

NCERP

June 29, 2015

N E W S L E T T E R

Volume 63

NON-CERTIFICATED EMPLOYEES RETIREMENT PLAN

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*Individuals with speech or hearing
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INVESTMENT REPORT

Columbia Management's Investment Presentation as of March 31, 2015.

Mr. James Wilkinson, Columbia Management, Senior Institutional Relationship Manager, began his presentation by sharing with the NCERP committee that since our last meeting February 11, 2015 Columbia Management and Threadneedle have combined to make up Columbia Management Treadneedle as of March 31, 2015. This change will have no bearing on our current relationship, however; the format of the quarterly reporting booklet may look a little different with some color changes. No other changes are anticipated with the merger.

He then explained the first quarter earnings has had many difficulties; work stoppage which occurred due to cold weather snap, francs to dollar conversion issue has taken its toll, and strength of euro has decreased. The economy is expected to grow to the 2-3 per cent range next quarter, gas prices are lower, resulting in more discretionary income thus strengthening the market. As he has indicated many times before, "the road to recovery is a slow one." Some good news is that the unemployment rate has declined to 5.5 per cent, housing recovery stabilized last year in the aftermath of stricter regulatory standards and reduced affordability, both set the stage for a stronger economy. Columbia Threadneedle Investments anticipates 2.5 – 3.5 per cent real growth in the market in the next (4) four to (6) six quarters; interest rates are expected to rise sometime this year due to continued growth and further improvement in labor markets.

The Plan's market value at the beginning of the quarter (1/1/2015) was \$76,870,605, net contributions and withdrawals were \$ (\$1,629,295), the income earned was \$348,431, change in market value was \$1,073,804, and the ending market value (3/31/2015) was \$76,663,544.

The Plan's value increase for the quarter measured at 1.90 percent, the value for the last 12 months is at 9.53 per cent gain, last (3) three year gains at 10.45 percent, the (5) five year return has been 10.40 percent, and at the (10) ten year point has been 7.62 percent.

A well-diversified portfolio is the leading factor the Plan is doing so well.



This newsletter is designed to summarize and explain basic changes in the Non-Certificated Employees Retirement Plan and provides updates on other related matters. Since it is only a summary, this newsletter does not cover the plan's provisions in detail. Therefore, if there is any conflict between this newsletter and the plan document itself, the plan document will always govern. An official copy of the plan is available for inspection in the Human Resources department at the Joseph P. Cosand Community College Center, 300 South Broadway, St. Louis, Mo., and in each campus' library during regular business hours.

Report From Actuary

At the recent NCERP quarterly committee meeting Mr. Schisler, Towers Watson, Senior Consultant, reported to the committee that they will be providing the interest rate for employee contributions, also lump sum rates will be reviewed but no changes will be expected. Mrs. Hupperts, Towers Watson, Consulting Actuary, indicated that these documents will be forwarded in the near future and they will also be requesting the data for completion of the annual actuarial report sometime in July 2015.

Report on New Participants/Retirees/ Return of Contributions/Deceased Retirees

During the reporting period of January 1, 2015 through March 31, 2015 there were six (6) new participants added to the Plan and five (5) separated from the College, those who terminated their employment requested return of their contributions and credited interest totaling \$49,143.18.

During the same period, six (6) Plan participants chose to retire. One (1) chose the Annuity Payments for Life Option and five (5) chose the Lump Sum Payment Option totaled \$371,047.45. One participant chose the 50 percent Annuity/50 percent Lump Sum method of payment.

Also, there was one retiree who expired during this period who was receiving monthly benefit pension payments; Mr. Early Johnson, who worked at the Meramec campus, he passed March 23, 2015.

This information was provided by Mr. Hayden, Plan Coordinator, at the NCERP quarterly committee meeting on May 11, 2015.

NCERP's Accounting System

NCERP'S OPERATIONAL BUDGET – ENDING JUNE MARCH 31, 2015

The original budget for the 2014-2015 fiscal year was \$411,483.00, and as of March 31, 2015, with the deduction of all approved expenditures including the encumbered charges this meeting, the remaining balance is \$121,709 and without any unforeseen expenditures in all likelihood the Plan should complete the fiscal year under the established budget.

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.

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
July 2, 2015	Forest Park	12 p.m.
July 9, 2015	Florissant Valley	2 p.m.
July 16, 2015	Meramec	2 p.m.
July 23, 2015	Cosand Center	2 p.m.
August 6, 2015	Forest Park	12 p.m.
August 13, 2015	Florissant Valley	2 p.m.
August 20, 2015	Meramec	2 p.m.
September 3, 2015	Forest Park	12 p.m.
September 10, 2015	Florissant Valley	2 p.m.
September 17, 2015	Meramec	2 p.m.
September 24, 2015	Cosand Center	2 p.m.
October 1, 2015	Forest Park	12 p.m.
October 8, 2015	Florissant Valley	2 p.m.
October 15, 2015	Meramec	2 p.m.
November 5, 2015	Forest Park	12 p.m.
November 12, 2015	Florissant Valley	2 p.m.
November 19, 2015	Meramec	2 p.m.
December 3, 2015	Forest Park	12 p.m.
December 10, 2015	Florissant Valley	2 p.m.
December 17, 2015	Meramec	2 p.m.
January 7, 2015	Forest Park	12 p.m.
January 14, 2015	Florissant Valley	2 p.m.
January 21, 2015	Meramec	2 p.m.
February 4, 2015	Forest Park	12 p.m.
February 11, 2015	Florissant Valley	2 p.m.
February 18, 2015	Meramec	2 p.m.
February 25, 2015	Cosand Center	5 p.m.
March 3, 2015	Forest Park	12 p.m.
March 10, 2015	Florissant Valley	2 p.m.
March 17, 2015	Meramec	2 p.m.

LOCATIONS:

- Meramec, BA-106
- Florissant Valley, Training Center, TC-109
- Forest Park, VP Academic Affairs' Conference Room
- Cosand Center, Room 208

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.

Unofficial

When Do I Start Social Security Benefits

Timing makes a significant difference in the amount of benefits retirees are eligible to collect. The telemarketing call that took you away from the stove caused you to burn dinner. The few minutes it took to find your keys this morning turned your quick commute into a glacial journey behind a convoy of buses destined to stop on each corner.

Timing matters in life. Start Early.

Full retirement age, or FRA, is 67 for anyone born in 1960 or later, but you can start retirement benefits as early as age 62 if you're OK with a smaller check — as much as 30% smaller, depending on how far out you are to start collecting.

So, is starting early the right move? It depends.

On one hand, starting as early as possible could mean receiving up to five years of benefits before FRA. According to Social Security*, the average retirement benefit is \$1,285 per month. Assume an annual 2% cost-of-living adjustment, and the early starter could pocket as much as \$80,000 by not waiting (five years of benefits). But, their total lifetime benefit could actually end up being less.

Plan with Social Security Calculator from their web-site

If they wait until FRA instead, it will typically take eight to 10 years of receiving the larger monthly payments to break even. After that break-even point, the scales tip in favor of waiting.

Still, various situations may call for taking benefits early:

- You stop working before you hit FRA and need income, but can't go back to work.
- You're a single person in poor health and see the break-even years as hard to overcome.
- Your primary goal is to preserve assets for kids or grandkids; Social Security benefits could protect transferable assets.
- You're concerned about the financial viability of the Social Security program.

Worth the Wait

Like fine wine, Social Security payments get better with time. By delaying, you'll be rewarded with as much as an additional 8% increase per year up to age 70. That's a big deal.

For example, the Social Security Benefit Calculator shows that a worker retiring in 2015 at 62 with \$60,000 in earnings would receive \$1,155 per month. Waiting until 66 pushes the benefit to inflation adjusted \$1,794 per month, and waiting until age 70 increases it to \$2,840. That means if the worker lives to 90, he or she will get an additional \$150,000 in lifetime benefits by waiting until FRA, or about \$340,000 by delaying until 70.

If longevity is in the cards, delaying benefits likely makes sense.

Other Factors

Additionally, if a worker elects to begin benefits before FRA and continues to work, Social Security imposes an earning limitation that causes the worker to temporarily forfeit \$1 of benefits for every \$2 earned over \$15,720 (in 2015). Work after FRA does not negatively affect benefits.

Strategies for Couples

If you're married, Social Security opportunities and considerations expand. To maximize your benefits, you'll likely want to spend some time planning your approach.

NCERP MEETING SCHEDULE

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

August 12, 2015

Meramec Campus, 9:15 a.m.

November 11, 2015,

Florissant Valley, 9:15 a.m.

February 10, 2016,

Cosand Center, 9:15 a.m.

May 11, 2016,

Forest Park Campus, 9:15 a.m.

YOUR NCERP REPRESENTATIVES:

Board of Trustees Appointment

Calla White – Vice Chair

6688 Chesapeake Drive, Apt. C

Florissant, MO 63033

Phone: 314-355-9112

Term expires: BOT's pleasure

Board of Trustees Appointment

Ruth Lewis

10455 Litzsinger Road

St. Louis, MO 63131

Phone: 314-567-7098

Term Expires: BOT's pleasure

Non-Unit Representative

Keisha Robinson

FV-VP Academic Affairs

Phone: 314-539-5756

E-mail: krobinson229@stlcc.edu

Term expires: June 30, 2017

Unit Representative

Kevin White - Chair

FP-Media Services

Phone: 314-644-9213

E-mail: kwhite@stlcc.edu

Term expires: June 30, 2014

Physical Plant Representative

Mike Wibbenmeyer

MC-Utilities/HVAC

Phone: 314-984-7749

E-mail: mwibbenmeyer@stlcc.edu

Term expires: Oct. 30, 2017

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