



Employee Member Elections Held

The Regular Election of two employee members of the Retirement Board of BERS was held in November 2008 to elect employee representatives to the Board for the period January 1, 2009 through December 31, 2012. Milagros Rodriguez and Joseph D'Amico were elected to the Board. Each member was elected with an alternate, who will serve the duration of the term of the elected member, should he or she be unable to complete the term. Shirley Miller was elected with Ms. Rodriguez and Robert Troeller was elected with Mr. D'Amico.

Milagros Rodriguez has represented the members of BERS since January 2005. Ms. Rodriguez pledges to continue working with the Board, unions and BERS staff to update you regularly on what BERS is doing on your behalf. In this time of uncertainty in the Financial Markets, Ms. Rodriguez has made the education of members her top priority, to ensure that every member and every person eligible to join BERS knows the benefits of the Plan and takes advantage of the benefits and protections provided to BERS members.

Ms Rodriguez is an officer of the Executive Board of Local 372, DC 37, where she is the Recording Secretary. She is a delegate of DC 37, representing Local 372. Ms. Rodriguez also serves as the Consumer Committee Secretary. She represents Local 372 as a delegate on the Central Labor Council. At BERS, she serves as the Co-Chair of the Retirement Board and on the Audit, Budget, Investment, and Proxy Committees. On the national level, she has served on the National Committee of the National Conference on Public Employee Retirement Systems and as a delegate at the annual convention of the National Council on Teacher Retirement.

Ms. Rodriguez has been with the Department since 1985 and works as a Substance Abuse Prevention and Intervention Specialist in District 2. Ms. Rodriguez has a Bachelor's Degree in Sociology and is a Credentialed Alcoholism and Substance Abuse Counselor.

Joseph D'Amico has represented the members of BERS since November 2007. Prior to that time he served as an Alternate Employee Member beginning in January 2005. At BERS he serves on the Audit, Budget, Investment, and Proxy Committees. On the national level, he has served on the National Committee of the National Conference on Public Employee Retirement Systems and as a delegate at the annual convention of the National Council on Teacher Retirement.

Mr. D'Amico, as a Trustee of BERS, will continue his proud history of service. Mr. D'Amico has been active in serving the membership of the International Union of Operating Engineers, Local 891. He served as a steward and assisted on several committees before being elected to the Executive Board in 2001, where he continues to serve. He has also been serving as the Local's Pension Committee Chairman since 2007.

Mr. D'Amico has been employed by the Department of Education as a Custodian Engineer since 1990. Mr. D'Amico has committed to assisting members in every way possible to ensure that the benefits of the system are available to every member.

Both Trustees wish to thank you for placing your trust in them to safeguard your future. They are committed to serving the membership and working toward improving benefits and services. In this time of financial turmoil, their emphasis is protecting your retirement security now as well as for the long term by diligently selecting and evaluating investment options and closely monitoring the performance of the pension fund.

The management and staff of BERS congratulate the Trustees on their election to the Retirement Board and look forward to continuing our work with your elected representatives to increase and improve the range of services provided to you, our members.

We would like to hear from you. Please send comments regarding our newsletter, or any specific concern to The Editor, **BERS WORDS, Board of Education Retirement System, 65 Court Street, Room 1603, Brooklyn, N.Y. 11201.** Or e-mail your comments to Brespon@bers.nyc.gov.

Required Minimum Distribution on TDA Suspended for 2009

The Internal Revenue Service (IRS) specifies that certain retirement plans are subject of Minimum Distribution requirements. The BERS TDA Program is one such retirement plan. The IRS regulations establishes a minimum amount that a participant must withdraw each year after reaching age 70 ½ or, if later, the year they retire. Other RMD rules also apply to beneficiaries, should the participant die before beginning RMDs. The IRS provides the formula for calculating the Required Minimum Distribution (RMD) of plan participants as well as the date that a participant should begin taking distributions or the Required Beginning Date.

The Required Beginning Date vary based on age, participant status (active vs. separated from service), and contribution date, and can as early as the year you attain age 70 ½.

Given the impact on of the financial markets in 2008, RMD have been suspended for 2009. The President has signed legislation, the Worker, Retiree and Employer Recovery Act of 2008 which suspends the RMD requirement for 2009. The

Act waives the 2009 RMDs for 403(b) plans as well as IRAs, 401(k) plans, profit-sharing plans, money purchase pensions and certain 457 retirement plans.

Therefore, unless a member specifically requests a distribution in 2009, BERS has suspended RMDs for 2009. If you have been required to take RMDs in the past, you will be receiving a letter from BERS outlining the amount that you would normal be required to withdraw. Since you are not required to take the RMD in 2009, unless you elect to withdraw the amount BERS will not process an RMD, even if you selected an option to automatically receive the RMD annually.

The new law only affects 2009 RMDs and not 2008 RMDs that the participant must take by April 1, 2009. For Participants who would have been required to take RMDs for the first time for 2009 by April 1, 2010, and then take a second RMD in 2010 by December 31, 2010, the new law suspends the first RMD. These participants will still be required to take an RMD by December 31, 2010.

Contractual Increases and Retirement Planning

Most members have either recently received a contractual pay increase or will be receiving one shortly. As our priority at BERS is your retirement security, we would like to suggest that you pay yourself first by joining or increasing your contributions to the TDA Program.

The TDA Program is a retirement saving vehicle that allows you to invest in your retirement on a tax-deferred basis, that means, you do not pay federal taxes on your savings now, and you are able to earn investment income on that money rather than paying it in taxes now. Taxes will only be paid when funds are withdrawn from the program.

If you are already contributing the maximum dollar limit to the TDA Program, congratulations, you are well on your way to a secure retirement. If you are not contributing the maximum, we ask that you consider increasing your TDA contribution

rate by a portion of your contractual increase. Remember, your contributions and any investment income are yours and will supplement your pension and social security benefits. Also, in retirement, you will be earning a lot less than you are now, a TDA account can provide safety if an unexpected crisis occurs after retirement.

You know the benefits offered by BERS. If you know any employee who is not in a retirement system, please have them contact us, so we can educate them on the advantages of joining the Plan. The contractual increases will more than offset the costs of joining the retirement system. The take-home-pay will not be dramatically affected by the required member contributions. You know that the death, disability and retirement benefits offered by BERS are worth the peace of mind they provide.

1099R Forms

The 1099R Forms for calendar year 2008 were mailed to BERS members, retirees, and beneficiaries in January 2009. These statements are prepared in accordance with the requirements of the Internal Revenue Service. If you received

a taxable benefit during calendar year 2009 and you did not receive your 1099R Form, a duplicate can be obtained by contacting BERS staff at (718) 935-4170.

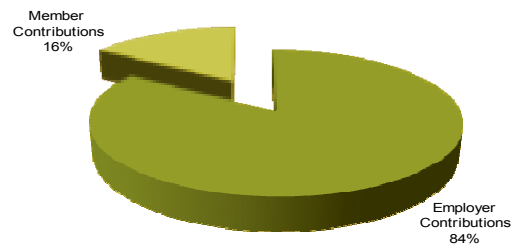
Financial Reports Issued

An unqualified opinion was issued by independent auditors, Deloitte & Touche, LLP regarding the financial statements for the fiscal year ended June 30, 2008. Thus opinion indicates that the financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2008 and 2007, and the changes in the Plan net assets for the years then ended, in conformity with Generally Accepted Accounting Principles.

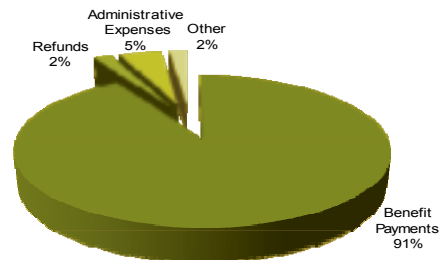
In addition, we are proud to announce that BERS was awarded the Certificate of Achievement for Excellence in financial Reporting from the Government Finance Officers Association. This is the twenty second consecutive year that BERS is a recipient of this prestigious national award. The Certificate of Achievement recognizes conformance with the highest standards for preparation of state and local government financial reports. Thanks goes to all of the staff of the Actuary, the Comptroller and BERS who worked on these reports for another job well done.

The following is a summary of the Statement of Assets and the Statement of Changes in Plan Net Assets as of June 30, 2008. The charts reflect the sources and uses of funds added and deducted from the Plan Assets.

Source of Funds



Uses of Funds as a percentage of Total Expenditure



*Other consists primarily of transfers to and from other retirement systems.

Statement of Assets	
As of June 30, 2008	
Assets (in thousands)	
Cash	\$0
Receivables	\$98,762
Commercial Paper	\$3,745
Short-term Funds	\$61,474
Debit Securities	\$576,611
Equities	\$1,410,672
Collateral	\$402,249
Other Assets	\$693
Total Assets	\$2,554,206
Liabilities (in thousands)	
Accounts Payable	\$13,160
Payables-Investments	\$113,654
Accrued Benefits	\$3,293
Securities Lending	\$402,249
Total Liabilities	\$532,356
NET ASSETS on June 30, 2008	\$2,021,850

Changes in Assets	
During Fiscal Year 2008	
Cash Position (in thousands)	
Net Assets on June 30, 2007	\$2,179,452
Additions (in thousands)	
Member Contributions	\$27,109
Employer Contributions	\$143,100
Net Investment Income	(\$130,569)
Other	(\$24,832)
Total Additions	\$14,808
Deductions (in thousands)	
Benefit Payments and other disbursements	\$164,556
Administrative Expenses	\$7,854
Total Deductions	\$172,410
NET ASSETS on June 30, 2008	\$2,021,850

Questions And Answers

Q. Will my raise affect my TDA contributions?

A. When you joined the TDA program, you selected a contribution rate, which allows you to save a certain percentage of your salary in the TDA. In November last year, you received an Investment Change Rate Form with your current contribution rate. Unless you changed your rate at that point, that is the percentage of your gross pay that you have decided to contribute to the TDA. A raise will increase your gross pay and will also therefore increase the dollar amount that you contribute to the TDA Program.

Q. I am a 57/5 participant and I was told that I do not qualify for early retirement at 55 even though my co-worker in the same job did. How can that be right?

A. The "Age 57 Retirement Program" (57/5) allows Tier 4 participants to retire before the normal retirement age of

62 without a reduction in retirement benefits. A similar provision exists for participants in the 25 Year Early Retirement Program (55/25). Also, in October 2000, Basic Tier 4 members who were not eligible to retire before age 62, were allowed to retire as early as age 55 with a reduction of up to 27% of retirement benefit. This legislation excluded participants in the 57/5 and 55/25 programs who already had the benefit of early retirement provided they meet the requirements of their particular program.

As a 57/5 participant, you are not able to retire at age 55 with a reduction in your benefit but you can retire as early as age 57 without a reduction. Your eligibility to retire is not based on your job title but on your particular retirement program. Your co-worker must have been in a program that allowed retirement at 55. (It could also be that your co-worker was not indeed Age 55).

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