



# The Member's Resource

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM



## 2016 Legislative Update

The 2016 legislative session is underway with LAGERS pursuing two pieces of legislation.

### *Public Safety Definition Bill*

LAGERS is also pursuing a change in its statutes so that participating employers of the system have the option to update their definition of “police officer” and/or “fire fighter.” Currently LAGERS-covered police officers and fire fighters may retire with full benefits at age 55. All other LAGERS members may retire with full benefits at age 60.

Under the proposed legislation, a participating LAGERS employer may elect to cover emergency medical service (EMS) personnel as “fire fighters” and/or elect to cover jailers as “police officers.” The cost for adopting this option would be paid solely by an increase in the monthly contributions of the local government entity.

Emergency dispatchers were originally included in the proposed language of the bill introduced by LAGERS, but were removed during the legislative process.

### *Local Plan Administration Bill*

First, LAGERS will be seeking to amend its governing statutes so that participating employers of the system who are currently also administering a frozen pension plan have the option to **voluntarily** transfer that administration to LAGERS.

This bill will provide an alternative solution for the administration of an employer’s frozen pension plan, allow employers to reduce administrative costs by taking advantage of LAGERS’ expertise and economies of scale, and enable employers who wish to do so, to get out of the pension administration business while continuing to pay accrued benefits to retirees under the frozen plan in accordance with the plan’s original governing documents.

### Want to help support this legislation?

*LAGERS Contact:* Bob Wilson  
1(800) 447-4334

*Find your local legislator at:*  
[www.senate.mo.gov](http://www.senate.mo.gov)  
[www.house.mo.gov](http://www.house.mo.gov)

# LAGERS Bloggers: Member Annual Statements

## What a Great Retirement Planning Tool

By: Jeff Kempker

**The** main purpose of a pension plan like LAGERS is to provide a steady stream of income during your years in retirement. Knowing what your LAGERS benefit will be, even if it's not a lot, can help tremendously when you are trying to solve the retirement puzzle.

LAGERS members receive an annual statement, distributed by their employers, that shows information that is vital to retirement planning. Want to know what your benefit will be if you quit today? It's there. How about if you continue to work until your normal retirement age? That's there too.

Your LAGERS benefit provides a monthly guaranteed base that is one slice of the overall retirement income pie. Combined with Social Security, personal savings and investments, your LAGERS benefit helps you achieve financial independence when you decide to stop working.

We believe the annual statements are a great way to assist in your financial planning, but LAGERS has something that's even better: myLAGERS. The annual statements show what you have earned to date and what you could potentially earn if you keep working. But what if you want to retire early or work longer? What about choosing a payout option that provides for a spouse or someone else? With myLAGERS access, you can create customized benefit estimates, showing all available payout options, with just a few clicks!

That's why starting in 2016, LAGERS members that have a myLAGERS online account will only receive an electronic annual statement by accessing their online profile. We believe myLAGERS is the best retirement planning tool we offer and this change will promote improved retirement readiness of our membership and save a few trees at the same time.

In the meantime, we have compiled some frequently asked questions to help in reviewing your annual statement.

### “What You've Earned as of 12-31-2015” Section

- Your statement is as of 12-31-2015. Any changes to your account since then will not be reflected on this year's statement.
- Benefit amount does not include any temporary benefit (for LT programs) if you are not yet age eligible to retire.
- The Final Average Salary used is your current last 36/60 month average of wages.
- If you are not yet vested, your statement will only include projected benefit amounts.

### “What You Could Earn if Your Keep Working” Section

- Service is extended to your normal (or Rule of 80) retirement age.
- If you are already retirement age, you will not see this section.
- The “projected benefit” on your Statement is not the same as a Benefit Estimate. Benefit estimates include much greater detail regarding all of your payout options and are based on a retirement date specified by you. Try the benefit estimator on myLAGERS to get more in-depth with your planning.

### Your LAGERS Account Balance

- This amount does not represent your benefit amount.
- Includes your member contributions (if any) from all employers, service purchases, and interest earnings.
- You will see “\$0.00” if you have not made contributions to LAGERS because your employer(s) has elected to make all necessary contributions or if you previously made contributions but they were refunded to you.

Most of us will only get one shot at retirement. Utilizing the tools you have available to you will help you create the future life you deserve. And don't forget, if you have not yet set up a myLAGERS account and wish to do so, you can visit our website at [www.molagers.org](http://www.molagers.org) and click the myLAGERS link from our homepage.



Read more great blogs like this one at [lagersbloggers.org](http://lagersbloggers.org)!

# 2016 Pre-Retirement Seminar Schedule

April 6, 2016 – West Evening  
Adams Pointe Conference Ctr.  
Blue Springs, MO

April 7, 2016 – West Full-Day  
Adams Pointe Conference Ctr.  
Blue Springs, MO

April 28, 2016 – Central Full-Day  
Capitol Plaza  
Jefferson City, MO

May 12, 2016 – Northeast Full-Day  
Quality Inn  
Hannibal, MO

June 8, 2016 – Southwest Afternoon  
Hilton Garden Inn  
Joplin, MO

June 9, 2016 – Southwest Full-Day  
University Plaza  
Springfield, MO

June 29, 2016 – Southeast Afternoon  
Black River Coliseum  
Poplar Bluff, MO

June 30, 2016 – Southeast Full-Day  
Rays Plaza Banquest Center  
Cape Girardeau, MO

July 28, 2016 – Northwest Full-Day  
Rolling Hills Library  
St. Joseph, MO

August 10, 2016 – Southwest Evening  
Holiday Inn – Glenstone  
Springfield, MO

September 1, 2016 – East Full-Day  
Hilton Garden Inn  
Chesterfield, MO

September 22, 2016 West Full-Day  
Adams Pointe Conference Ctr.  
Blue Springs, MO

November 9, 2016 – Central Afternoon  
LAGERS Office  
Jefferson City, MO

December 7, 2016 – Central Evening  
LAGERS Office  
Jefferson City

## Why Should I Attend One?

If you have never been to a LAGERS Pre-Retirement seminar and you are within 5 years of retirement, you should attend one! They are a great educational opportunity that will give you some beneficial information to help you make an informed decision regarding the disbursement of your benefit.

## How Do I Register?

Registration for a LAGERS seminar can be done via LAGERS website: [www.molagers.org/events](http://www.molagers.org/events). If you would rather not register via the website, please call the LAGERS office 1-800-447-4334.

## Pension Myths:

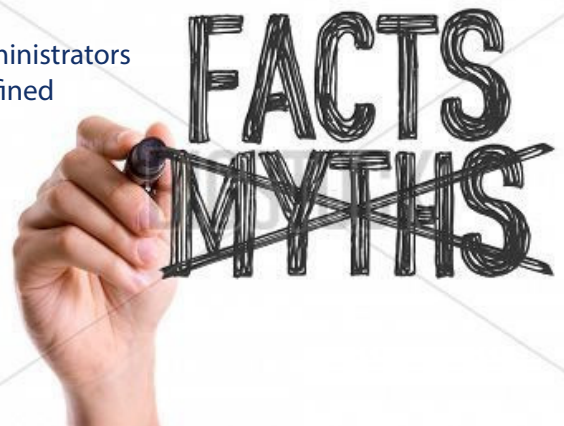
Dispelling common misconceptions about pensions like LAGERS

### Myth: Pensions Make Retirees Rich

**Truth:** The annual benefit for an average LAGERS retiree is about \$11,186. A worker that dedicates her entire career to local government service in Missouri can expect to receive a little more than \$25,000 per year from LAGERS. Dependable, steady monthly income, but hardly lucrative.

### Myth: Pensions Cost Too Much

**Truth:** A recent report from the National Association of State Retirement Administrators found that contributions made by state and local governments for defined benefit pension plans accounted for only 3.9% of total spending. The average LAGERS employer pays about 8% of an employee's pay to fund the benefits. Defined benefit plans remain the most efficient way to provide employees with a dignified exit from the workforce, keep lines of promotion open, and to attract and retain quality workers. Our communities deserve nothing less than the best services from qualified public employees.



## The Director's View

### LAGERS Director, Keith Hughes reflects on 2015 and looks to 2016

**F**requently in 2015, LAGERS was pushed to the forefront as a public pension system that was successfully meeting the needs of its members, retirees, employers and the taxpayers of Missouri. These accolades came from varied sources: the membership, elected officials, other public retirement systems and the press. For the LAGERS Board and staff, this is the outcome of a tireless pursuit of the system's mission statement: "To provide secure retirement, survivors' and disability benefits to members and beneficiaries in the most efficient and economical manner possible, while providing superior service and fulfilling its fiduciary obligations." It is this continuous fulfillment of our mission that results in LAGERS getting it right for all stakeholders.

In 2015, we saw the financial security of LAGERS continue to strengthen. For the sixth consecutive year, LAGERS Funding Progress continues to increase with a 2015 prefunded ratio of 94%. As a result of strong financial performance, nearly 7 out of 10 LAGERS employers will see reductions in their contribution rates for 2016. These results are a testament to a strong plan document that provides reasonable employee benefits, supported by a superior governance structure.

LAGERS staff makes a concerted effort to communicate face-to-face with the membership on a regular basis. In 2015, the system hosted greater than 125 meetings across the state of Missouri in the form of prospective and current employer board meetings, pre-retirement seminars, multiple webinars and employee benefit fairs educating thousands on LAGERS benefits. In addition, LAGERS has taken to Social Media as an efficient means of communicating with the membership. Utilizing the LAGERS blog, Facebook, Twitter, and YouTube, the system had greater than 110,000 views. LAGERS secure web portal, myLAGERS, provides 24/7 access to member's personal data with greater than 1 in 4 members enrolled as users.

LAGERS was named the 2015 Plan Sponsor of the Year, Public Defined Benefit category, by PLANSPONSOR Magazine. According to PLANSPONSOR Magazine, the system was chosen for this award because of its strong one-, three- and five-year investment returns of 19.0%, 12.2%, and 15.0% respectively, their innovative participant services, strong plan design features, leadership in public policy, and an overall focus on the membership. With over 3,000 different public defined benefit plans in the United States, LAGERS was extremely honored to receive this award.



Another unexpected accolade came from Amos Bridges, a watchdog reporter for the Springfield News-Leader. Amos wrote an editorial after diving into the financials of local governments participating in LAGERS, and closed the article with this HIGH complement, "My search for trouble turned up nothing but competence. So rest easy – the tax dollars and retirement funds invested with LAGERS appear to be in good hands."

The LAGERS Board and Staff are humbled by all this recognition in 2015. The previous commentary just sites a few ways that LAGERS system continues getting it right for all stakeholders.

LAGERS mission has not changed, and rest assured, providing secure retirement benefits to local governments is our sole focus. As LAGERS delivers on its mission, we are comforted in knowing that over 60,000 members and retirees will have a secure retirement. The confidence expressed by the nearly 700 local government employers will not be misplaced, as LAGERS continues to deliver on our responsibilities to our members.

A handwritten signature in black ink that reads "Keith E. Hughes". The signature is written in a cursive, slightly slanted style.



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