

PENSION NEWS

Actuarial Funding Policy Amended

During their December 5, 2016 meeting, the Kansas City Public School Retirement System (KCPSRS) Board of Trustees voted unanimously to revise the current KCPSRS actuarial funding assumptions as recommended in the 2016 Experience Study completed by the System's actuary, Cavanaugh MacDonald. An Experience Study is conducted periodically to analyze existing assumptions and make changes as necessary to keep KCPSRS financially healthy.

The two most important assumption changes adopted by the Board are mortality rates (improved life expectancies) and lower expected investment returns.

Mortality – People are living longer. Consequently, revised mortality assumptions will better project the length of time pension benefits are expected to be paid to current and future retirees and beneficiaries.

Investment Returns – Investment experts and actuaries expect lower investment returns for the long term. In recognition of these lower expectations, KCPSRS will reduce the assumed rate of return for investments from 8% to 7.75%.

The newly adopted assumptions will first be reflected in the 2017 actuarial valuation. In many respects, an actuarial valuation can be thought of as an inventory process. An "inventory" will be taken as of 1/1/2017. On that date the assets of the System are appraised and compared to the System's liabilities, specifically the benefits to be paid to members. The valuation allows the KCPSRS Board of Trustees to analyze financing needs and implement policies to sustain the long-term viability of the System, fulfilling the promise of a secure retirement for our members.



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Board of Trustees Election Results

Beverly Pratt was elected by the retirees to serve a four year term (2017—2020). She is retired from the KC School District.

Roger Offield was elected by active members to serve a four year term (2017—2010). He is currently the Superintendent of Brookside Charter School.

KCPSRS Board of Trustees

Dr. Mark Bedell, Superintendent Joins the Board

KCPSRS Welcomes Superintendent Dr. Mark Bedell to the Board of Trustees. Superintendent Bedell was sworn in to his duties as a KCPSRS trustee by the Honorable Sandra Midkiff, Circuit Court Judge on September 21, 2016 at the retirement system's office.

With his right hand raised, Superintendent Bedell took the oath of office with a solemn swear of "I will diligently and honestly administer the affairs of the Board of Trustees." Judge Midkiff praised Bedell as a man who has "walked the talk", acknowledging his earlier years when Bedell was a classroom teacher, winning the Young Outstanding Teacher of the Year Award two years in a row in Houston, Texas.



Dr. Bedell being sworn in by Judge Sandra Midkiff

Mr. Richard Brown Retires from District to Embark on New Career

Mr. Brown was recently elected to the Missouri House of Representatives and will begin his new career in January 2017. He is retiring from the District and thus resigned from his seat on the KCPSRS Board. Mr. Brown served on the KCPSRS Board of Trustees since January 2014.

Mr. Alexander P. Ellison Steps Down from Board

Mr. Ellison was first appointed by the Board of Education, effective January 1991, to fill a vacant seat. Mr. Ellison was reappointed and served on the Board until his resignation in December 2016. Mr. Ellison served on the KCPSRS Board of Trustees for a total of **26 years of service!**

"On behalf of the staff, the Board, and all the members of KCPSRS, I thank both Mr. Ellison and Mr. Brown for their outstanding service to the System. Their commitment of time, energy and talent were invaluable in all aspects of management of the pension plan." Christine Gierer, Executive Director

IRS Tax Scams/Consumer Alerts

As tax season approaches KCPSRS would like to remind you that tax scams are real and pose serious danger.

The IRS does not initiate contact with taxpayers by email, text messages or social media channels to request personal or financial information. The IRS does not threaten taxpayers with lawsuits, impris-

onment or other enforcement action. Being able to recognize these tell-tale signs of a phishing or tax scam could save you from becoming a victim.

Also know that the IRS will never:

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer. Generally, the IRS will first mail you a bill if you owe any taxes.

Active Members

Ready to Retire in 2017?

KCPSRS is hosting pre-retirement seminars to help you prepare for your transition to retirement.

When: Tuesday, January 10, 2017 4:00 PM – 6:00 PM
Wednesday, January 18, 2017 3:30 PM – 5:30 PM
Thursday, January 26, 2017 4:00 PM – 6:00 PM
Tuesday, January 31, 2017 4:00 PM – 6:00 PM

Where: 3100 Broadway (First Floor Room 130) Kansas City, MO 64111

***Free 2-hour parking on the first two levels of the parking garage**

The same information will be presented at each seminar date. Please contact KCPSRS at 816-472-5800 to reserve your space as seating is limited.

Active Member Statements

Your member statement is available online at www.kcpsrs.org by logging in to *MY ACCOUNT*. Note: There is a one-two month lag before your contribution amounts are received from your employer and posted to KCPSRS. You may also view an estimate of your future retirement benefit.

Retirees

Your 1099-R will be mailed to you at the end of January. You will need this form to file your income tax return.

Reminder: If your address, bank account, or tax requirements have changed, you need to let us know. Change of Address, Direct Deposit, and Tax Change forms are available online at www.kcpsrs.org under the Retirees tab – Important Forms. Please keep your information current so there is no delay in your pension benefit.

2017 Federal Income Tax Withholding Adjustments

You may see a slight change in your federal tax withholding and “after tax” pension benefit amount in 2017. The Internal Revenue Service (IRS) made inflation adjustments for tax bracket and rate schedules for 2017 federal tax withholdings. Accordingly, KCPSRS implemented the IRS adjustments. Due to the IRS change of the tax brackets, your monthly federal tax withholding amount may reflect a slight change for 2017.

- Threaten to immediately bring in local police or other law-enforcement groups to have you arrested for not paying.
- Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.
- Ask for credit or debit card numbers over the phone.

To report any tax-related illegal activities, refer to

<https://www.irs.gov/individuals/how-do-you-report-suspected-tax-fraud-activity> explaining the types of activity and the appropriate forms or other methods to use.

You may also report instances of IRS-related phishing attempts and fraud to the [Treasury Inspector General for Tax Administration](http://www.treasury.gov/tax-ir/default.aspx) at 1-800-366-4484.

Volunteer Opportunities

Volunteer teachers needed for homework help at the Waldo Branch Library to assist students with their studies from 4:30 — 5:30 pm. For more information contact Katie at katietailor@kclibrary.org.

The American Red Cross needs Volunteers

The Pillowcase Project is an education program for grades 3 – 5 that teaches students about personal and family preparedness and safety skills, local hazards, and basic coping skills. Upon completion, students receive a pillowcase in which to build their personal emergency supplies kit. Contact the American Red Cross Volunteer Service at **816-841-5312**, or <http://www.redcross.org/local/missouri/western-missouri/locations/kansas-city>

IN THE KNOW—CALENDAR

JANUARY

2 KCPSRS Office closed for New Year's Day
10 Pre-Retirement Seminar
13 Deadline to submit direct deposit & tax changes for January pensions
16 KCPSRS Office closed for Martin Luther King, Jr. Day
18 Pre-Retirement Seminar
26 Pre-Retirement Seminar
30 Pension checks mailed
31 Pension direct deposits posted
31 Pre-Retirement seminar

FEBRUARY

15 Deadline to submit direct deposit & tax changes for February Pensions
20 KCPSRS Office closed for President's Day
27 Pension checks mailed
28 Pension direct deposits posted

MARCH

15 Deadline to submit direct deposit & tax changes for March Pensions
30 Pension checks mailed
31 Pension direct deposits posted

APRIL

14 KCPSRS Office closed
17 Deadline to submit direct deposit & tax changes for April Pensions
27 Pension checks mailed
28 Pension direct deposits posted

MAY

15 Deadline to submit direct deposit & tax changes for May Pensions
29 KCPSRS Office closed for Memorial Day
30 Pension checks mailed
31 Pension direct deposits posted

JUNE

15 Deadline to submit direct deposit & tax changes for June Pensions
29 Pension checks mailed
30 Pension direct deposits posted

JULY

4 KCPSRS Office closed for Independence Day
17 Deadline to submit direct deposit & tax changes for July Pensions
28 Pension checks mailed
31 Pension direct deposits posted

AUGUST

15 Deadline to submit direct deposit & tax changes for August Pensions
30 Pension checks mailed
31 Pension direct deposits posted

SEPTEMBER

4 KCPSRS Office closed for Labor Day
15 Deadline to submit direct deposit & tax changes for September Pensions
28 Pension checks mailed
29 Pension direct deposits posted

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