

## An Update to Our Members:

### ‘Inconceivable’ Becomes the Norm

From all of us at SPTRFA to you and yours – greetings and gratitude.

**Gratitude.** It’s hard to believe that we’ve crossed the line into December of 2020. Harder yet to comprehend how much has happened in the last ten months - a time that will assume a unique place in history. As I write this, we are in a strange waiting place – one marked by the darkest point in terms of COVID’s impact and yet inhabited by a rising sense of optimism as science begins to make its mark and a vaccine appears on the horizon.

Looking out from this vantage point, I feel a sense of overwhelming gratitude for all of our frontline heroes. Those who have selflessly helped cut a path through this foreign and uncharted terrain. Among them are our teachers. You make it possible for our children to have a quality education during a pandemic, and you’ve had to become technology masters in the process. It takes enormous skill, creativity, and determination to reach through a screen and transform a young person’s life. Thank you. Our students need you now more than ever. Frankly, we all do.

**Inconceivable.** One of my family’s favorite movies is *The Princess Bride* (if you haven’t seen it, please consider adding it to your watch list). One of the main characters in the movie repeatedly proclaims that certain events are ‘Inconceivable!’ And, of course, those long-shot events continually materialize. Eventually, Inigo Montoya, the other lead character, gives voice to the obvious, “You keep using that word! I do not think it means what you think it means!” 2020, by every measure, is in fact ‘Inconceivable!’

Perhaps in January, it would have seemed inconceivable that equity markets would drop 34% from Feb to March; unemployment would hit 15%, and 300,000 Americans would die from a global pandemic. Equally inconceivable would be the

### SPTRFA Annual Meeting We’re Planning for a Virtual Gathering and a New Date

We’ve listened to your feedback. We know that January in Minnesota can be a difficult time to gather, and for some time now, many of you have asked us to consider selecting a different date for this important meeting.

Your suggestions and COVID have been a catalyst for change. To that end, we anticipate moving our Annual Meeting of the Members this year to the week of March 8 (to avoid Conferences and Spring Break). And, this year, our meeting will be virtual. In advance, we’ll also roll out our new electronic voting platform. Stay tuned for more details and registration information.

### Here Comes Electronic Voting!

We’re excited to announce that we’ve partnered with a nationally recognized (yet locally based) electronic voting service organization, Survey and Ballot Systems. Through this partnership, we’re expanding our Annual Meeting voting methods and eliminating the need for you to mail paper ballots. Using a safe and secure system, members will be able to vote using either i) a web-based electronic voting site or ii) a telephone-based voting system.

***Approximately one month prior to the Annual Meeting of the Members, you’ll receive a letter from SPTRFA with your personalized voting information.***

fact that from March to December, equity markets would experience a historic rally; unemployment would come down to 6.7%; and scientists around the world would begin rolling out a vaccine, faster than at any other point in history. Perhaps Inigo Montoya was right – I no longer think that word means what we thought it meant.

**Acceleration and Velocity.** Over the arc of time, change is one of the few things ever-present in our lives. The rate and speed of change over the last ten months, however, has defied our imagination. The acceleration of existing trends and the velocity with which new challenges have arrived present each of us with numerous ‘opportunities to excel’ (that was the phrase used at my alma mater, West Point, to describe something potentially terrible and unpleasant that, nonetheless, had to be dealt with). How we choose to react to this acceleration and velocity will likely mark us as professionals and humans for a long time.

Along these lines, I’m grateful to our Team for how quickly they pivoted to a fully functioning remote office. Benefit payments to our retirees were made in full and without delay, and every active and deferred member retirement application was processed on time. The Team quickly got up to speed and incorporated Zoom into their professional toolkits to continue our essential member counseling sessions and pre-retirement seminars.

And we continue to look out to the future and ask how we can improve our organization. As you’ll hear about more in this newsletter, we’re introducing greatly expanded voting options for the annual election this year, as well as hosting our first virtual Annual Meeting of the Members. We’re also thinking about how Post-COVID offices should be structured. We look forward to sharing more about this with you over time.

On behalf of our Team, I wish you good health, happiness, and a secure retirement. Thank you for placing your trust in us. You can count on us to be there for you.



Jill E. Schurtz  
SPTRFA Executive Director

## Investments

Strong equity markets benefited your investment fund in November and December of 2020. Following the sharp market correction in February to March, we stayed the course and were patient. The portfolio managed to recover its losses, and ended the fiscal year (June 30, 2020) with a modestly positive return. Thus far, FY 2021 has proven to be no less eventful. We were well positioned to continue our strong recovery in July and August and captured a return of approx. 7.5% in those two months. Volatility in September trimmed gains somewhat, and we finished the first quarter of the fiscal year with over a 5.0% percent positive return. We continue to benefit from the unprecedented equity market rally. We estimate that from November through December 10<sup>th</sup>, the public equity portion of the portfolio is up approximately 15%, with our total fund assets once again approaching historic highs.

Over the course of the last few years, our long-term allocations to value and small cap equities have been a head wind in the portfolio, especially as big tech and other growth companies rallied. For the first time in a while, we’re seeing our value and small cap holdings come into favor. We continue to evaluate how our long-term allocations impact the portfolio. As we look over our very long-term time horizon, however, we are not trying to time any particular cycle. Instead, we are focused on taking advantage of balanced equity exposure within a diversified portfolio. And, most importantly, we remain focused on our mission to generate sufficient returns to pay benefits to our members in perpetuity.

## Our Team and Office

Our virtual office continues to be fully operational and available to meet your needs. While we cannot meet with members in person, we are available to meet with you via 'Zoom' video sessions or telephone. Please contact us by email: [info@sptrfa.org](mailto:info@sptrfa.org) or Phone: (651) 642-2550.

Please know that our [info@sptrfa.org](mailto:info@sptrfa.org) email address is a highly effective way to communicate with us – it's closely monitored by our team who strive to respond within 24 hours.

## Thinking About Early Retirement? Please think carefully about the costs.

We know that COVID has made teaching incredibly challenging. We understand that it feels like it's never going to get any easier. We've heard from many of you that you're considering early retirement because of these challenges. The ability to draw your pension payment prior to your normal retirement age is one of the benefits of your SPTRFA defined benefit plan. However, please consider fully the potential costs of early retirement:

- Significant reduction in lifetime SPTRFA pension benefits
- Healthcare costs prior to Medicare eligibility
- Ability to pay for escalating costs of healthcare throughout your lifetime
- Potential impact to social security benefits from reduced qualifying income

## Protect Your Loved Ones Please update your beneficiary forms.

Please keep your beneficiary form updated, particularly when you experience life changes (marriage, divorce, childbirth, etc.). To obtain a beneficiary form, contact the SPTRFA office or download one from our website, [www.sptrfa.org/forms](http://www.sptrfa.org/forms). Please return completed forms to us by mail or fax at 651-642-2553.

## 2021 Benefit Payment Dates

January 4, 2021	February 1, 2021
March 1, 2021	April 1, 2021
May 3, 2021	June 1, 2021
July 1, 2021	August 2, 2021
September 1, 2021	October 1, 2021
November 1, 2021	December 1, 2021

## COLA Increase

Effective January 1, 2021, retired members' pension payments will be increased by one percent. Please note that the first-year retiree COLA rate depends on your benefit commencement date. COLA increases are set by the Minnesota Legislature and are subject to change.

## Request for Your Assistance – Email Addresses Have Never Been More Important

Clear, timely, and direct communication has never been more important than now. We've been sending periodic updates to members by email since the first days of the crisis. However, we recognize that we do not have email addresses for all our members. Please help us by sharing your email address with us.

Please help us stay in touch – send your email addresses to [info@sptrfa.org](mailto:info@sptrfa.org).

## Living Well: Self Care is Essential

We know that these times are extremely challenging, especially for educators and those working within our public schools. We want to encourage members to review their Employee Assistance Program (EAP) and to set aside time for essential self-care. An overview of your SPPS healthcare benefits is available online at [www.spps.org/domain/10732](http://www.spps.org/domain/10732). You can also contact the SPPS Benefits team at [benefits@spps.org](mailto:benefits@spps.org).

**Your SPPS Employee Assistance Program (EAP)** - The EAP, which is offered by SPPS through Sand Creek, provides a wide variety of services and resources to SPPS employees. More information about the program is listed on the SPPS Benefits website at [www.spps.org/Page/3484](http://www.spps.org/Page/3484). Contact the EAP for assistance with nearly any issue –counseling, estate planning, real estate, adoption, family issues, etc. Their website is a wonderful resource. (Please note that these programs are not affiliated with SPTRFA.)

**Self-Care** - Self-Care is an important skill, both personally and professionally. Tending to holistic self-care in body, mind, and spirit is as relevant and essential as any other skill set that you train for in life and work. Please don't wait until the weekend, day off, or vacation that you may never take. Simple self-care strategies can be woven into your day to ease the toll that constant exertion and engagement take on your body, mind, and spirit. The following are examples of self-care actions you can take during your work day to restore energy, renew focus, or relieve stress.

Break for water	Smile	Prayer
Take 3 relaxation breaths	Visit with a colleague	Remember your why
Eat a healthy snack	Change your posture	Take a break with music on
Take a walk from work	Gentle Stretching	Look at a picture you enjoy
Dance	Recall 3 blessings	Tidy your work space
Make your seating comfortable	Add beauty to work space	Positive Affirmations

**Self-Care Permission @ Work**

To Me Self-Care Activity \_\_\_\_\_

From Myself Expires When it becomes a habit

**SELF-CARE IS NEVER A SELFISH ACT**

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## Connect with Us



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*Serving the retirement needs of St. Paul teachers since 1909.*

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## BOARD DIRECTORY

The Board of Trustees administers SPTRFA. The board consists of ten members, composed of nine elected trustees and one ex-officio member from the St. Paul Public Schools School Board.

Board members are elected at the Annual Meeting of the Members. Each Board member serves a term of three years.

**Mike McCollor, President**

**Lori Borgeson, Vice-President**

**Matthew Bogenschultz, Secretary**

**Michael McKay, Treasurer**

**Zuki Ellis, Ex-Officio**

**Thomas Koreltz, Trustee**

**John R. Kunz, Jr., Trustee**

**Karen A. Odegard, Trustee**

**Stephanie J. Pignato, Trustee**

**Margaret Schiller, Trustee**

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**SPTRFA News is published by the St. Paul Teachers' Retirement Fund Association (SPTRFA).**

Its purpose is to provide relevant and accurate information to SPTRFA members about their retirement system and related topics.