



# **Annual Review of MTA Sponsored Pension & Retirement Funds**

**As of December 31, 2024**



## Table of Contents

<b>Topic</b>	<b>Page</b>
Executive Summary	3
Overview – MTA Sponsored and Multi-Employer Plans	4
Market Overview	5
Return Assumptions & Funding Level	6-7
MWBE Participation	8
Plan oversight	9-12



## Executive Summary

### **MTA Sponsored Pension Plans had positive performance in 2024**

- These are complex Plans that are conservatively administered. This is reflected in the Plans' funding policy (Actuarially Determined Contribution) and the Target Rate of Return assumption.
  - MTA Defined Benefit Plan: \$6.5 billion (unaudited): 78.3% Funded (as of 1/1/2024 Valuation)
  - LIRR Additional Plan: \$711.8 million (unaudited): 59.2% Funded (as of 1/1/2024 Valuation)
  - MaBSTOA: \$3.8 billion (unaudited): 80.1% Funded (as of 1/1/2024 Valuation)

### **Market volatility was low in 2024 which contributed to the strong overall performance**

- The Plans' return objective is to outperform its actuarial determined target rate of return of 6.5%
- For 2024:
  - MTA Defined Benefit Plan and the LIRR Additional Plan returned 9.3% (net of fees)
  - MaBSTOA returned 9.3% (net of fees)

### **MTA Deferred Compensation Plan (401(k)/457)**

- Ended 2024 at \$10.4 billion in assets and 55,928 active participants
- Year over year, assets under management increased by 10%
- The participation rate of 74.6% is amongst the highest in the public plan peer group
- Plan design and investment line-up are continually re-evaluated to maximize the opportunity for participants



## Overview – MTA Sponsored and Multi-Employer Plans

Pension Plan	# of Active Members	2024 Pension Contributions - Actual (\$ million)	2025 Pension Expense - Adopted Budget (\$ million)	Unaudited Assets (as of 12/31/2024)
<b>MTA Sponsored Defined Benefit Plans</b>				
MTA DB Plan	19,420	442	481	\$7.9 billion
MaBSTOA	8,212	175	188	\$4.1 billion
LIRR Additional Plan	12	75	79	\$0.7 billion
<b>Total</b>	<b>27,644</b>	<b>692</b>	<b>748</b>	<b>\$12.7 billion</b>
<b>MTA Sponsored Defined Contribution Plans</b>				
MTA Deferred Compensation Program (401k & 457)	55,272	0	0	\$10.4 billion
MNR 401(k)	308	2	2	
TCU/HQ 401(k)	686	4	4	
<b>Total</b>	<b>55,928</b>	<b>6</b>	<b>6</b>	<b>\$10.4 billion</b>
<b>Other Multi Employer Plans</b>				
NYCERS	36,786	839	935	
NYSLRS	2,026	27	43	
Voluntary Defined Contribution (Tier 6 option)	338	3	3	
Railroad Retirement Board (RRB, Tier II expense only)	14,742	211	226	
<b>Total</b>	<b>N/A</b>	<b>1,080</b>	<b>1,207</b>	
<b>Total Pension &amp; Retirement Contributions / Expenses</b>		<b>1,778</b>	<b>1,961</b>	



## MTA Sponsored Plans - Markets Overview

**Most traditional asset classes posted positive returns in 2024, driven by disinflation, monetary easing, resilient consumption and continued AI investment**

### **Equities**

- World equity markets finished 2024 mainly positive across the board and US markets predominately outperformed global markets
- Across market capitalizations, Large (S&P 500 Index: 25.0%), Mid (S&P 400 Index: 13.9%) and Small (Russell 2000 Index: 11.5%) all posted double digit positive returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%)
- International markets also posted positive returns in the Large Cap (MSCI EAFE Index: 3.8%) and Small Cap (MSCI EAFE SC Index: 1.8%) universes
- Emerging Markets posted positive returns in the Large Cap universe (MSCI EM Index: 7.5%), led by outperformance in China (MSCI China Index: 19.4%). The Small Cap universe (MSCI EM SC Index: 4.8%) posted positive returns, but weaker than EM Large Cap

### **Fixed Income**

- U.S. Treasury yields remained volatile in 2024 and the yield curve un-inverted amid three rate cuts (100 bps total)
- Diversified fixed income posted low positive returns (Bloomberg U.S. Aggregate Index: 1.3%), with strong performance from Convertibles (Bloomberg U.S. Convertibles Index: 10.3%) and Leveraged Loans (Bloomberg U.S. Leveraged Loan Index: 8.7%)
- Returns were relatively flat in U.S. Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%)
- Emerging Market fixed income posted positive returns in hard currency (JPM EMBI: 6.5%), but posted negative returns in local currency (JPM GBI-EM: -2.4%) due to US dollar strengthening

### **2025 First Quarter Market Highlights/Outlook**

- Through the first quarter of 2025, US equity markets were lower with losses in the mid to high single digits. Value equities have performed better than growth equities, reversing the 2024 trend. Fixed income markets had a good start to 2025 with low positive returns. Fed speak and economic reports have been mixed, but rate cuts are still expected towards the end of the year.
- 2025's macroeconomic backdrop will likely be dominated by tariffs, heightened volatility, weaker growth, stagflation/recession fears, geopolitical tensions, and global monetary and fiscal policy shifts



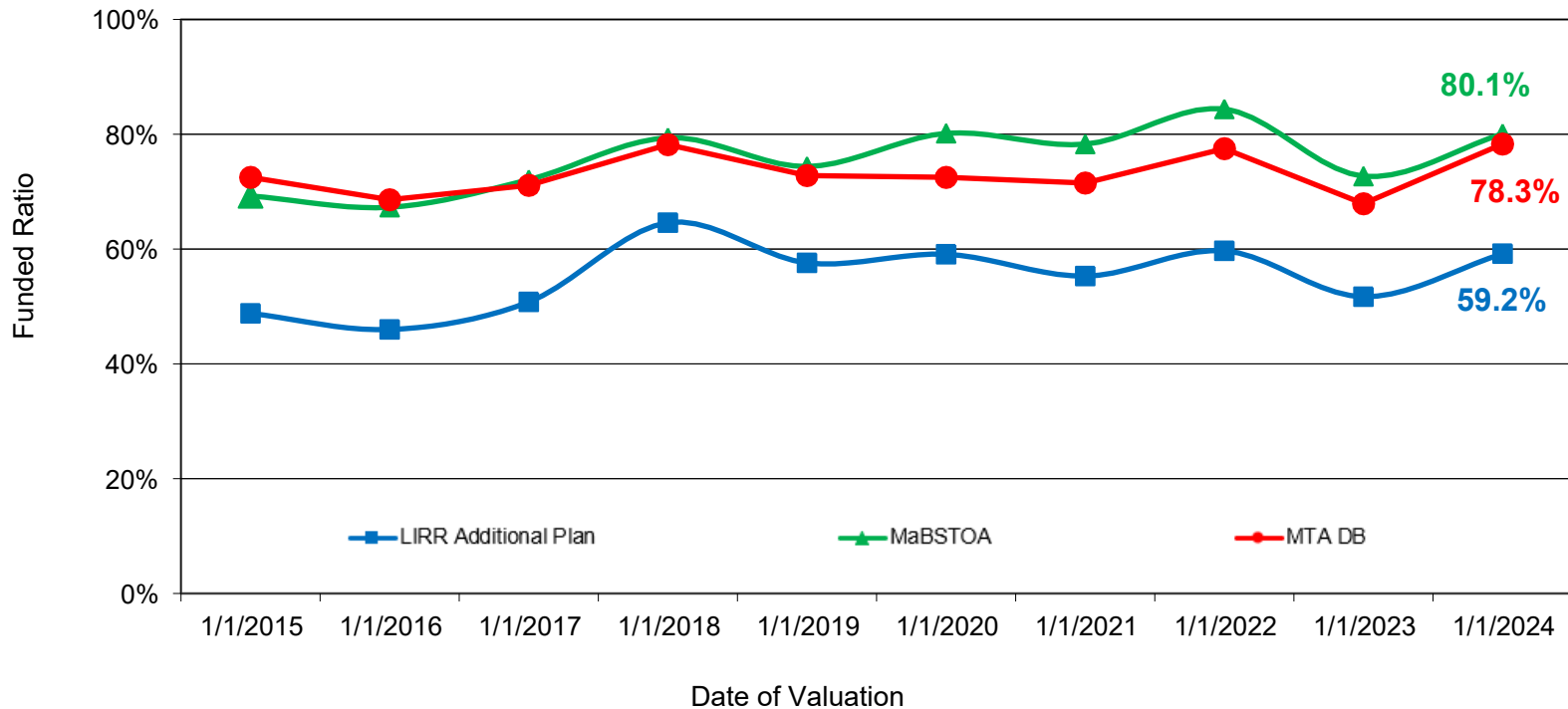
## MTA Sponsored Plans - Investment Rate of Return Assumptions

### Target Investment Return (net of fees)

Pension Plan	2019	2020	2021	2022	2023	2024
LIRR - Additional Plan	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%
MaBSTOA	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%
MTA DB Plan	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%
NYSLRS	7.0%	6.8%	5.9%	5.9%	5.9%	5.9%
NYCERS	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%



## MTA Sponsored Plans - Funding Status

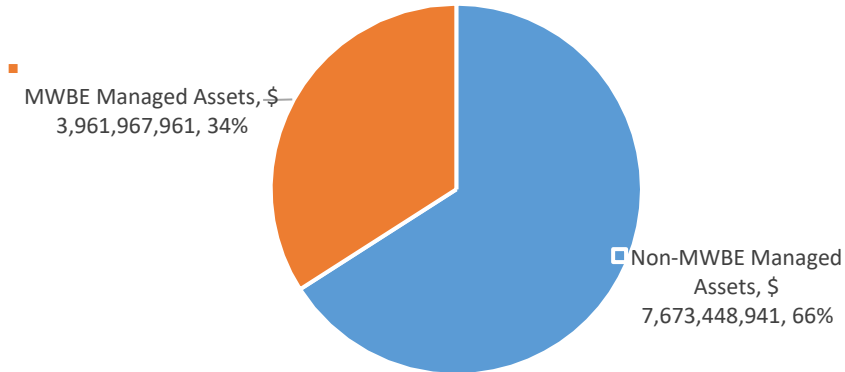


	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
LIRR Additional Plan	48.8	46.0	50.8	64.7	57.6	59.1	55.3	59.7	51.7	59.2
MaBSTOA	69.3	67.3	72.1	79.4	74.4	80.2	78.3	84.4	72.7	80.1
MTA DB	72.5	68.6	71.1	78.2	72.8	72.5	71.5	77.5	67.9	78.3

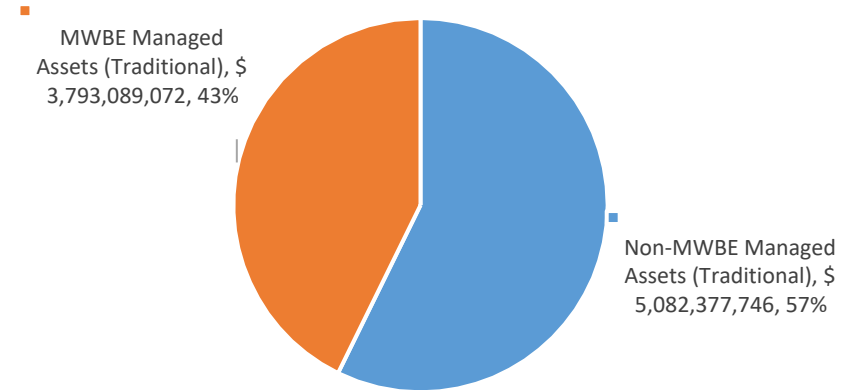
# MTA Sponsored Plans – MWBE Participation

As December 2024

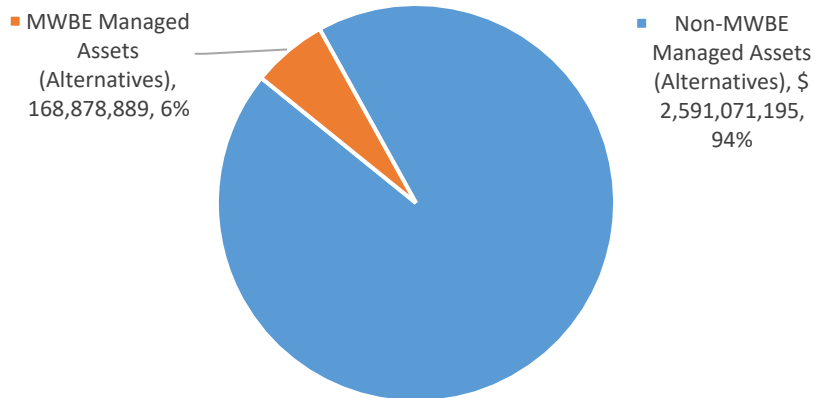
## Combined Plans - Total Assets



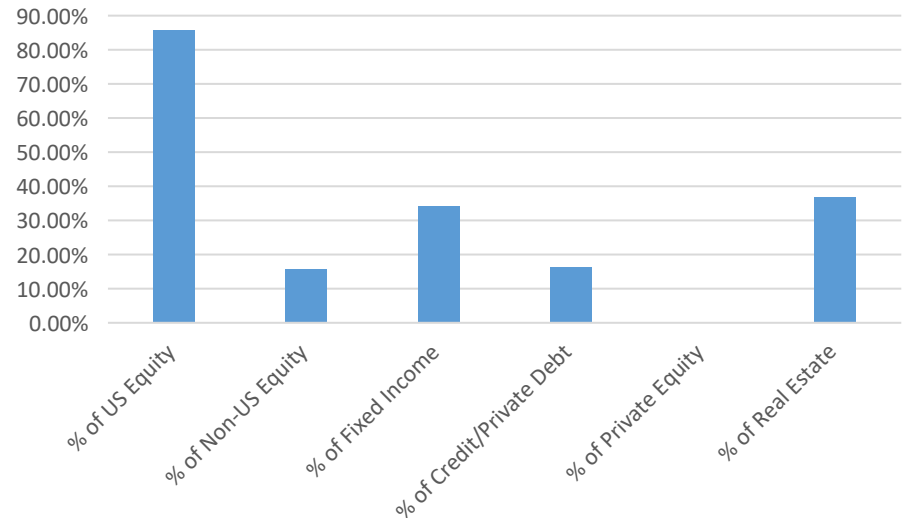
## Combined Plans - Traditional Investments



## Combined Plans- Alternative Investments



## MWBE Managed Assets by Asset Class







## **MTA Defined Benefit Pension Plan LIRR Plan for Additional Pensions Pension Board of Managers**

<b>MEMBER</b>	<b>DESIGNEE</b>	<b>MTA TITLE</b>
Chair of the MTA	VACANT	
MTA Labor Relations	Mark Worthington	Labor Economist
MTA Chief Financial Officer	David Keller	Director, Consolidated Analysis
Metro North	James McGovern	Acting Deputy Chief, Controller's Office
Long Island Rail Road	Michael Reilly	Director, Revenue Management
SIRTOA	Charles Mathew	Chief Budget Officer, Subways
MTA Bus	Roy Grey-Stewart	Deputy Chief, Financial Operations
Long Island Bus	Olga Chernat	Deputy Chief Financial Services
TWU Representative	Angel Perez	

MTA Chief Investment Officer	Steven Rossiello (Acting)
Financial Consultant	NEPC, LLC
Actuary	Milliman, USA
Trustee	JPMorgan Chase



## **MaBSTOA (Manhattan and Bronx Surface Transit Operating Authority) Pension Plan Investment Committee**

<b>MEMBER</b>	<b>DESIGNEE</b>	<b>MTA TITLE</b>
Chair of Employer's (MaBSTOA) Board	William Vazoulas	Director, Payroll Processing
MTA Chief Financial Officer	Joseph Cornwall	Assistant Comptroller, Benefit Plans
President of Transit Authority	VACANT	
TWU Local 100 (2 representatives)	James Whalen John Chiarello	

MTA Chief Investment Officer	Steven Rossiello (Acting)
Financial Consultant	NEPC, LLC
Actuary	Milliman, USA
Trustee	JPMorgan Chase



## MTA Retiree Welfare Benefits Plan Other Post Employment Benefits (OPEB) Board of Managers

MEMBER	DESIGNEE	MTA TITLE
Chair of the MTA	VACANT	
MTA Chief Financial Officer	Kevin Willens, Chair of Welfare Benefits Plan	Chief Financial Officer
MTA Labor Relations	Mark Worthington	Labor Economist

MTA Chief Investment Officer	Steven Rossiello (Acting)
Financial Consultant	NEPC, LLC
Actuary	Milliman, USA
Trustee	JPMorgan Chase



## **MTA Deferred Compensation Programs (401(k) and 457)**

### **Deferred Compensation Committee**

<b>MEMBER</b>	<b>DESIGNEE</b>	<b>MTA TITLE</b>
Chair of the MTA	VACANT	
MTA Labor Relations	Mark Worthington	Labor Economist
MTA Chief Financial Officer	Frances Chou	Deputy Director, Consolidated Analysis
NYCT, President	Charles Mathew	Chief Budget Officer, Subways
TBTA, President	Adam Hartke	B&T Financial Liaison
Metro North	James McGovern	Acting Deputy Chief, Controller's Office
Long Island Rail Road	Michael Reilly	Director, Revenue Management
MTA Bus	Roy Grey-Stewart	Deputy Chief, Financial Operations
MTA Construction & Development	Shawn Moore	C&D Chief Admin Officer

MTA Chief Investment Officer	Steven Rossiello (Acting)
Financial Consultant	Mercer
Recordkeeper/Trustee	Empower