New York City Board of Education Retirement System

(A Fiduciary Fund of The City of New York)

BERS | Board of Education Retirement System

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

For the Years Ended June 30, 2023 and 2022

Contents

GRANT THORNTON LLP
757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520

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, 2023 and 2022 and the related combining statements of changes in fiduciary net position for the years then ended, and the related notes to 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, 2023 and 2022, 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 one year after the date the financial statements are available to be issued.

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, 2023, schedule 2 - schedules of employer contributions for each of the ten years in the period ended June 30, 2023, and schedule 3 - schedule of investment returns for each of the ten years in the period ended June 30, 2023, be presented to supplement the basic combining financial statements. Such information is the responsibility of management and, although not a required 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 26, 2023

This narrative discussion and analysis of the New York City Board of Education Retirement System's ("BERS", "Funds", the "Plan" or the "System") financial performance provides an overview of the System's combining financial activities for the Fiscal Years ended June 30, 2023 and 2022. It is meant to assist the reader in understanding the System's combining financial statements by providing an overall review of the combining financial activities during the years, the effects of significant changes, and a comparison of the prior years' activities and results. This discussion and analysis is intended to be read in conjunction with the System's combining financial statements. The System administers the BERS Qualified Pension Plan (the "QPP") and the BERS Tax-Deferred Annuity Program (the "TDA Program").

OVERVIEW OF COMBINING FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the System's combining financial statements. The combining financial statements, which are prepared in accordance with Governmental Accounting Standards Board ("GASB") pronouncements and include the financial statements of the QPP and the TDA Program, are as follows:

- **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. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Combining Financial Statements -** provide additional information that is essential to a full understanding of the data provided in the 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 (Unaudited) -** as required by GASB includes the management discussion and analysis (this section) and information presented following the Notes to combining financial statements.

FINANCIAL HIGHLIGHTS

QPP Fiduciary Net Position

QPP's net position restricted for pension benefits totaled $6.15 billion during Fiscal Year 2023, marking a growth of 4.65% compared to Fiscal Year 2022. The increase was primarily attributable to the rise in the fair value of investments. The fair value of investments, which includes the collateral from security lending, increased from $8.53 billion in Fiscal Year 2022 to $9.08 billion in Fiscal Year 2023, an increase of 6.46%. Return on investments stood at 7.44%.

During Fiscal Year 2022, QPP's net position restricted for pension benefits stood at $5.88 billion, indicating a notable decrease of 16.58% from Fiscal Year 2021. The decrease in the net position during Fiscal Year 2022 was due to a decrease in the fair value of investments. The fair value of investments, including the collateral from security lending, stood at $8.53 billion, a decrease of 12.51% from the Fiscal Year 2021. Return on investments stood at -9.41%.

QPP Fiduciary Net Position
June 30, 2023, 2022, and 2021
(In thousands)

	2023	2022	2021
Assets:			
Cash	$ 2,864	$ 7,556	$ 12,920
Receivables	169,655	212,230	304,182
Investments, at fair value	8,564,948	7,991,279	8,958,857
Collateral from securities lending	519,742	541,760	794,242
Other	199,888	319,776	464,473
Total assets	9,457,097	9,072,601	10,534,674
Liabilities:			
Accounts payable	65,414	63,581	78,462
Payable for investment securities purchased	156,536	204,459	436,597
Accrued benefits payable	13,604	12,621	13,150
Due to the TDA Program's fixed return fund from the System	2,552,317	2,374,096	2,167,983
Payables for securities lending	519,742	541,760	794,242
Total liabilities	3,307,613	3,196,517	3,490,434
Net position restricted for pension benefits	$ 6,149,484	$ 5,876,084	$ 7,044,240

Total receivables decreased from $212.23 million in Fiscal Year 2022 to $169.66 million in Fiscal Year 2023, a decrease of 20.06%. The decrease in the receivables was mainly caused by the decrease in the receivables for investment securities sold. Receivables for investment securities sold totaled $91.79 million in Fiscal Year 2023, a decrease of 33.63% from Fiscal Year 2022. Payables for investment securities purchased also decreased from $204.46 million in Fiscal Year 2022 to $156.54 million in Fiscal Year 2023, a decrease of 23.44% from Fiscal Year 2022.

At the close of Fiscal Year 2022, total receivables decreased from $304.18 million in Fiscal Year 2021 to $212.23 million, a decrease of 30.23%. Included in the total receivables are the receivables for investment securities sold, which decreased from $232.84 million in Fiscal Year 2021 to $138.29 million in Fiscal Year 2022, a decrease of 40.61% from Fiscal Year 2021.

The QPP's receivables and payables for investments are primarily generated through the timing differences between the trade and settlement dates for investment securities purchased or sold.

As of June 30, 2023, member loans totaled $50.85 million, representing a 4.92% increase compared to Fiscal Year 2022.

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. The liability for Fiscal Year 2023 stood at $2.55 billion, an increase of 7.51% from Fiscal Year 2022. This liability includes the TDA members' account balances for deposits in the fixed investment program.

Changes in QPP Fiduciary Net Position

During Fiscal Year 2023, the QPP member contributions increased to $49.81 million, an increase of 0.44% from Fiscal Year 2022. In Fiscal Year 2022, the QPP member contributions increased to $49.59 million, an increase of 3.04% from Fiscal Year 2021 contributions of $48.12 million.

Changes in QPP Program Fiduciary Net Position
Years ended June 30, 2023, 2022, and 2021
(In thousands)

	2023	2022	2021
Additions:			
Member contributions	$ 49,810	$ 49,591	$ 48,125
Employer contributions	233,546	262,404	182,983
Net investment income (loss) before securities lending transaction	674,345	(805,356)	1,888,731
Net securities lending income	1,747	1,692	1,020
TDA Program's interest income in the fixed return fund	(201,361)	(191,054)	(171,806)
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(88,699)	(124,188)	239,808
Total additions	669,388	(806,911)	2,188,861
Deductions:			
Benefit payments and withdrawals	359,271	325,679	302,336
Administrative expenses	36,717	35,566	25,175
Total deductions	395,988	361,245	327,511
Net increase (decrease) in net position	273,400	(1,168,156)	1,861,350
Net position restricted for pension benefits:			
Beginning of year	5,876,084	7,044,240	5,182,890
End of year	$ 6,149,484	$ 5,876,084	$ 7,044,240

Employer contributions received through the QPP Program decreased from $262.40 million in the Fiscal Year 2022 to $233.55 million in the Fiscal Year 2023, a decrease of 11.00%. The employer contributions are made on a statutory basis based on the one-year lag methodology.

Fiscal Year 2023 reported a net investment income before securities lending transactions of $674.35 million. Return on investments increased from -9.41% in Fiscal Year 2022 to 7.44% in Fiscal Year 2023.

The benefit payments and withdrawals increased from $325.68 million during the Fiscal Year 2022 to $359.27 million during the Fiscal Year 2023, an increase of 10.31%. Fiscal Year 2023 benefit payments to the retirees increased by 10.13%. During Fiscal Year 2022, the benefits payments and withdrawals increased by 7.72%, from $302.34 million to $325.68 million.

Administrative expenses increased from $35.57 million in the Fiscal Year 2022 to $36.72 million in the Fiscal Year 2023, an increase of 3.24%. During Fiscal Year 2022, administrative expenses stood at $35.57 million, a net increase of $10.39 million from Fiscal Year 2021.

Interest to the TDA Program's fixed return fund represents the statutory interest credited on the TDA Program member account balances. The statutory rate of interest is currently 7.00% for United Federation of Teachers ("UFT") members and 8.25% for all other members. During Fiscal Year 2023, the interest to the TDA Program's fixed return fund stood at $185.30 million, an increase of $12.93 million from Fiscal Year 2022. 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.

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

Years ended June 30, 2023, 2022, 2021, 2020, and 2019

(In thousands)

	2023	2022	2021	2020	2019
Net investment income (loss)	$ 665,751	$ (791,687)	$ 1,867,031	$ 364,638	$ 403,041
TDA percent of fixed assets (average)	28.17%	25.21%	24.60%	26.22%	25.26%
Investment income (loss) on account of TDA investment	$ 187,528	$ (199,622)	$ 459,255	$ 95,601	$ 101,812
Less: statutory interest to TDA	(185,298)	(172,365)	(155,904)	(142,223)	(128,413)
Revenue (expense) to the System	$ 2,230	$ (371,987)	$ 303,351	$ (46,622)	$ (26,601)

*Includes security-lending income

TDA Program Fiduciary Net Position

The TDA program's net position restricted for TDA benefits stood at $3.14 billion as on June 30, 2023, a net increase of 14.25% from Fiscal Year 2022. The increase in Fiscal Year 2023 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 $2.37 billion in Fiscal Year 2022 to $2.55 billion in Fiscal Year 2023, an increase of 7.51%. Fair value of variable investments including collateral security lending stood at $743.09 million, an increase of 16.63%, from Fiscal Year 2022.

During Fiscal Year 2022, the TDA Program's net position restricted for TDA benefits increased to $2.74 billion, a net increase of 8.00% from Fiscal Year 2021. The increase in Fiscal Year 2022 was primarily due to an increase in the amounts due to the TDA Program's fixed return fund from the System, which increased by 9.50%. The TDA Program's total investments including collateral security lending stood at $637.15 million, a decrease of 19.31% from Fiscal Year 2021. Amounts due to the TDA Program's fixed return fund from the System from $2.16 billion for the Fiscal Year 2021 to $2.37 billion in the Fiscal Year 2022.

TDA Program Fiduciary Net Position

June 30, 2023, 2022, and 2021

(In thousands)

	2023	2022	2021
Assets:			
Cash	$ 487	$ 556	$ 407
Receivables	45,159	48,802	46,345
Due to the TDA Program's fixed return fund from the System	2,552,317	2,374,096	2,167,983
Investments, at fair value	702,227	602,475	754,622
Collateral from securities lending	40,867	34,684	35,039
Total assets	3,341,057	3,060,613	3,004,396
Liabilities:			
Other liability	155,247	269,491	414,297
Payable for investment securities purchased	362	529	168
Accrued benefits payable	5,915	8,681	11,174
Payables for securities lending transactions	40,867	34,684	35,039
Total liabilities	202,391	313,385	460,678
Net position restricted for TDA benefits	$ 3,138,666	$ 2,747,228	$ 2,543,718

Receivables and payables for investment stood at $1.08 million and $0.36 million, respectively, as of June 30, 2023. Payables for collateral security lending stood at $40.87 million. 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 $3.64 million during Fiscal Year 2023, a decrease of 7.46% from Fiscal Year 2022. Included in these receivables, the TDA Program's member loans outstanding decreased from $47.15 million in the Fiscal Year 2022 to $43.35 million in the Fiscal Year 2023, a decrease of 8.06% from the Fiscal Year 2022.

At the end of Fiscal Year 2022, total receivables increased by $48.80 million, an increase of 5.35% from Fiscal Year 2021. Included in these receivables, the TDA Program's member loans outstanding increased from $44.75 million in the Fiscal Year 2021 to $47.14 million in the Fiscal Year 2022, an increase of 5.35% from the Fiscal Year 2021.

Changes in TDA Program Fiduciary Net Position

During Fiscal Year 2023, member contributions to the TDA Program was at $116.57 million, contributions marginally increased by 4.37% from fiscal year 2022. The number of contributing members declined by 2.84%. Net investment income increased from a net loss of $119.08 million in the Fiscal Year 2022 to $112.73 million in the Fiscal Year 2023, an increase of $231.82 million.

During Fiscal Year 2022, member contributions to the TDA Program was at $111.68 million, contributions marginally increased by 0.09% from fiscal year 2021. The number of contributing members declined by 1.86%. Net investment income decreased from $233.35 million in the Fiscal Year 2021 to a net loss of $119.08 million in the Fiscal Year 2022, a decrease of $352.44 million.

Changes in TDA Program Fiduciary Net Position

Years ended June 30, 2023, 2022, and 2021

(In thousands)

	2023	2022	2021
Additions:			
Member contributions	$ 116,569	$ 111,685	$ 111,580
Net investment income (loss) before securities lending transaction	112,569	(119,188)	233,245
Net securities lending income	161	102	112
TDA Program’s interest income in the fixed return fund	201,361	191,054	171,806
Other - receipts from (payments to) other retirement systems and other revenues/expenses	71,665	115,459	(239,773)
Total additions	502,325	299,112	276,970
Deductions:			
Benefit payments and withdrawals	110,577	95,317	69,743
Administrative expenses	310	285	259
Total deductions	110,887	95,602	70,002
Net increase (decrease) in net position	391,438	203,510	206,968
Net position restricted for TDA benefits:			
Beginning of year	2,747,228	2,543,718	2,336,750
End of year	$ 3,138,666	$ 2,747,228	$ 2,543,718

Benefit payments and withdrawals increased from $95.31 million in Fiscal Year 2022 to $110.58 million in Fiscal Year 2023, an increase of $15.26 million or 16.01%. The increase was primarily due to the net impact of the benefit payments towards death benefits and refund payments. The death benefit payments increased from $22.60 million in Fiscal Year 2022 to $28.51 million in Fiscal Year 2023, an increase of $5.91 million from Fiscal Year 2022. The refund payments stood at $81.66 million in Fiscal Year 2023, an increase of $9.36 million from Fiscal Year 2022.

During Fiscal Year 2022, the benefit payments and withdrawals stood at $95.31 million, an increase of $25.57 million from Fiscal Year 2021. The increase was primarily due to the increase in the benefit payments for required minimum distributions (“RMD”) withdrawals. The waiver for required minimum distributions per the Coronavirus Aid, Relief, and Economic Security Act (“CARES”) Act, was not extended to calendar year 2021. The RMD payments increased from $9.06 million in Fiscal Year 2021 to $29.84 million in Fiscal Year 2022.

Investment Summary

Investments held by BERS's QPP and TDA Programs (which include the fixed fund and the variable fund programs), including collateral from securities lending transactions from both programs, are listed according to their investment classification in the following table:

Investment Summary

Fair Value

(In thousands)

	June 30, 2023	June 30, 2022	June 30, 2021
Short-term investments	$ 126,663	$ 270,497	$ 350,053
Debt (fixed income) securities	2,146,559	2,103,604	2,585,380
Equity securities	4,555,898	4,147,837	5,238,122
Collective trust funds	87,999	92,540	116,667
Alternative investments	2,350,056	1,979,276	1,423,257
Collateral from securities lending	560,609	576,444	829,281
Total	$ 9,827,784	$ 9,170,198	$ 10,542,760

Because the QPP's liabilities are of a long-term nature, the assets of the QPP and the TDA Programs are invested with a long-term investment horizon. Assets are invested in a diversified portfolio of capital market securities. Investments in these assets are expected to produce higher returns but are also subject to greater volatility and may produce negative returns. The System's investments increased by 7.17% in Fiscal Year 2023 and decreased by 13.02% in Fiscal Year 2022.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the New York City Board of Education Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to 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, 2023
(In thousands)

	QPP	TDA Program	Eliminations	Total
ASSETS				
Cash	$ 2,864	$ 487	$ -	$ 3,351
Receivables:				
Investment securities sold	91,786	1,077	-	92,863
Accrued interest and dividends	26,603	733	-	27,336
Member loans	50,845	43,349	-	94,194
Other	421	-	-	421
Total receivables	169,655	45,159	-	214,814
Investments - at fair value: (Notes 2 and 3)				
Fixed return funds:				
Short-term investments:				
Commercial paper	-	-	-	-
Short-term investment fund	101,179	-	-	101,179
T-bills and discount notes	20,037	-	-	20,037
Debt (fixed income) securities	2,146,559	-	-	2,146,559
Equity securities	3,793,046	-	-	3,793,046
Collective trust funds:				
International equity	2,563	-	-	2,563
Domestic equity	65,141	-	-	65,141
Mortgage debt security	8,879	-	-	8,879
Fixed income	11,416	-	-	11,416
Alternative investments	2,350,056	-	-	2,350,056
Collateral from securities lending	515,897	-	-	515,897
Variable return funds:				
Short-term investments	469	4,978	-	5,447
Debt (fixed income) securities	-	-	-	-
Equities	65,603	697,249	-	762,852
Collateral from securities lending	3,845	40,867	-	44,712
Total investments	9,084,690	743,094	-	9,827,784
Due to the TDA Program's fixed return fund from System	-	2,552,317	(2,552,317)	-
Other assets	199,888	-	(155,247)	44,641
Total assets	9,457,097	3,341,057	(2,707,564)	10,090,590
LIABILITIES				
Accounts payable	65,414	-	-	65,414
Other liability	-	155,247	(155,247)	-
Payable for investment securities purchased	156,536	362	-	156,898
Accrued benefits payable	13,604	5,915	-	19,519
Due to the TDA Program's fixed return fund from System	2,552,317	-	(2,552,317)	-
Payables for securities lending	519,742	40,867	-	560,609
Total liabilities	3,307,613	202,391	(2,707,564)	802,440
Net position restricted for benefits:				
Net position restricted for QPP (Qualified Pension Plan) benefits	6,149,484	-	-	6,149,484
Net position restricted for TDA (Tax-Deferred Annuity) benefits	-	3,138,666	-	3,138,666
Total net position restricted for benefits	$ 6,149,484	$ 3,138,666	$ -	$ 9,288,150

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, 2022
(In thousands)

	QPP	TDA Program	Eliminations	Total
ASSETS				
Cash	$ 7,556	$ 556	$ -	$ 8,112
Receivables:				
Investment securities sold	138,290	271	-	138,561
Accrued interest and dividends	25,062	1,382	-	26,444
Member loans	48,461	47,149	-	95,610
Other	417	-	-	417
Total receivables	212,230	48,802	-	261,032
Investments - at fair value: (Notes 2 and 3)				
Fixed return funds:				
Short-term investments:				
Commercial paper	201,539	-	-	201,539
Short-term investment fund	60,875	-	-	60,875
T-bills and discount notes	2,409	-	-	2,409
Debt (fixed income) securities	2,103,604	-	-	2,103,604
Equity securities	3,493,244	-	-	3,493,244
Collective trust funds:				
International equity	1,524	-	-	1,524
Domestic equity	70,349	-	-	70,349
Mortgage debt security	20,493	-	-	20,493
Fixed income	174	-	-	174
Alternative investments	1,979,276	-	-	1,979,276
Collateral from securities lending	538,433	-	-	538,433
Variable return funds:				
Short-term investments	497	5,177	-	5,674
Debt (fixed income) securities	-	-	-	-
Equities	57,295	597,298	-	654,593
Collateral from securities lending	3,327	34,684	-	38,011
Total investments	8,533,039	637,159	-	9,170,198
Due to the TDA Program's fixed return fund from System	-	2,374,096	(2,374,096)	-
Other assets	319,776	-	(269,491)	50,285
Total assets	9,072,601	3,060,613	(2,643,587)	9,489,627
LIABILITIES				
Accounts payable	63,581	-	-	63,581
Other liability	-	269,491	(269,491)	-
Payable for investment securities purchased	204,459	529	-	204,988
Accrued benefits payable	12,621	8,681	-	21,302
Due to the TDA Program's fixed return fund from System	2,374,096	-	(2,374,096)	-
Payables for securities lending	541,760	34,684	-	576,444
Total liabilities	3,196,517	313,385	(2,643,587)	866,315
Net position restricted for benefits:				
Net position restricted for QPP (Qualified Pension Plan) benefits	5,876,084	-	-	5,876,084
Net position restricted for TDA (Tax-Deferred Annuity) benefits	-	2,747,228	-	2,747,228
Total net position restricted for benefits	$ 5,876,084	$ 2,747,228	$ -	$ 8,623,312

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, 2023
(In thousands)

	QPP	TDA Program	Total
Additions			
Contributions:			
Member contributions	$ 49,810	$ 116,569	$ 166,379
Employer contributions	233,546	-	233,546
Total contributions	283,356	116,569	399,925
Investment income (loss):			
Interest income	124,400	3,793	128,193
Dividend income	100,229	12,044	112,273
Net appreciation (depreciation) in fair value of investments	516,847	98,874	615,721
Total investment income (loss)	741,476	114,711	856,187
Less - investment expenses	(67,131)	(2,142)	(69,273)
Net investment income (loss), before securities lending transactions	674,345	112,569	786,914
Securities lending transactions:			
Securities lending income	1,939	178	2,117
Securities lending fees	(192)	(17)	(209)
Net securities lending income	1,747	161	1,908
Net investment income (loss)	676,092	112,730	788,822
Other - (payments to) receipts from other retirement systems and other revenues/expenses	(88,699)	71,665	(17,034)
TDA Program's interest income in the fixed return fund	(201,361)	201,361	-
Total additions	669,388	502,325	1,171,713
Deductions			
Benefit payments and withdrawals	359,271	110,577	469,848
Administrative expenses	36,717	310	37,027
Total deductions	395,988	110,887	506,875
Net increase (decrease) in net position	273,400	391,438	664,838
Net position restricted for benefits:			
Beginning of year	5,876,084	2,747,228	8,623,312
End of year	$ 6,149,484	$ 3,138,666	$ 9,288,150

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, 2022
(In thousands)

	QPP	TDA Program	Total
Additions			
Contributions:			
Member contributions	$ 49,591	$ 111,685	$ 161,276
Employer contributions	262,404	-	262,404
Total contributions	311,995	111,685	423,680
Investment income (loss):			
Interest income	130,765	5,165	135,930
Dividend income	101,584	11,873	113,457
Net appreciation (depreciation) in fair value of investments	(976,018)	(134,362)	(1,110,380)
Total investment income (loss)	(743,669)	(117,324)	(860,993)
Less - investment expenses	(61,687)	(1,864)	(63,551)
Net investment income (loss), before securities lending transactions	(805,356)	(119,188)	(924,544)
Securities lending transactions:			
Securities lending income	1,874	114	1,988
Securities lending fees	(182)	(12)	(194)
Net securities lending income	1,692	102	1,794
Net investment income (loss)	(803,664)	(119,086)	(922,750)
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(124,188)	115,459	(8,729)
TDA Program’s interest income in the fixed return fund	(191,054)	191,054	-
Total additions	(806,911)	299,112	(507,799)
Deductions			
Benefit payments and withdrawals	325,679	95,317	420,996
Administrative expenses	35,566	285	35,851
Total deductions	361,245	95,602	456,847
Net increase (decrease) in net position	(1,168,156)	203,510	(964,646)
Net position restricted for benefits:			
Beginning of year	7,044,240	2,543,718	9,587,958
End of year	$ 5,876,084	$ 2,747,228	$ 8,623,312

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”) maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State (“State”) statutes and City laws). The City’s five major actuarially funded pension systems are 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 pension system is a separate Public Employee Retirement System (“PERS”) with a separate oversight body and is financially independent of the other.

BERS administers the BERS Qualified Pension Plan (the “QPP”) and the BERS Tax-Deferred Annuity Program (the “TDA Program”). BERS is the fiduciary for the QPP and the TDA Program, which are included under BERS in the Pension and Other Employee Benefit Trust Funds section of The City’s Annual Comprehensive Financial Report (“ACFR”). GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR.

The QPP is a cost-sharing, multiple-employer pension plan. The QPP provides pension benefits for non-pedagogical employees of the New York City Department of Education, certain other specific schools, and certain employees of the New York City School Construction Authority (collectively, the “Employer”). Substantially, all Department of Education non-pedagogical permanent employees, other than members of TRS, become members of the QPP on the first day of permanent employment. Employees classified as noncompetitive, exempt or provisional by Civil Service are eligible to enroll in the QPP voluntarily. For voluntary enrollment, membership date is governed by the date of filing.

The QPP functions in accordance with existing State statutes and City laws, which establish and amend the benefit terms and the Employer and member contribution requirements. It combines features of a defined benefit pension plan with those of a defined contribution pension plan but is considered a defined benefit pension plan for financial reporting purposes. Contributions are made by the Employer and the members.

At June 30, 2023, June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, and June 30, 2017, the QPP's membership consisted of:

	2023*	2022*	2021	2020	2019	2018	2017
Retirees and beneficiaries receiving benefits	20,791	20,481	19,448	19,120	18,502	18,041	17,425
Terminated vested members not receiving benefits	2,933	2,410	1,972	1,972	2,019	1,934	1,528
Terminated non-vested members **	12,576	9,245	8,922	8,826	11,422	10,525	2,618
Active members receiving salary	25,180	25,639	27,556	28,183	25,825	25,864	25,794
Total	61,480	57,775	57,898	58,101	57,768	56,364	47,365

* Preliminary figures.

** As of June 30, 2020, represents terminated members (and members deemed to be terminated) who are not vested in a pension benefit but who are eligible to withdraw their employee contribution account balance only. As of June 30, 2018, represents terminated members who are not vested in a pension benefit but who are eligible to withdraw their employee contribution account balance, and members who are no longer on payroll but who are not otherwise classified. Prior to June 30, 2018, represents members who are no longer on payroll but not otherwise classified.

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 was created and is administered pursuant to the Internal Revenue Code ("IRC") Section 403(b) and existing State statutes and City laws. Certain members of the QPP have the option to participate in the TDA Program, which provides a means of deferring income tax payments on members' voluntary tax-deferred contributions until the period after retirement or upon withdrawal of contributions. Contributions to the TDA Program are made by the members only. The TDA Program is maintained as a separate plan.

The TDA Program participants consisted of the following as of June 30:

	2023	2022	2021	2020	2019	2018	2017
Contributing members	17,688	18,205	18,551	19,148	18,881	17,899	16,917
Retired members with TDA balances	8,789	8,124	7,628	7,102	6,798	6,484	6,673

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 $2.07 million and $2.50 million, for the years ended June 30, 2023 and 2022, 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 6% for salaries greater than $100,000. Tier 6 members become vested after 10 years of 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.

TDA Program Benefits

Contributions to the TDA Program are made by the members only and are voluntary. In order 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 2023 is $22,500. Participants, who have attained age 50, are permitted to make additional contributions. The additional contribution limit for calendar year 2023 is $7,500. 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.

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 combining financial statements in conformity with accounting principles generally accepted in the United States of America 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% 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 reported as the "Interest (to) from TDA Program's Fixed Return Fund."

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, 2023 and 2022, 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 before 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 96.39 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, 2023 and 2022 are $504.43 million and $526.46 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 89.87 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.

New Accounting Standards Adopted - 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.

Reclassifications - Certain prior year investment amounts have been reclassified to conform to the current year presentation. Alternative investments totaling approximately $1,979,000 previously reported as level 3 in the Fair Value hierarchy as of June 30, 2022 have been reclassified as Net Asset Value Practical Expedient to conform with the June 30, 2023 presentation. Certain investments previously reported as U.S. government & agency type investments in the credit risk and interest rate risk disclosures as of June 30, 2022 have been reclassified to mortgage debt securities type investments to conform with the June 30, 2023 presentation.

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, and December 2021. 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, 2023 and 2022 are as follows:

Investment Type Fixed Funds June 30, 2023	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	32.61%	-%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.61%	33.24%
Mortgage debt securities	12.93%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	12.93%
Corporate bonds	0.93%	0.02%	0.24%	0.16%	2.14%	1.07%	1.82%	2.31%	2.82%	3.36%	3.32%	3.21%	6.34%	6.23%	4.29%	4.22%	3.27%	2.77%	48.52%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Discount notes & T-Bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.88%	0.88%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	4.43%	4.43%
Portfolio	46.47%	0.02%	0.26%	0.16%	2.14%	1.07%	1.82%	2.31%	2.82%	3.36%	3.32%	3.21%	6.34%	6.23%	4.29%	4.22%	3.27%	8.69%	100.00%

Investment Type Fixed Funds June 30, 2022	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	27.84%	-%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.49%	28.34%
Mortgage debt securities	13.75%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	13.75%
Corporate bonds	1.32%	0.04%	0.14%	0.05%	1.27%	2.08%	1.53%	2.88%	2.90%	4.01%	3.06%	4.14%	4.84%	4.71%	4.24%	3.08%	2.88%	3.72%	46.89%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	8.50%	8.50%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.52%	2.52%
Portfolio	42.91%	0.04%	0.15%	0.05%	1.27%	2.08%	1.53%	2.88%	2.90%	4.01%	3.06%	4.14%	4.84%	4.71%	4.24%	3.08%	2.88%	15.23%	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, 2023 and 2022, are as follows:

Investment Type Variable Funds June 30, 2023	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 bond	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
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, 2022	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 bond	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Short term:																				
U.S. Treasury bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Money market	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%	100.00%
Cash equivalent	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Portfolio	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%	100.00%

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") 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, 2023 and 2022 are as follows:

	Investment Maturities				
Years to Maturity Investment Type June 30, 2023	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government & agency	33.24%	-%	20.65%	6.43%	6.16%
Mortgage debt securities	12.93	-	0.10	0.21	12.62
Corporate bonds	48.52	0.55	28.30	11.90	7.77
Short term:					
Discount notes & T-Bills	0.88	0.88	-	-	-
Pooled fund	4.43	4.43	-	-	-
Portfolio	100.00%	5.86%	49.05%	18.54%	26.55%

	Investment Maturities				
Years to Maturity Investment Type June 30, 2022	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government & agency	28.34%	0.13%	14.47%	8.84%	4.90%
Mortgage debt securities	13.75	-	0.01	0.36	13.38
Corporate bonds	46.89	0.47	15.38	22.15	8.89
Short term:					
Commercial paper	8.50	8.50	-	-	-
Pooled fund	2.52	2.52	-	-	-
Portfolio	100.00%	11.62%	29.86%	31.35%	27.17%

The lengths of investment maturities (in years) of the variable return fund, as shown by the percent of the rated portfolio, at June 30, 2023 and 2022 are as follows:

Years to Maturity Investment Type June 30, 2023	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, 2022	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 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, 2023 and 2022 in the fixed return fund are as follows (amounts in thousands of U.S. dollars):

Trade Currency	June 30, 2023	June 30, 2022
Euro Currency	$ 431,571	$ 399,346
Hong Kong Dollar	135,934	165,590
Japanese Yen	96,954	99,424
New Taiwan Dollar	84,838	73,494
British Pound Sterling	84,515	82,246
Indian Rupee	82,112	59,754
Swiss Franc	48,345	45,286
South Korean Won	46,626	54,312
Canadian Dollar	31,810	30,829
Australian Dollar	30,899	26,100
Danish Krone	28,684	21,422
Brazilian Real	21,586	24,164
Swedish Krona	20,680	16,675
Singapore Dollar	19,767	23,084
Chinese Yuan (Offshore)	17,764	19,625
Chinese Renminbi	17,479	14,007
Indonesian Rupiah	15,537	6,114
South African Rand	14,256	16,333
Thailand Baht	10,512	12,896
Mexican Peso	9,869	6,084
Norwegian Krone	7,810	7,302
UAE Dirham	6,468	1,913
Polish Zloty	3,562	8,067
Malaysian Ringgit	3,190	4,461
Hungarian Forint	2,646	1,977
Kuwaiti Dinar	2,017	1,487
Qatari Rial	1,787	2,481
Turkish Lira	1,636	1,623
New Israeli Shekel	651	2,630
Philippine Peso	204	56
Chilean Peso	203	569
Egyptian Pound	77	20
New Zealand Dollar	41	415
Czech Koruna	5	1,941
Colombian Peso	4	13
Russian Ruble	-	1
	$ 1,280,039	$ 1,231,741

The foreign currency exposures of the variable return funds as of June 30, 2023 and 2022 are as follows (amounts in thousands of U.S. dollars):

Trade Currency	June 30, 2023	June 30, 2022
Euro Currency	$ 43,661	$ 32,901
Japanese Yen	25,703	20,752
British Pound Sterling	20,196	16,776
Swiss Franc	11,761	9,490
Hong Kong Dollar	11,242	12,286
South Korean Won	8,701	7,064
Indian Rupee	7,081	5,602
Australian Dollar	6,311	5,221
Taiwan Dollar	5,992	4,507
Swedish Krona	3,753	2,865
Canadian Dollar	3,380	2,917
Danish Krone	3,230	2,407
South African Rand	2,636	2,525
Singapore Dollar	1,911	1,760
Mexican Nuevo Peso	1,724	1,550
Indonesian Rupiah	1,616	1,025
Brazilian Real	1,510	2,110
Chinese Renminbi (Yuan)	1,380	1,475
Thailand Baht	1,288	932
UAE Dirham	1,025	528
Saudi Arabian Ryal	909	479
Norwegian Krone	816	781
Russian Ruble	482	376
Egyptian Pound	465	302
Polish Zloty	398	602
Israeli Shekel	334	298
Malaysian Ringgit	224	424
New Zealand Dollar	188	268
Turkish Lira	88	399
Philippine Peso	53	24
Chilean Peso	11	31
Hungarian Forint	2	57
Peruvian Nuevo Sol	2	3
Chinese Yuan (Offshore)	1	-
Czech Koruna	1	161
Total	$ 168,075	$ 138,898

Securities Lending Transactions: Credit Risk - The quality ratings of investments held as collateral for Securities Lending at June 30, 2023 and 2022 are as follows:

Investment Type and Fair Value - Fixed Return Fund
Securities Lending Transactions
June 30, 2023
(In thousands)

	Moody's Quality Ratings											
	Aaa	Aa	A1	A2	A3	Baa	Ba	B	Caa	Ca	Not Rated	Total
U.S. government												
Short term:												
Reverse repurchase agreements	$ -	$ 231,022	$ 69,038	$ 21,890	$ -	$ 3,368	$ -	$ -	$ -	$ -	$ 109,450	$ 434,768
Money market	18,510	-	-	-	-	-	-	-	-	-	254	18,764
US agency	-	-	-	-	-	-	-	-	-	-	10,799	10,799
Cash or cash equivalent	-	51,590	-	-	-	-	-	-	-	-	-	51,590
Under/over invested cash collateral	-	-	-	-	-	-	-	-	-	-	(24)	(24)
Total	$ 18,510	$ 282,612	$ 69,038	$ 21,890	$ -	$ 3,368	$ -	$ -	$ -	$ -	$ 120,479	$ 515,897
Percent of securities lending portfolio	3.59%	54.78%	13.38%	4.24%	-%	0.65%	-%	-%	-%	-%	23.35%	100.00%

Investment Type and Fair Value - Fixed Return Fund
Securities Lending Transactions
June 30, 2022
(In thousands)

	Moody's Quality Ratings											
	Aaa	Aa	A1	A2	A3	Baa	Ba	B	Caa	Ca	Not Rated	Total
U.S. government												
Short term:												
Reverse repurchase agreements	$ -	$ -	$ -	$ 76,563	$ 147,300	$ 6,315	$ -	$ -	$ -	$ -	$ 207,773	$ 437,951
Money market	32,692	-	-	-	-	-	-	-	-	-	18,506	51,198
Cash or cash equivalent	-	-	54,350	-	-	-	-	-	-	-	-	54,350
Under/over invested cash collateral	-	-	-	-	-	-	-	-	-	-	(5,066)	(5,066)
Total	$ 32,692	$ -	$ 54,350	$ 76,563	$ 147,300	$ 6,315	$ -	$ -	$ -	$ -	$ 221,213	$ 538,433
Percent of securities lending portfolio	6.07%	-%	10.09%	14.22%	27.36%	1.17%	-%	-%	-%	-%	41.09%	100.00%

Investment Type and Fair Value - Variable Return Fund
Securities Lending Transactions
June 30, 2023
(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	$ 41,448	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,448
Short term:																			
U.S. Treasury bills	53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53
Repurchase agreements	1,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,499	3,211
Uninvested	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ 43,213	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,499	$ 44,712
By percent	96.65%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	3.35%	100.00%

Investment Type and Fair Value - Variable Return Fund
Securities Lending Transactions
June 30, 2022
(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	$ 32,524	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,524
Short term:																			
U.S. Treasury bills	281	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281
Repurchase agreements	3,711	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,495	5,206
Uninvested	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ 36,516	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,495	$ 38,011
By percent	96.07%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	3.93%	100.00%

Interest Rate Risk - The lengths of investment maturities of the collateral for Securities Lending at June 30, 2023 and 2022 are as follows:

Fixed Return Fund June 30, 2023 (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	$ 434,768	$ 434,768	$ -	$ -	$ -
Money market	18,764	18,764	-	-	-
Cash or cash equivalent	51,590	51,590	-	-	-
US agency	10,799	-	10,799	-	-
Under/over invested cash Collateral	(24)	(24)	-	-	-
Total	$ 515,897	$ 505,098	$ 10,799	$ -	$ -
By percent	100.00%	97.91%	2.09%	-%	-%

Fixed Return Fund June 30, 2022 (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:					
Reverse repurchase agreements	$ 437,951	$ 437,951	$ -	$ -	$ -
Money market	51,198	51,198	-	-	-
Cash or cash equivalent	54,350	54,350	-	-	-
Under/over invested cash Collateral	(5,066)	(5,066)	-	-	-
Total	$ 538,433	$ 538,433	$ -	$ -	$ -
By percent	100.00%	100.00%	-%	-%	-%

Years to Maturity Variable Return Fund June 30, 2023 (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	$ 41,448	$ 3,942	$ 19,608	$ 9,083	$ 8,815
Short term:					
Repurchase agreements	3,211	3,211	-	-	-
U.S. Treasury	53	53	-	-	-
Total	$ 44,712	$ 7,206	$ 19,608	$ 9,083	$ 8,815
By percent	100.00%	16.12%	43.85%	20.31%	19.72%

Years to Maturity Variable Return Fund June 30, 2022 (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	$ 32,524	$ 3,474	$ 14,811	$ 7,145	$ 7,094
Short term:					
Repurchase agreements	5,206	5,206	-	-	-
U.S. Treasury	281	281	-	-	-
Total	$ 38,011	$ 8,961	$ 14,811	$ 7,145	$ 7,094
By percent	100.00%	23.58%	38.96%	18.80%	18.66%

Rate of Return - For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on the System’s fixed return fund investments, net of investment expense on the System’s fixed return fund, was 8.53% and -9.01%, 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. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (“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, 2023 and 2022:

GASB 72 - Disclosure Fixed Return Funds Investments - at fair value (In thousands)	2023			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	$ -	$ -	$ -	$ -
Short-term investment fund	-	101,179	-	101,179
U.S. Treasury bills and agencies	-	20,037	-	20,037
Debt (fixed income) securities:				
Bank loans	-	21,614	-	21,614
Corporate and other	-	1,071,446	5,809	1,077,255
Mortgage debt securities	-	287,099	-	287,099
Treasury inflation-protected securities	-	254,966	-	254,966
U.S. government and agency	-	505,625	-	505,625
Equity securities	3,790,273	-	2,773	3,793,046
Collective trust funds:				
Bank loans	-	-	197	197
Corporate and other	-	475	10,744	11,219
Domestic equity	64,967	-	174	65,141
International equity	2,563	-	-	2,563
Mortgage debt securities	-	8,879	-	8,879
Total investments in the fair value hierarchy	$ 3,857,803	$ 2,271,320	$ 19,697	6,148,820
Investments measured at NAV				2,350,056
Total investments				$ 8,498,876

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

	2022			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	$ -	$ 201,539	$ -	$ 201,539
Short-term investment fund	-	60,875	-	60,875
U.S. Treasury bills and agencies	-	2,409	-	2,409
Debt (fixed income) securities:				
Bank loans	-	16,383	-	16,383
Corporate and other	-	1,047,621	912	1,048,533
Mortgage debt securities	-	353,897	16,477	370,374
Treasury inflation-protected securities	-	288,815	-	288,815
U.S. government and agency	-	379,499	-	379,499
Equity securities	3,493,244	-	-	3,493,244
Collective trust funds:				
Bank loans	-	174	-	174
Domestic equity	70,349	-	-	70,349
International equity	1,524	-	-	1,524
Mortgage debt securities	-	9,616	10,877	20,493
Total investments in the fair value hierarchy	$ 3,565,117	$ 2,360,828	$ 28,266	5,954,211
Investments measured at NAV				1,979,276
Total investments				$ 7,933,487

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

	As of June 30, 2023		As of June 30, 2022			
Asset	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments	Redemption Frequency (Ranges if Eligible)	Redemption Notice Period (Ranges if Eligible)
Infrastructure	$ 305,826	$ 264,443	$ 222,558	$ 232,631	N/A	N/A
Private equity	1,007,398	530,139	908,973	583,599	N/A	N/A
Private real estate	746,517	270,786	645,745	429,460	Quarterly	30 - 90 days
Opportunistic fixed income	274,206	193,197	202,000	98,116	N/A	N/A
Fixed income investment company	16,109	-	-	-	Monthly	15 days
	$ 2,350,056	$ 1,258,565	$ 1,979,276	$ 1,343,806		

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 and Infrastructure Investments. These are investments for which exchange quotations are not readily available and are valued at estimated fair value, as determined in good faith by the GP.

Investments in non-public equity securities should be valued 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.

Alternative investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value quantities presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the entity's financial statements.

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, 2023 and 2022 amounted to $1.26 billion and $1.34 billion, respectively.

GASB 72 - Disclosure
Variable Return Funds
(In thousands)

	2023			
	Level 1	Level 2	Level 3	Total
Variable return funds:				
Short-term investments	$ -	$ 5,447	$ -	$ 5,447
Equities	750,326	12,465	61	762,852
Total	$ 750,326	$ 17,912	$ 61	$ 768,299

GASB 72 - Disclosure Variable Return Funds (In thousands)	2022			
	Level 1	Level 2	Level 3	Total
Variable return funds:				
Short-term investments	$ -	$ 5,674	$ -	$ 5,674
Equities	644,803	9,679	111	654,593
Total	$ 644,803	$ 15,353	$ 111	$ 660,267

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. 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.

- 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 2024.

Employer Contributions - Statutorily-required contributions (“Statutory 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, 2023 and 2022 were as follows:

(In thousands)	2023	2022
Total pension liability	$ 6,222,502	$ 6,000,500
Fiduciary net position *	6,149,484	5,876,084
Employers’ net pension liability	$ 73,018	$ 124,416
Fiduciary net position as a percentage of the total pension liability	98.83%	97.93%

* 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, 2023 and 2022 was calculated from the actuarial valuations as of June 30, 2022 (Preliminary) and June 30, 2021 (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.

The fiscal year 2022 results reflect change in the plan provisions from the prior year. This change reflects the enactment of Chapter 56 of the Laws of 2022.

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 of these studies was performed by Bolton, Inc. and included experience through June 30, 2017. Milliman is performing the current experience study that covers the period through June 30, 2021.

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, 2022 total pension liability was calculated from the Preliminary June 30, 2021 actuarial valuation (adjusted for Chapter 56 of the Laws of 2022 and certain other post-valuation refinements), which was based on the Revised 2021 A&M.

The June 30, 2023 total pension liability was calculated from the Preliminary June 30, 2022 actuarial valuation, 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 weighting 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, 2023 and 2022:

	As of June 30, 2023		As of June 30, 2022	
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	31.0%	6.6%	31.0%	6.6%
Developed public market equities	10.0	6.9%	10.0	7.0%
Emerging public market equities	6.0	8.4%	6.0	8.6%
Fixed income	27.0	2.0%	27.0	1.4%
Private markets (alternative investments)				
Private equity	9.0	9.6%	9.0	10.5%
Private real estate	8.0	4.7%	8.0	6.8%
Infrastructure	4.0	5.4%	4.0	5.6%
Opportunistic-fixed income	5.0	6.0%	5.0	5.5%
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, 2023 and 2022:

(In thousands)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Employers' net pension liability - June 30, 2023	$ 802,436	$ 73,018	$ (541,890)
Employers' net pension liability - June 30, 2022	$ 837,357	$ 124,416	$ (476,646)

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 at June 30, 2023 and 2022 is $50.85 million and $48.46 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, 2023 and 2022 is $43.35 million and $47.15 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 $3.22 million and $2.75 million were incurred on behalf of the System by other City agencies, primarily the Comptroller's Office for 2023 and 2022, 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 2023 and 2022, 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 $37.03 million and $35.85 million, respectively.

In August 2019, the System entered into a sub-sublease agreement for office space with a duration of six years and seven months, entailing a total commitment of approximately $11.18 million over the lease term. Rent expense for the year ending June 30, 2023, amounted to $1.91 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. As of June 30, 2022, the completed ERP system was capitalized at $51.65 million and commenced amortization. As of June 30, 2023, the accumulated amortization stands at $14.76 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, 2023, the SBITA Assets are valued at $5.13 million, with accumulated amortization amounting to $1.89 million. Consequently, the Net Asset Balance is recorded at $3.24 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.

The most recently completed study was published by Bolton, Inc., dated June 2019. Bolton analyzed experience for the four 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.

Previously, Gabriel, Roeder, Smith & Company published their study in October 2015.

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.

COVID-19

The outbreak of the COVID-19 was declared a pandemic by the World Health Organization. Then- Governor Andrew Cuomo declared a state of emergency in the State on March 7, 2020 and the Mayor declared a state of emergency in New York City on March 12, 2020. Governor Cuomo declared an end to the state of emergency due to the COVID-19 pandemic in the State on June 24, 2021, effective June 25, 2021. Due to increased COVID-19 transmission rates, current Governor Kathy Hochul declared a state of emergency in the State on November 26, 2021 and extended this state of emergency a number of times through September 12, 2022. The state of emergency in New York City due to the COVID-19 pandemic ended on June 22, 2023. The ultimate impact of the COVID-19 pandemic on the Plan cannot be determined at this time.

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, 2025, 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, 2024, 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. The IRS has issued regulations suspending enforcement of this provision until January 1, 2026.

g) Effective January 1, 2023, plans have the option to permit hardship distributions on self-certification (without requiring supporting documentation). The BERS Board has not yet decided whether to adopt this provision.

h) Effective January 1, 2024, plans have the option to permit hardship distributions to include earnings (as well as contributions). The BERS Board has not yet decided whether to adopt this provision.

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 175,411	$ 179,402	$ 175,281	$ 166,792	$ 168,501	$ 176,110	$ 168,625	$ 153,107	$ 147,898	$ 142,687
Interest	430,070	391,274	405,690	369,904	366,084	350,999	346,510	320,315	299,592	288,162
Changes of benefit terms	-	15,863	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(24,208)	(36,415)	38,132	(46,574)	152,160	(164,587)	19,938	(75,907)	50,148	-
Changes of assumptions	-	-	(853)	-	(314,503)	-	-	183,677	-	-
Benefit payments/withdrawals	(359,271)	(325,679)	(302,336)	(296,047)	(280,463)	(261,574)	(262,432)	(240,727)	(223,244)	(214,315)
Net change in total pension liability	222,002	224,445	315,914	194,075	91,779	100,948	272,641	340,465	274,394	216,534
Total pension liability - beginning	6,000,500	5,776,055	5,460,141	5,266,066	5,174,287	5,073,339	4,800,698	4,460,233	4,185,839	3,969,305
Total pension liability - ending (a)	6,222,502	6,000,500	5,776,055	5,460,141	5,266,066	5,174,287	5,073,339	4,800,698	4,460,233	4,185,839
Plan fiduciary net position:										
Employer contributions	233,546	262,404	182,983	257,503	269,637	318,643	288,233	265,532	258,099	214,590
Member contributions	49,810	49,591	48,125	49,766	46,304	40,846	39,821	38,581	39,564	37,193
Net investment income	676,092	(803,664)	1,889,751	365,767	406,879	565,577	862,510	164,144	177,166	875,453
Payment of interest on TDA program fixed return funds	(201,361)	(191,054)	(171,806)	(155,749)	(141,695)	(127,972)	(106,554)	(94,789)	(85,104)	(206,615)
Benefit payments and withdrawals	(359,271)	(325,679)	(302,336)	(296,047)	(280,463)	(261,574)	(262,432)	(240,727)	(223,244)	(214,315)
Administrative expenses	(36,717)	(35,566)	(25,175)	(22,207)	(17,357)	(13,212)	(15,486)	(12,818)	(10,956)	(9,776)
Other	(88,699)	(124,188)	239,808	(7,975)	35,624	51,024	(122,954)	(157,499)	(52,021)	(70,916)
Net change in plan fiduciary net position	273,400	(1,168,156)	1,861,350	191,058	318,929	573,332	683,138	(37,576)	103,504	625,614
Plan fiduciary net position - beginning*	5,876,084	7,044,240	5,182,890	4,991,832	4,672,903	4,099,571	3,416,433	3,454,009	3,350,505	2,653,652
Plan fiduciary net position - ending (b)	6,149,484	5,876,084	7,044,240	5,182,890	4,991,832	4,672,903	4,099,571	3,416,433	3,454,009	3,279,266
BERS's net pension liability - ending (a)-(b)	$ 73,018	$ 124,416	$ (1,268,185)	$ 277,251	$ 274,234	$ 501,384	$ 973,768	$ 1,384,265	$ 1,006,224	$ 906,573
Plan fiduciary net position as a percentage of the total pension liability	98.83%	97.93%	121.96%	94.92%	94.79%	90.31%	80.81%	71.17%	77.44%	78.34%
Covered payroll[1]	$ 1,427,145	$ 1,484,264	$ 1,476,598	$ 1,353,266	$ 1,264,079	$ 1,102,184	$ 1,052,171	$ 1,008,056	$ 1,016,822	$ 989,160
BERS's net pension liability as percentage of covered payroll	5.12%	8.38%	-85.89%	20.49%	21.69%	45.49%	92.55%	137.32%	98.96%	91.65%

*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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 233,546	$ 262,404	$ 182,983	$ 257,503	$ 269,637	$ 318,643	$ 288,233	$ 265,532	$ 258,099	$ 214,590
Contributions in relation to the actuarially determined contribution	233,546	262,404	182,983	257,503	269,637	318,643	288,233	265,532	258,099	214,590
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll [1]	$ 1,427,145	$ 1,484,264	$ 1,476,598	$ 1,353,266	$ 1,264,079	$ 1,102,184	$ 1,052,171	$ 1,008,056	$ 1,016,822	$ 989,168
Contributions as a percentage of covered-employee payroll	16.36%	17.68%	12.39%	19.03%	21.33%	28.91%	27.39%	26.34%	25.38%	21.69%

[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

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 2023 contributions were determined using an actuarial valuation as of June 30, 2021). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
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
Remaining amortization period:					
Initial unfunded	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2010 ERI	0 year (closed)	0 year (closed)	0 year (closed)	0 year (closed)	0 year (closed)
2011 Actuarial gain/loss	5 years (closed)	6 years (closed)	7 years (closed)	8 years (closed)	9 years (closed)
2012 Actuarial gain/loss	6 years (closed)	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)
2013 Actuarial gain/loss	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2014 Actuarial gain/loss	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2015 Actuarial gain/loss	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2016 Actuarial gain/loss	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2017 Actuarial gain/loss	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2017 Assumption change	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2017 Method change	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2018 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2018 Method change	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)	NA
2019 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2019 Method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2019 Assumption change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2020 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2020 Method change	19 years (closed)	20 years (closed)	NA	NA	NA
2020 Plan change	6 years (closed)	7 years (closed)	NA	NA	NA
2021 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2021 Plan change	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.	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

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 2023 contributions were determined using an actuarial valuation as of June 30, 2021). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	**June 30, 2016**	**June 30, 2015**	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**
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
Remaining amortization period:					
Initial unfunded	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2010 ERI	0 year (closed)	1 year (closed)	2 years (closed)	3 years (closed)	4 years (closed)
2011 Actuarial gain/loss	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2012 Actuarial gain/loss	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2013 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2014 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2015 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2016 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2017 Actuarial gain/loss	NA	NA	NA	NA	NA
2017 Assumption change	NA	NA	NA	NA	NA
2017 Method change	NA	NA	NA	NA	NA
2018 Actuarial gain/loss	NA	NA	NA	NA	NA
2018 Method change	NA	NA	NA	NA	NA
2019 Actuarial gain/loss	NA	NA	NA	NA	NA
2019 Method change	NA	NA	NA	NA	NA
2019 Assumption change	NA	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
Actuarial assets valuation method[1]	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.	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, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
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 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.

New York City Board of Education Retirement System

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

Valuation Dates	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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 2016	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	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.

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, 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%
June 30, 2016	0.20%
June 30, 2015	3.15%
June 30, 2014	19.51%

See Report of Independent Certified Public Accountants.