



MRTA
MISSOURI RETIRED TEACHERS ASSOCIATION
AND PUBLIC SCHOOL PERSONNEL
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JEFFERSON CITY, MO 65109
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June 10, 2016

PSRS/PEERS Board of Trustees
Aaron Zalis Chairman
PO BOX 268
Jefferson City, Missouri 65102

Dear Chairman Zalis and PSRS/PEERS Board of Trustees:

As you are probably aware the Missouri Retired Teachers Association and Public School Personnel (MRTA) is an association consisting of over 25,000 retired educators as members. The number one priority of MRTA is to promote and protect pensions, programs, and benefits of all public school personnel in retirement. MRTA wishes to express our opinion regarding the proposed policy changes to be discussed at your meeting on June 14, 2016.

MRTA understands the negative effect on our system of a 0% return on investment for fiscal year 2015/2016 coupled with that a 4% return on investment in fiscal year 2014/2015. The stock market has not been kind to us the past two years. MRTA believes whole-heartedly in the long term strategy of a defined benefit plan. We are proud to state to voters, taxpayers, and MRTA members that over the past 30 years, with all the economic downturns and a Great Recession, our system still has averaged a 9.1% return on investment. To panic or to be pessimistic now is contrary to the PSRS/PEERS 70 year long term record.

MRTA does not believe the system needs to make adjustments on longevity and assumed rate of returns until our history indicates such. This being said MRTA is aware of the pressures of the actuaries' assumptions and their requirement to make adjustments. MRTA does believe that making these adjustments is better dealt with through policy vs. through potential legislation from those who do not believe in public education nor defined benefit plans.

MRTA has been made aware of three possibilities on adjusting the COLA to reduce liability through policy to be enacted by the Board of Trustees. MRTA recommends and would support #2 "Actual COLA when CPI is between 0-2%." MRTA believes this option will keep our world class pension benefits, just that, world class. Also, this option in our view would be the best politically as Social Security is the bellwether when it comes to COLAs. If Social Security gets a COLA awarded, PSRS /PEERS retirees should too.

In conclusion, MRTA asks that, if adjustments to our system are required, the PSRS/PEERS Board of Trustees vote in favor of: #2 "Actual COLA when CPI is between 0-2%."

Thank you to Director Yoakum for his patience in educating and meeting with us on these issues of the June 14th meeting. Thank you to the PSRS/PEERS Board for your public service

and commitment to public education and its employees. Please do not hesitate to contact me if I can answer any questions or ever be of assistance to you.

Sincerely



Jim Kreider
MRTA Executive Director

cc: Director Steve Yoakum