



**Inside this issue:**

Customer Survey Results	1
Nominations & Elections	2
2018 Legislative Recap	2
Member Statements Available	3
Countdown to Retirement	3
2017 Annual Financial Summary	4-7
Upcoming Events	8

### Member survey results reveal impressions of KCPSRS communication methods

In March, KCPSRS distributed an online customer service experience survey to our active members, via their employers, and to our retirees for whom we have email addresses on file. We received responses from 564 active members and from 91% of the nearly 200 retirees for whom we have an email address.

Survey results show that 59% of active members and 64% of retirees are generally satisfied with KCPSRS’ communication methods, our efforts to keep you apprised of any issues, our customer service, and the pleasantness and promptness of our responses. These satisfied responders had viewed and were happy with our website ([www.kcpsrs.org](http://www.kcpsrs.org)), its ease of use and information within. Other notable survey findings included:

- Retirees especially enjoy our newsletters and a number of them asked to receive the newsletter via email rather than U.S. mail. KCPSRS will follow through on these requests.
- A significant number of active members and retirees (25% and 30%, respectively) ranked the retirement system “neutral” on communication methods, many noting they had not viewed KCPSRS’ website. Members told us, “Until this survey I was not aware of the Kansas City Public School Retirement System’s Facebook page, You-tube videos, or the website.”
- The KCPSRS communication outlets that members and retirees knew the least about were KCPSRS’ Facebook page, YouTube channel, and *My Account* (your member portal).
- Many active members thought the survey was from and about the School District rather than their retirement system (KCPSRS).

The survey uncovered some important facts. We, at KCPSRS, are working to improve on the following:

- Our email distribution of the newsletter to active members needs to more clearly indicate the newsletter is from your Retirement System (KCPSRS) rather than your employer.
- Our marketing of all the social media outlets offered by KCPSRS.

We urge you to explore the website, [www.kcpsrs.org](http://www.kcpsrs.org), create your *My Account* member profile. *My Account* allows you to view your personal KCPSRS account information. Active members can view and print an account statement showing their accumulated contributions plus any interest, update beneficiary information, and estimate future retirement benefit. In addition to these features, retirees can also update their address or phone number, change tax withholdings, print an income verification letter, and obtain 1099-R information. *My Account* is a safe and secure way to access your retirement information any day, any time.

You can watch a short video about how to register and use *My Account* by clicking [here](#) or going to our website under *Publications* under *Videos* and clicking on the arrow of the “My Account Our Member Portal” video.

We also encourage you to stay connected to the latest news and information by liking our [Facebook page](#), and subscribing to our [YouTube channel](#).

## Nominations for the KCPSRS Board of Trustees

*Deadline 4:00 p.m. October 1, 2018 at 3100 Broadway, Suite 1211*

If you or someone you know is interested in running for a seat on the KCPSRS board, **nominations will be received by the Board of Trustees on Monday, October 1, 2018 at 4:00 p.m. at 3100 Broadway, Suite 1211 Kansas City, MO 64111.** Two trustee positions will be open for nominations - one active member and one retired member. Both positions will be elected this fall and begin serving four-year terms in January 2019.

**Active Member Position** - Any active member (full-time employee of one of the participating employers: the KC School District, any KC charter school, and KC Public Library) may nominate a candidate for the active member trustee position. The active member nominee must be employed in a KCPSRS-covered position at the time of the election and must reside in the boundaries of the Kansas City, Missouri school district.

**Retiree Position** - Any KCPSRS retiree may nominate a candidate for the retired trustee position. The retiree nominee must be retired on or before January 1, 2018 and must reside in the boundaries of the Kansas City, Missouri school district.

**Self-nominations are acceptable.** Additional information on the role and responsibility of board members can be found on the KCPSRS website in the *About* tab under *Board and Staff*. ([www.kcpsrs.org](http://www.kcpsrs.org))

The Board of Trustees **ONLY** accepts nominations from the floor at 4:00 p.m. on October 1, 2018 at the Board meeting at 3100 Broadway, Suite 1211.

Ballots will be mailed to your home address in November and an on-line ballot will also be emailed to members and retirees for whom we have an email address. Only one vote per member will be counted.

It is important that you take an active role in the nomination and voting process. These candidates will represent you for the next four years!

### Important Election Dates:

October 1, 2018 - 4:00 p.m. Nominees accepted by the Board of Trustees at 3100 Broadway, Suite 1211

November 1, 2018 - Ballots are mailed to members of the retirement system with a return envelope

November 26, 2018 - Ballots must be received by the election service by 5 p.m.

December 3, 2018 - Election results are reported to the Board of Trustees



## 2018 Legislative Recap

The 2018 legislative session ended on May 18th. In total, approximately 2,100 bills were introduced during this year's session and 143 bills were truly agreed and finally passed (TAFP). While there were many pension-related proposals offered for consideration, only one that directly affected KCPSRS was TAFP and signed by the Governor. Senate Bill 892 included provisions that will change the KCPSRS contribution rate for employers. There is no change to the employee contribution rate. The KCPSRS-covered employer contribution rate will increase from 9% to 10.5% in January 2019 and to 12% in January 2020. Thereafter, the total contribution rate is expected to remain steady or equal to the actuarial required contribution rate. The employee rate will not exceed the current 9%.

The overall goal of these contribution rate changes is to move KCPSRS toward an actuarial funding ratio of 100% with all due expediency, improving the long-term viability of the retirement for active members and current retirees.

## MEMBER STATEMENTS AVAILABLE

Log into your [My Account](#) on the website [www.kcpsrs.org](http://www.kcpsrs.org). Haven't registered for *My Account* yet? It's easy! Watch the short instructional [video](#) available on our website under the *Publications* tab.

Your member statement contains your contributions plus interest account balance, your service credit, (number of years with the Retirement System), your beneficiary information, and your retirement plan (plan B or C). Your statement is available for viewing and printing via *My Account* anytime day or night, when you are ready!

If you are brand new to the System, allow two months for your employer to notify KCPSRS and your account information to be established and uploaded to the system.

Please review your statement. If you find anything incorrect or have questions, contact KCPSRS immediately at [kcpsrs@kcpsrs.org](mailto:kcpsrs@kcpsrs.org) or 816-472-5800.



## COUNTDOWN TO RETIREMENT

Are you considering retirement in a couple of years or sooner? Make sure you are prepared. Here are a few important things you can do to prepare for retirement:

### 24 months before potential retirement:

- Generate a Benefit Estimate by logging into your [My Account](#) online or call your KCPSRS Retirement Education Specialist.
- Sign in or create a personalized Social Security account to view and estimate your social security benefits. [www.ssa.gov/myaccount/](http://www.ssa.gov/myaccount/)

### 18-12 months before retirement:

- Research medical insurance for you and your family.
- Consider or update your will, trust or power of attorney.
- Request estimates from Social Security and from KCPSRS.
- Watch the "[Are You Ready to Retire](#)" video located on [www.kcpsrs.org](http://www.kcpsrs.org).

### 9-3 months before retirement:

- Attend a KCPSRS pre-retirement seminar (offered in February and March). Dates will be posted on KCPSRS website and listed in newsletter by January.
- Within 3 months of your planned retirement date, contact the Retirement Education Specialist to schedule an appointment for submitting a KCPSRS retirement application. The application must be submitted no earlier than 90 days and no later than 30 days before your anticipated retirement date.
- Schedule an appointment with your employer's Benefits department or Human Resources staff to discuss the exit process for your school or Library.
- If you have a personal retirement savings plan (i.e. IRA or 403b). Contact plan administrator for information regarding that account.

### Reminder:

It is important for you to keep your employer informed of your current home address. KCPSRS uses this address for mailings.

This annual summary report explains how your Retirement System (KCPSRS) is doing financially and its importance to you and to Greater Kansas City.

The two sources of revenues for the System are investment earnings and contributions. During 2017, our investment portfolio earned 16.9%, net of fees for the year, adding approximately \$104 million to the Fund. KCPSRS continues to maximize investment returns and minimize risk over the long run by creating an efficient and diversified portfolio.

Contributions for the year totaled \$34 million. The actual contribution rate paid has fallen short of meeting the actuarially determined rate for six years and Missouri statutes capped the contribution rate at 18%. After extensive study and work with our participating employers, legislation was proposed and approved by the Missouri General Assembly in 2018 to increase the KCPSRS contribution rate. Per the approved legislation the employer contribution rate will increase in 2019 and 2020, improving the financial status of the System. The employee rate remains at 9%. In 2021 and subsequent years, the total contribution rate will, at a minimum, equal the actuarially determined contribution rate - the amount needed to stay on point with our sustainable funding plan.

Benefits paid to retirees or their beneficiaries in 2017 totaled \$78 million with 83% of those dollars staying in Greater Kansas City supporting our local economy. The most recent actuarial valuation reported that KCPSRS was pre-funded at 69.2%. As of December 31, 2017, the total assets of KCPSRS were \$687 million.

Membership in KCPSRS totals 8,394 comprised of 49% retirees, 45% actively contributing members, and 6% inactive vested members. More details of memberships are reflected in the chart below.

I encourage you to keep informed about KCPSRS. Follow us on social media; read our website blogs and publications; read our newsletters; register for and go to [My Account](#) on our website to update your profile and access your individual account information. In November, when you receive a KCPSRS ballot, vote for the candidate of your choice to represent you on our Board of Trustees. You will want to make sure we have your current address. Help us stay on point to serve you!

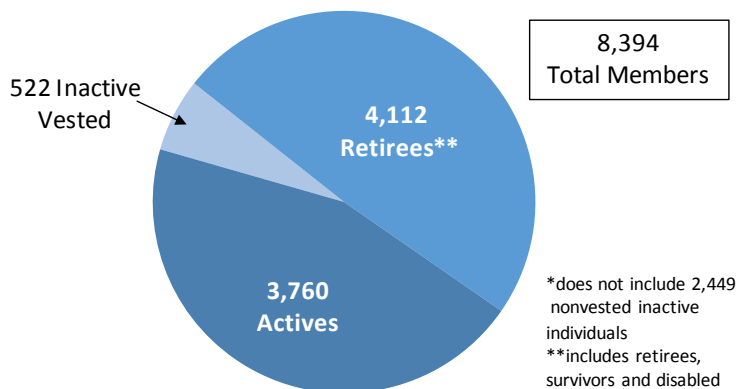
Sincerely,



Christine Gierer  
Executive Director

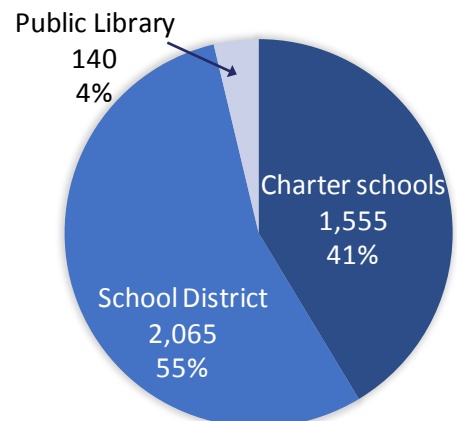
### SNAPSHOT OF KCPSRS MEMBERS\*

AS OF 1/1/2018



### ACTIVE MEMBERS BY EMPLOYER

AS OF 1/1/2018



**FINANCIAL STATEMENTS**

**Fiduciary Net Position**

December 31, 2017

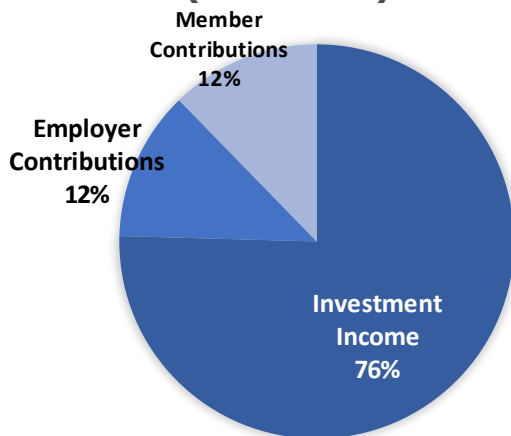
<b>Assets</b>	
Cash	\$ 2,259,107
Receivables	\$ 11,680,121
Investments at fair value	\$ 672,509,851
Other assets	\$ 83,786
<b>Total assets</b>	<b>\$ 686,532,865</b>
<b>Liabilities</b>	
Accounts payable	\$ 599,450
Investment payables	\$ 0
Accrued expenses	\$ 131,416
<b>Total liabilities</b>	<b>\$ 730,866</b>
Net positions restricted for pensions	\$ 685,801,999

**Changes in Fiduciary Net Position**

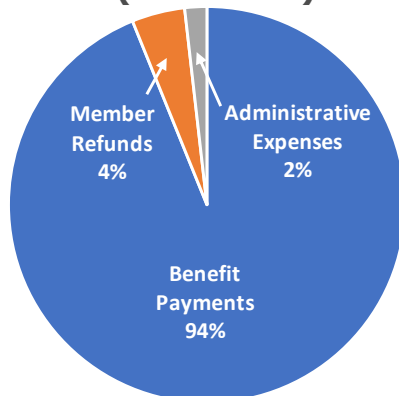
Year Ended December 31, 2017

<b>Additions</b>	
Contributions	\$ 33,890,913
Net investment income	\$ 103,767,715
<b>Total additions</b>	<b>\$ 137,658,628</b>
<b>Deductions</b>	
Benefits payments	\$ 78,181,575
Member refunds	\$ 3,581,147
Administrative expenses	\$ 1,520,665
Other expenses	\$ 15,855
<b>Total deductions</b>	<b>\$ 83,299,242</b>
Net (decrease) increase	\$ 54,359,386
Beginning of year	\$ 631,442,613
Net positions restricted for pensions-end of year	\$ 685,801,999

**2017 ADDITIONS (REVENUES) BY SOURCE**



**2017 DEDUCTIONS (EXPENSES) BY TYPE**



**ADDITIONAL INFORMATIONAL RESOURCES**

View the following in-depth reports by accessing our website:

[www.kcpsrs.org/about-us/](http://www.kcpsrs.org/about-us/)

[Actuarial Report](#)

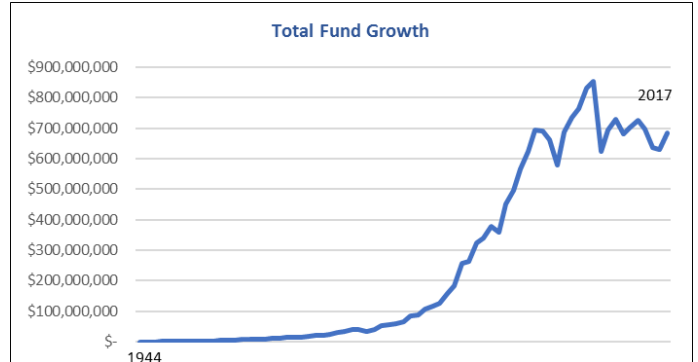
[Audit Report](#)

View the complete annual report at:

[www.kcpsrs.org/publications/Comprehensive Annual Financial Report \(CAFR\)](http://www.kcpsrs.org/publications/Comprehensive%20Annual%20Financial%20Report%20(CAFR))

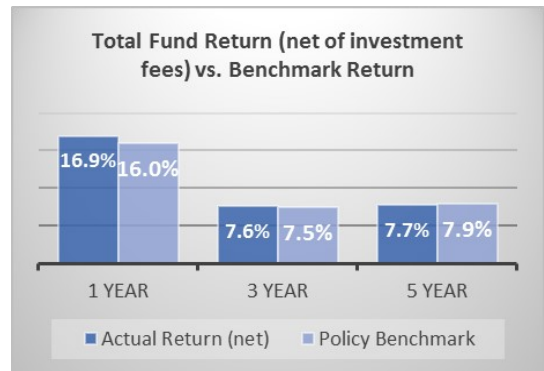
## INVESTMENT GROWTH

As of December 31, 2017, the KCPSRS investment portfolio had a fair market value of \$673 million. KCPSRS' investments generated a return of 16.9%, net of fees, for the year ended December 31, 2017. See the chart on the right for the growth of the fund since the system's inception.



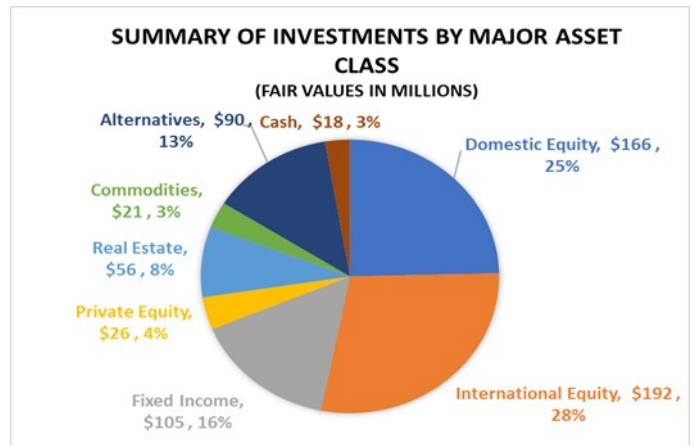
## INVESTMENT PERFORMANCE

For the year 2017 KCPSRS total investment fund outperformed its policy benchmark by 0.95%. Benchmarks are standards used to measure investment performance.



## ASSET ALLOCATION

Investment diversification is critical because the future is unknown. Diversification is a fancy name for the advice: "Don't put all of your eggs in one basket." This is the basic principle behind KCPSRS' asset allocation. The total portfolio is built with diversified assets to help reduce risks of various economic conditions affecting investments. The chart to the right illustrates the percentages and value (in millions) of the actual allocation to each asset class, as of December 31, 2017.



## INVESTMENT INCOME...

### 20 YEAR AVERAGE

Investment income is the major source of revenue for the retirement system. Approximately 60¢ of every dollar used to pay retirees is generated from investment earnings.





The average  
KCPSRS Retiree  
receives **\$1,607** a month

A KCPSRS Retiree's  
average age is  
**72.3 years**

**83%**  
of KCPSRS Retirees  
reside in  
Greater Kansas City,  
including  
Missouri and Kansas

---

Other KCPSRS Retirees reside in  
**41** other states  
and Washington, DC,  
France, the Philippines,  
Egypt, Nicaragua,  
Puerto Rico,  
and the Virgin Islands

**SEPTEMBER**

- 3 KCPSRS Office Closed—Labor Day
- 10 Board of Trustees meeting
- 17 Deadline to submit direct deposit & tax changes for September retirement benefits
- 27 Retirement benefit checks mailed
- 28 Retirement benefit direct deposits posted
- 28 Deadline to apply for November 1 retirement

**OCTOBER**

- 1 Board member nominations received at Board of Trustees meeting
- 1 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for October retirement benefits
- 30 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits posted
- 31 Deadline to apply for December 1 retirement

**NOVEMBER**

- 1 Election ballots mailed to members home addresses
- 5 Board of Trustees meeting
- 15 Deadline to submit direct deposit changes for November retirement benefits
- 22-23 KCPSRS Office Closed—Thanksgiving
- 26 Ballots must be received by the election service by 5 p.m.
- 29 Retirement benefit checks mailed
- 30 Retirement benefit direct deposits posted
- 30 Deadline to apply for January 1 retirement

**DECEMBER**

- 3 Board of Trustees meeting
- 17 Deadline to submit direct deposit & tax changes for December retirement benefits
- 21 Deadline to apply for February 1 retirement
- 24-31 KCPSRS Office Closed—Christmas
- 28 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits posted

**JANUARY**

- 1 KCPSRS Offices Closed—New Years Day
- 7 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for January retirement benefits
- 21 KCPSRS Office Closed—Martin Luther King Jr. Day
- 30 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits posted
- 31 Deadline to apply for March 1 retirement

**FEBRUARY**

- Retirement Education Seminars—dates TBD
- 4 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for February retirement benefits
- 18 KCPSRS Offices Closed—President's Day
- 27 Retirement benefit checks mailed
- 28 Retirement benefit direct deposits posted
- 28 Deadline to apply for April 1 retirement



KCPSRS  
3100 Broadway, Suite 1211  
Kansas City, MO 64111  
8:00 a.m. to 4:30 p.m.  
Monday through Friday

[www.kcpsrs.org](http://www.kcpsrs.org)

Phone: 816.472.5800

Fax: 816.472.5909

E-mail: [kcpsrs@kcpsrs.org](mailto:kcpsrs@kcpsrs.org)

Like us on [Facebook!](#)

Subscribe to us  
on [YouTube!](#)