

New York City Employees' Retirement System



(A Fiduciary Fund of The City of New York)

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

For the Years Ended June 30, 2023 and June 30, 2022

Contents

	Page
Report of Independent Certified Public Accountants	3
Management's Discussion and Analysis (Unaudited)	6
Combining Financial Statements	
Combining statements of fiduciary net position	13
Combining statements of changes in fiduciary net position	15
Notes to combining financial statements	17
Required Supplementary Information (Unaudited)	
Schedule 1 - schedules of changes in the employer's net pension liability and related ratios	56
Schedule 2 - schedules of employers' contributions	66
Schedule 3 - schedule of investment returns	71

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
New York City Employees' Retirement System

Opinion

We have audited the combining financial statements of New York City Employees' Retirement System Qualified Pension Plan, Correction Officers' Variable Supplements Fund, Housing Police Officers' Variable Supplements Fund, Housing Police Superior Officers' Variable Supplements Fund, Transit Police Officers' Variable Supplements Fund, and Transit Police Superior Officers' Variable Supplements Fund, which collectively comprise the New York City Employees' 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

New York City Employees' Retirement System
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2023 and 2022

The New York City Employees' Retirement System's ("NYCERS", the "Funds" or the "Plan") discussion and analysis provides an overview of the Funds' combining financial activities for the Fiscal Years ended June 30, 2023 and 2022. It is designed to assist the reader in understanding NYCERS' combining financial statements by providing a review of financial activities during Fiscal Years 2023 and 2022, the effects of any significant changes, and a comparison versus prior year activity. The discussion and analysis is intended to be read in conjunction with the Funds' combining financial statements.

NYCERS administers the New York City Employees' Retirement System Qualified Pension Plan (the "QPP"), Correction Officers' Variable Supplements Fund ("COVSF"), Housing Police Officers' Variable Supplements Fund ("HPOVSF"), Housing Police Superior Officers' Variable Supplements Fund ("HPSOVSF"), Transit Police Officers' Variable Supplements Fund ("TPOVSF"), and the Transit Police Superior Officers' Variable Supplements Fund ("TPSOVSF") (collectively, the "Funds" or the "Plan").

OVERVIEW OF COMBINING FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the Funds' 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 each of the Funds, are:

- **The Combining Statements of Fiduciary Net Position** - present the financial position of the Funds at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Funds presently control (assets), consumption of net assets by the Funds that is applicable to a future reporting period (deferred outflow of resources), present obligations to expend resources that the Funds have little or no discretion to avoid (liabilities), and acquisition of net assets by the Funds 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** - present the results of activities during the fiscal year. All changes affecting the assets/deferred outflow and liabilities/deferred inflow of the Funds 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 Funds' accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information (Unaudited)** - as required by the GASB, includes the management discussion and analysis (this section) and information presented after the notes to combining financial statements.

New York City Employees' Retirement System

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023 and 2022

FINANCIAL HIGHLIGHTS

The Funds' combined net position restricted for benefits increased by \$3.9 billion (5.0%) from \$78.5 billion at June 30, 2022 to \$82.4 billion at June 30, 2023. The increase in combined net position was mainly due to favorable performance in investment portfolio, especially in the equity markets.

The Funds' combined net position restricted for benefits decreased by \$8.6 billion (-9.8%) from \$87.1 billion at June 30, 2021 to \$78.5 billion at June 30, 2022. The decrease in combined net position was the result of weaker performance in the investment portfolio.

Cash and cash equivalents balances totaled \$43 million at June 30, 2023. The Funds' practice is to fully invest its day-end cash balances in a pooled short-term investment fund. A typical benefit payment account would show an overdrawn balance, since funds only deposited as outstanding benefit checks are presented to the banks for payment each day. These overdrawn balances are the main component of accounts payable.

Receivables for investment securities sold amounted to \$2.4 billion as of June 30, 2023, an increase of \$904 million (61.9%) from \$1.5 billion as of June 30, 2022, which was a decrease of \$1.9 billion (-56.4%) from \$3.4 billion as of June 30, 2021. Although trades typically do not settle until a few days after trade dates, sales of investment securities are reflected on trade dates. The resulting receivables are caused by timing differences between trade and settlement dates.

Fiduciary Net Position

June 30, 2023, 2022 and 2021

(In thousands)

	2023	2022	2021
Cash and cash equivalents	\$ 43,426	\$ 69,284	\$ 128,748
Receivables for investment securities sold	2,365,771	1,461,381	3,353,658
Receivables for member loans	1,161,243	1,082,833	1,079,822
Receivables for accrued earnings	444,171	416,648	393,868
Investments, at fair value	81,529,120	78,005,742	88,091,585
Securities lending collateral	8,512,937	9,415,078	10,208,522
Other assets	208,871	268,255	125,193
Total assets	94,265,539	90,719,221	103,381,396
Accounts payable	150,490	142,448	142,625
Payable for investment securities purchased	2,676,743	2,147,080	5,494,894
Accrued benefits payable	437,720	420,039	451,975
Due to other retirement systems	1,435	2,311	1,785
Payables for securities lending transactions	8,512,937	9,415,078	10,208,522
Other liabilities	58,100	62,152	-
Total liabilities	11,837,425	12,189,108	16,299,801
Net position restricted for pensions	\$ 82,428,114	\$ 78,530,113	\$ 87,081,595

New York City Employees' Retirement System

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023 and 2022

The receivables for member loans increased by \$78 million (7.2%) from \$1.08 billion at June 30, 2022 to \$1.16 billion at June 30, 2023. The main reason for the increase was that the amount of loans issued was higher than that of Fiscal Year 2022.

The receivables for member loans remained relatively level at \$1.08 billion for Fiscal Years 2022 and 2021.

Fair value of investments, including securities lending collateral at June 30, 2023 was \$90 billion, an increase of \$2.6 billion (3.0%) from the June 30, 2022 investment value of \$87.4 billion. The investment portfolio increased in value mainly due to favorable performance in the equity markets.

Fair value of investments, including securities lending collateral at June 30, 2022 was \$87.4 billion, a decrease of \$10.9 billion (-11.1%) from the June 30, 2021 investment value of \$98.3 billion. The decrease in fair value of investments was the result of weaker performance in the investment portfolio.

Other assets decreased by \$59 million (-22.1%) from \$268 million at June 30, 2022 to \$209 million at June 30, 2023. The decrease was mainly due to a reduction in the employer contribution receivables in Fiscal Year 2023.

Other assets increased by \$143 million (114.3%) from \$125 million at June 30, 2021 to \$268 million at June 30, 2022. The increase was mainly due to recognition of right-of-use (ROU) asset upon adoption of GASB 87 in Fiscal Year 2022.

Payables for investment securities purchased totaled \$2.7 billion as of June 30, 2023, an increase of \$530 million (24.7%) from \$2.1 billion as of June 30, 2022. The increase was due to timing differences between trade and settlement dates.

Payables for investment securities purchased totaled \$2.1 billion as of June 30, 2022, a decrease of \$3.4 billion (-60.9%) from \$5.5 billion as of June 30, 2021. The decrease was due to timing differences between trade and settlement dates.

Accrued benefits payable increased by \$18 million (4.2%) from \$420 million at June 30, 2022 to \$438 million at June 30, 2023. The increase in payable was primarily due to the fact that collective bargaining cases are still being revised and pensioners will be receiving an increased benefit.

Accrued benefits payable decreased by \$32 million (-7.1%) from \$452 million at June 30, 2021 to \$420 million at June 30, 2022. The decrease in payables was primarily due to a decreased number of death claims in Fiscal Year 2022.

Other liabilities was added as a new line item in the Statement of Fiduciary Net Position to recognize lease liability as a result of implementing GASB 87 in Fiscal Year 2022.

New York City Employees' Retirement System

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023 and 2022

Changes in Fiduciary Net Position

Years Ended June 30, 2023, 2022 and 2021

(In thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Additions:			
Member contributions	\$ 613,026	\$ 595,587	\$ 579,560
Employer contributions	3,456,775	3,831,464	3,761,532
Investment earnings:			
Interest and dividend income	2,007,647	1,984,635	1,814,598
Net appreciation (depreciation) in fair value of investments	4,717,373	(8,577,663)	16,741,619
Net securities lending income	23,346	26,903	20,644
Investment expenses	<u>(489,897)</u>	<u>(349,217)</u>	<u>(313,226)</u>
Net investment income (loss)	<u>6,258,469</u>	<u>(6,915,342)</u>	<u>18,263,635</u>
Other income	3,560	3,282	3,365
Total additions	<u>10,331,830</u>	<u>(2,485,009)</u>	<u>22,608,092</u>
Deductions:			
Benefit payments and withdrawals	6,317,754	5,950,439	5,679,049
Payments to other retirement systems	10,282	11,046	5,671
Administrative expenses	<u>105,793</u>	<u>104,988</u>	<u>87,413</u>
Total deductions	<u>6,433,829</u>	<u>6,066,473</u>	<u>5,772,133</u>
Net increase (decrease) in net position	3,898,001	(8,551,482)	16,835,959
Net position restricted for pensions:			
Beginning of year	<u>78,530,113</u>	<u>87,081,595</u>	<u>70,245,636</u>
End of year	<u>\$ 82,428,114</u>	<u>\$ 78,530,113</u>	<u>\$ 87,081,595</u>

Employer contributions for Fiscal Year 2023 were \$3.5 billion; a decrease of \$375 million (-9.8%) from \$3.8 billion for Fiscal Year 2022. The decrease is primarily due to investment experience gains.

Employer contributions remained relatively level at \$3.8 billion in Fiscal Year 2022, increasing by \$70 million (1.9%). The increase is due to the net result of gains and losses including the increase in the amortization payment for the initial unfunded liability.

Net investment income for Fiscal Year 2023 totaled \$6.3 billion compared to net investment loss of \$6.9 billion in Fiscal Year 2022. The increase was mainly due to favorable performance in the investment portfolio, primarily in the equity markets.

Net investment loss for Fiscal Year 2022 totaled \$6.9 billion compared to net investment income of \$18.3 billion in Fiscal Year 2021. The decrease was the result of weaker performance in the investment portfolio.

New York City Employees' Retirement System

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023 and 2022

Investment expenses for Fiscal Year 2023 were \$490 million, increasing by \$141 million (40.3%). The increase in fees was primarily due to the recognition of performance fees (carried interest) incurred by private equity funds.

Investment expenses for Fiscal Year 2022 were \$349 million, increasing by \$36 million (11.5%). The increase in fees was primarily due to growth in the public market sector and increased commitment to alternative investments.

Benefit payments and withdrawals for Fiscal Year 2023 totaled \$6.3 billion, a \$367 million (6.2%) increase from the \$6 billion of Fiscal Year 2022. The increase is due to the increasing number of retirees and their corresponding higher average retirement allowances.

Benefit payments and withdrawals for Fiscal Year 2022 totaled \$6 billion, a \$271 million (4.8%) increase from the \$5.7 billion of Fiscal Year 2021. The increase is due to the increasing number of retirees and their corresponding higher average retirement allowances.

Administrative expenses for Fiscal Year 2023 were \$106 million, a slight increase of \$0.8 million (0.8%) from \$105 million for Fiscal Year 2022. Administrative expenses for Fiscal Year 2022 were \$105 million, an increase of \$18 million (20.1%) from \$87 million in Fiscal Year 2021. The increase was driven by higher costs associated with software licenses and consultant contractual services associated with the technology modernization efforts.

New York City Employees' Retirement System

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023 and 2022

Investments - The table below summarizes the NYCERS investment allocation.

Investment Summary

June 30, 2023

(In thousands)

<u>Investments - at fair value:</u>	<u>QPP</u>	<u>COVSF</u>	<u>Combined</u>
Short-term investments:			
Commercial paper	\$ (1,661)	\$ -	\$ (1,661)
Short-term investment fund	754,591	1,041,771	1,796,362
U.S. Treasury bills and agencies	103,416	-	103,416
Debt (fixed income) securities:			
Bank loans	136,554	-	136,554
Corporate and other	9,248,169	-	9,248,169
Mortgage debt securities	3,694,482	-	3,694,482
Treasury inflation-protected securities	2,666,508	-	2,666,508
U.S. government and agency	7,356,372	-	7,356,372
Equity securities:			
Domestic equity	23,762,374	-	23,762,374
International equity	12,230,094	-	12,230,094
Collective trust funds:			
Bank loans	95,950	-	95,950
Corporate and other	452,412	-	452,412
Domestic equity	1,992	-	1,992
International equity	54	-	54
Mortgage debt securities	140,501	-	140,501
Alternative investments:			
Infrastructure	1,955,354	-	1,955,354
Opportunistic fixed income	3,288,363	-	3,288,363
Private equity	8,427,303	-	8,427,303
Private real estate	5,865,182	-	5,865,182
Hedge fund	813	-	813
Fixed income investment company	308,526	-	308,526
Collateral from securities lending	8,512,937	-	8,512,937
Total	<u>\$ 89,000,286</u>	<u>\$ 1,041,771</u>	<u>\$ 90,042,057</u>

INVESTMENT PERFORMANCE

Total portfolio performance (net of fees) for Fiscal Year 2023 was 8.18%, more than NYCERS' Policy benchmark, which had a rate of return of 7.44%. Domestic equities returned 18.07%, less than the Russell 3000 benchmark of 18.95%. International equity (non-U.S. equities) holdings returned 21.51%, more than the World EX USA Custom benchmark of 16.35%. International equity (emerging markets) holdings returned 7.82%, more than the NYCERS Custom EM Index benchmark of 1.75%. Fixed income securities returned 1.28%.

New York City Employees' Retirement System

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023 and 2022

Investment Summary

June 30, 2022

(In thousands)

Investments - at fair value:	QPP	COVSF	Combined
Short-term investments:			
Commercial paper	\$ 407,689	\$ -	\$ 407,689
Discount notes	179,281	-	179,281
Short-term investment fund	679,921	1,030,744	1,710,665
U.S. Treasury bills and agencies	398,729	-	398,729
Debt (fixed income) securities:			
Bank loans	106,294	-	106,294
Corporate and other	9,021,309	-	9,021,309
Mortgage debt securities	4,526,662	-	4,526,662
Treasury inflation-protected securities	2,921,007	-	2,921,007
U.S. government and agency	7,139,037	-	7,139,037
Equity securities:			
Domestic equity	21,370,604	-	21,370,604
International equity	11,520,947	-	11,520,947
Collective trust funds:			
Bank loans	1,064	-	1,064
Domestic equity	1,084	-	1,084
Mortgage debt securities	430,725	-	430,725
Opportunistic fixed income	236,247	-	236,247
Alternative investments:			
Infrastructure	1,426,385	-	1,426,385
Opportunistic fixed income	2,949,143	-	2,949,143
Private equity	7,985,627	-	7,985,627
Private real estate	5,672,114	-	5,672,114
Hedge fund	1,129	-	1,129
Collateral from securities lending	9,415,078	-	9,415,078
Total	<u>\$ 86,390,076</u>	<u>\$ 1,030,744</u>	<u>\$ 87,420,820</u>

INVESTMENT PERFORMANCE

Total portfolio performance (net of fees) for Fiscal Year 2022 was -8.39%, more than NYCERS' Policy benchmark, which had a rate of return of -8.70%. Domestic equities returned -13.64%, more than the Russell 3000 benchmark of -13.87%. International equity (non-U.S. equities) holdings returned -25.51%, less than the World EX USA Custom benchmark of -17.73%. International equity (emerging markets) holdings returned -27.39%, less than the NYCERS Custom EM Index benchmark of -25.28%. Fixed income securities returned -8.25%.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the New York City Employees' Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to Chun Gong, Acting Director of Finance, New York City Employees' Retirement System, 335 Adams Street, Suite 2300, Brooklyn, New York 11201-3751.

New York City Employees' Retirement System

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2023
(In thousands)

	QPP	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 40,246	\$ 2,336	\$ 226	\$ 212	\$ 201	\$ 205	\$ -	\$ 43,426
Receivables:								
Investments securities sold	2,365,771	-	-	-	-	-	-	2,365,771
Member loans (Note 7)	1,161,243	-	-	-	-	-	-	1,161,243
Accrued interest and dividends	439,902	4,269	-	-	-	-	-	444,171
Receivables from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	-	-	546	887	1,320	1,030	(3,783)	-
COVSF	-	-	-	-	-	-	-	-
Total receivables	3,966,916	4,269	546	887	1,320	1,030	(3,783)	3,971,185
Investments - at fair value (Notes 2 and 3):								
Short-term investments:								
Commercial paper	(1,661)	-	-	-	-	-	-	(1,661)
Short-term investment fund	754,591	1,041,771	-	-	-	-	-	1,796,362
U.S. Treasury bills and agencies	103,416	-	-	-	-	-	-	103,416
Debt (fixed income) securities:								
Bank loans	136,554	-	-	-	-	-	-	136,554
Corporate and other	9,248,169	-	-	-	-	-	-	9,248,169
Mortgage debt securities	3,694,482	-	-	-	-	-	-	3,694,482
Treasury inflation-protected securities	2,666,508	-	-	-	-	-	-	2,666,508
U.S. government and agency	7,356,372	-	-	-	-	-	-	7,356,372
Equity securities:								
Domestic equity	23,762,374	-	-	-	-	-	-	23,762,374
International equity	12,230,094	-	-	-	-	-	-	12,230,094
Collective trust funds:								
Bank loans	95,950	-	-	-	-	-	-	95,950
Corporate and other	452,412	-	-	-	-	-	-	452,412
Domestic equity	1,992	-	-	-	-	-	-	1,992
International equity	54	-	-	-	-	-	-	54
Mortgage debt securities	140,501	-	-	-	-	-	-	140,501
Alternative investments:								
Infrastructure	1,955,354	-	-	-	-	-	-	1,955,354
Opportunistic fixed income	3,288,363	-	-	-	-	-	-	3,288,363
Private equity	8,427,303	-	-	-	-	-	-	8,427,303
Private real estate	5,865,182	-	-	-	-	-	-	5,865,182
Hedge fund	813	-	-	-	-	-	-	813
Fixed income investment company	308,526	-	-	-	-	-	-	308,526
Collateral from securities lending	8,512,937	-	-	-	-	-	-	8,512,937
Total investments	89,000,286	1,041,771	-	-	-	-	-	90,042,057
Other assets	208,871	-	-	-	-	-	-	208,871
Total assets	93,216,319	1,048,376	772	1,099	1,521	1,235	(3,783)	94,265,539
LIABILITIES								
Accounts payable	150,468	-	-	-	22	-	-	150,490
Payable for investment securities purchased	2,676,743	-	-	-	-	-	-	2,676,743
Accrued benefits payable	378,345	54,770	772	1,099	1,499	1,235	-	437,720
Payable from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	3,783	-	-	-	-	-	(3,783)	-
COVSF	-	-	-	-	-	-	-	-
Due to other retirement systems	1,435	-	-	-	-	-	-	1,435
Securities lending (Note 2)	8,512,937	-	-	-	-	-	-	8,512,937
Other liabilities (Note 2)	58,100	-	-	-	-	-	-	58,100
Total liabilities	11,781,811	54,770	772	1,099	1,521	1,235	(3,783)	11,837,425
Net position restricted for benefits:								
Benefits to be provided by QPP	81,434,508	-	-	-	-	-	-	81,434,508
Benefits to be provided by VSF	-	993,606	-	-	-	-	-	993,606
Total net position restricted for benefits	\$ 81,434,508	\$ 993,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,428,114

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

New York City Employees' Retirement System

COMBINING STATEMENT OF FIDUCIARY NET POSITION

**June 30, 2022
(In thousands)**

	QPP	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 66,460	\$ 1,645	\$ 281	\$ 253	\$ 303	\$ 342	\$ -	\$ 69,284
Receivables:								
Investments securities sold	1,461,381	-	-	-	-	-	-	1,461,381
Member loans (Note 7)	1,082,833	-	-	-	-	-	-	1,082,833
Accrued interest and dividends	415,637	1,011	-	-	-	-	-	416,648
Receivables from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	-	-	517	889	1,297	957	(3,660)	-
COVSF	-	93,000	-	-	-	-	(93,000)	-
Total receivables	2,959,851	94,011	517	889	1,297	957	(96,660)	2,960,862
Investments - at fair value (Notes 2 and 3):								
Short-term investments:								
Commercial paper	407,689	-	-	-	-	-	-	407,689
Discount notes	179,281	-	-	-	-	-	-	179,281
Short-term investment fund	679,921	1,030,744	-	-	-	-	-	1,710,665
U.S. Treasury bills and agencies	398,729	-	-	-	-	-	-	398,729
Debt (fixed income) securities:								
Bank loans	106,294	-	-	-	-	-	-	106,294
Corporate and other	9,021,309	-	-	-	-	-	-	9,021,309
Mortgage debt securities	4,526,662	-	-	-	-	-	-	4,526,662
Treasury inflation-protected securities	2,921,007	-	-	-	-	-	-	2,921,007
U.S. government and agency	7,139,037	-	-	-	-	-	-	7,139,037
Equity securities:								
Domestic equity	21,370,604	-	-	-	-	-	-	21,370,604
International equity	11,520,947	-	-	-	-	-	-	11,520,947
Collective trust funds:								
Bank loans	1,064	-	-	-	-	-	-	1,064
Domestic equity	1,084	-	-	-	-	-	-	1,084
Mortgage debt securities	430,725	-	-	-	-	-	-	430,725
Opportunistic fixed income	236,247	-	-	-	-	-	-	236,247
Alternative investments:								
Infrastructure	1,426,385	-	-	-	-	-	-	1,426,385
Opportunistic fixed income	2,949,143	-	-	-	-	-	-	2,949,143
Private equity	7,985,627	-	-	-	-	-	-	7,985,627
Private real estate	5,672,114	-	-	-	-	-	-	5,672,114
Hedge fund	1,129	-	-	-	-	-	-	1,129
Collateral from securities lending	9,415,078	-	-	-	-	-	-	9,415,078
Total investments	86,390,076	1,030,744	-	-	-	-	-	87,420,820
Other assets	268,255	-	-	-	-	-	-	268,255
Total assets	89,684,642	1,126,400	798	1,142	1,600	1,299	(96,660)	90,719,221
LIABILITIES								
Accounts payable	142,426	-	-	-	22	-	-	142,448
Payable for investment securities purchased	2,147,080	-	-	-	-	-	-	2,147,080
Accrued benefits payable	361,633	53,589	798	1,142	1,578	1,299	-	420,039
Payable from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	3,660	-	-	-	-	-	(3,660)	-
COVSF	93,000	-	-	-	-	-	(93,000)	-
Due to other retirement systems	2,311	-	-	-	-	-	-	2,311
Securities lending (Note 2)	9,415,078	-	-	-	-	-	-	9,415,078
Other liabilities (Note 2)	62,152	-	-	-	-	-	-	62,152
Total liabilities	12,227,340	53,589	798	1,142	1,600	1,299	(96,660)	12,189,108
Net position restricted for benefits:								
Benefits to be provided by QPP	77,457,302	-	-	-	-	-	-	77,457,302
Benefits to be provided by VSF	-	1,072,811	-	-	-	-	-	1,072,811
Total net position restricted for benefits	\$ 77,457,302	\$ 1,072,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,530,113

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

New York City Employees' Retirement System

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

**Year ended June 30, 2023
(In thousands)**

	<u>QPP</u>	<u>COVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>ELIM</u>	<u>Total</u>
Additions								
Contributions:								
Member contributions	\$ 613,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 613,026
Employer contributions	3,456,775	-	-	-	-	-	-	3,456,775
Total contributions	<u>4,069,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,069,801</u>
Investment income (Note 2):								
Interest income	1,027,323	39,477	-	-	-	-	-	1,066,800
Dividend income	940,847	-	-	-	-	-	-	940,847
Net appreciation in fair value of investments	4,717,373	-	-	-	-	-	-	4,717,373
Total investment income (loss)	<u>6,685,543</u>	<u>39,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,725,020</u>
Less:								
Investment expenses	489,897	-	-	-	-	-	-	489,897
Net income (loss)	<u>6,195,646</u>	<u>39,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,235,123</u>
Securities lending transactions:								
Gross securities lending income	25,640	-	-	-	-	-	-	25,640
Less - securities lending fees	2,294	-	-	-	-	-	-	2,294
Net securities lending income	<u>23,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,346</u>
Net investment income (loss)	<u>6,218,992</u>	<u>39,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,258,469</u>
Other - other income	3,560	-	-	-	-	-	-	3,560
Transfer from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	-	-	1,368	2,197	2,915	2,427	(8,907)	-
COVSF	-	(10,193)	-	-	-	-	10,193	-
Total additions	<u>10,292,353</u>	<u>29,284</u>	<u>1,368</u>	<u>2,197</u>	<u>2,915</u>	<u>2,427</u>	<u>1,286</u>	<u>10,331,830</u>
Deductions								
Benefit payments and withdrawals (Note 1)	6,200,358	108,489	1,368	2,197	2,915	2,427	-	6,317,754
Payments to other retirement systems	10,282	-	-	-	-	-	-	10,282
Transfer from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	8,907	-	-	-	-	-	(8,907)	-
COVSF	(10,193)	-	-	-	-	-	10,193	-
Administrative expenses	105,793	-	-	-	-	-	-	105,793
Total deductions	<u>6,315,147</u>	<u>108,489</u>	<u>1,368</u>	<u>2,197</u>	<u>2,915</u>	<u>2,427</u>	<u>1,286</u>	<u>6,433,829</u>
Net increase (decrease) in net position	3,977,206	(79,205)	-	-	-	-	-	3,898,001
Net position restricted for benefits								
Beginning of year	<u>77,457,302</u>	<u>1,072,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,530,113</u>
End of year	<u>\$ 81,434,508</u>	<u>\$ 993,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,428,114</u>

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

New York City Employees' Retirement System

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

**Year ended June 30, 2022
(In thousands)**

	<u>QPP</u>	<u>COVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>ELIM</u>	<u>Total</u>
Additions								
Contributions:								
Member contributions	\$ 595,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,587
Employer contributions	3,831,464	-	-	-	-	-	-	3,831,464
Total contributions	<u>4,427,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,427,051</u>
Investment income (Note 2):								
Interest income	943,322	2,507	-	-	-	-	-	945,829
Dividend income	1,038,806	-	-	-	-	-	-	1,038,806
Net depreciation in fair value of investments	(8,577,663)	-	-	-	-	-	-	(8,577,663)
Total investment (loss) income	<u>(6,595,535)</u>	<u>2,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,593,028)</u>
Less:								
Investment expenses	349,217	-	-	-	-	-	-	349,217
Net (loss) income	<u>(6,944,752)</u>	<u>2,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,942,245)</u>
Securities lending transactions:								
Gross securities lending income	29,768	-	-	-	-	-	-	29,768
Less - securities lending fees	2,865	-	-	-	-	-	-	2,865
Net securities lending income	<u>26,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,903</u>
Net investment (loss) income	<u>(6,917,849)</u>	<u>2,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,915,342)</u>
Other - other income	3,282	-	-	-	-	-	-	3,282
Transfer from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	-	-	1,433	2,232	3,002	2,497	(9,164)	-
COVSF	-	-	-	-	-	-	-	-
Total additions	<u>(2,487,516)</u>	<u>2,507</u>	<u>1,433</u>	<u>2,232</u>	<u>3,002</u>	<u>2,497</u>	<u>(9,164)</u>	<u>(2,485,009)</u>
Deductions								
Benefit payments and withdrawals (Note 1)	5,836,192	105,083	1,433	2,232	3,002	2,497	-	5,950,439
Payments to other retirement systems	11,046	-	-	-	-	-	-	11,046
Transfer from QPP to:								
VSFs (HPO, HPSO, TPO, TPSO)	9,164	-	-	-	-	-	(9,164)	-
COVSF	-	-	-	-	-	-	-	-
Administrative expenses	104,988	-	-	-	-	-	-	104,988
Total deductions	<u>5,961,390</u>	<u>105,083</u>	<u>1,433</u>	<u>2,232</u>	<u>3,002</u>	<u>2,497</u>	<u>(9,164)</u>	<u>6,066,473</u>
Net (decrease) increase in net position	<u>(8,448,906)</u>	<u>(102,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,551,482)</u>
Net position restricted for benefits								
Beginning of year	<u>85,906,208</u>	<u>1,175,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,081,595</u>
End of year	<u>\$ 77,457,302</u>	<u>\$ 1,072,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,530,113</u>

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

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1 - PLAN 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). The City's five major actuarially funded pension systems are the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of the City of New York ("TRS"), the New York City Board of Education Retirement System ("BERS"), 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 others.

NYCERS administers the New York City Employees' Retirement System Qualified Pension Plan (the "QPP"), Correction Officers' Variable Supplements Fund ("COVSF"), Housing Police Officers' Variable Supplements Fund ("HPOVSF"), Housing Police Superior Officers' Variable Supplements Fund ("HPSOVSF"), Transit Police Officers' Variable Supplements Fund ("TPOVSF"), and the Transit Police Superior Officers' Variable Supplements Fund ("TPSOVSF") (collectively the "Funds" or the "Plan"), which are included in the combining financial statements.

The QPP is a cost-sharing, multiple-employer PERS. The QPP provides a pension benefit for employees of The City and various related employers not covered by The City's four other main pension systems. The employers (collectively, the "Employer"), in addition to The City, principally include five authorities, two public benefit corporations, The City University of New York ("CUNY"), and the State Judiciary. Substantially all employees of The City not covered by one of the other four pension systems are covered by the QPP. Permanent Civil Service Employees become QPP members within six months of their employment and may elect to become members earlier. All other employees may become members at their option.

The QPP functions in accordance with existing State statutes, which are the basis by which benefit terms and Employer and member contribution requirements are established and amended. The QPP 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.

The COVSF, HPOVSF, HPSOVSF, TPOVSF, and TPSOVSF (collectively, the "VSFs") operate pursuant to the provisions of Title 13, Chapter 1 of the New York City Administrative Code ("ACNY") and provide supplemental benefits as follows:

COVSF: Retired members of the Uniformed Correction Force ("UCF"). To be eligible to receive benefits, members of the UCF must retire on or after July 1, 1999 with at least 20 or 25 years of service, depending on the underlying plan, and be receiving a service retirement benefit from the QPP.

HPOVSF: QPP retirees who retired for service with 20 or more years of service as Housing Police Officers, and who retired on or after July 1, 1987.

HPSOVSF: QPP retirees who retired for service with 20 or more years of service as Housing Police Superior Officers, and who retired on or after July 1, 1987.

TPOVSF: QPP retirees who retired for service with 20 or more years of service as Transit Police Officers, and who retired on or after July 1, 1987.

TPSOVSF: QPP retirees who retired for service with 20 or more years of service as Housing Police Superior Officers, and who retired on or after July 1, 1987.

TPOVSF, TPSOVSF, HPOVSF, and HPSOVSF are closed to new entrants, and all members are retired.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

In accordance with ACNY, VSFs are not pension funds or retirement systems. Instead, they provide scheduled supplemental payments, in accordance with applicable statutory provisions. While a portion of these payments are guaranteed by The City, the State Legislature has the right to amend, modify, or repeal VSFs and the payments they provide. However, any assets transferred to the VSFs are held in trust solely for the benefit of its members.

NYCERS is a fiduciary fund of The City and is included 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 term replaced comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

Boards of Trustees

The QPP's Board of Trustees consists of 11 members: the Mayor's representative, who is the Chairperson of the Board of Trustees; the Borough Presidents of Manhattan, the Bronx, Brooklyn, Queens, and Staten Island; the Comptroller of The City of New York (the "Comptroller"); the Public Advocate; and Presidents of the three unions with the largest number of participating employees, which are District Council 37 - American Federation of State, County and Municipal Employees ("AFSCME"), International Brotherhood of Teamsters, Local 237, and the Transport Workers Union Local 100.

The Board of Trustees for the VSFs consist of the Mayor's representative, the Comptroller, and the Commissioner of Finance. Each of these three City Officials have one vote. Additional trustees include: for the COVSF, an officer of the New York City Correction Officers' Benevolent Association (1½ vote) and a representative appointed by the Correction Captains employee organization recognized for collective bargaining purposes (½ vote). For the HPOVSF, two members of the New York City Housing Police Patrolmen's Benevolent Association are entitled to cast one vote each. For the HPSOVSF, two representatives of the employee organizations representing the superior officers, each of whom are entitled to cast one vote. For the TPOVSF, two members of the New York City Transit Police Patrolmen's Benevolent Association are entitled to cast one vote each. For TPSOVSF, two representatives of the employee organizations representing the superior officers, each of whom are entitled to cast one vote.

At June 30, 2023 (preliminary), June 30, 2022 (preliminary), and June 30, 2021, the QPP's membership consisted of:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Retirees and beneficiaries receiving benefits	176,168	166,631	162,149
Terminated vested members not yet receiving benefits	27,975	29,080	26,383
Terminated non-vested members ¹	45,521	36,636	32,058
Active members receiving salary	<u>181,832</u>	<u>179,596</u>	<u>185,732</u>
 Total	 <u>431,496</u>	 <u>411,943</u>	 <u>406,322</u>

¹ Members that are on leave with insufficient service for vesting and assumed to not return to active service are classified as terminated non-vested members.

Note that 2021 data is final and supports the most recent actuarial valuation. 2022 and 2023 data are preliminary and may be subject to future adjustments as the data is refined.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

At June 30, 2022 and 2021, the dates of the VSF's most recent actuarial valuations, membership consisted of:

	COVSF		HPOVSF		HPSOVSF		TPOVSF		TPSOVSF	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Retirees currently receiving payments	9,056	8,544	119	127	186	194	250	263	206	219
Active members	6,738	8,054	-	-	-	-	-	-	-	-
Total	15,794	16,598	119	127	186	194	250	263	206	219

The QPP provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (non-job-related disabilities), and Accident Disability Retirements (job-related disabilities) to members who are in different Tiers. The members' Tiers are generally determined by the date of membership in the Plan.

The Service Retirement benefits provided by the QPP for employees who joined before July 1, 1973 (Tier 1), fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of Final Salary (as defined within State statutes) after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of "final salary" payable for years in excess of the 20-year or 25-year minimum. These benefits are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement. These benefits are increased, where applicable, by an annuity attributable to member contributions in excess of the required amount and by any benefits attributable to the Increased-Take-Home-Pay ("ITHP") contributions accumulated after the 25th year of member's 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 additional benefits upon retirement.

The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of Final Salary.

The New York State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983, and 2012, significant amendments made to the New York State Retirement and Social Security Law ("RSSL") modified certain benefits for employees joining the Plan on or after the effective date of such amendments.

Members who joined on or after July 1, 1973 and before July 27, 1976 (Tier 2), have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit. 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.

Members who joined the QPP on or after July 27, 1976 and prior to September 1, 1983 (Tier 3), were later mandated into Tier 4, but could retain their Tier 3 rights. Tier 3 requires member contributions on salary for a period not to exceed 30 years, has benefits reduced by one half of the primary Social Security benefit attributable to service with the Employer, and provides for an automatic annual cost-of-living escalator in pension benefits of not more than 3.0%. UCF members in Tier 3 are not subject to the Social Security offset. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier.

Members who joined the QPP on or after September 1, 1983 and prior to April 1, 2012 (Tier 4), must make basic contributions of 3.0% of salary until termination of service. Effective October 1, 2000, these members,

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

except for certain Transit Authority employees, are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier. Effective December 2000, certain Transit Authority members make basic contributions of 2.0% of salary in accordance with Chapter 10 of the Laws of 2000. Members of specific plans within Tier 4 also make Additional Membership Contributions. The annual benefit is 1.67% of Final Average Salary ("FAS") per year of service for members with less than 20 years of service, 2% of Final Average Salary per year of service for members with 20 to 30 years, plus 1.5% of Final Average Salary per year of service in excess of 30 years. The QPP also provides death benefits; and certain retirees also receive supplemental benefits.

Subject to certain conditions, members generally become fully vested as to benefits upon the completion of five years of service.

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), 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).

Subsequent legislation, affecting members of Tiers 2, 3, and 4, has created various improved early retirement benefit programs under which eligible employees may be required to pay additional contributions. Members first employed after the effective date of such legislation are generally mandated into these programs.

Tier 6 - During March 2012, the Governor signed Chapter 18 of the Laws of 2012 ("Chapter 18/12") that placed certain limitations on the Tier 3 and Tier 4 benefits available to participants in most New York State PERS who join any New York City system, on and after April 1, 2012. In general, these changes, commonly referred to as Tier 6, increase the retirement age requirement to 63. These members can retire with a pension reduction as early as age 55. The Tier requires member contributions for all years of service for non-uniformed employees, institutes progressive member contributions for non-uniformed employees, lengthens the FAS period from three to five years, caps FAS for non-uniformed employees to an amount equal to the Governor's salary, establishes an overtime cap when calculating pension benefits, and offers an optional defined-contribution plan to certain non-represented employees. Chapter 18 of 2012 also extends and harmonizes the Tier 3 benefits for POLICE and FIRE to uniformed New York City Department of Sanitation and New York City Correction members and to District Attorney ("DA") Investigators. These changes are known as the Modified Tier 3 22-Year Plans and are not considered Tier 6 plans. Under Chapter 56 of the Laws of 2022, Part TT, effective April 9, 2022, the minimum service necessary for a Tier 6 member to vest in their plan has been reduced from 10 to five years. Therefore, the required service for a Tier 6 vested benefit or service retirement benefit is five years.

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"). Both the Voluntary Contributions and the Required Contributions are credited with interest at a statutory rate (currently 8.25% Annual Percentage Rate). At the time of retirement or refund of contributions, a member's aggregate balance of actual Required Contributions and Voluntary Contributions, including statutory interest, 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 their credited service, plus statutory earnings thereon. The amount of the member's retirement annuity or the refund of contributions that they are entitled to, increased by any Excess of Contributions or reduced by any Deficiency of Contributions, has not been determined for the years ended June 30, 2023 and 2022, respectively. Actuarial estimates of the impacts of Excesses and Deficiencies are incorporated into calculation of the QPP's net pension liability (see Note 6).

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

VSFs

COVSF

The COVSF provides supplemental benefits, varying by calendar year according to a schedule and available COVSF assets, for those NYCERS members who retire for service as UCF members with at least 20 or 25 years of service on or after July 1, 1999 depending on the underlying plan. The annual scheduled amount was \$8,500 for Calendar Year 2000. The annual scheduled amount increases \$500 each year thereafter to a maximum of \$12,000 for Calendar Year 2007 and thereafter. In the calendar year of retirement or death, the annual scheduled amount is prorated.

Chapter 255/00 provides that prior to Calendar Year 2020, when COVSF provides for a guaranteed schedule of defined supplemental benefits, benefits are payable in a calendar year only if there are sufficient COVSF assets to pay that year's scheduled amounts to all who are entitled to it unless The City guarantee becomes effective. The City guarantee of benefits payable prior to Calendar Year 2019 comes into effect if the fair value of assets of the COVSF exceeds the actuarial present value of the defined schedule of benefits payable through Calendar Year 2019.

The City's Chief Actuary (the "Actuary") has determined that benefits were payable for Calendar Years 2000 through 2005 and for Calendar Years 2014 and 2015. However, the Actuary determined that no benefits were payable for Calendar Years 2006 through 2013 and 2016. Benefits were payable for Calendar Years 2017 and 2018 due to the application of The City guarantee of benefits payable prior to Calendar Year 2019, and will continue to be guaranteed each year in the future.

In the past, the New York State Legislature, in recognition of inflation, has increased retirement benefits to retirees of its public pension systems. Any increase in the amount of ad-hoc cost-of-living increases (Supplementation) or automatic COLA payable from NYCERS to a retiree of the COVSF under legislation enacted on or after December 29, 1999 will reduce benefits payable from the COVSF to the retiree by an amount equal to such increase until the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) January 1, 2007.

Chapter 125 of the Laws of 2000 (Chapter 125/00), effective September 2000, provided Supplementation benefits from NYCERS for certain retirees who retired before Calendar Year 1997. In addition, Chapter 125/00 provided future COLA increases from NYCERS beginning September 2001 and on each subsequent September to eligible retirees.

HPOVSF

For those Housing Police Officers who became members of NYCERS prior to July 1, 1988, and who retired between July 1, 1987 and December 31, 1991, the annual supplemental benefit was \$4,500 for Calendar Year 1992. For those who retired during 1992, the benefit was a proportion of \$4,500. The benefit increases \$500 each year thereafter to a maximum of \$12,000 in Calendar Year 2007 and thereafter.

For those who were members of NYCERS prior to July 1, 1988, and who retire after Calendar Year 1992, the benefit for the first year of retirement is a proportion of the annual scheduled amount as described above for the calendar year of retirement, and the full amount thereafter.

For those Housing Police Officers who became members of NYCERS on or after July 1, 1988, the annual supplemental benefit is \$2,500 for the first 12 months of retirement, increasing by \$500 each year until a maximum of \$12,000 is payable in the 20th and later years of retirement. This was later modified by Chapter 719 of the Laws of 1994 as discussed on the next page.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Chapter 375 of the Laws of 1993 (Chapter 375/93) provided that prior to Calendar Year 2007, the defined schedules of benefits are payable only if there are sufficient assets available in the HPOVSF, or if the City guarantee comes into effect. The City guarantee of benefits comes into effect prior to Calendar Year 2007 if the fair value of assets of the HPOVSF exceeds the actuarial present value of the defined schedules of benefits payable through Calendar Year 2006 plus 15% of the assets of the HPOVSF at that time.

Chapter 719 of the Laws of 1994 (Chapter 719/94), signed on August 2, 1994, made further changes to the HPOVSF. Supplemental benefit payments became guaranteed. In addition, Housing Police Officers who became members on or after July 1, 1988, will receive the maximum \$12,000 benefit beginning in Calendar Year 2008.

Based on the calculations of the Actuary, The City guarantee of the defined schedules of benefits prior to Calendar Year 2007 had not yet come into effect as discussed more fully below.

Also, in conjunction with the April 30, 1995 merger of the Housing Police force into the New York City Police Department, The City signed a letter of agreement with affected unions to ensure that the payment of benefits provided under the defined schedules prior to Calendar Year 2007 will be made. Thus, there will be no suspension of benefits prior to Calendar Year 2007 even if assets of the HPOVSF become insufficient to pay these benefits.

Chapter 255 of the Laws of 2000 (Chapter 255/00) provided that if, for any calendar year covered by a payment guarantee, the assets of the HPOVSF are not sufficient to pay benefits, an amount sufficient to pay such benefits shall be appropriated from the Contingent Reserve Fund of NYCERS and transferred to the HPOVSF. The law also provided that transfers to the HPOVSF for supplemental benefits could begin as early as Calendar Year 2001, if needed.

In the past, the New York State Legislature, in recognition of inflation, has increased retirement benefits to retirees of its public pension systems. Any increase in the amount of ad-hoc cost-of-living increases (Supplementation) or automatic COLA payable from NYCERS to a retiree of the HPOVSF under legislation enacted on or after January 1, 1993 will reduce benefits payable from the HPOVSF to the retiree by an amount equal to such increase until the following date:

- For a retiree with a date of membership before July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) January 1, 2007.
- For a retiree with a date of membership on or after July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) the earlier of the first day of the month following the 19th anniversary of the retiree's date of retirement and January 1, 2008.

Chapter 119 of the Laws of 1995 (Chapter 119/95) provided additional benefits for Supplementation payable from NYCERS on and after December 1, 1996, for certain retirees of the HPOVSF, effective as enacted by The City Council on October 25, 1995.

Chapter 390 of the Laws of 1998 (Chapter 390/98) provided additional benefits for Supplementation payable from NYCERS on and after September 1, 1998 (with a second benefit increase commencing September 1, 1999).

Chapter 125 of the Laws of 2000 (Chapter 125/00), effective September 2000, provided Supplementation benefits from NYCERS for certain retirees who retired before Calendar Year 1997. In addition, Chapter 125/00 provided future COLA increases from NYCERS beginning September 2001 and on each subsequent September to eligible retirees.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

HPSOVSF

For those Housing Police Superior Officers who became members of NYCERS prior to July 1, 1988 and who retired between July 1, 1987 and December 31, 1992, the annual supplemental benefit was \$5,000 in Calendar Year 1993. For those who retired during 1993, the benefit was a proportion of \$5,000. The benefit increases \$500 each year thereafter to a maximum of \$12,000 in Calendar Year 2007 and thereafter.

For those who were members of NYCERS prior to July 1, 1988 and who retired after Calendar Year 1993, the benefit for the first year of retirement is a proportion of the annual scheduled amount as described above for the calendar year of retirement, and the full amount thereafter.

For those Housing Police Superior Officers who became members of NYCERS on or after July 1, 1988, the annual supplemental benefit is \$2,500 for the first 12 months of retirement, increasing by \$500 each year until a maximum of \$12,000 is payable in the 20th and later years of retirement.

Chapter 719 of the Laws of 1994 (Chapter 719/94) provided that after Calendar Year 2006 payments are guaranteed, while prior to Calendar Year 2007, the defined schedules of benefits are payable only if there are sufficient assets available in the HPSOVSF, or if The City guarantee comes into effect. The City guarantee of benefits comes into effect prior to Calendar Year 2007 if the fair value of assets of the HPSOVSF exceeds the actuarial present value of the defined schedules of benefits payable through Calendar Year 2006, plus 15% of the assets of the HPSOVSF at that time.

Chapter 719/94 also provided that, whenever the guarantee of the defined schedules of benefits comes into effect, the HPSOVSF will then transfer 15% of the fair value of its assets to The City's General Fund.

Based on the calculations of the Actuary, The City guarantee of the defined schedules of benefits prior to Calendar Year 2007 had not yet come into effect as discussed more fully below and on the next page.

Also, in conjunction with the April 30, 1995 merger of the Housing Police force into the New York City Police Department, The City signed a letter of agreement with affected unions to ensure that the payment of benefits provided under the defined schedules prior to Calendar Year 2007 will be made. Thus, there will be no suspension of benefits prior to Calendar Year 2007, even if assets of the HPSOVSF become insufficient to pay these benefits.

Chapter 255 of the Laws of 2000 (Chapter 255/00) provided that in the event that, for any calendar year covered by a payment guarantee, the assets of the HPSOVSF are not sufficient to pay benefits, an amount sufficient to pay such benefits shall be appropriated from the Contingent Reserve Fund of NYCERS and transferred to the HPSOVSF. The law also provided that supplemental benefits become guaranteed, beginning with Calendar Year 2001.

In the past, the New York State Legislature, in recognition of inflation, has increased retirement benefits to retirees of its public pension systems. Any increase in the amount of ad-hoc cost-of-living increases (Supplementation) or automatic COLAs payable from NYCERS to a retiree of the HPSOVSF under legislation enacted on or after January 1, 1994 will reduce benefits payable from the HPSOVSF to the retiree by an amount equal to such increase until the following date:

- For a retiree with a date of membership before July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) January 1, 2007.
- For a retiree with a date of membership on or after July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) the first day of the month following the 19th anniversary of the retiree's date of retirement.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Chapter 119 of the Laws of 1995 (Chapter 119/95) provided additional benefits for Supplementation from NYCERS payable on and after December 1, 1996 for certain retirees of the HPSOVSF, effective as enacted by The City Council on October 25, 1995.

Chapter 390 of the Laws of 1998 (Chapter 390/98) provided additional benefits for Supplementation payable from NYCERS on and after September 1, 1998 (with a second benefit increase commencing September 1, 1999).

Chapter 125 of the Laws of 2000 (Chapter 125/00), effective September 2000, provided Supplementation benefits from NYCERS for certain retirees who retired before Calendar Year 1997. In addition, Chapter 125/00 provided future COLA increases from NYCERS beginning September 2001 and on each subsequent September to eligible retirees.

TPOVSF

For those Transit Police Officers who became members of NYCERS prior to July 1, 1988 and who retired between July 1, 1987 and December 31, 1991, the annual supplemental benefit was \$4,500 in Calendar Year 1992. For those who retired during 1992, the benefit was a proportion of \$4,500. The benefit increases \$500 each year thereafter to a maximum of \$12,000 in Calendar Year 2007 and thereafter.

For those who were members of NYCERS prior to July 1, 1988, and who retired after Calendar Year 1992, the benefit for the first year of retirement is a proportion of the annual scheduled amount as described above for the calendar year of retirement, and the full amount thereafter.

For those Transit Police Officers who became members of NYCERS on or after July 1, 1988, the annual supplemental benefit is \$2,500 for the first 12 months of retirement, increasing by \$500 each year until a maximum of \$12,000 is payable in the 20th and later years of retirement.

Chapter 577 of the Laws of 1992 (Chapter 577/92) also provided that prior to Calendar Year 2007, the defined schedules of benefits are payable only if there are sufficient assets available in the TPOVSF, or if The City guarantee comes into effect. The City guarantee of benefits comes into effect prior to Calendar Year 2007 if the fair value of assets of the TPOVSF exceeds the actuarial present value of the defined schedules of benefits payable through Calendar Year 2006, plus 15% of the assets of the TPOVSF at that time.

Chapter 577/92 also provided that, whenever the guarantee of the defined schedules of benefits comes into effect, the TPOVSF will then transfer 15% of the fair value of its assets to The City's General Fund.

As a result of calculations performed by the Actuary during November 1993, The City guarantee became effective.

Based on the calculations of the Actuary, The City guarantee of the defined schedules of benefits prior to Calendar Year 2007 had not yet come into effect as discussed more fully below and on the next page.

Also, in conjunction with the April 2, 1995 merger of the Transit Police force into the New York City Police Department, The City signed a letter of agreement with the affected unions to ensure that the payment of benefits provided under the defined schedules prior to Calendar Year 2007 will be made. Thus, there will be no suspension of benefits prior to Calendar Year 2007, even if assets of the TPOVSF become insufficient to pay these benefits.

Chapter 255 of the Laws of 2000 (Chapter 255/00) provided that if, for any calendar year covered by a payment guarantee, the assets of the TPOVSF are not sufficient to pay benefits, an amount sufficient to pay such benefits shall be appropriated from the Contingent Reserve Fund of NYCERS and transferred to

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

the TPOVSF. The law also provides that transfers to the TPOVSF for supplemental benefits can begin as early as Calendar Year 2001, if needed.

In the past, the New York State Legislature, in recognition of inflation, has increased retirement benefits to retirees of its public pension systems. Any increase in the amount of ad-hoc cost-of-living increases (Supplementation) or automatic COLAs payable from NYCERS to a retiree of the TPOVSF under legislation enacted on or after January 1, 1992 will reduce benefits payable from the TPOVSF to the retiree by an amount equal to such increase until the following date:

- For a retiree with a date of membership before July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) January 1, 2007.
- For a retiree with a date of membership on or after July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) the first day of the month following the 19th anniversary of the retiree's date of retirement.

Chapter 119 of the Laws of 1995 (Chapter 119/95) provided additional benefits for Supplementation payable from NYCERS on and after December 1, 1996 for certain retirees of the TPOVSF, effective as enacted by the City Council on October 25, 1995.

Chapter 390 of the Laws of 1998 (Chapter 390/98) provided additional benefits for Supplementation payable from NYCERS on and after September 1, 1998 (with a second benefit increase commencing September 1, 1999).

Chapter 125 of the Laws of 2000 (Chapter 125/00), effective September 2000, provided Supplementation benefits from NYCERS for certain retirees who retired before Calendar Year 1997. In addition, Chapter 125/00 provided future COLA increases from NYCERS beginning September 2001 and on each subsequent September to eligible retirees.

TPSOVSF

For those Transit Police Superior Officers who became members of NYCERS prior to July 1, 1988, and who retired between July 1, 1987 and December 31, 1992, the annual supplemental benefit was \$5,000 in Calendar Year 1993. For those who retired during 1993, the benefit was a proportion of \$5,000. The benefit increases \$500 each year thereafter to a maximum of \$12,000 in Calendar Year 2007 and thereafter.

For those who were members of NYCERS prior to July 1, 1988, and who retired after Calendar Year 1993, the benefit for the first year of retirement is a proportion of the annual scheduled amount as described above for the calendar year of retirement, and the full amount thereafter.

For those Transit Police Superior Officers who became members of NYCERS on or after July 1, 1988, the annual supplemental benefit is \$2,500 for the first 12 months of retirement, increasing by \$500 each year until a maximum of \$12,000 is payable in the 20th and later years of retirement.

Chapter 720 of the Laws of 1994 (Chapter 720/94) also provided that after Calendar Year 2006 payments are guaranteed, while prior to Calendar Year 2007, the defined schedules of benefits are payable only if there are sufficient assets available in the TPSOVSF, or if The City guarantee comes into effect. The City guarantee of benefits comes into effect prior to Calendar Year 2007 if the fair value of assets of the TPSOVSF exceeds the actuarial present value of the defined schedules of benefits payable through Calendar Year 2006 plus 15% of the assets of the TPSOVSF at that time.

Chapter 720/94 also provided that whenever the guarantee of the defined schedules of benefits comes into effect, the TPSOVSF will then transfer 15% of the fair value of its assets to The City's General Fund.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Based on the calculations of the Actuary, The City guarantee of the defined schedules of benefits prior to Calendar Year 2007 had not yet come into effect as discussed more fully below.

Also, in conjunction with the April 2, 1995 merger of the Transit Police force into the New York City Police Department, The City signed a letter of agreement with the affected unions to ensure that the payment of benefits provided under the defined schedules prior to Calendar Year 2007 will be made. Thus, there will be no suspension of benefits prior to Calendar Year 2007, even if assets of the TPSOVSF become insufficient to pay these benefits.

Chapter 255 of the Laws of 2000 (Chapter 255/00) provided that if, for any calendar year covered by a payment guarantee, the assets of the TPSOVSF are not sufficient to pay benefits, an amount sufficient to pay such benefits shall be appropriated from the Contingent Reserve Fund of NYCERS and transferred to the TPSOVSF. The law also provided that supplemental benefits become guaranteed, beginning with Calendar Year 2001.

In the past, the New York State Legislature, in recognition of inflation, has increased retirement benefits to retirees of its public pension systems. Any increase in the amount of ad-hoc cost-of-living increases (Supplementation) or automatic COLAs payable from NYCERS to a retiree of the TPSOVSF under legislation enacted on or after January 1, 1994 will reduce benefits payable from the TPSOVSF to the retiree by an amount equal to such increase until the following date:

- For a retiree with a date of membership before July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) January 1, 2007.
- For a retiree with a date of membership on or after July 1, 1988, the later of: (a) the first day of the month following the month the retiree attains age 62; or (b) the first day of the month following the 19th anniversary of the retiree's date of retirement.

Chapter 119 of the Laws of 1995 (Chapter 119/95) provided additional benefits for Supplementation from NYCERS payable on and after December 1, 1996 for certain retirees of the TPSOVSF, effective as enacted by The City Council on October 25, 1995.

Chapter 390 of the Laws of 1998 (Chapter 390/98) provided additional benefits for Supplementation payable from NYCERS on and after September 1, 1998 (with a second benefit increase commencing September 1, 1999).

Chapter 125 of the Laws of 2000 (Chapter 125/00), effective September 2000, provided Supplementation benefits from NYCERS for certain retirees who retired before Calendar Year 1997. In addition, Chapter 125/00 provided future COLA increases from NYCERS beginning September 2001 and on each subsequent September to eligible retirees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Funds use the accrual basis of accounting where the measurement focus is on the 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 the employers make payroll deductions from Plan members. Employer contributions are recognized when due and the Employer has a legal obligation to provide the contributions. Benefit payments and withdrawals are recognized when due and payable in accordance with the terms of the Funds.

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

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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 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.

Income Taxes - Income earned by the QPP and VSFs are not subject to Federal income tax.

Accounts Payable - Accounts payable is principally comprised of amounts owed to the QPP's banks for overdrawn bank balances. The QPP's practice is to fully invest the cash balances of 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. These balances are routinely settled each day.

Accrued Benefits Payable - Accrued benefits payable represent either: (1) benefits due and unpaid by the Funds as of year-end; or (2) related to the VSFs, benefits deemed incurred and unpaid (an accrual for a portion of the current calendar year benefit) for the Fiscal Year ended on June 30.

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.

Securities Lending Transactions - State statutes and Board policies permit the Funds 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 Funds' securities lending 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 Funds receive 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 Funds had no credit risk exposure to borrowers because the fair value of collateral held by the Funds equaled or exceeded the fair value of securities lent to the borrowers. The contracts with the Funds' custodian require the Securities Lending Agent (the "Agent") to indemnify the Funds in case of counterparty default. In the situation when a borrower goes into default, the securities lending agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities cost and the collateral value is covered by the securities lending agent. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. Cash collateral is invested by the securities lending agent using approved Lender's Investment guidelines. The weighted-average maturity is 60 days. The securities lending program in which the Funds participate only allows pledging or selling securities in the case of borrower default.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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, NYCERS 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 fair value and the value as of June 30, 2023 and 2022 was \$8.3 billion and \$9.2 billion, respectively. Cash collateral received related to securities lending as of June 30, 2023 and 2022 was \$8.5 billion and \$9.4 billion, respectively. As of the date of the combining statements of fiduciary net position, the maturities of the investments made by the QPP with cash collateral, on average, exceed the maturities of the securities on loans by approximately 53 days.

Implementation of Governmental Accounting Standards Board (GASB) Statements - GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. 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*, requires lessees to recognize the following for all leases with a term of 12 months or greater at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease and (b) a right-of-use ("ROU") asset, representing the lessee's right to use, or control the use of, a specified asset for the lease term. NYCERS adopted this statement for Fiscal Year 2022.

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 this statement did not have a significant impact on these financial statements.

New Accounting Standards - NYCERS adopted the following GASB Statement for the year ended June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, according to GASB official website, provides guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended. The adoption of this statement did not have a significant impact on these financial statements.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Reclassifications - Certain prior year investment amounts have been reclassified to conform to the current year presentation. Alternative investments totaling approximately \$18,034,000 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 acts as an investment advisor to the Funds administered by NYCERS that have investments (the "QPP and COVSF"). In addition, the QPP employs an independent investment consultant as an investment advisor. The QPP 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 COVSF investments are held in a short-term investment fund. The other VSFs do not hold investments. The investment policy is approved by the Board of Trustees of the Funds within NYCERS. The Boards of Trustees of the respective Funds create the overall investment policy under which the system's funds are invested and, in defining the investment objectives, develop a framework under which specific objectives are established with regard to allocating the assets of the Funds among various investment types.

The Funds do not possess an investment risk policy statement, nor do they actively manage QPP assets to specified risk targets. Rather, investment risk management is an inherent function of the Plan's asset allocation process. Assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk.

The asset allocation targeted for the Funds in Fiscal Years 2023 and 2022 included the securities in the following categories:

	<u>2023</u>	<u>2022</u>
Domestic equities	27.0%	27.0%
International equity fund	17.0	17.0
Debt/fixed income	36.5	36.5
Alternative investments	<u>19.5</u>	<u>19.5</u>
 Total	 <u>100.0%</u>	 <u>100.0%</u>

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.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Credit Risk - The possibility of 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 Baa2 and above, except that they are also permitted a 10% maximum exposure to Ba2 and B2 rated securities. While high yield non-investment grade managers primarily invest in Ba2 and B2 rated securities, they can also invest up to 10% of their portfolio in securities rated Caa2. The quality ratings of the Funds' investments, by percentage of the rated portfolio, as described by nationally recognized rating organizations, at June 30, 2023 and 2022, are as follows:

Investment Type June 30, 2023 (In percent)	Moody's Quality Ratings															Caa & Below Caa1	Not Rated	Total	
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2				B3
U.S. government & agency	38.09%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.93%	39.02%
Mortgage debt securities	14.93%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	14.93%
Corporate bonds	1.12%	0.01%	0.07%	0.32%	2.75%	1.39%	2.67%	3.11%	3.91%	2.90%	1.57%	1.30%	2.39%	2.49%	1.95%	1.82%	1.39%	7.48%	38.64%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-0.01%	-0.01%
Discount notes & T-Bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.40%	0.40%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	7.02%	7.02%
Percent of rated portfolio	<u>54.14%</u>	<u>0.01%</u>	<u>0.07%</u>	<u>0.32%</u>	<u>2.75%</u>	<u>1.39%</u>	<u>2.67%</u>	<u>3.11%</u>	<u>3.91%</u>	<u>2.90%</u>	<u>1.57%</u>	<u>1.30%</u>	<u>2.39%</u>	<u>2.49%</u>	<u>1.95%</u>	<u>1.82%</u>	<u>1.39%</u>	<u>15.82%</u>	<u>100.00%</u>

Investment Type June 30, 2022 (In percent)	Moody's Quality Ratings															Caa & Below Caa1	Not Rated	Total	
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2				B3
U.S. government & agency	35.92%	0.01%	-%	-%	-%	-%	-%	-%	-%	0.01%	-%	-%	-%	-%	-%	-%	-%	1.27%	37.21%
Mortgage debt securities	0.53%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	13.85%	14.38%
Corporate bonds	1.28%	0.02%	0.12%	0.18%	1.50%	2.52%	2.24%	3.03%	3.75%	3.66%	1.24%	1.80%	1.93%	1.94%	1.85%	1.23%	1.39%	7.54%	37.22%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.51%	1.51%
Discount notes & T-Bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.09%	2.09%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	7.59%	7.59%
Percent of rated portfolio	<u>37.73%</u>	<u>0.03%</u>	<u>0.12%</u>	<u>0.18%</u>	<u>1.50%</u>	<u>2.52%</u>	<u>2.24%</u>	<u>3.03%</u>	<u>3.75%</u>	<u>3.67%</u>	<u>1.24%</u>	<u>1.80%</u>	<u>1.93%</u>	<u>1.94%</u>	<u>1.85%</u>	<u>1.23%</u>	<u>1.39%</u>	<u>33.85%</u>	<u>100.00%</u>

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

The quality ratings of the COVSF investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2023 and 2022, are as follows:

COVSF June 30, 2023	Moody's Quality Ratings								
	Aaa	Aa1	Ba3	B1	B2	B3	Caa & Below Caa 1	Not Rated	Total
Investment Type (In percent)									
Pooled funds	-%	-%	-%	-%	-%	-%	-%	100.00%	100.00%
Percent of rated portfolio	-%	-%	-%	-%	-%	-%	-%	100.00%	100.00%

COVSF June 30, 2022	Moody's Quality Ratings								
	Aaa	Aa1	Ba3	B1	B2	B3	Caa & Below Caa 1	Not Rated	Total
Investment Type (In percent)									
Pooled funds	-%	-%	-%	-%	-%	-%	-%	100.00%	100.00%
Percent of rated 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, NYCERS 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 uninsured, are not registered in the name of the QPP or respective VSF, and are held by either the counterparty or the counterparty's trust department or agent but not in the QPP or respective VSF's name.

Consistent with NYCERS' investment policy, the investments are held by the NYCERS custodian and registered in the name of NYCERS or its Funds.

Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") for a maximum of \$250,000 per Plan member and are, therefore, fully insured. However, the Funds' 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.

All of the NYCERS' deposits are insured and/or collateralized by securities held by a financial institution separate from NYCERS' depository financial institution.

All of NYCERS' securities are held by NYCERS' custodial bank.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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 (in years) for the Funds, as shown by the percent of the rated portfolio, are as follows:

Years to Maturity Investment Type June 30, 2023 (In percent)	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 & agency	39.02%	0.03%	24.03%	7.47%	7.49%
Mortgage debt securities	14.93	-	0.15	0.25	14.53
Corporate bonds	38.64	0.81	19.76	7.81	10.26
Short term:					
Commercial paper	-0.01	-0.01	-	-	-
Discount notes & T-Bills	0.40	0.40	-	-	-
Pooled fund	7.02	7.02	-	-	-
Percent of rated portfolio	<u>100.00%</u>	<u>8.25%</u>	<u>43.94%</u>	<u>15.53%</u>	<u>32.28%</u>
Years to Maturity Investment Type June 30, 2022 (In percent)	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 & agency	37.21%	0.08%	22.04%	8.29%	6.80%
Mortgage debt securities	14.38	-	0.10	0.27	14.01
Corporate bonds	37.22	0.65	16.14	9.98	10.45
Short term:					
Commercial paper	1.51	1.51	-	-	-
Discount notes & T-Bills	2.09	2.09	-	-	-
Pooled fund	7.59	7.59	-	-	-
Percent of rated portfolio	<u>100.00%</u>	<u>11.92%</u>	<u>38.28%</u>	<u>18.54%</u>	<u>31.26%</u>

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

The length of investment maturities (in years) of the COVSF investments, 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 (In percent)	Investment Maturities (in Years)				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short-term pooled funds	100.00%	100.00%	-%	-%	-%
Percent of rated portfolio	<u>100.00%</u>	<u>100.00%</u>	<u>-%</u>	<u>-%</u>	<u>-%</u>

Years to Maturity Investment Type June 30, 2022 (In percent)	Investment Maturities (in Years)				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short-term pooled funds	100.00%	100.00%	-%	-%	-%
Percent of rated portfolio	<u>100.00%</u>	<u>100.00%</u>	<u>-%</u>	<u>-%</u>	<u>-%</u>

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, NYCERS 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. NYCERS has no formal risk policy.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

In addition, the QPP has investments in foreign stocks and/or bonds denominated in foreign currencies. QPP's foreign currency exposures as of June 30, 2023 and 2022, are as follows (amounts in thousands of U.S. dollars):

Trade Currency	2023	2022
Euro Currency	\$ 4,506,353	\$ 3,990,109
Japanese Yen	1,512,474	1,430,532
Pound Sterling	1,283,075	1,198,637
Hong Kong Dollar	1,097,451	1,271,326
Swiss Franc	733,956	729,014
Indian Rupee	666,502	554,943
New Taiwan Dollar	660,737	571,480
South Korean Won	624,189	539,341
Canadian Dollar	594,734	558,226
Australian Dollar	374,242	351,925
Danish Krone	321,076	317,527
Brazilian Real	256,546	222,937
Swedish Krona	225,978	179,226
Singapore Dollar	179,785	189,611
Chinese Yuan Renminbi	118,431	114,614
Indonesian Rupiah	111,047	90,471
Thailand Baht	88,648	94,237
South African Rand	84,896	103,336
Mexican Peso	79,761	60,481
Yuan Renminbi	67,365	63,874
Norwegian Krone	62,387	60,835
UAE Dirham	44,429	30,312
Polish Zloty	34,095	36,460
Malaysian Ringgit	31,420	37,277
Qatari Riyal	27,416	31,213
Hungarian Forint	25,187	16,785
New Israeli Shekel	20,120	41,212
Turkish Lira	17,441	19,570
Philippine Peso	17,224	16,132
Chilean Peso	14,021	10,140
Kuwaiti Dinar	7,725	8,162
New Zealand Dollar	6,704	12,120
Romanian Leu	1,902	2,869
Colombian Peso	1,825	1,996
Czech Koruna	1,598	2,592
Egyptian Pound	658	489
Russian Ruble	174	2,001
Vietnamese Dong	125	-
Moroccan Dirham	1	1
	\$ 13,901,698	\$ 12,962,013
Total		

New York City Employees' Retirement System
NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED
June 30, 2023 and 2022

Securities Lending Transactions

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

Investment Type and
Fair Value of Securities
Lending Transactions
June 30, 2023
(In thousands)

	Moody's Quality Ratings											
	Aaa & Below	Aa & Below	A1	A2	A3	Baa & Below	Ba & Below	B & Below	Caa & Below	Ca & Below	Not Rated	Total
Short term:												
Reverse repurchase agreements	\$ -	\$ 3,806,213	\$ 1,137,077	\$ 360,537	\$ -	\$ 55,467	\$ -	\$ -	\$ -	\$ -	\$ 1,805,478	\$ 7,164,772
Money market	307,494	-	-	-	-	-	-	-	-	-	4,879	312,373
Cash or cash equivalent	-	851,364	-	-	-	-	-	-	-	-	-	851,364
US Agency	-	-	-	-	-	-	-	-	-	-	185,513	185,513
Uninvested	-	-	-	-	-	-	-	-	-	-	(1,085)	(1,085)
Total	\$ 307,494	\$ 4,657,577	\$ 1,137,077	\$ 360,537	\$ -	\$ 55,467	\$ -	\$ -	\$ -	\$ -	\$ 1,994,785	\$ 8,512,937
Percent of securities lending portfolio	3.61%	54.71%	13.36%	4.24%	-%	0.65%	-%	-%	-%	-%	23.44%	100.00%

Investment Type and
Fair Value of Securities
Lending Transactions
June 30, 2022
(In thousands)

	Moody's Quality Ratings											
	Aaa & Below	Aa & Below	A1	A2	A3	Baa2 & Below	Ba & Below	B & Below	Caa & Below	Ca & Below	Not Rated	Total
Short term:												
Reverse repurchase agreements	\$ -	\$ -	\$ -	\$ 564,804	\$ 3,482,083	\$ 41,492	\$ -	\$ -	\$ -	\$ -	\$ 3,505,896	\$ 7,594,275
Money market	486,044	-	-	-	-	-	-	-	-	-	394,887	880,931
Cash or cash equivalent	-	-	941,690	-	-	-	-	-	-	-	-	941,690
Uninvested	-	-	-	-	-	-	-	-	-	-	(1,818)	(1,818)
Total	\$ 486,044	\$ -	\$ 941,690	\$ 564,804	\$ 3,482,083	\$ 41,492	\$ -	\$ -	\$ -	\$ -	\$ 3,898,965	\$ 9,415,078
Percent of securities lending portfolio	5.16%	-%	10.00%	6.00%	36.98%	0.44%	-%	-%	-%	-%	41.42%	100.00%

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Interest Rate Risk - The lengths of investment maturities (in years) of the collateral for Securities Lending of the QPP, are as follows:

Years to Maturity Investment Type 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
Short term:					
Reverse repurchase agreement	\$ 7,164,772	\$ 7,164,772	\$ -	\$ -	\$ -
Money market	312,373	312,373	-	-	-
Cash or cash equivalents	851,364	851,364	-	-	-
US agency	185,513	3,763	181,750	-	-
Uninvested	(1,085)	(1,085)	-	-	-
Total	\$ 8,512,937	\$ 8,331,187	\$ 181,750	\$ -	\$ -
Percent of securities lending portfolio	100.00%	97.87%	2.13%	-%	-%

Years to Maturity Investment Type 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
Short term:					
Reverse repurchase agreement	\$ 7,594,275	\$ 7,594,275	\$ -	\$ -	\$ -
Money market	880,931	880,931	-	-	-
Cash or cash equivalents	941,690	941,690	-	-	-
Uninvested	(1,818)	(1,818)	-	-	-
Total	\$ 9,415,078	\$ 9,415,078	\$ -	\$ -	\$ -
Percent of securities lending portfolio	100.00%	100.00%	-%	-%	-%

Rate of Return - For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on investments, net of investment expense, for the Plan was as follows:

	2023	2022
QPP	8.14%	-8.24%
COVSF	4.05%	0.43%

The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

In Fiscal Year 2015, the Plan adopted GASB 72, *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

The Funds categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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 Funds have the following recurring fair value measurements as of June 30, 2023 and 2022:

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

	2023			Total
	Level 1	Level 2	Level 3	
Short-term investments:				
Commercial paper	\$ -	\$ (1,661)	\$ -	\$ (1,661)
Short-term investment fund	-	1,796,362	-	1,796,362
U.S. Treasury bills and agencies	-	103,416	-	103,416
Debt securities:				
Bank loans	-	135,081	1,472	136,553
Corporate and other	-	9,092,101	156,069	9,248,170
Mortgage debt securities	-	3,694,482	-	3,694,482
Treasury inflation-protected securities	-	2,666,508	-	2,666,508
U.S. government and agency	-	7,356,372	-	7,356,372
Equity securities:				
Domestic equity	23,759,958	-	2,416	23,762,374
International equity	12,226,371	-	3,723	12,230,094
Collective trust funds:				
Bank loans	-	84,523	11,427	95,950
Corporate and other	-	167,772	284,640	452,412
Domestic equity	586	-	1,406	1,992
International equity	51	-	3	54
Mortgage debt securities	-	140,501	-	140,501
Total investments in the fair value hierarchy	<u>\$ 35,986,966</u>	<u>\$ 25,235,457</u>	<u>\$ 461,156</u>	61,683,579
Alternative investments measured at NAV				<u>19,845,541</u>
Total investments				<u>\$ 81,529,120</u>

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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

	2022			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	\$ -	\$ 407,689	\$ -	\$ 407,689
Discount notes	-	179,281	-	179,281
Short-term investment fund	-	1,710,665	-	1,710,665
U.S. Treasury bills and agencies	-	398,729	-	398,729
Debt (fixed income) securities:				
Bank loans	-	106,294	-	106,294
Corporate and other	-	9,010,470	10,839	9,021,309
Mortgage debt securities	-	4,125,160	401,502	4,526,662
Treasury inflation-protected securities	-	2,921,007	-	2,921,007
U.S. government and agency	-	7,139,037	-	7,139,037
Equity securities:				
Domestic equity	21,370,400	-	204	21,370,604
International equity	11,520,947	-	-	11,520,947
Collective trust funds:				
Bank loans	-	1,064	-	1,064
Domestic equity	-	-	1,084	1,084
Mortgage debt securities	-	154,190	276,535	430,725
Opportunistic fixed income	721	232,787	2,739	236,247
 Total investments in the fair value hierarchy	 <u>\$ 32,892,068</u>	 <u>\$ 26,386,373</u>	 <u>\$ 692,903</u>	 <u>59,971,344</u>
 Alternative investments measured at NAV				 <u>18,034,398</u>
 Total investments				 <u>\$ 78,005,742</u>

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 Funds' 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.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Alternative Investments

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

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

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

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

Certain alternative investments are not fully funded upon subscribing to the investment. The GP can draw down or call for capital as the fund goes into more investments or when the need arises such as expenses associated with the partnership. The residual balance of uncalled capital is also known as unfunded commitments which are restricted to the maximum amount of the limited partners' total committed amount. The total unfunded commitments for the alternative investments as of June 30, 2023 and 2022 are shown in the table below.

June 30, 2023 (in thousands)

<u>Asset</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (ranges if eligible)</u>	<u>Redemption Notice Period (ranges if eligible)</u>
Infrastructure	\$ 1,955,354	\$ 1,215,699	N/A	N/A
Private equity	8,427,303	3,558,863	N/A	N/A
Private real estate	5,865,182	2,187,572	Quarterly	30 - 90 days
Opportunistic fixed income	3,288,363	1,103,791	N/A	N/A
Hedge funds	813	-	N/A	N/A
Fixed income investment company	308,526	-	Monthly	15 days
	<u>\$ 19,845,541</u>	<u>\$ 8,065,925</u>		

June 30, 2022 (in thousands)

<u>Asset</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (ranges if eligible)</u>	<u>Redemption Notice Period (ranges if eligible)</u>
Infrastructure	\$ 1,426,385	\$ 1,312,130	N/A	N/A
Private equity	7,985,627	3,908,789	N/A	N/A
Private real estate	5,672,114	2,702,045	Quarterly	30 - 90 days
Opportunistic fixed income	2,949,143	2,433,829	N/A	N/A
Hedge funds	1,129	-	N/A	N/A
	<u>\$ 18,034,398</u>	<u>\$ 10,356,793</u>		

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE 4 - TRANSFER TO VARIABLE SUPPLEMENTS FUNDS

ACNY provides that the QPP transfer to the VSFs an amount equal to certain excess earnings on equity investments, limited to the unfunded Actuarial Present Value ("APV") of Accumulated Plan Benefits for each VSF. Excess earnings are defined as the amount by which earnings on equity investments of the QPP exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed income securities (Hypothetical Fixed Income Security Earnings or HFISE), less any cumulative deficiencies of prior years' excess earnings that fell below the yield of fixed income investments. The VSFs also receive credit for investment earnings on VSF assets.

The calculation of the HFISE requires the determination of the Hypothetical Interest Rate ("HIR"), which is computed by the Comptroller.

Due to the merging of Housing Police and Transit Police into The City's Police Department, there are no active members of the Housing Police and Transit Police; therefore, excess earnings on equity investments from the QPP, if any, do not produce any transfers to the HPOVSF, HPSOVSF, TPOVSF and TPSOVSF (collectively, the "Housing and Transit Police VSFs").

However, with the passage of Chapter 255/00, the QPP is required to transfer assets to the Housing and Transit Police VSFs whenever the assets of these VSFs are not sufficient to pay benefits. Such funding is provided through The City's annual required contributions to the QPP, which serves as the initial source of funding of VSF benefits. With respect to the benefits payable from HPSOVSF for Fiscal Years 2023 and 2022, the QPP was required to transfer approximately \$2.2 million and \$2.4 million, respectively. With respect to the benefits payable from TPSOVSF for Fiscal Years 2023 and 2022, the QPP was required to transfer approximately \$2.4 million and \$2.7 million, respectively. With respect to the benefits payable from HPOVSF for Fiscal Years 2023 and 2022, the QPP was required to transfer approximately \$1.3 million and \$1.6 million, respectively. With respect to the benefits payable from TPOVSF for Fiscal Years 2023 and 2022, the QPP was required to transfer approximately \$2.9 million and \$3.3 million, respectively.

With respect to the COVSF, for Fiscal Year 2023, the excess earnings of the QPP, inclusive of prior years' cumulative deficiencies, was estimated to be equal to zero and therefore no transfer was due from the QPP to COVSF as of, and for the year end June 30, 2023. For Fiscal Year 2022, the excess earnings of the QPP, inclusive of prior years' cumulative deficiencies, was estimated to be equal to zero and therefore no transfer was due from the QPP to COVSF as of, and for the year end June 30, 2022.

The amounts shown on the next page for the APV of Accumulated Plan Benefits are the measures of the present value of scheduled supplemental benefits estimated to be payable in the future as a result of employee service to date. They are calculated as the actuarial present value of credited projected benefits, prorated on service, and are intended to help users assess the funded status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make a comparison among VSFs.

Actuarial valuations of the VSFs are performed annually as of June 30.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

A comparison of the APV of Accumulated Plan Benefits as calculated by the Actuary, with the net position restricted for pensions for the COVSF, HPOVSF, HPSOVSF, TPOVSF and TPSOVSF as of June 30, 2022 and 2021, follows (in millions):

	COVSF		HPOVSF		HPSOVSF		TPOVSF		TPSOVSF		Total	
	2022 ¹	2021	2022 ¹	2021	2022 ¹	2021	2022 ¹	2021	2022 ¹	2021	2022 ¹	2021
APV of Accumulated Plan Benefits												
Retirees currently receiving benefits	\$ 1,137.5	\$ 1,079.7	\$ 9.0	\$ 10.2	\$ 14.8	\$ 16.0	\$ 19.6	\$ 21.6	\$ 16.3	\$ 17.8	\$ 1,197.2	\$ 1,145.3
Active members	243.5	264.5	-	-	-	-	-	-	-	-	243.5	264.5
Total APV of Accumulated Plan Benefits	1,381.0	1,344.2	9.0	10.2	14.8	16.0	19.6	21.6	16.3	17.8	1,440.7	1,409.8
Net position held in trust for benefits	1,072.8	1,175.4	-	-	-	-	-	-	-	-	1,072.8	1,175.4
Unfunded APV of Accumulated Plan Benefits	\$ 308.2	\$ 168.8	\$ 9.0	\$ 10.2	\$ 14.8	\$ 16.0	\$ 19.6	\$ 21.6	\$ 16.3	\$ 17.8	\$ 367.9	\$ 234.4

¹ Preliminary.

For purposes of the June 30, 2022 and 2021 actuarial valuations of the Funds, Chapter 125/00 has been taken into account in the determination of the unfunded APV of Accumulated Plan Benefits relative to the Supplementation benefit increases that began Fiscal Year 2001, and the automatic COLA that began Fiscal Year 2002 (see Note 1).

Section 13-194 of the ACNY provides that the Board of Trustees of NYCERS shall adopt, upon the recommendation of the Actuary, actuarial assumptions as to interest rate, mortality of retirees, and estimated number of active UCF members of NYCERS as of each June 30 who are expected to retire for service with at least 20 or 25 years of service as UCF members, depending on the Plan for use in making annual valuations of liabilities.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

The following actuarial assumptions represent the recommendations of the Actuary and were used in the actuarial calculations to determine the preceding APV of Accumulated Plan Benefits as of June 30, 2022 and 2021:

	June 30, 2022 ¹	June 30, 2021
Investment rate of return	7.00% per annum. ²	7.00% per annum. ²
Post-retirement mortality	Tables adopted by NYCERS during Fiscal Year 2019 based on recent experience of UCF members of NYCERS for COVSF and on recent experience of POLICE for HPOVSF, HPSOVSF, TPOVSF and TPSOVSF. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.	Tables adopted by NYCERS during Fiscal Year 2019 based on recent experience of UCF members of NYCERS for COVSF and on recent experience of POLICE for HPOVSF, HPSOVSF, TPOVSF and TPSOVSF. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.
Active service: withdrawal, death, and disability	Tables adopted by NYCERS during Fiscal Year 2019 based on recent experience of UCF members of NYCERS for COVSF. NA for HPOVSF, HPSOVSF, TPOVSF and TPSOVSF. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.	Tables adopted by NYCERS during Fiscal Year 2019 based on recent experience of UCF members of NYCERS for COVSF. NA for HPOVSF, HPSOVSF, TPOVSF and TPSOVSF. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.
Service retirement	Tables adopted by NYCERS during Fiscal Year 2019 based on recent experience of UCF members of NYCERS for COVSF. Varies from earliest age member is eligible to retire (age at completion of 20 years (25 years) of service) until age 63. Not applicable for HPOVSF, HPSOVSF, TPOVSF and TPSOVSF.	Tables adopted by NYCERS during Fiscal Year 2019 based on recent experience of UCF members of NYCERS for COVSF. Varies from earliest age member is eligible to retire (age at completion of 20 years (25 years) of service) until age 63. Not applicable for HPOVSF, HPSOVSF, TPOVSF and TPSOVSF.
COLA adjustments for future NYCERS' COLA benefits ¹	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 Preliminary.

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

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE 5 - QPP CONTRIBUTIONS

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, are intended to ultimately be sufficient to accumulate assets to pay benefits when due.

Member Contributions - Members who joined prior to July 27, 1976 contribute by salary deductions based on a normal rate of contribution that is assigned by the Plan at membership. The member normal rate, which is dependent upon age and actuarial tables in effect at the time of membership, is determined to provide approximately one-fourth of the service retirement allowance at the earliest age for service retirement. For age at membership equal to 20, the member normal rate ranges between 5.80% and 9.10%. For age at membership equal to 40, the member normal rate ranges between 4.30% and 4.80%.

Members who joined on or after July 27, 1976 and before April 1, 2012, are mandated to contribute 3.0% of salary during all years of coverage except for Department of Correction members who contribute 3.0% for not more than 30 years. Effective October 1, 2000, certain members are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier. In addition, certain Tier 2, 3 and 4 members contribute additional amounts ranging from 1.85% to 7.46% for improved early retirement benefits.

Members who join on and after April 1, 2012 (Tier 6) are mandated to contribute Basic Member Contributions ("BMCs") until they separate from City service or until they retire. The BMC rate is dependent on annual wages earned during a plan year and ranges from 3.0% for salaries up to \$45,000 and as much as 6.0% for salaries greater than \$100,000.

In addition to the BMC, Tier 6 Special Plan members must contribute Additional Member Contributions ("AMCs"). The AMC rate is plan-specific. Tier 6 Special Plan members must contribute AMCs until they attain 30 years of service or retire, whichever comes first, except for TBTA 20/50 Plan members, who must contribute AMCs for 20 years.

Uniformed members of the Department of Correction, uniformed members of the Department of Sanitation, and DA Investigator members employed in a District Attorney office, who became employed in one of these titles on or after April 1, 2012, participate in a 22-Year Plan. These members are required to contribute 3% of gross wages until the earlier of 25 years of service or until they retire.

Employer Contributions - Statutorily required contributions ("Statutory Contributions") to the QPP, determined by the Actuary in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year. The Statutory Contribution for the year ended June 30, 2023, based on an actuarial valuation as of June 30, 2021, was \$3.457 billion, and the Statutory Contribution for the year ended June 30, 2022, based on an actuarial valuation as of June 30, 2020, was \$3.831 billion. The Statutory Contributions for Fiscal Year 2023 was equal to the Actuarial Contributions. The Statutory Contributions for Fiscal Year 2022 was equal to the Actuarial Contributions. Refer to the Schedule of Employer Contributions in the accompanying required supplementary information for more information on the actuarial methods and assumptions applied by the Actuary to determine the Statutory Contributions.

New York City Employees' Retirement System
NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED
June 30, 2023 and 2022

NOTE 6 - NET PENSION LIABILITY

The components of the net pension liability of the Employer at June 30, 2023 and 2022, for the Funds, were as follows:

	(In thousands)						
	QPP	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	Total
June 30, 2023							
Total pension liability	\$ 98,817,839	\$ 1,452,208	\$ 9,045	\$ 14,704	\$ 19,584	\$ 16,162	\$ 100,329,542
Fiduciary net position ¹	81,438,291	1,048,376	226	212	201	205	82,487,511
Employers' net pension liability	<u>\$ 17,379,548</u>	<u>\$ 403,832</u>	<u>\$ 8,819</u>	<u>\$ 14,492</u>	<u>\$ 19,383</u>	<u>\$ 15,957</u>	<u>\$ 17,842,031</u>
Fiduciary net position as a percentage of the total pension liability	82.41%	72.19%	2.50%	1.44%	1.03%	1.27%	82.22%
	(In thousands)						
	QPP	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	Total
June 30, 2022							
Total pension liability	\$ 95,209,212	\$ 1,417,618	\$ 10,457	\$ 16,158	\$ 21,961	\$ 18,051	\$ 96,693,457
Fiduciary net position ¹	77,460,962	1,126,400	281	253	303	342	78,588,541
Employers' net pension liability	<u>\$ 17,748,250</u>	<u>\$ 291,218</u>	<u>\$ 10,176</u>	<u>\$ 15,905</u>	<u>\$ 21,658</u>	<u>\$ 17,709</u>	<u>\$ 18,104,916</u>
Fiduciary net position as a percentage of the total pension liability	81.36%	79.46%	2.69%	1.57%	1.38%	1.89%	81.28%

¹ Such amounts represent the preliminary Funds' fiduciary net position and may differ from the final Funds' fiduciary net position.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2023 and 2022 were determined by 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 increases 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 Auto COLA. 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 Systems ("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 December 31, 2018, the Actuary issued a Report titled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years beginning on and after July 1, 2018 for the New York City Employees' Retirement System." The actuarial assumptions and methods described in that report are referred to as the "2019 A&M."

On July 27, 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 (adjusted for certain post-valuation refinements), which was based on the Revised 2021 A&M.

The Entry Age Normal ("EAN") cost method of funding is utilized by the Funds' Actuary to calculate the contribution required of the Employer.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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.

The Fiscal Year 2023 and Fiscal Year 2022 Employer Contributions do not reflect any potential impact related to the bankruptcy filing on December 3, 2009 by the New York City Off-Track Betting Corporation ("OTB") and to its shutdown on December 7, 2010. The results were developed herein assuming OTB is a going concern. Beginning with Fiscal Year 2019, there was a change in the allocation of pension contributions attributable to OTB. OTB's prior unpaid contributions with interest have been amortized over 15 years (14 payments) beginning in Fiscal Year 2019. The Actuary has split this amount evenly between the State of New York, based upon a determination by the NYCERS Board of Trustees that the State is the successor to OTB under Administrative Code Section 13-130, and The City, based upon The City's offer to advance half this amount, subject to appropriations, pending payment by the State. Beginning with Fiscal Year 2021, The City has agreed to pay the full amount attributable to OTB, subject to appropriations, pending payment by the State.

The PV of projected benefits includes the obligations of the Plan to the HPOVSF, the HPSOVSF, the TPOVSF, the TPSOVSF, and the COVSF (referred to collectively as the "NYCERS VSFs"), which are recognized through a methodology where the PV of future VSF transfers from NYCERS to the NYCERS VSFs is included directly as an actuarial liability of NYCERS. This amount is computed as the excess, if any, of the PV of benefits of each individual NYCERS VSF over the AVA of the respective, individual NYCERS VSF. Under EAN, a portion of the PV of future VSF transfers is reflected in the PV of future normal costs and a portion is reflected in the UAL.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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 allocation 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:

Asset Class	As of June 30, 2023		As of June 30, 2022	
	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	27.0%	6.9%	27.0%	7.0%
Developed public market equities	12.0%	7.2%	12.0%	7.2%
Emerging public market equities	5.0%	9.1%	5.0%	9.0%
Fixed income	30.5%	2.7%	30.5%	2.5%
Private Markets (Alternative Investments)				
Private equity	8.0%	11.1%	8.0%	11.3%
Private real estate	7.5%	7.1%	7.5%	6.7%
Infrastructure	4.0%	6.4%	4.0%	6.0%
Opportunistic fixed income	6.0%	8.6%	6.0%	7.4%
Total	100.0%		100.0%	

Discount Rate

The discount rate used to measure the total pension liability as of both June 30, 2023 and 2022 was 7.0% per annum. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that The City's contributions will be made in accordance with the Statutory Contributions determined by the Actuary. Based on those assumptions, the Funds' fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Funds' investments was applied to all periods of projected benefit payments to determine the total pension liability.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

The following presents the net pension liability of the Employer for the Plan, calculated using the discount rate of 7.0%, as well as what the Employer's 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) Employer Net Pension Liability - June 30, 2023	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
QPP	\$ 28,293,162	\$ 17,379,548	\$ 8,168,746
COVSF	556,571	403,832	274,865
HPOVSF	9,315	8,819	8,370
HPSOVSF	15,335	14,492	13,732
TPOVSF	20,478	19,383	18,392
TPSOVSF	16,867	15,957	15,135
Total	\$ 28,911,728	\$ 17,842,031	\$ 8,499,240

(In thousands) Employer Net Pension Liability - June 30, 2022	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
QPP	\$ 28,298,702	\$ 17,748,250	\$ 8,836,749
COVSF	443,066	291,218	163,220
HPOVSF	10,753	10,176	9,655
HPSOVSF	16,846	15,905	15,059
TPOVSF	22,904	21,658	20,536
TPSOVSF	18,725	17,709	16,794
Total	\$ 28,810,996	\$ 18,104,916	\$ 9,062,013

NOTE 7 - MEMBER LOANS

In general, most members are permitted to borrow up to 75% of their own contributions, including accumulated interest. The balance of member loans receivable at June 30, 2023 and 2022 was \$1.16 billion and \$1.08 billion, respectively.

NOTE 8 - RELATED PARTIES

The Comptroller has been appointed by law as custodian for the assets of NYCERS. 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 provide cash receipt and cash disbursement services to NYCERS. Actuarial services are provided to NYCERS by the Office of the Actuary employed by the Boards of Trustees of The City's main pension systems. The City's Corporation Counsel provides legal services to NYCERS. Other administrative services are also provided by The City. The aforementioned services are provided by employees or officers of The City who may also be participants in NYCERS.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE 9 - ADMINISTRATIVE AND INVESTMENT EXPENSES

Chapter 593 of the Laws of 1996, effective July 1, 1997, authorized the Board of Trustees to draw upon QPP assets to pay the administrative expenses incurred by the QPP. Prior to that year, The City had directly paid all QPP administrative expenses. Under Chapter 593/96, both the administrative and investment expenses were billed to the participating employers in the following year. Under Chapter 152 of the Laws of 2006, those expenses are billed in the second following fiscal year.

In Fiscal Year 2023, total non-investment expenses attributable to the QPP were approximately \$116 million, of which \$106 million was paid from the assets of the QPP and \$10 million was incurred on behalf of the QPP by other City agencies. In Fiscal Year 2022, total non-investment expenses attributable to the QPP were approximately \$114.4 million, of which \$105 million was paid from the assets of the QPP and \$9.4 million was incurred on behalf of the QPP by other City agencies.

In Fiscal Year 2023, investment expenses, exclusive of fees related to securities lending transactions, were \$494 million, of which \$490 million was charged to the investment earnings of the QPP, and \$4 million was incurred by the Comptroller's Office. In Fiscal Year 2022, investment expenses, exclusive of fees related to securities lending transactions, were \$351.4 million, of which \$349.2 million was charged to the investment earnings of the QPP, and \$2.2 million was incurred by the Comptroller's Office.

In Fiscal Year 2000, the Plan entered into a new lease agreement to rent office space for its headquarters. The original agreement expired in 2020, with options to renew through 2030. In Fiscal Year 2020, the headquarters office space lease was amended and renewed. The amended lease agreement expires in 2035 and incorporates one option to renew for five additional years into 2040.

In Fiscal Year 2006, the Plan entered into a new lease agreement to rent office space for a business recovery site in case its headquarters was not operational. The previous agreement expired in November 2021 and the Plan exercised the option to renew the agreement through November 2026.

NYCERS is the lessee of two office spaces under right-of-use leases. The present value of lease obligations at June 30, 2023 is \$58 million. Rent expenses under the lease agreements for Fiscal Years 2023 and 2022 were approximately \$5.3 million and \$5 million, respectively.

At June 30, 2023, the future minimum principal and interest payments required under the lease contracts are as follows:

	Beginning Balance	Annual Year-end Interest Accrual	Total Annual Payment	Ending Balance
2024	\$ 58,099,742	\$ 1,157,378	\$ (5,699,507)	\$ 53,557,613
2025	53,557,613	1,071,323	(5,853,332)	48,775,604
2026	48,775,604	974,995	(6,369,767)	43,380,832
2027	43,380,832	875,730	(5,596,412)	38,660,150
2028	38,660,150	784,085	(5,034,222)	34,410,013
2029 - 2033	34,410,013	2,416,228	(27,134,454)	9,691,787
2034 - 2035	9,691,787	175,287	(9,867,074)	-

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE 10 - CONTINGENT LIABILITIES AND OTHER MATTERS

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

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 NYCERS are conducted every two years. Refer to Note 6 for a discussion of the most recent actuarial studies for NYCERS.

Revised Actuarial Assumptions and Methods - In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five major actuarially-funded NYCERS 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 (GRS) published their study in October 2015.

OTB Bankruptcy - During December 2009, the New York City OTB filed a petition with the United States Bankruptcy Court of the Southern District of New York under Chapter 9 of the Bankruptcy Code.

The Fiscal Year 2022 and Fiscal Year 2021 Employer contributions do not take into account OTB's filing. The Fiscal Year 2022 and Fiscal Year 2021 Employer contributions, and the allocation to OTB, assumed that OTB was a going concern. Any amounts due but unpaid by OTB for Fiscal Year 2022 and Fiscal Year 2021 are treated as a receivable that is expected to be paid in full.

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

Chapter 18 of the Laws of 2012 placed certain limitations on Tier 3 and Tier 4 benefits available to participants hired on and after April 1, 2012 in most New York State PERS, including NYCERS. Some of the provisions in this law are commonly referred to as Tier 6.

Chapter 3 of the Laws of 2013 amends various sections of law relating to actuarial assumptions and methods. These changes include: the Actuarial Interest Rate (AIR) used for the calculation of employer contributions lowered to 7%; the interest rate for Tier 3, 4 and 6 loans lowered to 6%; the Funding Method for calculating employer contributions changed from the Frozen Initial Liability Method to the Entry Age Cost Method; the Tier 1 and 2 interest rate remains at 8.25% until June 30, 2016; and the interest on late Employer contributions became permitted.

Chapter 489 of the Laws of 2013 allows certain vested members to apply for a three-quarters disability benefit pursuant to the WTC Law; allows the eligible beneficiaries of deceased vested members (who die prior to payability of a retirement allowance) to apply for accidental death benefits; and for vested members and certain eligible beneficiaries, it extends the Notice of Participation filing deadline to September 11, 2014.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Chapter 522 of the Laws of 2013 authorizes refunds of the employee portion of Additional Member Contributions (AMCs) made by certain eligible former participants of a Chapter 96 Plan (55/25 or 57/5).

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 members would not be required to make member contributions to receive such credit.

Chapter 472 of the Laws of 2014 amends Retirement and Social Security Law, Section 2, to modify qualifications and extended the deadline for filing a WTC Notice of Participation to September 11, 2015 for members that were not vestees.

Chapter 510 of the Laws of 2015 clarifies for Tier 6, the definition of multiple employers for the purpose of exclusion of wages, and changes the Plan year for contributions from April 1 through March 31, to January 1 through December 31.

Chapter 41 of the Laws of 2016 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.

Petition for Retirement Benefit Enhancement, dated August 15, 2016 and signed by the Mayor on August 30, 2016, provides enhanced disability benefits for Accidental Disability Retirement and Ordinary Disability Retirement benefits for Sanitation Workers. Sanitation Workers who become 22-Year Plan members before January 1, 2017 have the option to elect participation in the Enhanced Disability Benefits. Sanitation Workers who become 22-Year Plan members on and after January 1, 2017 are mandated into the Enhanced Disability Benefits. Members electing or mandated into this benefit will pay an extra 1.3% of wages.

Petition for Retirement Benefit Enhancement, dated November 2, 2016 and signed by the Mayor on November 29, 2016, provides enhanced disability benefits for Accidental Disability Retirement and Ordinary Disability Retirement benefits for Correction Officers. Correction Officers who become 22-Year Plan members before January 1, 2017 have the option to elect participation in the Enhanced Disability Benefits. Correction Officers who become 22-Year Plan members on and after January 1, 2017 are mandated into the Enhanced Disability Benefits. Members electing or mandated into this benefit will pay an extra 0.8% of wages.

Petition for Retirement Benefit Enhancement, dated November 21, 2016 and signed by the Mayor on November 29, 2016, provides enhanced disability benefits for Accidental Disability Retirement and Ordinary Disability Retirement benefits for Wardens, including Assistant Deputy Wardens, Deputy Wardens and Deputy Wardens in Command (collectively, "ADW/DWs"). ADW/DWs who become 22-Year Plan members before January 1, 2017 have the option to elect participation in the Enhanced Disability Benefits. ADW/DWs who become 22-Year Plan members on and after January 1, 2017 are mandated into the Enhanced Disability Benefits. Members electing or mandated into this benefit will pay an extra 0.8% of wages.

Petition for Retirement Benefit Enhancement, dated November 25, 2016 and signed by the Mayor on November 29, 2016, provides enhanced disability benefits for Accidental Disability Retirement and Ordinary Disability Retirement benefits for Correction Captains. Correction Captains who become 22-Year Plan members before January 1, 2017 have the option to elect participation in the Enhanced Disability Benefits. Correction Captains who become 22-Year Plan members on and after January 1, 2017 are mandated into

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

the Enhanced Disability Benefits. Members electing or mandated into this benefit will pay an extra 0.8% of wages.

Chapter 326 of the Laws of 2016 extends the deadline to file a World Trade Center Notice of Participation to September 11, 2018.

Chapter 428 of 2016 provides certain NYC Transit Authority NYCERS members who were employed as Transit Managers as of October 1, 2006 a refund of the employee portion of Additional Member Contributions.

Chapter 438 of the Laws of 2016 eliminates restrictions upon transferring between public retirement systems.

Chapter 61 of the Laws of 2017 permits NYCERS Uniformed Correction/Sanitation revised plan members and Investigator revised plan members ("Eligible Members"), who would be ineligible for disability retirement benefits solely on account of being eligible for a normal service retirement benefit, to be eligible for disability benefits. It also relaxed the safeguards provisions regarding restrictions on post-retirement employment for Eligible Members who are awarded ADR and modified the process for reducing or eliminating an ADR benefit based on post-retirement earnings.

The following outlines the changes for the New York City Uniformed Correction/Sanitation revised plan members ("22-Year Plan Members").

1. Member Contributions

- Tier 3 Enhanced Members contribute 3% of pensionable earnings plus an additional contribution rate to help fund the enhanced disability benefit. Currently, the additional contribution rate is 1.3% for Sanitation Workers and 0.8% for Correction Officers, ADW/DWs, and Correction Captains, which can be raised to 3% based on a financial analysis by the Office of the Actuary every three years. At no time can the total contribution rate exceed 6%.
- Taxability
 - Base Member Contributions
 - Pre-tax
 - Increased Member Contributions for Enhanced Disability Provisions
 - Pre-tax for Sanitation Workers appointed September 1, 2016 and later, and for Correction Officers, ADW/DWs, and Correction Captains appointed January 1, 2017 and later (i.e., the dates the respective new members are mandated into the Plan).
 - Post-tax for those who were eligible to elect the Enhanced Disability Plan provisions and elected such provisions.

2. Accidental Disability Retirement ("ADR")

- The ADR benefit for Tier 3 Enhanced Members is 75% of their Five-Year Final Average Salary ("FAS5").
- Tier 3 Enhanced Members have statutory presumptions (i.e., Heart).

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

3. Ordinary Disability Retirement ("ODR")

- The ODR benefit for Tier 3 Enhanced Members is the greater of:
 - 33 1/3% of FAS5; or
 - FAS5 multiplied by years of credited service (not greater than 22 years).

4. Escalation

- Tier 3 Enhanced Members who retire for ODR or ADR are not subject to escalation. Tier 3 Enhanced Members are subject to COLA, the same as Tier 1 and Tier 2 members.

5. Social Security Offset

- Tier 3 Enhanced Members who retire for ODR or ADR are not subject to the Social Security offset.
- Tier 3 Enhanced Members who retire for a Service or Vested Retirement are subject to the Social Security offset.

6. Final Average Salary

- Tier 3 Enhanced Members are subject to a FAS5 calculation for ODR, ADR, Service and Vested Retirement.

The following changes apply to Eligible Members:

1. Eligibility for ADR

- Eligibility for ADR was extended beyond 22 years; members can apply at any time as long as they are active.

2. Safeguards

- RSSL § 507(d) no longer applies to ADR retirees. The safeguards in effect prior to April 1, 2012 apply to Uniformed Correction/Sanitation revised plan members, and those in effect prior to July 1, 2009 apply to retired Investigator revised plan Members. The safeguards include earnings limitations and re-employment.
- Safeguards remain unchanged for ODR retirees. Thus, they must continue to be in receipt of Social Security Disability benefits to maintain their receipt of pension benefits.

Chapter 457 of the Laws of 2017 amends the New York State General Municipal Law to provide pension benefits to widows or widowers of sanitation workers; defines eligible beneficiary of a NYC uniformed sanitation revised plan member; provides the Special Accidental Death Benefits to eligible beneficiaries of NYCERS Sanitation members; and expands the definition of a Tier 4 and modified Tier 3 Uniformed Sanitation Workers' eligible beneficiaries for Accidental Death Benefits.

Chapter 467 of the Laws of 2017 allows certain Special Plan members to use a surplus in their Additional Member Contributions ("AMC"s) to offset any deficit in their Basic Member Contribution account ("MCAF"), or to use a surplus in Basic Member Contributions ("BMC"s) to offset a deficit in the Additional Member Contribution account ("RRF").

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

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

Chapter 89 of the Laws of 2020 provides death benefits to statutory beneficiaries of certain members and retirees whose death was a result of or was contributed to by COVID-19.

COVID-19 - The outbreak of COVID-19, has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State on March 7, 2020 and the Mayor declared a state of emergency in The City on March 12, 2020. While the Governor ended the state of emergency in New York State on September 12, 2022, the state of emergency in The City remains in effect. The ultimate impact of the COVID-19 pandemic on the Plan cannot be determined at this time.

The CARES Act, signed into law on March 27, 2020, is a major piece of federal legislation providing relief to individuals, as well as state and local governments, in connection with the impact of the COVID-19 outbreak. The CARES Act impacted the operations of NYCERS during Fiscal Year 2023 and 2022 in the following ways:

- a) qualified individuals who were entitled to receive a QPP refund (other than a refund of a deduction in error) were permitted to classify such a refund as a coronavirus-related distribution, not subject to the 10% penalty for individuals younger than 59½ years of age (subject to the limitation that the sum of all coronavirus-related distributions cannot exceed \$100,000), until December 30, 2020;
- b) qualified individuals were permitted to apply for coronavirus-related loans, with a higher aggregate maximum amount than ordinary loans (for QPP/AMC loans, the expanded limit was the lesser of \$100,000 or 75% of the account balance, until September 23, 2020);
- c) qualified individuals with outstanding loans of any type were permitted to apply for extension of any loan payments due between March 27, 2020 and December 31, 2020 by up to one year.

For the purposes of the above provisions, the CARES Act defined a "qualified individual" as an individual who:

1. is diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or
2. has a spouse or dependent diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or
3. experiences adverse financial consequences as a result of (i) being quarantined, furloughed or laid off or having work hours reduced due to COVID-19, (ii) being unable to work due to lack of childcare due to COVID-19, (iii) being unable to work due to closing or reducing hours of a business owned or operated by the individual due to COVID-19, or (iv) other factors as determined by the Secretary of the Treasury.

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 member contracted COVID-19 within 45 days of reporting to such workplace as confirmed by a laboratory test or by a licensed physician and such member died on or before December 31, 2022.

Chapter 424 of the Laws of 2021 expands eligibility to New York City public employees that were not NYCERS members during the World Trade Center (WTC) qualifying period and participated in Rescue, Recovery or Cleanup Operations. If these members later join NYCERS and purchase some or all of the WTC pre-membership service, they may be considered for a disability retirement under the WTC Law.

New York City Employees' Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

Chapter 425 of the Laws of 2021 allows for the electronic submission of a Notice of Participation in World Trade Center Rescue, Recovery, or Cleanup Operations.

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 five years and allows for retirement with five years of service.

Chapter 585 of the Laws of 2022 allows veterans with "qualifying conditions," and "discharged LGBT veterans" to receive credit for their military service if they receive a discharge and it is not dishonorable or for bad conduct.

Chapter 775 of the Laws of 2022 increased NYCERS' allowable investments in "Basket Clause" investments from 25% to 35% of fund assets.

Chapter 782 of the Laws of 2022 permits parents of a member to collect Special Accidental Death Benefit if the member has no spouse or child under the age of 18 (or 23 if the child is a student).

Chapter 783 of the Laws of 2022 extended the provisions of the COVID-19 Accidental Death Benefit for an additional two years to apply to members who died on or before December 31, 2024.

Chapter 55 of the Laws of 2023, signed on May 3, 2023, was passed as part of the budget and provided for the following two relevant parts:

Part V Amends Part HH of Chapter 56 of the Laws of 2022, which waived retiree §§ 211 & 212 approval and income limitations for NY public school earnings, by pushing the date that Part HH expires and is deemed repealed one year to June 30, 2024.

Part HH authorized members to transfer creditable service as an EMT to the New York City Fire Department Pension Fund. This provision is only applicable to NYCERS Members with 10 or more years of credited service. Members who make the above transfer of contributions or withdraws their contributions from NYCERS will cease to be a member of NYCERS and will not retain credited service in NYCERS.

New York City Employees' Retirement System

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

June 30, 2023
(In thousands)

	QPP*	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	TOTAL
Total pension liability:							
Service cost	\$ 2,025,828	\$ 16,057	\$ -	\$ -	\$ -	\$ -	\$ 2,041,885
Interest	6,593,102	96,664	683	1,054	1,434	1,176	6,694,113
Differences between expected and actual experience	1,189,932	29,177	(672)	(270)	(794)	(501)	1,216,872
Changes of assumptions	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-
Benefit payments and withdrawals	(6,200,235)	(107,308)	(1,423)	(2,238)	(3,017)	(2,564)	(6,316,785)
Net change in total pension liability	3,608,627	34,590	(1,412)	(1,454)	(2,377)	(1,889)	3,636,085
Total pension liability - beginning	95,209,212	1,417,618	10,457	16,158	21,961	18,051	96,693,457
Total pension liability - ending (a)	98,817,839	1,452,208	9,045	14,704	19,584	16,162	100,329,542
Plan fiduciary net position:							
Employer contributions	3,456,775	-	-	-	-	-	3,456,775
Member contributions	613,026	-	-	-	-	-	613,026
Net investment income	6,218,992	39,477	-	-	-	-	6,258,469
Benefit payments and withdrawals	(6,200,235)	(107,308)	(1,423)	(2,238)	(3,017)	(2,564)	(6,316,785)
Payments to other retirement systems	(10,282)	-	-	-	-	-	(10,282)
Transfers to VSFs	(8,907)	-	1,368	2,197	2,915	2,427	-
Administrative expenses	(105,793)	-	-	-	-	-	(105,793)
Other	3,560	-	-	-	-	-	3,560
Net change in plan fiduciary net position	3,967,136	(67,831)	(55)	(41)	(102)	(137)	3,898,970
Accrued transfers to/from VSFs	10,193	(10,193)	-	-	-	-	-
Plan fiduciary net position - beginning	77,460,962	1,126,400	281	253	303	342	78,588,541
Plan fiduciary net position - ending (b) *	81,438,291	1,048,376	226	212	201	205	82,487,511
Employer's net pension liability - ending (a)-(b)	\$ 17,379,548	\$ 403,832	\$ 8,819	\$ 14,492	\$ 19,383	\$ 15,957	\$ 17,842,031
Plan fiduciary net position as a percentage of the total pension liability	82.41%	72.19%	2.50%	1.44%	1.03%	1.27%	82.22%
Covered payroll	\$ 15,464,657	N/A	N/A	N/A	N/A	N/A	\$ 15,464,657
Employer's net pension liability as a percentage of covered payroll	112.38%	N/A	N/A	N/A	N/A	N/A	115.37%

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System

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

June 30, 2022
(In thousands)

	QPP*	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	TOTAL
Total pension liability:							
Service cost	\$ 2,017,264	\$ 18,162	\$ -	\$ -	\$ -	\$ -	\$ 2,035,426
Interest	6,385,837	95,958	763	1,128	1,502	1,258	6,486,446
Differences between expected and actual experience	481,068	3,589	(534)	4	450	4	484,581
Changes of assumptions	-	-	-	-	-	-	-
Changes of benefit terms	83,787	-	-	-	-	-	83,787
Benefit payments and withdrawals	(5,837,036)	(103,765)	(1,313)	(2,154)	(2,838)	(2,319)	(5,949,425)
Net change in total pension liability	3,130,920	13,944	(1,084)	(1,022)	(886)	(1,057)	3,140,815
Total pension liability - beginning	92,078,292	1,403,674	11,541	17,180	22,847	19,108	93,552,642
Total pension liability - ending (a)	95,209,212	1,417,618	10,457	16,158	21,961	18,051	96,693,457
Plan fiduciary net position:							
Employer contributions	3,831,464	-	-	-	-	-	3,831,464
Member contributions	595,587	-	-	-	-	-	595,587
Net investment income	(6,917,849)	2,507	-	-	-	-	(6,915,342)
Benefit payments and withdrawals	(5,837,036)	(103,765)	(1,313)	(2,154)	(2,838)	(2,319)	(5,949,425)
Payments to other retirement systems	(11,046)	-	-	-	-	-	(11,046)
Transfers to VSFs	(9,164)	-	1,433	2,232	3,002	2,497	-
Administrative expenses	(104,988)	-	-	-	-	-	(104,988)
Other	3,282	-	-	-	-	-	3,282
Net change in plan fiduciary net position	(8,449,750)	(101,258)	120	78	164	178	(8,550,468)
Accrued transfers to/from VSFs	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	85,910,712	1,227,658	161	175	139	164	87,139,009
Plan fiduciary net position - ending (b) *	77,460,962	1,126,400	281	253	303	342	78,588,541
Employer's net pension liability - ending (a)-(b)	\$ 17,748,250	\$ 291,218	\$ 10,176	\$ 15,905	\$ 21,658	\$ 17,709	\$ 18,104,916
Plan fiduciary net position as a percentage of the total pension liability	81.36%	79.46%	2.69%	1.57%	1.38%	1.89%	81.28%
Covered payroll	\$ 15,294,726	N/A	N/A	N/A	N/A	N/A	\$ 15,294,726
Employer's net pension liability as a percentage of covered payroll	116.04%	N/A	N/A	N/A	N/A	N/A	118.37%

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System

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

June 30, 2021
(In thousands)

	QPP*	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	TOTAL
Total pension liability:							
Service cost	\$ 2,025,553	\$ 19,347	\$ -	\$ -	\$ -	\$ -	\$ 2,044,900
Interest	6,242,176	97,268	799	1,221	1,645	1,315	6,344,424
Differences between expected and actual experience	(125,634)	(26,709)	213	(129)	(400)	561	(152,098)
Changes of assumptions	(381,827)	(5,042)	(152)	(213)	(293)	(249)	(387,776)
Changes of benefit terms	-	-	-	-	-	-	-
Benefit payments and withdrawals	(5,566,922)	(101,048)	(1,448)	(2,251)	(3,153)	(2,562)	(5,677,384)
Net change in total pension liability	2,193,346	(16,184)	(588)	(1,372)	(2,201)	(935)	2,172,066
Total pension liability - beginning	89,884,946	1,419,858	12,129	18,552	25,048	20,043	91,380,576
Total pension liability - ending (a)	92,078,292	1,403,674	11,541	17,180	22,847	19,108	93,552,642
Plan fiduciary net position:							
Employer contributions	3,761,532	-	-	-	-	-	3,761,532
Member contributions	579,560	-	-	-	-	-	579,560
Net investment income	18,263,201	434	-	-	-	-	18,263,635
Benefit payments and withdrawals	(5,566,922)	(101,048)	(1,448)	(2,251)	(3,153)	(2,562)	(5,677,384)
Payments to other retirement systems	(5,671)	-	-	-	-	-	(5,671)
Transfers to VSFs	(9,817)	-	1,572	2,363	3,208	2,674	-
Administrative expenses	(87,413)	-	-	-	-	-	(87,413)
Other	3,365	-	-	-	-	-	3,365
Net change in plan fiduciary net position	16,937,835	(100,614)	124	112	55	112	16,837,624
Accrued transfers to/from VSFs	(924,562)	924,562	-	-	-	-	-
Plan fiduciary net position - beginning	69,897,439	403,710	37	63	84	52	70,301,385
Plan fiduciary net position - ending (b) *	85,910,712	1,227,658	161	175	139	164	87,139,009
Employer's net pension liability - ending (a)-(b)	\$ 6,167,580	\$ 176,016	\$ 11,380	\$ 17,005	\$ 22,708	\$ 18,944	\$ 6,413,633
Plan fiduciary net position as a percentage of the total pension liability	93.30%	87.46%	1.40%	1.02%	0.61%	0.86%	93.14%
Covered payroll	\$ 15,289,347	N/A	N/A	N/A	N/A	N/A	\$ 15,289,347
Employer's net pension liability as a percentage of covered payroll	40.34%	N/A	N/A	N/A	N/A	N/A	41.95%

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System

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

June 30, 2020
(In thousands)

	QPP*	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	TOTAL
Total pension liability:							
Service cost	\$ 2,017,384	\$ 20,315	\$ -	\$ -	\$ -	\$ -	\$ 2,037,699
Interest	5,984,643	96,043	886	1,278	1,776	1,418	6,086,044
Differences between expected and actual experience	1,050,131	1,822	(471)	312	(346)	(177)	1,051,271
Changes of assumptions	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-
Benefit payments and withdrawals	(5,201,781)	(98,421)	(1,840)	(2,543)	(3,459)	(2,869)	(5,310,913)
Net change in total pension liability	3,850,377	19,759	(1,425)	(953)	(2,029)	(1,628)	3,864,101
Total pension liability - beginning	86,034,569	1,400,099	13,554	19,505	27,077	21,671	87,516,475
Total pension liability - ending (a)	89,884,946	1,419,858	12,129	18,552	25,048	20,043	91,380,576
Plan fiduciary net position:							
Employer contributions	3,727,558	-	-	-	-	-	3,727,558
Member contributions	563,893	-	-	-	-	-	563,893
Net investment income	2,404,316	5,400	-	-	-	-	2,409,716
Benefit payments and withdrawals	(5,201,781)	(98,421)	(1,840)	(2,543)	(3,459)	(2,869)	(5,310,913)
Payments to other retirement systems	(9,087)	-	-	-	-	-	(9,087)
Transfers to VSFs	(10,111)	-	1,662	2,428	3,290	2,731	-
Administrative expenses	(77,667)	-	-	-	-	-	(77,667)
Other	3,317	-	-	-	-	-	3,317
Net change in plan fiduciary net position	1,400,438	(93,021)	(178)	(115)	(169)	(138)	1,306,817
Accrued transfers to/from VSFs	(31,704)	31,704	-	-	-	-	-
Plan fiduciary net position - beginning	68,528,705	465,027	215	178	253	190	68,994,568
Plan fiduciary net position - ending (b) *	69,897,439	403,710	37	63	84	52	70,301,385
Employer's net pension liability - ending (a)-(b)	\$ 19,987,507	\$ 1,016,148	\$ 12,092	\$ 18,489	\$ 24,964	\$ 19,991	\$ 21,079,191
Plan fiduciary net position as a percentage of the total pension liability	77.76%	28.43%	0.31%	0.34%	0.34%	0.26%	76.93%
Covered payroll	\$ 14,981,461	N/A	N/A	N/A	N/A	N/A	\$ 14,981,461
Employer's net pension liability as a percentage of covered payroll	133.41%	N/A	N/A	N/A	N/A	N/A	140.70%

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

June 30, 2019
(In thousands)

	<u>QPP*</u>	<u>COVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>TOTAL</u>
Total pension liability:							
Service cost	\$ 2,009,186	\$ 21,807	\$ -	\$ -	\$ -	\$ -	\$ 2,030,993
Interest	5,737,834	96,304	956	1,321	1,956	1,466	5,839,837
Differences between expected and actual experience	1,880,980	(27,412)	(388)	344	(1,441)	392	1,852,475
Changes of assumptions	(933,377)	3,457	170	227	328	266	(928,929)
Changes of benefit terms	-	-	-	-	-	-	-
Benefit payments and withdrawals	(5,153,002)	(94,459)	(1,641)	(2,465)	(3,364)	(2,748)	(5,257,679)
Net change in total pension liability	3,541,621	(303)	(903)	(573)	(2,521)	(624)	3,536,697
Total pension liability - beginning	82,492,948	1,400,402	14,457	20,078	29,598	22,295	83,979,778
Total pension liability - ending (a)	86,034,569	1,400,099	13,554	19,505	27,077	21,671	87,516,475
Plan fiduciary net position:							
Employer contributions	3,692,711	-	-	-	-	-	3,692,711
Member contributions	547,807	-	-	-	-	-	547,807
Net investment income	4,431,926	6,304	-	-	-	-	4,438,230
Benefit payments and withdrawals	(5,153,002)	(94,459)	(1,641)	(2,465)	(3,364)	(2,748)	(5,257,679)
Payments to other retirement systems	(9,769)	-	-	-	-	-	(9,769)
Transfers to VSFs	(10,489)	-	1,722	2,522	3,446	2,799	-
Administrative expenses	(82,073)	-	-	-	-	-	(82,073)
Other	3,258	-	-	-	-	-	3,258
Net change in plan fiduciary net position	3,420,369	(88,155)	81	57	82	51	3,332,485
Accrued transfers to/from VSFs	(103,411)	103,411	-	-	-	-	-
Plan fiduciary net position - beginning	65,211,747	449,771	134	121	171	139	65,662,083
Plan fiduciary net position - ending (b) *	68,528,705	465,027	215	178	253	190	68,994,568
Employer's net pension liability - ending (a)-(b)	\$ 17,505,864	\$ 935,072	\$ 13,339	\$ 19,327	\$ 26,824	\$ 21,481	\$ 18,521,907
Plan fiduciary net position as a percentage of the total pension liability	79.65%	33.21%	1.59%	0.91%	0.93%	0.88%	78.84%
Covered payroll	\$ 14,459,118	N/A	N/A	N/A	N/A	N/A	\$ 14,459,118
Employer's net pension liability as a percentage of covered payroll	121.07%	N/A	N/A	N/A	N/A	N/A	128.10%

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

The June 30, 2019 beginning pension liability does not agree to the June 30, 2018 ending total pension liability due to a census data correction.

See Report of Independent Certified Public Accountants.

SCHEDULE 1 - CONTINUED

New York City Employees' Retirement System

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**

**June 30, 2018
(In thousands)**

	<u>QPP*</u>	<u>COVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>TOTAL</u>
Total pension liability:							
Service cost	\$ 1,923,683	\$ 24,029	\$ -	\$ -	\$ -	\$ -	\$ 1,947,712
Interest	5,514,669	94,615	1,004	1,397	2,052	1,552	5,615,289
Differences between expected and actual experience	(1,700,346)	(61,728)	(472)	131	83	(216)	(1,762,548)
Changes of assumptions	17,939	(206)	-	-	-	-	17,733
Changes of benefit terms	42,501	1,498	-	-	-	-	43,999
Benefit payments and withdrawals	(4,883,110)	(90,190)	(1,760)	(2,510)	(3,486)	(2,818)	(4,983,874)
Net change in total pension liability	915,336	(31,982)	(1,228)	(982)	(1,351)	(1,482)	878,311
Total pension liability - beginning	80,897,611	1,432,384	15,685	21,061	30,950	23,777	82,421,468
Total pension liability - ending (a)	81,812,947	1,400,402	14,457	20,079	29,599	22,295	83,299,779
Plan fiduciary net position:							
Employer contributions	3,377,024	-	-	-	-	-	3,377,024
Member contributions	523,535	-	-	-	-	-	523,535
Net investment income	5,153,254	2,265	-	-	-	-	5,155,519
Benefit payments and withdrawals	(4,883,110)	(90,190)	(1,760)	(2,510)	(3,486)	(2,818)	(4,983,874)
Payments to other retirement systems	(9,055)	-	-	-	-	-	(9,055)
Transfers to VSFs	(10,897)	-	1,825	2,573	3,612	2,887	-
Administrative expenses	(59,689)	-	-	-	-	-	(59,689)
Other	3,410	12	-	-	-	-	3,422
Net change in plan fiduciary net position	4,094,472	(87,913)	65	63	126	69	4,006,882
Accrued transfers to/from VSFs	(205,000)	205,000	-	-	-	-	-
Plan fiduciary net position - beginning	61,322,275	332,684	69	58	45	70	61,655,201
Plan fiduciary net position - ending (b) *	65,211,747	449,771	134	121	171	139	65,662,083
Employer's net pension liability - ending (a)-(b)	<u>\$ 16,601,200</u>	<u>\$ 950,631</u>	<u>\$ 14,323</u>	<u>\$ 19,958</u>	<u>\$ 29,428</u>	<u>\$ 22,156</u>	<u>\$ 17,637,696</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79.71%</u>	<u>32.12%</u>	<u>0.93%</u>	<u>0.60%</u>	<u>0.58%</u>	<u>0.62%</u>	<u>78.83%</u>
Covered payroll	<u>\$ 12,834,130</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 12,834,130</u>
Employer's net pension liability as a percentage of covered payroll	<u>129.35%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>137.43%</u>

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

See Report of Independent Certified Public Accountants.

SCHEDULE 1 - CONTINUED

New York City Employees' Retirement System

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**

**June 30, 2017
(In thousands)**

	<u>QPP*</u>	<u>COVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>TOTAL</u>
Total pension liability:							
Service cost	\$ 1,897,067	\$ 23,391	\$ -	\$ -	\$ -	\$ -	\$ 1,920,458
Interest	5,446,543	93,708	1,088	1,464	2,151	1,654	5,546,608
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(221,856)	(16,615)	(51)	(216)	198	286	(238,254)
Changes of assumptions	-	-	-	-	-	-	-
Benefit payments and withdrawals	(4,635,251)	(30)	(1,850)	(2,581)	(3,814)	(2,953)	(4,646,479)
Net change in total pension liability	2,486,503	100,454	(813)	(1,333)	(1,465)	(1,013)	2,582,333
Total pension liability - beginning	78,411,108	1,331,930	16,498	22,394	32,415	24,790	79,839,135
Total pension liability - ending (a)	80,897,611	1,432,384	15,685	21,061	30,950	23,777	82,421,468
Plan fiduciary net position:							
Employer contributions	3,328,193	-	-	-	-	-	3,328,193
Member contributions	513,514	-	-	-	-	-	513,514
Net investment income	6,982,304	(152)	-	-	-	-	6,982,152
Benefit payments and withdrawals	(4,635,251)	(30)	(1,850)	(2,581)	(3,814)	(2,953)	(4,646,479)
Payments to other retirement systems	(8,087)	-	-	-	-	-	(8,087)
Transfers to VSFs	(11,297)	-	1,889	2,595	3,830	2,983	-
Administrative expenses	(59,671)	-	-	-	-	-	(59,671)
Other	3,266	-	-	-	-	-	3,266
Net change in plan fiduciary net position	6,112,971	(182)	39	14	16	30	6,112,888
Accrued transfers to/from VSFs	(285,924)	285,924	-	-	-	-	-
Plan fiduciary net position - beginning	55,495,228	46,942	30	44	29	40	55,542,313
Plan fiduciary net position - ending (b) *	61,322,275	332,684	69	58	45	70	61,655,201
Employer's net pension liability - ending (a)-(b)	<u>\$ 19,575,336</u>	<u>\$ 1,099,700</u>	<u>\$ 15,616</u>	<u>\$ 21,003</u>	<u>\$ 30,905</u>	<u>\$ 23,707</u>	<u>\$ 20,766,267</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>75.80%</u>	<u>23.23%</u>	<u>0.44%</u>	<u>0.28%</u>	<u>0.15%</u>	<u>0.29%</u>	<u>74.80%</u>
Covered payroll	<u>\$ 12,555,242</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 12,555,242</u>
Employer's net pension liability as a percentage of covered payroll	<u>155.91%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>165.40%</u>

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System

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

June 30, 2016
(In thousands)

	QPP*	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	TOTAL
Total pension liability:							
Service cost	\$ 1,875,969	\$ 24,025	\$ -	\$ -	\$ -	\$ -	\$ 1,899,994
Interest	5,276,141	89,794	1,145	1,553	2,251	1,720	5,372,604
Differences between expected and actual experience	(793,016)	(25,259)	(195)	(57)	273	283	(817,971)
Changes of assumptions	2,539,112	21,269	479	625	915	692	2,563,092
Benefit payments and withdrawals	(4,402,729)	(79,917)	(1,968)	(2,643)	(3,932)	(2,957)	(4,494,146)
Net change in total pension liability	4,495,477	29,912	(539)	(522)	(493)	(262)	4,523,573
Total pension liability - beginning	73,915,631	1,302,018	17,037	22,916	32,908	25,052	75,315,562
Total pension liability - ending (a)	78,411,108	1,331,930	16,498	22,394	32,415	24,790	79,839,135
Plan fiduciary net position:							
Employer contributions	3,365,454	-	-	-	-	-	3,365,454
Member contributions	485,508	-	-	-	-	-	485,508
Net investment income	1,171,720	184	-	-	-	-	1,171,904
Benefit payments and withdrawals	(4,402,729)	(79,917)	(1,968)	(2,643)	(3,932)	(2,957)	(4,494,146)
Payments to other retirement systems	(7,440)	-	-	-	-	-	(7,440)
Transfers to VSFs	(11,525)	-	1,968	2,648	3,945	2,964	-
Administrative expenses	(56,683)	-	-	-	-	-	(56,683)
Other	2,928	-	-	-	-	-	2,928
Net change in plan fiduciary net position	547,233	(79,733)	-	5	13	7	467,525
Accrued transfers to/from VSFs	52,724	(52,724)	-	-	-	-	-
Plan fiduciary net position - beginning	54,895,271	179,399	30	39	16	33	55,074,788
Plan fiduciary net position - ending (b) *	55,495,228	46,942	30	44	29	40	55,542,313
Employer's net pension liability - ending (a)-(b)	\$ 22,915,880	\$ 1,284,988	\$ 16,468	\$ 22,350	\$ 32,386	\$ 24,750	\$ 24,296,822
Plan fiduciary net position as a percentage of the total pension liability	70.77%	3.52%	0.18%	0.20%	0.09%	0.16%	69.57%
Covered payroll	\$ 12,336,979	N/A	N/A	N/A	N/A	N/A	\$ 12,336,979
Employer's net pension liability as a percentage of covered payroll	185.75%	N/A	N/A	N/A	N/A	N/A	196.94%

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

See Report of Independent Certified Public Accountants.

SCHEDULE 1 - CONTINUED

New York City Employees' Retirement System

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**

**June 30, 2015
(In thousands)**

	<u>QPP*</u>	<u>COVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>TOTAL</u>
Total pension liability:							
Service cost	\$ 1,808,955	\$ 23,532	\$ -	\$ -	\$ -	\$ -	\$ 1,832,487
Interest	4,976,487	87,727	1,184	1,588	2,288	1,741	5,071,015
Differences between expected and actual experience	(372,645)	84,301	(312)	131	(203)	129	(288,599)
Changes of assumptions	-	-	-	-	-	-	-
Benefit payments and withdrawals	<u>(4,235,644)</u>	<u>(76,606)</u>	<u>(2,083)</u>	<u>(2,682)</u>	<u>(4,047)</u>	<u>(3,073)</u>	<u>(4,324,135)</u>
Net change in total pension liability	2,177,153	118,954	(1,211)	(963)	(1,962)	(1,203)	2,290,768
Total pension liability - beginning	<u>71,738,478</u>	<u>1,183,064</u>	<u>18,248</u>	<u>23,879</u>	<u>34,870</u>	<u>26,255</u>	<u>73,024,794</u>
Total pension liability - ending (a)	<u>73,915,631</u>	<u>1,302,018</u>	<u>17,037</u>	<u>22,916</u>	<u>32,908</u>	<u>25,052</u>	<u>75,315,562</u>
Plan fiduciary net position:							
Employer contributions	3,160,258	-	-	-	-	-	3,160,258
Member contributions	467,129	-	-	-	-	-	467,129
Net investment income	1,175,099	10	-	-	-	-	1,175,109
Benefit payments and withdrawals	(4,235,644)	(76,606)	(2,083)	(2,682)	(4,047)	(3,073)	(4,324,135)
Payments to other retirement systems	(7,142)	-	-	-	-	-	(7,142)
Transfers to VSFs	(11,918)	12	2,100	2,686	4,040	3,080	-
Administrative expenses	(54,635)	-	-	-	-	-	(54,635)
Other	4,140	-	-	-	-	-	4,140
Net change in plan fiduciary net position	497,287	(76,584)	17	4	(7)	7	420,724
Accrued transfers to/from VSFs	(30,000)	30,000	-	-	-	-	-
Plan fiduciary net position - beginning *	<u>54,427,984</u>	<u>225,983</u>	<u>13</u>	<u>35</u>	<u>23</u>	<u>26</u>	<u>54,654,064</u>
Plan fiduciary net position - ending (b) **	<u>54,895,271</u>	<u>179,399</u>	<u>30</u>	<u>39</u>	<u>16</u>	<u>33</u>	<u>55,074,788</u>
Employer's net pension liability - ending (a)-(b)	<u>\$ 19,020,360</u>	<u>\$ 1,122,619</u>	<u>\$ 17,007</u>	<u>\$ 22,877</u>	<u>\$ 32,892</u>	<u>\$ 25,019</u>	<u>\$ 20,240,774</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74.27%</u>	<u>13.78%</u>	<u>0.18%</u>	<u>0.17%</u>	<u>0.05%</u>	<u>0.13%</u>	<u>73.13%</u>
Covered payroll	<u>\$ 12,314,958</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 12,314,958</u>
Employer's net pension liability as a percentage of covered payroll	<u>154.45%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>164.36%</u>

* Includes an adjustment of \$(351,463).

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System

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

June 30, 2014
(In thousands)

	QPP*	COVSF	HPOVSF	HPSOVSF	TPOVSF	TPSOVSF	TOTAL
Total pension liability:							
Service cost	\$ 1,783,734	\$ 23,329	\$ -	\$ -	\$ -	\$ -	\$ 1,807,063
Interest	4,825,904	77,397	1,267	1,655	2,416	1,820	4,910,459
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Changes of assumptions	-	-	-	-	-	-	-
Benefit payments and withdrawals	(3,990,569)	-	(2,187)	(2,782)	(4,054)	(3,089)	(4,002,681)
Net change in total pension liability	2,619,069	100,726	(920)	(1,127)	(1,638)	(1,269)	2,714,841
Total pension liability - beginning	69,119,408	1,082,338	19,169	25,006	36,508	27,524	70,309,953
Total pension liability - ending (a)	71,738,477	1,183,064	18,249	23,879	34,870	26,255	73,024,794
Plan fiduciary net position:							
Employer contributions	3,114,068	-	-	-	-	-	3,114,068
Member contributions	447,689	-	-	-	-	-	447,689
Net investment income	8,262,467	20	-	-	-	-	8,262,487
Benefit payments and withdrawals	(3,990,569)	-	(2,187)	(2,782)	(4,054)	(3,089)	(4,002,681)
Payments to other retirement systems	(7,228)	-	-	-	-	-	(7,228)
Transfers to VSFs	(12,125)	-	2,168	2,797	4,070	3,090	-
Administrative expenses	(50,431)	-	-	-	-	-	(50,431)
Other	4,881	-	-	-	-	-	4,881
Net change in plan fiduciary net position	7,768,752	20	(19)	15	16	1	7,768,785
Accrued transfers to/from VSFs	(190,000)	190,000	-	-	-	-	-
Plan fiduciary net position - beginning	47,200,695	35,963	32	20	7	25	47,236,742
Plan fiduciary net position - ending (b) *	54,779,447	225,983	13	35	23	26	55,005,527
Employer's net pension liability - ending (a)-(b)	\$ 16,959,030	\$ 957,081	\$ 18,236	\$ 23,844	\$ 34,847	\$ 26,229	\$ 18,019,267
Plan fiduciary net position as a percentage of the total pension liability	76.36%	19.10%	0.07%	0.15%	0.07%	0.10%	75.32%
Covered payroll	\$ 12,183,011	N/A	N/A	N/A	N/A	N/A	\$ 12,183,011
Employer's net pension liability as a percentage of covered payroll	139.20%	N/A	N/A	N/A	N/A	N/A	147.90%

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYERS' CONTRIBUTIONS

Years ended June 30, 2014-2023
(In thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1. Actuarially determined contribution	\$ 3,456,775	\$ 3,831,464	\$ 3,762,898	\$ 3,726,701	\$ 3,694,365	\$ 3,377,024	\$ 3,328,193	\$ 3,365,454	\$ 3,160,258	\$ 3,114,068
2. Actual/funding contributions made	<u>3,456,775</u>	<u>3,831,464</u>	<u>3,762,898</u>	<u>3,713,825</u>	<u>3,681,747</u>	<u>3,377,024</u>	<u>3,328,193</u>	<u>3,365,454</u>	<u>3,160,258</u>	<u>3,114,068</u>
3. Contribution deficiency (excess) Actual/funding contributions made basis (1.- 2.)	-	-	-	12,876	12,618	-	-	-	-	-
4. Contributions as a percentage of Covered payroll ¹ Actual/funding contributions made basis	22.353%	25.051%	24.611%	24.789%	25.463%	26.313%	26.508%	27.279%	25.662%	25.561%
5. Receivable contributions	-	-	(1,366)	13,733	10,964	-	-	-	-	-
6. Accounting contributions (2. + 5.)	<u>\$ 3,456,775</u>	<u>\$ 3,831,464</u>	<u>\$ 3,761,532</u>	<u>\$ 3,727,568</u>	<u>\$ 3,692,711</u>	<u>\$ 3,377,024</u>	<u>\$ 3,328,193</u>	<u>\$ 3,365,454</u>	<u>\$ 3,160,258</u>	<u>\$ 3,114,068</u>
7. Contribution deficiency (excess) Accounting contributions basis (1. - 6.)	-	-	1,366	(857)	1,654	-	-	-	-	-
8. Covered payroll ¹	\$ 15,464,657	\$ 15,294,726	\$ 15,289,347	\$ 14,981,461	\$ 14,459,118	\$ 12,834,130	\$ 12,555,242	\$ 12,336,979	\$ 12,314,958	\$ 12,183,011
9. Contributions as a percentage of Covered payroll ¹ Accounting contributions basis	22.353%	25.051%	24.602%	24.881%	25.539%	26.313%	26.508%	27.279%	25.662%	25.561%

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

See Report of Independent Certified Public Accountants.

New York City Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 QUALIFIED PENSION PLAN
 SCHEDULES OF EMPLOYERS' 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	NA	NA	NA	NA	NA
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 method change	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2017 assumption change	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2017 census data update	1 year (closed)	2 years (closed)	3 years (closed)	4 years (closed)	5 years (closed)
2017 OTB payments	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2018 actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 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 OWBPA	7 years (closed)	8 years (closed)	NA	NA	NA
2021 actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2021 415 limit	2 years (closed)	NA	NA	NA	NA
2021 chapter 56	16 years (closed)	NA	NA	NA	NA
Actuarial asset 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 2011 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 2011 investment performance.

¹As 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 Employees' Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 QUALIFIED PENSION PLAN
 SCHEDULES OF EMPLOYERS' 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	NA	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 Method change	NA	NA	NA	NA	NA
2017 Assumption change	NA	NA	NA	NA	NA
2017 Census data update	NA	NA	NA	NA	NA
2017 OTB Payments	NA	NA	NA	NA	NA
2018 Actuarial gain/loss	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 OWBPA	NA	NA	NA	NA	NA
2021 Actuarial gain/loss	NA	NA	NA	NA	NA
2021 415 limit	NA	NA	NA	NA	NA
2021 Chapter 56					
Actuarial asset 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 2011 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 2011 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 2011 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 2011 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 2011 investment performance.

¹As 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 Employees' Retirement System

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

Valuation Dates	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial assumptions:					
Assumed rate of return ¹	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 ²	Tables adopted by Board of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries	Tables adopted by Board of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries	Tables adopted by Board of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries	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 ²	Tables adopted by Board of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds	Tables adopted by Board of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds	Tables adopted by Board of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019
Salary increases ¹	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.
Cost-of-living adjustments ¹	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.

¹Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

² 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 Employees' Retirement System

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYERS' CONTRIBUTIONS**

Valuation Dates	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Actuarial assumptions: Assumed rate of return ¹	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 ²	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 ²	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 ¹	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.
Cost-of-living adjustments ¹	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.

¹Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

² 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 Employees' Retirement System
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS

The following table displays annual money-weighted rate of return, net of investment expense, for the Funds for each of the past ten fiscal years:

<u>Fiscal Years Ended</u>	<u>QPP</u>	<u>COVSF</u>
June 30, 2023	8.14%	4.05%
June 30, 2022	-8.24%	0.43%
June 30, 2021	26.65%	0.09%
June 30, 2020	3.64%	1.56%
June 30, 2019	7.07%	2.41%
June 30, 2018	8.61%	1.63%
June 30, 2017	12.99%	0.64%
June 30, 2016	1.45%	0.19%
June 30, 2015	3.10%	0.03%
June 30, 2014	17.01%	0.06%

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