

# PENSION NEWS

KCPSRS Newsletter

January 2016

## New Faces at KCPSRS

**RICHARD BROWN, TRUSTEE** was recently elected for a four year term representing active members. Richard Brown graduated from Southeast High School in 1981. He graduated from the University of Central Missouri, where he received a BA in 1986 and an MA in 1996. He began his teaching career in the Kansas City Public Schools in 1993 and currently teaches at Central Middle School. He has served as a Trustee since 2013.

**CARL EVANS TRUSTEE** is a retired educator with the Kansas City public schools and was appointed to the Board of Trustees by the School Board in September to fill the seat left vacant by the passing of Clarence Cole in June 2015. Mr. Evans is also a member of the Kansas City School Board elected in April 2014 for a five year term.

**ROGER OFFIELD, TRUSTEE** is currently the Superintendent of Brookside Charter School. He was appointed by the Board of Trustees in December to fill an open Trustee position in 2016 until the next election of an active member term. During his six years at Brookside Charter, Mr. Offield has taught in the classroom and served at every level of administration. Mr. Offield has his ED Specialist in Administration and a BSE in Business Administration.

**CHRISTINE GIERER, EXECUTIVE DIRECTOR** joined KCPSRS in September. She has a deep background in public defined benefit pension plans with nearly a decade of experience at a state pension plan. She's been involved in communication with the state legislature and is an advocate for pension members. She's a veteran of financial planning and budgeting for public organizations.

**ERICA HILL, RETIREMENT EDUCATION SPECIALIST** joined KCPSRS in November. Erica has experience in benefits administration, employee relations, and public speaking. She will complete a Masters in Human Resource Management this spring. Erica is looking forward to hosting several retirement education classes for KCPSRS active members considering retirement in 2016. Details for those sessions can be found on the back page and on our website [www.kcpsrs.org](http://www.kcpsrs.org).

**SHANNON MCCLAIN, EXECUTIVE ASSISTANT** joined KCPSRS in June 2015. Shannon brings a wealth of enthusiasm and experience to the office. Her background includes roles as administrative assistant, interim registrar, office manager, and database editor. Shannon is normally the first person you meet at KCPSRS, greeting you on the phone or at the door. Her cheerfulness and positive energy is contagious.

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*"We are fortunate to have a number of long-time dedicated board members whose commitment to the Retirement System never waivers and to have newer board members who are eager to learn and explore new ideas. Our staff are professionals with solid knowledge and experience with pension plan administration. The Board and the staff understand the importance of retirement income security to the KCPSRS members and together we build a solid sustainable System."*

*Horace Coleman*

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### In This Issue

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KCPSRS Board of Trustees (Seated front row from left-right) Joanne Collins, Richard Brown, Linda Watkins, Cheptoo Kositany-Buckner (Standing back row from left-right) Princeton Grayson, Roger Offield, Horace Coleman, Jr., Chairperson, Carl Evans, Curtis Rogers, Alex Ellison

## Meet Your Board of Trustees

### *KCPSRS Board of Trustees - Acting in Your Best Interest*

The Board of Trustees is required by law to act solely in the long term best interest of the KCPSRS active members and retirees. This undivided loyalty is called being a fiduciary, and it's one of the most important aspects of managing your retirement plan. A fiduciary is a person who holds the trust and confidence of another and is held to a higher standard of knowledge and care than the average person. Following are just a few ways the Board of Trustees fulfill their fiduciary duties:

- Establish policies and hold themselves and staff accountable to standards of conduct, ethics, and continuing education requirements
- Develop long-term investment goals and an asset allocation to diversify the investment portfolio with regard to risk/return
- Select and monitor investment managers and service providers to ensure performance and appropriate fees
- Review actuarial valuations to make decisions regarding future financial needs
- Set and monitor budgetary needs for the System

### *A Tribute to Mr. Cole and Ms. Helmkamp*

Sadly, the Board of Trustees lost two long time members in 2015. Clarence Cole passed away in June. Mr. Cole served faithfully since January 2002 as a School District appointee. He always looked forward to discussing issues impacting retirees and the school district. Mr. Cole's gentle and quiet demeanor was especially welcome in meetings when the Board had to make decisions on complex issues.

Caroline Helmkamp, Trustee for 17 years, passed away in October. Ms. Helmkamp was first elected in 1998 to represent active members and after her retirement in 2008 was re-elected as a retiree representative. Ms. Helmkamp was a staunch advocate for our members and for embracing new technology for the System. Her ever positive disposition was so appreciated by her Board colleagues.

## From the Executive Director

Greetings! I am honored to have been hired in September 2015 by the KCPSRS Board of Trustees to serve you, the members, as the Executive Director of KCPSRS.

As a long-time employee of and advocate for public pension plans, what I know for sure is, solid well managed pension plans are founded on a good governance structure which starts with the Board of Trustees. You, the members of KCPSRS, are fortunate to have a dedicated Board of Trustees who are fully committed and engaged in carrying out their responsibilities as fiduciaries of this pension plan.

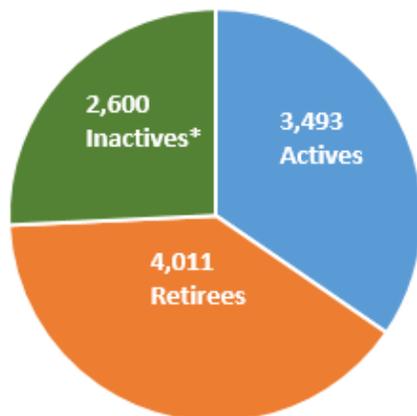
Your KCPSRS Board takes seriously the responsibility of providing a stable and secure retirement for employees and retirees of Kansas City public schools and public library. I am proud to be a part of this pension plan working with your Board of Trustees.

## Looking for a Retiree to Fill Vacancy

If you are interested in joining the Board of Trustees in 2016, and retired and live in the school district boundaries, call the Retirement office (816-472-5800). There is one open board member position, due to the recent passing of Ms. Helmkamp. The appointed person will hold this position through the end of 2016.

## Snapshot of KCPSRS Members

- Membership consists of all employees of the Kansas City School District, the Kansas City Public Charter Schools, and the Kansas City Public Library
- Of the nearly 10,200 members served by KCPSRS, over 4,000 receive a monthly benefit
- Members are fully vested after 5 years of covered employment
- Active members' average age is 44.4 and average length of service is 8.3 years.
- Retirees' average age is 71.7 years



As of 1/1/2015

\*includes vested and nonvested

## KCPSRS Office Relocation

KCPSRS will be relocating to new office space at 3100 Broadway by early April 2016. Notice of the exact move date will be posted under *Latest News & Events* on our website [www.kcpsrs.org](http://www.kcpsrs.org) in early March.

## Contribution Rate Increase for Active Members

Missouri law established a variable contribution rate for all KCPSRS employees and employers designed to sustain the long term viability of the System. Beginning January 1, 2016, the contribution rate increases from 8.5% to 9% of salary for all active members and their employers. Active members include employees of the 1) Kansas City Public School District, 2) Kansas City Public Charter schools, and 3) Kansas City Public Library.

KCPSRS contributions are automatically deducted from every active member's pay, pre-tax. The active member's employer contributes an equal amount to the System. This is the maximum contribution rate allowed by current Missouri law.

As an active member, know that your contributions and the accrued interest will be returned to you, or your beneficiary, in the form of monthly lifetime pension benefits or a lump-sum payment.

## How Your KCPSRS Benefits are Funded

KCPSRS' funding comes from three sources: member contributions, employer contributions and investment earnings. Contributions and investment earnings are accumulated and professionally managed on behalf of active and retired members of the System. The major source of revenue is investment earnings. On average, 59 cents of every dollar paid to KCPSRS retirees comes from investment earnings.

### FUNDING SOURCES

10-Year Average



Note: the 21¢ includes member contributions and service purchases.

## No Increase for Retirees in 2016

State law that governs KCPSRS requires a funding ratio of 100% before any pension increase may be awarded. At last valuation, the System's funding ratio, which is the ratio of its assets to its liabilities, was 80%. The System's funding ratio was impacted by the market crash of 2008 and sluggish economy. Future investment experience will be the largest driver of the System's funding ratio. The increase in employer and employee contributions also help strengthen the funding ratio.

# In the Know—Calendar Items

## January

- 1 KCPSRS Office Closed—New Year’s Day
- 12 Retirement Information Seminar 4:00—6:00 pm at KCPSRS
- 13 Retirement Information Seminar 3:30—5:30 pm at KCPSRS
- 14 Retirement Information Seminar 4:00—6:00 pm at KCPSRS
- 18 KCPSRS Office Closed—Martin Luther King, Jr. Day
- 20 Deadline to submit direct deposit changes for January pension checks
- 28 Pension checks mailed
- 29 Pension direct deposits posted

## February

- 15 KCPSRS Office Closed—President’s Day
- 19 Deadline to submit direct deposit changes for February pensions
- 26 Pension checks mailed
- 29 Pension direct deposits posted

## March

- 18 Deadline to submit direct deposit changes for March pensions
- 25 KCPSRS Office Closed—Good Friday
- 30 Pension checks mailed
- 31 Pension direct deposits posted

## Ready to Retire?

**Erica Hill, Retirement Education Specialist can be reached at 816.472.5800 or [erica.hill@kcpsrs.org](mailto:erica.hill@kcpsrs.org)**

Your retirement application must be on file with KCPSRS no less than 30 days and no more than 90 days prior to your anticipated effective retirement date. For instance if you were to retire at the end of the school year (May 31) your effective retirement date would be June 1<sup>st</sup>. Your appointment with the Retirement Specialist should be scheduled between March 1<sup>st</sup> and April 30<sup>th</sup>. The chart below illustrates retirement application submission and deadline dates for specific retirement dates.

<u>Date of Retirement</u> <i>Always the 1<sup>st</sup> of the month</i>	<u>Date Range Application Can Be Submitted</u>	<u>Retirement Application Deadline</u>
January 1	October 1 – November 30	November 30
February 1	November 1 – December 31	December 31
March 1	December 1 – January 31	January 31
April 1	January 1 – February 28	February 28
May 1	February 1 – March 31	March 31
June 1	March 1 – April 30	April 30
July 1	April 1 – May 31	May 31
August 1	May 1 – June 30	June 30
September 1	June 1 – July 31	July 31
October 1	July 1 – August 31	August 31
November 1	August 1 – September 30	September 30
December 1	September 1 – October 31	October 31

## Contact Us

For more information you may reach us at:

**KCPSRS**  
4600 The Paseo  
Kansas City, MO 64110

(816) 472-5800

Visit us on the web at  
[www.kcpsrs.org](http://www.kcpsrs.org)