



The Member's Resource

Missouri Local Government Employees Retirement System

Coming in 2012!

LAGERS Member Web Portal

This summer you will have access to the new LAGERS member web portal. The member web portal will allow you to perform a great number of functions:

- View Past and Present Service Credit
- Generate and Save Benefit Estimate(s)
- Step-by-step Application for Retirement
- Set up Tax Withholding for Retirement
- View Annual Statement
- View / Change Personal Information
- View / Change Beneficiary Information
- View and Track Purchase of Service
- View Employee Contribution Account Balance
- Estimate Purchase of Military Service



The LAGERS member web portal will also allow retired members to access the system and perform the following functions:

- View Account Information
- View / Print 1099-R
- View / Print Income Verification Letter
- View / Update Tax Withholding Information
- View / Update Beneficiary Information

Visit the LAGERS website: www.molagers.org in the coming months to track the progress of the member web portal.



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New Member Statements

In addition to the member web portal, you will also be receiving a redesigned annual statement in the Spring of 2012. Going forward, you will receive your annual statement during the 1st quarter of each year. It is our hope that the new statements will more precisely serve your needs by being more reader friendly and streamlined. Please see the inside cover of this newsletter for an example of the new statement.

LAGERS Webinars

Also this year, LAGERS will be introducing informational webinars for members and plan administrators. Beginning sessions will include a General Overview (LAGERS 101) and ECLIPSE (LAGERS Administrative System) Quick-tip Webinars. For updates, visit the LAGERS website www.molagers.org.



New Member Statements

Missouri Local Government Employees Retirement System
Member Annual Statement as of December 31, 2011

The Member's Name and Employer

Employee, Joseph C
City of Smalltown

Personal Information

Membership Date: 01-05-2004 **Vested Status:** Vested **Total Years of Service Credit:** 8
Date of Birth: 10-04-1981

What you've earned as of 12-31-2011

Assumes you do not earn any additional service credit. You cannot begin to draw a monthly benefit and earn service from any LAGERS employer for the same month you begin to draw a benefit. For multiple accounts, add the benefits together (see back of page for details).

Employer	Dept.	If your benefit begins at:	Benefit Program	Final Average Salary	Years of Service	Monthly Retirement Benefit
City of Smalltown	General	60	L-7	\$32,000	4	\$160.00
Smalltown County	Police	55	L-1	\$32,000	4	\$106.66

What you could earn if you keep working

Your projected benefit as of the first date you are eligible to retire. Retirement eligibility dates may differ if you have service with more than one employer depending on Rule of 80 eligibility and/or general vs. public safety service. For multiple accounts, add the benefits together (see back of page for details).

Employer	Dept.	If you retire at:	Benefit Program	Final Average Salary	Years of Service	Monthly Retirement Benefit
City of Smalltown	General	60	L-7	\$32,000	30	\$1200.00
Smalltown County	Police	55	L-1	\$32,000	4	\$ 106.66

Beneficiaries

If you need to change your beneficiary information, you can find the Change of Beneficiary form at www.molagers.org.

Primary: Jane Employee
Contingent: Jose Employee

Your LAGERS Account Balance: \$6,565.34

Your contributions (if required by the employer) DO NOT affect your retirement benefit calculation. The above amount includes your contributions and interest for all of your LAGERS accounts.

Your last 10 years of Salary Reported to LAGERS

2011: \$32,000	2009: \$32,000	2007: \$32,000	2005: \$32,000	2003:
2010: \$32,000	2008: \$32,000	2006: \$32,000	2004: \$32,000	2002:

The Member's Personal Information, Hire Date, Birthday, etc.

The Member's Service Credit with past and present employers, Final Average Salary, and Estimated Monthly Benefit based on current levels of service credit and salary with all of your past and present employers.

The Member's Projected Benefit assuming the member works for their current employer until their first eligible retirement date.

The Member's Current Beneficiary(s)

The Member's "Employee Contribution" Balance

The Member's last ten years of salary

Members who have service with more than one LAGERS employer will receive **one** statement each year that combines all employers. You are strongly encouraged to request a benefit estimate from LAGERS when you are within two years of retirement. Estimates will be more complete than the annual statements because they show benefit amounts for all of the retirement payment options.

If you have any questions regarding the new member annual statement, feel free to call the LAGERS office: (800) 447-4334

LAGERS Retirement Payment Options



You will have several optional forms of payment available when you retire. Whether the payments will continue to a beneficiary beyond your lifetime depends on the payment option you choose. The payment option may not be changed after the date the allowance becomes payable.

All of LAGERS retirement benefits are calculated using the same formula:

$$\text{Benefit Factor} \times \text{Final Average Salary} \times \text{Years of Service Credit} = \text{Lifetime Monthly Benefit}$$

Life Allowance

The Life Allowance pays the greatest monthly benefit amount to the member, but only continues for the member's lifetime. Once the member passes away, there is no monthly benefit payable to a beneficiary. However, if the member has not received at least the amount they contributed to the system at the date of death, the difference between the amount contributed by the member and the amount the member received in a monthly benefit will be paid to the beneficiary of record (or estate).

Partial Lump Sum Feature (PLUS)

The PLUS allows the member to receive a partial lump sum of their retirement allowance coupled with a reduced monthly benefit. The PLUS is equal to 24 Life Allowance payments payable 90 to 150 days after retirement. The PLUS calculation will not include any temporary benefit that is payable under the 'Life and Temporary' programs. If the member elects the PLUS, it will reduce their monthly benefit by approximately 16% (adjusted for age). All payout options available from LAGERS still apply and can be chosen with or without the PLUS. The PLUS is subject to all applicable taxes if not rolled over to an eligible retirement account.

Option A

Option A provides a reduced monthly allowance (85% of the Life Allowance) for the member's lifetime. If the ages of the member and the member's spouse differ, the 85% is adjusted 3/4 of 1% for each year of age difference, either up or down. Once the member passes away, their spouse is eligible to receive a portion (75%) of the allowance the member was receiving, payable for the lifetime of the spouse.

Option B

Option B is very similar to Option A, it provides a reduced monthly allowance (90% of the Life Allowance) for the member's lifetime. If the ages of the member and the member's spouse differ, the 90% is adjusted 1/2 of 1% for each year of age difference, either up or down. Once the member passes away, their spouse is eligible to receive a portion (50%) of the allowance the member was receiving, payable for the lifetime of the spouse.

Pop-Up Provision (Options A & B)

Under Options A or B, the member cannot change their designation of their primary beneficiary after the benefit becomes effective. The member must designate a primary beneficiary (one person) before their effective date of retirement. If the primary beneficiary dies before the member after retirement, the member cannot substitute another primary beneficiary. Instead, the member's benefit will revert to the Life Allowance upon notifying LAGERS of the death of their primary beneficiary.

Option C

Option C provides for a reduced monthly allowance (95% of the Life Allowance) payable for the member's lifetime with the added provision that if the member should die before receiving 120 monthly payments, the member's primary beneficiary will receive the same monthly allowance until a total of 120 payments have been made between the member and beneficiary.

Under Options A, B, & C should the member and their primary beneficiary die and employee contributions remain, LAGERS will refund any difference between the member's contributions and the amount paid in benefits.

Missouri LAGERS
701 W. Main Street
P.O. Box 1665
Jefferson City, MO

(800) 447-4334

www.molagers.org

info@molagers.org



Winter 2012

Missouri Local Government Employees Retirement System

2012 Meeting Schedule

Visit www.molagers.org for more information and to register!

Pre-Retirement Seminar Schedule:

February 9, 2012 - Cape Girardeau, MO
March 1, 2012 - Chesterfield, MO
April 5, 2012 - Independence, MO
May 3, 2012 - Hannibal, MO
May 17, 2012 - Springfield, MO
July 19, 2012 - Jefferson City, MO
August 9, 2012 - St. Joseph, MO
August 30, 2012 - Chesterfield, MO
September 27, 2012 - Independence, MO
November 8, 2012 - Jefferson City, MO
December 6, 2012 - Maryland Heights, MO

2012 Annual Meeting:

October 25 - 26, 2012 - Springfield, MO

On-site informational meetings are available upon request of a LAGERS member employer. If an employer wishes to set up an information meeting, call: (800) 447-4334.

Public Sector Employees Prefer Defined Benefit Plans

A new study by the National Institute on Retirement Security shows that when given a choice, public sector employees overwhelmingly prefer a Defined Benefit (DB) program over a Defined Contribution (DC) account. The study analyzed seven state retirement systems that allow the employees to select either a DB or a DC plan. The selection results were overwhelming in favor of the DB (98% - 75%) versus the DC (2%-25%). The study also found that DB pensions are more cost effective than DC accounts due to higher investment returns and longevity risk pooling. If you would like some more information about the value of Defined Benefit plans, go to www.nirsonline.org.

Administrative Workshop Schedule:

February 8, 2012 - Cape Girardeau, MO
February 29, 2012 - Maryland Heights, MO
April 4, 2012 - Independence, MO
May 2, 2012 - Macon, MO
May 16, 2012 - Springfield, MO
July 18, 2012 - Jefferson City, MO
August 8, 2012 - St. Joseph, MO

Board Meeting Schedule:

February 15, 2012 - Jefferson City: LAGERS Office
April 13, 2012 - Jefferson City: LAGERS Office
June 22, 2012 - Jefferson City: LAGERS Office
September 7, 2012 - Jefferson City: LAGERS Office
October 24, 2012 - Springfield: University Plaza Hotel
December 7, 2012 - Jefferson City: LAGERS Office

LAGERS Receives Awards

LAGERS was presented with the Certificate of Achievement for Excellence in Financial Reporting for its 42nd Annual Financial Report. This award is presented by the Government Financial Officers Association of the United States and Canada to public employee retirement systems whose reports achieve the highest standards in accounting and financial reporting. **LAGERS is the only system in North America that has received this award for 33 consecutive years.**



The Pension Coordinating Council also recognized LAGERS with the 2011 Public Pensions Standards Award. This award is given to public employee pension systems that meet professional standards in plan design and administration. LAGERS has received this award consistently since 1994.