MISSOURI RECIPROCITY WITH PUBLIC SCHOOL RETIREMENT SYSTEMS

In 2001, the State of Missouri passed legislation allowing PSRSSTL members who are vested with five (5) or more years of credited service, and who are also vested with either the Kansas City Public School Retirement System, the Public School Retirement System of Missouri or the Public Education Employee Retirement System of Missouri, to combine credited service with any of the four (4) systems for retirement eligibility purposes.

According to PSRSSTL Chapter B., Rule XIV., combining credited service for retirement eligibility purposes is known as Missouri Reciprocity. For credited service with any of the four (4) systems to qualify under these provisions, a member must have opted to leave their employee contributions on account and have five (5) or more years of credited service with each of the systems under consideration.

It is important to note that each retirement system has its own retirement eligibility rules and pension benefit formula(s), and typically uses credited service, average final compensation and a pension multiplier to determine pension benefits. All four (4) systems are required by state statute to recognize the other’s qualified credited service to determine a member’s retirement eligibility. Once credited service has been qualified and combined to determine retirement eligibility, each system becomes responsible for paying its portion of pension benefits directly to its members as they retire.

Under no circumstances will Missouri Reciprocity increase pension benefits with any of the four (4) systems but it may lead to earlier retirement with them.

If you are a vested PSRSSTL member with five (5) or more years of credited service with at least two (2) of the four (4) Missouri retirement systems referred to herein and would like to learn more about Missouri Reciprocity, you are always welcome to contact PSRSSTL for further information.

MEMORIALS

The Retirement System regretfully reports the following members as deceased:


RETIREMENT APPLICATION DEADLINES

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

<table>
<thead>
<tr>
<th>Deadline</th>
<th>Retirement</th>
<th>Deadline</th>
<th>Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 18, 2019</td>
<td>April 1, 2019</td>
<td>June 17, 2019</td>
<td>July 17, 2019</td>
</tr>
<tr>
<td>April 16, 2019</td>
<td>May 1, 2019</td>
<td>July 17, 2019</td>
<td>August 1, 2019</td>
</tr>
<tr>
<td>May 17, 2019</td>
<td>June 1, 2019</td>
<td>August 19, 2019</td>
<td>September 1, 2019</td>
</tr>
</tbody>
</table>
2018 FOURTH QUARTER INVESTMENT BRIEF

The Retirement System’s investment portfolio experienced a negative return of –8.2% during the 2018 Fourth Quarter, ranking in the top 61% of similar public funds. During the one-year period ending on December 31, 2018, the Retirement System experienced a negative return on investments of –5.0%, a decrease of -$98.7 million in market value, and ranked in the top 75% 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.

<table>
<thead>
<tr>
<th>Period Ending 12/31/2018</th>
<th>One Quarter</th>
<th>One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Market Value</td>
<td>$864,180</td>
<td>$904,160</td>
</tr>
<tr>
<td>Net Additions/Deductions¹</td>
<td>10,787</td>
<td>(61,882)</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>(69,474)</td>
<td>(36,785)</td>
</tr>
<tr>
<td>Ending Market Value</td>
<td>$805,493</td>
<td>$805,493</td>
</tr>
</tbody>
</table>

¹Deductions fund pension payments (Dollars in $000’s)

<table>
<thead>
<tr>
<th>Percentile Ranking (Public Funds Universe)</th>
<th>Investment Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Quarter</td>
<td>61⁴⁰</td>
</tr>
<tr>
<td>One Year</td>
<td>75⁴⁰</td>
</tr>
<tr>
<td>Three Years</td>
<td>85⁴⁰</td>
</tr>
<tr>
<td>Five Years</td>
<td>86⁴⁰</td>
</tr>
<tr>
<td>Ten Years</td>
<td>81⁴⁰</td>
</tr>
<tr>
<td>Since 1997</td>
<td>25⁴⁰</td>
</tr>
</tbody>
</table>

1099R’S MAILED ON JANUARY 28th

If you received retirement benefits, a refund or rollover distribution from PSRSSTL in 2018, 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 2018 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 = 2018 regular pension benefit payments
SUP PEN = 2018 sick leave conversion benefit payments
DIST = 2018 distribution (refund) of member contributions

Explanations

Box 1: 2018 Gross Distributions paid
Box 2a: Taxable Amount from Box 1
Box 4: 2018 Federal Income Tax withholdings
Box 5: Difference between Box 1 and 2a = non-taxed $’s
Box 12: 2018 State Tax withholdings

If a box is blank, then the amount equals zero.

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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 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.
• 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 2018 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.
• Read the entire Newsletter, it doesn’t take too long.
• 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.
• 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.
• Please remember to keep your mailing address current with your employer or PSRSSTL if retired.

Mailing Schedule for Remainder of 2019

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