2018-2019 School Year Contribution Rates Unchanged; January 1, 2018 COLA Set at 1.63%

A PSRS Pre-Retirement Seminar Will Help You Get Ready for Retirement
At the November 2-3, 2017 meeting of the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees, the Board made several important decisions to ensure the ongoing financial health of the Systems.

The meeting included detailed analysis and discussion by the Board, the Systems’ actuary, PricewaterhouseCoopers, management and educational associations, which culminated in decisions designed to provide an ongoing funding policy that provides continued financial stability for the Retirement Systems.

“The Board has a fiduciary responsibility to operate the Systems in a prudent manner that best serves all members equally, no matter what their life or career stage. We had good discussions and considered a lot of meaningful data and research. As a result, I feel we made sound decisions and set policies that will help keep the Systems financially healthy for the long-term.”

Aaron Zalis, Board Chairman

2018-2019 School Year Contribution Rates Unchanged; January 1, 2018 COLA Set at 1.63%

To meet the Systems’ ongoing goals, the Board took action on the Systems’ 2018-2019 contribution rates, assumed rate of investment return, and COLA policy.

Assumed Rate of Investment Return Decreased

The Board voted to reduce the assumed rate of return on investments from 7.75% to 7.6% due to the continued low interest rate and capital market environments.

Assumption of Investment Return for 2018-2019 School Year

On the recommendation of the Systems’ actuary, the Board voted to maintain active member and employer contribution rates for PSRS at 29% (14.5% each for member and employer) and PEERS at 13.72% (6.86% each for member and employer). These contribution rates, along with the assumed investment return rate, continue to provide the Systems with the level of funding necessary to maintain the Systems’ healthy financial status.

The meeting included detailed analysis and discussion by the Board, the Systems’ actuary, PricewaterhouseCoopers, management and educational associations, which culminated in decisions designed to provide an ongoing funding policy that provides continued financial stability for the Retirement Systems.

Sign up today to receive your PSRS For Your Benefit publication via email. It’s an easy way to help us save natural resources and money while staying informed about your retirement system. Simply visit www.psrs-peers.org and log in to Web Member Services to subscribe.
January 2018 COLA Set at 1.63%, New COLA Policy Going Forward

January 1, 2018 COLA Set

The Board voted to grant eligible PSRS and PEERS benefit recipients a 1.63% cost-of-living adjustment (COLA) effective January 1, 2018.

The COLA decision is based in part on the Consumer Price Index for Urban Consumers (CPI-U) as determined by the U.S. Bureau of Labor Statistics for the previous fiscal year. The increase in the CPI-U for PSRS/PEERS’ fiscal year 2017 is 1.63%.

Other factors in the decision included the analysis of the Systems’ actuaries, and requirements set in Missouri law regarding the setting of the COLA by the Board of Trustees.

New COLA Policy Adopted Effective with January 1, 2019 COLA

In addition to setting the COLA for the upcoming year, the Board reviewed seven different scenarios with data provided by the Systems’ actuaries, PricewaterhouseCoopers (PwC) to determine a longer-term COLA policy that best fits with the Systems’ funding goals.

The cumulative COLA calculation only applies when the CPI-U is between 0% and 2%. The cumulative COLA calculation period resets to zero after a 2% COLA is provided and begins again.

<table>
<thead>
<tr>
<th>2017 PSRS/PEERS COLA Policy</th>
<th>CPI-U</th>
<th>COLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>0% to 2%</td>
<td>0% if cumulative CPI-U is below 2%</td>
<td></td>
</tr>
<tr>
<td>0% to 2%</td>
<td>2% if cumulative CPI-U is 2% or more</td>
<td></td>
</tr>
<tr>
<td>2% - 5%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>More than 5%</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

After the analysis and discussion, the Board set a new COLA policy that will become effective with the January 2019 COLA. The policy contains a cumulative CPI calculation when the CPI-U falls between 0% and 2%.

A PSRS Pre-Retirement Seminar Will Help You Get Ready for Retirement

If you are considering retirement, we recommend attending a PSRS Pre-Retirement Planning Seminar. Seminars are held around the state throughout the year, providing valuable information you need to know as you prepare for retirement. A retirement counselor delivers an overview of benefits, payment plans and how to apply for retirement. You will also receive a personalized benefit estimate.

Register early – seating is limited and we cannot accept late registrations. Log in to Web Member Services at www.psrs-peers.org to register or call us toll free at (800) 392-6848. You need an idea of your retirement date and your beneficiary’s name and birth date. If you are unsure of your retirement date or eligibility, you can get information by running your own benefit estimate in Web Member Services found on our website, or you can call us and we will be happy to help.

We look forward to seeing you at a seminar!
PSRS: The Missouri Model

The "Missouri Model" is a term used in the retirement industry to describe the PSRS trust fund’s operational model as the one other retirement systems aspire to emulate.

PSRS, as measured against all other large public retirement systems, is clearly one of, if not the top retirement system in the nation.

PSRS has been, and continues to be, financially stable while providing lifetime retirement security to current and future members. PSRS has provided this financial stability to Missouri educators since 1946, based on sound governance decisions, and will continue to do so for future educators.

The map below provides a comparison of the funded status of all 15 state teacher retirement systems whose members do not contribute to Social Security. A retirement system’s funded status is an indication of the financial health of a system, as it shows the percentage of promised benefits it could fund at the current time. A funded status of 80% or higher is regarded by the industry as healthy.

Funded Status of 15 State Teacher Retirement Systems
Not Participating in Social Security

Visit our website for an interactive version of this map.
Use Web Member Services to Stay Informed About Your Membership and Benefits

Even though it may seem like retirement is a world away, it is important to be familiar with your retirement benefits and the basics of your PSRS membership, even while you are working.

Now it is easier than ever to get quick information about your membership, beneficiary designations and future benefits, using PSRS Web Member Services at www.psrs-peers.org. Register for access using the Member Log-in link at the top right corner of the screen.

Access to your membership information online requires that you establish a user name and password. When setting up your online access, you will be required to enter a temporary PIN we will provide you by mail. This process is designed to help ensure your membership information is not accessed fraudulently by someone other than you.

You can use Web Member Services to view and update your mailing address, email address and phone number on file with PSRS. You will also find:

- A benefit estimator to estimate your future service retirement benefits and show the dates you will be eligible for early and normal (full) benefits
- A summary of your service on record with PSRS
- A year-by-year history of your service and salaries with each covered employer
- Your current beneficiary designation with PSRS. Please be sure to make any necessary updates to your beneficiary designation to ensure benefits are paid according to your wishes.
- Information about any open service purchases, and any amounts due
- Your current and archived Member Statements

It’s quick and easy to stay up-to-date with PSRS Web Member Services. Visit today!