

PSRS

Active Members | MAY 2021

for your Benefit

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

A close-up photograph of a bumblebee on a lavender flower. The bee is yellow and black, with its wings spread, and is positioned on the purple flowers. The background is a soft-focus green and yellow, suggesting a garden setting.

PSRS/PEERS Office Reopens to the Public June 1

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PUBLIC SCHOOL RETIREMENT
SYSTEM OF MISSOURI

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PSRS For Your Benefit is published by the Public School and Education Employee Retirement Systems of Missouri.



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PSRS/PEERS Office Reopens to the Public June 1

We are pleased to announce that the PSRS/PEERS office will reopen to the public June 1, after being closed to visitors since last spring.

We look forward to seeing you in our office once again for individual counseling sessions, or to drop off forms and documents. We are located at 3210 West Truman Boulevard in Jefferson City, Missouri. As a reminder, we are open 7:30 a.m. to 5 p.m. Monday through Friday, except holidays.

Registration for all types of counseling sessions can be completed by logging in to Web Member Services at www.psr-peers.org or by calling us at (800) 392-6848.

Of course, if you have concerns about in-person contact, we are happy to assist you other ways! We encourage you to take advantage of our ongoing web and phone counseling options. As always you are welcome to call us at the toll-free number above, or email psrspeers@psrspeers.org.

We wish to thank all of our members for your understanding and patience during the past year. We are grateful to have had the opportunity to assist so many of you who reached out to us by phone, email or chat, as well as all those who joined us for our virtual seminars, webinars and web counseling sessions.

PSRS/PEERS Investment Update

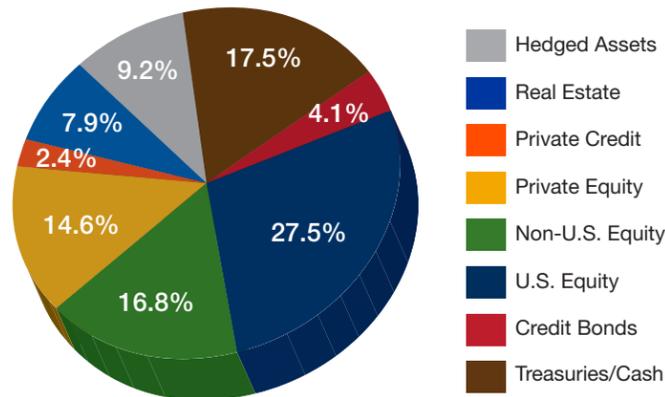
The fiscal year reporting period for PSRS/PEERS ends each June 30. Through March 31, 2021, the Systems had completed three-fourths of fiscal year 2021 with strong investment returns. The estimated PSRS/PEERS investment return for fiscal year 2021 (July 1, 2020 through March 31, 2021) was approximately 19.2%. The Systems have benefited from a strong stock market in fiscal year 2021, as U.S. stocks (measured by the S&P 500 Index) have increased 29.7% since July 1, 2020. However, as we move forward in 2021, there are several issues facing the economy that could ultimately impact the investment markets. As stewards of your retirement assets, we will continue to maintain a balanced investment methodology as we approach market uncertainty.

We are currently in the stage of the business cycle that can be volatile for financial markets. The Federal Reserve has acted aggressively and pushed interest rates to historical lows. The federal government has been equally assertive through multiple stimulus packages, including the \$1.9 trillion fiscal package in mid-March. Moving forward, it is expected that the U.S. economic recovery will correlate closely to the level of coronavirus vaccinations and the long march toward herd immunity. As the pace of vaccinations for the coronavirus has increased throughout the United States, a return to normalcy has started, with a surge in demand for many goods and services including travel and restaurants. Ultimately, it is expected that this consumer spending (which is likely to increase this summer) should result in stronger growth in the economy.

As the economy gets stronger, it is expected that volatility in the investment markets could increase when the Federal Reserve and the federal government try to reduce or eliminate stimulus and interest rate support. For example, interest rates started to rise most recently at the hint that the Federal Reserve support may be ending. The yield on the 10-year Treasury Note increased from a low of 0.52% on August 4, 2020 to 1.7% on March 31, 2021. Additionally, there is a concern over near-term inflation as consumer spending increases. The current level of unemployment is also a worry, as it has not

fully recovered from the pandemic shock. Finally, most stock markets in both the U.S. and abroad are fully valued (or overvalued). From a very basic standpoint, higher than normal expected returns in the stock market today result in lower expected returns in the future for all investors, including PSRS/PEERS.

While the stock markets continue to reach new highs in 2021, the PSRS/PEERS investment staff has utilized stock market gains to meet benefit payments. Significant assets have also been rebalanced out of stocks into U.S. Treasury bonds and private assets such as private credit and private equity. This rebalancing has allowed the Systems to maintain a diversified and balanced asset allocation. The following chart indicates the PSRS/PEERS asset allocation as of March 31, 2021.



The market value of invested assets for PSRS and PEERS combined were approximately **\$52.9 billion** on March 31, 2021, making the joint entity larger than all other public retirement plans in Missouri combined, and the **46th 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.

Legislative Session Includes Bills of Interest

Since the General Assembly began the 2021 Legislative Session on January 6, 2021, more than 1,800 bills have been introduced. PSRS/PEERS is closely monitoring over 200 bills. The 2021 Legislative Session ends on May 14, 2021.

In order for a bill to become law, it must be passed by the Missouri House and Senate, after which it goes to the governor for his signature. The governor has until July 14 to sign or veto legislation.

Legislation currently being tracked that has a direct impact on the Systems includes:

- **House Bill 811 (HCS HB 811)**, which would change some working after retirement limits and Critical Shortage Employment, and allow PSRS members with 32 or more years of service to retire with a higher benefit factor
- **House Bill 439 (HCS HB 439)**, which would allow school districts to permit individuals to teach for them. DESE would issue a certificate for these permitted individuals.

- **House Bill 608 (HB 608)**, which would change the qualifications required for substitute teaching
- **Senate Bill 608 (SB 608)**, which would allow a retiree who nominated a same-sex domestic partner as beneficiary to have their monthly retirement benefit “pop-up” to the amount he or she would have received if he or she had not elected to receive reduced monthly benefits

As of the publication date of this newsletter, none of these bills have passed out of both chambers as required in order to become law.

To view a summary and the current status of all the bills we are tracking this session, view our online Legislative Tracker at www.psr-peers.org/About-Us/Legislation. The status of these bills can change daily. If significant or impactful changes occur, we will post information as news on our website or send an email. If you are not signed up to receive news from us by email, please log in to Web Member Services at www.psr-peers.org and update your communications preferences.

Pending Legislation Provides Higher Benefit Factor for Retirees with 32 Years of Service

House Bill 811 (HCS HB 811), currently being debated in the Missouri Legislature, would provide a 2.55% benefit factor for PSRS retirees who retire with 32 or more years of service. Currently, the benefit factor is 2.5%. The higher benefit factor would result in higher benefit amounts for retirees who qualify.

If passed, the change would be effective August 28, 2021.

To view the current status of this, and all other bills we are tracking this session, view our online Legislative Tracker at www.psr-peers.org/Legislation.

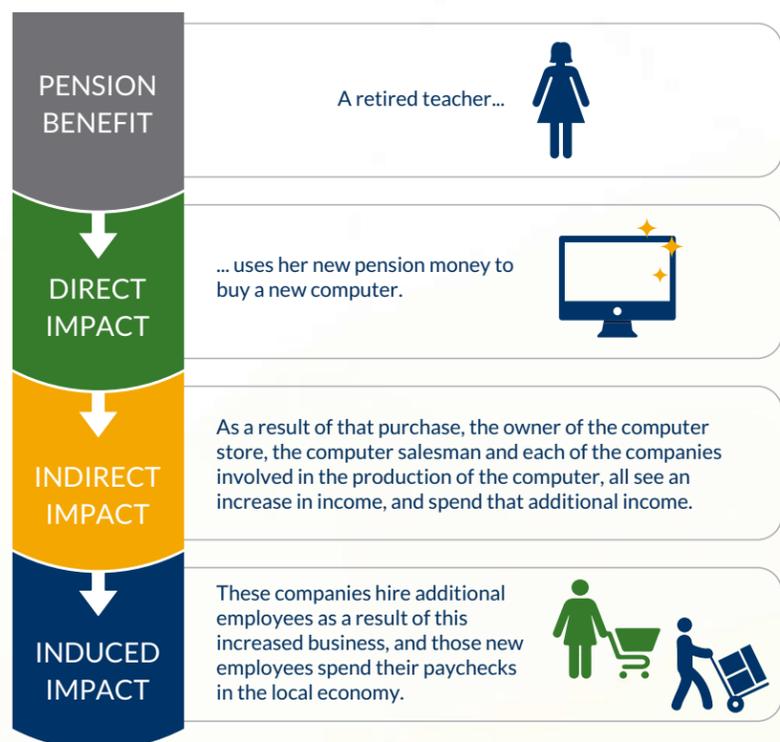


Defined Benefit Plans: Benefits *Beyond* Service Retirement

“Virtually every state and local economy across the country benefits from the spending of pension checks.”¹

When we think about the benefits PSRS/PEERS provides, we think immediately of the benefits we pay directly to members: service retirement, disability retirement and beneficiary benefits. To be sure, these benefit payments are the reason Defined Benefit, or DB, plans like PSRS and PEERS exist ... to provide retirement security for members and their families.

But Defined Benefit plans have a much larger, positive economic impact than just helping retirees pay the bills. Described in detail in a recent research report from the National Institute on Retirement Security, it's called the multiplier effect, and here is how it works.



In short, when a retired Missouri public school teacher receives a monthly PSRS service retirement benefit, she spends the pension check on goods and services in the local community. She purchases food, clothing, and medicine at local stores, and may even make larger purchases like a car or laptop.

These purchases, combined with those of other retirees with pensions, create a steady economic ripple effect. In short, pension spending supports the economy and supports jobs where retirees reside and spend their benefits.

In fiscal year 2019-2020, PSRS/PEERS total benefit payments were nearly \$3.1 billion, \$2.7 billion of which was distributed to benefit recipients living in Missouri. However, the nature of this multiplier effect means that PSRS/PEERS benefits during fiscal year 2020 ultimately contributed much more to the total economic output in the state than the dollar amount of benefits paid.

Pension expenditures may be especially vital to small or rural communities, where other steady sources of income may not be readily found if the local economy lacks diversity.

Additionally, reliable pension income can be especially important not only in providing retirees with peace of mind, but in stabilizing local economies during economic downturns. Retirees with DB pensions know they are receiving a steady check despite economic conditions. In contrast, retirees may be reluctant to spend out of their 401(k)-type accounts if their savings are negatively impacted by market downturns.

It's nice to know that the peace of mind our members get from having lifetime monthly retirement benefits also results in a positive economic impact for all of Missouri.

¹ Ilana Boivie and Dan Doonan. “Pensionomics 2021: Measuring the Economic Impact of DB Pension Expenditures,” National Institute on Retirement Security, January 2021.

Application Deadline for July 1 Retirement: June 30, 2021

If you plan to retire July 1, 2021, you must apply for retirement online using Web Member Services or submit your paper **Service Retirement Application** and other required forms and documents by June 30.

We recommend filing well in advance so we have time to review your application and make sure we have all the required supporting documentation to process your request accurately and on time for your requested retirement date.

We will acknowledge receipt of your retirement application, whether you do it online or on paper forms. Please call us if you do not receive acknowledgement within two weeks, or prior to your retirement date.



Proper Termination of Employment



Proper termination of your pre-retirement employment is required to be eligible for service retirement. You can retire July 1 as long as you properly terminate all PSRS-covered employment by June 30, even if you receive paychecks through August.

To properly terminate employment:

- You must end all employment with all PSRS-covered employers prior to your retirement date.
- You cannot return to work for a PSRS-covered employer in any capacity for a period of one month after your PSRS retirement date. This includes volunteer work if you later become a paid employee with the same employer in the same, or a similar position.
- You cannot enter into any agreement, written or unwritten, for future employment at a PSRS-covered employer in any capacity until after receiving your first retirement benefit payment. This includes any type of early retirement incentive or separation agreement that requires you to return to work or volunteer in any capacity after retirement in return for salary, including health insurance benefits.

Apply for Retirement Online

Filing for PSRS service retirement has never been more convenient. Skip the paper and file for retirement online using Web Member Services at www.psr-peers.org. After you log in, you will find the link to apply for service retirement on your Web Member Services home page, under the “My Membership” tab.

Get Ready to RetireSmart with PSRS Member Education Programs

Need to Get Retirement Ready? Join Us for a Seminar!

We are pleased to announce the return of in-person seminars! PSRS Retirement Ready seminars are designed to be of most benefit to members who are within five years of retirement, but all members are welcome to join us for an in-depth review that will help you prepare to retire. At present, we are limiting attendance at in-person seminars to members only (no guests) for social distancing purposes.

Seminars are conducted by knowledgeable PSRS benefits professionals, who discuss retirement eligibility, benefit plan options, income tax considerations and much more. Attendees receive

personalized *Benefit Estimates*, and a workbook to help with planning.

Check the schedule below for a meeting near you. Registration is required and is easy to complete, but please register early! Seating for each seminar is limited, and we cannot accept late registrations. To register, you need an idea of your desired retirement date, along with your beneficiary's name and birth date. If you need assistance, we can help.

Register by logging in to Web Member Services at www.psr-peers.org or by calling us at (800) 392-6848.

We look forward to seeing you at a seminar!

Date	Location	Address	Time	Closing Date to Register
June 3, 2021	Lodge of Des Peres	1050 Des Peres Rd, Des Peres	10 a.m.	May 19, 2021
June 8, 2021	Virtual Seminar	www.psr-peers.org	10 a.m.	May 24, 2021
June 10, 2021	Ozarks Technical Community College	815 N Sherman Ave, Springfield	10 a.m.	May 26, 2021
June 15, 2021	Rolla Board Office	500 A Forum Drive, Rolla	10 a.m.	June 1, 2021
June 24, 2021	Courtyard Jefferson City	610 Bolivar Street, Jefferson City	10 a.m.	June 10, 2021
June 30, 2021	Virtual Seminar	www.psr-peers.org	1 p.m.	June 15, 2021
July 7, 2021	Virtual Seminar	www.psr-peers.org	10 a.m.	June 22, 2021
July 8, 2021	Cape Girardeau Career & Tech. Center	1080 S Silver Springs Rd, Cape Girardeau	10 a.m.	June 23, 2021
July 13, 2021	Raymore-Peculiar High School	20801 School Road, Peculiar	10 a.m.	June 28, 2021
July 15, 2021	Joplin Memorial Education Center	825 S Pearl Ave, Joplin	1 p.m.	June 30, 2021
July 20, 2021	West Plains High School	602 E Olden Street, West Plains	10 a.m.	July 6, 2021
July 22, 2021	Virtual Seminar	www.psr-peers.org	1 p.m.	July 7, 2021
July 27, 2021	Stoney Creek Inn – St. Joseph	1201 N Woodbine Rd, St. Joseph	10 a.m.	July 12, 2021
Aug. 3, 2021	Blue Springs South High School	1200 SE Adams Dairy Pkwy, Blue Springs	10 a.m.	July 19, 2021
Aug. 5, 2021	Macon High School	702 N Missouri St, Macon	10 a.m.	July 21, 2021
Aug. 10, 2021	Virtual Seminar	www.psr-peers.org	1 p.m.	July 26, 2021
Aug. 12, 2021	Francis Howell Middle School	825 O'Fallon Rd, Weldon Springs	10 a.m.	July 28, 2021

Online Education

In addition to seminars, a variety of retirement-related information is available to you by attending a webinar. Visit our website for a complete list of upcoming webinar topics and to register.



Featured Topic Webinars

Members at all career stages can benefit from attending our Featured Topic Webinars. Topics include purchasing service, filing for retirement and understanding your *Benefit Estimate*.



Real Talk Webinars

For members who are short on time, Real Talk Webinars are a great option. RealTalk Webinars are mini-webinars focusing on different “hot” topics often asked about by our members, in 15- to 20-minute sessions, including an opportunity to ask questions.



RetireSmart Education Essentials Professional Development Day Presentations

We are happy to provide free retirement presentations for in-service or professional development days at your school. These programs are done by request, and can be tailored to meet the needs of early, mid-career or pre-retirement-stage members.

School officials and organizational leaders who want to request professional development day presentations can call us at (800) 382-6848 or email Member_Education@psrsmo.org.

NOTICE to Members Planning to Purchase Social Security-Covered Service

When purchasing service with PSRS for previous Social Security-covered employment, we require that you send us a copy of your *Itemized Statement of Earnings*, which you must get from Social Security.

We use this document to verify:

- The employment you are requesting to purchase is eligible under our Social Security purchase provision
- Social Security earnings and FICA paid on that employment

At present, Social Security is running behind on processing such requests. We recommend that you request your *Itemized Statement of Earnings* as soon as possible.

To do so, fill out a Request for Social Security Earning Information form found at www.ssa.gov. On the website, you will find information about fees and how to send this form to the Social Security Administration's main office. However, you may want to contact your local Social Security office to see if they can process it for you, as well.

If you plan to retire July 1, 2021 and need to complete a Social Security-covered employment purchase, a special request can be made for expedited processing. If you are in this situation, please contact our office for more information.

Service Purchase Deadlines Approaching for USERRA, Unpaid Sick Leave and Workers' Compensation Leave

Missing work while on military leave, unpaid sick leave or workers' compensation leave means you will not have a full year of service with PSRS for the affected school year(s). However, you may be eligible to purchase service for the time. Keep in mind, these types of service purchases have specific deadlines.

USERRA-Covered Military Leave

Members who have been on military leave covered by the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) can purchase the service. To qualify, you must return to employment with the same employer after your military leave ends.

Your USERRA-covered service counts toward vesting your PSRS membership and retirement eligibility, regardless of whether you purchase your service. If you purchase the service, it is also included in the total service used to calculate your retirement benefit.

Purchase Application Deadline:

You must apply within five years of re-employment following the period of leave.

Cost to Purchase

Your cost is based on the salary that you would have been paid and the contribution rate in effect during your leave. You pay the employee portion and your employer pays the employer portion.

Unpaid Sick Leave and Workers' Compensation Leave

You can also purchase service that you lost because you were out on unpaid sick leave or workers' compensation leave. Unpaid sick leave can include time you were on maternity or paternity leave.

Purchase Payment Deadline

You must complete payment within the two school years following the leave. That means if your leave occurred during the 2018-2019 school year, your deadline to complete the purchase is June 30, 2021.

Cost to Purchase

Your cost is the contributions you would have made to PSRS during the full period of the leave, if you had been working. Contact your employer to determine if your leave is eligible and to arrange your payment.

Board Sets Interest Rate on Contributions

At the April meeting of the PSRS/PEERS Board of Trustees, the Board voted to keep the interest rate active members earn on their contributions at 1%, effective June 30, 2021, and also for the upcoming 2021-2022 school year (July 1, 2021 to June 30, 2022).

Interest is credited June 30 each year on the total contributions and interest in a membership, as of the previous June 30. This occurs until the membership is closed. Memberships are closed due to retirement, a refund of a member's contributions and interest, the death of the member, or when the member is not vested and is out of PSRS-covered employment for five consecutive school years.

The interest rate has no impact on the amount of your retirement benefits. Interest is paid out through lump-sum payments made to members who request refunds of their contributions, and to the beneficiaries of deceased members.

Board Chair Jason Hoffman Retiring, Leaving Board of Trustees



Jason Hoffman, PSRS/PEERS Board chair, has announced that he will retire from his position as chief of operations for Jefferson City Public Schools effective July 1, 2021. His departure from PEERS-covered employment means he must vacate his seat on the Board at that time. According to PSRS/PEERS statutes and regulations, his seat will remain empty until filled at the next regularly scheduled Board of Trustees election, which will take place in spring 2022. Hoffman was first elected to the Board of Trustees on July 1, 2010, and served three terms as an elected PEERS member. During that time, he served as both vice-chair and chair.

"Jason's Board service and leadership have made a tremendous positive impact on the Retirement Systems," said PSRS/PEERS Executive Director, Dearth Snider. "While we will miss his experience, dedication and financial expertise, we are grateful for his service and wish him all the best in his own, well-deserved retirement."

Board Leadership Selected for 2021-2022 School Year

At the April PSRS/PEERS Board of Trustees meeting, the Board elected Jason Steliga to serve as chair and Beth Knes to serve as vice chair for the 2021-2022 school year (July 1, 2021 to June 30, 2022).

Steliga, an elected PSRS member, joined the Board October 21, 2015. He has 16 years of teaching experience, and is presently teaching at Park Hill South High School, located in Riverside, MO.

Beth Knes is a governor-appointed trustee who joined the Board on August 22, 2017. She retired from public education in 2014. Most recently, she served as executive director of student services for the Rockwood School District.

"We congratulate Jason and Beth on their leadership positions," said PSRS/PEERS Executive Director Dearth Snider. "As trustees, both have proven their dedication to the needs of PSRS/PEERS, our employer community and our members. We look forward to working with them both in their new roles."



Jason Steliga



Beth Knes



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From there, select "Change Communication Preferences" to select electronic delivery options for your newsletters, annual statements, Board meeting summaries and other Retirement System news.