

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

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Public School Retirement System of the City of St. Louis

www.psrstl.org



Winter 2018



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PENSIONS AND TAX DEDUCTIONS

For retirees with questions about payroll tax deductions, it is important to note that all retirement benefits are subject to Federal income taxes imposed by the IRS. However, the State of Missouri treats pension income more favorably than the IRS and, in most cases, it is exempt from state income taxes.

Retirees should seek advice from a qualified tax professional regarding income taxes as the Retirement System is unqualified to give out tax advice of any kind.

Retirees living outside Missouri should seek tax advice from qualified tax experts in their area to determine any state or local income tax liabilities. Retirees who do not file a Missouri tax return should not have state income taxes deducted from their pension benefits because the Retirement System only withholds taxes for residents of the State of Missouri. This information is for guidance purposes only and should not be considered tax advice.

CONVENIENCE OF DIRECT DEPOSIT

If your pension check is mailed to you, please consider switching to direct deposit. This delivery method is much quicker and more secure than the U.S. Postal Service.

It is riskier than ever to mail checks because there is no way to control the number of hands that come into contact with them while en route to their rightful owners. Once a pension check is mailed from the retirement office, the postal service handles the delivery of it; with direct deposit, the banks control the routing of the funds from beginning to end. In other words, direct deposit eliminates the need for a middle man.

If a paper check is lost or stolen, the retiree must wait ten calendar days before PSRSSTL will issue another payment. Contrarily, and in the rare event a problem occurs with a direct deposit, PSRSSTL will issue a new payment to the recipient the day after the bank returns the funds.

Direct Deposit forms are available on the website or by contacting the retirement office.

2018 Regular Board Meeting Schedule

February 26th

April 16th

June 18th

August 20th

October 15th

December 17th

Usually 4:30 p.m.

Meetings are open to the public and held in the boardroom on the 2nd floor at 3641 Olive Street St. Louis, Missouri

MEMORIALS

The Retirement System regretfully reports the following members as deceased:

Dorothea M. Anderson, Gary L. Anderson, Merceline Bouie, Lloyd J. Brackmann, Margaret M. Burke, Catherine Burton, Muynbi Bynum, Ann C. Clark, Christine Cole, Margaret E. Collins, Marianne Cruz, Anna M. Currans, Josephine F. Dale, Doris D. Darden, Josephine H. Davenport, Dorothy Davis, James E. Davis, Miriam L.M. Dryden, Susan Findley, Wanda R. Foster, John S. Golembieski, Harold D. Greer, Anne L. Grosberg, Donald I. Hammonds, Betty J. Hattery, Hazel L. Henderson, Oliver Johnson, Mary A. Kalinowski, Asenath P. Lakes, Florence Lee, Christina W. Long, Geralda Lyles, Sharon J. Martin, Dewilla McCray, Mary Alice Merrell, Enrico J. Migneco, Jo An M. Miller, Mary C. Miller, Jacqueline R. Moore, Nancy J. Murphy, Janice Murrell, Clara G. Murrie, Bernice Nance, Ann B. Obenhaus, Jacquelyn W. Pate, Luther C. Pollard, Barbara A. Purmont, Geneva S. Richardson, Lucy Riggs, Kenneth W. Roberts, Terry J. Robinson, Raymond H. Roques, Kathleen M. Scally, Evelyn Sellers, James D. Simpson, Richard Steinlage, Thelma L. Thompson, Henrietta O. White and Bernice Zachary



RETIREMENT APPLICATION DEADLINES

Applications must be filed at least 15 days prior to retirement. The next (6) deadlines are:

<u>Deadline</u>	<u>Retirement</u>	<u>Deadline</u>	<u>Retirement</u>
March 19, 2018	April 1, 2018	June 18, 2018	July 1, 2018
April 16, 2018	May 1, 2018	July 17, 2018	August 1, 2018
May 17, 2018	June 1, 2018	August 17, 2018	September 1, 2018

Mission Statement

The Mission of the Public School Retirement System of the City of St. Louis is 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.

PSRSSTL STAFF CONTACTS



314-534-7444

<u>Staff Member</u>	<u>Position</u>	<u>Ext.</u>
Angela Johnson	Member Services Lead	3014
Dawn Waters	Insurance Benefits Specialist	3011
Robin Willis	Receptionist/Clerical Assistant	3010
Terry Mayes	Accounting Specialist	3012
Tiffany Jones	Customer Service Representative	3013
Tom Kinealy	Technology Manager	3017
Fax Number		314-533-0531

Index

<i>Tax Deductions</i>	<i>1</i>
<i>Direct Deposits</i>	<i>1</i>
<i>Memorials</i>	<i>1</i>
<i>Ret. App. Deadlines</i>	<i>1</i>
<i>Investment Brief</i>	<i>2</i>
<i>IRS 1099R Forms</i>	<i>2</i>
<i>News Flash</i>	<i>2</i>
<i>2018 Mailings</i>	<i>2</i>



2017 FOURTH QUARTER INVESTMENT BRIEF

“Investing your money for lifetime security”

The Retirement System’s investment portfolio experienced a positive return of 3.7% during the 2017 Fourth Quarter, ranking in the top 26% of similar public funds. During the one-year period ending on December 31, 2017, the Retirement System experienced a positive return on investments of 16.2%, a net increase of 4.8% in market value, and ranked in the top 31% of similar public funds. The summaries of the PSRSSTL market value, rankings, investment returns and asset allocation of funds held in trust on behalf of the membership for the reporting period follow.

Market Value		
Period Ending 12/31/2017	One Quarter	One Year
Beginning Market Value	\$864,028	\$840,406
Net Additions/Deductions ¹	8,989	(65,724)
Return on Investment	32,545	130,880
Ending Market Value	\$905,562	\$905,562
¹ Deductions fund pension payments (Dollars in \$000's)		

Period Ending 12/31/2017	Percentile Ranking (Public Funds Universe)	Investment Return
One Quarter	26 th	3.7%
One Year	31 st	16.2%
Three Years	69 th	7.1%
Five Years	66 th	8.3%
Ten Years	53 rd	5.7%

Asset Allocation Summary Period Ending 12/31/2017		
Asset Class	Market Value	% of Portfolio
Domestic Stocks	236,512,119	26.0%
Domestic Bonds	112,196,905	12.4%
International Stocks	149,187,662	16.5%
Global Stocks	52,366,326	5.8%
International Bonds	35,910,000	4.0%
Emerging Markets Debt	27,867,602	3.1%
Tactical Asset Allocation (GTAA)	107,541,634	11.9%
Hedge Funds	66,996,935	7.4%
Real Estate	55,324,668	6.1%
Alternatives	27,816,736	3.1%
Cash	33,841,229	3.7%
Total	\$905,561,816	100%

1099R’s MAILED ON JANUARY 22nd

If you received retirement benefits, a refund or rollover distribution from PSRSSTL in 2017, a 1099R has been mailed to you. PSRSSTL must provide this form to members and beneficiaries who received funds during the year. If you received funds from PSRSSTL in 2017 but have yet to receive a 1099R, please contact the Retirement System. A summary of information provided on the form follows below.

Account Number Explanations

- REGULAR = 2017 regular pension benefit payments
- SUP PEN = 2017 sick leave conversion benefit payments
- DIST = 2017 distribution (refund) of member contributions

Explanations

- Box 1: 2017 Gross Distributions paid
- Box 2a: Taxable Amount from Box 1
- Box 4: 2017 Federal Income Tax withholdings
- Box 5: Difference between Box 1 and 2a = non-taxed \$’s
- Box 12: 2017 State Tax withholdings

If a box is blank, then the amount equals zero.
View Form: <https://www.irs.gov/pub/irs-pdf/f1096.pdf>

FYI: Health insurance cost statements were mailed separately.

Retired members are required to submit a W4-P form to have taxes withheld and to make changes. The form is available on the website or by request.

PSRSSTL INFORMATION NEWS FLASH

- ◆ If you are a retiree or survivor beneficiary, please remind your loved ones to contact PSRSSTL immediately upon your death to avoid the collection of overpayments.
- ◆ If you would like your monthly benefit direct deposited each month but don’t have a bank account, you may want to research reloadable debit cards because PSRSSTL is able to make automatic deposits to these accounts.
- ◆ Members who had medical insurance through PSRSSTL in 2017 should expect to receive an IRS Form 1095-B or C for tax purposes. Depending on the type of coverage, the form will be mailed by either the insurance carrier or Medicare.
- ◆ If you are a retiree with dependent(s) covered under your health insurance and/or benefit payment option, and your dependent(s) predecease you, please notify the Retirement System at once to ensure changes are made timely to your insurance coverage and retirement benefits.
- ◆ The waiting period to replace a lost pension check is ten (10) calendar days and, in most cases, reissues will only be made starting the 11th day of the month.
- ◆ Please remember to keep your mailing address current with your employer or PSRSSTL if retired. Retiree change forms are available on the website or by request.

Mailing Schedule for 2018

- Newsletters:** May, August, November
- Annual Report Summaries:** July
- Annual Benefit Statements:** August
- Health Insurance Open Enrollment Packets:** October
- Election Information:** as needed