



The Retiree's Resource

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

2016 Retiree Link Meetings

Mark your calendars and call your friends, the 2016 dates for LAGERS' Retiree Link Meetings are here!! Join the LAGERS staff in our second year of connecting with LAGERS retirees.

In case you missed it, Retiree Link meetings are an opportunity for LAGERS retirees to reconnect with former peers, hear updates from LAGERS staff about the system, and to engage with other educational programming regarding your retirement over coffee and a light breakfast, provided by LAGERS. These events are free of charge and are open to all LAGERS retirees.

Our 2016 meetings will feature system updates, a presentation from Missouri CLAIM on your Medicare benefits, and plenty of time for questions with LAGERS staff! Below are the dates for the 2016 Retiree Link Meetings. Retirees who attended last year are still encouraged to attend again! You may view the complete agenda and register for a Link meeting on our website or by phone.

Dates and Locations

All events will take place from 9am - 11am

Wednesday, June 22
Hannibal

Wednesday, August 24
Cape Girardeau

Wednesday, April 27
Jefferson City

Wednesday, July 20
St. Joseph

Thursday, September 8
Independence

Thursday, May 26
Maryland Heights

Thursday, August 11
Springfield

System Updates

As of June 30, 2015

94.4% PreFunded, *on an actuarial basis*

100% PreFunded, *on a market basis*

1 Year Investment Return: 2.2%

10 Year Investment Return: 7.7%

20 Year Investment Return: 8.7%

LAGERS IS
GETTING IT RIGHT
FOR OUR
MEMBERS!



LAGERS Bloggers: Taxation of Your LAGERS Benefit



by Jeff Pabst

Communications Specialist

As we flip our calendars to 2016, we're all thinking about what lies ahead, New Year's resolutions, and much more. One thing we may not be thinking about is taxes. For one reason or another, we sometimes forget about taxes until April. You may be thinking, "I'm retired and my taxes won't be a big deal, so, I won't worry about it until April." Don't just count on your taxes being lower without some tax planning with a qualified tax professional or CPA. Let's discuss the taxation of your LAGERS benefit and how it may affect your taxable income.

Is my benefit subject to Federal income tax?

Yes. However, if you were required to contribute 4% of your compensation while employed, those contributions have already been taxed. Once you begin receiving a monthly benefit, a portion of the benefit will not be taxable.

If you retired as a public safety officer, you may also be eligible to take advantage of the Health Care Enhancement for Local Public Safety Officer deduction, which allows eligible retirees to have health and/or long-term care premiums directly deducted from their pension benefit. Up to \$3,000 of those deducted premiums can be excluded from federal taxable income. Visit our website to learn more!

Is my benefit subject to Missouri state income tax?

Depending on your adjusted gross income, your public pension benefit may be up to 100% exempt from Missouri state income tax. To learn more visit www.dor.mo.gov or contact a qualified tax professional.

Will LAGERS withhold taxes from my monthly benefit?

Yes. If you choose, LAGERS will withhold federal and / or state of Missouri income taxes. You can have LAGERS withhold a specified dollar amount, apply the tax tables based on the income you are receiving from LAGERS, or apply the tax tables with an additional dollar amount

withheld. Keep in mind that if you choose to apply the tax tables, the withholding amount will be based on your LAGERS income only and may not completely cover your tax liability if you have other sources of taxable income. You can change your tax withholding at any time throughout retirement. Also, if you move out of Missouri, notify LAGERS to stop withholding State of Missouri income taxes.

Will LAGERS produce tax documentation I can use to file my taxes?

You will receive a 1099-R from LAGERS in early February of each year. The 1099-R illustrates the taxable income that you received from LAGERS, the amount of taxes withheld from your benefit, and much more. You also can access these documents on the myLAGERS portal.

How is My Partial Lump Sum (PLUS) Taxed?

The Partial Lump Sum is subject to all applicable state and federal tax. Taxation of the PLUS depends on how you decided to take the payment.

If you received your PLUS directly, LAGERS withheld 20% for federal income tax and forwarded it to the IRS. Consult your tax professional to help determine if you will have any further tax liability on this payment.

If you rolled your PLUS into another qualified retirement account, those funds will be taxed when distributed.



A Tip from your LAGERS' Benefit Specialist: Adjusting Your Tax Withholding

Did you know that you can update your tax withholding on your LAGERS benefit at any time? Here are a few tips from LAGERS Benefit Specialist, Danielle Wilbers, on how to change your individual withholding:

- When you submit a withholding change, it will replace all previous withholding designations.
- LAGERS will only withhold federal income and Missouri state income taxes, we cannot withhold for other state taxes. If you are having Missouri taxes withheld, and are planning on moving out of state, be sure to update your withholdings!
- You can update your tax withholding at any time and may do so either on your myLAGERS account or by paper form (you may download this form from our website or call to request a copy).
- When changing your withholding, only one of these three methods of withholding can be selected:
 - No withholding, or
 - Fixed dollar withholding, or
 - Withholding based on Marital status and the tax tables (with or without an additional fixed dollar amount)
- If you are updating your withholding with a paper form, be sure to remember to sign the form before submitting to the LAGERS office!



Danielle Wilbers, LAGERS
Benefit Specialist

What is the Missouri Public Pension Exemption?

The Missouri Public Pension Exemption is a special tax exemption in the state of Missouri available to recipients of a public pension, such as LAGERS.

Under this exemption, a retiree may be eligible to exempt up to 100% of his or her pension income for Missouri taxes. The exemption is limited to the maximum social security benefit of each spouse and in order to be eligible, your adjusted gross income must not exceed the following limits:

Married, filing jointly - \$100,000
Married, filing separately - \$85,000
Single Head of Household - \$85,000

If your federal adjusted gross income exceeds the limit, you may qualify for a partial exemption. Talk to your tax professional about how the Missouri Public Pension Exemption may benefit you!

Questions? Here's who to Call:

Internal Revenue Service (IRS)
Phone: (800) 829-1040
Jefferson City office: (573) 469-0050
Website: www.irs.gov

Missouri Department of Revenue
Phone: (573) 751-3505
Website: www.dor.mo.gov/personal
Individual Income Tax queries:
income@dor.mo.gov

**LAGERS staff cannot provide tax advice. Please contact your tax professional with questions regarding your individual tax situation. It is a good idea to review your withholdings with your tax professional periodically.*



The Retiree's Resource: The Quarterly Newsletter for LAGERS Retirees

Inside this Issue:

- Retiree Link Meetings
- System Updates
- Taxation of Your LAGERS Retirement Benefit
- Adjusting Your Tax Withholding
- Missouri's Public Pension Exemption



myLAGERS

Prefer an e-mail newsletter?
Visit [myLAGERS](#) to opt out of paper newsletters!

Mark Your Calendars! Important Dates for 2016:

First Quarter Direct Deposit Schedule:

January 4th
February 1st
March 1st

1099-R Mail Date:

No later than January 30th

Don't want to wait on the mail?
Your 1099-R will be available on myLAGERS for instant download by January 30th.

Retiree Link Meetings Begin:

April 27th in Jefferson City - Check out our website for a complete list of dates, locations, and registration information.

Missouri Legislative Session Begins

January 6th- LAGERS will be sponsoring two pieces of legislation this session. For updates, visit www.molagers.org/pending-legislation.html