

NCERP

N E W S L E T T E R

NON-CERTIFICATED EMPLOYEES RETIREMENT PLAN

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ANNUAL STATE STREET BANK AND TRUST COMPANY'S FINANCIAL REPORT

Mr. Kris Auer, Officer, State Street Bank and Trust, opened his annual presentation by disclosing to the NCERP committee that he has been working for/with State Street for approximately 11 years. He then gave a brief synopsis of State Street's history and how their headquarters became Kansas City, Mo., which is their business hub. Auer said they provide an array of services for the local residents of Kansas City and they strive to provide outstanding service to all their clients. Currently staffed with more than 1,500 employees, headed by the client services team, their main focus is providing immediate service to each of their clients. He then passed on a comparison of duties between State Street and other trust agencies indicating that 89 percent of State Street efforts are focused on asset management, more than any other trust agency used in their comparison.

Auer then advised the committee that the present market value of the NCERP retirement fund increased by 10.38 percent during the previous year. He provided in detail the market value of the Plan on June 30, 2013 was \$66,700,421.47 and the market value as of June 30, 2014 is \$74,424,418.60, highlighting the aforementioned 10.38 percent market value increase. A pretty good fiscal year ending was acknowledged by those present.

INVESTORS' REPORT AT END OF QUARTER JUNE 30, 2014: COLUMBIA MANAGEMENT'S INVESTMENT PRESENTATION AS OF JUNE 30, 2014

Mr. Wilkinson, Senior Institutional Relationship Manager, Columbia Management, began his quarterly presentation stating, "The economy is still slowly plugging along." Since our last quarterly meeting we have had the emergences of the Islamic State of Iraq and Syria (ISIS); Russian extremists have invaded the sovereign country of Ukraine; Israel and Palestine are in conflict at the Gaza Strip, all having impact on the global market. Gross Domestic Product (GDP) has previously been in a negative territory, now it is at a solid four percent; increases are anticipated. The employment rate is slowly decreasing and is currently at about 6.1 percent.

Past winter months were awful and impacted the market negatively the first quarter of this year, however, the second quarter of the year ended on a slight up-tick. Interest rates have continued to decrease and the Federal Reserve Bank has been accommodative by continually keeping interest rates low. Quantitative easing is taking place and interest rates are anticipated to increase at the end of 2014. Inflation is a concern, currently reported to be about two percent. Wilkinson pointed out that whether it is fixed income investments or equities, it really doesn't matter because slow growth has been experienced across both sectors during this quarter.

Wilkinson then advised the NCERP committee, as he has indicated many times before, that the Plan's portfolio is well diversified and that has been the key attributing to this plan's continued success. Beginning market value on April 1, 2014, was \$72,973,852, net contributions/withdrawals: -\$952,146; income earned \$485,944; change in market value \$2,460,894; ending market value as of June 30, 2014 is \$74,968,543; the return for the quarter was at 4.06 percent.

The Plan's performance has been steady over the years and as for this quarter the Plan earned 4.06 percent; year to date 6.06 percent; one year 16.39 percent; three year 10.33 percent; over a 10 year period 7.81 percent, and since inception 9.37 percent. Mr. Wilkinson was pleased to announce that over the long haul, the performance is slightly better than the Plan's actuarial assumptions, previously set at 7.25 percent.



REPORT ON NEW PARTICIPANTS/RETIREE/RETURN OF CONTRIBUTIONS/DECEASED RETIREES:

This quarter's reporting period (April 1, 2014 through June 30, 2014), seven new participants were added to the Plan and five participants were terminated. Those terminated participants requested the return of their contributions and interest totaling \$21,163.18.

Also, there were ten Plan participants who chose to retire. Four elected to receive the Annuity Payments for Life Option and three chose the Lump Sum Payment Option totaling \$532,378.82. There were three plan participants who choose the 50 percent lump sum/50 percent annuity option.

Mr. Hayden reported to the committee that one retiree, Mr. Hubert Green, died on May 14, 2014, and was receiving monthly benefit payments. Those benefit payment have been permanently suspended.

ANNUAL ELECTION OF NCERP CHAIR AND VICE CHAIR:

Congratulations are in order for Mr. Kevin White who has been re-elected to serve the NCERP committee as their chairperson for the upcoming year, and for Mrs. Calla White, who has been elected to serve as the NCERP committee as their vice chairperson. These elections were conducted on the recent NCERP quarterly committee meeting held Aug. 20, 2014.

RECOMMENDATION FOR RETIREE' COST-OF-LIVING (COLA) INCREASE: COLA INCREASE – JANUARY 1, 2015

A retiree COLA increases letter, dated Aug. 9, 2014, from Plan's actuary Towers Watson, was discussed by the committee at the quarterly committee meeting, Aug. 20, 2014. The COLA letter indicates the U. S. Department of Labor Consumer Index (CPI) calculated for the previous year – the CPU-I change from June 2013-June 2014 was an increase of 2.1 percent.

At the special NCERP committee meeting held on Sept. 25, 2014, the NCERP committee voted to implement a one per cent COLA increase for all retirees who have been retired at least four years and have not exceeded their maximum allowable amount of 36 percent. This is the same amount as last year's COLA increase.

NCERP'S ACCOUNTING SYSTEM:

The fiscal year budget report as of June 30, 2014, includes the following:

- Total budget for FY 2014: \$407,019.00
- Total invoices paid through the end of quarter: \$350,993.01
- Balance of budget as of June 30, 2014, after all bills paid: \$56,025.99

NCERP completed the fiscal year (2013-2014) under the Plan's proposed budget.

REQUEST FOR BID PORPOSALS

The NCERP Committee has taken the initiative to look into the bid process for the Plan's actuarial services. At the special NCERP committee meeting held on Sept. 25, 2014, the committee decided to make this an agenda item to be discussed at the upcoming NCERP committee meeting tentatively scheduled for Nov. 12, 2014, at the Meramec Campus.

RETIREMENT INTERVIEW SCHEDULE

If employees would like an estimate of their retirement benefits, attend any of the campus visits made by **James Hayden**, plan coordinator, **ext. 5217**. Please call at least one week before the scheduled visit to ensure the retirement assessment is complete. Every participant is encouraged to contact Hayden at any time to obtain a retirement benefit assessment.

NCERP MEETING SCHEDULE

The quarterly NCERP Committee meetings now are being rotated from various campus locations. The tentative schedule is as follows:

- November 12, 2014, Meramec, 9:15 a.m.
- February 11, 2015, Cosand Center, 9:15 a.m.
- May 13, 2015, Forest Park, 9:15 a.m.
- August 12, 2015, Florissant Valley, 9:15 a.m.

BENEFICIARY ACCURACY

Make sure beneficiary information on file for NCERP retirement contributions is accurate. Failure to do so could result in retirement contributions being paid to the employee's estate versus having the contributions going to loved ones. If there are questions or concerns, contact **James Hayden**, plan coordinator, at **ext. 5217**.

NCERP COORDINATOR'S PROPOSED SCHEDULE OF CAMPUS VISITS:

Date:	Location:	Time:
Oct. 2, 2014	Forest Park	Noon
Oct. 9, 2014	Florissant Valley	2 p.m.
Oct. 16, 2014	Meramec	2 p.m.
Nov. 6, 2014	Forest Park	Noon
Nov. 13, 2014	Florissant Valley	2 p.m.
Nov. 20, 2014	Meramec	2 p.m.
Dec. 4, 2014	Forest Park	Noon
Dec. 11, 2014	Florissant Valley	2 p.m.
Dec. 18, 2014	Meramec	2 p.m.
Jan. 8, 2015	Forest Park	Noon
Jan. 15, 2015	Florissant Valley	2 p.m.
Jan. 22, 2015	Meramec	2 p.m.
Feb. 5, 2015	Forest Park	Noon
Feb. 12, 2015	Florissant Valley	2 p.m.
Feb. 19, 2015	Meramec	2 p.m.
Feb. 26, 2015	Cosand Center	5 p.m.
Mar. 5, 2015	Forest Park	Noon
Mar. 12, 2015	Florissant Valley	2 p.m.
Mar. 19, 2015	Meramec	2 p.m.
Apr. 2, 2015	Forest Park	Noon
Apr. 9, 2015	Florissant Valley	2 p.m.
Apr. 16, 2015	Meramec	2 p.m.
Apr. 23, 2015	Cosand Center	2 p.m.
May 7, 2015	Forest Park	Noon
May 14, 2015	Florissant Valley	2 p.m.
May 21, 2015	Meramec	2 p.m.
June 4, 2015	Forest Park	Noon
June 11, 2015	Florissant Valley	2 p.m.
June 18, 2015	Meramec	2 p.m.
June 25, 2015	Cosand Center	2 p.m.

Locations are:

Florissant Valley, Training Center, TC-109;

Forest Park, SC-117;

Meramec, BA-106; **Cosand Center**, Room 208.

YOUR NCERP REPRESENTATIVES:

Unit Representative

Kevin White - Chair

FP – Media Services

Phone: 314-644-9213

E-mail: kwhite@stlcc.edu

Term expires: June 30, 2016

Board of Trustees Appointment

Calla White

6688 Chesapeake Drive, Apt. C

Florissant, MO 63033

Phone: 314-355-9112

Term expires: BOT's pleasure

Board of Trustees Appointment

Ruth Lewis - Vice Chair

10455 Litzsinger Road

St. Louis, MO 63131

Telephone: 314-567-7098

Term Expires: BOT's pleasure

Non-Unit Representative

Keisha Robinson - Chair

Office of Institutional Development

Phone: 314-539-5756

E-mail: krobinson229@stlcc.edu

Term expires: June 30, 2017

Physical Plant

Mike Wibbenmeyer

MC – Utilities/HVAC

Phone: 314-984-7749

E-mail: mwibbenmeyer@stlcc.edu

Term expires: Oct. 30, 2016

Any suggestions for improvements, questions, comments or other concerns about the retirement plan may be directed to any of the NCERP Committee representatives. Any proposed agenda items may be sent to **James Hayden** or the employee representative 10 days prior to the meeting date.

100617 10/2014

NON-DISCRIMINATION STATEMENT

St. Louis Community College is committed to non-discrimination and equal opportunities in its admissions, educational programs, activities and employment regardless of race, color, creed, religion, sex, sexual orientation, national origin, ancestry, age, disability, genetic information or status as a disabled or Vietnam-era veteran and shall take action necessary to ensure non-discrimination.

For information or concerns relating to discrimination matters, contact the following: for matters relating to disabilities, contact Section 504/Title II Coordinator Donna Dare at 314-539-5285; for matters relating to sex discrimination, contact Title IX Coordinator Pam McIntyre at 314-984-7763.

NCERP is a Defined Benefit Plan

Recent stock market volatility has many of us thinking about the safety of our retirement savings. Good news is you needn't worry about your future NCERP retirement benefit. Your retirement benefit is safe, in large because NCERP is what is known as a Defined Benefit Plan. In a Defined Benefit Plan or DB Plan, your benefit at retirement is not at risk, even when investment returns are down.

A Formula for a Lifetime:

Your benefit amount is determined by a preset formula. The formula takes into account your years of service credit at retirement, and your final average monthly salary.

You and your employer, St. Louis Community College, make contributions to the Retirement Plan, paid directly to the Plan's trust agency, State Street Corporation, Specialized Trust Service. These funds are invested by professionals, Columbia Management, and used to pay retirement and survivor benefits to NCERP retirees.

Your account balance (the contributions you have paid and the interest earned) has no impact on your benefit amount. The monthly benefit amount is guaranteed for your lifetime so you cannot outlive your retirement benefits.

How a Defined Contribution Plan Differs:

Consider this in contrast to the Defined Contribution or DC Plans offered by many employers (examples include 457, 401(k), 403(b) accounts). In this type of plan, retirement benefits are determined by the amount in your personal retirement account at the time of retirement. Typically, both you and your employer contribute to the personal account while you are working, but you have responsibility for determining how the funds will be invested. Lack of investment expertise, along with volatile markets, can lead to situations in which you may outlive your retirement funds or have to delay your retirement for a few more years while rebuilding your assets.

NCERP Membership has its Benefits

- Predictable, guaranteed benefits for life
- Disability survivor and death benefits
- Early retirement, Lump and Partial Lump Sum Options for all participants
- Professionally invested – you don't have to try to do it yourself