

PENSION NEWS

Inactive Vested Member Newsletter



Jim Roehner, Executive Director

MEET THE NEW EXECUTIVE DIRECTOR

The KCPSRS Board of Trustees (Board) was assisted by EFL Associates in a five month-long, nationwide search for its next executive director – it was important to bring in someone who had a great mix of leadership, operational excellence, pension experience, and passion for our members. Jim Roehner was named executive director of the \$700 million Kansas City Public Schools Retirement System (KCPSRS). Mr. Roehner, who resigned as the deputy executive director of the \$3 billion Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) in April, took over for Christine Gierer, who retired on June 1. In December 2020, Ms. Gierer announced her intention to retire in June 2021. She joined KCPSRS in 2015.

Before joining KCPSRS, Mr. Roehner served 11 years as the deputy executive director of the ERFC, which administers the Fairfax County Public Schools' defined benefit plan for more than 39,000 public teachers and school personnel. Prior to his role at ERFC, Mr. Roehner worked at the Washington Post Company and the American Red Cross in retirement benefit-based roles, respectively and various roles including a finance position, at Discovery Communications Inc.

Jim earned a master's degree in business administration and a bachelor of science degree in political science. He and his family relocated to Kansas City from the D.C. metropolitan area.

"I am thankful for the opportunity to continue serving public educators, librarians, and support personnel of the Kansas City School District, Kansas City Charter Schools, and the Kansas City Public Library reach their expectation of retirement income security. I also am looking forward to working with a talented team to deliver exceptional customer service and timely retirement benefit payments to the hardworking members of KCPSRS."

AUGUST 2021

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KCPSRS BOARD OF TRUSTEES NOMINATION AND ELECTION PROCESS

Two active member trustee positions will be open for nominations in October followed by an election held in November.

- The nominee with the most votes will begin serving a four-year term effective January 1, 2022 to December 31, 2025.
- The nominee with the next highest votes will begin serving a two-year term effective January 1, 2022 to December 31, 2023.

Nominee Qualifications:

- Any "active member" (a full-time employee of one of the participating employers, the KC School District, any KC charter school, and KC Public Library) may nominate someone for the active member trustee position.
- 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.

- Self-nominations are acceptable.

How to nominate someone:

The Board of Trustees only accepts nominations during their meeting commencing at 4:00 p.m. on October 4, 2021. Options for attending the Board meeting to make a nomination:

- Come to the KCPSRS office at 3100 Broadway, Suite 1211. Arrive by 3:55 p.m.
- Attend virtually via conference call or Zoom. For instructions to attend meeting virtually, call 816-472-5800 ext. 0 or email (kcpsrs@kcpsrs.org) no later than noon on October 4, 2021.

Election:

All eligible nominees will be on the KCPSRS election ballot.

- In November, ballots will be mailed to all in-active members' homes and emailed if KCPSRS has an email address.
- Ballots will include voting instructions and nominee bios for review.

Voting Instructions:

- If voting by mail, complete the ballot and place it in the enclosed return envelope.
- If voting online, login to the website using your unique member number and election passcode to cast your vote.
Do not mail your ballot if you plan to vote online.
- Only one vote per member will be counted.

The election results will be announced on the KCPSRS website and published in January's newsletter.



It is important that you take an active role in the nomination and voting process. These trustees will represent you on retirement issues.

SUMMARY OF TRUSTEE RESPONSIBILITIES

The Board is responsible for:

- Ensuring the Retirement System is appropriately governed and managed with the overriding goal of protecting Fund assets.

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

- 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 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.

Important Election Dates:

October 4, 2021 4 p.m.
Nominations Accepted

November 2, 2021
Ballots sent

November 23, 2021
Ballots must be received by
the election service by 5 p.m.

December 6, 2021
Election results are reported
to the Board of Trustees

KCPSRS SUMMARY ANNUAL FINANCIAL REPORT

FISCAL YEAR 2020

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, 2020. 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.

Despite the strain the effects of the Pandemic put on operations, the wild ride of 2020 reached the finish line on a high note for KCPSRS: Active membership grew thereby

increasing contributions; excess investment gains net expenses increased the actuarial funded ratio; and KCPSRS received an award of excellence in financial reporting.

In this report, we highlight some of the Plan's financials, membership data, and achievements.

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, 2020, there were 22 participating employers including 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, Kansas City International Academy, KIPP Endeavor Academy, Lee A. Tolbert Community Academy, 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 4,108 active, contributing members; 4,099 retirees or benefit recipients; and 521 inactive vested members.

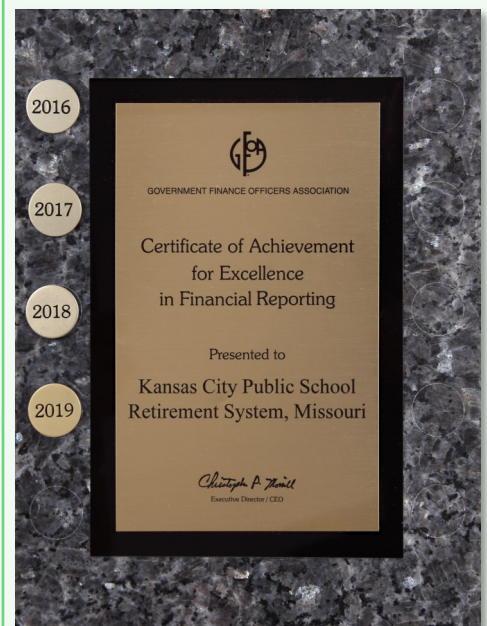
Benefits are funded by member contributions, employer contributions, and net investment returns. Investment returns have historically provided the majority of the funding for pension benefits.

LEARN MORE

The information in this summary report is taken from KCPSRS' more detailed Comprehensive Annual Financial Report (the Report), which is prepared in accordance with Generally Accepted Accounting Principles. Our 2019 report 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 2020 Report to GFOA for review and we expect to win the excellence award again for 2020. Copies of the 2020 report may be viewed or downloaded on our website, 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, 2019.

FINANCIAL HIGHLIGHTS

FISCAL YEAR 2020

\$73.3 Million
Investment Income

\$45.3 Million
Employee/Employer
Contributions

\$80.4 Million
Benefit Payments

11.9 %
Net Investment Return

4,099
Benefit Recipients

\$694 Million
Net Trust Fund Assets

ECONOMIC IMPACT

- KCPSRS' benefit is the major source of income to many retirees.
- Our neighbors, friends, and families spend their KCPSRS benefits in our local communities. A recent study conducted by the National Institute on Retirement Security (NIRS) measuring the economic impact of defined benefit pension expenditures found "Each \$1 in state and local pension benefits paid to Missouri residents ultimately supported \$1.50 in total output in the state."
- 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, 2020, KCPSRS had \$664 million in net assets for the payment of retirement benefits.

Summary Statement of Fiduciary Net Position

(Fiscal Year Ended December 31, 2020 and 2019)

	December 31, 2020	December 31, 2019
Assets		
Cash	\$ 1,270,156	\$ 1,324,695
Receivables	\$ 3,454,463	\$ 3,268,216
Investments at fair value	\$ 690,839,707	\$ 658,275,646
Other assets	\$ 75,604	\$ 82,393
Total assets	\$ 695,639,930	\$ 662,950,950
Liabilities		
Accounts payable	\$ 575,230	\$ 546,467
Investment payables	\$ 689,003	\$ 208,162
Accrued expenses	\$ 137,957	\$ 110,481
Total liabilities	\$ 1,402,190	\$ 865,110
Net positions restricted for pensions	\$ 694,237,740	\$ 662,085,840

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, 2020 and 2019)

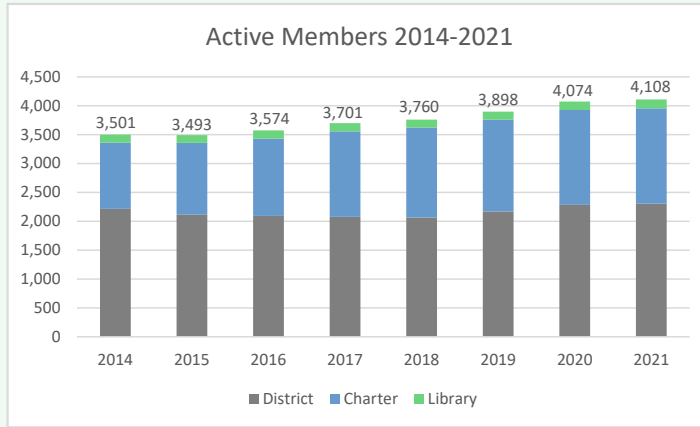
	Year Ended December 31, 2020	Year Ended December 31, 2019
Additions		
Contributions*	\$ 45,303,195	\$ 40,013,495
Net investment income	\$ 73,263,968	\$ 106,033,717
Total additions	\$ 118,567,163	\$ 146,047,212
Deductions		
Benefits payments	\$ 80,473,732	\$ 80,228,574
Member refunds	\$ 4,316,797	\$ 4,937,877
Administrative expenses	\$ 1,614,904	\$ 1,546,380
Other expenses	\$ 9,830	\$ 11,020
Total deductions	\$ 86,415,263	\$ 86,723,851
Net increase (decrease)	\$ 32,151,900	\$ 59,323,361
Beginning of year	\$ 662,085,840	\$ 602,762,479
Net positions restricted for pensions-end of year	\$ 694,237,740	\$ 662,085,840

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

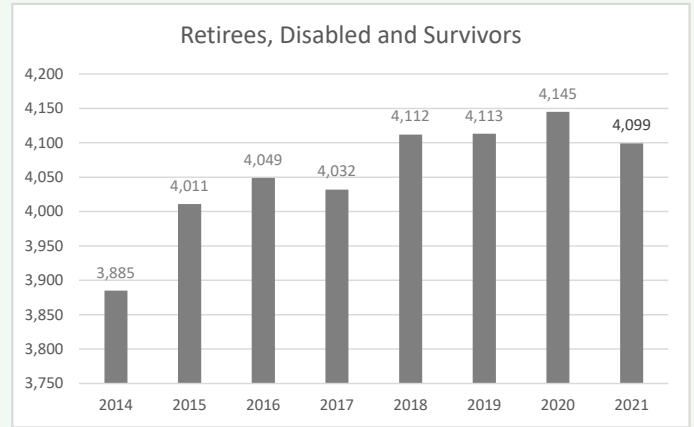
HISTORICAL MEMBER AND RETIREE DATA

As of January 1, 2021

Change in Active Members

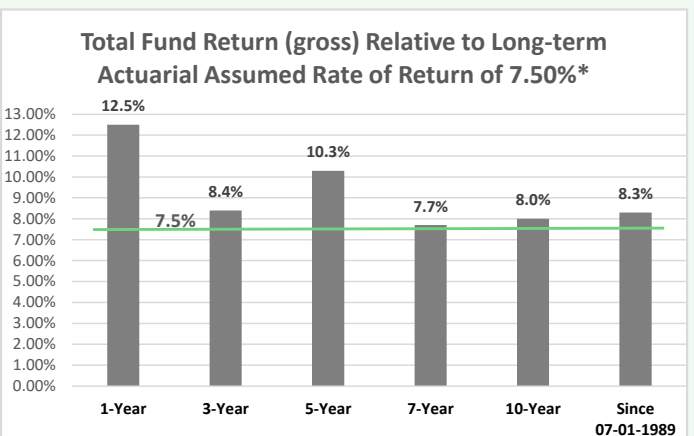
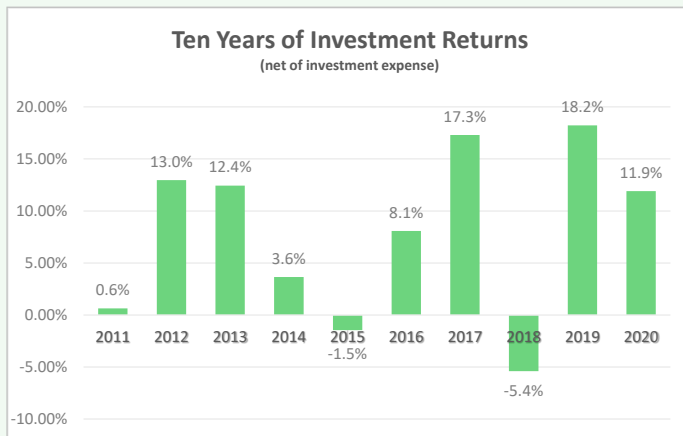


Change in Retired Members



INVESTMENT RETURN DATA

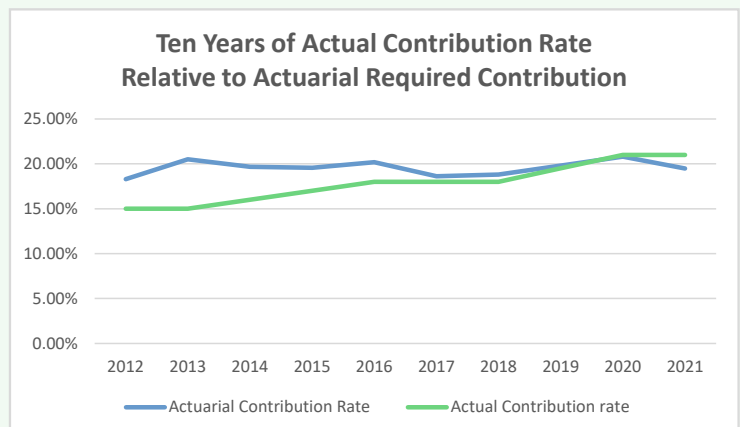
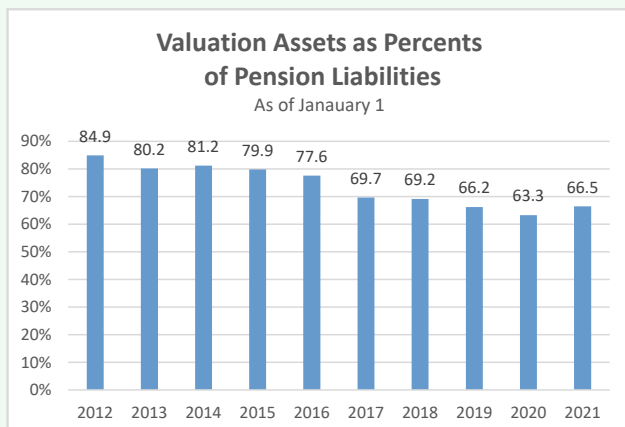
As of December 31, 2020



*In February 2021, the Board changed the actuarial assumed investment return rate to 7.25%.

ACTUARIAL FUNDED RATIO AND CONTRIBUTION RATE

As of January 1, 2021



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

KCPSRS SUCCESSES IN 2020

While 2020 was an eventful year worldwide, it was successful for KCPSRS in many ways.

\$32.2 million

Added to our total fund, which, in turn,
provides a secure future
for all our members

\$73.3 million

Net investment income
for a strong investment return
of 11.90%

\$80.4 million

Paid in retirement benefits
to our retirees

KCPSRS' Funded Ratio

January 1, 2021	January 1, 2020
66.5%	63.3%

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

Benefit Recipients

Retirees or their survivors

4,099
benefit
recipients

73.2
average
age

nearly
\$20,000
average
annual
benefit

Active Members

Employees of the KC School District,
charter schools, and KC Public Library

42.8
average
age

\$55,000
average
annual
salary

7.4
average
years of
service

4,108
active
members

KCPSRS Staff is proud to be a part of this System
and its many achievements over the years.

We look forward to continuing to serve Kansas City and our members.

WHAT IS AN INACTIVE VESTED MEMBER?

Inactive – Not currently employed by the KC School District, a KC charter school, nor the KC Public Library.

Vested – Attained five years of service credit with KCPSRS.

Inactive vested members have an accumulated account balance (contributions and interest) and have options regarding their account balance.

Options include:

- Leave your account balance with the Retirement System until you are eligible for KCPSRS retirement. Your account will continue to earn interest and, upon meeting the eligibility age or point requirements for a KCPSRS benefit, you may apply and start receiving a monthly lifetime

benefit. Retirement eligibility is age 60 or 75 points for those who started as a member before 1/1/2014 and age 62 or 80 points for those who started as a member on or after 1/1/2014. Points equal your years of age plus your years of service credit.

- Request a refund of your account balance. Refunds are taxable and may be subject to penalties.
- Request to “roll-over” your account balance to another tax deferred account. Roll-overs are not taxable.

An inactive vested member may designate a beneficiary. In the event of your death, KCPSRS would pay your account balance to your designated beneficiary. Be sure we have a record of your designated

KCPSRS beneficiary including their current information. Consider reviewing your beneficiary after life changes (e.g. divorce, death of a loved one). Keeping your beneficiary current ensures your account balance will be paid to the person(s) you intended.



IMPORTANT REMINDERS FOR INACTIVE VESTED MEMBERS

- Make sure you have the correct beneficiary on file with KCPSRS and that their contact information is current.
- Keep your address, email, and phone number current with KCPSRS. If we can't locate you, we can't pay you!
- Inactive, vested members are eligible to vote in the KCPSRS fall election for an active member who will serve a four-year term on the Retirement System's Board of Trustees.

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 will be happy to assist you by phone (816-472-5800) or email (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 and KCPSRS staff member will reply.

Each member's KCPSRS account and service is unique.

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





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**Stay connected on
social media**



Facebook.com/KCPSRS



youtube.com/channel/UCiqODsv_8w0HalpY_cAsVuA

2021-2022 KCPSRS CALENDAR

SEPTEMBER

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

OCTOBER

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

NOVEMBER

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

DECEMBER

- 6 Board of Trustees meeting
- 6 Election results announce at Board meeting
- 23 Deadline to apply for February 1st retirement
- 24-31 KCPSRS Office closed—Christmas

JANUARY

- 3 Board of Trustees meeting
- 17 KCPSRS Office closed—Martin Luther King, Jr. Day
- 31 Deadline to apply for March 1st retirement

FEBRUARY

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

"I love being a part of the Retirement System and making things easy for our members. In times when things seem so overbearing or even confusing in retiring, being able to simplify the process makes it easy for our members to understand and brings so many sighs of relief."

Erica Hill
KCPSRS Retirement
Education Specialist