Teachers' Retirement System of the City of New York

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, 2021 and June 30, 2020

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying combining financial statements of Teachers' Retirement System of the City of New York Qualified Pension Plan and the Teachers' Retirement System of the City of New York Tax-Deferred Annuity Program, which collectively comprise the Teachers' Retirement System of the City of New York (the "System"), which comprise the combining statements of fiduciary net position as of June 30, 2021 and 2020 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.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these combining 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 combining 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 combining financial statements based on our audits. We conducted our audits 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 combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the combining 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 System'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 combining financial statements.

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

Grant Thornton

Opinion
In our opinion, the combining financial statements referred to above present fairly, in all material respects, the combining fiduciary net position of the System as of June 30, 2021 and 2020, 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.

Other matter

Required supplementary information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule 1 - schedule of changes in the employer's net pension liability and related ratios, Schedule 2 - schedules of employer contributions, and Schedule 3 - schedule of investment returns, as listed in the table of contents, be presented to supplement the basic combining financial statements. Such information, 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 the financial reporting for placing the basic combining 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 combining financial statements, and other knowledge we obtained during our audit of the basic combining financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Grant Thornton LLP

New York, New York
October 28, 2021

This narrative discussion and analysis of the Teachers' Retirement System of the City of New York's ("TRS" or the "System") financial performance provides an overview of the System's combining financial activities for the Fiscal Years ended June 30, 2021 and 2020. It is meant to assist the reader in understanding TRS' combining financial statements by providing an overall review of the combining financial activities during the years and the effects of significant changes, as well as a comparison with prior years' activity and results. This discussion and analysis is intended to be read in conjunction with the System's combining financial statements. TRS administers the TRS Qualified Pension Plan ("QPP") and the TRS Tax-Deferred Annuity ("TDA") Program. The QPP is a cost-sharing, multiple-employer, defined-benefit pension plan. The QPP provides pension benefits to New York City ("The City" or "City") public school teachers and certain other personnel, participating Charter Schools, and participating City University of New York ("CUNY") teachers and other personnel. The TDA Program is a tax-deferred annuity program described in Internal Revenue Code section 403(b) and is available as a supplemental savings option to QPP members.

OVERVIEW OF COMBINING FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the System's combining financial statements. The combining financial statements, which are prepared in conformity with Generally Accepted Accounting Principles ("GAAP") as prescribed by Government Accounting Standards Board ("GASB"), include the financial statements of the QPP and the TDA Programs and are as follows:

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

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

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

- **Required Supplementary Information ("RSI") (Unaudited)** – as required by GASB, the RSI includes the management discussion and analysis (this section) and information presented following the notes to combining financial statements.

HIGHLIGHTS AND RECENT DEVELOPMENTS

Employer Information

Employers that participate in TRS include the New York City Department of Education ("DOE"), CUNY both Junior and Senior Colleges, and New York City Charter Schools that elect to participate. All employers may participate in the QPP and the TDA Program.

The following schedule provides the 2021 QPP summary information of the employer groups.

Contributions Employers and Contributions Members

	Members Active	Contribution Employer	Contribution Member	Members Retired	Pension Payments
DOE	116,000	$ 3.0 billion	$ 232.5 million	89,000	$ 4.5 billion
CUNY	8,000	$ 133 million	$ 13.5 million	2,700	$ 141 million
Charter Schools	600	$ 6.5 million	$ 1.7 million	Less than 50	$ 1.9 million

United Federation of Teachers ("UFT") Contract

The current collective bargaining agreement between the DOE and the UFT, the primary union for the DOE's employees, was ratified in October 2018. The contract runs from February 14, 2019 to September 13, 2022. In addition to workplace improvements, the agreement includes wage increases and upward adjustments to starting and top salary amounts. The wage increases impact employer contributions, member contributions, and payments to retirees.

FINANCIAL HIGHLIGHTS

QPP Fiduciary Net Position

The QPP's net position restricted for benefits is held in trust for the payment of future benefits to members and pensioners. The QPP's net position restricted for benefits was $78.3 billion, $59.3 billion, and $58.0 billion as of June 30, 2021, 2020, and 2019, respectively. The System's employer contributions amounted to $3.2 billion, $3.7 billion, and $3.8 billion for Fiscal Years 2021, 2020, and 2019, respectively. The QPP's benefit payments totaled $4.7 billion, $4.6 billion, and $4.5 billion for Fiscal Years 2021, 2020, and 2019, respectively. Below is a summary of the QPP's net position and changes in net position.

QPP Fiduciary Net Position

June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Cash	$ 74,742	$ 48,488	$ 76,796
Receivables for investments sold	3,560,628	1,889,299	2,305,855
Receivables for accrued interest and dividends	304,145	289,845	290,228
Member loan receivables	310,380	323,805	320,976
Investments, at fair value	110,210,315	87,842,740	83,854,645
Collateral from securities lending	1,242,351	1,391,240	1,222,314
Other assets	46,194	63,899	42,615
Total assets	115,748,755	91,849,316	88,113,429
Accounts payable	349,820	299,648	646,918
Payable for investments purchased	5,723,528	3,096,888	2,574,584
Accrued benefits payable	49,585	88,957	77,154
Investments due to TDA Program	30,036,173	27,653,633	25,602,248
Payable for securities lending	1,242,351	1,391,240	1,222,314
Total liabilities	37,401,457	32,530,366	30,123,218
Net position restricted for benefits	$ 78,347,298	$ 59,318,950	$ 57,990,211

Cash balances amounted to $74.7 million at June 30, 2021, an increase of $26.3 million (54.2%) from June 30, 2020. Cash balances amounted to $48.5 million at June 30, 2020, a decrease of $28.3 million (-36.9%) from June 30, 2019. Cash balances consist of advances to investment managers' accounts, accounts used to process reimbursement transfers between the System's investment programs, and bank accounts associated with the collections of loan insurance premiums and loan service charges. As of June 30, 2021, the largest cash balances consisted of the International and Private Equity investment manager, with $39.3 million and $20.2 million, respectively. Large cash balances held by an investment manager are due to a recent sale or the general investment cycle. For example, Private Equity's investment cycle generally begins with cash from assets sold during the month and ends with subsequent purchases following month-end.

Receivables for investment securities sold amounted to $3.6 billion at June 30, 2021, an increase of $1.7 billion (88.5%) from June 30, 2020. Receivables for investment securities sold amounted to $1.9 billion at June 30, 2020, a decrease of $416.6 million (-18.1%) from June 30, 2019. These balances are principally composed of receivables for securities that have been sold but have not yet settled (*i.e.,* the cash has not been collected). The changes resulted primarily from timing differences between trade and settlement dates occurring around fiscal year-end. Trades typically do not settle until a few days after the trade date.

Receivables for accrued interest and dividends amounted to $304.1 million as of June 30, 2021, an increase of $14.3 million (4.9%) from June 30, 2020. Receivables for accrued interest and dividends amounted to $289.8 million as of June 30, 2020, a decrease of $383.0 thousand (-0.1%) from June 30, 2019. Changes in accrued earnings are impacted primarily by the cumulative value of the interest or dividend bearing securities, as well as by changes in discount rates and interest-payable dates.

At June 30, 2021, member loan receivables amounted to $310.4 million, a decrease of $13.4 million (-4.2 %) from the previous year. The decrease is attributable to a decrease in new loans. New Tier III, IV, and VI loan issues totaled to 13,910 loans in Fiscal Year 2021 compared to 15,977 loan issuances in Fiscal Year 2020, a decrease of 2,067 (-12.9%) from Fiscal Year 2020. At June 30, 2020, member loan receivables amounted to $323.8 million, an increase of $2.8 million (0.9%) from the previous year.

Investments at June 30, 2021 were $110.2 billion, an increase of $22.4 billion (25.5%) from June 30, 2020. Investments at June 30, 2020 were $87.8 billion, an increase of $4.0 billion (4.8%) from June 30, 2019. As of June 30, 2021, the QPP's total investment portfolio, including both the TRSNYC Pension and Variable-Return Funds, consisted of 52% equity investments, 35% fixed income securities and 13% alternative investments. The alternative investments consisted of private equity (6%), private real estate investments (3%), opportunistic-fixed income (3%), and infrastructure securities (1%). The $22.4 billion annual increase in investments is the result of $22.4 billion in net investment income. More generally, investments as of June 30, 2021, in comparison with investment values as of June 30, 2020, reflect the equity and fixed income markets' annual returns. For the year ended June 30, 2021, the Russell 3000 Index, a broad measure of U.S. equity markets, returned 44.2%. The Morgan Stanley Capital International ("MSCI") World Index excluding the United States returned (37.2%). The NYC Core + 5, a composite index maintained by New York City's Office of the Comptroller and a broad measure of the U.S. fixed income markets, returned (-0.2%). The Dow Jones U.S. Select Real Estate Securities Index returned (40.0%). For the year ended June 30, 2020, the Russell 3000 Index, a broad measure of U.S. equity markets, returned 6.5%. The Morgan Stanley Capital International ("MSCI") World Index excluding the United States returned (-4.7%). The NYC Core + 5, a composite index maintained by New York City's Office of the Comptroller ("Comptroller") and a broad measure of the U.S. fixed income markets, returned 10.1%. The Dow Jones U.S. Select Real Estate Securities Index returned (-17.7%).

Other assets at June 30, 2021 totaled $46.2 million, a $17.7 million (-27.7%) decrease from June 30, 2020. The year-over-year decrease in other assets, as of June 30, 2021, was primarily due to a $23.2 million decrease in amounts due from the TDA Program, less a $9.1 million increase in amounts due from Corpus Expenses. Other assets at June 30, 2020 totaled $63.9 million, a $21.3 million (49.9%) increase from June 30, 2019. The year-over-year increase in other assets, as of June 30, 2020, was primarily due to a $25.8 million increase in amounts due from the TDA Program, less a $6.1 million decrease in amounts due from Corpus Expenses.

Accounts payable at June 30, 2021 amounted to $349.8 million, a $50.2 million (16.7%) increase from June 30, 2020. Accounts payable as of June 30, 2021 consisted of balances due to depositories (44.6%), reserve for expenses (18.4%), accrued investment expenses (16.1%), unclaimed funds (7.3%), and other payables (13.6%). Accounts payable at June 30, 2020 amounted to $299.6 million, a $347.3 million (-53.7%) decrease from June 30, 2019. Accounts payable as of June 30, 2020 consisted of balances due to depositories (45.2%), reserve for expenses (24.6%), accrued investment expenses (12.3%), unclaimed funds (8.6%), and other payables (9.3%).

Payables for investment securities purchased at June 30, 2021 amounted to $5.7 billion, a $2.6 billion (84.8%) increase from June 30, 2020. Payables for investment securities purchased at June 30, 2020 amounted to $3.1 billion, a $522.3 million (20.3%) increase from June 30, 2019. Investments purchased are accounted for on a trade-date basis. The increase resulted from timing differences between settlement dates and trade dates, similar to receivables for investment securities sold (discussed earlier).

Accrued benefits payable at June 30, 2021 amounted to $49.6 million, a $39.4 million (-44.3%) decrease from June 30, 2020. The $39.4 million decrease is primarily attributed to a decrease of pending death benefits due to beneficiaries at year-end. Accrued benefits payable at June 30, 2020 amounted to $90.0 million, a $11.8 million (15.3%) increase from June 30, 2019.

Investments due to the TDA Program reflect the TDA Program's share of assets of the TRSNYC Pension Fund/Fixed Fund investments. Assets in the TDA Program's Fixed-Return Fund are pooled with the QPP assets as System assets in the TRSNYC Pension Fund for investment purposes only. The amounts owned by the TDA Program are equal to member contributions, inter-fund transfers from other TDA program's passport funds, and earnings applied in accordance with statutory-interest rates (7% for members of the UFT and 8.25% for certain other members). See Note 2 for a full description of the TDA Fixed-Return Fund investment program.

QPP Changes in Fiduciary Net Position

Years ended June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Additions:			
Member contributions	$ 247,751	$ 226,920	$ 217,205
Employer contributions	3,193,270	3,652,570	3,759,199
Net receipts from other retirement systems	(5,550)	(2,798)	1,222
Net securities lending income	6,396	10,510	12,132
Net investment income	22,356,592	3,900,677	5,709,178
Total additions	25,798,459	7,787,879	9,698,936
Deductions:			
Administrative expenses	68,100	64,532	64,291
TDA Rebalance	4,175	(42,651)	(27,449)
Benefits payments and withdrawals	4,699,448	4,591,086	4,487,680
Payment of statutory interest to TDA Program	1,998,388	1,846,173	1,716,679
Total deductions	6,770,111	6,459,140	6,241,201
Net (decrease) increase in net position	19,028,348	1,328,739	3,457,735
Net position restricted for benefits			
Beginning of year	59,318,950	57,990,211	54,532,476
End of year	$ 78,347,298	$ 59,318,950	$ 57,990,211

TRS received $247.8 million in member contributions in Fiscal Year 2021, a $20.8 million (9.2%) increase from Fiscal Year 2020. TRS received $226.9 million in member contributions in Fiscal Year 2020, a $9.7 million (4.5%) increase from Fiscal Year 2019. The $20.8 million increase in Fiscal Year 2021 and the $9.7 million increase in Fiscal Year 2020 were both primarily due to UFT salary increases and a larger active Tier VI membership.

Employer contributions during Fiscal Year 2021 were $3.1 billion, a $459.2 million (-12.6%) decrease from Fiscal Year 2020. Employer contributions during Fiscal Year 2020 were $3.7 billion, a $106.6 million (-2.8%) decrease from Fiscal Year 2019. The Fiscal Year 2021 decrease was primarily due to changes in actuarial assumptions and methods. (See Note 5.) The June 30, 2019 (Lag) actuarial valuation and June 30, 2018 (Lag) actuarial valuation were used to determine Fiscal Year 2021 and 2020 employer contributions, respectively.

The QPP's net investment income for Fiscal Year 2021 was $22.4 billion, a $18.5 billion (473.1%) increase from Fiscal Year 2020. The QPP's net investment income of $22.4 billion consisted of $2.3 billion in dividend and interest income plus a net gain of $20.5 billion on the appreciation in fair value of the QPP's investments less $405.7 million in investment expenses. Net investment income for the QPP portion of the TRSNYC Pension Fund, QPP portion of the Diversified Equity Fund, QPP portion of the Balanced Fund, QPP portion of the International Equity Fund, QPP portion of the Sustainable Equity Fund, QPP portion of the U.S. Equity Index Fund, and QPP portion of the International Equity Index Fund totaled $20.1 billion, $2.3 billion, $7.7 million, $3.6 million, $5.0 million, $1.5 million, and $79.2 thousand, respectively. The QPP's net investment income for Fiscal Year 2020 was $3.9 billion, a $1.8 billion (-31.7%) decrease from Fiscal Year 2019. The QPP's net investment income of $3.9 billion consisted of $2.2 billion in dividend and interest income plus a net gain of $2.0 billion on the appreciation in fair value of the QPP's investments less $290.9 million in investment expenses. Net investment income for the QPP portion of the TRSNYC Pension Fund, QPP portion of the Diversified Equity Fund, QPP portion of the Balanced Fund, QPP portion of the International Equity Fund, QPP portion of the Inflation Protection Fund, QPP portion of the Sustainable Equity Fund, QPP portion of the U.S. Equity Index Fund, and QPP portion of the International Equity Index Fund totaled $3.7 billion, $144.8 million, $3.5 million, -$151.0 thousand, -$297.0 thousand, $2.7 million, $323.0 thousand, and $16.0 thousand, respectively.

For Fiscal Year 2021, the QPP's effective net investment income for the QPP portion of the TRSNYC Pension Fund increased due to investment returns attributable to the TDA Program's TRSNYC Pension Fund assets. The TDA Fixed-Return Fund program resulted in approximately $4.3 billion more assets accruing to the QPP's Contingent Reserve Fund of Employer's Contributions, as a result of the TDA Program's investment returns being above the statutory rates. For Fiscal Year 2020, the QPP's effective net investment income for the QPP portion of the TRSNYC Pension Fund decreased due to investment returns attributable to the TDA Program's TRSNYC Pension Fund assets. The TDA Fixed-Return Fund program resulted in approximately $593.9 million fewer assets accruing to the QPP's Contingent Reserve Fund of Employer's Contributions, as a result of the TDA Program's investment returns being below the statutory rates. The table below displays the TDA Program's impact on the QPP's Contingent Reserve Fund of Employer's Contributions for Fiscal Years 2021, 2020, and 2019.

Revenue (Expense) to Contingent Reserve Fund

TRSNYC Pension Fund Assets (QPP)*

Years ended June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Net investment income	$ 20,059,992	$ 3,759,578	$ 5,299,563
TDA percent of fixed assets as of June 30	29.18%	33.67%	32.95%
TDA percent of fixed assets as of 6/30/18:			32.74%
TDA percent of fixed assets (average)	31.42%	33.31%	32.85%
Investment income on account of TDA investment	$ 6,303,326	$ 1,252,282	$ 1,740,705
Less statutory interest to TDA	(1,998,388)	(1,846,173)	(1,716,679)
Revenue (expense) to QPP contingent reserve	$ 4,304,938	$ (593,891)	$ 24,026

*Includes security-lending income

Administrative expenses during Fiscal Year 2021 were $68.1 million, an increase of $3.6 million (5.5%) from Fiscal Year 2020. The System continues its phased implementation to replace its legacy IBM A/S 400 computer system with a system based on Microsoft's .NET programming framework. Sagitec, an outside vendor and a provider of Pension Database Systems, and Cognizant, a software testing company, have been assisting with this multi-year project. In Fiscal Year 2021, the System began the implementation of certain new pension payroll modules and continued development of active account modules. The change in administrative expenses also reflects the annual update in the System's administrative expenses attributed to the QPP. (See Note 8.) The QPP's total administrative expenses for Fiscal Year 2021 accounted for 78.8% of the System's administrative expenditures. The balance of $18.3 million (21.2%) was expensed to the TDA Program. Administrative expenses during Fiscal Year 2020 were $64.5 million, an increase of $241.0 thousand (0.4%) from Fiscal Year 2019. The QPP's total administrative expenses for Fiscal Year 2020 accounted for 72.9% of the System's administrative expenditures. The balance of $24.0 million (27.1%) was expensed to the TDA Program. The System's administrative expenditures have been $86.4 million, $88.5 million, and $88.3 million for Fiscal Years 2021, 2020, and 2019, respectively.

The TDA rebalance during Fiscal Year 2021 resulted in $4.2 million in transfers from the QPP TRSNYC Pension Fund to the TDA Program. The Administrative Code of The City of New York under sections 13-582 and 13-577 provides for certain internal transfer of funds. These transfers are intended to rebalance estimated actuarial liabilities with reported assets and follow liability reviews conducted by the Actuary of The City of New York. Also, $38.7 million was transferred from the QPP Program's Variable-Return Funds to the QPP TRSNYC Pension Fund. The $38.7 million transfer increased the investments held by QPP's TRSNYC Pension Fund and decreased the investments held by the QPP Program's Variable-Return Funds but did not impact net investments held by the QPP (see Note 2, Intra-Fund Payable/Receivable). The TDA rebalance during Fiscal Year 2020 resulted in $42.7 million in transfers to the TRSNYC Pension Fund from the TDA Program due to a surplus in the TDA Program's Variable Annuity and Pension Reserve Funds.

Benefit payments and withdrawals during Fiscal Year 2021 were $4.7 billion, a $108.4 million (2.4%) increase from Fiscal Year 2020. The $108.4 million increase in benefit payments and withdrawals was primarily due to a $140.0 million (3.1%) increase in payments to retirees, and a $30.0 million (-28.5%) decrease in death benefit payments. In total, benefit payments and withdrawals distributed during Fiscal Year 2021 were composed of 97.8% in retirement benefits and 2.2% in refund/withdrawals and survivor benefits. Benefit payments and withdrawals during Fiscal Year 2020 were $4.6 billion, a $103.4 million (2.3%) increase from Fiscal Year 2019. The $103.4 million increase in benefit payments and withdrawals was primarily due to a $81.9 million (1.9%) increase in payments to retirees, and a $21.4 million (25.4%) increase in death benefit payments. In total, benefit payments and withdrawals distributed during Fiscal Year 2020 were composed of 97.0% in retirement benefits and 3.0% in refund/withdrawals and survivor benefits.

Payments of statutory interest due to the TDA from its investment in the TRSNYC Pension Fund Assets (Fixed-Return Fund) during Fiscal Year 2021 were $2.0 billion, an increase of $152.2 million (8.2%) from Fiscal Year 2020. Payments of statutory interest due to the TDA from its investment in the TRSNYC Pension Fund Assets (Fixed-Return Fund) during Fiscal Year 2020 were $1.8 billion, an increase of $129.5 million (7.5%) from Fiscal Year 2019.

TDA Program Financial Highlights – The TDA Program's net position restricted for benefits was $43.0 billion, $37.0 billion, and $35.3 billion as of June 30, 2021, 2020, and 2019, respectively. Member contributions amounted to $1.1 billion, $1.0 billion, and $995.0 million for Fiscal Years 2021, 2020, and 2019, respectively. Benefit payments and withdrawals totaled $1.0 billion, $1.4 billion, and $1.4 billion for Fiscal Years 2021, 2020, and 2019, respectively. Below is a summary of the TDA program's net position and changes in net position.

TDA Program's Fiduciary Net Position

June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Cash	$ 7,222	$ 7,477	$ 9,533
Receivables for investments sold	5,275	8,378	55,994
Receivables for accrued interest and dividends	21,013	18,164	16,531
Member loan receivables	410,153	401,243	403,787
Investments, at fair value	13,014,474	9,427,396	9,591,018
Investment in TRSNYC Pension Fund	30,036,173	27,653,633	25,602,248
Collateral from securities lending	542,063	54,770	57,798
Other assets	8,781	18,454	20,813
Total assets	44,045,154	37,589,515	35,757,722
Accounts payable	52,205	83,749	68,740
Payable for investment securities purchased	2,605	15,402	59,678
Accrued benefits payable	488,806	412,069	238,111
Payable for securities lending transactions	542,063	54,770	57,798
Total liabilities	1,085,679	565,990	424,327
Net position held in trust for benefits	$ 42,959,475	$ 37,023,525	$ 35,333,395

Cash balances amounted to $7.2 million at June 30, 2021, a decrease of $255.0 thousand (-3.4%) from June 30, 2020. Cash balances amounted to $7.5 million at June 30, 2020, a decrease of $2.1 million (-21.6%) from June 30, 2019. Cash balances consist of accounts used to reimburse the funds of the Variable-Annuity Program and accounts used for advance funding of the Variable-Return Funds' investment managers.

Receivables for investment securities sold at June 30, 2021 amounted to $5.3 million, a decrease of $3.1 million (-37.0%) from June 30, 2020. Receivables for investment securities sold at June 30, 2020 amounted to $8.4 million, a decrease of $47.6 million (-85.0%) from June 30, 2019. These balances are principally composed of receivables for securities that have been sold but have not yet settled (*i.e.,* the cash has not been collected). The year-over-year changes resulted from timing differences in trading and settlement dates. Trades typically do not settle until a few days after the trade date.

Receivables for accrued earnings at June 30, 2021 were $21.0 million, an increase of $2.8 million (15.7%) from June 30, 2020. Receivables for accrued earnings at June 30, 2020 were $18.2 million, an increase of $1.6 million (9.9%) from June 30, 2019. Changes in accrued earnings are impacted by the cumulative value of the interest or dividend-bearing securities, discount rates, and interest payable dates at fiscal year-end.

Member loan receivables at June 30, 2021 amounted to $410.2 million, an increase of $8.9 million (2.2%) from June 30, 2020. There were 22,376 new TDA loan issues in Fiscal Year 2021 compared to 17,286 in Fiscal Year 2020, an increase of 5,090 (29.5%) from Fiscal Year 2020. For Fiscal Year 2021, loan disbursements amounted to $212.1 million, and principal and interest payments amounted to $224.3 million. Member loan receivables at June 30, 2020 amounted to $401.2 million, a decrease of $2.5 million (-0.6%) from June 30, 2019. For Fiscal Year 2020, loan disbursements amounted to $192.4 million, and principal and interest payments amounted to $216.3 million.

The Variable-Return Funds' investments at June 30, 2021, including collateral received for securities lending, were $13.6 billion, an increase of $4.1 billion (43.0%) from June 30, 2020. The Variable-Return Funds' investments at June 30, 2020, including collateral received for securities lending, were $9.5 billion, a decrease of $166.7 million (-1.7%) from June 30, 2019.

Assets of the TDA Program's Fixed-Return Fund invested in the TRSNYC Pension Fund at June 30, 2021 were $30.0 billion, an increase of $2.4 billion (8.6%) from June 30, 2020. In addition to the 7% statutory return for UFT members [and 8.25% for non-UFT members] for Fiscal Year 2021, contributions, withdrawals and investment transfers to (from) the Fixed-Return Fund totaled $742.0 million, $-828.7 million, and $437.1 million, respectively. Assets of the TDA Program's Fixed-Return Fund invested in the TRSNYC Pension Fund at June 30, 2020 were $27.7 billion, an increase of $2.1 billion (8.0%) from June 30, 2019. In addition to the 7% statutory return for UFT members [and 8.25% for non-UFT members] for Fiscal Year 2020, contributions, withdrawals and investment transfers to (from) the Fixed-Return Fund totaled $718.2 million, -$1.2 billion, and $510.9 million, respectively.

Other assets at June 30, 2021 were $8.8 million, a decrease of $9.7 million (-52.4%) over June 30, 2020. Other assets at June 30, 2020 were $18.5 million, a decrease of $2.4 million (-11.3%) over June 30, 2019. Other assets primarily represent assets already allocated for future administrative expenses.

Accounts payable at June 30, 2021 amounted to $52.2 million, a decrease of $31.5 million (-37.7%) from June 30, 2020. Accounts payable at June 30, 2020 amounted to $83.7 million, an increase of $15.0 million (21.8%) from June 30, 2019. The TDA Program's accounts payable balance primarily represents a reserve fund to pay the TDA Program's investment and administrative expenses.

Payables for investment securities purchased at June 30, 2021 amounted to $2.6 million, a decrease of $12.8 million (-83.1%) from June 30, 2020. Payables for investment securities purchased at June 30, 2020 amounted to $15.4 million, a decrease of $44.3 million (-74.2%) from June 30, 2019. Investments purchased are accounted for on a trade-date basis. The changes resulted from timing differences in settlement and trade dates, similar to receivables for investments sold (discussed earlier).

Accrued benefits payable at June 30, 2021 amounted to $488.8 million, an increase of $76.7 million (18.6%) from June 30, 2020. The $76.7 million increase is primarily attributed to an increase of pending death benefits due to beneficiaries at year-end. Accrued benefits payable at June 30, 2020 amounted to $412.1 million, an increase of $174.0 million (73.1%) from June 30, 2019. The $174.0 million increase is primarily attributed to an increase of pending death benefits due to beneficiaries at year-end.

Changes in TDA Program's Fiduciary Net Position

Years ended June 30, 2021, 2020, and 2019

(In Thousands)

	2021	2020	2019
Additions:			
Member contributions	$ 1,060,833	$ 1,029,758	$ 995,035
Net investment income	3,909,235	326,442	668,269
Net securities lending income	1,699	1,171	1,271
Total additions	4,971,767	1,357,371	1,664,575
Deductions:			
Administrative expenses	18,290	23,957	23,964
TDA rebalance	(4,175)	42,651	27,449
Benefits payments	1,020,090	1,446,806	1,377,428
Receipt of statutory interest for portion of investment in TRSNYC Pension Fund	(1,998,388)	(1,846,173)	(1,716,679)
Total deductions	(964,183)	(332,759)	(287,838)
Net increase in net position	5,935,950	1,690,130	1,952,413
Net position restricted for benefits			
Beginning of year	37,023,525	35,333,395	33,380,982
End of year	$ 42,959,475	$ 37,023,525	$ 35,333,395

TRS’s TDA Program received $1.1 billion in member contributions during Fiscal Year 2021, an increase of $31.1 million (3.0%) from Fiscal Year 2020. There were 93,295 members contributing in Fiscal Year 2021 compared to 91,077 members contributing in Fiscal Year 2020. TRS’s TDA Program received $1.0 billion in member contributions during Fiscal Year 2020, an increase of $34.7 million (3.5%) from Fiscal Year 2019. There were 91,077 members contributing in Fiscal Year 2020 compared to 89,708 members contributing in Fiscal Year 2019.

Net investment income for the TDA Program’s Variable-Return Funds for Fiscal Year 2021 increased by $3.6 billion (1,097.5%) from Fiscal Year 2020. Net investment income for the TDA Program’s Variable-Return Funds for Fiscal Year 2020 decreased by $341.8 million (-51.2%) from Fiscal Year 2019. Net investment gains/losses primarily reflect the appreciation/depreciation in fair value of the TDA Program’s Variable-Return Fund investments, including both realized and unrealized gains and losses.

Administrative expenses for the Fiscal Year ended June 30, 2021 totaled $18.3 million, a decrease of $5.7 million (-23.7%) from Fiscal Year 2020. Administrative expenses for the Fiscal Year ended June 30, 2020 totaled $24.0 million, a decrease of $7 thousand (-0.03%) from Fiscal Year 2019. The TDA Program accounted for a portion of the System's total administrative expenses; see QPP administrative expenses above and Note 8.

The TDA rebalance during Fiscal Year 2021 resulted in a $4.2 million transfer to the TDA Program from the TRSNYC Pension Fund. The TDA rebalance during Fiscal Year 2020 resulted in a $42.7 million transfer to the TRSNYC Pension Fund from the TDA Program. The Administrative Code of the City of New York under sections 13-582 and 13-577 provide for certain internal transfer of funds. These transfers are intended to rebalance estimated actuarial liabilities with reported assets; see Note 2, Intra-Fund Payable/Receivable.

Benefit payments and withdrawals for the Fiscal Year ended June 30, 2021 totaled $1.0 billion, a decrease of $426.7 million (-29.5%) from Fiscal Year 2020. The decrease was due to the CARES Act provision that suspended required minimum withdrawals in 2020. Benefit payments and withdrawals for the Fiscal Year ended June 30, 2020 totaled $1.4 billion, an increase of $69.4 million (5.0%) from Fiscal Year 2019. Benefit payments and withdrawals consist primarily of total and partial withdrawals and lump-sum payments to beneficiaries.

Receipts of statutory interest for the TDA Program's Fixed-Return Fund portion in investments in the TRSNYC Pension Fund assets for Fiscal Year 2021 were $2.0 billion, an increase of $152.2 million (8.2%) from Fiscal Year 2020. Receipts of statutory interest for the TDA Program's Fixed-Return Fund portion in investments in the TRSNYC Pension Fund assets for Fiscal Year 2020 were $1.8 billion, an increase of $129.5 million (7.5%) from Fiscal Year 2019.

Cash Flow

Monthly contributions, loan repayments, and interest and dividends earned on investments less benefit payments, new loans, and investment and administrative expenses account for the System's non-investment cash flow. The table below provides a three-year summary.

Cash Flow Review (In thousands)	June 30, 2021 QPP	June 30, 2021 TDA	June 30, 2020 QPP	June 30, 2020 TDA	June 30, 2019 QPP	June 30, 2019 TDA
Contributions	$ 3,441,021	$ 1,060,833	$ 3,879,490	$ 1,029,758	$ 3,976,403	$ 995,035
Contributions - Loan adj.	-	(87)	-	(207)	-	(393)
Loan repayments (cash)	148,284	224,288	146,168	216,254	147,934	205,573
401(a) receipts (payments)	(5,550)	-	(2,798)	-	1,222	-
Interest income	1,197,604	30,357	1,094,140	32,127	1,148,789	33,155
Interest income - Loan adj.	(14,341)	(28,119)	(14,901)	(28,573)	(13,738)	(27,699)
Dividend income	1,075,166	159,751	1,125,180	166,496	1,112,731	176,359
Investment expenses (net)	(405,713)	(13,732)	(290,871)	(563)	(301,437)	1,824
Benefits/withdrawals	(4,699,448)	(1,020,090)	(4,591,086)	(1,446,806)	(4,487,680)	(1,377,428)
Withdrawals - Loan adj.	10,208	7,828	14,239	7,946	11,787	10,889
New loans	(130,464)	(212,148)	(147,950)	(192,358)	(154,367)	(204,811)
Administrative expenses	(68,100)	(18,290)	(64,532)	(23,957)	(64,291)	(23,964)
	$ 548,667	$ 190,591	$ 1,147,079	$ (239,883)	$ 1,377,353	$ (211,460)

Investments

TRS investment funds include both QPP and TDA Program assets. The table below details the QPP and TDA Program's portions of the funds.

TRS Investment Funds by Plan Percentage	June 30, 2021 QPP	June 30, 2021 TDA	June 30, 2020 QPP	June 30, 2020 TDA	June 30, 2019 QPP	June 30, 2019 TDA
TRSNYC Pension Fund	70.8%	29.2%	66.3%	33.7%	67.0%	33.0%
Variable-Return Funds:						
Diversified Equity Fund*	36.3%	59.5%	37.9%	58.1%	39.0%	57.1%
Balance Fund**	9.6%	90.4%	12.1%	87.9%	15.9%	84.1%
International Equity Fund	4.5%	95.5%	5.7%	94.3%	6.9%	93.1%
Inflation Protection Fund***	-%	-%	-%	-%	5.6%	94.4%
Sustainable Equity Fund****	3.3%	96.7%	4.3%	95.7%	5.4%	94.6%
U.S. Equity Index Fund*****	6.9%	93.1%	12.8%	87.2%	-%	-%
International Equity Index Fund*****	1.0%	99.0%	1.9%	98.1%	-%	-%

* Remaining portion is held by Board of Education Retirement System.
** Bond Fund prior to January 1, 2018.
*** Fund discontinued as of April 1, 2020.
**** Socially Responsive Equity Fund prior to October 1, 2019.
***** New funds established as of January 1, 2020.

To rate investment performance, both the TRSNYC Pension Fund assets and Variable-Return Funds' investments are monitored with various benchmarks.

In addition to other indices, the "policy index" is a custom benchmark for the complete TRS NYC Pension Fund. As of June 30, 2021, the policy index includes the following percentage weights:

TRSNYC Pension Fund Policy Index as of June 30, 2021*

Investment Type	Benchmark	Percent
U.S. Equity	Russell 3000	28.3%
International Developed EAFE Markets	MSCI World ex USA IMI Net	9.8
Int'l Active - Global	MSCI World Net Dividends Index	0.3
Emerging Markets	MSCI Custom TRS Emerging Markets (Net)	9.4
International Emerging Managers FoF	NYC Blended Custom Benchmark for FoF	0.8
Private Equity	Russell 3000 + 300 b.p. per annum	6.1
Private Real Estate - Core	NFI - ODCE Net	2.2
Private Real Estate - Non Core	NFI - ODCE Net + 200 bps	1.5
Infrastructure	CPI + 4%	1.2
U.S. Treasury Short Term	FTSE USBIG Treasury 1-3Y	7.4
U.S. Treasury Intermediate	FTSE Treasury/Agency 1-10Y	1.2
U.S. Treasury Long Duration	FTSE Treasury 10+	7.4
Mortgage	Bloomberg U.S. Mortgage Backed Securities	5.4
ETI	ETI Custom Benchmark	0.7
Investment Grade Corporate	NYC – Custom IGC Benchmark	6.1
High Yield	Bloomberg Barclays U.S. High Yield 2% Issuer Capped	5.6
TIPS	Bloomberg Global Inf-Linked	3.7
Opportunistic Fixed	OFI - JPMGHY/CSFB 50/50 Blend Plus 300 b.p. per annum	2.9
		100.0%

* Source: Teachers' Retirement System of New York City Performance Overview as of June 30, 2021, prepared by State Street Bank and Trust Company ("State Street").

Variable-Return Funds are benchmarked using the Russell 3000, Dow Jones U.S. Total Stock Market Index, MSCI ACWI ex USA IMI Net Index, FTSE Global All Cap, Bloomberg Barclays 1-5 Year Government/Credit indices, as well as numerous other indices.

TRS earns additional investment income by lending its investment securities. The borrowers provide collateral to TRS that is valued in excess of the securities loaned, and the collateral is invested in short-term interest-bearing funds. For the Fiscal Year ended June 30, 2021, net securities lending income amounted to $8.1 million, a decrease of $3.6 million from Fiscal Year 2020. For the Fiscal Year ended June 30, 2020, net securities lending income amounted to $11.7 million, a decrease of $1.7 million from Fiscal Year 2019. (See Note 2.)

Investments held by TRS, including collateral from securities-lending transactions, are listed according to their investment classification in the following table:

Investment Summary (by Asset Class) (In thousands)	2021	2020	2019
Short-term investments	$ 3,219,653	$ 3,519,502	$ 1,897,730
Debt securities	35,378,973	28,073,127	26,671,698
Equity securities	70,549,286	54,912,360	54,807,149
Alternative investments	14,076,877	10,765,147	10,069,086
Collateral from securities lending	1,784,414	1,446,010	1,280,112
Total	$ 125,009,203	$ 98,716,146	$ 94,725,775

Investment Summary (by Plan) (In thousands)	2021	2020	2019
TRSNYC Pension Fund:			
QPP	$ 72,900,195	$ 54,488,989	$ 52,091,309
TDA	30,036,173	27,653,633	25,602,248
Total	102,936,368	82,142,622	77,693,557
Variable-Return Funds:			
QPP	7,273,947	5,700,118	6,161,088
TDA	13,014,474	9,427,396	9,591,018
Total	20,288,421	15,127,514	15,752,106
Collateral for Security Lending			
QPP Pension Fund	911,346	1,355,516	1,182,863
QPP Variable-Return Funds	331,005	35,724	39,451
TDA Variable-Return Funds	542,063	54,770	57,798
Total	1,784,414	1,446,010	1,280,112
Total investments	$ 125,009,203	$ 98,716,146	$ 94,725,775

CONTACT INFORMATION

This financial report is designed to provide a general overview of the Teachers' Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to Mr. Paul J. Raucci, Chief Accountant, Teachers' Retirement System of the City of New York, 55 Water Street, New York, New York 10041.

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Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2021
(In thousands)

	QPP	TDA	Eliminations	Total
ASSETS				
Cash	$ 74,742	$ 7,222	$ -	$ 81,964
Receivables:				
Investments securities sold	3,560,628	5,275	-	3,565,903
Accrued interest and dividends	304,145	21,013	-	325,158
Member loans (Note 6)	310,380	410,153	-	720,533
Total receivables	4,175,153	436,441	-	4,611,594
Investments - at fair value (Notes 2 and 3):				
TRSNYC Pension Fund Assets (Fixed-Return Fund):				
Short-term investment:				
Commercial paper	867,918	-	-	867,918
Short-term investment fund	1,028,743	-	-	1,028,743
U.S. treasury bills and agencies	1,090,552	-	-	1,090,552
Debt securities:				
U.S. government	14,889,426	-	-	14,889,426
Corporate and other	16,435,107	-	-	16,435,107
Treasury inflation-protected securities	3,594,216	-	-	3,594,216
Equity securities:				
Domestic equity	30,992,669	-	-	30,992,669
International equity	19,960,860	-	-	19,960,860
Alternative investments	14,076,877	-	-	14,076,877
Collateral from securities lending (Fixed-Return Fund)	911,346	-	-	911,346
Variable-Return Funds:				
Diversified Equity Fund:				
Short-term investments	110,049	112,971	-	223,020
Equity securities	6,901,203	11,301,600	-	18,202,803
Debt securities	174,484	285,740	-	460,224
Balanced Fund:				
Short-term investments	231	2,177	-	2,408
Equity securities	55,650	523,351	-	579,001
International Equity Fund:				
Short-term investments	114	2,396	-	2,510
International equity	10,881	229,166	-	240,047
Sustainable Equity Fund:				
Short-term investments	149	4,353	-	4,502
Equity securities	16,272	476,586	-	492,858
U.S. Equity Index Fund:				
Equity securities	4,797	64,485	-	69,282
International Equity Index Fund:				
Equity securities	117	11,649	-	11,766
Collateral from securities lending (Variable-Return Funds)	331,005	542,063	-	873,068
Total investments	111,452,666	13,556,537	-	125,009,203
TDA investment in TRSNYC Pension Fund	-	30,036,173	(30,036,173)	-
Other assets	46,194	8,781	(26,300)	28,675
Total assets	115,748,755	44,045,154	(30,062,473)	129,731,436
LIABILITIES				
Accounts payable	349,820	52,205	(26,300)	375,725
Payable for investment securities purchased	5,723,528	2,605	-	5,726,133
Accrued benefits payable	49,585	488,806	-	538,391
Due to TDA program's Fixed-Return Fund	30,036,173	-	(30,036,173)	-
Securities lending (Note 2)	1,242,351	542,063	-	1,784,414
Total liabilities	37,401,457	1,085,679	(30,062,473)	8,424,663
Net position restricted for benefits:				
Benefits to be provided by QPP	78,347,298	-	-	78,347,298
Benefits to be provided by TDA Program	-	42,959,475	-	42,959,475
Total net position restricted for benefits	$ 78,347,298	$ 42,959,475	$ -	$ 121,306,773

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

Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2020
(In thousands)

	QPP	TDA	Eliminations	Total
ASSETS				
Cash	$ 48,488	$ 7,477	$ -	$ 55,965
Receivables:				
Investments securities sold	1,889,299	8,378	-	1,897,677
Accrued interest and dividends	289,845	18,164	-	308,009
Member loans (Note 6)	323,805	401,243	-	725,048
Total receivables	2,502,949	427,785	-	2,930,734
Investments - at fair value (Notes 2 and 3):				
TRSNYC Pension Fund Assets (Fixed-Return Fund):				
Short-term investment:				
Commercial paper	381,195	-	-	381,195
Short-term investment fund	747,639	-	-	747,639
U.S. treasury bills and agencies	2,149,709	-	-	2,149,709
Debt securities:				
U.S. government	9,911,190	-	-	9,911,190
Corporate and other	14,707,801	-	-	14,707,801
Treasury inflation-protected securities	3,126,355	-	-	3,126,355
Equity securities:				
Domestic equity	25,363,162	-	-	25,363,162
International equity	14,990,424	-	-	14,990,424
Alternative investments	10,765,147	-	-	10,765,147
Collateral from securities lending (Fixed-Return Fund)	1,355,516	-	-	1,355,516
Variable-Return Funds:				
Diversified Equity Fund:				
Short-term investments	119,761	103,026	-	222,787
Equity securities	5,366,777	8,227,884	-	13,594,661
Debt securities	129,398	198,383	-	327,781
Balanced Fund:				
Short-term investments	1,086	7,865	-	8,951
Equity securities	57,937	419,544	-	477,481
International Equity Fund:				
Short-term investments	104	1,720	-	1,824
International equity	9,422	155,585	-	165,007
Sustainable Equity Fund:				
Short-term investments	315	7,082	-	7,397
Equity securities	12,691	285,775	-	298,466
U.S. Equity Index Fund:				
Equity securities	2,568	17,470	-	20,038
International Equity Index Fund:				
Equity securities	59	3,062	-	3,121
Collateral from securities lending (Variable-Return Funds)	35,724	54,770	-	90,494
Total investments	89,233,980	9,482,166	-	98,716,146
TDA investment in TRSNYC Pension Fund	-	27,653,633	(27,653,633)	-
Other assets	63,899	18,454	(48,034)	34,319
Total assets	91,849,316	37,589,515	(27,701,667)	101,737,164
LIABILITIES				
Accounts payable	299,648	83,749	(48,034)	335,363
Payable for investment securities purchased	3,096,888	15,402	-	3,112,290
Accrued benefits payable	88,957	412,069	-	501,026
Due to TDA program's Fixed-Return Fund	27,653,633	-	(27,653,633)	-
Securities lending (Note 2)	1,391,240	54,770	-	1,446,010
Total liabilities	32,530,366	565,990	(27,701,667)	5,394,689
Net position restricted for benefits:				
Benefits to be provided by QPP	59,318,950	-	-	59,318,950
Benefits to be provided by TDA Program	-	37,023,525	-	37,023,525
Total net position restricted for benefits	$ 59,318,950	$ 37,023,525	$ -	$ 96,342,475

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

Teachers’ Retirement System of the City of New York

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2021
(In thousands)

	QPP	TDA	Total
Additions			
Contributions:			
Member contributions (Note 4)	$ 247,751	$ 1,060,833	$ 1,308,584
Employer contributions	3,131,607	-	3,131,607
Other employer contributions	61,663	-	61,663
Total contributions	3,441,021	1,060,833	4,501,854
Investment income (Note 2):			
Interest income	1,197,604	30,357	1,227,961
Dividend income	1,075,166	159,751	1,234,917
Net appreciation in fair value of investments	20,489,535	3,732,859	24,222,394
Total investment income	22,762,305	3,922,967	26,685,272
Less:			
Investment expenses	415,229	15,912	431,141
Net decrease in variable expense provision	(9,516)	(2,180)	(11,696)
Net investment income	22,356,592	3,909,235	26,265,827
Securities lending transactions:			
Securities lending income	7,252	1,891	9,143
Less - securities lending fees	(856)	(192)	(1,048)
Net securities lending income	6,396	1,699	8,095
Other:			
Net receipts from other retirement systems	(5,550)	-	(5,550)
Total additions	25,798,459	4,971,767	30,770,226
Deductions			
Benefit payments and withdrawals	4,699,448	1,020,090	5,719,538
Administrative expenses (Note 8)	68,100	18,290	86,390
Other:			
Statutory interest for TDA Program’s Fixed-Return Fund	1,998,388	(1,998,388)	-
TDA rebalance	4,175	(4,175)	-
Total deductions	6,770,111	(964,183)	5,805,928
Net increase in net position	19,028,348	5,935,950	24,964,298
Net position restricted for benefits			
Beginning of year	59,318,950	37,023,525	96,342,475
End of year	$ 78,347,298	$ 42,959,475	$ 121,306,773

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

Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2020
(In thousands)

	QPP	TDA	Total
Additions			
Contributions:			
Member contributions (Note 4)	$ 226,920	$ 1,029,758	$ 1,256,678
Employer contributions	3,590,822	-	3,590,822
Other employer contributions	61,748	-	61,748
Total contributions	3,879,490	1,029,758	4,909,248
Investment income (Note 2):			
Interest income	1,094,140	32,127	1,126,267
Dividend income	1,125,180	166,496	1,291,676
Net appreciation in fair value of investments	1,972,228	128,382	2,100,610
Total investment income	4,191,548	327,005	4,518,553
Less:			
Investment expenses	296,818	11,607	308,425
Net decrease in variable expense provision	(5,947)	(11,044)	(16,991)
Net investment income	3,900,677	326,442	4,227,119
Securities lending transactions:			
Securities lending income	11,885	1,299	13,184
Less - securities lending fees	(1,375)	(128)	(1,503)
Net securities lending income	10,510	1,171	11,681
Other:			
Net receipts from other retirement systems	(2,798)	-	(2,798)
Total additions	7,787,879	1,357,371	9,145,250
Deductions			
Benefit payments and withdrawals	4,591,086	1,446,806	6,037,892
Administrative expenses (Note 8)	64,532	23,957	88,489
Other:			
Statutory interest for TDA Program's Fixed-Return Fund	1,846,173	(1,846,173)	-
TDA rebalance	(42,651)	42,651	-
Total deductions	6,459,140	(332,759)	6,126,381
Net increase in net position	1,328,739	1,690,130	3,018,869
Net position restricted for benefits			
Beginning of year	57,990,211	35,333,395	93,323,606
End of year	$ 59,318,950	$ 37,023,525	$ 96,342,475

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

NOTE 1 – SYSTEM AND PLAN DESCRIPTIONS

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”) and City laws). The City’s five major actuarially-funded pension systems are the Teachers’ Retirement System of the City of New York (“TRS” or the “System”), The New York City Employees’ Retirement System (“NYCERS”), 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.

TRS administers the TRS Qualified Pension Plan (the “QPP”) and the TRS Tax-Deferred Annuity Program (the “TDA Program”).

The QPP is a cost-sharing, multiple-employer pension plan. The QPP provides pension benefits for City public school teachers, certain other school employees, and college teachers. The Employers, in addition to The City, are The City University of New York (“CUNY”) and several Charter Schools (collectively, the “Employers”). Substantially all teachers in the public schools of The City become members of the QPP, and certain other specified school and college personnel may become members on the first day of permanent employment.

The QPP functions in accordance with State and City laws, which establish benefit terms and Employer and member contribution requirements for the QPP. The QPP is a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code (“IRC”) that has received a favorable determination letter from the Internal Revenue Service (“IRS”). The QPP combines features of a defined-benefit pension plan with those of a defined-contribution pension plan, but is a defined-benefit pension plan for financial reporting purposes. Contributions are made by the Employers and the members.

The TDA Program was established and is administered pursuant to IRC Section 403(b) and New York City Administrative Code (“NYCAC”) section 13-582 and became effective February 1, 1970. Members of the QPP have the option to participate in the TDA Program, which provides a means of deferring income tax payments on members’ voluntary contributions until after retirement or upon withdrawal of contributions. Contributions to the TDA Program are made by the members only and are voluntary. Benefits provided under the TDA Program are derived from members’ accumulated contributions and earnings thereon. The TDA Program is a defined-contribution pension plan for financial reporting purposes.

The QPP and TDA Program are fiduciary funds of The City and are included in the Pension and Other Employee Benefit Trust Funds section of The City’s Annual Comprehensive Financial Report (“ACFR”).

Board of Trustees (“TRS Board”)

The Teachers' Retirement Board, a seven-trustee Board, sets policy and oversees TRS' operations. Three TRS Board trustees are elected from and by the TRS membership. These trustees serve three-year terms. The Mayor appoints two Board trustees, one of whom must be a member of the Panel for Educational Policy. The New York City Comptroller (“Comptroller”) and the Chair of the Panel for Education Policy are the other two Board trustees, each of which may designate a representative to act on his or her behalf.

Membership Data

The QPP's and TDA Program's membership, at June 30, 2021 and June 30, 2020, consisted of:

	QPP	
	2021*	2020
Retirees and beneficiaries receiving benefits	92,000	89,536
Terminated vested members not yet receiving benefits	16,000	15,502
Terminated non-vested members**	6,000	5,604
Active members receiving salary	125,000	124,276
Total	239,000	234,918

	TDA Program	
	2021*	2020
Retirees receiving a TDA annuity	2,800	2,755
Retirees or Inactive members with TDA deferral	61,000	59,636
Active members with TDA	99,000	95,111
Total	162,800	157,502

* Preliminary
** As of June 30, 2020, 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.

The QPP's and TDA Program's membership, at June 30, 2019 and June 30, 2018, the dates of the membership data used in determining Fiscal Year 2021 and Fiscal Year 2020 employer contributions, consisted of:

	QPP	
	2019	2018
Retirees and beneficiaries receiving benefits	88,507	86,295
Terminated vested members not yet receiving benefits	13,410	16,433
Other inactives***	8,174	9,416
Active members	123,336	121,764
Total	233,427	233,908

	TDA Program	
	2019	2018
Retirees receiving a TDA annuity	2,827	2,811
Retirees or inactive members with TDA deferral	57,730	55,874
Active members with TDA	93,600	90,648
Total	154,157	149,333

*** Prior to June 30, 2020, represents members who are no longer on payroll but not otherwise classified.

Summary of Benefits

QPP Plan

The 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 and member contributions for employees joining the QPP on or after the effective date of such amendments. As such, benefits under the QPP fall into various categories (also referred to as "Tiers") based on the year when an employee joined the QPP. A brief overview follows:

- Members who joined prior to July 1, 1973 ("Tier I") are entitled to service retirement benefits of 50% of "final salary" (as defined within State and City laws) after 20 years of service; a portion is provided from member contributions, plus additional benefits equal to specified percentages (as defined within State and City laws) per year of service of "final salary" for years in excess of the 20-year minimum. These benefits are increased, where applicable, by an annuity attributable to accumulated member contributions in excess of the minimum required balance and by any benefits attributable to Increased-Take-Home-Pay ("ITHP") contributions [accumulated after the 20th year of member qualifying service]. ITHP represents amounts contributed by The City to members' QPP accounts in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the QPP during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with increased benefits upon retirement.

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

- Members who joined the QPP after June 30, 1973 and before July 27, 1976 ("Tier II") have provisions similar to Tier I, 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 limitation was subsequently eliminated under Chapter 574 of the Laws of 2000 for all Tier II members who retired after December 8, 2000. Members retiring prior to the age of 62 without 30 years of credited service are subject to an age-reduction factor in their retirement allowance. Effective February 27, 2008, active members were eligible to enroll in a 55-retirement-age minimum and 25 credited years of service retirement option ("55/25 retirement option") enabling them to eliminate any age-reduction factor in their retirement allowance (Chapter 19 of Laws of 2008). Those choosing the 55/25 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later.

  For Tier I and II members enrolled in the QPP prior to July 27, 1976, ITHP contributions made on their behalf, as well as their own contributions, are invested, at their election, in the Fixed-Return Fund or in Variable-Return Funds. Members can elect to invest in multiples of 5% and change their elections on a quarterly basis. Members receive statutory returns, currently 8.25%, on member contributions or ITHP contributions to the Fixed-Return Fund ("Fixed Annuity Program").

  Certain members of Tier I and Tier II have the right to make voluntary member contributions ("Voluntary Contributions") in excess of their required member contributions ("Required Contributions"). Both the investment of the Voluntary Contributions and the Required Contributions are directed by each member. A member may invest in: (1) the QPP's Fixed-Return Fund, in which it is credited with interest at the Statutory-Interest Rate (currently 8.25% for Tier I and Tier II contributions and 7.0% for United Federation of Teachers ("UFT") members and 8.25% for non-UFT members for TDA Contributions); and/or (2) in one or more of the QPP's Variable-Return Funds (see Note 2 – Investment Programs). At the time of retirement or refund of contributions, a member's aggregate balance of actual Required Contributions and Voluntary Contributions, including the actual accumulated earnings thereon, less the outstanding balance of any member loans ("Net Actual Contributions"), may exceed ("Excess of Contributions") or fall short of ("Deficiency of Contributions") the member's Expected Balance. The Expected Balance is the sum of the Required Contributions which a member should have made during his or her credited service, plus the earnings that would have accumulated thereon at the Statutory-Interest rate. The amount of the member's retirement annuity or the refund of contributions that he or she is entitled to is increased by any Excess of Contributions or reduced by any Deficiency of Contributions. The total value of active members' Excess of Contributions, net of all Deficiencies of Contributions, is $39.9 million and $46.4 million, for the years ended June 30, 2021 and 2020, respectively. Actuarial estimates of the impact of Excesses and Deficiencies are incorporated into the calculation of the QPP's net pension liability.

The Variable-Return Funds include only member contributions and ITHP contributions made on their behalf, as described above, and are expressed in terms of units that are valued monthly based on investment experience. At retirement, monthly annuities attributable to member Voluntary Excess Contributions and ITHP contributions can be paid in both fixed and variable amounts, based on the member's election, which can be changed quarterly. Other benefits are paid only in fixed amounts. Monthly annuities attributable to investments in the Variable-Return Funds are not fixed in amount, but are based on investment experience through the preceding month.

- Members who joined the QPP on or after July 27, 1976 and prior to September 1, 1983 ("Tier III") were later mandated into Tier IV. However, these members retain their Tier III rights. Tier III requires member contributions of 3.0% of salary for a 10-year period (Chapter 126 of the Laws of 2000) and generally provides for reducing benefits by one-half of the primary Social Security benefit attributable to service with the Employer and for an annual cost-of-living escalator in pension benefits of not more than 3.0%. Members retiring prior to the age of 62 without 30 years of credited service are subject to an age-reduction factor in their retirement allowance.

- Members who joined the QPP on or after September 1, 1983 ("Tier IV") were required to make contributions of 3.0% of salary until termination of service. As of October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier (Chapter 126 of the Laws of 2000). The annual benefit is approximately 1.67% of "final average salary" per year of service for members with less than 20 years of service and 2.0% of "final average salary" per year of service for members with 20 to 30 years of service, plus a 1.5% addition of "final average salary" per year of service in excess of 30 years of service. Members retiring prior to the age of 62 without 30 years of credited service experience an age-reduction factor in their retirement allowance. Effective February 27, 2008, active members were eligible to enroll in a 55-retirement-age minimum and 25-credited years of service retirement option enabling them to eliminate any age-reduction factor in their retirement allowance. Those choosing the age 55 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later. Members joining after February 27, 2008 are automatically enrolled in a 55-retirement-age minimum and 27-credited years of service retirement program ("55/27 retirement program"). These members are required to make additional plan contributions of 1.85% of salary until they have accumulated 27 years of credited service.

Members under the 55/27 retirement program who joined after December 10, 2009, but before April 1, 2012, were required to make contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter.

- Members who joined on and after April 1, 2012 ("Tier VI") are required to make contributions of 3.0% per year through March 31, 2013. Thereafter, contributions range from 3.0% to 6.0% in accordance with a schedule based on salary. Member contributions continue until retirement. Salary is limited to the New York State Governor's salary. Tier VI members are generally eligible to retire with unreduced benefits beginning at age 63 or with reduced benefits beginning at age 55, if vested.

  Members enrolled in the QPP on or after July 27, 1976 ("Tier III, IV, and VI") who resign or otherwise terminate from service prior to eligibility for a benefit, are refunded all of their member contributions with 5.0% interest (RSSL, Article 15). Tier III, IV, and VI members who work for the Department of Education also receive a monthly supplemental contribution. Monthly supplemental contributions totaling $550 per year for supervisors and administrators and $400 per year for other eligible members is credited to the members' Annuity Savings Accumulation Fund ("ASAF").

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

Subject to certain conditions, members become fully vested and eligible for benefits upon the completion of five years of service. After December 10, 2009, new members who belong to the UFT, and all Tier VI members, become fully vested upon the completion of 10 years of service.

The QPP provides death benefits and retirement benefits on the occurrence of accidental or ordinary disability. In terms of payment options of the retirement annuity, the QPP provides a number of options depending on whether retirement payments, following death, will continue to an assigned beneficiary.

During the Spring 2000 session, the State Legislature approved and the State Governor ("Governor") authorized automatic Cost-of-Living Adjustments ("COLAs") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000). COLA is payable to all members who are either: (1) at least age 62 and have been retired for at least five years; or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA is payable to members who retired for disability after being retired for five or more years and beneficiaries receiving accidental death benefits who have been receiving them for at least five years. COLA is one-half of the increase in the Consumer Price Index for All Urban Consumers ("CPI-U") based on the year ending March 31, rounding to the next higher 0.1%, not less than 1% nor greater than 3% of the first $18,000 of the sum of the maximum retirement allowance and prior COLA.

TDA Program

The TDA Program is administered by the TRS Board. Contributions to the TDA Program are made by the members only and are voluntary. To participate in the TDA Program, active members of the QPP are required to submit a salary-reduction agreement and enrollment request. Members may choose to stop contributions at any time. A participant may elect to exclude an amount of compensation (within the maximum allowed by the IRS) from current taxable income by contributing it to the TDA Program. This maximum amount is calculated based on various individual factors. Members can elect to invest in the Fixed-Return Fund or the Variable-Return Funds.

A participant may withdraw all or part of the balance of their account prior to or at the time of retirement. As of January 1, 1989, the tax laws restricted withdrawals of tax-deferred annuity contributions and accumulated earnings thereon for reasons other than retirement or termination. Contributions made after December 31, 1988 and investment earnings credited after December 31, 1988 may only be withdrawn upon attainment of age 59½ or for reasons of hardship (as defined by IRS regulations). Hardship withdrawals are limited to (post 88) contribution only. Previously, if a hardship withdrawal occurred, the member was not able to contribute for a six-month period. The Budget Act of 2018 authorized the plan to remove the six-month restriction beginning no later than January 2020.

If a member dies while an in-service employee, the full value of his/her TDA Program account at the date of death is paid to the member's beneficiary or estate.

When a member resigns before attaining vested rights under the QPP, (s)he may withdraw the value of the account or may leave the account in the TDA Program for a period of up to seven school years after the date of resignation, provided the member does not withdraw their account from the QPP. If a member resigns after attaining vested rights under the QPP, (s)he may leave the account in the TDA Program, provided the member does not withdraw their QPP funds. Once a withdrawal is made from the QPP, the member's participation in the TDA Program is automatically terminated, and the value of the account in the TDA Program will be paid out to the member. Upon death, TDA balances are paid to the assigned beneficiaries or may be invested on behalf of the beneficiaries in the TDA Program's Variable-Return Funds. The option for new beneficiaries to invest in the TDA Program's Variable-Return Funds was statutorily rescinded in August 2021.

At retirement, several payment options are available to those who annuitize their TDA Program funds. Generally, payment options similar to the QPP are available under the TDA Program.

See "Investments" below for a discussion of TDA investment programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The QPP and the TDA Program use the accrual basis of accounting where the measurement focus is on 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 members' salary. Employer contributions to the QPP 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 QPP and the TDA Program.

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

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 as determined in good faith by the General Partner ("GP"). These investments are initially valued at cost with subsequent adjustments that reflect third-party transactions, financial operating results, and other factors deemed relevant by the GP. Fair value is determined by plan management based on information provided by the various GPs after review by an independent consultant and the custodian bank for the funds. 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.

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

Investment Presentation – The TDA Program Fixed-Return Fund's portion of TRSNYC Pension Fund assets are shown as commingled with the QPP's portion of TRSNYC Pension Fund assets, and an offsetting liability is used to show the TDA Program's share of the funds.

Investment Programs – Prior to July 1, 2008, investments were comprised of the assets of the following investment programs: the TRSNYC Pension Fund (which includes the Fixed-Return Fund, which was previously referred to as the Fixed Annuity Program) and two Variable-Return Funds – the Diversified Equity Fund and the Stable-Value Fund. As of July 1, 2008, the investment programs were expanded to include three new Variable-Return Funds – the International Equity Fund, the Inflation Protection Fund, and the Socially Responsive Equity Fund. On January 1, 2012, the Stable-Value Fund became the Bond Fund. On January 1, 2018, the Bond Fund became the Balanced Fund. The Balanced Fund's objective is to seek current income and some capital appreciation by investing in a portfolio that includes both stocks and bonds. As of October 1, 2019, the Socially Responsive Equity Fund became the Sustainable Equity Fund. On January 1, 2020, the investment programs were expanded to include two new Variable-Return Funds – U.S. Equity Index Fund and International Equity Index Fund. The investment objective of the U.S. Equity Index Fund is to track the total return of the broad U.S. equity market, including large-, mid-, and small-capitalization stocks. The investment objective of the International Equity Index Fund is to track the total return of non-U.S. equity markets, including developed markets and emerging markets. As of April 1, 2020, the Inflation Protection Fund was discontinued. The TRS investment programs are collectively referred to as TRS Passport Funds.

All investment programs excluding the TRSNYC Pension Fund are referred to as the Variable-Return Funds. The TRSNYC Pension Fund includes System investments from QPP employer contributions, QPP Tier I and II members' and ITHP contributions, QPP Tier III, IV, and VI members' contributions, and ASAF contributions and TDA Program member contributions invested in the Fixed-Return Fund. Investing in Variable-Return Funds is available for both QPP Tier I and II members' and ITHP contributions, and TDA program investments.

In the Fixed-Return Fund, deposits from members' TDA Program accounts are invested along with QPP assets and TDA Program accounts and are credited with a fixed rate of return, determined by the New York State Legislature ("Statutory-Interest Rates"). Payment of the Statutory Interest is an obligation of The City (NYCAC section 13-533). The Statutory-Interest Rates are as follows:

- 7% for TDA investments by members who are serving in (or resigned/retired from) titles represented by the UFT. The crediting rate of 7% has been in effect since December 11, 2009. The prior crediting rate of 8.25% had been in effect from July 1, 1988 to December 11, 2009.

- 8.25% for TDA investments by all other members. This crediting rate has been in effect since July 1, 1988.

TDA Program assets are pooled with QPP assets for investment purposes only. NYC Administrative Code section 13-582, subdivision [k], provides for the maintenance of TDA accounts in the Annuity Savings Funds ("Fixed-Return Fund") and Variable Annuity Programs ("Variable-Return Funds"), which are distinct from similar funds for the QPP. This is in accordance with requirements that assets of the TDA Program be accounted for separately from assets of the QPP Plan. Statutory Rates received by funds invested in the QPP and the TDA Program's Annuity Savings Fund ("Fixed-Return Fund") are set, respectively, by NYCAC sections 13-638.2 and 13-582 [d].

Assets in the TDA Fixed-Return Fund are invested with assets of the QPP on a pro-rata basis consistent with the QPP's asset allocation policy. Earnings on these investments over (or under) the Statutory Rates are considered by The City's Chief Actuary of the Office of the Actuary (the "Actuary") in determining employer contribution obligations. Earnings over the Statutory Rates accrue to the benefit of the QPP. Earnings under the Statutory Rates are considered by the Actuary in determining employer contributions to the QPP, such that The City is ultimately responsible for any deficiency. For financial reporting purposes, TDA fixed return assets, invested alongside QPP assets, are reflected as a receivable due from the QPP equal in amount to the aggregate original principal amounts contributed by TDA Program members to the fixed return program, plus accrued interest at the Statutory Rate adjusted for withdrawals and transfers to or from variable funds. This receivable is reported by the TDA Program as an Investment in the Fixed-Return Fund, and the corresponding liability is reported by the QPP as Fixed-Return Funds due to TDA.

Assets of the Variable-Return Funds of the QPP and the TDA Program Diversified Equity Fund and International Equity Fund are co-invested along with certain assets of the BERS. These financial statements reflect the QPP's and TDA Program's Variable-Return Funds' proportionate shares of Diversified Equity Fund investments and the related activity.

Other Employer Contributions – Include amounts for Contingent Reserve Funds for half (or employer's portion) of Additional Member Contributions (Chapter 19 1.85%), buyback payments for outside and military service, and The New York City Department of Education ("DOE") supplemental contributions for the ASAF and Annuity Savings Fund ("ASF"). The Employer portion of Additional Member Contributions is not part of the employer's appropriation amount and also not recoverable by the member upon the member's resignation.

Investment Expenses – The Variable-Return Funds maintain a reserve for administrative and investment expenses. As of June 30, 2021, the reserve was $64.562 million for QPP and $30.226 million for TDA. The expense reserve and net investment expenses for 2021 were reduced by $9.516 million for QPP and $2.180 million for TDA. As of June 30, 2020, the reserve was $73.749 million for QPP and $32.396 million for TDA. The expense reserve and net investment expenses for 2020 were reduced by $5.947 million for QPP and $11.043 million for TDA.

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

Accounts Payable – Accounts payable is principally comprised of amounts owed to the System's banks due to depositories, unclaimed payments, reserves for investment and administrative expenses for the Variable-Return Funds, and investment expenses accrued to the QPP and TDA Program. The System's practice is to fully invest its day-end cash balances in a pooled short-term fund. A typical benefit payment bank account would show no balance, since funding only occurs when benefit payment checks are presented to the bank for payment each day.

Intra-fund Payable/Receivable – At fiscal year-end, intra-fund payables/receivables between the TRSNYC Pension Fund and the Variable-Return Funds are excluded from QPP and TDA Program assets. The NYCAC Sections 13-577 and 13-582 provide for certain internal transfers of funds. These transfers are intended to rebalance estimated actuarial liabilities with reported assets. In Fiscal Year 2021, $38.7 million was transferred from the QPP Variable-Return Funds to the QPP TRSNYC Pension Fund. In addition, in Fiscal Year 2021, $4.2 million was transferred to the TDA from the QPP Program.

In Fiscal Year 2020, $9.7 million was transferred from the QPP TRSNYC Pension Fund to the QPP Variable-Return Funds. In addition, in Fiscal Year 2020, $42.7 million was transferred to the QPP from the TDA Program.

Payment of Statutory-Interest on the TDA Program's Fixed-Return Fund – The fixed interest, credited to TDA Program member account balances invested in the Fixed-Return Fund (7.0% APR for UFT members after December 10, 2009; 8.25% APR for non-UFT members and for UFT members prior to December 10, 2009), and owed and transferred to the TDA Program, is reported as a transfer payment of interest by the QPP and transfer receipt of interest for the TDA Program.

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. The eliminations include offsetting payables and receivables associated with the TDA Program's investment in the TRSNYC Pension Fund. In addition, payables and receivables between the QPP, the TDA Program, and the System's administrative expense fund are eliminated.

Securities-Lending Transactions – State statutes and Board policies permit the Funds to lend their 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, Treasury, and U.S. Government securities. The Funds' 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, 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, 2021 and 2020, management believes that the Funds had no credit risk exposure to borrowers because the fair value of collateral held by the System equaled or exceeded the fair value of securities lent to the borrowers. Also, the contracts with the Funds' Securities Lending Agent (the "Agent") require the Agent to indemnify the Funds as follows: In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities' cost and the collateral value is covered by the Agent. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. Cash collateral is invested by the securities-lending agent using approved Lender's Investment guidelines. The weighted-average maturity is 8.3 days for collateral investments under State Street's TRSNYC Pension Fund investments and 1.0 days for JPMorgan Chase's Variable-Return Fund investments. The securities-lending program in which the Funds participate only allows pledging or selling securities in the case of borrower default.

During Fiscal Year 2021, net earnings from the securities-lending program were $8.1 million. Net earnings from QPP were $6.4 million, including $5.4 million from TRSNYC Pension Fund and $1.0 million from Variable-Return Funds. The TDA net earnings from the Variable-Return Funds securities-lending program amounted to $1.7 million.

During Fiscal Year 2020, net earnings from the securities-lending program were $11.7 million. Net earnings from QPP were $10.5 million, including $9.7 million from TRSNYC Pension Fund and $763.6 thousand from Variable-Return Funds. The TDA net earnings from the Variable-Return Funds securities-lending program amounted to $1.2 million.

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 Combining Statements of Fiduciary Net Position. Cash received as collateral on securities-lending transactions and investments made with that cash are reported as assets. As of the balance sheet date, the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 7.3 days for State Street’s TRSNYC Pension Fund investments and 0.0 days for JPMorgan Chase’s Variable-Return Fund investments. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them with a borrower default. Accordingly, the System records the investments purchased with the cash collateral from securities lending with a corresponding liability for securities lending. Securities on loan are carried at fair value; as of June 30, 2021 and 2020, the values on loan by the TRSNYC Pension Fund were $1.0 billion and $1.4 billion, respectively, and the values on loan by the Variable-Return Funds were $853.0 million and $87.3 million, respectively. Collateral received related to securities lending as of June 30, 2021 and 2020 was $1.1 billion and $1.4 billion, respectively, for the TRSNYC Pension Fund, and $873.1 million and $90.5 million, respectively, for the Variable-Return Funds.

New Accounting Standards Adopted – GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term Annual Comprehensive Financial Report and its acronym ACFR. The new term replaces comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The System has decided to early implement this pronouncement and has applied the change as of the issuance of this report.

NOTE 3 – INVESTMENTS AND DEPOSITS

The Comptroller acts as an investment advisor to TRS and employs an independent consultant for the TRSNYC Pension Fund. In addition, TRS employs an independent investment consultant as an investment advisor for its Variable-Return Funds. TRS utilizes 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.

RSSL and NYCAC authorize the investment of assets subject to the terms, conditions, limitations, and restrictions imposed by law for investments by savings bank and domestic life insurance companies. The State Retirement and Social Security Law §§ 176-178(a), Banking Law § 235, and the ACNY establish the criteria for permissible equity investments. Investments up to 25% of total assets of the QPP and the TDA Program may be made in instruments not expressly permitted by the State RSSL.

QPP and TDA Program assets are diversified over a range of investments, and multiple strategies are used in an effort to limit overall risk.

TRS possesses investment policy statements for its QPP and TDA Program, and investment risk management is an inherent function of the asset allocation process. The System's assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk. The asset allocation per investment program and targeted for Fiscal Years 2021 and 2020 included securities in the following categories. TRSNYC Pension Fund primarily holds QPP assets and the returns from this fund impact the funding of the QPP, a defined-benefit plan. The Variable-Return Funds primarily relate to the TDA Program, a defined-contribution plan.

TRSNYC Pension Fund Target Asset Allocations Investment Type	Asset Allocation Percentages * 2021	 2020
Common stock	28.4%	29.2%
International investments - Non-U.S.	10.5%	10.5%
International investments - Emerging markets	9.6%	9.6%
Alternative investments - Real estate	3.7%	3.9%
Alternative investments - Private equity	6.2%	5.3%
Alternative investments - Infrastructure	1.2%	1.2%
Alternative investments - Opportunistic-fixed income	2.9%	2.9%
Fixed income	37.5%	37.4%
Total	100.0%	100.0%

* Represents adjusted target policy percentages.

Variable-Return Funds Target Asset Allocations Investment Type	Asset Allocation Percentages 2021	 2020
Diversified Equity (Variable A):		
Common stock - Passive	55.0%	55.0%
Common stock - Active	15.0%	15.0%
Common stock - Defensive	10.0%	10.0%
International investments	20.0%	20.0%
Balanced Fund (formerly Bond Fund - Variable B):		
Fixed Income	70.0%	70.0%
Equity	30.0%	30.0%
International Equity (Variable C):		
International Investments	100.0 %	100.0%
Sustainable Equity (former Socially Responsible - Variable E):		
Sustainable Equity BA SEF	100.0%	100.0%
U.S. Equity Index (established January 1, 2020 - Variable F):		
U.S. Equity Index Fund	100.0%	100.0%
International Equity Index (established January 1, 2020 - Variable G):		
International Equity Index Fund	100.0%	100.0%

State Street is currently the custodial bank for the securities of the TRSNYC Pension Fund. JPMorgan Chase is currently the custodial bank for the securities of the Variable-Return programs.

The information reflected in the Credit Ratings and in the Years to Maturity is derived from the Custodians' Risk and Performance Analytics Reporting System.

Concentrations – In accordance with RSSL § 177, the System's investment programs do not have investments in any individual company that may represent more than 2% of the QPP or TDA Program total net assets or 5% of the company's total outstanding shares. The above concentration exclusion does not apply to obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal.

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

The quality ratings of the TRSNYC Pension Fund investments, by percentage of the rated portfolio, as described by nationally recognized rating organizations, at June 30, 2021 and 2020, are as follows:

Investment Type Pension Fund June 30, 2021 (In percent)	Moody's Quality Ratings																	
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	No Rated	Total
U.S. government	37.81%	0.03%	-%	-%	0.02%	-%	-%	0.01%	0.07%	0.01%	-%	-%	-%	-%	-%	-%	-%	1.09%	39.04%
Corporate bonds	22.73%	0.15%	0.20%	0.15%	0.75%	2.14%	1.76%	2.33%	3.10%	2.61%	1.36%	1.65%	2.10%	2.28%	1.98%	1.90%	2.26%	2.83%	52.28%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.27%	2.27%
Discount notes and T-bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.78%	2.78%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	3.63%	3.63%
Percent of rated portfolio	60.54%	0.18%	0.20%	0.15%	0.77%	2.14%	1.76%	2.34%	3.17%	2.62%	1.36%	1.65%	2.10%	2.28%	1.98%	1.90%	2.26%	12.60%	100.00%

Investment Type Pension Fund June 30, 2020 (In percent)	Moody's Quality Ratings																	
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	No Rated	Total
U.S. government	30.34%	0.04%	0.01%	-%	0.03%	0.01%	0.01%	0.09%	0.15%	0.01%	-%	-%	-%	-%	-%	-%	-%	1.05%	31.74%
Corporate bonds	23.22%	0.20%	0.21%	0.36%	0.54%	1.81%	2.29%	2.15%	3.14%	2.98%	1.66%	2.06%	3.05%	2.75%	3.07%	2.02%	2.22%	4.04%	57.77%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.22%	1.22%
Discount notes and T-bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	6.88%	6.88%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.39%	2.39%
Percent of rated portfolio	53.56%	0.24%	0.22%	0.36%	0.57%	1.82%	2.30%	2.24%	3.29%	2.99%	1.66%	2.06%	3.05%	2.75%	3.07%	2.02%	2.22%	15.58%	100.00%

The quality ratings of the Variable-Return Fund investments, both QPP and TDA, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2021 and 2020, are as follows:

Investment Type Variable-Return Funds June 30, 2021 (In percent)	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	No Rated	Total
Corporate	-%	-%	-%	-%	-%	0.14%	-%	1.25%	1.13%	0.72%	-%	0.84%	-%	0.87%	-%	-%	-%	60.45%	65.40%
Short term:																			
U.S. Treasury bills	0.12%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.12%
Money market	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	34.48%	34.48%
Percent of rated portfolio	0.12%	-%	-%	-%	-%	0.14%	-%	1.25%	1.13%	0.72%	-%	0.84%	-%	0.87%	-%	-%	-%	94.93%	100.00%

Investment Type Variable-Return Funds June 30, 2020 (In percent)	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	No Rated	Total
Corporate	-%	-%	-%	-%	-%	0.45%	0.73%	1.00%	0.63%	0.59%	-%	0.38%	-%	0.87%	-%	-%	-%	52.91%	57.56%
Short term:																			
U.S. Treasury bills	0.43%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.43%
Money market	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	42.01%	42.01%
Percent of rated portfolio	0.43%	-%	-%	-%	-%	0.45%	0.73%	1.00%	0.63%	0.59%	-%	0.38%	-%	0.87%	-%	-%	-%	94.92%	100.00%

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that in the event of a failure of the counterparty or depository financial institution, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Funds and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Funds. Consistent with the Funds' investment policy, investments are held by the custodians of the TRSNYC Pension Fund and Variable-Return Funds and registered in the System's or QPP and TDA Program's name.

Generally, the System is the sole account owner of the custodial account. However, the Diversified Equity and International Investment Funds are co-invested along with certain assets of BERS. Also, as of June 30, 2021, 0.6% of the TRSNYC Pension Fund assets were held in NYC commingled trust accounts owned 100% by The City's pension systems and related funds.

All of the System's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") or are collateralized by securities held by a financial institution separate from the Funds' depository financial institution. However, the Fund's cash balances can exceed FDIC insured limits. Non-invested cash is swept into the custodial bank's short-term investment intraday account, which is not FDIC insured.

Interest Rate Risk – Interest rate risk is the risk that the value of debt securities will be affected by fluctuations in market interest rates. 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) of TRSNYC Pension Fund investments, both QPP and TDA, as shown by the percent of the rated portfolio at June 30, 2021 and 2020, are as follows:

Investment Type TRSNYC Pension Fund June 30, 2021	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	39.02%	-%	24.63%	6.11%	8.28%
Corporate bonds	52.29%	0.19%	15.98%	13.61%	22.51%
Short term:					
Commercial paper	2.28%	2.28%	-%	-%	-%
Pooled funds	2.78%	2.78%	-%	-%	-%
Discount notes and treasury bills	3.63%	3.63%	-%	-%	-%
Percent of rated portfolio	100.00%	8.88%	40.61%	19.72%	30.79%

Investment Type TRSNYC Pension Fund June 30, 2020	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	31.74%	0.02%	11.23%	3.19%	17.30%
Corporate bonds	57.77%	0.47%	21.09%	14.38%	21.83%
Short term:					
Commercial paper	1.22%	1.22%	-%	-%	-%
Pooled funds	2.39%	2.39%	-%	-%	-%
Discount notes and treasury bills	6.88%	6.88%	-%	-%	-%
Percent of rated portfolio	100.00%	10.98%	32.32%	17.57%	39.13%

The lengths of investment maturities (in years) of the Variable-Return Funds for QPP and TDA, as shown by the percent of the rated portfolio at June 30, 2021 and 2020, are as follows:

Investment Type Variable-Return Funds June 30, 2021	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	65.40%	1.74%	47.68%	14.20%	1.78%
Short term:					
U.S. treasury bills	0.12%	0.12%	-%	-%	-%
Money market funds	34.48%	34.48%	-%	-%	-%
Percent of rated portfolio	100.00%	36.34%	47.68%	14.20%	1.78%

Investment Type Variable-Return Funds June 30, 2020	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	57.56%	3.18%	35.58%	16.46%	2.34%
Short term:					
U.S. treasury bills	0.43%	0.43%	-%	-%	-%
Money market funds	42.01%	42.01%	-%	-%	-%
Percent of rated portfolio	100.00%	45.62%	35.58%	16.46%	2.34%

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 have proven to be effective diversifiers in a total portfolio context; therefore, the TRSNYC Pension Fund 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. In addition, the TRSNYC Variable-Return Funds have investments in foreign stocks and/or bonds denominated in foreign currencies.

Foreign currency exposures as of June 30, 2021 and 2020, are as follows:

Trade Currency (in thousands)	Pension Fund June 30, 2021	Variable-Return Funds June 30, 2021	Pension Fund June 30, 2020	Variable-Return Funds June 30, 2020
Euro Currency	$ 5,288,835	$ 900,568	$ 3,676,357	$ 695,985
Hong Kong Dollar	2,871,758	278,805	2,386,667	217,079
Japanese Yen	2,033,567	551,608	1,832,279	497,803
British Pound Sterling	1,630,961	418,876	1,260,854	312,614
South Korean Won	1,514,184	200,064	995,140	65,891
New Taiwan Dollar	1,425,501	133,473	986,116	66,461
Indian Rupee	1,209,648	129,047	764,006	50,560
Swiss Franc	1,060,872	224,007	761,446	210,789
Canadian Dollar	543,778	90,768	320,557	52,534
Australian Dollar	470,171	129,060	282,025	103,740
Brazilian Real	437,951	54,757	317,461	16,562
Danish Krone	429,059	71,691	343,104	52,924
South African Rand	272,607	41,611	263,540	10,677
Swedish Krona	272,588	82,261	178,183	59,481
Chinese Yuan (Offshore)	255,441	-	270,523	-
Chinese Yuan Renminbi	203,122	37,586	64,504	21,298
Singapore Dollar	168,072	30,592	118,444	25,324
Polish Zloty	167,807	12,067	71,998	1,785
Indonesian Rupiah	158,395	14,925	162,937	5,956
Mexican Nuevo Peso	142,919	21,830	124,283	3,624
Norwegian Krone	119,825	22,097	82,110	13,628
Thai Baht	118,343	15,910	131,190	9,071
Malaysian Ringgit	75,121	3,710	84,761	1,504
Russian Ruble	46,415	3,310	-	-
Philippines Peso	40,081	31	59,058	119
Chilean Peso	39,859	955	42,305	996
Hungarian Forint	32,682	224	30,271	1,406
Turkish Lira	29,282	5,795	71,209	10,439
Israeli Shekel	22,815	5,734	21,439	4,101
UAE Dirham	17,383	7,292	26,774	3,137
Qatari Rial	12,175	-	25,951	-
New Zealand Dollar	10,042	9,176	10,560	6,962
Czech Koruna	7,209	51	7,932	43
Kuwaiti Dinar	6,135	-	-	-
Colombian Peso	4,270	-	11,195	-
Egyptian Pound	1,344	6,150	5,572	875
Pakistan Rupee	838	-	212	-
Peruvian Nuevo Sol	-	-	1,197	-
Saudi Arabian Ryal	-	18,160	-	925
Total	$ 21,141,055	$ 3,522,191	$ 15,792,160	$ 2,524,293

Securities Lending Transactions

Credit Risk – The quality ratings of investments held as collateral for Securities Lending by the TRSNYC Pension Fund at June 30, 2021 and 2020 are as follows:

Investment Type and Fair Value of
Securities Lending Transactions - TRSNYC Pension Fund

June 30, 2021 (In thousands)	Moody's Quality Ratings Aaa & Below	A1	A2	A3	Baa2	Not Rated	Total
Short term:							
Reverse repurchase agreements	$ -	$ -	$ -	$ -	$ -	$ 121,000	$ 121,000
Money market	508,615	-	-	-	-	165,144	673,759
U.S. agency	-	-	-	-	-	34,954	34,954
Cash or cash equivalent	-	92,365	-	-	-	-	92,365
Uninvested	-	-	-	-	-	(10,732)	(10,732)
Total	$ 508,615	$ 92,365	$ -	$ -	$ -	$ 310,366	$ 911,346
Percent of securities lending portfolio	55.81%	10.13%	-%	-%	-%	34.06%	100.00%

Uninvested securities are due to late collateral settlements where the cash positions changed after cash-collateral investments were made. As of June 30, 2021, the System had a greater amount of cash-collateral investments than amount in open loans which resulted in an overinvestment of $10.7 million.

June 30, 2020 (In thousands)	Moody's Quality Ratings Aaa & Below	A1	A2	A3	Baa2	Not Rated	Total
Short term:							
Reverse repurchase agreements	$ -	$ -	$ 77,299	$ 117,494	$ 8,589	$ 541,141	$ 744,523
Money market	227,787	-	-	-	-	97,106	324,893
U.S. agency	-	-	-	-	-	148,999	148,999
Cash or cash equivalent	-	135,529	-	-	-	-	135,529
Uninvested	-	-	-	-	-	1,572	1,572
Total	$ 227,787	$ 135,529	$ 77,299	$ 117,494	$ 8,589	$ 788,818	$ 1,355,516
Percent of securities lending portfolio	16.81%	10.00%	5.70%	8.67%	0.63%	58.19%	100.00%

The quality ratings of investments held as collateral for Securities Lending under the Variable-Return Funds at June 30, 2021 and 2020 are as follows:

Investment Type and Fair Value of
Securities Lending Transactions - Variable-Return Funds

June 30, 2021 (In thousands)	Moody's Quality Ratings Aaa	A3	Not Rated	Total
Government	$ 710,023	$ -	$ -	$ 710,023
Short term:				
Repurchase agreements	-	-	131,050	131,050
U.S. treasury	31,975	-	-	31,975
Uninvested	-	-	20	20
Total	$ 741,998	$ -	$ 131,070	$ 873,068
Percent of securities lending portfolio	84.99%	-%	15.01%	100.00%

June 30, 2020 (In thousands)	Moody's Quality Ratings Aaa	A3	Not Rated	Total
Government	$ 17,777	$ -	$ -	$ 17,777
Short term:				
Repurchase agreements	47,743	-	22,524	70,267
U.S. treasury	2,450	-	-	2,450
Total	$ 67,970	$ -	$ 22,524	$ 90,494
Percent of securities lending portfolio	75.11%	-%	24.89%	100.00%

Interest Rate Risk – The lengths of investment maturities (in years) of the collateral for Securities Lending held by the TRSNYC Pension Fund at June 30, 2021 and 2020 are as follows:

Years to Maturity
Investment Type TRSNYC Pension Fund

June 30, 2021 (In thousands)	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short term:					
Reverse repurchase agreement	$ 121,000	$ 121,000	$ -	$ -	$ -
Money market	673,759	673,759	-	-	-
U.S. agency	34,954	34,954	-	-	-
Cash equivalents	92,365	92,365	-	-	-
Uninvested	(10,732)	(10,732)	-	-	-
Total	$ 911,346	$ 911,346	$ -	$ -	$ -
Percent of securities lending portfolio	100.00%	100.00%	-%	-%	-%

Years to Maturity
Investment Type TRSNYC Pension Fund

June 30, 2020 (In thousands)	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short term:					
Reverse repurchase agreement	$ 744,523	$ 744,523	$ -	$ -	$ -
Money market	324,893	324,893	-	-	-
U.S. agency	148,999	148,999	-	-	-
Cash equivalents	135,529	135,529	-	-	-
Uninvested	1,572	1,572	-	-	-
Total	$ 1,355,516	$ 1,355,516	$ -	$ -	$ -
Percent of securities lending portfolio	100.00%	100.00%	-%	-%	-%

The lengths of investment maturities (in years) of the collateral for Securities Lending held under the Variable-Return Funds at June 30, 2021 and 2020 are as follows:

Years to Maturity
Investment Type Variable-Return Funds

June 30, 2021 (In thousands)	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Government	$ 710,023	$ 76,148	$ 357,414	$ 155,185	$ 121,276
Short term:					
Repurchase agreements	131,050	131,050	-	-	-
U.S. treasury	31,975	31,975	-	-	-
Uninvested	20	20	-	-	-
Total	$ 873,068	$ 239,193	$ 357,414	$ 155,185	$ 121,276
Percent of securities lending portfolio	100.00%	27.40%	40.94%	17.77%	13.89%

Years to Maturity
Investment Type Variable-Return Funds

June 30, 2020 (In thousands)	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Government	$ 17,777	$ 2,128	$ 8,129	$ 3,452	$ 4,068
Short term:					
Repurchase agreements	70,267	70,267	-	-	-
U.S. treasury	2,450	2,450	-	-	-
Total	$ 90,494	$ 74,845	$ 8,129	$ 3,452	$ 4,068
Percent of securities lending portfolio	100.00%	82.71%	8.98%	3.81%	4.50%

Rate of Return – For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on the TRSNYC Pension Fund was 24.8% and 4.92%, respectively. 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 System adopted GASB 72. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The System has the following recurring fair value measurements as of June 30, 2021 and June 30, 2020:

GASB 72 - Disclosure (TRSNYC Pension Fund) (In thousands)	2021			
	Level 1	Level 2	Level 3	Total
Investments - at fair value (Notes 2 and 3):				
Short-term investments:				
Commercial paper	$ -	$ 867,918	$ -	$ 867,918
Short-term investment fund	-	1,028,743	-	1,028,743
U.S. Treasury bills and agencies	-	1,090,552	-	1,090,552
Debt securities:				
U.S. government	-	14,885,336	4,090	14,889,426
Corporate and other	-	16,200,968	234,139	16,435,107
Treasury inflation-protected securities	-	3,594,216	-	3,594,216
Equity securities:				
Domestic equity	30,977,695	6,576	8,398	30,992,669
International equity	19,816,594	-	144,266	19,960,860
Alternative investments	22,602	235,533	13,818,742	14,076,877
Total pension fund investments	$ 50,816,891	$ 37,909,842	$ 14,209,635	$ 102,936,368

GASB 72 - Disclosure (TRSNYC Pension Fund) (In thousands)	2020			
	Level 1	Level 2	Level 3	Total
Investments - at fair value (Notes 2 and 3):				
Short-term investments:				
Commercial paper	$ -	$ 381,195	$ -	$ 381,195
Short-term investment fund	-	747,639	-	747,639
U.S. Treasury bills and agencies	-	2,149,709	-	2,149,709
Debt securities:				
U.S. government	-	9,911,190	-	9,911,190
Corporate and other	-	14,439,071	268,730	14,707,801
Treasury inflation-protected securities	-	3,126,355	-	3,126,355
Equity securities:				
Domestic equity	25,354,212	-	8,950	25,363,162
International equity	14,979,798	-	10,626	14,990,424
Alternative investments	15,454	193,447	10,556,246	10,765,147
Total pension fund investments	$ 40,349,464	$ 30,948,606	$ 10,844,552	$ 82,142,622

Equity and Debt Securities and Short-Term Investments

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

Alternative Investments

Alternative investments include Private Equity, Real Estate, Opportunistic-Fixed Income, and Infrastructure Investments.

Alternative investments by Asset Class (in thousands)	2021	2020
Infrastructure	$ 1,236,015	$ 993,461
Opportunistic-fixed income	2,891,031	2,373,458
Private equity	6,182,170	4,279,636
Private real estate	3,767,661	3,118,592
	$ 14,076,877	$ 10,765,147

These are mainly investments for which exchange quotations are not readily available. They are valued at Net Asset Value ("NAV") calculated by the GP's time-lagged valuation policy, and involve estimation. Alternative investments are mainly illiquid and typically not sold or redeemed. These investments are initially valued at cost, with subsequent adjustments that reflect third-party transactions, financial operating results, and other factors deemed relevant by the GP. The assets in the System's Alternative Investment program are classified mainly as Level 3 assets. A more detailed explanation of the Level 3 valuation methodologies follows:

Investments in non-public equity securities are valued by the GP or by 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. For the immediate time period following a transaction, the determination of fair value for equity securities, in which no liquid trading market exists, can generally be approximated based on the transaction price (absent any significant developments). Thereafter, or in the interim, if significant developments relating to such portfolio company or industry occur which may suggest a material change in value, the GP should value each investment by applying generally accepted valuation methods, including: (1) the market approach (such as market transaction and comparable public company multiples, which are based on a measurement of the company's historical and projected financial performance with typical metrics, including enterprise value/latest 12 months Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") or projected fiscal-year EBITDA); or (2) the income or discounted cash flow approach.

In the market approach, valuation multiples that are relevant to the industry and company in the investments held should be considered and relied upon. Valuation multiples should be assessed and may be adjusted on a go-forward basis based on the business risk associated with the subject company in which the investment is held. In addition, the implied entry multiples should be considered as benchmarks in valuing unlisted equity. In circumstances where no financial performance metrics are available, the GP should rely on other non-financial related metrics applicable to relevant progress from the original investment date to the valuation date. In the income or discounted cash flow approach, forecasted cash flows that may be generated by the subject company are discounted to present value at an appropriate discount rate. These methodologies can be utilized to determine an enterprise value ("Enterprise Valuation Methodologies") from which net debt is subtracted to estimate equity value.

The determination of fair value using these methodologies should take into consideration a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. 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. These financial instruments have been classified as Level 3 in the fair value hierarchy.

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.

GASB 72 - Disclosure (Variable-Return Funds) June 30, 2021 (In thousands)	2021			
	Level 1	Level 2	Level 3	Total
Investments - at fair value				
Diversified Equity Fund:				
Short-term investments	$ -	$ 223,020	$ -	$ 223,020
Equity securities	17,362,473	519,461	320,869	18,202,803
Debt securities	-	460,224	-	460,224
Balanced Fund:				
Short-term investments	-	2,408	-	2,408
Equity securities	579,001	-	-	579,001
International Equity Fund:				
Short-term investments	-	2,510	-	2,510
International equity	228,965	6,851	4,231	240,047
Sustainable Equity Fund:				
Short-term investments	-	4,502	-	4,502
Equity securities	492,858	-	-	492,858
U.S. Equity Index Fund:				
Equity securities	-	69,282	-	69,282
International equity index fund:				
Equity securities	-	11,766	-	11,766
Total Variable-Return Funds investments	$ 18,663,297	$ 1,300,024	$ 325,100	$ 20,288,421

GASB 72 - Disclosure (Variable-Return Funds)
June 30, 2020
(In thousands)

	2020			
	Level 1	Level 2	Level 3	Total
Investments - at fair value				
Diversified Equity Fund:				
Short-term investments	$ -	$ 222,787	$ -	$ 222,787
Equity securities	12,929,011	571,870	93,780	13,594,661
Debt securities	-	327,775	6	327,781
Balanced Fund:				
Short-term investments	-	8,951	-	8,951
Equity securities	477,481	-	-	477,481
International Equity Fund:				
Short-term investments	-	1,824	-	1,824
International equity	156,928	6,941	1,138	165,007
Sustainable Equity Fund:				
Short-term investments	-	7,397	-	7,397
Equity securities	298,466	-	-	298,466
U.S. Equity Index Fund:				
Equity securities	-	20,038	-	20,038
International Equity Index fund:				
Equity securities	-	3,121	-	3,121
Total Variable-Return Funds investments	$ 13,861,886	$ 1,170,704	$ 94,924	$ 15,127,514

Equity securities classified in Level 1 of the fair value hierarchy (above) are valued using prices quoted in active markets for those securities.

Equity and debt securities classified in Level 2 of the fair value hierarchy (above) are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Securities are classified in Level 3 (above) when inputs to the valuation methodology are unobservable and significant to the fair value measurement. Instruments are often based on internally developed models of the custodian, in which there are few, if any, external observations. Generally, Level 3 includes distressed securities or alternative investments.

NOTE 4 – QPP CONTRIBUTIONS

The financial objective of the QPP is to fund members' retirement benefits during their active service and to establish employer contribution rates that, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. The Employers contribute 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 on the basis of a normal rate of contribution that is assigned by the QPP at membership. This member normal rate, which is dependent upon age, years of prior service, and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-fourth of the service retirement allowance at the earliest age for service retirement. For age at membership equal to 20 and with no prior service, the member normal rate is equal to 4.6%. For age at membership equal to 40 with no prior service, the member normal rate is equal to 3.6%.

Members who joined on or after July 27, 1976 are mandated to contribute 3% of salary. 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.

Effective February 27, 2008, active members were eligible to enroll in a 55 retirement-age minimum and 25 credited years of service retirement option ("55/25 retirement option"), enabling them to eliminate any age-reduction factor in their retirement allowance. Those choosing the age 55/25 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later. Members joining after February 27, 2008 are automatically enrolled in a 55-retirement-age minimum and 27 credited years of service retirement program ("55/27 retirement program"). These members are required to make additional pension contributions of 1.85% of salary until they have accumulated 27 years of credited service. Chapter 504 of the Laws of 2009 ("Chapter 504/09") provides that individuals joining after December 10, 2009, who participate in the 55/27 retirement program, are required to make pension contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter.

Under Chapter 18 of the Laws of 2012, members who join on and after April 1, 2012 are automatically enrolled in Tier VI. These members are required to make contributions ranging from 3.0% (based on a salary of $45,000 and less) to 6.0% (based on a salary above $100,000) until separation from service or retirement.

Employer Contributions – Statutorily-required contributions ("Statutory Contributions") to the QPP, determined by the Actuary in accordance with the State statutes and City laws, are generally funded by the Employers within the appropriate fiscal year. These contributions consider any expected deficiencies between the statutory rates of interest on TDA Program deposits in the Fixed-Return Fund and on statutory rates of interest credited to QPP members and actual investment earnings on such funds. The Statutory Contribution for the year ended June 30, 2021, based on an actuarial valuation as of June 30, 2019, was $3.132 billion, and the Statutory Contribution for the year ended June 30, 2020, based on an actuarial valuation as of June 30, 2018, was $3.591 billion. The Statutory Contributions for Fiscal Years 2021 and 2020 were equal to the Actuarial Contributions. Refer to the Schedule of Employers' 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.

NOTE 5 – QPP NET PENSION LIABILITY

The components of the net pension liability of the Employers at June 30, 2021 and 2020 were as follows:

	2021	2020
	(in millions)	
Total pension liability	$ 78,418	$ 75,116
Fiduciary net position *	78,347	59,319
Employers' net pension liability	$ 71	$ 15,797
Fiduciary net position as a percentage of the total pension liability	99.9%	79.0%

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

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2021 and 2020 was determined by actuarial valuations as of June 30, 2020 (Updated Preliminary) and June 30, 2019 (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 2021 results reflect changes in the actuarial assumptions and methods from the prior year. These changes reflect refinements and improvements to the actuarial assumptions and methods under the judgment of the Chief Actuary.

Pursuant to Section 96 of the New York City Charter, a study of the actuarial assumptions used to value liabilities of the QPP is conducted every two years. The most recent of these studies was performed by Bolton, Inc. and included experience through June 30, 2017.

On January 17, 2019, the Actuary issued a Report titled "Proposed Changes in Actuarial Assumptions and Methods used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for the New York City Teachers' Retirement System." The actuarial assumptions and methods described in that report are referred to as the "2019 A&M."

The June 30, 2020 total pension liability was calculated from the Preliminary June 30, 2019 actuarial valuation, which was based on the 2019 A&M.

On July 23, 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, 2021 total pension liability was calculated from the Updated Preliminary June 30, 2020 actuarial valuation, which was based on the Revised 2021 A&M.

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

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

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

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

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

Expected Rate of Return on Investments

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	25.0%	4.9%
Developed public market equities	10.0%	6.6%
Emerging public market equities	9.5%	9.1%
Fixed income	32.5%	1.5%
Private markets (alternative investments):		
Private equity	7.0%	9.5%
Private real estate	7.0%	6.7%
Infrastructure	4.0%	5.0%
Opportunistic-fixed income	5.0%	6.0%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projections of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current Tier for each member and that Employer contributions will be made at rates as determined by the Actuary. Based on those assumptions, the QPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active QPP members. Therefore, the long-term expected rate of return on QPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
		(In thousands)	
Employers' net pension liability - June 30, 2021	$ 8,727,197	$ 71,173	$ (7,201,879)

NOTE 6 – MEMBER LOANS

The balance of member loans receivable for the QPP at June 30, 2021 and June 30,2020 was $310.4 million and $323.8 million, respectively. QPP members are permitted to borrow up to 75% of their own contributions, including accumulated interest. Outstanding loan balances are insured in order to protect members' balances in case of death. In return for insurance coverage, Tiers III, IV, and VI members supplement their loan interest payments of 6.0% APR with a 0.1% insurance fee. Tiers I and II members pay loan interest payments of 6.0% APR and are not subject to the insurance fee. Upon termination of employment before retirement, certain QPP members are entitled to refunds of their own contributions, including accumulated interest, less any loans outstanding.

The balance of member loans receivable for the TDA Program at June 30, 2021 and June 30, 2020 was $410.2 million and $401.2 million, respectively. Members of the TDA Program are permitted to borrow up to 75% of their own contributions, including accumulated interest. TDA Program members supplement their member loans' interest payments (7.0% for UFT, 8.25% for all other members) with a 0.3% ("APR") insurance fee. This fee funds a reserve, which is used to repay members' loan balances outstanding in case of death. Upon termination of employment before retirement, members are entitled to refunds of their own contributions, including accumulated interest, less any loans outstanding.

NOTE 7 – RELATED PARTIES

The Comptroller has been appointed by law as custodian for assets of the QPP and TDA Program with discretionary authority. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller, and the NYC Financial Information Services Agency and Office of Payroll Administration ("FISA-OPA"), provide cash receipt and cash disbursement services and financial services; the Office of Actuary ("OA") provides actuarial services; the Office of Management and Budget ("OMB") provides budget review services; and The City's Corporation Counsel provides legal services to TRS. The cost of providing such services amounted to $12.6 million and $12.1 million in Fiscal Years 2021 and 2020, respectively. The City also provides other administrative services.

NOTE 8 – ADMINISTRATIVE EXPENSES

Chapter 593 of the Laws of 1996 ("Chapter 593/96"), effective July 1, 1996, authorized the Board of Trustees to draw upon its assets to pay the administrative expenses incurred by TRS. Prior to Fiscal Year 1997, The City and Variable Annuity Programs had paid all administrative expenses. After Chapter 593/96, administrative expenses incurred by the System are attributed to the QPP and the Variable-Return Funds of the TDA Program. The cost sharing is weighted and depends on an assessment of the prior year's administrative activities. Total TRS administrative expenses, attributable to the QPP and TDA Program, amounted to $86.4 million and $88.5 million for Fiscal Years 2021 and 2020, respectively. In addition to TRS' administrative expenses, other City agencies attribute the cost for services rendered by them during the fiscal year; see Note 7 above.

In November 2015, the System amended and extended its lease agreement to rent office space. The agreement will expire on May 31, 2039. The future minimum rental payments required under this operating lease, are as follows:

Years ending June 30,	Amount
2022	$ 8,760,000
2023	9,480,000
2024	9,559,000
2025	11,156,000
2026	11,156,000
Thereafter	158,443,000

Rent expense under the lease agreement for the years ended June 30, 2021 and June 30, 2020 was approximately $8.7 million.

NOTE 9 – CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities – The QPP and TDA Program have certain contingent liabilities. TRS management, on advice from legal counsel, believes that such proceedings and contingencies will not have a material effect on the fiduciary net position of the QPP or cause changes in its fiduciary net position. Under the State statutes and City laws that govern the functioning of the QPP, increases in the obligation of the QPP to members and beneficiaries ordinarily result in increases in the obligations of the Employers to the QPP.

DOE Class Action – In 1996, a class action was brought against The City Board of Education and the State under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of two teacher certification examinations mandated by the State had a disparate impact on minority candidates. In 2006, the United States Court of Appeals for the Second Circuit dismissed the claims against the State. In December 2012, the District Court decided a controlling legal question against The City. On February 4, 2013, the Second Circuit affirmed the District Court's decision. The District Court has appointed a Special Master to oversee claimants' individualized hearings both as to damages and eligibility for Board of Education employment. The hearings relate to members of the class that took the Liberal Arts and Science Test ("LAST") from 1996 to 2004. Currently, approximately 4,000 such individuals have submitted claim forms and may be eligible for damages. On June 5, 2015, the Court ruled that a second version of LAST, LAST-2, that was administered from 2004 to 2014, violated Title VII because it did not measure skills necessary to do the job. Currently, up to 700 potential LAST-2 class members have submitted claim forms and may be eligible for damages. In August 2015, the Court found that the State's new teacher certification test, the Academic Literacy Skills Test ("ALST"), administered since Spring 2014, was not discriminatory and evaluated skills necessary to do the job. Hearings to determine each claimant's damages are ongoing. While some final judgments have been entered, it is too early to permit an accurate estimation of the ultimate potential cost to The City.

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 New York City Retirement Systems ("NYCRS") are conducted every two years. Refer to Note 5 (QPP Net Pension Liability) for the results of the most recent actuarial audits for the QPP.

Revised Actuarial Assumptions and Methods – In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

The most recently completed study was published by Bolton, Inc., dated June 2019. Bolton analyzed experience for the 4- 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 were adopted by the Board of Trustees during Fiscal Year 2019 (See Note 5 for more information).

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

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

Chapter 3 of the Laws of 2013 implemented changes in the actuarial procedures for determining Employer Contributions beginning Fiscal Year 2012. In particular, Chapter 3/13 continued the One-Year Lag Methodology ("OYLM"), employed the Entry Age Actuarial Cost Method ("EAACM"), established an Actuarial Interest Rate ("AIR") assumption of 7.0% per annum, net of expenses, continued it and other interest rates until June 30, 2016, and defined the amortization of Unfunded Actuarial Accrued Liabilities ("UAAL").

Chapter 489 of the Laws of 2013 ("Chapter 489/13") extended the Notice of Participation filing deadline to September 11, 2014 for vested members to file a sworn statement indicating participation in the World Trade Center Rescue, Recovery, and Clean-up Operations.

Chapter 427 of the Laws of 2014 ("Chapter 427/14") provides non-contributory retirement service credit for members called to active military duty on or after September 11, 2001 and prior to January 1, 2006, who did not receive their full salary from a participating employer and who 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 510 of the Laws of 2015 clarifies for Tier VI the definition of multiple employers for the purpose of exclusion of wages, and changes the plan year for contributions from plan year April 1 to March 31 to plan year January 1 to December 31. Chapter 41 of the Laws of 2016 was enacted on May 31, 2016. This amendment removes the specified periods of time, medal requirements, and theaters of operation in which military service would had to have been rendered for a service purchase pursuant to RSSL § 1000. Accordingly, for a member to be eligible to purchase service credit pursuant to RSSL § 1000 for pre-membership military service, the member need only have been honorably discharged from the military; all other requirements of RSSL § 1000 remain the same. This law is not retroactive and does not permit retired members to purchase service credit.

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

Chapter 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, and Cleanup Operations to September 11, 2022.

This law was signed on September 7, 2018, and shall be deemed to have been in full force and effect on and after September 11, 2001.

Chapter 89 of the Laws of 2020 provides death benefits to statutory beneficiaries of members whose death was a result of or was contributed to by Coronavirus Disease ("COVID-19"). This law provides an Accidental Death Benefit to the eligible beneficiaries of a member or a retiree who retired after March 1, 2020, where such member reported for work outside their home and contracted COVID-19 within 45 days after reporting for work, and whose death was caused by COVID-19 or where COVID-19 contributed to such member's death and where such death occurred before January 1, 2021. Amounts payable are reduced by payments of any ordinary death benefits or option benefit paid to another statutory beneficiary. Chapter 78 of 2021 extended the deadline for statutory beneficiaries of members who die prior to January 1, 2023.

Chapter 357 of 2021 eliminated TDA beneficiaries of members who die on or after July 1, 2021.

Chapter 391 of 2021 extended for a 2-year period the 7% Actuarial Interest Rate assumption.

Other Legislation

The SECURE Act of December 2019 increased the age at which Required Minimum Distributions must commence from 70.5 to 72. It also required that certain inherited retirement plan accounts be more rapidly distributed to their owners.

The CARES Act of March 2020 suspended Required Minimum Distributions due in 2020. It also authorized more advantageous loans and distributions to members who certify that COVID-19 adversely affected themselves or their households. These special rules sunset on or before December 31, 2020.

COVID-19

The outbreak of the 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. The Governor declared an end to the state of emergency due to the COVID-19 pandemic in the State on June 24, 2021, effective June 25, 2021. The state of emergency in The City remains in effect. The ultimate impact of the COVID-19 pandemic on the plans cannot be determined at this time.

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Teachers' Retirement System of the City of New York

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

June 30,
(In thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	$ 1,588,162	$ 1,555,755	$ 1,691,144	$ 1,436,617	$ 1,386,674	$ 1,274,308	$ 1,223,158	$ 1,205,662
Interest	7,145,949	4,838,801	4,914,552	5,071,481	5,147,042	4,131,177	4,027,139	4,407,702
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(393,805)	(34,324)	(1,188,247)	(2,235,673)	1,008,249	1,229,501	1,507,964	-
Changes of assumptions	(338,383)	-	(826,850)	-	-	2,432,878	-	-
Benefit payments/withdrawals	(4,699,448)	(4,591,086)	(4,487,680)	(4,351,924)	(4,219,312)	(4,107,455)	(4,024,272)	(3,818,248)
Net change in total pension liability	3,302,475	1,769,146	102,919	(79,499)	3,322,653	4,960,409	2,733,989	1,795,116
Total pension liability - beginning	75,115,996	73,346,850	73,243,931	73,323,430	70,000,777	65,040,368	62,306,379	60,511,262
Total pension liability - ending (a)	78,418,471	75,115,996	73,346,850	73,243,931	73,323,430	70,000,777	65,040,368	62,306,378
Plan fiduciary net position:								
Contributions - employer	3,131,607	3,590,822	3,696,686	3,889,710	3,888,399	3,760,714	3,325,528	3,054,424
Contributions - other employer*	61,663	61,748	62,513	59,979	57,369	n/a	n/a	n/a
Contributions - employee	247,751	226,920	217,205	195,241	180,076	173,696	158,590	154,962
Net investment income	22,362,988	3,911,187	5,721,310	6,275,115	8,133,280	960,267	1,611,929	9,435,906
Benefit payments/withdrawals	(4,699,448)	(4,591,086)	(4,487,680)	(4,351,924)	(4,219,312)	(4,107,455)	(4,024,272)	(3,818,248)
Payment of interest on TDA fixed funds	(1,998,388)	(1,846,173)	(1,716,679)	(1,595,462)	(1,466,615)	(1,354,207)	(1,248,988)	(1,147,923)
Administrative expenses	(68,100)	(64,532)	(64,291)	(65,076)	(60,790)	(59,367)	(58,391)	(46,042)
Other changes	(9,725)	39,853	28,671	29,170	(46,229)	1,233	329	404
Net change in plan fiduciary net position	19,028,348	1,328,739	3,457,735	4,436,753	6,466,178	(625,119)	(235,275)	7,633,483
Plan fiduciary net position - beginning	59,318,950	57,990,211	54,532,476	50,095,723	43,629,545	44,254,664	44,489,939	36,856,456
Plan fiduciary net position - ending (b) **	78,347,298	59,318,950	57,990,211	54,532,476	50,095,723	43,629,545	44,254,664	44,489,939
Employer's net pension liability - ending (a)-(b)	$ 71,173	$ 15,797,046	$ 15,356,639	$ 18,711,455	$ 23,227,707	$ 26,371,232	$ 20,785,704	$ 17,816,440
Plan fiduciary net position as a percentage of the total pension liability	99.91%	78.97%	79.06%	74.45%	68.32%	62.33%	68.04%	71.41%
Covered payroll	$ 11,203,878	$ 10,903,755	$ 10,404,404	$ 9,200,180	$ 8,818,537	$ 8,256,100	$ 8,074,522	$ 7,964,149
TRS net pension liability as a percentage of covered payroll	0.64%	144.88%	147.60%	203.38%	263.40%	319.42%	257.42%	223.71%

Additionally, in accordance with paragraph 50 of GASB No. 67, this schedule should present information for 10 years, if available. The information presented here pertains to periods beginning with the June 30, 2014 fiscal year, the plan's adoption year of GASB No. 67. Additional years will be added until the 10-year requirement is met.

*Includes amounts for Employer's portion of Additional Member Contributions and supplemental contributions for the ASAF and ASF Funds.

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

See Report of Independent Certified Public Accountants.

SCHEDULE 2

Teachers' Retirement System of the City of New York

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

Fiscal years ended June 30,
(In thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 3,131,607	$ 3,590,822	$ 3,696,686	$ 3,889,710	$ 3,888,399	$ 3,702,569	$ 3,270,007	$ 2,998,694	$ 2,855,640	$ 2,673,078
Contributions in relation to the actuarially determined contribution	3,131,607	3,590,822	3,696,686	3,889,710	3,888,399	3,702,569	3,270,007	2,998,694	2,855,640	2,673,078
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll [1]	$ 11,203,878	$ 10,903,755	$ 10,404,404	$ 9,200,180	$ 8,818,537	$ 8,256,100	$ 8,074,522	$ 7,964,149	$ 7,833,329	$ 7,920,935
Contributions as a percentage of covered payroll	27.951%	32.932%	35.530%	42.279%	44.093%	44.846%	40.498%	37.652%	36.455%	33.747%

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

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QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Note to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fiscal year 2021 contributions were determined using an actuarial valuation as of June 30, 2019). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**	**June 30, 2015**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period:					
Initial unfunded	13 years (closed)	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2010 ERI	-	-	-	-	1 years (closed)
2011 Actuarial gain/loss	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2012 Actuarial gain/loss	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2013 Actuarial gain/loss	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2014 Actuarial gain/loss	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2015 Actuarial gain/loss	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2016 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2017 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2017 ASAF method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2017 Method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2017 Assumption change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2018 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2018 Method change	19 years (closed)	20 years (closed)	NA	NA	NA
2019 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2019 Assumption change	20 years (closed)	NA	NA	NA	NA
2019 Method change	20 years (closed)	NA	NA	NA	NA
Actuarial value of assets method[1]	Five-year moving average of market values with a "Market Value Restart" as of June 30, 2019.	Modified six-year moving average of market 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 market 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 market 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 market 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.

[1] As of the June 30, 2014 (Lag) valuation, the AVA is constrained to be no more than 20% from Fair Value. As of the June 30, 2018 (Lag) valuation, the AVA is determined by re-characterizing the interest credited on TDA Fixed Fund account balances as investment income instead of as a cash disbursement.

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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 2021 contributions were determined using an actuarial valuation as of June 30, 2019). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**	**June 30, 2011**	**June 30, 2010**
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	18 years (closed)	19 years (closed)	20 years (closed)	21 years (closed)	22 years (closed)
2010 ERI	2 years (closed)	3 years (closed)	4 years (closed)	5 years (closed)	NA
2011 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2012 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2013 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2014 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2015 Actuarial gain/loss	NA	NA	NA	NA	NA
2016 Actuarial gain/loss	NA	NA	NA	NA	NA
2017 Actuarial gain/loss	NA	NA	NA	NA	NA
2017 ASAF method change	NA	NA	NA	NA	NA
2017 Method change	NA	NA	NA	NA	NA
2017 Assumption change	NA	NA	NA	NA	NA
2018 Actuarial gain/loss	NA	NA	NA	NA	NA
2018 Method change	NA	NA	NA	NA	NA
2019 Actuarial gain/loss	NA	NA	NA	NA	NA
2019 Assumption change	NA	NA	NA	NA	NA
2019 Method change	NA	NA	NA	NA	NA
Actuarial value of assets method[1]	Modified six-year moving average of market 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 market 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 market 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 market 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 market 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.

[1] As of the June 30, 2014 (Lag) valuation, the AVA is constrained to be no more than 20% from Fair Value. As of the June 30, 2018 (Lag) valuation, the AVA is determined by re-characterizing the interest credited on TDA Fixed Fund account balances as investment income instead of as a cash disbursement.

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SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial assumptions:					
Assumed rate of return[2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality[3]	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2016	Tables adopted by Retirement Board during Fiscal Year 2016
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012
Salary increases[2]	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[2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

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

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

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

Valuation Dates	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**	**June 30, 2011**	**June 30, 2010**
Actuarial assumptions:					
Assumed rate of return[2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality[3]	Tables adopted by Retirement Board during Fiscal Year 2016	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2006
Salary increases[2]	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[2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

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

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

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QUALIFIED PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS

June 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

The following table displays the annual money-weighted rate of return, net of investment expense, for TRSNYC Pension Fund investments for each of the past eight fiscal years:

Fiscal Year Ended	Money-Weighted Rate of Return
June 30, 2021	24.80%
June 30, 2020	4.92%
June 30, 2019	7.50%
June 30, 2018	8.14%
June 30, 2017	12.50%
June 30, 2016	1.66%
June 30, 2015	2.81%
June 30, 2014	17.60%

Note: In accordance with paragraph 50 of GASB Statement No. 67, *Financial Reporting for Pension Plans* ("GASB 67"), this schedule should present information for 10 years, if available. The information presented here pertains to periods beginning with the June 30, 2014 fiscal year, the System's adoption year of GASB 67. Additional years will be added until the 10-year requirement is met.

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