



The Retiree's Resource

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

The Security of Your LAGERS Benefit

There is no doubt you have heard about the looming financial insolvency of a certain large private pension fund that is threatening to dramatically reduce benefits for retirees and active workers. As a retiree receiving a monthly pension yourself, these media stories maybe have left you wondering if this could happen to your LAGERS benefit.

First and foremost, any decisions made on the federal level regarding private pension plans likely would not apply to public sector pension plans, like LAGERS. Fortunately for LAGERS members, the control of LAGERS remains with the State of Missouri, and member benefits are governed by the state statutes under which they were created. There are currently no proposals to make any changes to current or future benefits or to LAGERS structure before the Missouri General Assembly.

Regardless of whether or not the current national debate will impact LAGERS benefits, the natural follow up question is, how secure is my benefit in the future? While there always remains the possibility that changes at the federal level could set a precedent that eventually trickles down through state legislation, here are a few important thoughts to keep in mind about LAGERS.

LAGERS benefits are statutorily and constitutionally protected in Missouri.

LAGERS benefit guarantees can be found both within LAGERS governing statutes as well as Missouri's constitution, providing multiple levels of protections to your accrued benefit. Any changes in benefits or plan design would require a change in the law, initiated by Missouri's general assembly. Currently, those changes made by an employer or through a change in Missouri's statute, could only impact an active member's future benefits and would not change a retiree's monthly benefit amount.

LAGERS is an extremely well-funded plan.

If you read about what is going on at a national level, the plans targeted are those few which are nearing financial insolvency, most likely due to that fact that the fund has not consistently been receiving their required contributions. LAGERS has extremely sound plan design and all of our participating employers across the state, including your former employer, are required by law make their full required contributions each and every month.

The results of great plan design is ultimately stable funding and benefit security not just today, but tomorrow, 50 years from now, and beyond. When employers make their full contribution each month, benefits can be pre-funded. This means that when a LAGERS member is ready to retire, 100% of the benefit that they will receive for the rest of their life has already been paid for and set aside in a trust that can be used solely for the purpose of paying retirement benefits. How's that for security?

LAGERS staff monitors all pension issues, both state and federal level; public and private.

LAGERS staff takes the security of our members' benefits and future benefits very seriously. People who work hard their entire life should be able to retire with a little security, a little dignity, and plenty of peace of mind that their benefit will always be there for them. Our staff constantly monitors these debates and works tirelessly to ensure that we are educating our legislators on the pension issues that matter to you.

Legislative Session in Review

Although legally and fiscally separate from the State of Missouri, the LAGERS system is a creature of statute. This means that anytime there is a desire to make a change to the plan's structure, it must be done through a change in the law. Over LAGERS' nearly 50 year history, the LAGERS staff, at the direction of the Board of Trustees, has pursued a handful of legislative initiatives which have molded the system into what it is today. For the past three years, LAGERS has been working on two primary legislative goals: Local Plan Administration and Updating of the Public Safety Officer Definition.

The desire for the Local Plans Administration bill arose years ago from employer requests. Many of these local employers operate closed pension plans that they no longer wish to administer. LAGERS, being a solution to help relieve the administrative and financial burden of closing these old plans over the lifetime of the plan's participants and beneficiaries, worked with interested parties, the legislative advisory committee and Board of Trustees to draft and file a bill that would help these local subdivisions transfer the administration of their closed plans into LAGERS without any adverse impact to the LAGERS system. In its first year filed, the bill made it all the way to the governor's desk with no opposing testimony. But, in a twist at the end, the governor vetoed the bill after a group voiced concerns to his office about plan participants not having enough say in the transfer.

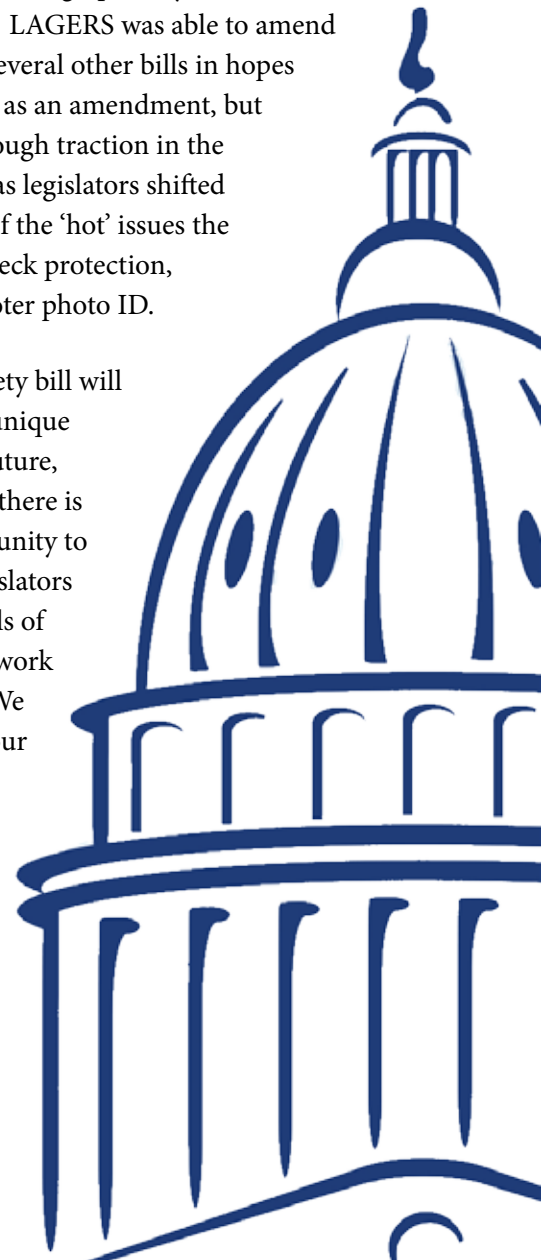
LAGERS sought to address these concerns the following session and filed slightly modified language emphasizing the voluntary nature of the bill. And while again, the bill moved quickly, the 2015 legislative session, wrought with scandal, PQs, and Right to Work, proved a nearly impossible path for even the best of good-governance bills.

In 2016, LAGERS retooled our legislative strategy with a focus on getting our membership and other interested parties more involved. LAGERS filed our Local Plans Administration bill early in both the House and Senate with the hopes that it could be passed prior to the final days of session. While the Senate version seemed to fly through early on, it slowed in the House and became bogged down with amendments. Its companion bill in the House, which was slower moving, eventually made it to the Senate with no amendments. As other interests saw this bill as an uncontested good-governance vehicle, proposed amendments again quickly came to the table.

Thanks to the hard work of our legislators and efforts of many LAGERS members, House Bill 1443 was kept clean as it passed the Senate early in the final week of session. This bill now awaits the governor's signature to be signed into law!

LAGERS' second legislative item has proven to be a more arduous journey. The Updating of the Definition of Public Safety Officer bill would give member employers the option to update their definition of 'police officer' or 'firefighter'. When filed in years past, challenges quickly arose as legislators view this bill as a 'benefit enhancement' for certain groups of employees. Although this year's bill was whittled down to include only EMS and jailors, and while this legislation was not met with any major dissent, there still remains a tenor that this is a benefit enhancement. Like other bills that were viewed similarly, none received high priority from Senate or House leadership. LAGERS was able to amend this language on to several other bills in hopes of passing it through as an amendment, but none ever gained enough traction in the final days of session as legislators shifted their focus to some of the 'hot' issues the year including paycheck protection, ethics reform, and voter photo ID.

While the Public Safety bill will continue to present unique challenges into the future, LAGERS recognizes there is also a unique opportunity to help educate our legislators on the value and skills of the individuals who work in these capacities. We can't do it without your help, and are excited to continue to work more closely with our membership on these and future issues.



Retiree Story: John Hemeyer



As a Cole County employee for over 32 years prior to retirement, I know that without LAGERS, our retirement years would be far different than they are today. The efforts to include county employees in the LAGERS system were hard-fought and involved efforts from not only state legislators, but numerous county and state folks as well. During most of our working lives, county employees were among the lowest paid government workers. Knowing that at the end, there would be a monthly retirement check was truly crucial to remaining at Cole County rather than seeking employment elsewhere.

The cost of medication has soared in the past ten years. Many younger people don't realize that as we age, healthcare is the first bill to be paid. Our LAGERS benefit has enabled my wife and I to enjoy retirement with the knowledge that our medications will be paid for.

All the rest of a person's retirement plans are dependent upon the ability to remain healthy.

Would you like to share what you are doing with your retirement and how you LAGERS benefit helps you accomplish it? Send us an email: info@molagers.org

Board Update - Claire Scoville

Governor Jay Nixon has appointed Claire (West) Scoville as the citizen trustee of the board of trustees for the Missouri Local Government Employees Retirement System (LAGERS).

Ms. Scoville brings extensive public pension and policy experience to LAGERS board. Before retiring in 2011, Scoville operated her own consulting firm where she represented public pension systems, political subdivisions and other clients before the Missouri Legislature. Prior to this, Scoville worked for the Joint Committee on Public Employee Retirement from 1984 – 2006 and began serving as Executive Director in 1993. Her primary duties were to provide analysis and recommendations to the Legislature and to Missouri's public retirement plans concerning the long-term fiscal and actuarial impact of state legislation and local ordinances.

In addition, Scoville has served on many public pension related boards including the Jackson County Employees Pension Plan, Jefferson City Firefighters Retirement Fund, City of St. Louis Pension Task Force, State Retirement Advisory Commission, and the Missouri Association of Public Employee Retirement Systems. She also previously served as the citizen trustee on the LAGERS board from 2001-2004. She received the Public Pension Lifetime Achievement Award from the Missouri Association of Public Employee Retirement Systems in 2007.



Ms. Scoville's term begins immediately and will end December 31, 2020. She replaces John R. Franklin, whose term expired.

Attend a Retiree Link Meeting in Your Area!

Remaining Schedule

July 20: St. Joseph

August 11: Springfield

August 24: Cape Girardeau

September 8: Independence

Visit www.molagers.org/events.html or call

1-800-447-4334, ext. 6388 for more information!

Applying for a Loan?

LAGERS retirees sometimes need proof of the income from their pension benefit. Did you know you can print income verification letters from your myLAGERS account? Retirees can log on to their myLAGERS account 24/7 and print a letter on demand.

myLAGERS





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

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

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Poverty rates are **nine times higher** among households lacking **pension income**, according to the U.S. Census Bureau.



GETTING IT RIGHT!