KCPSRS celebrates its 75th year in 2019! In tribute to this achievement please join us for an anniversary reception on October 4, 2019 at the Central Library, 14 West 10th St, Kansas City, MO.

The reception will be open from 3:00 pm to 6:00 pm in Helzberg Auditorium at the Central Library.

Free parking is available in the Central Library parking garage after your ticket has been validated at the reception.

Central Library parking garage information: kclibrary.org/central-parking.

Join us, your peers, and friends!

Please RSVP at kcpsrs.wufoo.com/forms/75th-anniversary/ or call 816-472-5800. We will need your name and phone number. If you are not able to attend there is no need to RSVP.

Inside this issue:

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Simple Steps… Tips on Membership 8

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We Want YOU!
Become a decision maker for Your Retirement Plan.

Nominations for three Board of Trustee positions will be received on Monday, October 7, 2019 at 4:00 p.m. at 3100 Broadway, Suite 1211 Kansas City, MO 64111. Three active member positions will be open for nominations. An election for three active member positions will be held in November. The candidate with the most votes will begin a four-year term in January 2020. Two additional candidates with the next highest votes will begin a three- and two-year term, respectively.

Board Member Qualifications:
• Must be an “active member” (a full-time employee of one of the participating employers, the KC School District, any KC charter school, and KC Public Library).
• Must be a resident taxpayer in the boundaries of the Kansas City, MO school district.

How to Nominate a Candidate:
• Come to 3100 Broadway, Suite 1211 at 4:00 p.m. on October 7, 2019.
• When the current Board chair asks for nominations, raise your hand and provide the name and address of the nominee (you may nominate yourself!).

Any KCPSRS active member may nominate a candidate.

Board Member Roles and Responsibilities:
Information can be found on the KCPSRS website in the About tab under Board and Staff.

Nominations are ONLY accepted from the floor at the Board meeting at 4:00 p.m. on October 7, 2019 at 3100 Broadway, Suite 1211.

Election:
Ballots will be mailed to all active members’ home address in late October and an on-line ballot will also be emailed to members who have registered on the KCPSRS portal – My Account. Only one vote per member will be counted.

Important Election Dates:
October 7, 2019 – 4:00 p.m.
N Nominees accepted by the Board of Trustees at 3100 Broadway, Suite 1211
October 30, 2019
Ballots are mailed
November 20, 2019
Ballots must be received by the election service by 5 p.m.
December 2, 2019
Election results are reported

It is important that you take an active role in the nomination and election process. These trustees will represent you on retirement issues.
It is my pleasure to present the KCPSRS Annual Financial Summary Report, which provides a brief overview of our financial results during the year 2018; and information regarding our membership and investments. This year’s report recognizes KCPSRS’ 75th anniversary. You will also want to view the historical timeline featured on our website (www.kcpsrs.org) for photos and short descriptions of the creation and growth of your retirement system.

While the System has come a long way in 75 years, the fundamental mission remains the same – a secure retirement for Kansas City public school and library employees. Throughout history, KCPSRS has been committed to serving our membership. We understand that commitment into the future demands more than maintaining the status quo. We must keep pace with the ever-changing educational environment and financial markets while remaining true to our mission and values. Accordingly, we align our work to safeguard system assets through efficient operations and prudent risk-adjusted investments to achieve target returns over the long term.

For more than 8,600 active, inactive-vested, and retired members, KCPSRS’ staff facilitates the retirement process which spans several decades from a member’s initial employment to the receipt of benefit payments throughout their retirement years. It is an honor to be a part of this process and work for the employees of the public schools and libraries within the Kansas City school district.

We will continue to do our best to ensure a strong and stable KCPSRS for the future.

Christine Gierer, Executive Director

Since it’s origin in 1944, the Retirement System’s membership and the economy has significantly changed. Today, the average monthly salary of an active member is nearly three times the average member’s annual salary in 1945! The number of benefit recipients has increased by 94%.

All full-time employees of Kansas City’s school district, charter schools and public libraries are active members of KCPSRS. Originally, all active members worked for the KC school district. In 1988, the public library was established as an independent entity, separating from the school district. In 1999,18 charter schools opened in Kansas City. Today, the district and the charter schools are by far the largest employer groups.
In 1944 when KCPSRS was established and still today, the retirement system is important to Kansas City public schools and libraries in many ways. It helps attract and retain a quality workforce, which is essential to maintaining a strong community. KCPSRS members are teachers, school administrators, support staff, librarians, and other staff who are dedicated to improving the lives of children and adults through education.

KCPSRS is a solid retirement plan that provides a core lifetime benefit to help the city’s public educational employees be financially independent. It is good for the members and good for the economy – of the nearly $80 million in benefits paid annually, 82% of those dollars stayed in the greater Kansas City area, to be spent locally.

KCPSRS is prefunded with contributions from both the employee and employer. Those funds are pooled and professionally invested. Over time, contributions and investment earnings fund the retirement benefits paid now and into the future.

By design, KCPSRS is one part of an individual’s healthy retirement plan that includes Social Security and personal savings.

### 2018 ANNUAL FINANCIAL SUMMARY

**FINANCIAL STATEMENTS**

**Fiduciary Net Position**

**December 31, 2018**

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,877,215</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,101,115</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>$600,954,128</td>
</tr>
<tr>
<td>Other assets</td>
<td>$72,338</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$604,004,796</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$533,053</td>
</tr>
<tr>
<td>Investment payables</td>
<td>$610,736</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$98,528</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$1,242,317</strong></td>
</tr>
</tbody>
</table>

Net positions restricted for pensions: $602,762,479

**Changes in Fiduciary Net Position**

Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>Additions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$35,146,999</td>
</tr>
<tr>
<td>Net investment income</td>
<td>$(33,250,915)</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td><strong>$1,896,084</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits payments</td>
<td>$79,333,689</td>
</tr>
<tr>
<td>Member refunds</td>
<td>$4,084,837</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>$1,499,928</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$17,150</td>
</tr>
<tr>
<td><strong>Total deductions</strong></td>
<td><strong>$84,935,604</strong></td>
</tr>
</tbody>
</table>

Net (decrease) increase: $(83,039,520)

Beginning of year: $685,801,999

Net positions restricted for pensions-end of year: $602,762,479

### ADDITIONAL INFORMATIONAL RESOURCES

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

View the complete annual report at:
- www.kcpsrs.org/publications/
- Comprehensive Annual Financial Report (CAFR)
When KCPSRS was initially established 75 years ago, assets of the retirement system were invested solely in fixed income securities issued by the federal government. The investment program has evolved over the years to incorporate diversification. No one knows what the future will hold for investment markets. As a result, the KCPSRS investment portfolio is structured to control risk under a variety of economic outcomes. By investing in a variety of markets and assets, KCPSRS is better able to participate in investment gains and minimize losses over the long-term. The chart to the right illustrates KCPSRS’ target asset allocation.

Ten Year Average

Ten Years of Investment Returns
(net of expenses)

Current actuarial assumed investment return 7.75%
10-year annualized return 7.6%

Target Asset Allocation
as of December 31, 2018

2018 SUMMARY ANNUAL REPORT
In 2018, as well as through the years...

KCPSRS has played an important role in supporting and sustaining the greater Kansas City area.

$67 million benefits paid in the Greater KC area in 2018

The economic advantages of pensions go beyond retirement benefits.
Last year, KCPSRS paid over $67 million in benefits to Greater Kansas City residents. This has a positive impact on the whole area, not just for our retirees.
Retirees use their KCPSRS benefits to buy goods and services in the Kansas City community. This spending ripples through the local economy as one person’s spending becomes another person’s income, creating a multiplier effect. The result is a significant and positive economic impact for many Kansas City residents.
A recent study conducted by the National Institute on Retirement Security found that each $1.00 paid out in pension benefits supported $1.43 in total economic activity in Missouri. Researchers found that reliable pension income can be especially important not only in providing retirees with peace of mind, but also by stabilizing local economies during economic downturns.

82% of KCPSRS Retirees reside in Greater Kansas City

$19,500 average annual benefit of KCPSRS Retirees

The benefits of KCPSRS go beyond helping our members, it is good for greater Kansas City!
Your Membership in KCPSRS and your Social Security: Building a nest egg for your financial future.

Next payday, when you see a portion of your wages go toward KCPSRS retirement and Social Security (also known as FICA taxes), rest easier knowing that your investment in both the Retirement System and in Social Security brings a lifetime of protections for you and your family.

From your employment with the Kansas City public schools, charter schools or public library, KCPSRS tracks your earnings and gives you credit for the contributions you’ve made to the Retirement System. From your first job with all employers and throughout your career, Social Security tracks your earnings and give you credits for those payroll taxes.

Those credits can translate into important future benefits. As you prepare for a financially secure future, you should know about the benefits you, your beneficiary, or your children may become eligible for through KCPSRS and Social Security.

<table>
<thead>
<tr>
<th>KCPSRS</th>
<th>SOCIAL SECURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retirement benefits:</strong> Provide you with a continuous source of income later in life.</td>
<td>Employees hired prior to 1/1/14 will be eligible to receive lifetime retirement benefits at age 60 or when you have 75 points (points = age + years of credited service)</td>
</tr>
<tr>
<td>Employees hired on or after 1/1/14 will be eligible to receive lifetime retirement benefits at age 62 or when you have 80 points (points = age + years of credited service)</td>
<td></td>
</tr>
<tr>
<td><strong>Disability benefits:</strong> Offer a financial life-line if you’re struck by a serious medical condition that makes it impossible for you to work.</td>
<td>Once you are &quot;vested&quot; (have five or more years of KCPSRS service), and you become disabled while employed, you are eligible for lifetime disability retirement benefits.</td>
</tr>
<tr>
<td>When you retire, you have the option of taking a reduced benefit for life with a survivor payment option when you die of either 100% or 50% of your monthly benefit.</td>
<td>It's likely the survivor benefits you have under Social Security carry greater value than your individual life-insurance policy. Read more about survivor benefits at: <a href="http://www.socialsecurity.gov/survivors">www.socialsecurity.gov/survivors</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WHILE YOU ARE WORKING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Death benefit:</strong> Ease the financial burden on your family.</td>
</tr>
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</table>
SIMPLE STEPS...

Take these simple steps to make the most of your KCPSRS membership:

- **Keep your address updated with your employer.** Each month KCPSRS uploads information from your employer about your contributions paid and your home address. Keeping your address correct ensures you will receive important information from KCPSRS.

- **Keep your beneficiary information up to date.** To designate or change your beneficiary, submit a KCPSRS Beneficiary Designation form (available from the Active tab on the KCPSRS website). You may also change or add a beneficiary by registering for and logging in to My Account on www.kcpsrs.org.

- **Read KCPSRS bi-annual newsletters, website, and other materials.** The best way to optimize the benefits available to you is to understand how they work.

- **Get connected at www.kcpsrs.org.** The Active Member tab provides summaries of membership, contributions, vesting, creditable service, benefit types, calculations, Frequently Asked Questions (FAQ), and access to the member portal (My Account).

- **Attend a Spring 2020 KCPSRS pre-retirement education session.** If you are nearing retirement age, call KCPSRS 816-472-5800 or watch the January newsletter for the dates and times.

- **Call us with questions at 816-472-5800.** You can talk to a representative knowledgeable about KCPSRS. You can also schedule an appointment to meet one-on-one with a KCPSRS representative.

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**Upcoming Events**

**SEPTEMBER**
- 2: Office closed—Labor Day
- 9: Board of Trustees meeting
- 30: Deadline to apply for November 1st retirement

**OCTOBER**
- 4: Office Closed—2:00—4:30 pm for reception
- 4: Anniversary Celebration—3:00—6:00 pm
- 7: Board of Trustees meeting
- 7: Board member nominations received at Board of Trustees meeting
- 30: Election ballots mailed
- 31: Deadline to apply for December 1st retirement

**NOVEMBER**
- 4: Board of Trustees meeting
- 20: Ballots must be received by the election service
- 27: Deadline to apply for January 1st retirement
- 28-29: Office closed—Thanksgiving

**DECEMBER**
- 2: Board of Trustees meeting
- 20: Deadline to apply for February 1st retirement
- 25-31: Office Closed—Christmas

**JANUARY**
- 1: Office closed—New Year’s Day
- 6: Board of Trustees meeting
- 20: Office closed—Martin Luther King, Jr. Day
- 31: Deadline to apply for March 1st retirement

**FEBRUARY**
- Retirement Education Seminars—dates TBD
- 3: Board of Trustees meeting
- 17: Office closed—President’s Day
- 28: Deadline to apply for April 1st retirement

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Stay connected on social media

- Facebook
- YouTube

Kansas City Public School Retirement System
3100 Broadway, Suite 1211
Kansas City, MO 64111
Monday through Friday 8:00 a.m. to 4:30 p.m.
Email: kcpsrs@kcpsrs.org Phone: 816-472-5800