

# PSRS for your Benefit

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

## Contribution Rates Will Stay the Same for 2026-2027



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## Contribution Rates Will Stay the Same for 2026-2027

Here is some good news to close out the year: Your PSRS contribution rate will remain unchanged for the 2026-2027 school year (July 1, 2026, through June 30, 2027).

### 2026-2027 PSRS Contribution Rates

Member Rate	Employer Rate	Combined Rate
14.5%	14.5%	29%

This decision is based on a recommendation from PwC US, the System's actuary, and reflects our ongoing commitment to stability.

"Maintaining stable contribution rates allows families and school districts to plan their budgets with confidence and avoid unexpected changes," said PSRS/PEERS Executive Director Dearld Snider. "Thanks to the expertise and disciplined approach of our Board of Trustees, combined with our investment team, we have continued to uphold this stability — ensuring we can meet the long-term promises we've made to our members."

### Understanding Your Contributions

Your contributions are credited to your individual membership and are not taxed until paid out as benefits. You'll receive these contributions as monthly retirement benefits or as a lump-sum payment, either to you or your beneficiaries. Note: Your contributions help fund your retirement benefit, but they do not determine the amount of your benefit.

Employer contributions, on the other hand, go into a general reserve that helps fund future retirement benefits for all members.

To see the contributions that you've made during your membership, log in to Web Member Services or check your annual ***Member Statement***.

## Coming in January: 2% COLA for Eligible Benefit Recipients

The PSRS/PEERS Board of Trustees has approved a 2% cost-of-living adjustment (COLA) for eligible benefit recipients, effective January 1, 2026. The increase will first appear on January 31, 2026, benefit payments.

### How the COLA Is Set

The COLA is based on the Consumer Price Index for Urban Consumers (CPI-U). Between June 2024 and June 2025, the CPI-U rose 2.67%. According to Board policy, if CPI-U increases between 2% and 5%, a 2% COLA is granted.

### PSRS/PEERS COLAs at a Glance

2026	2%
2025	2%
2024	2%
2023	5%
2022	5%
2021	2%

COLAs are compounded: Each year's increase builds on previous increases. That means to calculate a 2026 COLA, a retiree would take their current benefit — not their original benefit — and multiply it by 2%.

"This is the sixth year in a row that we have provided a COLA to our retired members," said Beth Knes, PSRS/PEERS Board Chair. "The Board remains committed to helping our members preserve their financial security in retirement."

# Solid Investment Returns in 2025

The U.S. stock market delivered strong returns in the first three quarters of 2025, continuing the bull market that began in October 2022. Since then, U.S. stocks (as measured by the S&P 500 Index) have surged nearly 90%, including strong performance in 2025. U.S. stocks have returned 14.8% for the year through September 30, 2025, while non-U.S. developed stocks (as measured by the MSCI EAFE Index) performed even better, rising 25.1%.

Inflation ticked up slightly over the summer to an annualized rate of 2.9%. Although this is well below the 2022 peak, it remains above the Federal Reserve's 2% target. Despite sticky inflation, record stock prices, and solid economic growth, the Federal Reserve lowered short-term rates in September and October, primarily due to signs of a weakening labor market.

As we conclude 2025, market volatility may increase. The Federal Reserve is considering additional interest rate cuts, and investors face mixed economic signals, geopolitical uncertainty, high stock valuations, and questions about the long-term impact of the artificial intelligence (AI) boom.

## AI's Growing Influence

AI is transforming industries and reshaping the global economy. As we go through this technological revolution, it's important to weigh the benefits of AI against its potential risks. As a large institutional investor, PSRS/PEERS has significant exposure to AI-related investments, which have driven much of the market's recent growth. Since the launch of ChatGPT in November 2022, AI-related stocks have contributed:

- 75% of S&P 500 (broad U.S. equity) returns
- 80% of earnings growth
- 90% of capital spending growth

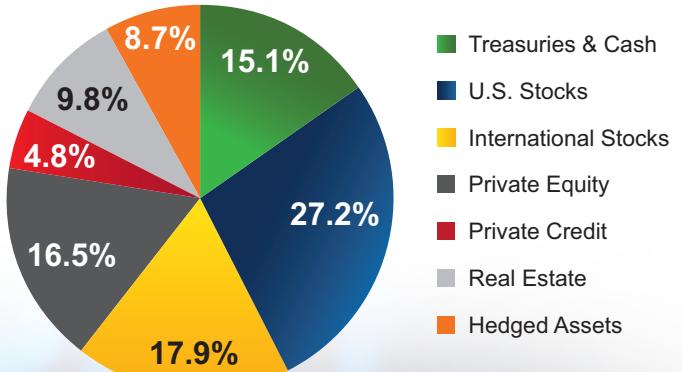
PSRS/PEERS has benefited from owning these stocks. In addition, our private equity partners invested early in AI technology companies, and our real estate managers have long held data centers, which are key to AI infrastructure.

## A Balanced, Diversified Approach

Our asset allocation is designed to balance growth and protection. We invest in return-seeking assets like public stocks and private equity, many of which benefit from AI. However, many AI-related stocks are now trading at lofty valuations, even as their revenue growth slows and competition intensifies. These conditions could lead to greater market volatility. To manage that risk, we maintain a strong allocation to more defensive investments — such as Treasury securities, cash, and hedged assets — that can provide stability during market pullbacks.

We continue to believe a structured, well-diversified portfolio remains the most prudent approach. It allows us to participate in market gains while maintaining a solid foundation to protect against potential losses.

## PSRS/PEERS Asset Allocation as of September 30, 2025



## Long-Term Focus

Our long-term goal is to deliver consistent, meaningful investment returns to support member retirement benefits. As a large institutional investor with a long-term investment horizon of 30 years, we are well-positioned to navigate changing markets.

The table below shows the investment returns for major asset classes in the PSRS/PEERS portfolio over the 10 years that ended September 30, 2025. These long-term results reflect:

- Strong performance from public and private equity
- Modest returns and diversification benefits from bonds and hedged assets

## 10-Year PSRS/PEERS Investment Returns (by Asset Class)

Treasuries and Cash	1.2%
U.S. Stocks	13.5%
Hedged Assets	6.7%
Private Equity	15.0%
Real Estate	6.5%

Our long-term investment goal (actuarial assumption) is an average annual return of 7.3%. While we do not expect to meet that target every year, we aim to meet or exceed it over long periods of time. In the first nine months of 2025, our investment return is approximately 10.8%. More importantly, over the past 10 years, our total plan return of 9.3% has exceeded both our 7.3% goal and our policy benchmark return<sup>1</sup> of 8.6%.

## 10-Year Investment Results Period Ending September 30, 2025

PSRS/PEERS Investment Return	9.3%
PSRS/PEERS Actuarial Assumption	7.3%
Benchmark Return <sup>1</sup>	8.6%

For the latest PSRS/PEERS investment news, visit [www.psrs-peers.org](http://www.psrs-peers.org).

## At a Glance: Funding Update

### Pre-funded Status

As of June 30, 2025, PSRS was 89.1% pre-funded and PEERS was 89.9% pre-funded. In the pension industry, this level of pre-funding qualifies both Systems as "healthy."



### The PSRS/PEERS Dollar

Every benefit dollar we pay comes from a long-term funding strategy. While you and your employer contribute steadily, it's our investment earnings that will provide most of your future benefit. Currently, investment earnings deliver \$0.63 of every benefit dollar.

25-Year-Average



Note: The 19¢ includes member contributions and service purchases.

### Market Value

As of September 30, 2025, the combined market value of PSRS and PEERS investments was approximately \$64.4 billion. This makes us larger than all other public retirement plans in Missouri combined and the 44th largest defined benefit plan in the United States.

<sup>1</sup> The plan policy benchmark is a standard to measure investment performance and indicates the return of the PSRS/PEERS asset allocation if passive market rates of return were achieved.

# Your Membership

## Sign Up for a Virtual Seminar!

Looking ahead to retirement? We're here to help you feel confident about your future. Our free *Retirement Ready* seminars are open to all members and are especially helpful if you're within five years of retirement. The winter seminars will be online and led by our knowledgeable benefits team.



Topics include:

- When you can retire
- A review of your *Benefit Estimate*
- Benefit plan options
- Reinstating and purchasing service
- Taxes and other important details

Upcoming Virtual Retirement Ready Seminars		
Date	Start Time	Register by
Thursday, January 15, 2026	5 p.m.	January 5, 2026
Wednesday, January 21, 2026	5 p.m.	January 7, 2026
Tuesday, January 27, 2026	5 p.m.	January 13, 2026
Wednesday, February 11, 2026	5 p.m.	January 28, 2026
Tuesday, February 24, 2026	5 p.m.	February 10, 2026

## Webinars

No matter your career stage, there's a webinar for you.



### Featured Topic Webinars

Dive deep into a specific retirement topic:

- Purchasing service
- Filing for retirement
- Reading your *Benefit Estimate*
- Life after retirement



### Real Talk Webinars

Short on time? These 15- to 20-minute sessions cover popular topics and include time for questions.

- Maternity and paternity leave
- Understanding your *Member Statement*
- Working after retirement
- Partial Lump Sum Option

See more webinar topics and sign up in Web Member Services.



## How to Review Your 2025 Member Statement

Your 2025 *Member Statement* is available in Web Member Services. Have you logged in to review it yet? This personalized document provides a snapshot of your membership and benefits, helping you stay informed and on track for retirement.

### What's in Your 2025 Statement?

Your statement includes:

- Service and salary history reported by your employer(s)
- Contributions made to your retirement system
- Membership status and years of service
- Estimated retirement benefit based on your current data
- Beneficiary information on file

### Why It's Worth Your Attention

Reviewing your statement each year helps ensure your information is accurate and up to date. It's also a great opportunity to:

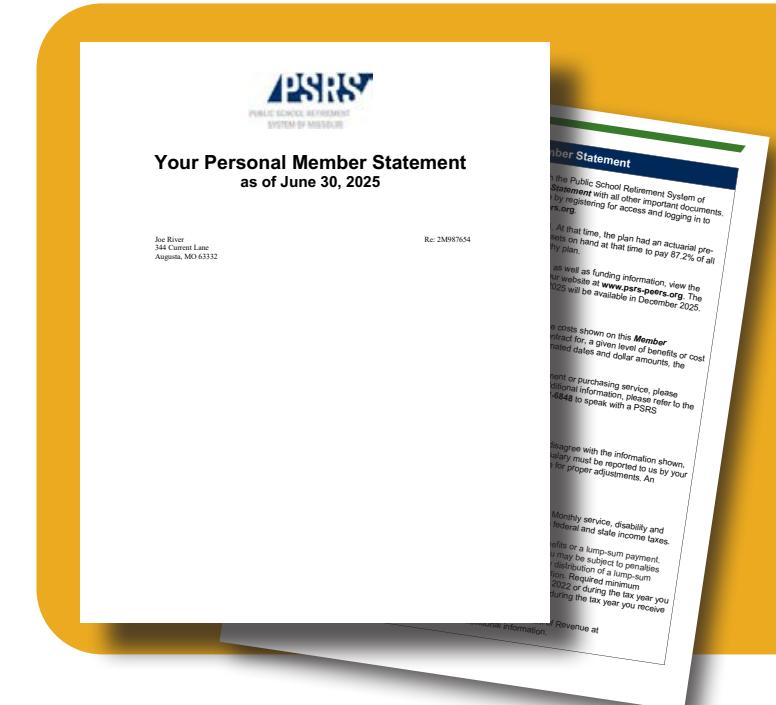
- Verify your service and salary history
- Check your beneficiary designations
- Estimate your future retirement benefit
- Plan for retirement or life changes

### Need to Make Updates?

You can update your contact information or beneficiary designations anytime on Web Member Services.



Scan to watch *Understanding Your Member Statement*, an episode of our *Benefit Connection* podcast.



## Your Documents, Delivered Digitally

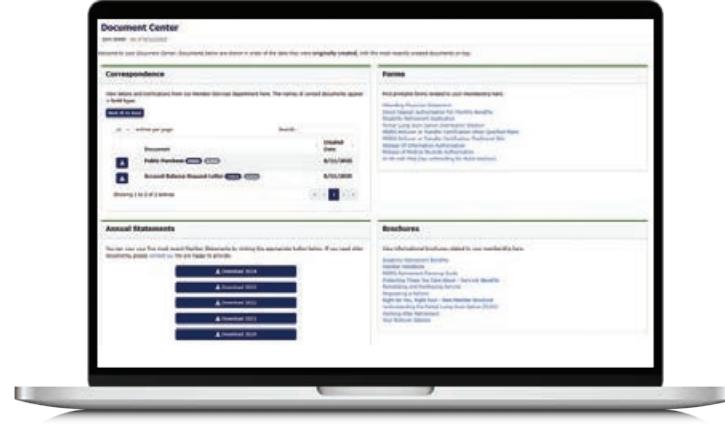
We're going (mostly) paperless! To provide faster and more secure service, we're switching to mostly digital communication.

### How It Works

- You'll get an email when a new document is ready.
- The email will include a link to your secure *Document Center* in Web Member Services.
- If you haven't registered for Web Member Services, your first step will be to register.
- You can download and print any digital document if you prefer a hard copy.

### Is Your Email Up to Date?

Log in to Web Member Services to make sure: [wms.psrs-peers.org](http://wms.psrs-peers.org)



**Tip:** Use a personal email so you don't miss updates if you retire or change jobs.

## What Does It Mean to be Vested, and Why Does It Matter?

If you are new to PSRS, you need to know that five years unlocks a big reward: vesting.

Being *vested* means you've earned the right to receive a future retirement benefit. You become vested with PSRS after just five years of eligible service to a PSRS-covered employer. Those five years can include certain types of leave, reinstated service, and eligible service you've purchased from qualified sources.

### Why Aim for Vesting?

Even before you are vested, your contributions to PSRS and the interest they earn are yours to keep — even if you move on from a PSRS-covered job. Once you are vested, your membership will continue to earn interest until you reach retirement eligibility.

### What if I Leave Before Retirement?

If you are vested and decide to leave PSRS-covered employment, you have two options:

1. **Keep your funds in your membership**, and when you reach retirement eligibility, claim your lifetime monthly retirement benefit.
2. **Request a refund**, ending your membership and giving up your future benefit.

Although both options are available, they are far from equal, and you should talk with one of our benefit experts before choosing.



## Subscribe to Our Podcast Today



We're bringing retirement education straight to you with our new **Benefit Connection** podcast!

Tune in for tips on purchasing service, retirement eligibility, choosing a benefit plan, and more ways to make the most of your membership.

Whether you're driving, walking, or winding down, these short, clear episodes help you get retirement-ready, on your schedule.

Subscribe today at [www.psrs-peers.org/benefit-connection](http://www.psrs-peers.org/benefit-connection).



## Watch Out for Financial Advice Scams

We often hear from members who have received emails, calls, or text messages from individuals offering retirement planning services. Some of these messages falsely claim to be from PSRS. These offers can be misleading or, worse, attempts to steal your personal information.

### Here's What to Keep in Mind:

- **PSRS will never charge you for retirement counseling.** Our retirement experts are here to help, free of charge.
- **We do not work with outside advisors.** Do not trust anyone claiming to represent PSRS who is not a PSRS staff member.
- **We will never ask for your spouse's retirement or investment information.** Be wary of anyone requesting this type of information.
- **Pause before responding to emails and texts.** Scammers can make messages look official. If something feels off, contact us directly.

We're here to support you. Please reach out to us first with any questions or concerns. Call us at **(800) 392-6848**, or email us at [psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org).



## 2 Trustees Seek Reelection in April

Two current members of the PSRS/PEERS Board of Trustees — Allie Gassmann and Amanda Perschall — are seeking reelection in April 2026. Their current terms end June 30, 2026. The new terms will run from July 1, 2026, through June 30, 2030.



Allie Gassmann



Amanda Perschall

Gassmann's current seat must be filled by an active PEERS member, and Perschall's current seat must be filled by an active PSRS member.

Anyone interested in running may request petition forms from PSRS/PEERS starting Monday, January 5, 2026. Completed petitions must be postmarked by Wednesday, February 18, 2026.

To qualify, petitions must include:

- At least 200 member signatures from each of any four Missouri Congressional districts, and
- A total of at least 1,000 signatures.

All active and retired PSRS/PEERS members may sign petitions and vote in the election.

A committee made up of representatives from Missouri educational associations will review and certify the petitions the week of March 2, 2026.

If no other candidates submit certified petitions, then Gassmann and Perschall will retain their seats without a vote.

If an election is required:

- Ballots will be sent to all members on Thursday, April 23, 2026.
- Candidate statements will be included with the ballots.
- Paper ballots must be postmarked by Friday, May 22, 2026.

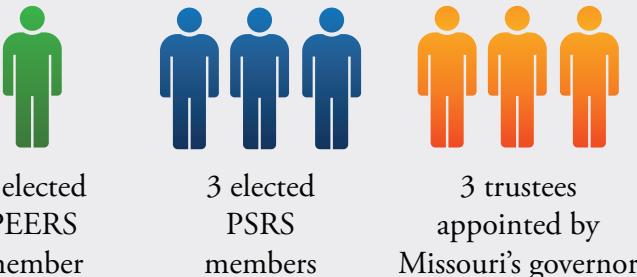
Online and phone voting will also close on May 22.

Election results will be certified after the June 15, 2026, Board meeting.

For more information on the PSRS/PEERS Board of Trustees, visit [www.psrs-peers.org/about-us/board](http://www.psrs-peers.org/about-us/board).

### Board Composition

The Board is made up of seven trustees:



All trustees serve without compensation but are reimbursed for necessary expenses related to their Board service.

### How Trustees Are Selected

#### Elected Trustees

Four trustees (one from PEERS and three from PSRS) are elected by the active and retired members of both Systems.

1. Elections are held every even-numbered year.
2. Two trustees are elected each cycle to serve four-year terms.

#### Appointed Trustees

The Governor of Missouri appoints three trustees.

1. At least one must be a retiree of either PSRS or PEERS.
2. Appointed trustees must reside in a Missouri school district covered by the Systems, but cannot be employees of those districts, state employees, or elected state officials.

## PSRS/PEERS Named a “Best Place to Work in Money Management” for Third Year



top employers in the money management industry. Rankings are based 80% on employee feedback and 20% on employer responses.

## Impressive Work Gets Noticed

PSRS/PEERS team members have received several recognitions in 2025. Congratulations to these honorees!

### PSRS/PEERS Board of Trustees



Finalist for the Randy Kim Prize for Fiduciary of the Year from *The Allocator*



Finalist for the Award for Leadership and Vision from *Institutional Investor*



Craig Hustling

**Craig Hustling, Chief Investment Officer**  
Winner of an Industry Innovation Award from *Chief Investment Officer*



Brenna Noble

**Brenna Noble, Portfolio Manager**  
2025 Allocator Rising Star from *Institutional Investor*

Class of 2025 NextGen from *Chief Investment Officer*



Anthony Vikhter

**Anthony Vikhter, Investments Officer**  
NextGen Under 30 Missouri



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## Have You Done These 3 Things?

Making the most of your PSRS membership doesn't have to be overwhelming. In fact, just a few small steps can make a big difference. Start with these three easy wins:

### ① Register for your Web Member Services (WMS) account.

Your WMS account puts your membership details at your fingertips. You can view your service history, run benefit estimates, update your contact info, download helpful documents, and more — all in one place. If you haven't registered yet, visit [www.psrs-peers.org](http://www.psrs-peers.org) and click *Member Login* to get started.

### ② Check or update your beneficiaries.

Keeping your beneficiary information up to date is one of the most important things you can do for your loved ones. Life changes — like marriage, divorce, or a new child — can affect your choices. Log in to WMS to review and update your beneficiaries anytime.

### ③ Use a personal email address.

A personal email helps us stay in touch with you, even after you retire or change jobs. Make sure your personal email is listed in your WMS account so you never miss an important update.

## Contact Us

### VISIT

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### ONLINE

Email [psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org)  
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Call Toll Free (800) 392-6848  
or (573) 634-5290

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