

NCERP

September 25, 2015

N E W S L E T T E R

Volume 64

NON-CERTIFICATED EMPLOYEES RETIREMENT PLAN

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INVESTMENT REPORT

Annual State Street Bank and Trust Company's Financial Report

At the NCERP quarterly committee meeting Aug. 12, the annual State Street Bank and Trust report was provided by Kris Auer. Although Auer was unable to attend, he presented the annual report via teleconference.

After a brief focus on Page 7, Auer discussed the various components of the State Street organization, including State Street Global Markets, State Street Global Services, and State Street Global Exchange.

He also noted that the current market value of the NCERP retirement fund has increased by 0.95 percent during the reporting period of July 1, 2014, through June 30, 2015. The market value of the plan on June 30, 2014, was \$74,424,418.60, and the market value as of June 30, 2015, is \$75,137,404.84. He reported that expenses for the year totaled \$375,632.86, an increase of 4.43 per cent over last year.

The plan's portfolio is basically the same, with only small changes across the asset fund classes of Cash & Cash Equivalents, Equities, Fixed Income and Interest Receivables. The earnings increased, and the unrealized gain went down, largely due to current market losses.

Investors' Report at End of Quarter June 30, 2015

Columbia Threadneedle's Investment Presentation as of June 30, 2015

On Aug. 12, Mr. Wilkinson, senior institutional relationship manager, began his quarterly presentation by reporting the Reconciliation of Assets. He pointed out that the beginning market value as of April 1, 2015, was \$76,663,544; net distributions were (\$1,164,507); income earned was \$603,864; change in market value (\$966,755); with an ending market value of \$75,136,136 as of June 30, 2015. With the number of retirements as of June 30, 2015, there is an indication of unrealized gains decreasing. The quarter ending June 30, 2015, saw only modest losses at 0.49 per cent.

He examined the economic review for the quarter, which included a bailout in Greece and how the officials will repay debt. Both actions impacted the market. China's growth is continually increasing despite devaluation of the Chinese yuan. This means China exports become cheaper and its imports become more expensive. Any American company



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.

importing to China loses dollars, causing volatility in the market. U.S. unemployment rate is at or below 5.3 percent, the lowest mark since 2004. The Gross Domestic Product for the quarter measured at 2.3 percent, relatively low but there hasn't been any large growth since the recession in 2007. The Federal Reserve is trying to determine exactly when to raise interest rates. Speculators anticipate it will happen at the end of year; however, others say that thinking about raising interest rates is much too soon.

The best strategy is to be invested with diverse portfolio across various investment classes as this plan is. This practice has worked in the past and will continue to reap benefits long term.

Report On New Participants/Retiree/Return of Contributions/Deceased Retirees

This quarter's reporting period (April 1, 2015, through June 30, 2015), found that seven new participants were added to the plan while six participants were terminated. Those terminated participants, who have requested return of their contributions and interest, totaled \$25,607.10.

There were nine plan participants who chose to retire. Two elected to receive the Annuity Payments for Life Option and seven chose the Lump Sum Payment Option, totaling \$1,076,301.95.

James Hayden reported that two retirees, Billie Gifford, passed away on May 2, 2015, and June Brandt, passed away on June 6, 2015. Both were receiving monthly benefit payments.

Annual Election of NCERP Chair and Vice Chair

Michael Wibbenmeyer has been elected chair of the NCERP Committee for the upcoming year and Ruth Lewis has been elected vice chair. These elections were conducted on Aug. 12.

Recommendation for Retiree' Cost-of-Living (COLA) Increase

COLA Increase – January 1, 2015

A retiree COLA increases letter, dated August 11, 2015, from plan's actuary Towers Watson, was discussed at the quarterly committee meeting on Aug. 12. The COLA letter indicates the U.S. Department of Labor Consumer Index (CPI-U) calculated for the previous year the CPI-U change from June 2014-June 2015 was an increase of one-tenth (0.10) of 1 percent.

NCERP's Accounting System

The fiscal year budget report as of June 30, 2015, includes the following:

- Total budget for FY14 – \$411,483
- Total invoices paid at through the end of quarter – \$376,908.971
- Balance of budget as of June 30, 2014, after all bills paid – \$34,574.03

NCERP completed FY15 under the plan's proposed budget.

Beneficiary Accuracy

Please make sure your current 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
October 1, 2015	Forest Park	12 p.m.
October 8, 2015	Florissant Valley	2 p.m.
October 15, 2015	Meramec	2 p.m.
October 22, 2015	Cosand Center	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, 2016	Forest Park	12 p.m.
January 14, 2016	Florissant Valley	2 p.m.
January 21, 2016	Meramec	2 p.m.
February 4, 2016	Forest Park	12 p.m.
February 10, 2016	Florissant Valley	2 p.m.
February 18, 2016	Meramec	2 p.m.
February 25, 2016	Cosand Center	5 p.m.
March 3, 2016	Forest Park	12 p.m.
March 10, 2016	Florissant Valley	2 p.m.
March 17, 2016	Meramec	2 p.m.
April 7, 2016	Forest Park	12 p.m.
April 14, 2016	Florissant Valley	2 p.m.
April 21, 2016	Meramec	2 p.m.
April 28, 2016	Cosand Center	2 p.m.
May 5, 2016	Forest Park	12 p.m.
May 12, 2016	Florissant Valley	2 p.m.
May 19, 2016	Meramec	2 p.m.
June 2, 2016	Forest Park	12 p.m.
June 9, 2016	Florissant Valley	2 p.m.
June 16, 2016	Meramec	2 p.m.
June 23, 2016	Cosand Center	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

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, largely because NCERP is a Defined Benefit (DB) Plan. In a 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 Threadneedle, and are 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 (DC) Plans, which are offered by many employers in the form of 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 where you may outlive your retirement funds or have to delay your retirement for a few more years while rebuilding your assets.

NCERP membership has these benefits:

- Predictable, guaranteed benefits for life
- Disability survivor and death benefits
- Early retirement, lump and partial lump sum options for all participants
- Professionally invested so you don't have to try to do it yourself

NCERP MEETING SCHEDULE

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

November 11, 2015

Florissant Valley, 9:15 a.m.

February 10, 2016

Cosand Center, 9:15 a.m.

May 10, 2016

Forest Park, 9:15 a.m.

August 10, 2016

Meramec, 9:15 a.m.

YOUR NCERP REPRESENTATIVES:

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

Phone: 314-567-7098

Term Expires: BOT's pleasure

Non-Unit Representative

Keisha Robinson

CC – Institutional Development

Phone: 314-539-5756

E-mail: krobinson229@stlcc.edu

Term expires: June 30, 2017

Unit Representative

Kevin White

FP-Media Services

Phone: 314-644-9213

E-mail: kwhite@stlcc.edu

Term expires: June 30, 2016

Physical Plant Representative

Mike Wibbenmeyer - Chair

MC-Utilities/HVAC

Phone: 314-984-7749

E-mail: mwibbenmeyer@stlcc.edu

Term expires: Oct. 30, 2016

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