421,873	-	421,873
Treasury inflation-protected securities	-	-	-	-
U.S. government and agency	-	893,689	-	893,689
Equity securities	4,350,144	-	3,287	4,353,431
Collective trust funds:				
Bank loans	-	-	208	208
Corporate and other	-	442	10,798	11,240
Domestic equity	50,874	-	86	50,960
International equity	3,010	-	-	3,010
Mortgage debt securities	-	9,234	-	9,234
Total investments in the fair value hierarchy	$ 4,404,028	$ 2,645,225	$ 22,698	7,071,951
Investments measured at NAV				3,087,509
Total investments				$ 10,159,460

The below table summarizes the assets that measure fair market value using net asset value ("NAV") as a practical expedient (In thousands):

	As of June 30, 2026		As of June 30, 2025		Redemption Frequency (Ranges if Eligible)	Redemption Notice Period (Ranges if Eligible)
Asset	Fair Value	Unfunded Commitments*	Fair Value	Unfunded Commitments*		
Infrastructure	$ 588,057	$ 305,039	$ 496,721	$ 322,123	N/A	N/A
Private equity	1,259,018	469,037	1,183,912	543,581	N/A	N/A
Private real estate	884,175	212,354	834,835	253,641	Quarterly	30 – 90 days
Opportunistic fixed income	715,543	362,979	554,433	390,693	N/A	N/A
Fixed income investment company	18,398	-	17,608	-	Monthly	15 days
	$ 3,465,191	$ 1,349,409	$ 3,087,509	$ 1,510,038		

* Unfunded commitments include capital commitment amounts that the System is obligated to fund upon the occurrence of certain trigger events as defined in the relevant investments' partnership agreement.

Equity, Debt Securities and Short-Term Investments - Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for these securities. Debt, equity securities, and short-term investments classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the System's custodian bank.

Collective Trust Funds - Collective trust funds are separately managed accounts which are owned 100% by The City's pension systems. The investments underlying the collective trust funds are presented as Level 1, Level 2 or Level 3 based on their respective fair value hierarchy classifications.

Alternative Investments - Alternative investments include Private Equity, Real Estate, Opportunistic Fixed Income, Infrastructure Investments, and a Fixed Income Investment Company. These are investments for which exchange quotations are not readily available and are valued at estimated fair value by the General Partner ("GP").

Alternative investments are measured at fair value using the NAV as a practical expedient and are not classified in the fair value hierarchy. The fair value quantities presented in the table below align with the amounts shown in the entity's financial statements.

Fair value is determined by the GP or the fund administrator using one or more valuation methodologies outlined in GASB 72, depending upon the availability of data required by each methodology. In some cases, the GP may use multiple approaches to estimate a valuation range.

Because of the subjective nature of estimated fair value of the private investments, such value may differ significantly from the values that would have been used had a ready market existed for these investments. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will generally be liquidated within 10 years but in some cases can take longer.

Certain alternative investments are not fully funded upon subscribing to the investment. The GP can draw down or call for capital as the fund goes into more investments or when the need arises such as expenses associated with the partnership. The residual balance of uncalled capital is also known as unfunded commitments which are restricted to the maximum amount of the limited partners' total committed amount.

The total unfunded commitments for the alternative investments as of June 30, 2026 and 2025 amounted to $1.35 billion and $1.51 billion, respectively.

GASB 72 - Disclosure
Variable Return Funds
(In thousands)

	2026			
	Level 1	Level 2	Level 3	Total
Variable return funds:				
Short-term investments	$ -	$ 8,479	$ -	$ 8,479
Equities	1,179,880	146	760	1,180,786
Total	$ 1,179,880	$ 8,625	$ 760	$ 1,189,265

GASB 72 - Disclosure
Variable Return Funds
(In thousands)

	2025			
	Level 1	Level 2	Level 3	Total
Variable return funds:				
Short-term investments	$ -	$ 7,581	$ -	$ 7,581
Equities	1,007,355	87	769	1,008,211
Total	$ 1,007,355	$ 7,668	$ 769	$ 1,015,792

Level 1 - Valued using prices quoted in active markets.

Level 2 - Valued using a matrix pricing technique: based on relationship to benchmark quoted prices.

Level 3 - Valued using discounted cash flow techniques.

NOTE 4 - CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the QPP is to fund members' retirement benefits during their active service and to establish employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. The Employer contributes amounts that, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

Contributions to the TDA program are made on a voluntary basis by certain members of the QPP.

Member Contributions

- Members who joined the QPP prior to July 1, 1973 ("Tier 1") contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership, and which is dependent upon age and actuarial tables in effect at the time of membership. Tier 1 members can also make Increased Take Home Pay ("ITHP") contributions, for which they can receive an additional annuity after retirement.

- Members who joined after July 1, 1973 and before July 27, 1976 ("Tier 2") also contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership, and which is dependent upon age and actuarial tables in effect at the time of membership. Note that the actuarial tables are different in Tier 2. Tier 2 members can also make ITHP contributions, for which they can receive an additional annuity after retirement.

- Members who joined after July 27, 1976 and before April 1, 2012 ("Tier 4") contribute 3% of salary until the earlier of the 10th anniversary of their membership date, or upon the completion of 10 years of credited service, except members of the Chapter 504 55/27 plan contribute Basic Member Contributions for the first 27 years of credited service. Certain Tier 4 members are enrolled in special early retirement plans and must, therefore, also make Additional Member Contributions ("AMC"), depending on the specific plan.

- Members who joined on or after April 1, 2012 ("Tier 6") are required to make Basic Member Contributions ("BMC") until they separate from service or until they retire. The BMC rate is dependent on annual wages earned during a plan year and ranges from 3% for salaries less than $45,000 to 6% for salaries greater than $100,000. Certain Tier 6 members are enrolled in special early retirement plans and must, therefore, also make Additional Member Contributions ("AMC"), depending on the

specific plan. Effective October 1st, 2026 under Chapter 58 of the Laws of 2026, the BMC rate ranges from 3% for salaries less than $75,000 to 5.75% for salaries greater than $125,000.

- For members of Tier 6 who earned certain forms of overtime and extracurricular compensation during 2020 through 2023, these earnings are excluded from the salary used to determine their Tier 6 BMC Contribution Rates for the period from 2023 through January 1, 2029.

Employer Contributions - Actuarially required contributions ("Actuarial Contributions") to the QPP, determined by the System's Chief Actuary of the Office of the Actuary (the "Actuary") in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year.

NOTE 5 - QPP NET PENSION LIABILITY

The components of the net pension liability of the Employers at June 30, 2026 and 2025 were as follows:

(In thousands)	2026	2025
Total pension liability	$ 7,899,886	$ 7,434,081
Fiduciary net position *	8,346,321	7,624,616
Employers' net pension liability	$ (446,435)	$ (190,535)
Fiduciary net position as a percentage of the total pension liability	105.65%	102.56%

* Such amounts represent the preliminary Systems' fiduciary net position and may differ from the final Systems' fiduciary net position.

The total pension liability as of June 30, 2026 and 2025 was calculated from the actuarial valuations as of June 30, 2025 (Preliminary) and June 30, 2024 (Preliminary), respectively, that were rolled forward to develop the total pension liability to the respective fiscal year end. The following actuarial assumptions were applied to all periods included in the measurement:

Projected Salary Increases	In general, merit and promotion increase plus assumed General Wage Increases of 3.0% per annum.
Investment Rate of Return	7.0% per annum, net of Investment Expenses.
COLAs	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation.

The above assumptions were developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement System ("NYCRS") are conducted every two years. The most recent experience study was performed by Milliman and included experience through June 30, 2021. Gallagher is performing the current experience study that covers the period through June 30, 2025.

On January 24, 2019, the Actuary issued a Report titled “Proposed Changes in Actuarial Assumptions and Methods used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for the New York City Board of Education Retirement System.” The actuarial assumptions and methods described in that report are referred to as the “2019 A&M.”

On July 16, 2021, the Actuary issued a memorandum titled “Proposed Changes to Actuarial Assumptions and Methods.” The actuarial assumptions and methods described in that memorandum amend certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the “Revised 2021 A&M.”

The June 30, 2025 total pension liability was calculated from the Preliminary June 30, 2024 actuarial valuation (adjusted for Chapter 56 of the Laws of 2023 and certain other post-valuation refinements), which was based on the Revised 2021 A&M.

The June 30, 2026 total pension liability was calculated from the Preliminary June 30, 2025 actuarial valuation (adjusted for Chapter 58 of the Laws of 2026), which was based on the Revised 2021 A&M.

The Entry Age Normal (“EAN”) cost method of funding is utilized by the System’s Actuary to calculate the contribution required of the Employer.

Under this method, the Present Value (“PV”) of Future Benefits (“PVFB”) of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit age(s). The Employer portion of this PVFB allocated to a valuation year is the Normal Cost. The portion of this PVFB not provided for at a valuation date by the PV of Future Normal Costs or future member contributions is the Accrued Liability (“AL”).

The excess, if any, of the AL over the Actuarial Value of Asset (“AVA”) is the Unfunded Accrued Liability (“UAL”).

Under this method, actuarial gains and losses, as they occur, reduce and increase the UAL and are explicitly identified and amortized.

Increases or decreases in obligations due to benefit changes, actuarial assumption changes, and actuarial method changes are also explicitly identified and amortized.

Expected Rate of Return on Investments

The long-term expected rate of return on QPP investments was determined using a building-block method in which best-estimate ranges of expected real rates of return (i.e., expected returns, net of QPP investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocations and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of June 30, 2026 and 2025:

	As of June 30, 2026		As of June 30, 2025	
Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public markets				
U.S. public market equities	34.0%	5.8%	34.0%	5.8%
Developed public market equities	9.0	5.9	9.0	5.9
Emerging public market equities	4.0	7.2	4.0	7.1
Fixed income	28.0	2.1	28.0	2.1
Private markets (alternative investments)				
Private equity	8.0	9.3	8.0	9.3
Private real estate	8.0	3.8	8.0	3.3
Infrastructure	4.0	5.9	4.0	5.8
Opportunistic-fixed income	5.0	5.5	5.0	5.8
Total	100.0%		100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current Tier for each member and that Employer contributions will be made at rates as determined by the Actuary. Based on those assumptions, the QPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active QPP members. Therefore, the long-term expected rate of return on QPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the Employers, calculated using the discount rate of 7.0%, as well as what the Employers' net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.0%) or one-percentage point higher (8.0%) than the current rate as of June 30, 2026 and 2025:

(In thousands)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Employers' net pension liability - June 30, 2026	$ 1,189,322	$ (446,435)	$ (1,728,369)
Employers' net pension liability - June 30, 2025	$ 1,357,792	$ (190,535)	$ (1,388,813)

NOTE 6 - MEMBER LOANS

Members of the QPP are permitted to borrow up to 75% of their employee contribution account balances, including accumulated interest, subject to the limitations of Section 72 of the IRC. The balance of QPP member loans receivable on June 30, 2026 and 2025 is $58.53 million and $58.51 million, respectively. When a member withdraws from the QPP with an outstanding QPP loan balance, this outstanding QPP loan balance will be deducted from the refund of the member's contribution balance. When a member retires with an outstanding QPP loan balance, the member's retirement benefit will be reduced by the actuarial value of the amount of the outstanding QPP loan balance, unless this balance is paid off.

Members of the TDA Program are permitted to borrow up to 75% of their TDA Program account balances, including accumulated interest, subject to the limitations of Section 72 of the IRC. The balance of TDA Program member loans receivable at June 30, 2026 and 2025 is $44.61 million and $47.44 million, respectively.

NOTE 7 - RELATED PARTIES

The Comptroller has been appointed by law as custodian for the assets of the QPP and the TDA Program. QPP fixed return fund securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller, the Financial Information Services Agency ("FISA"), and the Office of Payroll Administration ("OPA") also provides cash receipt and cash disbursement services to the System. Actuarial services are provided to the System by the New York City Office of the Actuary. The City's Corporation Counsel provides legal services to the System. Other administrative services are also provided by The City. Costs of $3.09 million and $3.02 million were incurred on behalf of the System by other City agencies, primarily the Comptroller's Office for 2026 and 2025, respectively. The fixed return fund assets of the QPP are co-invested with those of the TDA Program. The variable return fund assets of the QPP are co-invested with those of the TDA Program and TRS (see Note 2). TRS holds the assets of the variable return fund.

NOTE 8 - ADMINISTRATIVE EXPENSES

In Fiscal Years 2026 and 2025, as per Chapter 307 of the New York State Laws of 2002, the System provided BERS with corpus funding for administrative expenses in the amount of $47.30 million and $41.01 million, respectively.

In May 2026, the System entered into a lease agreement for office space with a duration of thirty years, entailing a total commitment of approximately $86.75 million over the lease term. Rent expense for the year ending June 30, 2026, amounted to $2.01 million under this lease agreement.

Capital assets are recorded at their original cost and are systematically depreciated using a straight-line method over their estimated useful lives. The ERP system was capitalized at $54.01 million. As of June 30, 2026, the accumulated amortization stands at $38.31 million.

In accordance with GASB 96, government entities engaged in SBITA (Software Business-Related Intangible Asset) agreements with software vendors are required to report both a subscription asset and a corresponding liability on their financial statements. As of June 30, 2026, the SBITA Assets are valued at $7.76 million, with amortization amounting to $2.76 million.

NOTE 9 - CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities - The System has claims pending against it and has been named as a defendant in lawsuits and also has certain other contingent liabilities. Management of the System, on the advice of legal counsel, believes that such proceedings and contingencies will not have a material effect on the net position of the System or changes in the net position of the System. Under the existing State statutes and City laws that govern the functioning of the System, increases in the obligations of the System to members and beneficiaries ordinarily result in increases in the obligations of the New York City Board of Education to the System.

Actuarial Audit - Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded NYCRS are conducted every two years.

Revisions to Actuarial Assumptions and Methods - In accordance with the Administrative Code of the City of New York ("ACNY") and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Bolton, Inc. published their study in June 2019. They analyzed the experience for the 4-year and 10-year periods ended June 30, 2017 and made recommendations with respect to the actuarial assumptions and methods based on their analysis. Based in part on these recommendations, the Actuary proposed new assumptions and methods for use in determining Employer Contributions for Fiscal Years beginning on and after July 1, 2018. These assumptions and methods have been adopted by the Board of Trustees during Fiscal Year 2019. These assumptions and methods were revised in Fiscal Year 2021 and collectively, this current set of assumptions is known as the Revised 2021 A&M.

Milliman published their study in January of 2025.

New York State Legislation (only significant laws since Fiscal Year 2012 included)

Chapter 18 of the Laws of 2012 ("Chapter 18/12") placed certain limitations on the Tier 3 and Tier 4 benefits available to participants hired on and after April 1, 2012 in most New York State PERS, including BERS. These changes are sometimes referred to as Tier 6.

Chapter 3 of the Laws of 2013 ("Chapter 3/13") implemented changes in the actuarial procedures for determining Employer Contributions beginning Fiscal Year 2012. In particular, Chapter 3/13 continued the One-Year Lag Methodology ("OYLM"), employed the Entry Age Actuarial Cost Method ("EAACM"), established an Actuarial Interest Rate ("AIR") assumption of 7.0% per annum, net of investment expenses, and defined the amortization of Unfunded Actuarial Accrued Liabilities ("UAAL").

Chapter 489 of the Laws of 2013 extended the Notice of Participation filing deadline to September 11, 2014 for vested members to file a sworn statement indicating participation in the World Trade Center Rescue, Recovery and Clean-up Operations.

Chapter 427 of the Laws of 2014 ("Chapter 427/14") provides non-contributory retirement service credit for members called to active military duty on or after September 11, 2001 and prior to January 1, 2006 who did not receive their full salary from a participating employer and are otherwise eligible to receive retirement service credit for such service. Such member would not be required to make member contributions to receive such credit.

Chapter 510 of the Laws of 2015 ("Chapter 510/15") clarifies for Tier 6 the definition of multiple employers for the purpose of exclusion of wages and changes the Plan year for contributions from plan year April 1 to March 31 to plan year January 1 to December 31.

Chapter 41 of the Laws of 2016 was enacted on May 31, 2016. This amendment removes the specified periods of time, medal requirements, and theaters of operation in which military service would had to have been rendered for a service purchase pursuant to RSSL § 1000. Accordingly, for a member to be eligible to purchase service credit pursuant to RSSL § 1000 for pre-membership military service, the member need only have been honorably discharged from the military; all other requirements of RSSL § 1000 remain the same. This law is not retroactive and does not permit retired members to purchase service credit.

Chapter 326 of the Laws of 2016, enacted on September 11, 2016, extends the deadline to file a Notice of Participation in the World Trade Center Rescue, Recovery and Clean-up Operations to September 11, 2018. Proper filing of a Notice of Participation is a requirement for a member to be eligible for a World Trade Center disability or death benefit.

Chapter 438 of the Laws of 2016, enacted on November 14, 2016, amends Retirement and Social Security Law Section 43 to eliminate restrictions upon transferring between public retirement systems.

Chapter 71 of the Laws of 2017, enacted on June 29, 2017, continues for Fiscal Year 2019, the Actuarial Interest Rate assumption of 7.0% per annum used to determine employer contributions to the New York City Pension Funds and Retirement Systems. This act also extends through Fiscal Year 2019, the interest rate of 8.25% per annum to credit interest on Tier 1 and Tier 2 member contributions and Increased-Take-Home-Pay (“ITHP”) Reserves.

Chapter 266 of 2018 extends the time for members or eligible beneficiaries to file a Notice of Participation in World Trade Center Rescue, Recovery, and Cleanup Operations to September 11, 2022.

Chapter 59 of the Laws of 2019 revises the composition of the Board of Education of The City of New York, and, therefore, the BERS Board of Trustees, to include one additional mayoral appointee and one member to be elected by community district education council presidents. This provision took effect on July 1, 2020.

Chapter 589 of the Laws of 2019 increases the amount of money a retiree may earn in a position of public service in the year 2020 and thereafter to $35,000 from $30,000.

Chapter 76 of the Laws of 2019 extends for two fiscal years, until June 30, 2021, the 7% rate of interest used by the Chief Actuary for BERS in valuing the retirement system liabilities for the purpose of computing the amount of Employer contributions. The bill also extends for two fiscal years the rate of interest to be paid into certain constituent funds of The City retirement systems and the 8.25% per annum rate to be credited on AMCs and ITHP reserves for Tier 1 and Tier 2 members.

Chapter 89 of the Laws of 2020 provides death benefits to statutory beneficiaries of members whose death was a result of or was contributed to by the coronavirus disease (“COVID-19”). This law provides an Accidental Death Benefit to the eligible beneficiaries of a member or a retiree who retired after March 1, 2020, where such member reported for work outside their home and contracted COVID-19 within 45 days after reporting for work, and whose death was caused by COVID-19 or where COVID-19 contributed to such member’s death. Amounts payable are reduced by payments of any ordinary death benefits or option benefit paid to another statutory beneficiary.

Chapter 78 of the Laws of 2021 establishes a COVID-19 public employee death benefit for individuals who reported to their usual place of employment or an alternate worksite at the direction of their employer on or after March 1, 2020 and such individual contracted COVID-19 within 45 days of reporting to such workplace as confirmed by a laboratory test or by a licensed physician and such individual died on or before December 31, 2022.

Chapter 391 of the Laws of 2021 extends for two fiscal years until June 30, 2023, the 7% rate of interest used by the Chief Actuary for BERS in valuing the retirement system liabilities for the purpose of computing the amount of Employer contributions. The bill also extends for two fiscal years the rate of interest to be paid into certain constituent funds of The City retirement systems and the 8.25% per annum rate to be credited on AMCs and ITHP reserves for Tier 1 and Tier 2 members.

Chapter 417 of the Laws of 2021 authorizes political subdivisions to permit any public body to hold meetings remotely and without in-person access during the COVID-19 state disaster emergency until the expiration or termination of the disaster emergency.

Chapter 424 of the Laws of 2021 expands the definition of a member for World Trade Center purposes to include certain professionals who were in qualifying employment in a qualifying period for a qualifying employer, irrespective of whether such person was a participant in such system at that time, provided they purchased service credit for a period of time that includes some or all of the qualifying period in accordance with applicable law.

Chapter 425 of the Laws of 2021 provides for the electronic submission of a notice that a member of a retirement system participated in World Trade Center rescue, recovery or cleanup operations for a qualifying period.

Chapter 481 of the Laws of 2021 requires certain records to be discussed at an open meeting to be made available to the public at least twenty-four hours prior to the meeting upon request.

Chapter 525 of the Laws of 2021 places family workers, family assistants, family associates, and parent program assistants under the jurisdiction of BERS instead of TRS and provides that the membership of paraprofessionals in TRS is mandatory.

Chapter 561 of the Laws of 2021 extends the time for members or eligible beneficiaries to file a Notice of Participation in World Trade Center Rescue, Recovery, and Cleanup Operations to September 11, 2026.

Chapter 587 of the Laws of 2021 requires a public body that maintains a regularly and routinely updated website and utilizes a high-speed internet connection to post the minutes of meetings within two weeks.

Chapter 56 of the Laws of 2022 enacted into law major components of legislation necessary to implement the state education, labor, housing and family assistance budget for the 2022-2023 state fiscal year and including some reform of the retirement law. This law provides that all BERS members, including Tier 6 members, now become vested with 5 years of credited service; suspends earnings limitations for retirees from April 9, 2022 through June 30, 2023; and revises the Tier 6 contribution rate determination process to disregard overtime between April 1, 2022 and April 1, 2024.

Chapter 173 of the Laws of 2022 extended the filing time for the Oath of Office for Public Officers who failed to file their oath of office within the statutory 30-day period from January 1, 2022 through March 31, 2022.

Chapter 364 of the Laws of 2022 - Provides that as of August 15, 2022, the Board of Education shall consist of 23 voting members: 5 members elected by the Community Education Councils (one from each borough), 1 appointed by each Borough President, and 13 appointed by the Mayor. This chapter law further provides that the Chancellor of Schools and the Comptroller of the City of New York as ex officio non-voting members. As a result, the BERS Board of Trustees now consists of 27 members. See also Chapter 71 of the Laws of 2023, below.

Chapter 482 of the Laws of 2022 - Amends the Freedom of Information Law (FOIL) to provide that the home address of a retiree or beneficiary of a public New York City or State retirement system shall be exempt from disclosure under the FOIL.

Chapter 561 of the Laws of 2022 - Extends the deadline for members who participated in the World Trade Center rescue, recovery and cleanup operations to file a Notice of Participation until September 11, 2026.

Chapter 775 of the Laws of 2022 - Increases the portion of the assets of a public New York City or State retirement system that may be invested in miscellaneous investments ("the basket clause") from 25% to 35%.

Chapter 783 of the Laws of 2022 - Extends the COVID-19 Accidental Death Benefit established by Chapter 89 of 2020 to cover members who die on or before December 31, 2024.

Chapter 58 of the Laws of 2023 - Amends the Open Meetings Law to provide that a public body may adopt a written procedure to allow for a member to attend a meeting through videoconferencing, if that member has a disability that prevents the member from attending this meeting in person. Such attendance counts towards quorum for a meeting of the public body.

Chapter 71 of the Laws of 2023 - Postpones the effective date of Chapter 364 of the Laws of 2022 from August 15, 2022 to January 15, 2023.

Chapter 184 of the Laws of 2023 - Extends for two fiscal years, until June 30, 2025, the 7% rate of interest used by the Chief Actuary for BERS in valuing the retirement system liabilities for the purpose of computing the amount of employer contributions. The bill also extends for two fiscal years the rate of interest to be paid into certain constituent funds of the City retirement systems and the 8.25% per annum rate to be credited on AMCs and ITHP reserves for Tier 1 and Tier 2 members.

Chapter 708 of the Laws of 2023 - Exempts certain Tier 4 carpenter titles who are participants in the 57/5 Plan from making the Physically Taxing Additional Member Contributions (AMCs) if their membership date makes it impossible for them to benefit from the early retirement provisions of their physically taxing titles. Members affected by this legislation would also be entitled to a refund of the Physically Taxing AMCs previously paid plus interest.

Chapter 711 of the Laws of 2023 - Permits members of the New York City Teachers' Retirement System, the New York City Employees' Retirement System, or the New York City Board of Education Retirement System who are eligible to join any other New York City Retirement due to a separate, concurrent eligible employment with a participating employer to join the New York City Retirement System applicable to the second employment, provided such benefits in the first system of membership are suspended during their active membership in the subsequent retirement system.

Chapter 716 of the Laws of 2023 - Ensures continued compliance with the Federal Older Workers' Benefit Protection Act by amending Tier 2, 3, and 4/6 ordinary death benefit provisions to ensure that, on an actuarial basis, the costs of providing such benefits to older members are no less than the costs of providing such benefits to younger members.

Chapter 717 of the Laws of 2023 - Requires a transfer of reserves to transfer a membership between certain New York City and State retirement systems when the member has ten or more years of service credit.

Chapter 721 of the Laws of 2023 - Provides for the automatic enrollment of certain new and existing employees of the City of New York eligible to join BERS unless they timely opt out of membership.

Chapter 55 of the Laws of 2024 enacted into law major components of legislation necessary to implement the state public protection and general government budget for the 2024-2025 state fiscal year, including some reform of the retirement law. This law extends the retiree earnings limitation waiver for school employees by one year to June 30, 2025. In addition, this law extends the revised Tier 6 contribution rate determination process for an additional two plan years to December 31, 2026.

Chapter 56 of the Laws of 2024 enacted into law major components of legislation necessary to implement the state education, labor, housing and family assistance budget for the 2024-2025 state fiscal year and including some reform of the retirement law. This law reduces the number of years used to calculate the Final Average Salary from 5 years to 3 years, for Tier 6 members of BERS. The law does not make changes to the 4-year lookback period for affected Tier 6 members. In addition, Chapter 56 provides that as of July 1, 2024, the Board of Education shall consist of 24 voting members: 1 appointed by each Borough President, 5 members elected by the Community Education Councils (one from each borough), 1 independent member who will serve as the chair of the Board, and 13 appointed by the Mayor. As a result, the BERS Board of Trustees now consists of 28 Members.

Chapter 551 of the Laws of 2024: Permits current New York City Board of Education Retirement System (BERS) members represented by the United Federation of Teachers (UFT) to transfer to the New York City Teachers' Retirement System (TRS) by December 11, 2025. Beginning December 11, 2024, employees represented by the UFT are no longer eligible to join BERS and are only permitted to join TRS.

Chapter 55 of the Laws of 2025: Extends the retiree earnings limitation waiver for school employees under Retirement and Social Security Law §§ 211 & 212 by two years to June 30, 2027.

Chapter 139 of the Laws of 2025: Extends the present actuarial interest rate of 7%, and the rates of special interest, additional interest, and supplementary interest until June 30, 2029.

Chapter 58 of the Laws of 2026 (Budget Bill Part XX): modifies the existing Tier 6 Basic Member Contribution Rates and the wage brackets used to determine members' Tier 6 Contribution Rates. Additionally, this legislation also sets the Overtime Ceiling to $30,000 in calendar year 2027, and increases it by 3% each subsequent calendar year.

Chapter 58 of the Laws of 2026 (Budget Bill Part YY): Part YY changes amortization and valuation methods applicable to employer contributions and implements the City's UAL re-amortization proposal. The legislation permits the Board of Trustees of each retirement system to elect whether that retirement system will participate in the new amortization approach. The BERS Board of Trustees elected for BERS to participate in the new amortization approach on June 4, 2026.

Chapter 58 of the Laws of 2026 (Budget Bill Part BBB): Part BBB requires the City Comptroller to submit a report to the Department of Financial Services regarding the financial health of NYCERS, TRS, BERS, PPF, and FPF, followed by a report from DFS to the Governor and Legislature. The statute calls for reporting on matters such as assumed rates of return, system funding and financial health, employer and employee contribution burdens, and any recommended legislative or administrative changes. The provision sunsets after 24 months.

The "SECURE 2.0" Act

The SECURE 2.0 Act of 2022 was signed into law by the President on December 29, 2022, as Division T of the Consolidated Appropriations Act of 2023. It contains several provisions that apply to BERS, the most important of which are the following:

a) Effective January 1, 2023, the required beginning date for Required Minimum Distributions (RMDs) is increased from 72 to 73. Effective January 1, 2033, it will be further increased to 75.

b) Effective January 1, 2025, higher age-based catch-up limits will apply to TDA participants at ages 60, 61, 62, and 63.

c) Some leeway will be given to plans to choose not to recover pension overpayments resulting from plan administration errors.

d) Effective January 1, 2023, the excise tax for failure to receive an RMD is reduced from 50% to 25% of the calculated RMD amount.

e) Effective January 1, 2024, Roth contributions are no longer subject to RMD rules.

f) Effective January 1, 2026, age-based catch-ups for employees who earned above $145,000 in the previous year (to be indexed for inflation) can only be made on a Roth basis. Prior to 2027, IRS regulations allow plans to implement the Roth catch-up provisions in accordance with a reasonable, good-faith interpretation of the statutory provisions.

g) Effective January 1, 2023, plans have the option to permit hardship distributions on self-certification (without requiring supporting documentation).

h) Effective January 1, 2024, plans have the option to permit hardship distributions to include earnings (as well as contributions).

i) The IRS extended the deadline for retirement plans to comply with certain RMD regulation provisions that have yet to be issued in final form until the calendar year that begins at least 6 months after final regulations are formally published (referring to Section 327 of the SECURE 2.0 Act to allow a spouse to be treated as an employee for the purpose of RMD Rules).

SCHEDULE 1

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

June 30,
(In thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:										
Service cost	$ 247,104	$ 182,404	$ 179,575	$ 175,411	$ 179,402	$ 175,281	$ 166,792	$ 168,501	$ 176,110	$ 168,625
Interest	539,939	500,473	447,033	430,070	391,274	405,690	369,904	366,084	350,999	346,510
Changes of benefit terms	(2,315)	-	22,024	-	15,863	-	-	-	-	-
Differences between expected and actual experience	91,021	118,878	534,937	(24,208)	(36,415)	38,132	(46,574)	152,160	(164,587)	19,938
Changes of assumptions	-	-	-	-	-	(853)	-	(314,503)	-	-
Benefit payments/withdrawals	(409,944)	(396,251)	(377,494)	(359,271)	(325,679)	(302,336)	(296,047)	(280,463)	(261,574)	(262,432)
Net change in total pension liability	465,805	405,504	806,075	222,002	224,445	315,914	194,075	91,779	100,948	272,641
Total pension liability - beginning	7,434,081	7,028,577	6,222,502	6,000,500	5,776,055	5,460,141	5,266,066	5,174,287	5,073,339	4,800,698
Total pension liability - ending (a)	7,899,886	7,434,081	7,028,577	6,222,502	6,000,500	5,776,055	5,460,141	5,266,066	5,174,287	5,073,339
Plan fiduciary net position:										
Employer contributions	232,381	256,712	247,721	233,546	262,404	182,983	257,503	269,637	318,643	288,233
Member contributions	73,348	75,626	56,552	49,810	49,591	48,125	49,766	46,304	40,846	39,821
Net investment income	1,243,573	959,525	868,593	676,092	(803,664)	1,889,751	365,767	406,879	565,577	862,510
Payment of interest on TDA program fixed return funds	(255,511)	(239,471)	(220,785)	(201,361)	(191,054)	(171,806)	(155,749)	(141,695)	(127,972)	(106,554)
Benefit payments and withdrawals	(409,944)	(396,251)	(377,494)	(359,271)	(325,679)	(302,336)	(296,047)	(280,463)	(261,574)	(262,432)
Administrative expenses	(47,008)	(40,724)	(40,250)	(36,717)	(35,566)	(25,175)	(22,207)	(17,357)	(13,212)	(15,486)
Other	(115,134)	161,078	164,300	(88,699)	(124,188)	239,808	(7,975)	35,624	51,024	(122,954)
Net change in plan fiduciary net position	721,705	776,495	698,637	273,400	(1,168,156)	1,861,350	191,058	318,929	573,332	683,138
Plan fiduciary net position - beginning*	7,624,616	6,848,121	6,149,484	5,876,084	7,044,240	5,182,890	4,991,832	4,672,903	4,099,571	3,416,433
Plan fiduciary net position - ending (b)	8,346,321	7,624,616	6,848,121	6,149,484	5,876,084	7,044,240	5,182,890	4,991,832	4,672,903	4,099,571
BERS's net pension liability - ending (a)-(b)	$ (446,435)	$ (190,535)	$ 180,456	$ 73,018	$ 124,416	$ (1,268,185)	$ 277,251	$ 274,234	$ 501,384	$ 973,768
Plan fiduciary net position as a percentage of the total pension liability	105.65%	102.56%	97.43%	98.83%	97.93%	121.96%	94.92%	94.79%	90.31%	80.81%
Covered payroll[1]	$ 2,062,161	$ 1,466,424	$ 1,467,906	$ 1,427,145	$ 1,484,264	$ 1,476,598	$ 1,353,266	$ 1,264,079	$ 1,102,184	$ 1,052,171
BERS's net pension liability as percentage of covered payroll	-21.65%	-12.99%	12.29%	5.12%	8.38%	-85.89%	20.49%	21.69%	45.49%	92.55%

*FY 2015 Plan fiduciary net position - beginning was revised from the prior year.

[1] Projected employee payroll at time 1.0 under previous roll-forward methodology through 2018. Actual employee payroll at valuation date (time = 0) beginning in 2019.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Fiscal years ended June 30,
(In thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 232,381	$ 256,712	$ 247,721	$ 233,546	$ 262,404	$ 182,983	$ 257,503	$ 269,637	$ 318,643	$ 288,233
Contributions in relation to the actuarially determined contribution	232,381	256,712	247,721	233,546	262,404	182,983	257,503	269,637	318,643	288,233
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll [1]	$ 2,062,161	$ 1,466,424	$ 1,467,906	$ 1,427,145	$ 1,484,264	$ 1,476,598	$ 1,353,266	$ 1,264,079	$ 1,102,184	$ 1,052,171
Contributions as a percentage of covered-employee payroll	11.27%	17.51%	16.88%	16.36%	17.68%	12.39%	19.03%	21.33%	28.91%	27.39%

[1] Projected employee payroll at time 1.0 under previous roll-forward methodology through 2018. Actual employee payroll at valuation date (time = 0) beginning in 2019.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Notes to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fiscal year 2026 contributions were determined using an actuarial valuation as of June 30, 2024). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Chapter 58 of the Laws of 2026 (Part YY) enacted on May 26, 2026 re-amortizes all outstanding UAL balances as of June 30, 2024, adjusted for Fiscal Year 2025 Employer Contributions already contributed over a 12-year period starting in Fiscal Year 2026 such that the amortization payment for Fiscal Year 2026 is reduced by 1/12th of the Preliminary Employer Contribution amount, followed by eleven new level dollar payments.

Valuation Dates	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	NA	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
2024 UAL Re-amortization	Initial payment in FY2026, followed by eleven level-dollar payments	NA	NA	NA	NA
Remaining amortization period:					
Initial unfunded	NA	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2010 ERI	NA	0 year (closed)	0 year (closed)	0 year (closed)	0 year (closed)
2011 Actuarial gain/loss	NA	3 years (closed)	4 years (closed)	5 years (closed)	6 years (closed)
2012 Actuarial gain/loss	NA	4 years (closed)	5 years (closed)	6 years (closed)	7 years (closed)
2013 Actuarial gain/loss	NA	5 years (closed)	6 years (closed)	7 years (closed)	8 years (closed)
2014 Actuarial gain/loss	NA	6 years (closed)	7 years (closed)	8 years (closed)	9 years (closed)
2014 Method change	NA	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2014 Assumption change	NA	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2015 Actuarial gain/loss	NA	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)
2016 Actuarial gain/loss	NA	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2017 Actuarial gain/loss	NA	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2017 Assumption change	NA	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2017 Method change	NA	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2018 Actuarial gain/loss	NA	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2018 Method change	NA	15 years (closed)	16 years (closed)	17 years (closed)	18 years (closed)
2019 Actuarial gain/loss	NA	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2019 Method change	NA	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2019 Assumption change	NA	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2020 Actuarial gain/loss	NA	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2020 Method change	NA	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2020 Plan change	NA	4 years (closed)	5 years (closed)	6 years (closed)	7 years (closed)
2021 Actuarial gain/loss	NA	13 years (closed)	14 years (closed)	15 years (closed)	NA
2021 Plan change	NA	11 years (closed)	12 years (closed)	13 years (closed)	NA
2022 Actuarial gain/loss	NA	14 years (closed)	15 years (closed)	NA	NA
2023 Actuarial gain/loss	NA	15 years (closed)	NA	NA	NA
2023 Plan change	NA	14 years (closed)	NA	NA	NA
2023 Plan change	NA	2 years (closed)	NA	NA	NA
2024 Re-amortization	13 years (closed)	NA	NA	NA	NA
Actuarial assets valuation method[1]	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.

[1] As of June 30, 2014 valuation, the AVA is constrained to be within a corridor of 80% to 120% of the fair value.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Note to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fiscal year 2025 contributions were determined using an actuarial valuation as of June 30, 2023). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**	**June 30, 2015**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
2024 UAL Re-amortization	NA	NA	NA	NA	NA
Remaining amortization period:					
Initial unfunded	13 years (closed)	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2010 ERI	0 year (closed)	0 year (closed)	0 year (closed)	0 year (closed)	1 year (closed)
2011 Actuarial gain/loss	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2012 Actuarial gain/loss	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2013 Actuarial gain/loss	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2014 Actuarial gain/loss	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2014 Method change	15 years (closed)	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2014 Assumption change	15 years (closed)	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2015 Actuarial gain/loss	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2016 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2017 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2017 Assumption change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2017 Method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2018 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2018 Method change	19 years (closed)	20 years (closed)	NA	NA	NA
2019 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2019 Method change	20 years (closed)	NA	NA	NA	NA
2019 Assumption change	20 years (closed)	NA	NA	NA	NA
2020 Actuarial gain/loss	NA	NA	NA	NA	NA
2020 Method change	NA	NA	NA	NA	NA
2020 Plan change	NA	NA	NA	NA	NA
2021 Actuarial gain/loss	NA	NA	NA	NA	NA
2021 Plan change	NA	NA	NA	NA	NA
2022 Actuarial gain/loss	NA	NA	NA	NA	NA
2023 Actuarial gain/loss	NA	NA	NA	NA	NA
2023 Plan change	NA	NA	NA	NA	NA
2023 Plan change	NA	NA	NA	NA	NA
2024 Re-amortization	NA	NA	NA	NA	NA
Actuarial assets valuation method[1]	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.

[1] As of June 30, 2014 valuation, the AVA is constrained to be within a corridor of 80% to 120% of the fair value.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial assumptions:					
Assumed rate of return[2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality[3]	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.
Salary increases[2]	In general, merit and promotion increases plus assumed general increases of 3.0% per	In general, merit and promotion increases plus assumed general increases of 3.0% per	In general, merit and promotion increases plus assumed general increases of 3.0% per	In general, merit and promotion increases plus assumed general increases of 3.0% per	In general, merit and promotion increases plus assumed general increases of 3.0% per
Cost-of-living adjustments[2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

[2] Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

[3] As of June 30, 2019, applies mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for terminated vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial assumptions:					
Assumed rate of return[2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality[3]	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2016.	Tables adopted by Board of Trustees during Fiscal Year 2016.
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2019.	Tables adopted by Board of Trustees during Fiscal Year 2012.	Tables adopted by Board of Trustees during Fiscal Year 2012.
Salary increases[2]	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.
Cost-of-living adjustments[2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

[2] Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

[3] As of June 30, 2019, applies mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for terminated vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

See Report of Independent Certified Public Accountants.

SCHEDULE 3

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS

The following table displays annual money-weighted rate of return from fixed investments for each of the past ten fiscal years:

Fiscal Years Ended	Money-Weighted Rate of Return
June 30, 2026	12.69%
June 30, 2025	10.54%
June 30, 2024	10.51%
June 30, 2023	8.53%
June 30, 2022	(9.01%)
June 30, 2021	27.97%
June 30, 2020	5.75%
June 30, 2019	7.00%
June 30, 2018	10.31%
June 30, 2017	15.33%

See Report of Independent Certified Public Accountants.