

Retiree Resource

Feature Story:

**LAGERS RETIREE
HONORED FOR HIS
TECH SKILLS**



MISSOURI LAGERS

A secure retirement for all

Contact Us

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Follow Us!



ADJUSTING YOUR TAX WITHHOLDINGS

The amount of taxes withheld from your benefit is at your direction and can be changed at any time. To adjust your current withholding, you can either complete a LAGERS Tax Withholding form and submit it to the LAGERS office OR make the update through your myLAGERS account.

POP-UP PROVISION

If you elected Option A or B and your beneficiary passed away, be sure to let us know. We may be able to enact the pop-up provision.



You can view what option you chose in your myLAGERS account.

To find out more, visit molagers.org or contact us at 1-800-447-4334.

UPDATING YOUR ADDRESS

Even though you may have changed your address with the post office, you may still need to update it with LAGERS. Before LAGERS sends you this newsletter, we run an invalid address report and will forward your newsletter to the updated postal address. However, for documents such as your 1099R, we will only send it to the address on file due to the personal nature of the document.



You can view the address we have on file by visiting your myLAGERS account. If an update needs to be made, you can do so through myLAGERS or by submitting a change of address form to our office.

2019 Cost of Living Adjustment

This October 1st, most of LAGERS' retirees or beneficiaries will receive a Cost of Living Adjustment (COLA). As you may know, these adjustments are designed to protect your benefit from inflation. Here's a few reminders about your COLA

- Payable on October 1st annually
- Based on the Consumer Price Index, a measure of inflation
- Cannot exceed 4% per year, but are cumulative year to year

LAGERS Cost of Living Adjustments are made at the discretion of LAGERS' Board of Trustees. However, the long-term financial stability of your LAGERS system has permitted the Board to grant you adjustments in the past, and retirees will again receive an increase this year!



- You will receive a paystub in October indicating your individual adjustment.

A Cumulative Adjustment

Your cost of living adjustment is a cumulative adjustment based on your specific retirement date. Therefore, not every retiree will have the same exact adjustment. However, all retirees and beneficiaries receive an adjustment that is moving their benefit toward 100% purchasing power.

Retire after October 1, 2018?

To become eligible for your first Cost of Living Adjustment, you must be retired for 12 full months, including an October 1st. This means if you retired after October 1, 2018, you will not receive an adjustment to your benefit this October. However, your Cost of Living Adjustments are cumulative, meaning you will be caught up next year.

myLAGERS

Can't wait until October to find out your new payment amount? Log on to your myLAGERS account today to see your next payment amount!

Your COLA, Not Your "Raise"



We often hear new retirees ask about what sort of annual raise they can expect on their LAGERS benefit. There is no doubt we can historically look back at the average annual cost of living adjustments to retiree benefits, but it really doesn't tell us much about what retirees can expect (or should plan for) in the future. In fact, it would be a mistake to think of your cost of living adjustment as an annual raise that you plan for each year. Your LAGERS' COLA isn't a raise because it's not designed to just put more money in your pocket from year to year. Rather, it is meant to help the benefit you retire with maintain its purchasing power over a long period of time.

Your COLA helps you maintain your current standard of living throughout retirement by ensuring that as the cost of goods and services increase, your LAGERS benefit can continue to purchase the same basket of goods, even as they continue to get more expensive. Just keep in mind, the cost of living doesn't always increase at a

steady rate (sometimes it even goes down), and these fluctuations mean that your COLA will vary from year to year. But no matter what, LAGERS retirees know that their benefit will always keep pace with inflation, enabling them to comfortably maintain their standard of living well into a twenty or thirty year retirement.



A blog post by:
Elizabeth Althoff
Legislative &
Communications
Coordinator

System Performance Update

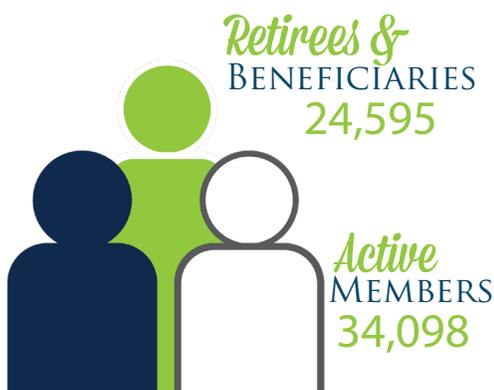
Your LAGERS system maintains consistent growth and strong financial footing. The system is currently 94.9% pre-funded. As of July 1, 2019, there were 34,098 active members and 24,595 retirees and beneficiaries. In addition, the system is now up to 780 employers throughout our state, compared to 715 at this time last year.

INVESTMENT
PORTFOLIO
RETURN **7.1%**
As of June 30, 2019

This is an approximation and is subject to audit and may be adjusted.



This year was an extraordinary year for the number of employers LAGERS added. Typically, LAGERS adds on average 15 employers per year. However, this year, because of legislation passed in 2017, the system added significantly more employers than average.



As the baby boomer generation continues to retire, LAGERS' number of retirees and beneficiaries continues to climb. Of course, this was expected. By design, your benefits are pre-funded throughout your working career so that the funds necessary to pay your lifetime monthly benefit are already in place.

2020 DIRECT DEPOSIT SCHEDULE

Thursday, January 2nd
Monday, February 3rd
Monday, March 2nd
Wednesday, April 1st
Friday, May 1st
Monday, June 1st
Wednesday, July 1st
Monday, August 3rd
Tuesday, September 1st
Thursday, October 1st
Monday, November 2nd
Tuesday, December 1st

Retiree Spotlight:

Melvin Bockelman

Melvin Bockelman was recently celebrated by the Kansas City Police Department. Last year in September, the KCPD honored 50 years of innovation of the computer system that would become the lifeblood of the department. The designer of that system 50 years ago was Mr. Bockelman. The computer system implemented in Kansas City was revolutionary at the time, and is considered one the United States' most advanced computer-based information systems.

Mr. Bockelman was the manager of the computer systems division under the leadership of Chief Clarence Kelly of KCPD. Together, these two pioneers developed the system to make Kansas City a safer place for its citizens and the officers in the field.

The system was called Alert 1, short for Automated Law Enforcement Response Team 1. A former member of the Air Force as a computer systems manager, Mr. Bockelman used his skills in this emerging field to create this "thinking machine" to perform crime rate analysis and crime record



Photo credit: *The Informant, The Kansas City Police Department*

searching at the same time. People came from all over the country to see the new computer and learn from the department about this new technology. Mr. Bockelman also traveled the world sharing the story of ALERT 1 to other departments.

After retiring, Mr. Bockelman didn't stop sharing his expertise. He went on to work for Lafayette County Courthouse, implementing a computer system for them.

Just another way LAGERS members make a difference in their communities.



Department members looked at Melvin Bockelman's scrapbooks and items about the history of computers at KCPD at a reception.

Photo credit: *The Informant, The Kansas City Police Department*

*Doing something interesting in retirement?
Would you like to share your story with us,
maybe even be featured in Retiree Resource?*

*Send your story and pictures to
info@molagers.org.*

How LAGERS Stacks up to Other Pension Plans in the U.S.

LAGERS representatives attended a recent gathering of leaders from the largest statewide public pension plans in America. One of the most popular segments during this event is the “Roll Call.” This is a time when one leader from each pension plan has a few minutes to give a quick update on their plan, share anything they are particularly proud of, or discuss any challenges they are facing. It is an opportunity to learn how your plan stacks up to other plans around the country and hear ideas about how to improve.

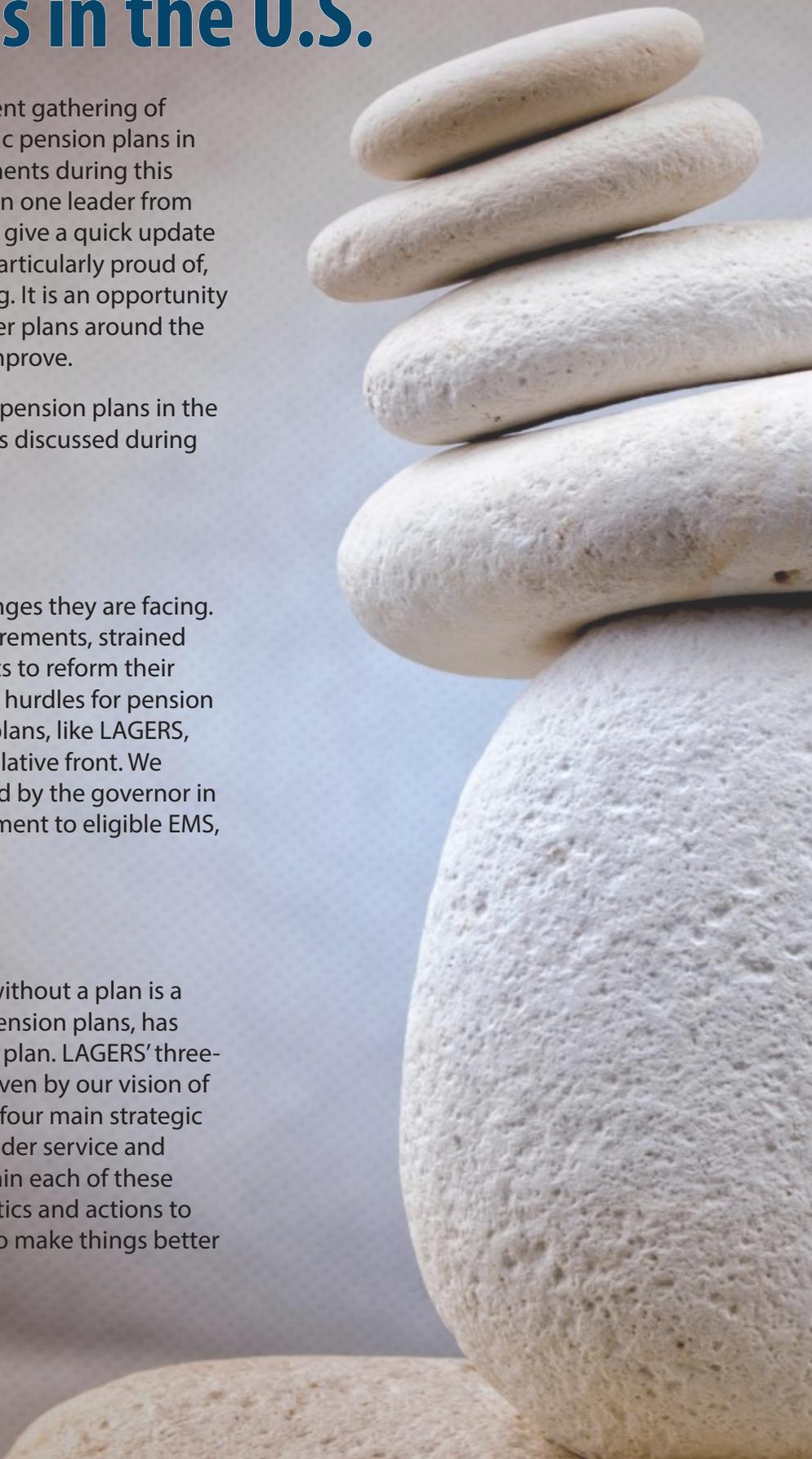
So, how does LAGERS stack up to other pension plans in the U.S? Here is a summary of the categories discussed during the roll call and how LAGERS compares.

Legislation

Many plans discussed legislative challenges they are facing. Whether it be restrictive statutory requirements, strained relations with policy makers, or attempts to reform their plans, there is no shortage of legislative hurdles for pension plans. But the news isn't all bad. Some plans, like LAGERS, had positive news to report on the legislative front. We were able to get a bill passed and signed by the governor in 2019 that extends age 55 normal retirement to eligible EMS, dispatchers and jailers.

Governance

Antoine de Saint-Exupéry said, “a goal without a plan is a wish.” LAGERS, like many other public pension plans, has recently crafted or updated its strategic plan. LAGERS' three-year plan is based on our values and driven by our vision of a secure retirement for all. The plan has four main strategic focuses: funding sustainability, stakeholder service and outreach, staffing, and technology. Within each of these components, LAGERS has identified tactics and actions to ensure we are always moving forward to make things better for you.



Technology

Technology issues for pension plans center around expanding online member services and cyber security. One of the goals in LAGERS' strategic plan is to increase the number of members using our online portal, myLAGERS, each year. Another of LAGERS' strategic focuses is cyber security. LAGERS works very hard to protect your personal information and will continue to increase our efforts as the bad guys show no signs of slowing down their efforts of stealing money and information.

Funding

LAGERS is one of the most financially stable pension plans in the country with a pre-funded percentage of 94.9%. There are only a handful of statewide pension plans with a better funding level than LAGERS and the average of all plans is 72.1%.

Model Practices

LAGERS is very proud of the growth in the number of participating employers we have experienced in the last 12 months. This is proof that defined benefit public pension plans cannot only survive, but thrive. In the last year, the number of participating employers has grown from 716 to 780. Nearly all of these new employers switched from a defined contribution plan to LAGERS' defined benefit plan.

Overall, LAGERS stacks up well to even the largest pension plans in the U.S. There are areas where LAGERS lags behind the other plans, and there are areas where LAGERS is leading the pack. Attending this gathering left us with an overwhelming reminder of the importance of the work being done by public pension administrators all over the country. The responsibility of providing secure retirements to millions of Americans is not one that is taken lightly. As LAGERS' membership continues to grow, the responsibility grows as well. But the commitment to each one of you will remain the same.



An abbreviated blog post from:
Jeff Kempker, CEBS, CRC
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MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

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Log in to your myLAGERS account and click the email option for delivery.