

RETIREE NEWSLETTER

—Missouri Local Government Employees Retirement System—

Fall 2011

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2011 Post Retirement Increase

LAGERS post retirement adjustments enable retirees to maintain their purchasing power as the cost of living changes each year. Post retirement adjustments are applied to your October allowance.

LAGERS Board of Trustees bases the post retirement adjustment on the Consumer Price Index (CPI), which is a measure of inflation. By state law, a retiree's post retirement adjustment cannot exceed 4% in a given year. A retiree is eligible to receive their first post retirement adjustment when they have been retired for 12 consecutive months including an October 1st.

Every year the LAGERS Board of Trustees determines the post retirement

adjustment subject to the CPI and the 4% cap. The board is not required to grant increases every year.

There will be a post retirement increase this year for all retirees that qualify. The amount of the retirement increase is based on the past year's CPI and will be shown on your enclosed check stub.

If you did not qualify for a post retirement increase this year because of your retirement date, LAGERS will make adjustments to your increase in the future to ensure you have 100% purchasing power with your LAGERS benefit.

There is no limit on the amount your benefit can increase because of these adjustments over your lifetime.

Want Convenience? Try Direct Deposit

Do you find yourself waiting for your LAGERS check in the mail each month? You have the option to no longer receive your paper check but instead have your monthly allowance deposited directly into your checking or savings account on the first business day of the month.

If you are currently receiving a check in the mail from LAGERS and want the security of knowing your monthly allowance will be promptly deposited into your account every month, please request a Direct Deposit Form from our office. The form can also be found on our website, www.molagers.org.



What Now? Post Retirement Psychology

OK, so you are retired. Now what?

thrive!

After the initial glee of not working wears off, many retirees can fall victim to depression, searching for meaning and fulfillment in their lives.

In examining this aspect of planning, ask yourself these questions:

1. How should I spend my time?
2. What do I really like to do?
3. What motivates me to get out of bed every morning?

So, what are you going to do when you don't HAVE to do anything?

The traditional view of retirement planning has focused solely on finances. You have heard for years that you need to replace around 85% of your pre-retirement salary to ensure you will have adequate income in your post-work life. Finances certainly are the most important aspect of retirement planning, as many workers are not even close to being on pace to have enough money to survive retirement.

These three questions may seem simple, but give them some thought. Do you even remember what you really like to do? Between your job, raising a family, and keeping up with household chores, you have had limited time for personal leisure activities. Now you do have the time —so how will you spend it?

But having adequate income does not necessarily mean you will be happy. Post retirement planning should also include a look at the psychology of this new stage in your life. You don't want to just survive, you want to

Some financial planners call the early retirement years the "second childhood without adult supervision." Don't let this stage pass by you. Seize this opportunity to enjoy the time and resources you worked hard to earn. Seek help from family, friends, or a professional if you feel depressed or anxious about retirement. This is your time, enjoy it!



Our Mission:

"To provide 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."

Survey Suggests Improving Public Pension Picture

As the issue of underfunded public pensions in the United States takes center stage at city council meetings, state budget drafting sessions, congressional hearings and public protests, a report released recently says the pension picture is getting better.

"Public pension funds are experiencing a robust recovery from the historic market downturn of 2008-2009 -- reporting strong investment returns, growing assets, and funding levels on track to meet obligations," said the National Conference of Public Employee Retirement Systems.

The group, the largest trade association for public sector pensions, surveyed state and local systems representing 7.6 million people and assets exceeding \$900 billion.

It found that over the last year, funds have achieved an average annual investment return of 13.5%.

LAGERS continues its firm footing of financial stability. The total investment return for the LAGERS portfolio for the fiscal year ending June 30, 2011 was 23.2%.