



# The Retiree's Resource

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

## Taxation and Your LAGERS Benefit

It's that time of year again! As tax season rolls around, there are a couple of important items to keep in mind about the taxation of your LAGERS benefit. Your benefit is subject to all applicable state and federal taxes. While many retirees choose to have taxes withheld from their monthly benefit throughout the year, it is important to keep in mind that regardless of your withholding, you are still responsible for any tax liability you may have at the end of the year.



**All retirees will receive a 1099-R which will be mailed by January 31. This means that retirees can expect to receive their 1099-Rs by early February.**

If you are concerned that you did not receive your 1099-R, please contact the LAGERS office, keeping in mind the January 31st mailing deadline. 1099-Rs will also be available for download from your myLAGERS account online prior the January mailing deadline.

Your 1099-R will contain important information regarding your 2014 LAGERS benefit including your gross benefit received in 2014, the taxable amount of the benefit, and any State and Federal income tax withheld from the benefit. *Please note that if you took a Partial Lump Sum distribution in 2014, you will receive a separate 1099-R for that payment.*

**Notable for 2015:** As of February 1, new 2015 tax tables will be applied to your benefit if you have elected to use the tables to determine your withholding. For some, this may cause a change in the net benefit. All affected retirees will receive a paystub in the mail for their February benefit detailing your updated withholdings. You may adjust your withholdings at any time.

If you participate in the public safety healthcare deduction program, the deduction will appear on your December check stub, not your 1099-R.

# Retiree Update: How's LAGERS Doing?

The LAGERS system continues to push towards the front of the class with strong investment and prefunding performance during this last fiscal year ending June 30. LAGERS is pleased to report that its one year return ending June 30 is 19.04% net of all fees.

Strong investment returns are always good news for members, employers, and taxpayers alike. LAGERS credits excess investment gains back to the employers, meaning that in many cases, an employer will be paying less next year for the same level of benefits they are currently providing. In fact, 7 out of 10 LAGERS rates will be decreasing in fiscal year 2015.

This is in part not just due to this past year's outstanding returns, but a longer track record of strong investment performance; LAGERS' 20 year return is 9.43%.

With another year of gains on the books, LAGERS also

continues to see its pre-funding level rise to 91.7% on an actuarial value of assets; well above the national average of 72% for other US public pension plans. Pre-funding is an important component of member benefits because it insures that the benefits LAGERS members are earning today will be paid for by the time those members are ready to retire and begin drawing a benefit. LAGERS expects the prefunding level to continue to trend toward and reach 100% over the next few years.

LAGERS not only continues to focus on providing the most financially sound system possible, but also continues to strive to provide the highest quality of education and customer service for our members and employers. In the past year, LAGERS has enhanced learning opportunities to include a new website with online learning tools and new webinar series, new reader-friendly member and retiree handbooks (available online), an expanded regional pre-retirement seminar schedule, and many new ways to connect with LAGERS staff including social media and LAGERS blog. If you have not visited our website recently, make sure to check out some of these new resources available to you!

## LAGERS New Board Members

Two board vacancies were up for election at this year's Annual meeting. Barry McCullough was elected as an Employer Trustee from the City of Gladstone, and Joan Jadali from the City of Webster Groves was elected as a Member Trustee. Both trustees will begin serving their first term on the LAGERS Board in January.

Mr. McCullough and Ms. Jadali will be filling vacancies left by Paul Thomson and Barry Hovis, respectively. Thomson, an Employer Trustee, and Hovis, a Member Trustee, have both been serving on the LAGERS board since 2011. Their terms expire at the end of the year.

### LAGERS Update: At a Glance

#### Investment Return:

1 Year:	19.04 %
20 Year:	9.43 %

#### Funding Level:

2013:	86.5 %
2014:	91.7 %

#### Retiree Data:

2014 New Retirees:	1,429
Total Retirees	17,815
Avg. Annual Benefit:	\$10,788

***LAGERS is pleased to report a one-year return ending June 30 of 19.04%, net of fees.***

### Stay Connected!



(800) 447-4334



info@molagers.org



www.molagers.org



# LAGERS Retiree, Robert Surber, Jr.

## Enjoying a comfortable retirement...

I started to work for the City of Harrisonville, July 16, 1974. I was 23 years old. The salary wasn't great, but the job had benefits. At age 23, I couldn't even picture retiring, but I was contributing 4% of my salary to my retirement. In July, 2010, I retired.

I am so thankful for the LAGERS Retirement System as I was able to retire at age 60. My parents passed away in 2010 and my wife and I bought one of their tractors. We restored it mechanically and cosmetically and are members of two antique tractor clubs. We love to travel to shows and attend parades in the area. The highlight is being in the American Royal Parade each year and our yearly tractor cruise to raise money for the Dream Factory.

We are members of the First Christian Church Disciples of Christ Harrisonville, where I serve as Christian Men's Fellowship Chairman. My LAGERS benefit allows my wife and I to live comfortably and enjoy our tractor hobby. We are very blessed and we are very thankful!

**We would love to hear your story! Please send your story to [info@molagers.org](mailto:info@molagers.org).**

*By sending us an email, you are authorizing LAGERS staff to publish this information on both printed and web publications.*



Introducing:

## Retiree Link Meetings

Are you looking for an opportunity to re-connect with some past co-workers or create new connections with other LAGERS retirees? You will have the opportunity at LAGERS' Retiree Link meetings. You are invited to attend your region's LAGERS Link meeting which will include retirement related presentations, updates on your LAGERS system, and opportunities to connect with other LAGERS retirees.

### 2015 Dates:

May 14 - Independence

July 30 - Kirksville

June 11 - Cape Girardeau

August 13 - Springfield

June 25 - Maryland Heights

September 10 - Jefferson City

July 23 - St. Joseph

### Registration:

Registration will open in early 2015.

Website: [www.molagers.org/events.html](http://www.molagers.org/events.html)





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701 West Main St., PO Box 1665, Jefferson City, MO 65102

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## **Inside this Issue:**

Taxation and Your LAGERS Benefit

System Update: How is LAGERS Doing?

LAGERS Retiree, Robert Surber Shares His Retirement Story

LAGERS Retiree Link Meetings

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