

NEWSLETTER OF THE PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS (PSRSSTL)



PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS
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THE ROAD TO RECOVERY

Although the road to recovery for U.S. financial markets has been an arduous journey over the 2nd half of 2009, unemployment has had a minor decrease and the U.S. has weathered the recession fairly well according to recent news reports. Even with government assistance, many consumers are still finding it challenging to make ends meet. The good news is PSRSSTL continues to fulfill its promise of providing quality pension benefits to qualified members.

At the end of the third quarter of 2009, PSRSSTL had an investment return of 11.8% with a market value of approximately \$845 million. More financial information may be found on page 2.

As a Defined Benefit Plan, PSRSSTL offers its members a retirement plan that is mutually exclusive from market volatility. PSRSSTL retirees may rest easy knowing their monthly benefits will arrive on schedule each month.

Because of a diverse Asset Allocation Policy, PSRSSTL remains confident in its ability to provide pension benefit for years to come.

RETIREMENT SEMINARS

On March 17, April 21, May 26 and June 9, PSRSSTL will host retirement seminars at 3641 Olive Street, St. Louis, MO. The seminars are designed to provide members considering retirement with information about benefits. Any member considering retirement within the next year should plan to attend a seminar scheduled from 3:00 pm to 4:30 pm on all days. Limited parking is available so arrive early for a good space. For more information call (314) 534-7444.

BOARD MEETINGS IN 2010

April 19, 2010	October 18, 2010
June 21, 2010	December 20, 2010
August 16, 2010	

Meetings are open to the public and usually held in the 2nd Floor Boardroom of the PSRSSTL Office Building at 3641 Olive Street, St. Louis, MO 63108.

PSRSSTL'S MISSION

...to enhance the well-being and financial security of its members, retirees and beneficiaries through benefit programs and services which are soundly financed and prudently administered in an effective and efficient manner.

RETIREMENT APPLICATION DEADLINES IN 2010

PSRSSTL must receive retirement applications at least 15 days prior to the retirement effective date to avoid delays. Application deadlines & retirement dates in 2010 are:

<u>Application Deadline</u>	<u>Retirement Date</u>	<u>Application Deadline</u>	<u>Retirement Date</u>
March 17, 2010	April 1, 2010	August 17, 2010	September 1, 2010
April 16, 2010	May 1, 2010	September 16, 2010	October 1, 2010
May 17, 2010	June 1, 2010	October 18, 2010	November 1, 2010
June 16, 2010	July 1, 2010	November 15, 2010	December 1, 2010
July 16, 2010	August 1, 2010		

IN MEMORY

Our sympathy goes out to loved ones of recently deceased members:

Maggie L. Baskin, Doris Bresnahan, Gwendolyn Britton, George G. Bryon, Audrey Claus, Audrey E. Claus, Julius Collins, James Conley, Joseph Corso, Elece C. Dempsey, Laverne Driemerer, Genevive Engel, Mary E. Ewalt, Charlotte Glover, Frances E. Gray, Maurine Herman, Lillie M. Hill, Mildred Holmes, Paul T. Hutcherson, George H. Hiram, George A. Johnson, John E. Keller, Thomas J. Martin, Dora McNair, Geraldine Montgomery, Alan Morse, Joan I. Mueller, James Navies, Jean Pitts, Frank Posini, Philip A. Reisenleiter, Shirley Robertson, Audrey C. Roeckle, Colleen B. Schuler, Lillian R. Scott, Wilma W. Sharp, Edmonia Stith, Mildred J. Vey, Florman Virginia B, Carl Williams, Ralph Williams, Lucinda Wilson, Helen M. Young and Rosemary J. Zollmon.



PSRSSTL INVESTMENT BRIEF

PSRSSTL's investment portfolio had a gain of 11.8% during the Third Quarter of 2009, ranking in the top 35% of similar public funds. During the one-year period ending September 30, 2009, PSRSSTL had a positive return on investments of .9%, ranking in the top 56% of similar public funds. Market value, rankings, returns and asset allocation summaries on September 30, 2009 follow.



PSRSSTL Market Value 09/30/2009		
	Third Quarter	Last 12 Months
Beginning Market Value	\$774,370	\$911,263
Net External Growth ¹	(19,898)	(67,618)
Return on Investment	90,393	1,221
Ending Market Value	\$844,865	\$844,865
¹ Withdrawals to pay pension benefits not a loss of funds.	(Dollars in \$000's)	

PSRSSTL Asset Allocation Summary 09/30/2009		
Asset Class	Market Value (\$)	Percent of Portfolio (%)
Domestic Stocks	\$287,648,999	34.0%
Domestic Bonds	127,961,424	15.1%
International Stocks	110,497,814	13.1%
International Bonds	69,852,204	8.3%
Tactical Asset Allocation (GTAA)	89,045,997	10.5%
Hedge Fund (market neutral)	36,717,041	4.3%
Hedge Funds (multi-strategy)	52,982,861	6.3%
Real Estate	42,293,531	5.0%
Alternatives	21,108,056	2.5%
Cash	6,757,398	.8%
Total	\$844,865,325	100%

Period Ending 09/30/09	PSRSSTL Ranking in Public Funds Universe	PSRSSTL Investment Return
One Quarter	35	11.8 %
One Year	56	0.9 %
Three Years	25	0.8 %
Five Years	30	4.8 %

TAX ISSUES

If you received a retirement benefit or distribution from PSRSSTL in 2009, you should have already received tax form 1099-R. A sample 1099-R form appears to the right. During January, PSRSSTL mailed the IRS forms to all members and beneficiaries who received funds in 2009. If you received funds and have not received a 1099-R, please contact PSRSSTL for a duplicate.

Account Number Explanations:

Regular = Lifetime Monthly Benefit Payments

Supp Pen = Supplemental Pension Benefits resulting from Sick Leave Conversion

Lump Sum Distribution of DROP funds or refund or rollover of member contributions.

Box 1: Amount paid to you in 2009 before deductions

Box 2a: The portion of Box 1 that is taxable

Box 4: Federal Income tax withheld from your payments in 2009, if any.

Box 5: Difference between Box 1 and 2a—The non-taxable portion of the contributions you made to PSRSSTL while you were working (Box 5 does not include health insurance costs. Health insurance costs information will be sent separately).

Any retired member may update the amount of Federal or Missouri income taxes being withheld from the monthly benefit payment at any time by submitting a new completed W-2 form to PSRSSTL. Tax changes cannot be taken over the phone and must be submitted to the retirement system in writing.

Copy B -- Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		OMB No. 1545-0119 2009 Form 1099-R
Account number (see instructions)			CORRECTED (if checked) <input type="checkbox"/>	
PAYER'S name, street address, city, state, and ZIP code				
PAYER'S federal identification number		RECIPIENT'S identification number		
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code				
1st year of desig. Roth contrib.	1 Gross distribution	2a Taxable amount		
	\$	\$		
2b Taxable amount not determined	3 Capital gain (included in box 2a)	4 Fed. income tax withheld		
Total distribution	\$	\$		
5 Employee contributions/Desig. Roth contribs./ins. premiums	6 Net unrealized appreciation in employer's securities	7 Distribution code(s)		IRA/SEP/SIMPLE <input type="checkbox"/>
\$	\$			
8 Other	9a Your percentage of total distribution	9b Total employee contributions		
\$	%	\$		
\$		\$		
10 State tax withheld	11 State/Payer's state no.	12 State distribution		
\$		\$		
13 Local tax withheld	14 Name of locality	15 Local distribution		
\$		\$		
\$		\$		
Form 1099-R Department of the Treasury - Internal Revenue Service 38-2099803 This information is being furnished to the Internal Revenue Service.				