

# PENSION NEWS

Active Member Newsletter

## KCPSRS Services Continue During COVID-19

We recognize the coronavirus (COVID-19) and the resulting state of emergency and economy have disrupted work and family life. Please be assured KCPSRS continues to process new retirements, pay benefits, issue refunds to inactive members and respond to all member requests as quickly as possible.

With the safety and well-being of the community we serve and our staff being a top priority, KCPSRS staff are largely working remotely to assist members and retirees by phone and email and, when needed, via Zoom. We will continue to update the Coronavirus & KCPSRS Business Continuity Plan on our [website](#) and [Blogs](#).

### Important Reminders:

- No in-person services are available at KCPSRS office at this time.
- Retirement counseling appointments are available by phone or, if needed, a Zoom session may be arranged.
- Members and retirees are encouraged to access their KCPSRS [My Account](#) or call 816-472-5800 with questions about their benefits.

### Current Frequently Asked Questions:

Do market fluctuations affect my future KCPSRS benefits?

*In times of stock market volatility, you may be concerned about the impact on your current or prospective KCPSRS benefits. Keep in mind, KCPSRS is a defined benefit plan and your benefit is based on a calculation set by Missouri law. Investment performance does not directly affect the benefit payment KCPSRS retirees receive.*

Does the recent Coronavirus Aid, Relief and Economic Security Act, allow KCPSRS members to withdraw funds from their KCPSRS account?

*The Federal Relief Bill does not apply to your KCPSRS account. Instead, the bill made it possible for people who experience coronavirus-emergencies to request withdrawals from certain defined contribution accounts. KCPSRS does not administer a defined contribution plan.*

## KCPSRS Reference Materials Available

Are you looking for information about KCPSRS? You can find up-to-date information about the retirement system and specific topics on the Publications page of KCPSRS' website ([www.kcpsrs.org](http://www.kcpsrs.org)).

If you are a new KCPSRS member, be sure to consult the [Basic Information About Your Retirement](#), [FACTS](#), [KCPSRS Defined Benefit vs. Defined Contribution](#) publications. There are

also some useful [videos](#) on the Publications page and on our [YouTube channel](#); check out the latest video- "[New Member Presentation](#)".

If you are mid-career, you will want to review [Your Retirement Benefits Brochure](#), [Purchase of Service](#) (including information on reinstating, purchasing & reciprocity of service credits), and [Ready to Retire](#).

## AUGUST 2020

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# You Can Nominate a Candidate for the KCPSRS Board

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 a four-year term effective January 1, 2021 to December 31, 2024.

**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 before or on January 1, 2021 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 during their meeting commencing at 4:00 p.m. on October 5, 2020.

Options for attending Board meeting to make a nomination:

1. Come to KCPSRS office at 3100 Broadway, Suite 1211. Arrive by 3:55 p.m. Social distancing practices will be in place. A mask is required while in the office building.
2. Attend virtually via conference call or Zoom. For detail instructions to attend meeting virtually, call (816-472-5800 ext. 0) or email ([kcpsrs@kcpsrs.org](mailto:kcpsrs@kcpsrs.org)) between September 28 and noon October 5, 2020.

All eligible nominees will be on the KCPSRS election ballot. Ballots will be sent to all members via email (for whom KCPSRS has an email address) or via U.S. post to your home 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 5, 2020 4 p.m.  
Nominations Accepted

November 2, 2020  
Ballots are sent via email or U.S. mail

November 23, 2020  
Ballots must be received by the election service by 5 p.m.

December 7, 2020  
Election results are reported to the Board of Trustees

## CURRENT KCPSRS BOARD OF TRUSTEES

### ELECTED MEMBERS

<u>Active Members</u>	<u>Term Expires</u>
Javier Alfonso	December 2023
Anthony Madry	December 2022
Roger Offield	December 2020
Von Smalley	December 2021

<u>Retired Members</u>	<u>Term Expires</u>
Beverly Pratt	December 2020
Curtis L. Rogers	December 2022

### APPOINTED MEMBERS

<u>School District</u>	<u>Term Expires</u>
Horace Coleman, Jr.	December 2022
Joanne Collins	December 2021
Carl Evans	December 2023
Brian Welch	December 2020

<u>Library</u>	<u>Term Expires</u>
Debbie Siragusa	December 2022

District Superintendent  
Dr. Mark Bedell

## Summary of Board of Trustees Responsibilities

The Board is responsible for:

- Ensuring the Retirement System is appropriately governed and managed with the overriding goal of protecting Fund assets.
- Creating and maintaining an atmosphere that encourages frank and collegial discussions both at the Board and Committee level and between the Board and management.
- Establishing and communicating Board policies and priorities and monitoring performance considering its established policies and priorities.

Each Board Member must:

- Act as a fiduciary of the Retirement System. *A fiduciary is a person who holds the trust and confidence of another and is charged with acting in the best*

*interest of this individual or group.*

- Attend regular meetings of the Board of Trustees normally, held at 4:00 – 6:00 p.m. the first Monday of each month, except no regular Board meetings in July or August.
- Attend special meetings of the Board, which may be held occasionally as needed.
- Complete at least six hours of Board education each year. A new Board member must complete six hours of Board orientation education within ninety days of becoming a Board member. Educational opportunities are available on-line and in person.

**According to Missouri law, all Board members must be resident taxpayers within the boundaries of the Kansas City school district.**

# KCPSRS SUMMARY ANNUAL FINANCIAL REPORT

## Fiscal Year 2019

### About this report

The Kansas City Public School Retirement System (KCPSRS) is pleased to present the Summary Annual Financial Report for the fiscal year ended December 31, 2019. This report provides a brief overview of the System's financial condition at fiscal year-end and provides a ten-year historical data of membership changes, investment returns, and the actuarial funded ratio.

This report features the colors of the Kansas City Chiefs football team in recognition of the Chief's victory of the 2020 Super Bowl. The Chiefs had an exciting season, frequently coming from behind well after their opponents had a strong lead and eventually scoring the winning points in the last minutes of the game. Along with our community and state, KCPSRS Board and staff gives tribute to the

Chiefs for their achievement. In this report we acknowledge some of the retirement systems own achievements – a strong investment return, an award of excellence in financial reporting, and the growth in the number of active members thereby increasing the amount of contributions.

### About KCPSRS

KCPSRS was established in 1944 as a defined benefit plan. The plan provides lifetime pension benefits determined at retirement under formulas prescribed by Missouri law, the pension benefit is not calculated based on investment returns or contributions. KCPSRS is also governed by policies adopted by the Board of Trustees (Board). In accordance with Missouri statutes, the Board administers and operates the plan.

During the year ended December 31, 2019, there were 24 participating employers consisted of the School District of Kansas City, Missouri; the Kansas City Public Library; the Retirement System; and the following charter schools: Académie Lafayette, Academy for Integrated Arts, Allen Village Charter School, Brookside Charter School, Citizens of the World

Kansas City, Crossroads Charter Schools, DeLaSalle Charter School, Ewing Marion Kauffman School, Frontier Schools, Genesis School, Inc., Gordon Parks Elementary, Guadalupe Center Schools, Hogan Preparatory Academy, Hope Leadership Academy, Kansas City Girl's Preparatory Academy (opened August 1, 2019), Kansas City International Academy, Kansas City Neighborhood Academy (closed June 30, 2019), KIPP Endeavor Academy, Lee A. Tolbert Community Academy, Pathway Academy (closed June 30, 2019), Scuola Vita Nuova, and University Academy.

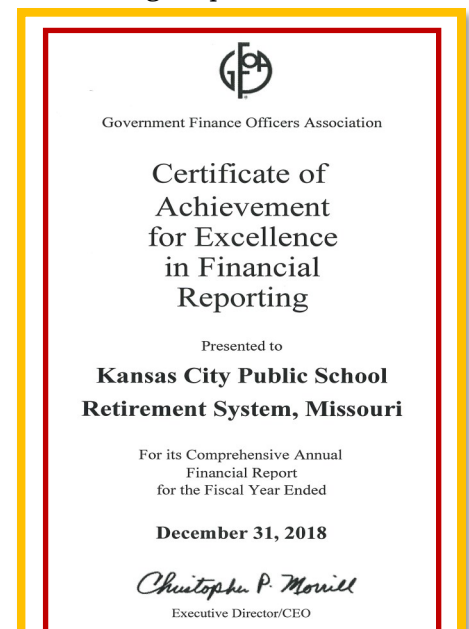
All regular, full-time employees of the participating employers become members of KCPSRS as a condition of employment. KCPSRS has 4,074 active, contributing members; 4,145 retirees or benefit recipients; and 529 inactive vested members.

Benefits are funded by member contributions, employer contributions, and net investment returns. Investment returns have historically provided the majority of the funding for pension benefits.

### Learn More

The information in this summary report is taken from KCPSRS' more detailed Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with Generally Accepted Accounting Principles. Our 2018 CAFR was awarded a Certificate of Excellence in Financial Reporting from the

Government Finance Officers Association (GFOA) as shown in the sidebar on this page. KCPSRS submitted the 2019 CAFR to GFOA for review and we expect to win the excellence award again for 2019. Copies of the 2019 CAFR may be viewed or downloaded on our website, [www.kcpsrs.org](http://www.kcpsrs.org)



### Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Excellence in Financial Reporting to the Kansas City Public School Retirement System for its comprehensive annual financial report for the fiscal year ended December 31, 2018.

# FINANCIAL HIGHLIGHTS

## Fiscal Year 2019

**\$106 Million**  
Investment Income

**\$40 Million**  
Employer Contributions

**\$80 Million**  
Benefit Payments

**18.2 %**  
Net Investment Return

**4,145**  
Benefit Recipients

**\$662 Million**  
Net Trust Fund Assets

## Economic Impact

- KCPSRS benefit is the major source of income to many retirees.
- Our neighbors, friends, and family spend their KCPSRS benefits in our communities. Nearly 82% of retirees remain in the Greater KC area, spending retirement dollars on housing, goods, and services. Each \$1 paid in benefits has \$1.43 in economic impact.
- The average annual benefit for retirees was nearly \$20,000.



## Net Position

The *Summary Statement of Fiduciary Net Position* reports the pension plan's financial position as of the end of the fiscal year. As of December 31, 2019, KCPSRS has \$662 million in net assets for the payment of retirement benefits.

### Summary Statement of Fiduciary Net Position

(Fiscal Year Ended December 31, 2019)

	December 31, 2019	December 31, 2018
<b>Assets</b>		
Cash	\$ 1,324,695	\$ 1,877,215
Receivables	\$ 3,268,216	\$ 1,101,115
Investments at fair value	\$ 658,275,646	\$ 600,954,128
Other assets	\$ 82,393	\$ 72,338
<b>Total assets</b>	<b>\$ 662,950,950</b>	<b>\$ 604,004,796</b>
<b>Liabilities</b>		
Accounts payable	\$ 546,467	\$ 533,053
Investment payables	\$ 208,162	\$ 610,736
Accrued expenses	\$ 110,481	\$ 98,528
<b>Total liabilities</b>	<b>\$ 865,110</b>	<b>\$ 1,242,317</b>
Net positions restricted for pensions	\$ 662,085,840	\$ 602,762,479

The *Summary Statement of Changes in Fiduciary Net Position* reports contributions, investment income, benefit expenses and expenses.

### Summary Statement of Changes in Fiduciary Net Position

(Fiscal Year Ended December 31, 2019)

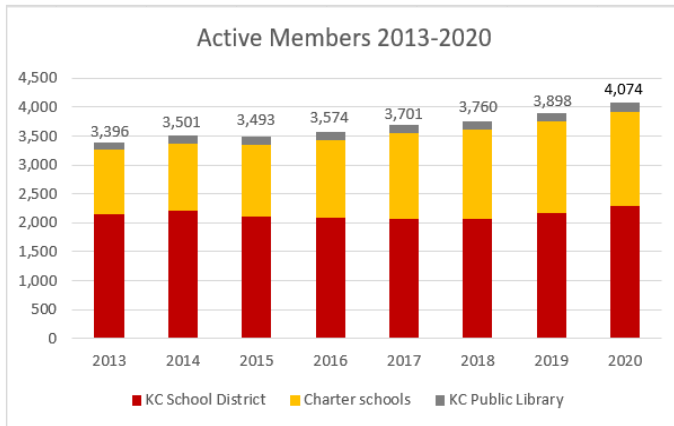
	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Additions</b>		
Contributions*	\$ 40,013,495	\$ 35,146,999
Net investment income	\$ 106,033,717	\$ (33,250,915)
<b>Total additions</b>	<b>\$ 146,047,212</b>	<b>\$ 1,896,084</b>
<b>Deductions</b>		
Benefits payments	\$ 80,228,574	\$ 79,333,689
Member refunds	\$ 4,937,877	\$ 4,084,837
Administrative expenses	\$ 1,546,380	\$ 1,499,928
Other expenses	\$ 11,020	\$ 17,150
<b>Total deductions</b>	<b>\$ 86,723,851</b>	<b>\$ 84,935,604</b>
Net increase (decrease)	\$ 59,323,361	\$ (83,039,520)
Beginning of year	\$ 602,762,479	\$ 685,801,999
Net positions restricted for pensions-end of year	<b>\$ 662,085,840</b>	<b>\$ 602,762,479</b>

\*Includes employee and employer contributions and purchases of service credit.

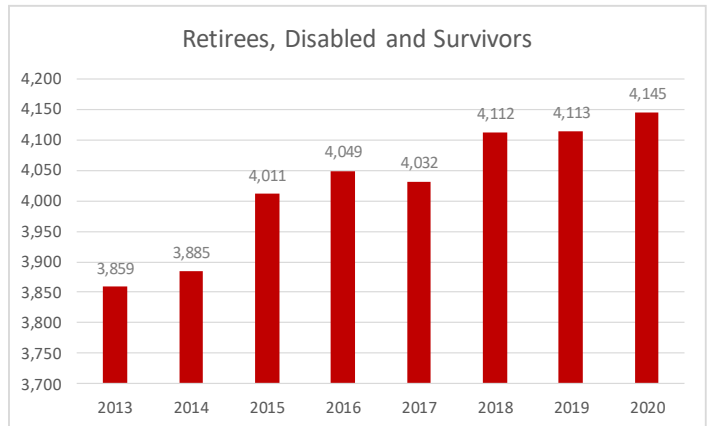
## HISTORICAL MEMBER AND RETIREE DATA

As of January 1, 2020

### Change in Active Members

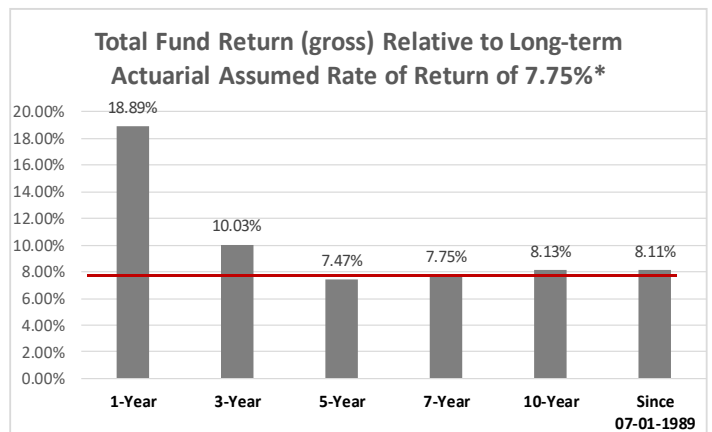
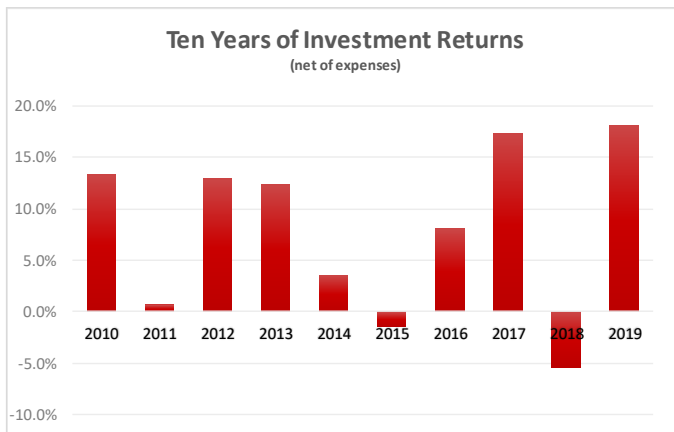


### Change in Retired Members



## INVESTMENT RETURN DATA

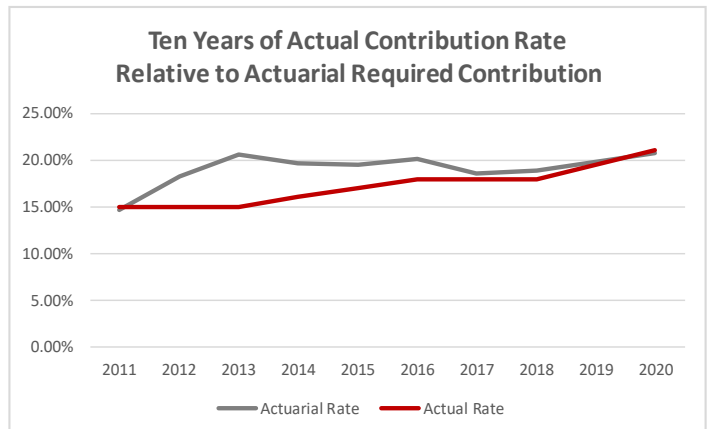
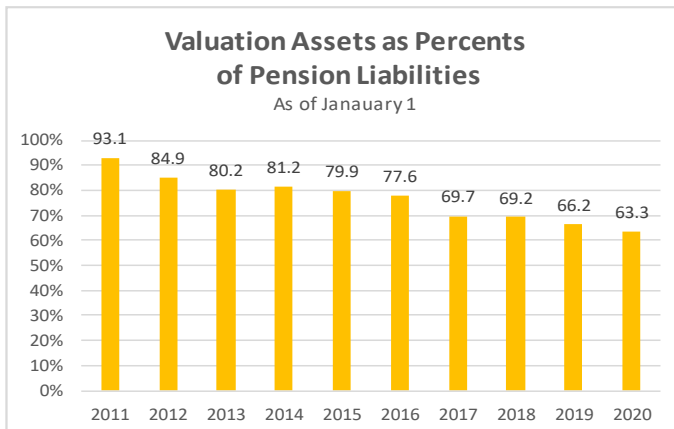
As of December 31, 2019



\*In May 2020, the Board changed the actuarial assumed investment return rate to 7.5%.

## ACTUARIAL FUNDED RATIO AND CONTRIBUTION RATE

As of January 1, 2020



Current law requires the total contribution rate (paid by active members and employers) to remain at or above the actuarially required rate.



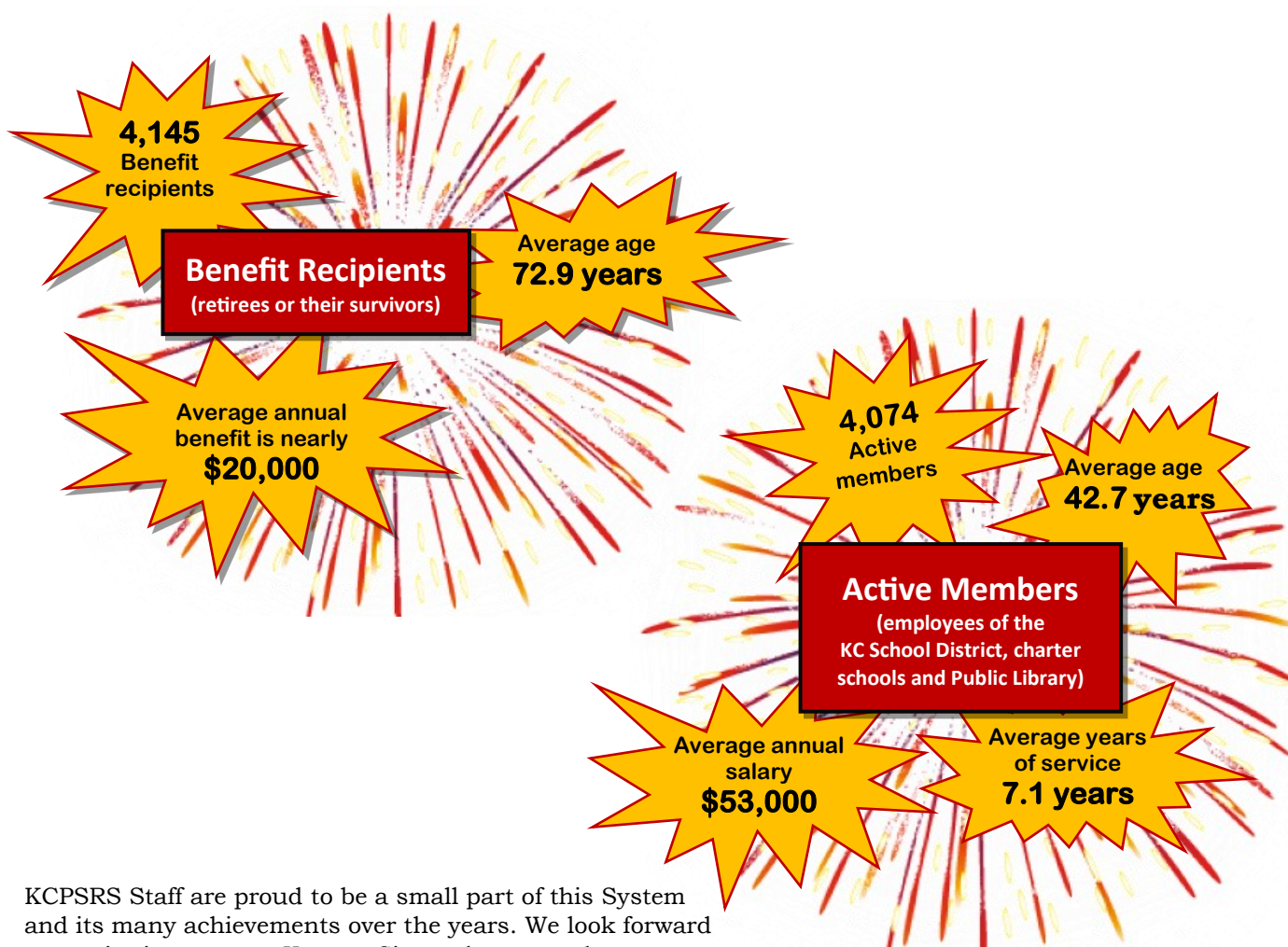
## 2019 SUCCESSES

**KCPSRS takes this opportunity to congratulate the Kansas City Chiefs on their recent Super Bowl win. We are proud of the Chiefs for their hard work, dedication, and their victory for the team, the city, and the state of Missouri!**

In a similar vein, KCPSRS was successful this year:

- Adding \$59.3 million to our total fund, which in turn provides a secure future for all our members
- Strong investment return of 18.22% for net investment income of \$106 million
- Paying \$80.2 million in retirement benefits to our retirees
- Contributions received from employers and employees totaling \$40 million

A KCPSRS benefit is the major source of income to many retirees.



KCPSRS Staff are proud to be a small part of this System and its many achievements over the years. We look forward to continuing to serve Kansas City and our members.

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## New to KCPSRS

- [You](#) contribute 9% of pay (before taxes) for your future KCPSRS pension. System funding comes from employee and employer contributions and investment income.
- Your KCPSRS pension, Social Security, and personal savings will provide you with retirement income.
- To receive a pension, you must be [vested](#) (5 years of service), meet the age requirement, and complete the retirement application process.
- Set up your online access – Log in to [MY ACCOUNT](#) for your personal KCPSRS information.
- Designate your KCPSRS [beneficiary](#).
- Keep your home address current with your employer.
- If you leave KCPSRS-covered employment you may [request a refund](#) (withdrawal) of your accumulated contributions.

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## Mid-Career

- Years of service is part of the KCPSRS pension benefit formula. The longer you work, the higher your retirement benefit will be.
- You may have an option to [purchase or transfer](#) certain types of public service to KCPSRS.
- Learn about your KCPSRS plan and the [benefit calculations](#).
- Log in to [MY ACCOUNT](#) to review your personal benefit statement, change your beneficiary or get a benefit estimate.

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## Ready to Retire

- [Educate](#) yourself about your KCPSRS retirement—watch the [Are You Ready to Retire](#) video on our website; attend a Pre-Retirement Seminar offered in February and March 2021; call us for a Retirement Estimate.
- Call us to schedule a retirement appointment 2-3 months before your planned retirement date.

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## Your Total Compensation

As a Kansas City, Missouri school or library employee and active member of the Kansas City Public School Retirement System (KCPSRS), your total compensation is much more than just the dollars you receive in your paycheck. Benefits are a significant part of your compensation package but are often overlooked.

Your ongoing contributions to KCPSRS

and benefits from your employer (i.e. health care insurance, social security, unemployment and worker comp taxes paid by the employer, and your accrued vacation/sick time) represent a significant financial commitment to you and your family. Your benefit package, as a whole, is intended to improve your quality of life and assist you in your pursuit of financial security.



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

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[youtube.com/channel/  
UCiqODsv\\_8w0HalpY\\_cAsVuA](https://www.youtube.com/channel/UCiqODsv_8w0HalpY_cAsVuA)

## Ask Us When You Need Information About Your KCPSRS Retirement

When you need KCPSRS specific information or need assistance with your KCPSRS account, it is best to come directly to us. KCPSRS staff are happy to assist you by phone (816-472-5800) or email ([kcpsrs@kcpsrs.org](mailto:kcpsrs@kcpsrs.org)) when you have questions about anything KCPSRS-related. Our office hours are 8:00 am to 4:30 pm Monday – Friday, if you call after hours please leave a message with your name, phone number or email, we will get back to you. You may email us anytime, a KCPSRS staff will reply.

Each member's KCPSRS account and service is unique. Don't assume your co-worker's situation is the same as yours.

Some KCPSRS members also have investments in a separate retirement plan (i.e. 457, VALIC, IRA, AIG). Even when working with a financial planner from your separate individual plan, it is important to remain engaged. Make it your goal to work with your financial planner and KCPSRS to make decisions that are right for you.

## 2020-2021 KCPSRS Calendar

### SEPTEMBER

- 7 KCPSRS Office closed—Labor Day
- 14 Board of Trustees meeting
- 30 Deadline to apply for November 1st retirement

### OCTOBER

- 5 Board of Trustees meeting
- 5 Board member nominations received at Board of Trustees meeting
- 30 Deadline to apply for December 1st retirement

### NOVEMBER

- 2 Board of Trustees meeting
- 2 Ballots mailed
- 23 Ballots must be received by election service
- 30 Deadline to apply for January 1st retirement

### DECEMBER

- 7 Board of Trustees meeting
- 24 Deadline to apply for February 1st retirement
- 25-31 KCPSRS Office closed—Christmas

### JANUARY

- 1 KCPSRS Office closed—New Year's Day
- 4 Board of Trustees meeting
- 18 KCPSRS Office closed—Martin Luther King, Jr. Day
- 29 Deadline to apply for March 1st retirement

### FEBRUARY

- Retirement Education Seminars—dates TBD
- 1 Board of Trustees meeting
- 15 KCPSRS Office closed—President's Day
- 26 Deadline to apply for April 1st retirement

"As in all successful ventures,  
the foundation of a good  
retirement is planning."

Earl Nightingale