

**The New York City  
Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Financial Statements as of and  
for the Years Ended June 30, 2020 and 2019,  
Required Supplementary Information, and  
Report of Independent Certified Public Accountants**

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Table of Contents**

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	<b>Page</b>
Report of Independent Certified Public Accountants .....	1-2
Management's Discussion and Analysis (Unaudited).....	3-7
<b>Financial Statements as of and for the Years Ended June 30, 2020 and 2019:</b>	
Statements of Fiduciary Net Position.....	8
Statements of Changes in Fiduciary Net Position .....	9
Notes to the Financial Statements .....	10-21
<b>Required Supplementary Information (Unaudited):</b>	
Schedules of Changes in the City's Net OPEB Liability and Related Ratios (Unaudited).....	24-25
Schedule of Annual Money-Weighted Return on Plan Investments (Unaudited).....	26

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**GRANT THORNTON LLP**

757 Third Ave., 9<sup>th</sup> Floor  
New York, NY 10017-2013

**D** +1 212 599 0100

**F** +1 212 370 4520

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Management of  
The New York City Other Postemployment Benefits Plan

We have audited the accompanying financial statements of the New York City Other Postemployment Benefits Plan (the “Plan”), a fiduciary component unit of the City of New York (the “City”), which comprise the statement of fiduciary net position as of June 30, 2020 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements (“2020 financial statements”).

**Management’s responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these 2020 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor’s responsibility**

Our responsibility is to express an opinion on these 2020 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 2020 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan’s preparation and fair presentation of the financial statements 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 Plan’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the 2020 financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2020, and the changes in the fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required supplementary information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Changes in the City's Net OPEB Liability and Related Ratios, and Annual Money-Weighted Return on Plan Investments, as listed in the table of contents, be presented to supplement the basic 2020 financial statements. Such information, although not a required part of the basic 2020 financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic 2020 financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. 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 2020 financial statements, and other knowledge we obtained during our audit of the basic 2020 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.

*Report on 2019 financial statements*

The financial statements of the Plan as of and for the year ended June 30, 2019 ("2019 financial statements") were audited by other auditors. Those auditors expressed an unmodified opinion on those 2019 financial statements in their report dated October 24, 2019.



New York, New York  
October 28, 2020

# **The New York City Other Postemployment Benefits Plan**

## **(A Fiduciary Component Unit of the City of New York)**

### **Management's Discussion and Analysis (Unaudited)**

#### **As of and for the Years Ended June 30, 2020 and 2019**

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#### **Introduction**

This section of the New York City Other Postemployment Benefits Plan's (the "Plan") annual financial report presents management's discussion and analysis of the Plan's financial performance during the fiscal years ended June 30, 2020 and 2019. It should be read in conjunction with the Plan's Financial Statements and accompanying notes.

#### **Background and Highlights**

Governmental Accounting Standards Board ("GASB") Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74") prescribes uniform financial reporting standards for other postemployment benefits ("OPEB") plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes postemployment healthcare benefits which are covered under the Plan.

#### **Overview of the Financial Statements**

The Plan is a fiduciary component unit of the City of New York (the "City"). It is comprised of: (1) The New York City Retiree Health Benefits Trust (the "Trust") which is used to receive, hold, and disburse assets accumulated to pay for certain OPEB provided by the City to its eligible retired employees and other eligible beneficiaries and (2) OPEB paid for directly by the City out of its general resources rather than through the Trust ("Non-Trust OPEB"). The accompanying Financial Statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

The Plan's Financial Statements consist of (1) management's discussion and analysis, (2) the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position, (3) the notes to the Financial Statements, and (4) required supplementary information.

The Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus emphasizes the determination of changes in Plan fiduciary net position. With this measurement focus, all assets and liabilities associated with the operation of this fiduciary component unit are included on the Statement of Fiduciary Net Position. Under the accrual basis of accounting, contributions from the City are recognized when due and benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Years Ended June 30, 2020 and 2019**

**FINANCIAL ANALYSIS AND RESULTS OF OPERATIONS**

The following is a comparative Statement of Changes in Fiduciary Net Position for the fiscal years ended June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	Changes	
				2020 v 2019	2019 v 2018
<b>Additions</b>					
Employer contributions	\$ 2,059,051	\$ 2,652,443	\$ 2,680,767	\$ (593,392)	\$ (28,324)
Net investment income	75,944	100,566	47,990	(24,622)	52,576
Other receipts	2	-	-	2	-
Total additions	<u>2,134,997</u>	<u>2,753,009</u>	<u>2,728,757</u>	<u>(618,012)</u>	<u>24,252</u>
<b>Deductions</b>					
Benefit payments	3,014,059	2,839,211	2,616,691	174,848	222,520
Administrative expenses	-	46	170	(46)	(124)
Total deductions	<u>3,014,059</u>	<u>2,839,257</u>	<u>2,616,861</u>	<u>174,802</u>	<u>222,396</u>
<b>Change in net position</b>	<u>(879,062)</u>	<u>(86,248)</u>	<u>111,896</u>	<u>(792,814)</u>	<u>(198,144)</u>
<b>Net position restricted for postemployment benefits other than pensions</b>					
Beginning of year	4,679,551	4,765,799	4,653,903	(86,248)	111,896
End of year	<u>\$ 3,800,489</u>	<u>\$ 4,679,551</u>	<u>\$ 4,765,799</u>	<u>\$ (879,062)</u>	<u>\$ (86,248)</u>

**Additions**

*Employer Contributions*

The following is detailed information about the components which comprise the employer contributions to the Plan during the fiscal years ended June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	Changes	
				2020 v 2019	2019 v 2018
<b>Trust Contributions</b>					
Trust pay-go	\$ 1,679,592	\$ 2,204,158	\$ 1,994,675	\$ (524,566)	\$ 209,483
Prepayment contributions	-	-	300,000	-	(300,000)
Discretionary contributions	-	100,000	100,000	(100,000)	-
Receivables	-	-	45	-	(45)
Contributions to the Trust	<u>1,679,592</u>	<u>2,304,158</u>	<u>2,394,720</u>	<u>(624,566)</u>	<u>(90,562)</u>
<b>Non-Trust Contributions</b>	<u>379,459</u>	<u>348,285</u>	<u>286,047</u>	<u>31,174</u>	<u>62,238</u>
<b>Total Employer Contributions</b>	<u>\$ 2,059,051</u>	<u>\$ 2,652,443</u>	<u>\$ 2,680,767</u>	<u>\$ (593,392)</u>	<u>\$ (28,324)</u>

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Management's Discussion and Analysis (Unaudited)  
As of and for the Years Ended June 30, 2020 and 2019**

In fiscal year 2020, the City's contributions to the Trust decreased by \$624.6 million. This was due to a decrease in contributions to the City's pay-go of \$524.6 million and a decrease in discretionary contributions of \$100.0 million. Non-Trust contributions increased in fiscal year 2020 due to an increase in the Implicit Rate Subsidy of \$30.0 million.

In fiscal year 2019, the City's contributions to the Trust decreased by \$90.6 million. This was due to a decrease in prepayment contributions of \$300.0 million, offset by an increase in contributions to the City's pay-go of \$209.5 million. Non-Trust contributions increased in fiscal year 2019 due to an increase in the Implicit Rate Subsidy of \$60.0 million.

**Investment Income**

Net Investment income decreased by \$24.6 million in fiscal year 2020 due to a decrease in net unrealized gains/losses of \$25.7 million as a result of market conditions. Net investment income increased \$52.6 million in fiscal year 2019 due to an increase in interest income of \$29.3 million, an increase in net unrealized gains of \$14.7 million, and an increase in Net Realized Gains of \$8.7 million as a result of market conditions.

**Deductions**

Benefit payments increased by \$174.8 million in fiscal year 2020 as a result of an increase in health insurance rates and an increase in headcount. Benefit payments increased by \$222.5 million in fiscal year 2019 as a result of an increase in health insurance rates and an increase in headcount.

**Ending Net Position**

As of June 30, 2020 and 2019, total net position decreased by \$879.1 million and \$86.2 million, respectively, compared to prior fiscal years as a result of the changes in additions and deductions discussed above.

The following is a comparative Statement of Fiduciary Net Position as of June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	Changes	
				2020 v 2019	2019 v 2018
<b>Assets</b>					
Cash and cash equivalents	\$ 1,499,405	\$ 802,444	\$ 433,392	\$ 696,961	\$ 369,052
Investments—at fair value	2,699,707	4,239,990	4,676,465	(1,540,283)	(436,475)
Accrued interest receivable	877	4,088	3,879	(3,211)	209
Other receivables	45	45	45	-	-
Prepaid expenses	-	249	-	(249)	249
Total assets	<u>4,200,034</u>	<u>5,046,816</u>	<u>5,113,781</u>	<u>(846,782)</u>	<u>(66,965)</u>
<b>Liabilities</b>					
Benefits payable	399,501	367,175	347,896	32,326	19,279
Accrued expenses	44	90	86	(46)	4
Other payables	-	-	-	-	-
Total liabilities	<u>399,545</u>	<u>367,265</u>	<u>347,982</u>	<u>32,280</u>	<u>19,283</u>
<b>Net position restricted for postemployment benefits other than pensions</b>	<u>\$ 3,800,489</u>	<u>\$ 4,679,551</u>	<u>\$ 4,765,799</u>	<u>\$ (879,062)</u>	<u>\$ (86,248)</u>

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Management's Discussion and Analysis (Unaudited)  
As of and for the Years Ended June 30, 2020 and 2019**

**Assets**

Total assets decreased by \$846.8 million at June 30, 2020 primarily due to a decrease in investments of \$1,540.3 billion, offset by an increase in cash and cash equivalents of \$697.0 million. The decrease in total assets is primarily due to the City drawing down on the trust to cover current benefits resulting in fewer funds to invest. The Plan also continued to invest in more securities with maturities shorter than 90 days at the time of purchase, which resulted in more investments classified as cash and cash equivalents.

Total assets decreased by \$70.0 million at June 30, 2019 primarily due to a decrease in investments of \$436.5 million, offset by an increase in cash and cash equivalents of \$369.1 million. Both changes were primarily due to the Plan investing in fewer securities with maturities greater than 90 days at the time of purchase, which resulted in more investments classified as cash and cash equivalents. The decrease in investments was also due to a lack of a prepayment contribution made in FY 2019, offset by a \$100 million discretionary contribution by the City.

**Liabilities**

Total liabilities increased in fiscal year 2020 by \$32.3 million primarily due to an increase in Mayoral Welfare Fund payables of \$20.1 million, and an increase in Medicare part B payables of \$14.1 million.

Total liabilities increased slightly in fiscal year 2019 by \$19.3 million primarily due to an increase in health insurance payables of \$22.2 million, offset by a decrease in Medicare Part B payables of \$4.2 million.

**Overview of Actuarial Information**

***Total OPEB Liability***

The following is a summary of the changes in the total OPEB liability during the fiscal years ended June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	Changes	
				2020 v 2019	2019 v 2018
Total OPEB Liability - Beginning	\$ (112,442,891)	\$ (103,234,648)	\$ (93,053,019)	\$ (9,208,243)	\$ (10,181,629)
Service cost	(5,292,309)	(5,725,025)	(4,860,388)	432,716	(864,637)
Interest	(3,277,920)	(3,237,262)	(3,131,103)	(40,658)	(106,159)
Differences between expected and actual experience	5,819,562	(9,362,492)	(2,293,748)	15,182,054	(7,068,744)
Changes in assumptions	(2,507,506)	6,277,326	(2,513,081)	(8,784,832)	8,790,407
Benefit payments	3,014,059	2,839,210	2,616,691	174,849	222,519
Other Changes	1,457,818	-	-	1,457,818	-
Total OPEB Liability - Ending	<u>\$ (113,229,187)</u>	<u>\$ (112,442,891)</u>	<u>\$ (103,234,648)</u>	<u>\$ (786,296)</u>	<u>\$ (9,208,243)</u>

The total OPEB liabilities as of fiscal years ended June 30, 2020, 2019, and 2018 were determined under the Entry Age ("EA") actuarial cost method.

***June 2020 Measurement***

The total OPEB liability as of June 30, 2020 of \$113.2 billion is an increase of \$786.3 million from the June 30, 2019 valuation.



**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Management’s Discussion and Analysis (Unaudited)  
As of and for the Years Ended June 30, 2020 and 2019**

This change in the total OPEB liability reflects: (1) the service cost of \$5.3 billion, (2) interest on unfunded OPEB liabilities of \$3.3 billion, (3) differences between expected and actual experience of \$(5.8) billion, (4) changes in assumptions of \$2.5 billion, (5) retiree benefits paid by the Plan of \$(3.0) billion, and (6) other changes, namely the repeal of the Cadillac Tax, of \$(1.5) billion.

The \$2.5 billion change in assumptions, which increased the total OPEB liability in the June 30, 2020 OPEB measurement, resulted solely from the change in the discount rate which was updated based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020 in accordance with GASB 74 and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”).

*June 2019 Measurement*

The total OPEB liability as of June 30, 2019 of \$112.4 billion is an increase of \$9.2 billion from the June 30, 2018 valuation.

This change in the total OPEB liability reflects: (1) the service cost of \$5.7 billion, (2) interest on unfunded OPEB liabilities of \$3.2 billion, (3) differences between expected and actual experience of \$9.4 billion, (4) changes in assumptions of \$(6.3) billion, and (5) retiree benefits paid by the Plan of \$(2.8) billion.

The \$(6.3) billion change in assumptions, which decreased the total OPEB liability in the June 30, 2019 OPEB measurement, resulted from three key changes. Firstly, the demographic assumptions were updated to reflect the newly adopted assumptions used in the fiscal year 2019 Pension Valuation. Secondly, the trend assumption was updated to reflect recent industry norms and Society of Actuaries (“SOA”) guidance. Lastly, the discount rate was updated based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 28, 2019 in accordance with GASB 74 and GASB 75.

**Net OPEB Liability**

The following is a summary of the net OPEB liability as of June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	Changes	
				2020 v 2019	2019 v 2018
Fiduciary net position	\$ 3,800,489	\$ 4,679,551	\$ 4,765,799	\$ (879,062)	\$ (86,248)
Total OPEB liability	(113,229,187)	(112,442,891)	(103,234,648)	(786,296)	(9,208,243)
Net OPEB liability	<u>\$ (109,428,698)</u>	<u>\$ (107,763,340)</u>	<u>\$ (98,468,849)</u>	<u>\$ (1,665,358)</u>	<u>\$ (9,294,491)</u>

The net OPEB liability increased \$1.7 billion in fiscal year 2020 due to a \$786.6 million increase in the total OPEB liability, and a decrease in fiduciary net position of \$879.1 million. The net OPEB liability increased \$9.3 billion in fiscal year 2019 due to a \$9.2 billion increase in the total OPEB liability.

**Contact Information**

This financial report is designed to provide a general overview of the Plan’s finances. Questions concerning any data provided in this report or requests for additional information should be directed to:

Raymond Lee, Assistant Director  
Mayor’s Office of Management & Budget  
255 Greenwich Street, Floor 7  
New York, NY 10007

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Statements of Fiduciary Net Position**  
**As of June 30, 2020 and 2019**  
**(\$ in thousands)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,499,405	\$ 802,444
Investments—at fair value	2,699,707	4,239,990
Accrued interest receivable	877	4,088
Other receivables	45	45
Prepaid expenses	-	249
	<u>4,200,034</u>	<u>5,046,816</u>
<b>Liabilities</b>		
Benefits payable	399,501	367,175
Accrued expenses	44	90
	<u>399,545</u>	<u>367,265</u>
<b>Net position restricted for postemployment benefits other than pensions</b>	<u>\$ 3,800,489</u>	<u>\$ 4,679,551</u>

The accompanying notes are an integral part of these financial statements.

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Statements of Changes in Fiduciary Net Position**  
**For the Years Ended June 30, 2020 and 2019**  
**(\$ in thousands)**

	<u>2020</u>	<u>2019</u>
<b>Additions</b>		
Employer contributions	\$ 2,059,053	\$ 2,652,443
Investment income:		
Interest income	76,412	76,265
Net realized gains	7,235	6,295
Net unrealized (losses) gains	(7,527)	18,181
Less trustee fees	(175)	(175)
Net investment income	<u>75,945</u>	<u>100,566</u>
Total additions	<u>2,134,998</u>	<u>2,753,009</u>
<b>Deductions</b>		
Benefit payments	3,014,060	2,839,211
Administrative expenses	-	46
Total deductions	<u>3,014,060</u>	<u>2,839,257</u>
<b>Change in net position</b>	<u>(879,062)</u>	<u>(86,248)</u>
<b>Net position restricted for postemployment benefits other than pensions</b>		
Beginning of year	<u>4,679,551</u>	<u>4,765,799</u>
End of year	<u>\$ 3,800,489</u>	<u>\$ 4,679,551</u>

The accompanying notes are an integral part of these financial statements.

# The New York City Other Postemployment Benefits Plan (A Fiduciary Component Unit of the City of New York)

## Notes to the Financial Statements June 30, 2020 and 2019

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### 1. BACKGROUND AND ORGANIZATION

The New York City Other Postemployment Benefits Plan (the “Plan”) is a fiduciary component unit of the City of New York (the “City”). The Plan is comprised of: (1) The New York City Retiree Health Benefits Trust (the “Trust”) which is used to receive, hold, and disburse assets accumulated to pay for certain postretirement benefits other than pensions (“OPEB”) provided by the City to its eligible retired employees and other eligible beneficiaries and (2) OPEB paid for directly by the City out of its general resources rather than through the Trust (“Non-Trust OPEB”). The Trust was established for the exclusive benefit of the City’s eligible retired employees and their eligible spouses and dependents, to fund certain OPEB provided in accordance with the City’s various collective bargaining agreements and the City’s Administrative Code. The Trust is tax exempt in accordance with Section 115 of the Internal Revenue Code. The Plan does not have a board. However, it does present its Financial Statements to the City’s Audit Committee. The Plan is classified as a single-employer OPEB plan for Governmental Accounting Standards Board (“GASB”) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (“GASB 74”) purposes.

The City is not required by law or contractual agreement to provide funding for the Plan, other than the “pay-as-you-go” amount necessary to provide the current benefits to current eligible retirees, spouses, and dependents (“Pay-Go”).

### 2. PLAN DESCRIPTION, ELIGIBILITY, AND MEMBERSHIP INFORMATION

The Plan provides for the following postemployment benefits:

- A health insurance program,
- Medicare Part B premium reimbursements, and
- Welfare fund contributions.

Benefits are established and amended through collective bargaining with the labor unions.

#### Health Insurance Program (Program)

- The City provides an option for basic individual or family medical and hospitalization insurance coverage at no cost to the participants.<sup>1</sup>
- Basic or enhanced coverage under other health insurance options may require participant contributions, if and to the extent that premiums are above those of the no-cost option.
- The City will not provide both subscriber and spouse or dependent coverage for the same individual, thus retirees who are spouses or dependents of other New York City active or retired workers must waive coverage.

**Medicare Part B Premium Reimbursements**—The City provides reimbursement to eligible retirees and their dependents for the Medicare Part B premium, if any, actually paid.

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<sup>1</sup> The City pays for basic coverage at the HIP HMO rate for non-Medicare eligible retirees and at the GHI/EBCBS Senior Care Plan rate for Medicare eligible retirees.

## The New York City Other Postemployment Benefits Plan (A Fiduciary Component Unit of the City of New York)

### Notes to the Financial Statements June 30, 2020 and 2019

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#### 2. PLAN DESCRIPTION, ELIGIBILITY, AND MEMBERSHIP INFORMATION (CONTINUED)

**Welfare Fund Contributions**—The City pays an annual per capita contribution for retirees into various welfare funds that are generally administered by the labor unions. The per capita contribution amounts change periodically based on negotiated contract provisions. Welfare fund benefits provided are at the discretion of each individual welfare fund's management, vary significantly from welfare fund to welfare fund, and may include health-related benefits such as prescription drug coverage (sometimes with dollar limits), vision and dental coverage, and/or other benefits. The Plan's obligation is to make the required per capita contribution to each welfare fund.

**Plan Eligibility**—Generally, to qualify for OPEB benefits under the Plan, a retired employee of the City must:

- Have at least 10 years of credited service as a member of one of the five major New York City Retirement Systems ("NYCRS")<sup>2</sup> or at least 5 years of credited service if employed on or before December 27, 2001 or 15 years of service if a member of TRS or BERS represented by United Federation of Teachers and employed after April 27, 2010 (if retirement is due to accidental disability, the service requirement for retirement does not apply)<sup>3</sup>;
- Be working at least 20 hours a week at termination of active service; and
- Have retired and be receiving a pension from one of the NYCRS.

#### *Surviving Spouse and Other Dependents*

- Dependent coverage is terminated when a retiree dies, except in the following situations:
  - (i) Lifetime coverage is provided to the surviving spouses or domestic partners, and coverage to age 26 for children, of uniformed members of the Police or Fire Department who die in the line of duty.
  - (ii) Effective November 13, 2001, other surviving spouses of retired uniformed members of the Police and Fire Departments may elect to continue coverage for life by paying 102% of the stated premium.
  - (iii) Effective August 31, 2010, surviving spouses of retired uniformed members of the Departments of Correction and Sanitation may elect to continue coverage for life by paying 102% of the stated premium.

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<sup>2</sup> The five NYCRS are:

New York City Employees' Retirement System ("NYCERS")  
New York City Teachers' Retirement System ("TRS")  
New York City Board of Education Retirement System ("BERS")  
New York City Police Pension Funds ("POLICE")  
New York City Fire Pension Funds ("FIRE")

<sup>3</sup> Certain employees of the City University of New York who receive pension payments from TIAA-CREF are also eligible based on credited service requirements which differ slightly from those applicable to the NYCRS members.

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

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**2. PLAN DESCRIPTION, ELIGIBILITY, AND MEMBERSHIP INFORMATION (CONTINUED)**

**Plan Membership**—As permitted under GASB 74, the Plan has elected to use June 30, 2019, as the date of the OPEB actuarial valuation. for fiscal year 2020. The Plan’s combined membership consisted of the following at June 30, 2020 and 2019, the dates of the last two OPEB actuarial valuations:

	<u>2020</u>	<u>2019</u>
Inactive plan members or beneficiaries currently receiving benefits	240,522	237,003
Inactive plan members entitled to but not yet receiving benefits	20,611	21,893
Active plan members	300,500	298,123
Active members off payroll who may become eligible to receive benefits	<u>35,048</u>	<u>26,626</u>
<b>Total</b>	<b><u>596,681</u></b>	<b><u>583,645</u></b>

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**—The Plan is a fiduciary component unit of the City. Fiduciary component units are used to account for assets and activities when an entity is functioning as a trustee for another party. The accompanying Financial Statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

**Basis of Accounting**—The Plan’s Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus emphasizes the determination of changes in Plan fiduciary net position. With this measurement focus, all assets and liabilities associated with the operation of this fiduciary component unit are included on the Statement of Fiduciary Net Position. Under the accrual basis of accounting, contributions from the City are recognized when due and benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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

**Investments**—The Plan’s investments are those which are held in the Trust. Investments are reported on the Statements of Fiduciary Net Position at fair value. Net investment income, including changes in the fair value of investments and trustee fees, is reported on the Statements of Changes in Fiduciary Net Position during the reporting period.

**Cash and Cash Equivalents**— Cash equivalents consist of financial instruments with original maturity dates of three months or less. Cash and cash equivalents balances as of June 30, 2020 and 2019, represent cash deposits and securities in the Plan’s portfolio, held in the Trust, that mature within three months (90 days) of purchase date. The Plan had \$1.5 billion in cash equivalents as of June 30, 2020. The Plan had \$802.4 million in cash equivalents as of June 30, 2019.

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

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**Investment Income** - Purchases and sales of securities are reflected on the trade date. Interest income is recorded as earned on an accrual basis.

**4. INVESTMENTS**

**Investment Policy**—The Plan’s investments are those which are held in the Trust. The Trust’s investment policy is jointly approved by the Mayor and the Comptroller of the City and may only be amended with written approval from both the Mayor and the Comptroller or their designees. The primary investment goal is the preservation of capital, so funds in the trust are invested to ensure that principal is preserved and enhanced over time. The policy permits the Trust to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor’s Corporation (“S&P”) or P-1 by Moody’s Investors Service (Moody’s), bankers’ acceptances, certificates of deposit, open time deposits (“OTDs”) in the form of investment agreements, demand accounts, and repurchase agreements. There were no significant changes to the Trust’s investment policy for the year ended June 30, 2020.

**Concentration**—During any calendar quarter, no more than the greater of \$100 million or 35% of the amounts on deposit in the Trust (determined at the time of investment) is invested in either commercial paper of a single issuer or investment agreements with a single provider. Notwithstanding the foregoing, in no event is more than \$250 million be invested at any time in either commercial paper of a single issuer or investment agreements with a single provider.

**Diversification**—Investments of funds of the Trust are subject to the following diversification requirements:

Municipal securities	0-60%
Federally guaranteed securities	0-100
Federal agency securities	0-100
Banker’s acceptances/certificates of deposit	0-60
Commercial paper	0-70
Repurchase agreements	0-100
Collateralized investment agreements	0-100
AAA-rated investment agreements	0-50
Money market funds	0-50
Pre-refunded municipal obligations	0-100

**Other Restrictions**—Investments in Banker’s acceptances/Certificates of Deposit shall mature within two years of the date of investment and shall be limited to banks having the highest short-term rating from at least two firms identified by the Securities and Exchange Commission (“SEC”) as “nationally recognized statistical rating organizations.”

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements**  
**June 30, 2020 and 2019**

**5. INVESTMENTS (CONTINUED)**

Investments as of June 30, 2020 and 2019 consist of the following (\$ in thousands):

Investments by type	2020	2019
Commercial paper	\$ 1,649,700	\$ 3,887,861
T-Notes	210,635	866,114
T-Bills	2,139,146	-
FHLMC	-	195,750
FFCB	-	39,959
FNMA	-	24,937
FHLB	-	10,010
Money market funds	199,631	17,803
Total investments held	4,199,112	5,042,434
Less cash equivalents securities with maturities of 90 days or less at purchase date	(1,499,405)	(802,444)
Total investments	\$ 2,699,707	\$ 4,239,990

**Interest Rate Risk**—As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Plan limits investment portfolio average of maturities to within two years of the date of purchase.

Segmented time distribution on investments and cash equivalents as of June 30, 2020 (\$ in thousands):

Investments by maturities	Fair Value	Maturities			
		Under 6 Months	6 Months to 1 Year	1 Year to 2 Years	Over 2 Years
Commercial paper	\$ 1,649,700	\$ 1,649,700	\$ -	\$ -	\$ -
U.S. Treasury securities	2,349,781	2,349,781	-	-	-
Money market funds	199,631	199,631	-	-	-
Total investments by maturities	\$ 4,199,112	\$ 4,199,112	\$ -	\$ -	\$ -

**Credit Risk**—It is the Trust's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies. As of June 30, 2020, the Trust's investments in Commercial Paper were rated in the highest short-term category by at least two major rating agencies. Money market accounts and mutual funds are not rated.



**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

**5. INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**—For investments, custodial credit risk is the risk that in the event of the failure of the Trustee Bank, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Trust.

The Trust manages custodial credit risk by requiring collateral be held by the Trustee Bank in the name of the Trust.

**Concentration of Credit Risk**—The Trust places no limit on the amount the Trust may invest in any one issuer, except for limits on commercial paper and investment agreements of a single issue. As of June 30, 2020, concentrations of 5.0% or more of the Plan's fiduciary net position of \$3.8 billion, except for investments issued or explicitly guaranteed by the U.S. government, were invested in the following:

<u>Issuer</u>	<u>Percentage of Fiduciary Net Position</u>
First American Government Obligations Fund	5.3%

**Fair Value Hierarchy**—The Plan categorizes its 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 Plan has the following recurring fair value measurements as of June 30, 2020 and June 30, 2019 (\$ in thousands):

<b>Investments by fair value level</b>	<b>2020 Total</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>2019 Total</b>	<b>Significant Other Observable Inputs (Level 2)</b>
Commercial paper	\$ 1,649,700	\$ 1,649,700	\$ 3,887,861	\$ 3,887,861
U.S. Treasury securities	2,349,781	2,349,781	866,114	866,114
U.S. Agencies securities	-	-	270,656	270,656
Money market funds	199,631	199,631	17,803	17,803
 Total investments by fair value level	 <u>\$ 4,199,112</u>	 <u>\$ 4,199,112</u>	 <u>\$ 5,042,434</u>	 <u>\$ 5,042,434</u>

Commercial paper classified in Level 2 of the fair value hierarchy is valued using matrix pricing or based on various market and industry inputs. U.S. Treasury securities and U.S. Agencies securities classified in Level 2 are valued based on various market and industry inputs. Money market funds classified in Level 2 are valued based on the net asset value ("NAV").

**Rate of Return**— For the year ended June 30, 2020, the annual money-weighted return on investments, net of investment expense, was 1.22%. For the year ended June 30, 2019, the annual money-weighted return on investments, net of investment expense, was 2.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

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**6. FUNDED STATUS AND FUNDING PROGRESS**

The components of the net OPEB liability of the City at June 30, 2020 and 2019 were as follows (\$ in thousands):

	<u>2020</u>	<u>2019</u>
Total OPEB Liability	\$ 113,229,187	\$ 112,442,891
Plan fiduciary net position	<u>3,800,489</u>	<u>4,679,551</u>
City's net OPEB liability	<u>\$ 109,428,698</u>	<u>\$ 107,763,340</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.4%	4.2%
Covered Employee Payroll	<u>\$ 28,201,102</u>	<u>\$ 27,679,916</u>
Net OPEB liability as a percentage of covered employee payroll	<u>388.0%</u>	<u>389.3%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Statement of Fiduciary Net Position presents information about assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position as of the end of the OPEB plan's reporting period.

The Statement of Changes in Fiduciary Net Position presents information about the additions to, deductions from, and net increase (or decrease) in fiduciary net position for the OPEB plan's reporting period.

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The City may not be obligated to provide the same types or levels of benefits to retirees in the future.

The Plan uses the Entry Age ("EA") actuarial cost method (the actuarial cost method set forth in GASB 74, paragraph 54) to determine the annual expense and the net OPEB Liability.

The total OPEB liability as of June 30, 2020 of \$113.2 billion and as of June 30, 2019 of \$112.4 billion were determined under the EA actuarial cost method.

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

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**6. FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)**

The following is a brief description of the significant methods and assumptions used in the OPEB actuarial valuation. A complete description can be found in Section 6 of the fiscal year 2020 GASB 74/75 Report for the City of New York and the New York City Health Benefits Program (the "OPEB Report") which is available on the website of the New York City Office of the Actuary ("NYCOA").

<b>Actuarial cost method</b>	Entry Age Normal Cost Method, level percent of pay calculated on an individual basis
<b>Valuation date</b>	June 30, 2019
<b>Measurement date</b>	June 30, 2020
<b>Discount rate</b>	2.68% per annum for the June 30, 2020 measurement date (FY 2020) 2.82% per annum for the June 30, 2019 measurement date (FY 2019)

**Monthly Health  
Insurance Costs Per  
Contract**

<b>Plan</b>	<b>Fiscal Year 2020</b>
HIP HMO	
Non-Medicare Single	\$ 753.40
Non-Medicare Family	1,845.83
Medicare	174.52
GHI/EBCBS	
Non-Medicare Single	710.74
Non-Medicare Family	1,866.41
Medicare	188.20
Other HMOs	
Non-Medicare Single	1,102.40
Non-Medicare Family	2,521.20
Medicare Single	307.58
Medicare Family	607.20

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

**6. FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)**

**Welfare Fund**—The Welfare Fund contribution reported as of the valuation date, June 30, 2019, (including any reported retroactive amounts) was used as the per capita cost for valuation purposes. The calculations reflect an additional one-time \$100 contribution for fiscal year 2019 in July 2018 and fiscal year 2020 in July 2019. Weighted average contribution rates for future retirees are shown below. Starting in fiscal year 2020, the contribution is assumed to increase by 3.5% annually.

NYCRS	Contribution Rates Per Capita
	Fiscal Year 2020
NYCERS	\$1,897
TRS	1,824
BERS	1,934
POLICE	1,732
FIRE	1,781

**Medicare Part B Premiums**—Medicare Part B premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2020. Due to limited cost-of-living adjustments in Social Security benefits for Calendar Years 2018, 2019, and 2020, some Medicare Part B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

For the fiscal year 2020 OPEB valuation, the annual premium used as \$1,665.84, which is equal to 12 times an average of the calendar year 2019 and 2020 monthly premiums below.

Calendar Year	Monthly Premium Per Capita
2013-2015	\$104.90
2016	109.97
2017	113.63
2018	125.85
2019	134.43
2020	143.21

For calendar year 2020, the monthly premium of 143.21 was determined as follows:

- 3.5% of the basic \$104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of \$144.60 for calendar year 2020, representing the proportion

The calendar year 2019 monthly premium of \$134.43 was determined similarly, using 3.5% of the \$104.90 hold-harmless amount and 96.5% of the \$135.50 rate that was in effect for calendar year 2019.

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements**  
**June 30, 2020 and 2019**

**6. FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)**

2020 Medicare Part B premium assumed to increase by Medicare Part B trend rates and by the following percentages to reflect income-related increases in Medicare Part B premiums for high income individuals.

<b>Fiscal Year</b>	<b>Income-Related Medicare Part B Percentage Increase</b>
2020	5.2%
2021	5.3
2022	5.4
2023	5.5
2024	5.6
2025	5.8
2026	5.9
2027+	6.0

**Health Care Cost Trend Rate (“HCCTR”)**—Covered medical expenses are assumed to increase by the following percentages:

<b>Year Ending</b>	<b>Pre-Medicare Plans</b>	<b>Medicare Plans</b>	<b>Medicare Part B Premiums</b>	<b>Welfare Fund Contributions</b>
2020	7.00%	5.00%	5.74% <sup>(1)</sup>	3.50%
2021	6.75	4.90	5.00	3.50
2022	6.50	4.90	5.00	3.50
2023	6.25	4.80	5.00	3.50
2024	6.00	4.80	5.00	3.50
2025	5.75	4.70	5.00	3.50
2026	5.50	4.70	5.00	3.50
2027	5.25	4.60	5.00	3.50
2028	5.00	4.60	5.00	3.50
2029	4.75	4.50	5.00	3.50
2030+	4.50	4.50	5.00	3.50

<sup>(1)</sup> Medicare Part B premium trend reflects actual calendar year premium for the first six months of FY 2021 (July 2020 to December 2020) and 5.0% trend for the remaining six months.

**Age and Gender Related Morbidity**—The premiums are age and gender adjusted for GHI/EBCBS, HIP and Other HMOs.

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

**6. FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)**

**Participation**—Participation assumptions are based on recent experience.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 based on patterns of elections Medicare-eligible retirees.

**Dependents**—Male retirees were assumed to be four years older than their wives, and female retirees were assumed to be two years younger than their husbands; for POLICE and FIRE employees, husbands are assumed to be two years older than their wives.

Child dependents of current retirees are assumed to receive coverage until age 26.

Children are assumed to be covered for eight years after retirement plus an additional five years for service retirements of POLICE, FIRE, and NYCERS retirees who were eligible to retire based only on service and no minimum age.

Dependent allocation assumptions are based on recent experience.

**Demographic Assumptions**—The actuarial assumptions used in the fiscal year 2020 and the fiscal year 2019 OPEB valuations are a combination of those used in the NYCERS pension actuarial valuations for that year and those specific to the OPEB valuations.

The assumptions used in the in the fiscal year 2019 valuation are changed from the prior year's OPEB valuation. For fiscal year 2019, the NYCOA conducted a full review of the actuarial assumptions and methods used to fund the NYCERS. These reviews led to formalized recommendations titled "Proposed Changes in Actuarial Assumptions and Methods Used in Determining Employer Contributions for fiscal years Beginning on and After July 1, 2018 for [NYCRS]," and were adopted by all five of the NYCERS Boards. These are available on the Reports page of the NYCOA website ([www.nyc.gov/actuary](http://www.nyc.gov/actuary)).

**Sensitivity of the net OPEB liability to changes in the discount rate**—The following presents the net OPEB liability of the City as of June 30, 2020, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.68%) or 1-percentage point higher (3.68%) than the current discount rate (\$ in thousands):

	<b>1% Decrease (1.68%)</b>	<b>Discount Rate (2.68%)</b>	<b>1% Increase (3.68%)</b>
Net OPEB liability (asset)	\$ 129,725,569	\$ 109,428,698	\$ 93,549,896

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**—The following presents the net OPEB liability of the City as of June 30, 2020, as well as what the City's net OPEB liability would be if calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (\$ in thousands):

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ 90,312,655	\$ 109,428,698	\$ 134,753,777

**The New York City Other Postemployment Benefits Plan  
(A Fiduciary Component Unit of the City of New York)**

**Notes to the Financial Statements  
June 30, 2020 and 2019**

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**7. RELATED PARTY MATTERS**

The Plan and the Trust are administered by the City, including the day-to-day administration of the health insurance program. U.S. Bank, N.A, the trustee and custodian of the Trust, makes payments to health insurers and to welfare funds for retiree benefits, and reimbursements of retiree Medicare Part B premiums to retirees, as directed by the City. The City also directs the investment of Trust resources in accordance with Trust investment guidelines.

**8. OTHER MATTERS**

The outbreak of the coronavirus disease (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, each of which is still in effect. The ultimate impact of the COVID-19 pandemic on the Plan cannot be determined at this time.

**9. SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events for disclosure and recognition through October 28, 2020, the date the financial statements were available to be issued, and there were no material events that required disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Schedule of Changes in the City's Net OPEB Liability and Related Ratios (Unaudited)**  
**As of and for the Years Ended June 30, 2020, 2019, 2018, 2017 and 2016**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>1. Total OPEB Liability</b>			
a. Service Cost	\$ 5,292,309,204	\$ 5,725,025,094	\$ 4,860,387,841
b. Interest	3,277,919,924	3,237,262,217	3,131,103,689
c. Changes of Benefit Terms	-	-	-
d. Differences b/t Expected and Actual Experience	(5,819,561,889)	9,362,492,183	2,293,748,135
e. Changes of Assumptions	2,507,506,383	(6,277,325,926)	2,513,081,199
f. Benefit Payments	(3,014,059,300)	(2,839,210,462)	(2,616,691,142)
h. Other Changes	(1,457,818,456)	-	-
<b>g. Net Changes in Total OPEB Liability</b>	<b>\$ 786,295,866</b>	<b>\$ 9,208,243,106</b>	<b>\$ 10,181,629,722</b>
<b>2. Total OPEB Liability - Beginning</b>	<b>\$ 112,442,891,436</b>	<b>\$ 103,234,648,330</b>	<b>\$ 93,053,018,608</b>
<b>3. Total OPEB Liability - Ending</b>	<b>\$ 113,229,187,302</b>	<b>\$ 112,442,891,436</b>	<b>\$ 103,234,648,330</b>
<b>4. Plan Fiduciary Net Position</b>			
a. Contributions - Employer	\$ 2,059,052,552	\$ 2,652,443,121	\$ 2,680,766,906
b. Contributions - Employee	-	-	-
c. Net Investment Income	75,944,735	100,565,410	47,990,335
d. Benefit Payments	(3,014,059,300)	(2,839,210,463)	(2,616,691,142)
e. Administrative Expenses	-	(46,109)	(43,105)
f. Other Changes	-	-	(127,045)
<b>g. Net Changes in Plan Fiduciary Net Position</b>	<b>\$ (879,062,013)</b>	<b>\$ (86,248,041)</b>	<b>\$ 111,895,949</b>
<b>5. Plan Fiduciary Net Position - Beginning</b>	<b>\$ 4,679,551,174</b>	<b>\$ 4,765,799,215</b>	<b>\$ 4,653,903,266</b>
<b>6. Plan Fiduciary Net Position - Ending</b>	<b>\$ 3,800,489,161</b>	<b>\$ 4,679,551,174</b>	<b>\$ 4,765,799,215</b>
<b>7. Net OPEB Liability</b>	<b>\$ 109,428,698,141</b>	<b>\$ 107,763,340,262</b>	<b>\$ 98,468,849,115</b>
<b>8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>3.4%</b>	<b>4.2%</b>	<b>4.6%</b>
<b>9. Covered Employee Payroll<sup>1</sup></b>	<b>\$ 28,201,101,945</b>	<b>\$ 27,679,916,380</b>	<b>\$ 26,230,448,259</b>
<b>10. Net OPEB Liability as Percentage of Covered Employee Payroll</b>	<b>388.0%</b>	<b>389.3%</b>	<b>375.4%</b>
<b>11. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
a. 1% Decrease	\$ 129,725,569,224		
b. 1% Increase	\$ 93,549,895,869		
<b>12. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate</b>			
a. 1% Decrease	\$ 90,312,654,926		
b. 1% Increase	\$ 134,753,776,933		

<sup>1</sup> Includes those Component Units with Medicare Part B, Health Insurance, or Welfare Fund coverage provided by the City.

See Report of Independent Certified Public Accountants.

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Schedule of Changes in the City's Net OPEB Liability and Related Ratios (Unaudited)**  
**As of and for the Years Ended June 30, 2020, 2019, 2018, 2017 and 2016 (continued)**

	<u>2017</u>	<u>2016</u>
<b>1. Total OPEB Liability</b>		
a. Service Cost	\$ 4,521,008,728	\$ 5,112,510,498
b. Interest	2,898,446,758	2,668,923,050
c. Changes of Benefit Terms	-	-
d. Differences b/t Expected and Actual Experience	519,255,914	(120,146,814)
e. Changes of Assumptions	(10,974,634,867)	-
f. Benefit Payments	(2,424,766,464)	(2,277,515,643)
h. Other Changes	-	-
<b>g. Net Changes in Total OPEB Liability</b>	<b>\$ (5,460,689,931)</b>	<b>\$ 5,383,771,091</b>
<b>2. Total OPEB Liability - Beginning</b>	<b>\$ 98,513,708,539</b>	<b>\$ 93,129,937,448</b>
<b>3. Total OPEB Liability - Ending</b>	<b>\$ 93,053,018,608</b>	<b>\$ 98,513,708,539</b>
<b>4. Plan Fiduciary Net Position</b>		
a. Contributions - Employer	\$ 3,020,942,554	\$ 2,897,128,941
b. Contributions - Employee	-	-
c. Net Investment Income	21,437,072	20,234,368
d. Benefit Payments	(2,424,766,464)	(2,277,515,643)
e. Administrative Expenses	(41,100)	(40,000)
f. Other Changes	-	-
<b>g. Net Changes in Plan Fiduciary Net Position</b>	<b>\$ 617,572,062</b>	<b>\$ 639,807,666</b>
<b>5. Plan Fiduciary Net Position - Beginning</b>	<b>\$ 4,036,331,204</b>	<b>\$ 3,396,523,538</b>
<b>6. Plan Fiduciary Net Position - Ending</b>	<b>\$ 4,653,903,266</b>	<b>\$ 4,036,331,204</b>
<b>7. Net OPEB Liability</b>	<b>\$ 88,399,115,342</b>	<b>\$ 94,477,377,335</b>
<b>8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>5.0%</b>	<b>4.1%</b>
<b>9. Covered Employee Payroll<sup>1</sup></b>	<b>\$ 25,112,110,958</b>	<b>\$ 24,204,772,333</b>
<b>10. Net OPEB Liability as Percentage of Covered Employee Payroll</b>	<b>352.0%</b>	<b>390.3%</b>

<sup>1</sup> Includes those Component Units with Medicare Part B, Health Insurance, or Welfare Fund coverage provided

*GASB Codification Po50.130a-b requires that this schedule present information for 10 years. However, GASB 74 ¶ 62 allows for fewer years to be shown if retroactive information is not available. The Plan adopted GASB 74 in fiscal year 2017, retroactively presenting fiscal year 2016. Retroactive information is not available for earlier fiscal years. Additional fiscal years will be added until the 10-year requirement is met.*

See Report of Independent Certified Public Accountants.

**The New York City Other Postemployment Benefits Plan**  
**(A Fiduciary Component Unit of the City of New York)**

**Schedule of Annual Money-Weighted Return on Plan Investments (Unaudited)**  
**For the Years Ended June 30, 2020, 2019, 2018 and 2017**

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<u>Fiscal Year</u>	<u>Annual Money- Weighted Return</u>
2020	1.22 %
2019	2.18
2018	0.86
2017	0.55

*GASB Codification Po50.130d requires that this schedule present information for 10 years, However, GASB 74 ¶ 62 allows for fewer years to be shown if retroactive information is not available. The Plan adopted GASB 74 in fiscal year 2017. Retroactive information is not available for earlier fiscal years. Additional fiscal years will be added until the 10-year requirement is met.*

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See Report of Independent Certified Public Accountants.