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Legislative Session Ends, No Major Changes for PSRS/PEERS

The 97th Regular Session of the Missouri Legislature officially ended Friday, May 16, at 6 p.m. No legislation passed that had an overall negative impact on the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) or its members. This effort was accomplished by the active involvement of numerous educational associations, retired and active teachers and education employees contacting their respective legislators and our legislative team, who spent many hours at the Capitol, talking to elected officials, and monitoring numerous committee hearings and floor debates.

The following bills were passed that impact PSRS/PEERS:

House Bill 1217

This bill specifies that participants in Missouri public employee retirement systems who are found guilty of certain felonies in connection with their employment will forfeit their retirement benefits for service on or after the effective date of this bill.

This bill also places into statute that public employee retirement benefits cannot be transferred, assigned or be subject to a levy, attachment or garnishment except as allowed by a specific plan's rules. While PSRS/PEERS has a similar provision already in our statutes, this bill puts additional safeguards in place to further protect retirees from being taken advantage of with regard to their pension benefits.

House Bill 1882

This bill changes the laws regarding the administrative requirements of public employee retirement plans. In its main provisions, the bill deals with how and when Missouri public retirement plans report various types of information to the Joint Committee on Public Employee Retirement (JCPER). JCPER provides pension review and oversight for the state's public retirement plans. The bill also makes changes to the provisions regarding the education requirements of retirement systems' board members.

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LEGISLATIVE SESSION ENDS, NO MAJOR CHANGES FOR PSRS/PEERS, CONTINUED FROM PAGE ONE

Senate Bill 504

This bill requires a state agency to make proposed rules available to the public by providing a link on its official website to the web page that contains the text of the proposed rule as filed, a fiscal note and summary for the proposed rule, as well as a link to the rule and material incorporated by reference in the Missouri Register. This information must be made available on the website within one business day of the publication of the proposed rule in the Missouri Register.

Senate Bill 701

This bill modifies several provisions relating to elementary and secondary education of interest to PSRS/PEERS, including allowing two or more school districts to share a superintendent who possesses a valid Missouri superintendent's license.

Senate Bill 782

This bill allows an individual with certification from the American Board for Certification of Teacher Excellence (ABCTE) to obtain teacher certification in the area of elementary education. An applicant for teacher certification through ABCTE in the area of elementary education must complete 90 contact hours, of which at least 30 must be in an elementary classroom.

For more detailed information, visit our website, www.psr-peers.org.

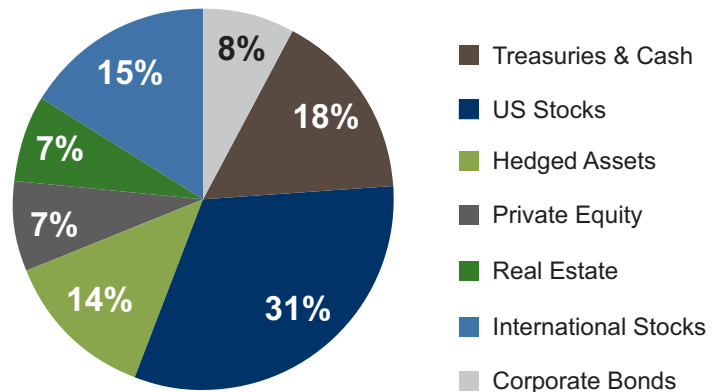
PEERS On-Track for Solid Investment Return in Fiscal Year 2014

PEERS Return in Excess of 8%

In the last PEERS newsletter in the fall of 2013, we reported on a very strong investment year for the Systems, buoyed by above average returns in the global stock market. PEERS achieved a 12.3% investment return for the fiscal year ended June 30, 2013. This return was well above the 8% investment return goal set by the System.

At the writing of this newsletter, we are pleased to report that PEERS should finish fiscal year 2014 (June 30, 2014) with an investment return well above 8% for the second consecutive year. Additionally, over long periods of time, PEERS continues to produce investment returns that exceed the System objectives. The annualized investment return for PEERS over the last 30 years is 9.7%. However, as we near the completion of fiscal year 2014, we are also mindful of the fact that it will become increasingly more difficult to achieve an 8% return in future years, due in part to historically low interest rates. As a large institutional investor, we believe that we are particularly well suited to navigate upcoming markets given our ability to invest over a 30-year time horizon. The following chart indicates the PEERS asset allocation, which is highly diversified among a number of different investment classes. The asset allocation is balanced with a significant distribution to return-seeking assets such as stocks and private equity, but also a healthy allocation to more defensive investments such as Treasury securities, cash and hedged assets.

PEERS Asset Allocation as of May 31, 2014



As the stock market continues to reach new highs, we believe it is prudent to maintain a structured portfolio that has an opportunity to participate if the markets continue to move higher, but also has substantial downside protection in the event of a market correction.

“Our long-term goal is to provide consistent and meaningful investment returns to support the retirement benefits of our members,” said Steve Yoakum, PSRS/PEERS executive director. “Our internal investment staff is committed to managing the Systems’ assets in a prudent manner that will ensure the viability of your pension. This fiscal year we should once again exceed our investment goal of 8%.”

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PEERS ON-TRACK FOR SOLID INVESTMENT RETURN IN FISCAL YEAR 2013-2014, CONTINUED FROM PAGE TWO

The market value of invested assets for PEERS and the Public School Retirement System of Missouri (PSRS) combined were approximately \$37.3 billion on May 31, 2014, making the joint entity larger than all other public retirement plans in Missouri combined, and the 44th largest defined benefit plan in the United States. For the most recent PSRS/PEERS investment news, visit us on the web at www.psr-peers.org.

Working After Retirement Reminders, Rules and Record-Keeping

Sometimes PEERS service retirees return to work after retirement, either to supplement their retirement income, spend time helping others, or to stay involved in the work they enjoy.

If you work after service retirement for any employer other than a PEERS-covered Missouri public school district or public two-year colleges, it has no impact on your service retirement benefits in any way. You can continue to receive your monthly benefits while you work. The same is true if you work as a self-employed consultant or independent contractor, as defined by the IRS.

But, if you work for a PEERS-covered employer after retirement, it can sometimes result in the loss of benefits.

If you know and follow the rules set by Missouri law and PSRS/PEERS Board of Trustees regulations, you can enjoy the advantages of working for a covered employer after retirement without jeopardizing your retirement benefits.

Stay Within the Limit on Hours

If you work for a PEERS-covered employer and plan to continue receiving your retirement benefits, you must stay within the limit on your hours. If you exceed the limit, your benefits stop.

As a retiree working for a PEERS-covered employer you can work up to **550 hours** part-time or as a temporary-substitute each full school year (July 1-June 30).

As long as you do not exceed the limit and do not become a full-time, regular employee, you will continue to receive your benefits.

However, your retirement benefits stop effective the month you exceed the 550-hour limit.

If that happens, your benefits resume the month **after** your employment ends or when a new school year begins on July 1.

Example

If you exceed the 550-hour limit on April 10, you forfeit your April benefit. If you end your employment in April, your benefits resume in May. If your employment continues, your benefits will resume the month following the end date of your employment or on July 1, when a new school year begins.

Exceeding the limit can be costly: The minimum you will forfeit is one full monthly benefit.

Your employer reports your hours worked to PEERS each month. We use this information to determine when you may be approaching the limit. If you are nearing the limit, we will contact you to help prevent you from losing benefits.

Keep a Record of Your Work

All PEERS retirees working for covered employers on a part-time or temporary-substitute basis are required to maintain a **Working After Retirement Record** tracking the hours worked each month with each covered employer. Employers are also required to maintain such records. Stay in contact with your employer and make sure your records agree. If they don't, we consider the employer's records official.

Working After Retirement Record forms are sent to you and your employer each school year when you return to work and are available on the PEERS website.

You can learn more about working after retirement on our website, www.psr-peers.org, where you can read our brochure, **Working After Retirement**. Of course, you are always welcome to call us at **(800) 392-6848** or email psrpeers@psrpeers.org for more information.



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PEERS BENEFIT Check

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Keep Your Personal Information Safe – Leaving Us Messages

At PEERS, we are very concerned that your personal information remains confidential. We don't release any information to anyone other than you without your written permission.

That being said, it is also important for you to remember to safeguard your personal information should you need to leave us a voicemail message or send us an email.

Be especially careful that your voicemail and email messages are not worded in a manner that may allow someone else to learn private information about you. We do not recommend including your full Social Security number or any other sensitive information within a voicemail or an email.

We look forward to hearing from you!



RETIRED MEMBERS