



## THE POLICE RETIREMENT SYSTEM OF ST. LOUIS

2020 MARKET STREET  
SAINT LOUIS, MISSOURI 63103  
Toll Free 1-800-850-4407  
(314) 241-0800 Fax (314) 241-4009

July 2018

To All PRS Members,

During my tenure as an elected trustee to the St. Louis Police Retirement System I have tried to be open and available to answer questions from retirees or active members. It seems as if in the last few months there have been a lot fewer questions and quite a few statements.

Each year the PRS receives an actuarial evaluation of the system as well as an audit by a CPA firm. For the past few years these reports indicate that the fund has increased liabilities with flat or slightly increased assets. This actuarial evaluation also tells us how much the city owes the PRS. That amount is then assumed to earn 7.5% annually to cover the shortfall between assets and liabilities in a 20 year period. Since the City lost the lawsuit, they have paid the PRS as required without hesitation. Having lost a court challenge before, the consensus opinion is that the City will continue to pay as required.

While no one has a crystal ball, the advice from our financial managers is to expect returns in the 6-8% range over the next few years. Our funding ratio, that is, the difference between what we have and what we owe in 20 years, has hovered between 75 and 80 % for the last several years. In the 1990's and early 2000's we got to over 100% funded because of the run on the stock market. That is when many of the benefits we enjoy were put in place. According to State Statute, the fund must be funded at 80% for any benefits to be added.

The question before the PRS was this. How do we increase assets and reduce liabilities. There are three options available.

Reducing liabilities is tricky.

1. Reducing benefits currently in place for active officers and retirees. This option was discarded immediately. The Board of Trustees refuses to consider reducing any benefit currently available to active and retired officers.
2. Reducing benefits for "new hires" after a set date. This year the date would have been October 1, 2018.
3. Increasing contributions, which have remained steady for over 60 years, would increase assets.

All members of the Board of Trustees are sworn fiduciaries to the Trust (PRS). We cannot allow any personal motives or loyalties to influence our decisions for the Trust. After consulting with the SLPOA, the Leadership Organization, The Ethical Society of Police as well as the Budget Director and the Mayor's Office, the Board opted to reduce benefits for those young men and women not yet on the Department. That is how the legislative package was brought forward.

The PRS is trying to get a comprehensive database of email addresses for retirees. We have less than 50% of your email addresses. We want to keep you informed of our actions and hopefully institute electronic

voting sometime in the future. If you want to add your email address, please contact Ms. Yvette Cooper at 314 241-0800.

If you have any other questions, please feel free to contact me at 314 308-3962 or by email at [Michael.anderson@stlouisprs.org](mailto:Michael.anderson@stlouisprs.org)

Lieutenant Michael Anderson (Retired) DSN 8431  
Chairman – Legislative Committee