PENSION NEWS

MY ACCOUNT, MY RETIREMENT AT MY FINGERTIPS

Much of our lives can be accessed through a few simple clicks, so why should our retirement account be any different?

KCPSRS is working to provide platforms to educate, inform, and even excite you about your future—all at your fingertips.

Useful information can be found on our friendly and comprehensive website, www.kcpsrs.org. Your personal account information may be accessed through My Account. Our Facebook page will keep you updated on all of the latest news and happenings. And, most recently, KCPSRS developed a YouTube channel as the newest member of our media family.

Now you can watch videos anywhere, anytime on topics like our mission and values, what to do if you’re ready to retire, and simple reminders for your account. You can even meet members of the Board of Trustees as they talk on a variety of retirement points and their personal convictions in their videos. Be sure to click subscribe to stay current on all the latest videos.

We are proud to continue to serve you in a wide variety of ways and look forward to helping you achieve the future you’ve worked so hard to achieve.
Continuing education and due diligence is a key to success.

- Horace Coleman, Chairperson
EMERGENCY ASSISTANCE FOR RETIRED TEACHERS

If you or someone you know is a retired Kansas City teacher faced with a crisis, help may be available! The Kansas City Association of School Retirees (KCASR) accepts applications from retired teachers in need of emergency financial assistance. The maximum request is $500. Funds may be used to assist with specific needs including, but not limited to, family funeral expenses, utilities, housing, emergency food needs, clothing, and prescriptions. You are not required to be a member of the Association to request or receive funds.

Applications are available to download from www.kcpsrs.org on the Retirees menu. Or, you may contact Loxie Stock at 1640 Cypress, Kansas City, MO 64127 or loxiek@yahoo.com for the application form and more information.

ACTIVE MEMBERS

Are you or someone you know interested in running for a seat on the KCPSRS board? **Nominations will be received by the Board of Trustees on Monday, October 2, 2017 at 4:00 p.m. at 3100 Broadway, Suite 1211.**

One active member trustee position will be open for nominations. This position will be elected this fall and the elected member will begin serving a four-year term in January 2018.

Any active member (a current employee of the KC School District, any KC charter school, or the KC public library) may nominate a candidate for the active trustee position. To be eligible for the active member position the nominee must be employed by a KCPSRS-covered employer at the time of the election and reside within the boundaries of the KC School District. **It is important that you get involved in the election process and cast your vote.** Remember to return your ballot in time for your vote to count!

- 10/2/17 4pm Nominees accepted by the Board of Trustees at 3100 Broadway, Suite 1211
- 11/3/17 Ballots are mailed to members
- **11/20/17 YOUR vote must be received by the independent election service firm by 5 pm**
- 12/4/17 Election results are reported to the Board of Trustees

RETIRED MEMBERS

One of the top concerns retirees have is healthcare insurance. And for good reason. Getting sick isn’t something a person wants to happen, but unexpected medical events do occur. Having a health insurance plan helps pay for some of those costs and provides financial protection against ongoing large medical bills.

KCPSRS does not offer a healthcare insurance plan, however we partner with SelectQuote Benefit Solutions to provide free comparison shopping for your insurance needs.

Visit: [www.KCPSRS.selectquotebenefits.com](http://www.KCPSRS.selectquotebenefits.com) or call 855-650-5014 to speak to a licensed agent. Whether you are 65 or older (eligible for Medicare) or under the age of 65, healthcare options are available.

MISSION

The Kansas City Public School Retirement System works to fulfill the expectation of a secure retirement for employees of Kansas City’s School District, charter schools and Public Library.

CORE VALUES

In pursuit of our mission, our work is guided and informed by four core values.

- **Fiduciary Stewardship:** We are legally and ethically responsible to our members to safeguard the assets that provide for their future financial security.
- **Accountability:** Our principle obligation and concern is the security of member assets through efficient operations and prudent investment decisions.
- **Transparency:** We ensure openness in all aspects of governance and operations for our members and community.
- **Member Focused:** We strive to make all decisions in the best interest of our members. All of our work begins with the question, “Is it good for our members?”
It’s that time of year again for KCPSRS to share with you a summary annual report with our financial results for the fiscal year ended December 2016.

We are pleased to report our investment portfolio earned 7.9% for the year. KCPSRS continues to maximize investment returns and minimize risk over the long run by creating an efficient and diversified portfolio.

The chart at the bottom of this page shows our 2016 revenues by sources—the majority from investment earnings. As of December 31, 2016, the total assets of KCPSRS were $633 million.

INVESTMENT FUND PERFORMANCE

As of December 31, 2016, the KCPSRS investment portfolio had a fair market value of $618 million. KCPSRS investments generated a time-weighted return of 7.92% (gross) for the fiscal year 2016. The KCPSRS actual fund returns versus the policy benchmarks are displayed in the chart below. Benchmarks are standards used to measure investment performance.

**Total Fund Return vs. Policy Benchmark**

**Target Asset Allocation**

**2016 Revenues by Source**
As shown in the pie chart below, 94 cents of every dollar paid out by KCPSRS went towards benefit payments in fiscal year 2016. KCPSRS paid $77 million in benefits during the year. That money goes directly to our retirees allowing them to purchase goods and services thereby caring for themselves and promoting the economy. KCPSRS members teach our children in the classroom and work in the schools and public library, preparing and inspiring Kansas City’s future workforce.

The most recent actuarial valuation reported that KCPSRS’ actuarial funded ratio is 70%.

With every decision the KCPSRS staff and Board of Trustees make, we ask—”is it good for our members?” We work every day to preserve your retirement fund for your benefit today and well into the future. Careful stewardship of the fund is part of the reason KCPSRS has been around for nearly 75 years!

Executive Director

FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Fiduciary Net Position</th>
<th>Changes in Fiduciary Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2016</strong></td>
<td><strong>Year Ended December 31, 2016</strong></td>
</tr>
</tbody>
</table>

**Assets**

<table>
<thead>
<tr>
<th></th>
<th>Additions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 2,401,367</td>
</tr>
<tr>
<td>Receivables</td>
<td>$ 12,069,103</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>$ 618,133,183</td>
</tr>
<tr>
<td>Other assets</td>
<td>$ 100,103</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 632,703,756</strong></td>
</tr>
</tbody>
</table>

**Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 590,186</td>
</tr>
<tr>
<td>Investment payables</td>
<td>$ 538,494</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$ 132,463</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$ 1,261,143</strong></td>
</tr>
</tbody>
</table>

| Net positions restricted for pensions | $ 631,442,613 |

| Net (decrease) increase | $ (4,666,893) |
| Beginning of year       | $ 636,109,506 |
| Net positions restricted for pensions-end of year | $ 631,442,613 |
MEMBER INFORMATION

Total KCPSRS Membership

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Members (still employed)</td>
<td>3,701</td>
<td>3,574</td>
</tr>
<tr>
<td>Inactive Vested Members</td>
<td>490</td>
<td>461</td>
</tr>
<tr>
<td>Retirees and Survivors</td>
<td>4,032</td>
<td>4,049</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,223</strong></td>
<td><strong>8,084</strong></td>
</tr>
</tbody>
</table>

Active Members

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Age</td>
<td>43.5</td>
<td>44.0</td>
</tr>
<tr>
<td>Average Service</td>
<td>8.1</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Active Members by Employer

- School District: 56%
- Charter Schools: 40%
- Public Library: 4%

As of January 1, 2017

- School District: 2,076
- Charter Schools: 1,481
- Public Library: 144

Average Salary by Age

- Under 25: $30,000
- 25 to 29: $32,000
- 30 to 34: $35,000
- 35 to 39: $38,000
- 40 to 44: $41,000
- 45 to 49: $44,000
- 50 to 54: $47,000
- 55 to 59: $50,000
- 60 to 64: $53,000
- 65 to 69: $56,000
- 70 & Over: $60,000
Approximately 82% of KCPSRS retirees live in Greater Kansas City. The annual benefits paid to these retirees (about $64 million) provide a steady and significant stimulus to Kansas City’s economy.

72.2 Years
Average age of retired members
75% of retirees are female

$1,589
Average monthly benefit of retired members
## IN THE KNOW—CALENDAR ITEMS

### SEPTEMBER
- **4** KCPSRS Office Closed—Labor Day
- **11** Board of Trustees meeting
- **15** Deadline to submit direct deposit changes for September pensions
- **28** Pension checks mailed
- **29** Pension direct deposits posted

### OCTOBER
- **2** Board member nominations received at Board of Trustees meeting
- **16** Deadline to submit direct deposit changes for October pensions
- **30** Pension checks mailed
- **31** Pension direct deposits posted

### NOVEMBER
- **3** Election ballots mailed to members home addresses
- **6** Board of Trustees meeting
- **15** Deadline to submit direct deposit changes for November pensions
- **20** Ballots must be received by the election service by 5 pm
- **23-24** KCPSRS Office Closed—Thanksgiving
- **29** Pension checks mailed
- **30** Pension direct deposits posted

### DECEMBER
- **4** Board of Trustees meeting
- **15** Deadline to submit direct deposit changes for December pensions
- **25-29** KCPSRS Office Closed—Christmas
- **28** Pension checks mailed
- **29** Pension direct deposits posted

### JANUARY
- **Retirement Education Seminars—dates TBD**
- **1** KCPSRS Offices Closed—New Years Day
- **8** Board of Trustees meeting
- **15** KCPSRS Office Closed—Martin Luther King Day
- **16** Deadline to submit direct deposit changes for January pensions
- **30** Pension checks mailed
- **31** Pension direct deposits posted

### FEBRUARY
- **5** Board of Trustees meeting
- **15** Deadline to submit direct deposit changes for February pensions
- **19** KCPSRS Offices Closed—President’s Day
- **27** Pension checks mailed
- **28** Pension direct deposits posted