

# PENSION NEWS

*Retiree Newsletter*

## January is Financial Wellness Month

The timing is perfect to acknowledge financial wellness because the holiday season tends to increase spending, New Year's resolutions are prominent, preparing for tax season begins and it is a good time to set up or review your budget with time to plan for the future.

Financial wellness has to do with your relationship with money. It refers to how secure your money is, given all the variables involving an unknown future. Put simply, financial wellness is the ability to have a healthy financial life. It means your debts are payable and you have ample emergency and retirement funds. It is also about feeling good about your financial health now and in the future. Financial wellness and your overall health are more connected than you may think! According to a 2020 [bankrate](#) survey money worries are the biggest cause of sleep loss. Forty-eight percent of U.S. adults are losing sleep worrying about everyday expenses, saving for retirement and healthcare costs. Uncertainty about their retirement leads many people to feel anxious.

We encourage you to take some time this month to reflect on your financial wellness. Review your current budget or create one! Write down your monthly and annual net income and expenses. Don't forget to include expenses that are once a year or sporadic and set aside some amount for unforeseen emergencies.

Remember the stages of retirement are different and require distinct planning approaches.

**Early-retirement stage** is typically between the ages of 59 – 70. Some of

the biggest changes in your budget will occur when you first retire. Your steady paycheck is replaced with your KCPSRS steady monthly benefit. You need a plan for managing your income during retirement, and you'll need to decide when to start claiming Social Security benefits. You may lose employer-sponsored health insurance. You need to see if you qualify for Medicare or you might buy a private health insurance plan. You may be tempted to go on a spending spree at this early stage. Hold back on huge expenses – you can quickly blow through your savings if you treat retirement like winning the lottery.

**Middle retirement stage** – ages 70 to 80 – you'll likely be receiving Social Security (the longest you can hold off from claiming SS and get increased benefits is age 70). At age 72, you'll have to start taking required minimum distributions from certain types of personal retirement accounts (401k, 457b, IRAs). This is an ideal time to make sure estate planning is in order. You may want to give someone financial power of attorney that kicks in if you become unable to manage your money and healthcare power of attorney, in case you need someone else to make your medical decisions.

**Late retirement stage** begins after the age of 80. You will likely have increased healthcare costs because medical spending tends to be highest in the last years of life. Medicare will cover some of your expenses, but you'll still have costs for such things as co-payments, deductibles and prescriptions.

The bottom line is retirement is both an event and a process. Your benefits (KCPSRS and SS) and personal savings often must cover your expenses for three decades or more. Expenses at each stage of retirement are associated with how you choose to spend your time, where you decide to live, and how your health holds up. Consider these factors and how they will change throughout retirement and budget accordingly.

## JANUARY 2021

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# KCPSRS election results are complete!

*Congratulations to Ms. Pratt and Mr. Offield: re-elected to the KCPSRS Board of Trustees*

**KCPSRS Retirees elected Beverly Pratt** to serve a second four-year term (2021-2024) on the retirement system's Board of Trustees.

Ms. Pratt is a retired teacher of The Kansas City Missouri Public School District and a graduate of the District's own Central High School, class of 1967. After a successful career in the private industry as a computer programmer, programming instructor, data center employment manager, and technical support representative, she returned to the District in 1994 as a teacher of Computer Programming and Mathematics.

During her first term on the

KCPSRS Board, Pratt used her skills as an Educator in the District and in private industry with a focus on technology and business continuity plans that ensure the continued function of the System in times of crisis. Pratt says, "It is my hope that my understanding of technology, analytical and research skills, attention to detail, and the willingness to learn and to go the extra mile will continue to be a valued asset to the membership. Thank you for the opportunity to serve."

**KCPSRS active members elected Roger Offield** to serve a second four-year term (2021-2024) as a trustee on the KCPSRS Board. In his eleventh year at Brookside Charter School, Offield has taught

in the classroom and served at every level of administration. He has been the Superintendent at Brookside Charter (kindergarten - 8<sup>th</sup>) for the past six years. Prior to working at a Kansas City public charter school, Offield served in the Odessa R-VII and North Kansas City public school districts.

Throughout his first term on the KCPSRS Board, Offield ensured the perspective of charter school members were represented. Additionally, Offield is a strong advocate for a defined pension plan and believes in the importance of each individual building what he refers to as "a three-legged stool" for their retirement – defined benefit (i.e. KCPSRS benefit), Social Security, and personal savings.

## 2021 BOARD OF TRUSTEES

### ELECTED MEMBERS

#### Active Members

Ben Bullington  
Anthony Madry  
Roger Offield  
Von Smalley

#### Retired Members

Beverly Pratt  
Curtis L. Rogers

### APPOINTED MEMBERS

#### School District

Horace Coleman, Jr.  
Joanne Collins  
Carl Evans  
Brian Welch

#### Library

Debbie Siragusa

#### District Superintendent

Dr. Mark Bedell

## December 2020 Board Meeting Update

The KCPSRS Board of Trustees met on December 7, 2020. The KCPSRS Board reviewed and approved the certified ballot results from our independent ballot service provider which determined the winner of the active member and retiree seats.

The Board discussed and decided on a trustee appointment to temporarily fill an open active member position due to a trustee moving outside the district boundaries at the end of November. Ben Bullington was appointed to fill the vacant seat until the next Board election in 2021. Ben Bullington is a Kansas City Public School teacher at Paseo Academy of Fine and Performing Arts. He teaches English and AP Literature. This is his fourth year with KCPS and tenth year as a teacher. His previous experience was in Brooklyn, NY, where he taught Economics and Government. He owns a home in Brookside with his wife and four-year-old daughter (a KCPS student) and is a proud, fourth-generation Kansas City Missourian.

The Board received and approved the 3<sup>rd</sup> quarter investment report which showed

the Total Fund investment rate of return as 4.7% for the quarter ended 9/30/2020, 6% for the 1-year, and 7.7% for the 5-year.

The KCPSRS actuary summarized the recent experience study for Board consideration. The actuary's recommendations included lowering the assumed investment rate of return and changes to mortality, rates of retirement, and terminations based on capital market expectations, actual experience of the System during 2016-2019, and updated mortality tables. The Board was attentive to the various demographic and economic indicators and analysis in the study. They will resume discussions on this topic in 2021.

These are complicated topics, no doubt. Please know that your Board of Trustees is deeply engaged in these topics and is focused on the long-term sustainability of KCPSRS.

Together, we continue to work in the best interest of our members.

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## Coming Attraction: Your 1099-R

KCPSRS will mail your 1099-R income tax form by January 31. This form lists your 2020 retirement benefit income from KCPSRS. You will need this form to file your income tax return. Once mailed, electronic versions of your 1099-R will be made available to view and print via your member account. Simply log in to [MY ACCOUNT](#) on the KCPSRS website ([www.kcpsrs.org](http://www.kcpsrs.org)). You will find your current and past 1099-Rs under Personal Information. The 1099-R provides the following information for the 2020 calendar year:  
**Box 1** Gross distribution (The total amount paid to you by KCPSRS for the calendar year)

**Box 2a** Taxable amount (The portion of your total benefit received during the calendar year that is taxable income)

**Box 4** Federal income tax withheld (The total amount of federal income tax withheld during the calendar year)

**Box 5** Employee contributions/ Desig. Roth contribs./ins. pre (Difference between box 1 and box 2a.) *Only some retirees will have an amount in this box. If applicable to you, this amount reflects the portion of your contributions made in the past (when retiree was an active member) that were previously taxed, now excludable from this year's taxable amount.*

**Box 7** Distribution code(s) (Code identifying the type of benefit being paid—see chart on the back page of your 1099-R)

**Box 12** State tax withheld (The total amount of Missouri income tax withheld during the calendar year)

**Box 13** State/Payer's state no. (The KCPSRS state ID number)

KCPSRS does not provide tax advice nor guidance. We strongly encourage you to speak with a trusted tax advisor with any questions about this information and before making any changes to your KCPSRS tax withholdings.

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## Protect Yourself with Knowledge and Resources



KCPSRS takes the safety and security of your personal information extremely seriously. We wish to remind

you that we may contact you via post, phone call, or email always using our identifying information. Please review with scrutiny any communication you receive. When in doubt, do not share financial

nor personal information, and contact our office directly at 816.472.5800, or [kcpsrs@kcpsrs.org](mailto:kcpsrs@kcpsrs.org).

Legal Services of Eastern Missouri created a handbook for senior citizens through the MoBar website. The handbook covers a variety of topics relevant to seniors and others including financial assistance, healthcare, housing, and personal planning. You may view and download a printable version of the

handbook by going to:

[www.missourilawyershelp.org/legal-topics/#hyperlinkarea14](http://www.missourilawyershelp.org/legal-topics/#hyperlinkarea14)

The Missouri Attorney General's website also has a page dedicated to protecting MO Seniors. On this website, you will find a wealth of information and resources such as how to register for the No-Call List to reduce unwanted telemarketing calls. Please visit: [www.ago.mo.gov/civil-division/consumer/for-seniors](http://www.ago.mo.gov/civil-division/consumer/for-seniors)

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## How Retirees are Getting Through the Pandemic

KCPSRS reached out to some of our retirees to see how they were coping through the pandemic.

Vicki Kerr, Retired Teacher from Pitcher Elementary, has been passing the time with jigsaw puzzles, online games and catching up on her favorite shows. Jackie Countee, Retired Teacher's Assistant from Border Star has been staying positive by enjoying small experiences and staying connected to others.

When asked for any stress relief tips for other retired members, Ms.

Countee offered to start a hobby or keep your favorite ones going. Consider offering others a helping hand, which will help you and someone else feel good and keep lines of communication open.

Transitioning to virtual communication comes with its own set of struggles and successes. Ms. Kerr's Sunday School now uses Zoom and she can chat face-to-face with others using Duo.

Finally, Ms. Countee encourages everyone to follow the advice of

health care providers to stay safe, sane and sanitized. See your doctor as needed and be sure to get good rest, eat right, and exercise. She added, "keep humor in your life whenever possible." She prays and reminds us all that rest assured, this too shall pass.

KCPSRS wishes all of our members good health and well-being. We are available to answer any benefit questions. Let us know how we can be of service to you.



KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

3100 Broadway, Suite 1211  
Kansas City, MO 64111

Phone: 816-472-5800

Option 1: Retiree services

Option 2: Active member  
services

Option 3: Inactive member &  
refund services

Option 0: Other business

Fax: 816-472-5909

Email: [kcpsrs@kcpsrs.org](mailto:kcpsrs@kcpsrs.org)

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

### Stay connected on social media



[Facebook.com/KCPSRS](https://www.facebook.com/KCPSRS)



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

## Noteworthy News:

This year 1099-R's will be available electronically. If you would like an electronic copy OR if you need a replacement copy, simply log into your *MY ACCOUNT* on the KCPSRS website. Your 1099-R form will be available for you to view or print after they have been completed and mailed (the end of January).

If you haven't already created your *MY ACCOUNT*, click the [MY ACCOUNT](#) button at [www.kcpsrs.org](http://www.kcpsrs.org) and follow the instructions that will lead you through the process. You will find your current and past 1099-R's under Personal Information.



## 2021 KCPSRS Calendar

### JANUARY

- 1 KCPSRS Office closed—New Year's Day
- 11 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for January retirement benefits
- 18 KCPSRS Office closed—Martin Luther King, Jr. Day
- 28 Retirement benefit checks mailed
- 29 Retirement benefit direct deposits deposited

### FEBRUARY

- 1 Board of Trustees meeting
- 15 KCPSRS Office closed—President's Day
- 16 Deadline to submit direct deposit & tax changes for February retirement benefits
- 25 Retirement benefit checks mailed
- 26 Retirement benefit direct deposits deposited

### MARCH

- 1 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for March retirement benefits
- 30 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits deposited

### APRIL

- 2 KCPSRS Office Closed—Good Friday
- 5 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for April retirement benefits
- 29 Retirement benefit checks mailed
- 30 Retirement benefit direct deposits deposited

### MAY

- 3 Board of Trustees meeting
- 17 Deadline to submit direct deposit & tax changes for May retirement benefits
- 27 Retirement benefit checks mailed
- 28 Retirement benefit direct deposits deposited
- 31 KCPSRS Office Closed—Memorial Day

### JUNE

- 7 Board of Trustees meeting
- 15 Deadline to submit direct deposit & tax changes for June retirement benefits
- 29 Retirement benefit checks mailed
- 30 Retirement benefit direct deposits deposited

### JULY

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

### AUGUST

- 16 Deadline to submit direct deposit & tax changes for August retirement benefits
- 30 Retirement benefit checks mailed
- 31 Retirement benefit direct deposits deposited