

KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

Quick Facts

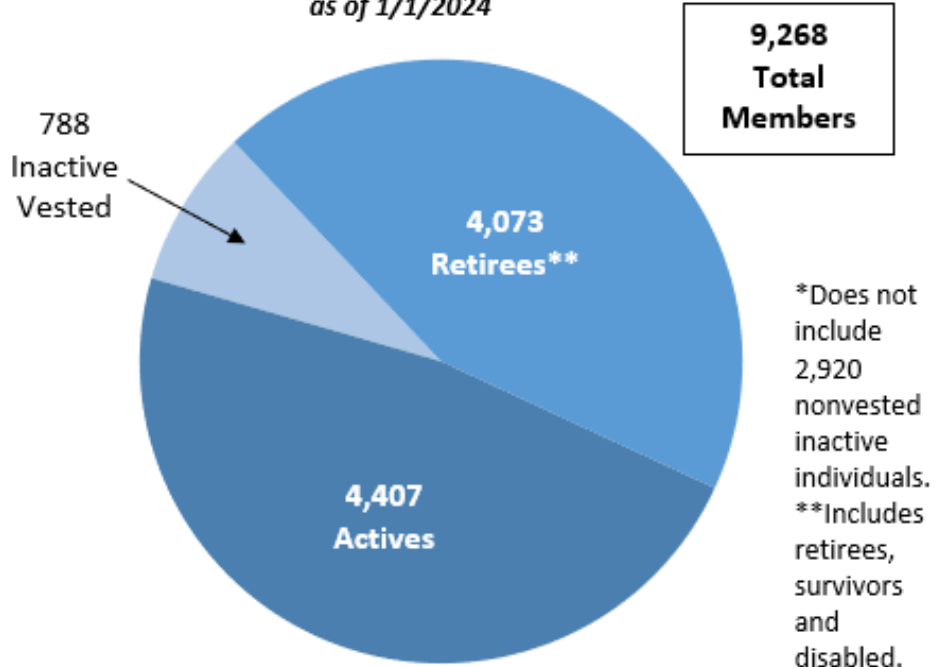


The Kansas City Public School Retirement System (KCPSRS) is a defined benefit (DB) pension plan that provides lifetime and disability retirement benefits to members and survivor benefits to qualified beneficiaries.

KCPRS MEMBERSHIP

- Membership consists of all employees of the Kansas City School District, the Kansas City Public Charter Schools, and the Kansas City Public Library.
- Of the 9,268 members served by KCPSRS, 4,073 receive a monthly benefit.
- Members are fully vested after 5 years of covered employment.
- Active members' average age is 43.5 and average length of service is 6.8 years.
- Retirees' average age is 74.2 years.

Snapshot of KCPSRS Members* as of 1/1/2024



REASONABLE BENEFIT PAYOUT

The formula for a KCPSRS retiree's benefit includes the average of their highest four consecutive years of compensation and their years of service. While each person's benefit is unique to their experience, the average KCPSRS pension benefit payment is approximately \$1,654 per month.

KCPSRS BENEFITS CALCULATION

APPLIES TO VESTED MEMBERS WITH FIVE YEARS OF SERVICE

Benefit Provisions	Plan B – members hired prior to January 1, 2014	Plan C – members hired after January 1, 2014
Normal Retirement Eligibility The age and service years combined required to receive an unreduced retirement benefit	60 yrs. old or must have 75 credit points (age + years of service = credits)	62 yrs. old or must have 80 credit points (age + years of service = credits)
Base Benefit Formula Payable for your lifetime a product of the Average Final Compensation (AFC) times Years of Creditable Service (YCS)	$AFC \times 2\% \times YCS \div 12 = \text{Monthly Pension}$	$AFC \times 1.75\% \times YCS \div 12 = \text{Monthly Pension}$
Benefit Payment Options Determines whether or not a benefit will be paid to anyone after your death	Basic Benefit with no Survivor payments Reduced Benefit with 100% to Survivor Reduced Benefit with 50% to Survivor	

FINANCED THROUGH EMPLOYER/ EMPLOYEE CONTRIBUTIONS AND INVESTMENT EARNINGS

Employer/employee contributions and investment earnings are accumulated and professionally managed during an employee's career and paid out over their retirement years. The major source of revenue is investment earnings. As the chart below indicates, approximately 56¢ of every dollar used to pay retirees is generated from investment earnings.

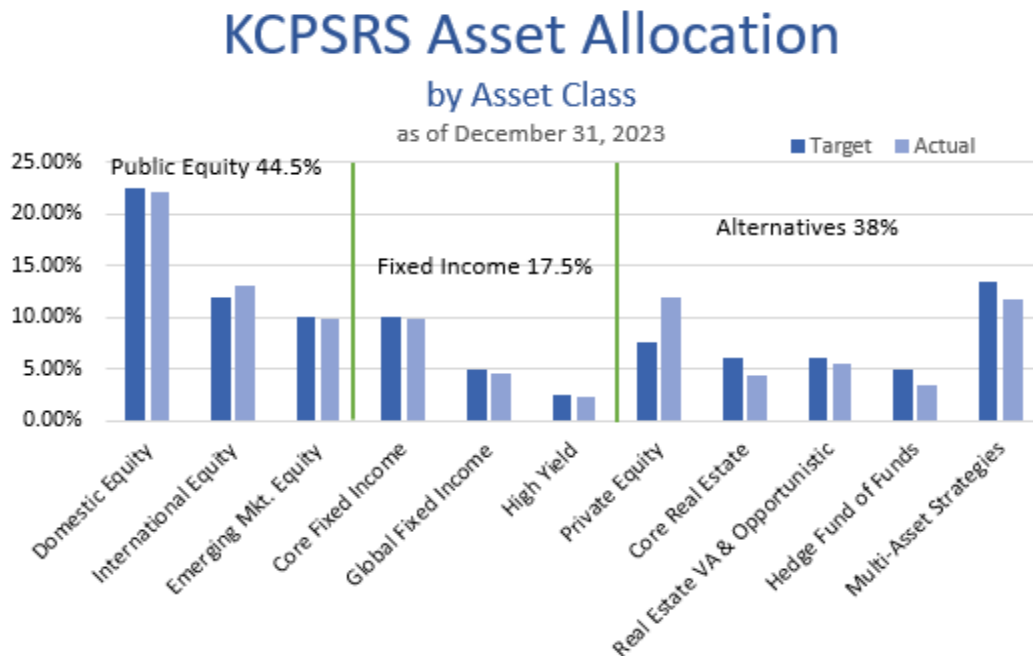
FUNDING SOURCES

25-Year Average



KCPRS ASSETS

The total invested assets were approximately **\$654 million** on December 31, 2023. As of 1/1/24, the actuarial funded ratio was 69.11%. In recent years, KCPSRS has adjusted its asset allocation to better protect against down markets by adding diversified investments. Academic research has painstakingly explained that asset allocation is the most important decision with regards to the long-term success of an investment program. Diversification spreads the risk and mitigates any losses from different asset classes. KCPSRS asset allocation policy targets 44.5% public equity, 17.5% fixed income, and 38% alternatives and real estate investments.



INVESTMENT PERFORMANCE HISTORY

The investment objective of the System is to produce a risk adjusted investment return that meets or outperforms the 7.25% actuarially assumed investment rate of return.

Period	KCPSRS Annualized Returns (As of December 31, 2023)
1 Year	11.1%
3 Year	3.9%
5 Year	8.8%
7 Year	7.9%
10 Year	6.7%
Since inception*	7.9%

*Data available since 07/01/1989