

KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM **PENSION NEWS**

Active Member Newsletter

SEPTEMBER 2019



75TH

ANNIVERSARY CELEBRATION

YOU ARE CORDIALLY INVITED TO JOIN US FOR A RECEPTION

Friday, October 4, 2019
3:00 PM to 6:00 PM OPEN RECEPTION

Helzberg Auditorium at Central Library
14 West 10th Street
Kansas City, MO 64105

ENTERTAINMENT • SPEAKERS • PRIZES • REFRESHMENTS

RSVP BY SEPTEMBER 20: kcpsrs.wufoo.com/forms/75th-anniversary/ or 816.472.5800

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.

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ACTIVE MEMBER NEWS

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.

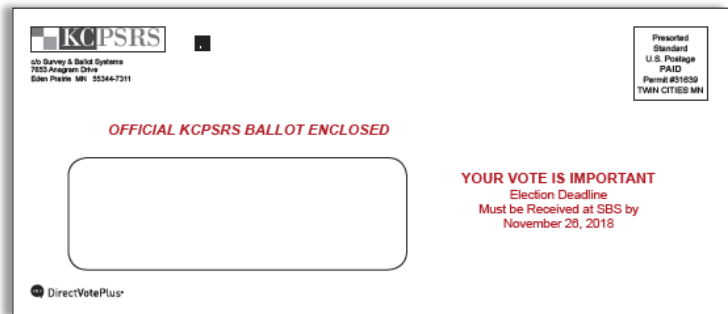
Board Member Roles and Responsibilities:

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.

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.

2018 ANNUAL FINANCIAL SUMMARY

Message from the Executive Director

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

Christine Gierer, Executive Director

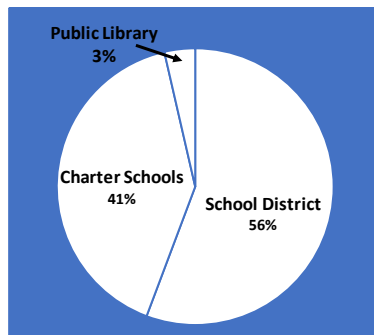
Since its origin in 1944, the Retirement System's membership and the economy has significantly changed. Today, the average monthly salary of an active member is nearly three times the average member's annual salary in 1945! The number of benefit recipients has increased by 94%.

Membership Profile Over the Years as of January 1						
Active Members	1945	1960	1980	2000	2010	2019
Total Number	2,147	4,183	5,171	4,666	4,336	3,898
Average Age	46.5	46.9	44.5	44	43	43
Avg. Years of Service	19.4	26.2	11.8	10.4	9.4	7.2
Avg. Annual Salary **	\$1,860	\$2,850	\$12,780	\$32,380	\$44,850	\$52,158
Benefit Recipients*	1945	1960	1980	2000	2010	2019
Total Number	240	590	2,099	2,806	3,317	4,113
Average Age	n/a	75.8	72.8	n/a	72	72.5
Avg. Annual Benefit **	\$1,128	\$1,130	\$2,530	\$9,550	\$18,060	\$19,500

* Retirees, survivors, disabled ** Rounded

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.

Active Members by Employer as of January 1, 2019	
School District	2,165
Charter Schools	1,586
Public Library	140
KCPSRS	7
Total	3,898



2018 ANNUAL FINANCIAL SUMMARY

FINANCIAL STATEMENTS

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.

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

Fiduciary Net Position

December 31, 2018

Assets

Cash	\$	1,877,215
Receivables	\$	1,101,115
Investments at fair value	\$	600,954,128
Other assets	\$	72,338
Total assets	\$	<u>604,004,796</u>

Liabilities

Accounts payable	\$	533,053
Investment payables	\$	610,736
Accrued expenses	\$	98,528
Total liabilities	\$	<u>1,242,317</u>

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

Changes in Fiduciary Net Position

Year Ended December 31, 2018

Additions

Contributions	\$	35,146,999
Net investment income	\$	(33,250,915)
Total additions	\$	<u>1,896,084</u>

Deductions

Benefits payments	\$	79,333,689
Member refunds	\$	4,084,837
Administrative expenses	\$	1,499,928
Other expenses	\$	17,150
Total deductions	\$	<u>84,935,604</u>

Net (decrease) increase	\$	(83,039,520)
Beginning of year	\$	685,801,999
Net positions restricted for pensions-end of year	\$	<u>602,762,479</u>

2018 SUMMARY ANNUAL REPORT

FUNDING OF BENEFIT PAYMENTS

Ten Year Average

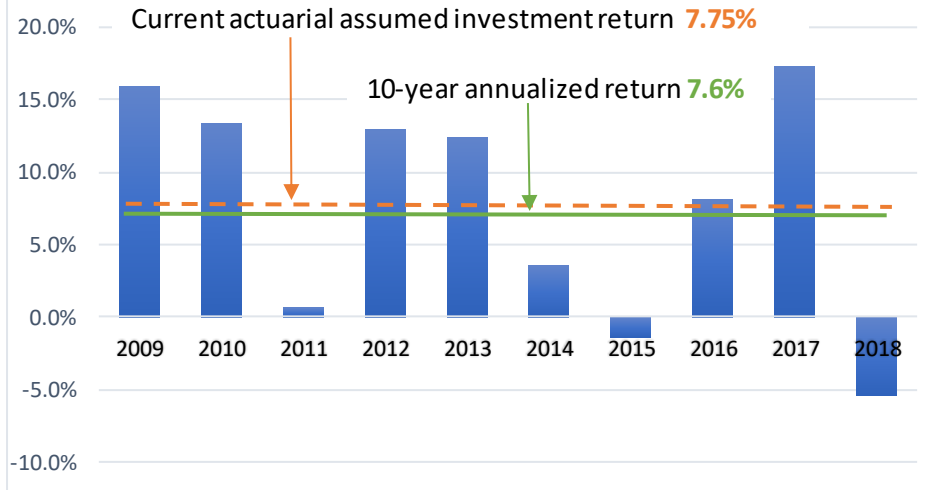
The new millennium has been an investment market roller-coaster. Still, investment earnings fund most of the retirement benefits KCPSRS pays, and that is by design.

Even with the 2018 year investment loss, 62 cents of every dollar used to pay retirees is generated from investment earnings.



Ten Years of Investment Returns

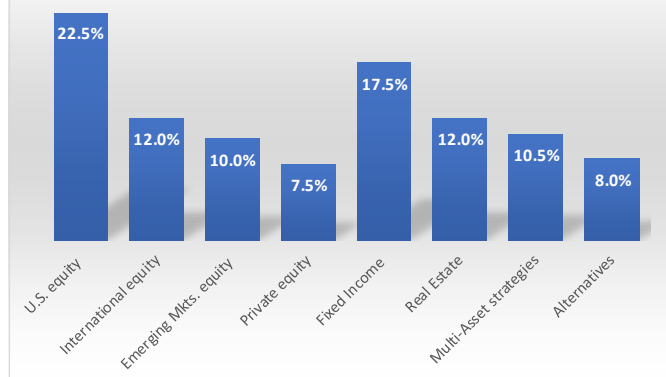
(net of expenses)



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.

Target Asset Allocation

as of December 31, 2018



2018 ANNUAL FINANCIAL SUMMARY

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.



	KCPSRS	SOCIAL SECURITY
Retirement benefits: Provide you with a continuous source of income later in life.	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 creditable service) 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 creditable service)	If you've earned enough credits, you can start receiving your full retirement benefits at age 66 or 67 — depending on when you were born. You may choose to claim these benefits as early as age 62 at a permanently reduced rate. Plan for your retirement at: www.socialsecurity.gov/planners/retire
Disability benefits: Offer a financial lifeline if you're struck by a serious medical condition that makes it impossible for you to work.	Once you are "vested" (have five or more years of KCPSRS service), and you become disabled while employed, you are eligible for lifetime disability retirement benefits.	Learn more at: www.socialsecurity.gov/disability
Survivor benefits: Ease the financial burden on a loved one after you die by providing monthly payments to an eligible survivor.	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.	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: www.socialsecurity.gov/survivors
WHILE YOU ARE WORKING		
Death benefit: Ease the financial burden on your family.	If you die before retirement, the contributions you paid will go to your designated beneficiary. In some circumstances, your spouse or dependent child be may eligible for a monthly benefit.	Social Security has benefits to protect families who are affected by the death of a wage earner. https://www.ssa.gov/planners/survivors/ifyou.html

ACTIVE MEMBER NEWS

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.

Stay connected on social media 



[Facebook](#)



[YouTube](#)

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



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