



Notice
July 1, 2010

Joel I. Klein
Chancellor

**AMENDMENT TO THE RULES AND REGULATIONS OF THE BOARD OF
EDUCATION RETIREMENT SYSTEM WITH RESPECT TO THE TDA LOAN
PROGRAM**

I. Description of the subject and purpose of the proposed item under consideration.

Pursuant to the provisions of section 2575 of the Education Law, the following amendment to Appendix A of the Rules and Regulations of the Board of Education Retirement System (“BERS”) is hereby adopted and submitted to the Retirement Board of the New York City Teachers’ Retirement System for approval. The first paragraph of Section V of Appendix A of the Rules and Regulations of the Board of Education Retirement System is hereby amended as follows to include the underlined text:

“Members will pay interest on TDA loans at the same rate at which interest is credited to the Fixed accounts at the time the loan is issued (currently 8¼%), provided, however, that the interest rate on new TDA loans made to participants (1) who hold a position represented by the recognized teacher organization for collective bargaining purposes, or (2) who held such a position at the time they retired or discontinued service with vested rights to a retirement allowance and elected to defer commencement of distribution of their tax-deferred accounts in accordance with applicable law, shall be seven percent per annum, compounded annually. Interest will be charged to the loan accounts on a monthly basis based on the loan outstanding from the previous month. Payments of these charges will be incorporated into the repayment amount and credited to the members’ TDA accounts.”

Section V of Appendix A of the Rules and Regulations of BERS provides for members to pay interest on Tax Deferred Annuity (“TDA”) loans at the same rate at which interest is credited on BERS members’ TDA accounts in the annuity savings fund (“TDA fixed accounts”) at the time the loan is issued. Immediately prior to the enactment of Chapter 504 of the Laws of 2009, the TDA fixed accounts of all members were being credited with interest at the rate of 8¼ percent, and the TDA loan interest rate was at 8¼ percent for all members. Chapter 504 of the Laws of 2009 reduced the rate at which interest is credited on the TDA fixed accounts of BERS members from 8¼ percent to 7 percent, but provided, in effect, that the interest rate on new TDA loans for such members shall remain at 8¼ percent after the effective date of Chapter 504, unless the BERS Rules and Regulations are amended pursuant to the applicable provisions of section 2575 of the Education Law to provide a different TDA loan rate for such members. Consistent with Chapter 504, the purpose of this amendment is to change the interest rate for TDA loans to BERS members from 8¼% to 7%.

II. Information regarding where the full text of the proposed item may be obtained.

The proposed amendment to Appendix A of the Rules and Regulations of BERS can be found on the Department of Education's Web site:

<http://schools.nyc.gov/AboutUs/leadership/PEP/publicnotice/August2010vote>

III. Submission of public comment.

Written comments can be sent to JSmarr@schools.nyc.gov

Oral comments can be left at 212-374-6754

IV. The name, office, address, email and telephone number of the city district representative, knowledgeable on the item under consideration, from whom information may be obtained concerning the item

Name: Jamie Smarr

Office: Operations

Address: 52 Chambers St

Email: JSmarr@schools.nyc.gov

Phone: 212-374-6754

V. Date, time and place of the PEP meeting at which the Board will vote on the proposed item.

August 16, 2010

6:00pm

Murry Bergtraum High School for Business Careers

411 Pearl Street, Manhattan