NCERP

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NON-CERTIFICATED EMPLOYEES RETIREMENT PLAN

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Individuals with speech or hearing impairments may call via Relay Missouri by dialing 711.

Columbia Management's Investment Presentation as of Dec. 31, 2016

Jim Wilkinson, senior portfolio manager at Columbia Threadneedle, reported during the last quarter of 2016 that many issues negatively impacted the markets. Those issues were the Chinese economy collapse, causing equity markets to plummet at the first six weeks of the year; the decline of corporate earnings; the Brexit report that caused markets to fluxuate; and the U.S. presidential election that created some market volatility. In 2016, the S&P has earned almost nine per cent.

Those avoiding risk have moved to safe havens in treasuries. However, equities have rallied, and the plan's equities have provided positive positions for our portfolio. The Gross Domestic Product (GDP) for the upcoming year is predicted at about 4 per cent, in excess of the 2 per cent or less that has been the norm. Treasury department anticipates 3 interest rate hikes during the year, probably 2 is more realistic according to Wilkinson's sources. The employment rate is historically low, still under 5 per cent, as certain skills and functions are still very difficult to fill.

The quarterly portfolio performance for the plan began at $71,403,782 assets, the quarterly withdrawals were $918,030 monthly retirement and all lump sum payments for the quarter, the earned income was $895,490 and the change in market value was $296,444. The ending market value as of Dec. 31 was $71,677,686 in assets. Wilkinson reminded the committee that the plan's diverse portfolio, even within the respective classes, is very diverse. That concept has significantly impacted the plan's gains.

The plan's assets grew 1.66 per cent. The blended benchmark for the plan was at 1.41 per cent. For the year, it performed under the benchmark of 8.94 per cent, reaching only 8.03 per cent, but at the 5-year, 10-year and since inception, has performed above the benchmark.

Bill Miller asked how and if the dilemma of a struggling workforce seeking skilled and qualified employees would impact the plan. Wilkinson responded that the demand for skill workers is somewhat higher than the skilled workers available; therefore, the market of the skilled labor force becomes inflated. Supply versus demand, supply being higher creates an increase in value of the skilled worker. Miller wanted to know how that relates to earnings. Wilkinson further illustrated that equities and the market overall perform better when the economy is striving, increase in productivity, regulations are decreased and spending is increased. James Hayden reminded Wilkinson that he had promised to look into the international piece of the portfolio. Wilkinson said he and his team are researching to find a better alternative.

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

Between Oct. 1 and Dec. 31, 2016, there were eight participants added and three separated from the plan. The returned and credited interest of those who separated from the plan totaled $7,967.13.

Also during the same period of time, seven plan participants chose to retire. Three chose the life annuity option and four chose the lump sum payment, totaling more than $1 million. No one chose the 50 percent annuity/50 percent lump sum method of payment during the previous quarter.

No retirees has passed away during the quarter.

Volutarily Separation Incentive Program (VSIP)

After reviewing the chancellor's February 2017 newsletter concerning the state budget reduction, and the possibility of the college offering a VISP, members are awaiting more information including the release of the selection criteria and what specific incentives will be offered. Information will be distributed as soon as it becomes available.

NCERP's Accounting System

The fiscal year budget report as of Dec.31, 2016, includes:

- Total budget for FY 2016-17 -- $428,530.00
- Total invoices paid at through the end of quarter -- $197,005.80
- Balance of budget as of Dec. 31, 2016, after all bills paid -- $231,1524.20

The plan anticipates completing the fiscal year 2016-17 under its proposed budget.

Retirement Interview

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 may contact Hayden at any time to obtain a retirement benefit assessment.

Beneficiary Accuracy

Make sure your current beneficiary form on file for your 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. For more information or questions, contact James Hayden, plan coordinator, at ext. 5217.

NCERP Coordinator's Proposed Schedule of Campus Visits

DATE	LOCATION	TIME
April 13, 2017	Florissant Valley	2 p.m.
April 20, 2017	Meramec	2 p.m.
April 27, 2017	Cosand Center	2 p.m.
May 4, 2017	Forest Park	Noon
May 11, 2017	Florissant Valley	2 p.m.
May 18, 2017	Meramec	2 p.m.
June 1, 2017	Forest Park	Noon
June 8, 2017	Florissant Valley	2 p.m.
June 15, 2017	Meramec	2 p.m.
June 29, 2017	Cosand Center	2 p.m.
July 6, 2017	Forest Park	Noon
July 13, 2017	Florissant Valley	2 p.m.
July 20, 2017	Meramec	2 p.m.
August 3, 2017	Forest Park	Noon
August 10, 2017	Florissant Valley	2 p.m.
August 17, 2017	Meramec	2 p.m.
August 24, 2017	Cosand Center	2 p.m.
September 7, 2017	Forest Park	Noon
September 14, 2017	Florissant Valley	2 p.m.
September 21, 2017	Meramec	2 p.m.
October 5	Forest Park	Noon
October 12	Florissant Valley	2 p.m.
October 19	Meramec	2 p.m.
October 26	Cosand Center	2 p.m.
November 2	Forest Park	Noon
November 9	Florissant Valley	2 p.m.
November 16	Meramec	2 p.m.
December 7	Forest Park	Noon
December 17	Florissant Valley	2 p.m.
December 21	Meramec	2 p.m

LOCATIONS:

- **Meramec**, BA-106
- **Florissant Valley**, Training Center, TC-109
- **Forest Park**, VP Academic Affairs' Conf. Rm
- **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

10 Worst Retirement Mistakes Made by Retirees

Money mistakes are a common learning experience from which we can all grow, but when you are already in your retirement phase, the results can be a little more catastrophic. It's much easier to recover from mistakes when you are younger, but retirees are depending on that nest egg and their ability to replenish savings is greatly diminished.

1. **Not Changing Lifestyle After Retirement -** Among the biggest mistakes retirees make is not adjusting their expenses to their new budget-dependent life. Those who have worked for many years usually find it hard to reconcile with the fact that food, clothing and entertainment expenses should be adjusted because they are no longer earning the same amount of money as they were while in the workforce. You might need to dine out less and learn to enjoy home-cooked meals.

   Many retirees also tend to forget to take into account healthcare and long-term care costs that usually come into plan as a person ages. If you have never considered this before, talk to a trusted financial planner to iron out your retirement planning. With some appropriate adjustments to your budgeting and proper planning, you'll make sure you are set for any event.

2. **Failing to Move to More Conservative Investments -** Once you have retired, you can't afford large negative swings in your savings. You regularly hear financial advisers recommending a long-term strategy and touting the strategy of leaving money in market regardless of the ups and downs. Over time, the market, while very volatile at times, has historically ended up rising in the long term. When you retire, however, you have to think more short term as you will need to access the cash. It's still probably smart to keep some money in more aggressive growth investments, but not nearly at the level you did when you were younger. A financial adviser can offer advice on how to diversify your investments. You might not make a huge gain in net worth, but you will be protected.

3. **Applying for Social Security Too Early -** Just because you are already eligible to apply for Social Security at 62 does not mean you should. If you start taking benefits at age 62, you get about 25 percent less than what you would get on your full retirement age of 66.

   You will also get 32 percent less than if wait until age 70.If you have the means to pay your bills, try to delay your application for retirement benefits for a few years more. The benefit increase is maxed out by age 70 and will not increase any further.

4. **Spending Too Much Money Too Soon -** Before finalizing your retirement, you must take into consideration that you will only be living on a fixed amount of money. Oftentimes the amount of retirement savings looks pretty large, but retirees must keep in mind that money will have to last a very long time. Avoid the temptation to spend large chunks of that next egg early in retirement. The temptation to spend your money can be almost irresistible, but discipline is vital. Depleting money beyond the interest that it earns will hurt the principal and would leave you with nothing after just a few years.

5. **Failure To Be Aware of Frauds and Scam -** Retiree unfortunately are among the most targeted for scams. Be sure to consult an adviser prior to making any investment or laying out a large amount of cash on anything. Scammers will prey upon your desire to grow your savings.

   Even if you are not retired or about to retire, always keep a certain level of skepticism when it comes to the investments presented to you. Do your research first; ask about it and search for it online. You might just find out that this whole system is just an elaborate way for people to get your money.

NCERP MEETING SCHEDULE

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

May 10, 2017
Forest Park, 9:15 a.m.

August 9, 2017
Meramec, 9:15 a.m.

November 8, 2017
Florissant Valley, 9:15 a.m.

February 7, 2018
Cosand Center, 9:15 a.m.

YOUR NCERP REPRESENTATIVES:

Physical Plant Representative
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Phone: 314-539-5756
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FP -- Media Services
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E-mail: kwhite@stlcc.edu
Term expires: June 30, 2019

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Phone: 314-567-7098
Term Expires: Determined by BOT

Board of Trustees Appointee
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Florissant, MO 63033
Phone: 314-355-9112
Term expires: Determined by BOT

6. **Cashing Out Pension Too Soon -** Retirees are easily swayed by the promise of a higher return once they try to put their money on a particular investment vehicle, thus pushing them to cash out their entire pension. This is not always the best move to make; investments are highly unpredictable. It can be difficult to look for one that could pay just as much, or even more, as the pension over the long term.

   Remember that cashing out on a pension early oftentimes comes at a big cost. Be extremely wary and weigh your options well. The longer you live, the more you are going to miss out on the benefits of the pension if you have cashed out early.

7. **Not Being Effective Tax-Wise During Retirement -** Having multiple retirement accounts may sound great, but you have to remember that each retirement account is being taxed differently. If you do not find a way to take out your money from your assets and your accounts, you could end up paying more taxes that you actually have to. Finding the most cost-efficient way of being taxed during retirement is a complicated manner. Make sure you have a trusted financial planner to help you along the way.

8. **Supporting Adult Working Children -** Family is often hard to refuse, but you have to remember that your savings are fixed for the most part and your ability to earn back money taken from savings is greatly diminished in retirement. Your children are going to be much better equipped to recover from financial difficulties. Unless you are really sure you have the money to spare, avoid giving large monetary gifts or loans, especially if you are already out of the workforce.

9. **Being House Rich But Cash Poor -** People often pay for their mortgage for most of their life. By retirement, they end up with a lot of equity in the home and with little cash left. While houses appreciate in value, the cost of upkeep including taxes, utilities, services, repairs and maintenance, is too much for a retiree to handle. Once you have decided to get out of the workforce, it is assumed that your children should have already moved out of your house. You can downsize your living expenses by selling your house and moving to a smaller home that you can afford. You can also invest the remaining money or more predictable income in order to support your new retirement lifestyle.

10. **Not Staying Active Socially or Physically -** One of the worst things you can do when you retire is become reclusive and inactive. It's important to maintain social connections and frequently enjoy the company of friends and family or join social groups and activities. The mind is like a muscle – if it is not exercised, the capabilities will fade. In addition to continuing some sort of regular exercise habit, seniors should also exercise their brains. Reading books, solving puzzles and simply engaging in conversation are all great ways to keep the brain sharp and functioning well into later life. Becoming reclusive and spending a lot of time in front of the television, while on occasion may offer relaxation, should not monopolize your time.

    Keeping active will not only help keep you mentally sharp and physically healthy, but will also elevate your mood and help you be happy well into your golden years.

Golden Oak Lending

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