



Member News

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A Newsletter From The St. Paul Teachers' Retirement Fund Association

September 2008

Board of Trustees Call for Nominations

Three seats on the SPTRFA Board of Trustees are open for election at the Annual Meeting of the Members on January 15, 2009.

The members currently holding three-year seats up for election are Mike McCollor, Erma E. McGuire, and Karen Odegard.

Candidates for the position of trustee must be nominated by ten members of the SPTRFA. Nomination forms are available at the SPTRFA office. Stop in or call 651-642-2550.

The names of nominated candidates appear on the voting proxy. The proxy will be mailed to all members in December. Additional nominations may be made from the floor at the Annual Meeting of the Members in January.

Properly completed nomination forms must be received at the SPTRFA office no later than the close of business at 4:30 p.m. on Friday, November 14, 2008.

Fiscal Year Investment Performance

John Maynard Keynes, the noted British economist, was the first to thoroughly explain how displacements in the “nominal” (financial) sphere of the economy could manifest themselves in the “real” (producer/consumer) sphere. The year that ended June 30, 2008 provided a textbook case.

The “real” economy was derailed by several factors that seemed, at first, quite removed from the core production and consumption spheres:

- Soft monetary policy
- An overheated housing market
- Undisciplined credit
- Bundling and masking of credit risks
- Hedge funds leveraged against all the above

Our U.S. stock funds mirrored the losses that afflicted the market overall. Though also negative, our international stock portfolio did much better (-6%) than the composite index (-10%).

SPTRFA — Returns for Period Ending June 30, 2008	Annualized Rates of Return vs. Benchmarks		
	One Year	3 Years	5 Years
Domestic Equity	(13.2%)	5.3%	10.7%
S&P 500 Index Benchmark	(13.1%)	4.4%	7.6%
Domestic Fixed Income	4.9%	3.5%	3.5%
LB Aggregate Index Benchmark	7.1%	4.1%	3.9%
International Equity	(6.0%)	15.1%	18.9%
MSCI EAFE Index Benchmark	(10.6%)	12.8%	16.7%
Real Estate	2.5%	12.2%	-
NCREIF Total Index Benchmark	9.2%	15.0%	-
Total Fund	(6.6%)	8.0%	11.0%
Composite Benchmark	(5.7%)	8.1%	10.7%

Returns on the fixed income side were positive (+4.9%), but far below the benchmark (+7.1%). The total fund return of (-6.6%) net of manager fees ended 0.9% below the composite benchmark of (-5.7%).

In negative and volatile markets, we expect our active portfolio managers to beat their benchmarks more consistently than might happen in rising markets. There were clear exceptions, but overall, active managers did not perform as expected.

Our three and five-year total fund returns tracked closely with the composite benchmark, meaning our funds did about as well as if all the assets had been invested in passive or indexed accounts.

Please note: Figures in parenthesis denote negative numbers. All bold figures are statistics for SPTRFA. Regular type denotes benchmark figures. SPTRFA returns by asset class are gross of fees. The Total Fund return is net of manager fees and all transaction costs.

Retiring Soon?

Saint Paul Public Schools Notification

To facilitate workforce planning needs, Saint Paul Public Schools (SPPS) is again offering early retirement notification incentives. If you are 55 years of age or older, are scheduled for layoff or plan to voluntarily separate from service with SPPS, you may be eligible to participate.

To be considered for the early notification incentive, you must notify the School District of your intention to retire, and submit a resignation form by the early notification deadline.

Deadlines and incentive amounts are as follows:

<u>Deadline</u>	<u>For Retirement By</u>	<u>Amount</u>
December 1, 2008	December 2008 to End of School Year, or December 2009	\$3,500
February 1, 2009	February 2009 to End of School Year, or February 2010	\$2,500

The March 1 deadline from previous years is no longer in effect.

Questions about:

- 1) the early notice deadlines and process,
- 2) severance pay,
- 3) or health insurance,

should be directed to the SPPS District Benefits Department at (651) 767-8212.

Staff

Phillip G. Kapler, Executive Director
 Chris MacDonald, Retirement Counselor & Tech.
 Nancy Langer, Member Records & Benefits Admin.
 Susan Stepp, Fiscal Services
 Tamera Zielinski, Administrative Assistant
 Katy Smithson, Communications Specialist

Office Hours: 8:00 a.m. to 4:30 p.m.
 (Monday - Friday)
 Phone: 651-642-2550

SPTRFA Counseling Appointments

It is not necessary for you to meet with a SPTRFA Counselor before the SPPS early retirement notification dates. Early this fall, well before the December 1, 2008 early notice deadline, if you meet eligibility criteria in our records you will receive information in the Inbox of your spps.org email account on how to request an updated estimate for Summer 2009 retirement.

Please note that even if you have already notified Saint Paul Public Schools of your intent to retire, you must still contact the SPTRFA to obtain and complete the necessary retirement paperwork to commence your monthly pension benefit payments.

More on Paperwork . . .

Members planning to retire within the next 12 months should call the SPTRFA office to schedule a retirement counseling appointment. Scheduling your appointment at least 90 days prior to retiring will give you the greatest flexibility.

Topics covered during your SPTRFA appointment include application, direct deposit of benefit and income tax withholding.

Items to bring to your appointment are photocopies of:

- Your birth certificate, and, if applicable:
 - Your spouse's birth certificate, and
 - Your marriage certificate, and
 - If any, a copy of a marriage dissolution orders

These items can also be submitted when you send in your SPTRFA retirement paperwork, but when it comes to documentation, the earlier we can get it in order and out of the way the better.

Board of Trustees

Officers

John R. Kunz, President
 Erma E. McGuire, Vice President
 Eugene R. Waschbusch, Secretary-Treasurer

Carol J. Adams Mike McCollor
 Matt Bogenschultz Karen Odegard
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