

KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM PENSION NEWS

Retiree Newsletter

JANUARY 2019

Celebrating 75 Years of Serving You!

The Kansas City Public School Retirement System (KCPSRS) celebrates its 75th year in 2019. In tribute to this achievement, see the historical timeline of events that led to the creation of KCPSRS and the many ways the System has changed over the years. The timeline is showcased on our website www.kcpsrs.org.

In 1943, Governor Forrest Donnell signed into law House Bill No. 178 which enabled the School District of Kansas City, Missouri and its employees (teachers and others) to establish a retirement system.

Since its establishment on January 1, 1944, KCPSRS has been dedicated to its mission: working to fulfill the expectation of a secure retirement for employees of Kansas City, Missouri's schools and public libraries.

Please join us in celebrating 75 years of service throughout 2019.

We look forward to continuing to provide reliable retirement benefits to Kansas City's dedicated public school and library staff for another 75 years and beyond!



Kansas City Public School Retirement System

The Fight for a Dignified Retirement and the Ongoing Work to Keep It Secure



The first of the Kansas City Public Schools to be completed was the Washington School at the southwest corner of Independence and Cherry in 1868.

(see article on page 2)

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Congratulations to Mr. Rogers and Mr. Ukuu! Re-elected to the KCPSRS Board of Trustees

KCPSRS election results are complete!

Retirees elected Curtis Rogers to serve his sixth four-year term (2019 – 2022) on the retirement system's Board of Trustees. Mr. Rogers retired from the Kansas City Public School District in 2002 after a 36-year career with the District. He served as a Trustee for the Kansas City Public School Board from 2012-2016. He is active in his fraternity (Alpha Phi Alpha Fraternity, Inc.), his Masonic lodge (Green Pas-

tures #128 Lodge), and in his church (Palestine Missionary Baptist Church).

KCPSRS active members elected Bakari Ukuu to serve a second four-year term (2019-2020) as a Trustee on the KCPSRS Board. Mr. Ukuu is currently a middle school vice principal for the Kansas City Public School District. Since joining the KCPS staff in 2012, he has also served as a classroom teacher, an instructional coach

and is an active advocate for the District's students, families, and staff. In school, Bakari supports teachers and students to disrupt oppressive systems that inhibit their success while assisting teachers in facilitating rigorous, engaging, and culturally relevant learning experiences. Outside of school, he serves on the Teach for America's Collective National Advisory Board and as a steering committee member of Brothers Liberating our Community.

CELEBRATING 75 YEARS!

Retirement System Celebrates 75th Anniversary:

The Fight for a Dignified Retirement and the Ongoing Work to Keep It Secure

Teachers and other public school and library employees in Kansas City sometimes take for granted their membership in a retirement plan that will provide them a lifetime pension benefit. But long before today's reliable retirement system was established, teachers and their advocates fought a long fight for a dignified and secure retirement income. Since KCPSRS began 75 years ago, its members and Board of Trustees have worked hard to keep the System updated, solid and relevant through a constantly-changing educational environment.

For almost a century after the Kansas City School District was organized in 1866, teachers had little or no opportunity for saving for their retirement years. In 1916, the Kansas City Star pointed out the need for a teachers' pension system, arguing that teachers were expected to possess refinement and special training, yet pay was so sparse that it was impossible to save for old age. Advocates such as the National Education Association pushed for teacher pensions, pronouncing, "a sound teacher retirement system serves two important purposes: it protects the public from rendered loss competent by advanced age or other disability, and it adds dignity to the work and position of the teacher."

Although the call for a pension system began just after the turn of the 20th century, the Missouri State Constitution prohibited the payment of retirement allowances to teachers either by the state or by school districts. By 1932, thirty-seven other states had established state-wide or local systems for teachers, believing a retirement system contributed to a sound educational system. Bills in the Missouri state legislature failed to pass in 1937, 1939 and 1941, but in 1943, three separate but similar bills were passed, establishing retirement systems in Kansas City, St. Louis and St. Joseph.

The Kansas City Public School Retirement System opened its doors in 1944, governed by a board of trustees "responsible for the general administration and proper operation of the Retirement System." Retirement was mandatory at 70 years of age. Retirement eligibility was age 62 with at least five years of

service. The System had 2,147 active members and 240 retirees.

The System has grown steadily since then, both in the number of active and retired members and its assets. Today, the System has 3,760 active members and 4,112 retirees and \$670 million in assets.



Presumed to be a class of Woodland school students on a double-decker bus in 1930. Courtesy Kansas City Public Library, Missouri Valley Special Collections.



Teachers and students on the steps of the Linwood School in 1916. "The boys wear britches and button-down ties." Courtesy Kansas City Public Library/Missouri Valley Special Collections.

KCPSRS's Board of Trustees continues to ensure the stability of the System as it celebrates its 75th anniversary in 2019. Chairman Horace Coleman says the Board has several goals: taking its fiduciary responsibility seriously; securing member assets through efficient operations and prudent investments; and overseeing the System's long-term funding for the financial security of our members.

Coleman hopes teachers and other members understand how important the System is to them. "This retirement system provides financial security for the rest of their lives. It is a lifetime benefit," he says.

Total Fund Growth



The strength of KCPSRS is based on the continued growth and wise investment over the years. Assets have increased from just over \$200,000 in 1944 to nearly \$670 million in 2018.

RETIREE MEMBER NEWS

Earning Information

Mailed to you with this newsletter is a statement reflecting your December (monthly) benefit and the total amount of all benefit payments made to you during 2018 (YTD) before tax deductions, and the federal and state tax withheld from your retirement benefit. Your earning information may indicate benefit proration of taxable benefit, non-taxable benefit, or years past COLAs, if applicable to you.

You may notice a slight difference in your December Missouri state tax withholding amount. During 2018, the State of Missouri government made withholding tax table changes reflected for the first time in your KCPSRS December benefit. Review the tax information listed for you and make sure it reflects your withholding intentions for 2019.

Tax Time is Coming. Are You Eligible for the Missouri Public Pension Exemption?

Married couples with a combined Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct up to 100% of their public retirement benefits (such as KCPSRS benefits), to the extent the amounts are included in their federal adjusted gross income. If your Missouri adjusted gross income is greater than these amounts, you may qualify for a partial exemption. For more information visit www.dor.mo.gov/fag/personal/indiv.php or contact the Missouri Department of Revenue at (573) 751-3505, email income@dor.mo.gov or consult a professional tax advisor.



1099-R Tax Form

Your 2018 IRS *Form 1099-R* will be mailed to you on or before January 31st. This information is necessary when filing your 2018 income tax returns. Your *Form 1099-R* will show the total funds you received from KCPSRS in calendar year 2018, the taxes withheld, and the dollar amounts considered taxable income.

Why no COLA?

Missouri law does not allow the KCPSRS Board to grant cost of living adjustments (COLA) for retirees unless two stipulations are met:

1. Funded ratio of the Retirement System must be at least 100%
2. Actual contribution rate paid must be equal to or greater than the required rate as determined by the actuary each year

Neither of these requirements were met in 2018, so no COLA can be granted to KCPSRS retirees.

The good news is we are closing the gap on the contribution rate! Legislation was passed in 2018 requiring employers (not employees) to pay a higher contribution rate. The employer contribution rate increased by 1.5% on January 1, 2019 and will increase another 1.5% in 2020 and then the rate will remain, at a minimum, equal to the actuarial required contribution rate. While it will still be years before we can expect the funded ratio to reach 100%, these contribution increases are a big step in the right direction. For more information about COLA read the article on the KCPSRS website (under Publications, Blog).

Risk of Identity Theft: Protect Your Information

Identity theft is one of the fastest growing crimes in America. Be aware and avoid providing sensitive personal information such as your Social Security Number (SSN) or banking information to unknown persons either over the phone, email, or internet. Unexpected calls and emails requesting your information require you to be exceedingly cautious. If you suspect foul play during a phone call, get the caller's information then hang up and contact the official phone number of the business or agency that the caller claims to represent.

Example of some current scams: You receive a call from someone claiming to be from Social Security or another agency. The caller states that Social Security does not have all of your personal information, such as your Social

Security number (SSN) on file or the caller claims Social Security needs additional information so your benefit payment can be increased, or that Social Security will terminate your benefits if they do not confirm your information.

These scams appear to be a widespread issue as reports have come from people across the country. These calls are not from Social Security. Social Security employees will never threaten you or promise a Social Security benefit approval or increase in exchange for information. In those cases, the call is fraudulent, and you should just hang up. If you receive these calls, please report the information to the Office of the Inspector General at 1-800-269-0271 or online at oig.ssa.gov/report.

2019—CELEBRATING 75 YEARS!

JANUARY

- 1 KCPSRS Office closed—New Year's 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 deposited

FEBRUARY

- 4 Board of Trustees Meeting
- 15 Deadline to submit direct deposit & tax changes for February retirement benefits
- 18 KCPSRS Office closed—President's Day
- 27 Retirement benefit checks mailed
- 28 Retirement benefit direct deposits deposited

MARCH

- 4 Board of Trustees Meeting
- 15 Deadline to submit direct deposit & tax changes for March retirement benefits
- 28 Retirement benefit checks mailed
- 29 Retirement benefit direct deposits deposited

APRIL

- 1 Board of Trustees Meeting
- 15 Deadline to submit direct deposit & tax changes for April Pensions
- 19 KCPSRS Office Closed—Good Friday
- 29 Retirement benefit checks mailed
- 30 Retirement benefit direct deposits deposited

MAY

- 6 Board of Trustees Meeting
- 15 Deadline to submit direct deposit & tax changes for May retirement benefits
- 27 KCPSRS Office closed— Memorial Day
- 30 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits deposited

JUNE

- 3 Board of Trustees Meeting
- 17 Deadline to submit direct deposit & tax changes for June retirement benefits
- 27 Retirement benefit checks mailed
- 28 Retirement benefit direct deposits deposited

JULY

- 4 KCPSRS Office closed— Independence Day
- 15 Deadline to submit direct deposit & tax changes for July Retirement benefits
- 30 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits deposited

AUGUST

- 15 Deadline to submit direct deposit & tax changes for August Retirement benefits
- 29 Retirement benefit checks mailed
- 30 Retirement benefit direct deposits deposited



Kansas City Public School Retirement System

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