

*Show Me*

# SECURITY

How Missouri LAGERS is helping build strong communities by creating a secure retirement for Missourians





# WHO WE ARE & WHAT WE DO

*We believe in a secure retirement for all.*

For over 50 years, Missouri LAGERS has helped middle class workers transition into middle class retirees. Dependable monthly income is essential for people to exit the workforce with dignity, and helps them maintain their standard of living throughout retirement.

LAGERS exists to offer peace of mind to Missouri's local government workers by providing protected retirement, disability and survivor benefits. We work hard to ensure our members' hard-earned money is secure so they can concentrate on serving their communities.



We exist to provide retirement security for our 60,000 members, like Rosa Aviles, a gardener for the City of Springfield.



*Our vision drives all that we do.*

Our vision is what we hope to achieve; our mission is why we exist; and our values are beliefs we hold dear. Our vision is lofty, but it is something toward which we strive everyday.

LAGERS exists solely for the benefit of our members and the people who are dependent upon them. We take our responsibility seriously and strive to ensure the people who keep our communities going can depend on us. The security, flexibility, and portability of our benefits make LAGERS the preferred retirement plan for Missouri's local governments.

We believe in the three legged stool approach to retirement security where the legs of the stool represent income from a pension, Social Security, and personal savings. As long as the stool has three legs it will be strong enough to support the person sitting on it. Take one of those legs away, and the stool becomes much less stable. LAGERS offers modest benefits that are designed to be combined with other sources of retirement income. This is the best way to achieve retirement security for all.

Our benefits are based on an employee's length of service and salary to create monthly retirement income that is a direct reflection of the employee's career.



**LAGERS BELIEVES IN A SECURE RETIREMENT FOR ALL.**



The Lake Ozark Fire Protection District switched from a 401(k)-style retirement plan to LAGERS secure defined benefit pension in 2016. Pictured left to right: Russ Stewart, Jacob Spencer & Josh Schnable





## SECURITY

Our members' assets are managed by professionals who have the fiduciary responsibility to make decisions based upon the best interest of the membership and their beneficiaries.

Employers who choose to affiliate with LAGERS are required by Missouri State Law to make their full contributions each and every month to ensure their workers' benefits are properly funded.



## FLEXIBILITY

LAGERS benefits are chosen at the local level so that our participating employers can match their benefit choices to their goals.

LAGERS employers are allowed to change benefits periodically, either up or down, to fit the needs of their workforce and budgets.



## PORTABILITY

While one of the reasons to provide LAGERS is to retain good employees, if an employee does decide to leave, LAGERS benefits are portable between 715 (and growing) participating local government employers.

LAGERS vesting period is shorter than some other pension plans at only 5 years of service. We believe this to be an extremely valuable recruitment tool for employers and employees.

A lump sum payout is available to vested employees who leave employment and meet certain conditions. This lump sum can be rolled over into any other eligible retirement account.

# theSTATS

93% of public sector workers participating in more than one retirement plan contribute money to their secondary plan.<sup>1</sup>

Most Americans believe public pension benefit levels are about right.<sup>2</sup>

Average LAGERS monthly benefit = \$995

Average LAGERS monthly benefit for retiree with 26-30 years of public service = \$2,493

1. TIAA Institute, Center for State & Local Government Excellence. <http://slge.org/wp-content/uploads/2016/12/2016-Retirement-Confidence-Survey-of-the-State-and-Local-Government-Workforce.pdf>

2. National Institute on Retirement Security. [http://www.nirsonline.org/storage/nirs/documents/2017%20Conference/2017\\_opinion\\_nirs\\_final\\_web.pdf](http://www.nirsonline.org/storage/nirs/documents/2017%20Conference/2017_opinion_nirs_final_web.pdf)



# VALUE OF PUBLIC SERVICE TO THE COMMUNITY

We all want to live in communities that are safe, stable and vibrant. This means we need to create towns with solid infrastructure, responsive public safety, great schools, good parks, and successful businesses. Much of the work to produce such an environment is the responsibility of local government workers.

Dedicated, well-trained and experienced local government workers make our communities stronger and safer.



Rolla Municipal Utilities worker Carl Heimbaugh, Tree Trimming Foreman, clears brush after cutting limbs from power lines.





## theSTATS

LAGERS employer contributions account for only about 2.83% of the total budget for Missouri's local governments.

52% of local government workers have an advanced degree (32% in the private sector).<sup>1</sup>

44% of public sector workers plan to stay with their employer until retirement. For ages 25-34, 40% plan to stay until retirement.<sup>1</sup>

1. TIAA Institute, Center for State & Local Government Excellence. <http://slge.org/wp-content/uploads/2016/12/2016-Retirement-Confidence-Survey-of-the-State-and-Local-Government-Workforce.pdf>



# theSTATS

72% of Americans are willing to sacrifice pay for guaranteed retirement income.<sup>1</sup>

92% of Americans say pensions help recruit and retain qualified employees.<sup>1</sup>

85% of Americans say all workers should have a pension to be self-reliant.<sup>1</sup>

67% of state & local government workers rated retirement benefits as extremely important (#2 behind health insurance, 68%).<sup>2</sup>

1. National Institute on Retirement Security. [http://www.nirsonline.org/storage/nirs/documents/2017%20Conference/2017\\_opinion\\_nirs\\_final\\_web.pdf](http://www.nirsonline.org/storage/nirs/documents/2017%20Conference/2017_opinion_nirs_final_web.pdf)

2. TIAA Institute, Center for State & Local Government Excellence. <http://slge.org/wp-content/uploads/2016/12/2016-Retirement-Confidence-Survey-of-the-State-and-Local-Government-Workforce.pdf>

The purpose of a retirement plan should be to attract high quality workers, retain those workers during their most productive years, and then allow those workers the means to exit the workforce with dignity. This creates steady and predictable movement within the workforce so employers can make better personnel decisions and employees are motivated by opportunities for advancement.

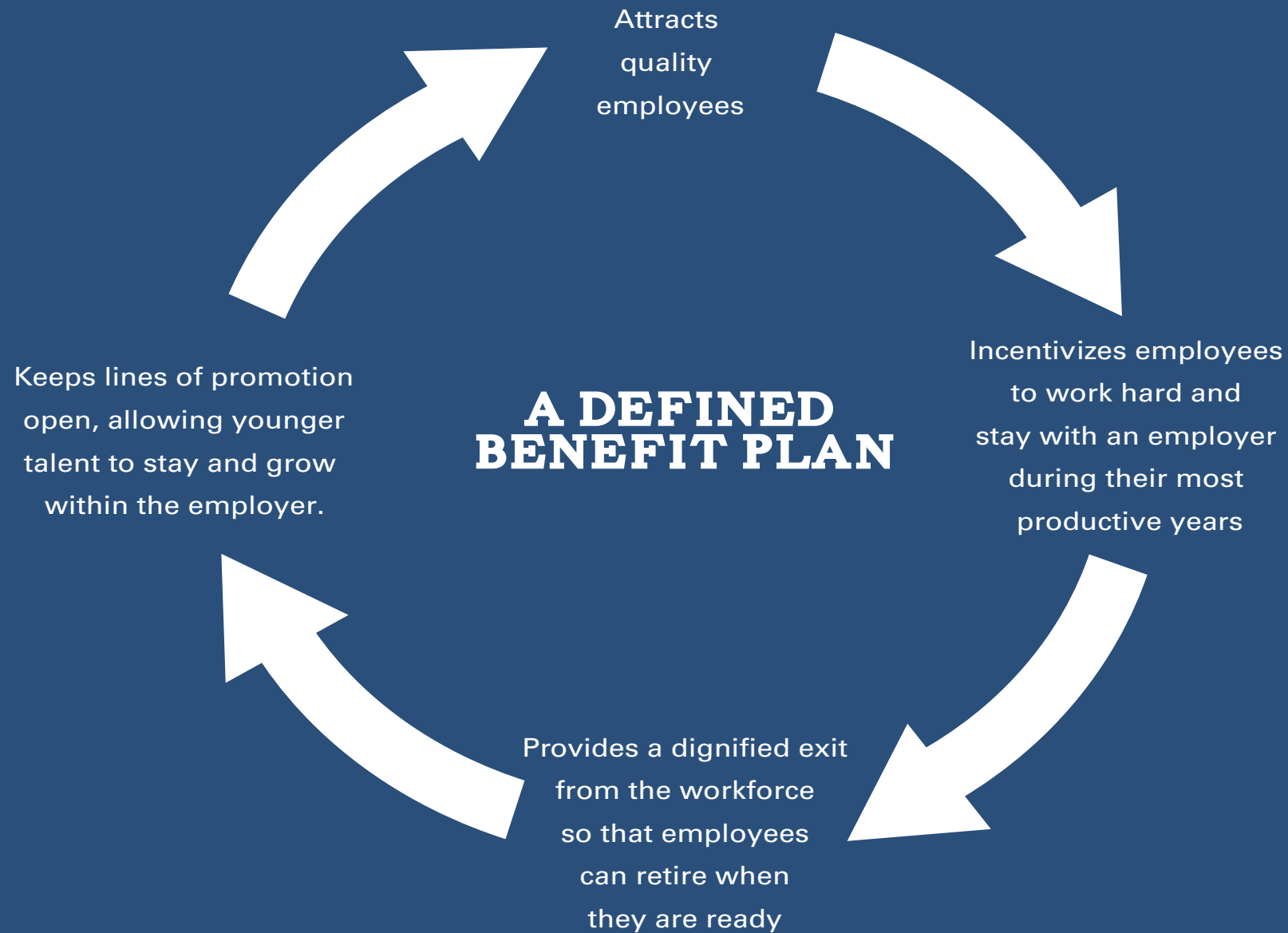


Captain Doug Shoemaker  
City of Jefferson Police



# THE PURPOSE OF A RETIREMENT PLAN

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The City of Webster Groves, MO switched from a 401(k)-style retirement plan (called a defined contribution plan) to LAGERS' defined benefit plan in 2013 after the city's senior staff recognized the employees' retirement prospects could be better.

"We knew the investment risk that the employees individually have with a defined contribution plan they wouldn't have with a defined benefit plan like LAGERS," Joan Jadali, Webster Groves former Assistant City Administrator, said.

One of the issues with defined contribution plans is that individuals have to invest on their own. This can be a problem because most working people lack knowledge of managing an investment portfolio.

"Prior to getting into the LAGERS program, when we had our defined contribution plan, there were a lot of us that didn't really understand how all of that worked. But we did understand what a defined benefit plan was," said Ron Pauley, Police Sergeant for Webster Groves.

The police officers and firefighters in Webster Groves, who are not covered under Social Security, viewed the move to LAGERS as a necessary step for a secure future.

"Now we have a program that is very predictable; it's constant; it's measurable; and you can truly plan for the future. It's not going to be the only leg of retirement, but it will provide the largest chunk that we need so we know how much more we need to save in order to have a dignified



retirement,” said Jason Simpson, Fire Captain, Webster Groves.

In addition to improving the retirement security of their employees, city leaders were also concerned with being able to attract and retain the best possible workers to serve the citizens in their community.

“Within the last year we’ve had a few police officers who have come to us because we have a nice benefit package that they were interested in, but specifically because it did include LAGERS and their prior employers did not,” said Jadali.

Skilled public servants are the key to any successful community. A defined benefit retirement plan, like LAGERS, is a tool that helps our communities prosper.

“The LAGERS program is a real benefit for [the employees] to stay here, to stay with us. So those really good, skilled employees, the ones who provide good service to the community are here. They see the benefit of LAGERS and that’s what is so valuable to the community,” said Gerry Welch, Mayor of Webster Groves.

*“[A city] can have the most expensive ambulances, snow plows and equipment possible. But that doesn’t make any difference unless you have good, skilled employees that really care about the service they provide.”*

Gerry Welch, Mayor  
City of Webster Groves



Dave Garth, Facility Superintendent



Jason Simpson, Fire Captain



HIGH INCOME FAMILIES ARE

# 10X

MORE LIKELY TO HAVE RETIREMENT SAVINGS  
THAN LOW INCOME FAMILIES<sup>1</sup>

Investing for retirement is not easy, and low-to-middle income workers are affected the most because they may not have the means to set aside enough to support themselves during retirement. In fact, 87% of Americans say retirees don't know enough about managing investments to make their savings last.<sup>2</sup>

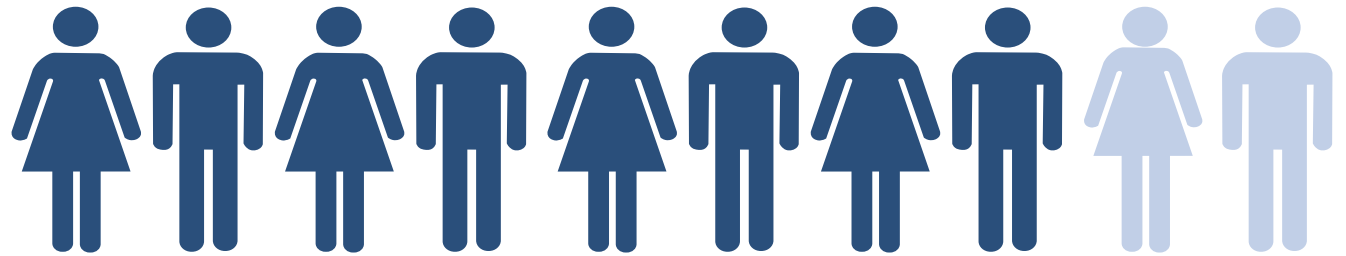
**LAGERS HELPS MIDDLE CLASS WORKERS  
TRANSITION TO MIDDLE CLASS  
RETIREES**

Lloyd Gillmore, Maintenance Supervisor at Dickerson Park Zoo, in his metal shop in Springfield.



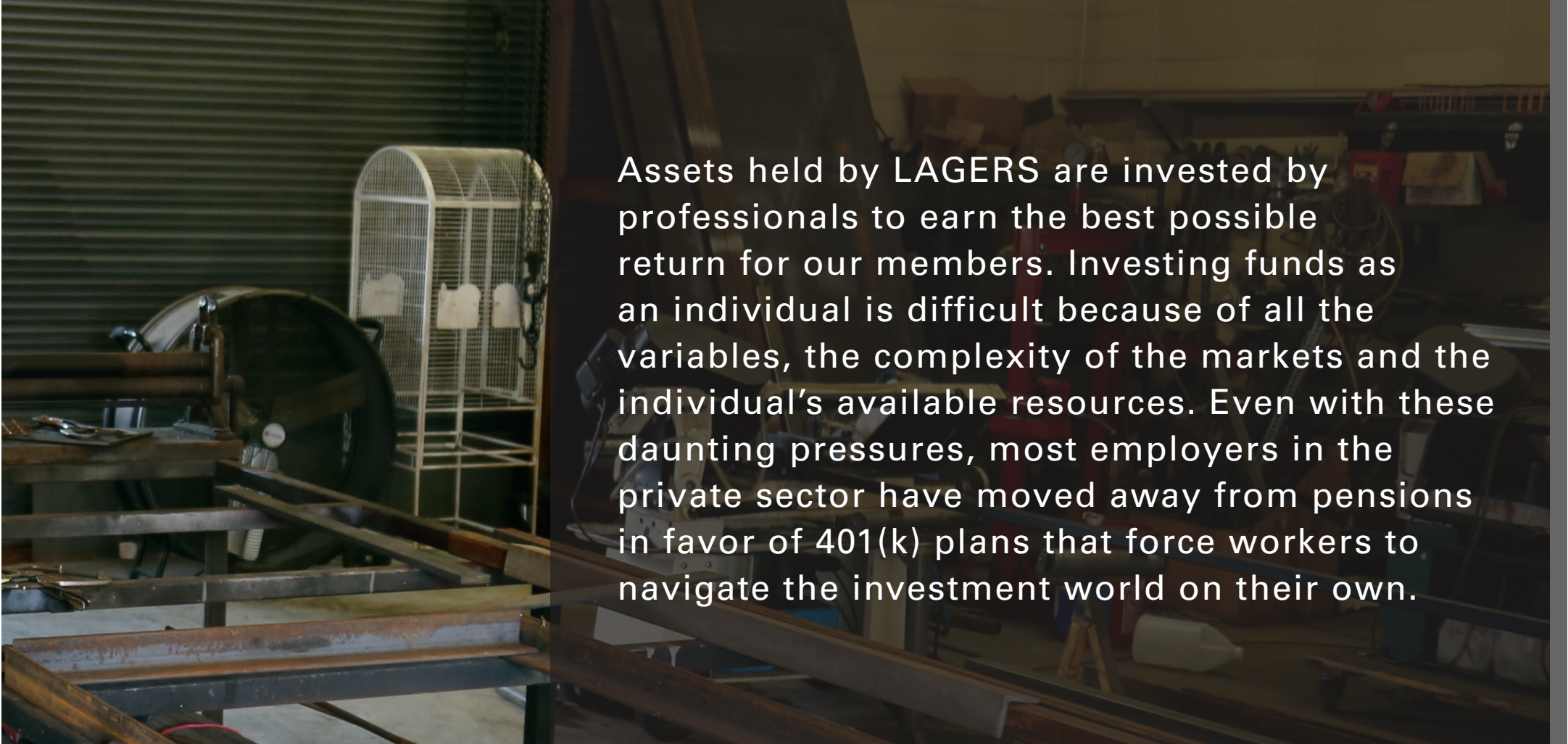


**NEARLY EIGHT OUT OF TEN AMERICANS AGREE THAT THE DISAPPEARANCE OF PENSIONS MAKES IT HARDER TO ACHIEVE THE AMERICAN DREAM<sup>2</sup> BECAUSE THE AVERAGE WORKER CANNOT SAVE ENOUGH ON THEIR OWN.**



1. Economic Policy Institute. <http://www.epi.org/publication/retirement-in-america/>

2. National Institute on Retirement Security. [http://www.nirsonline.org/storage/nirs/documents/2017%20Conference/2017\\_opinion\\_nirs\\_final\\_web](http://www.nirsonline.org/storage/nirs/documents/2017%20Conference/2017_opinion_nirs_final_web).



Assets held by LAGERS are invested by professionals to earn the best possible return for our members. Investing funds as an individual is difficult because of all the variables, the complexity of the markets and the individual's available resources. Even with these daunting pressures, most employers in the private sector have moved away from pensions in favor of 401(k) plans that force workers to navigate the investment world on their own.



# WE SERVE THOSE WHO SERVE OTHERS



LAGERS Executive Team: Over 100 years of pension experience combined.  
From Left: Bob Wilson, Brian Collett, Jason Paulsmeyer, Melissa Rackers,  
Jeff Kempker, Tami Jaegers, Pam Hopkins.



"I've seen first hand what our members do and how hard they work, and it's our job to represent that. Now that we have over 700 employers, the responsibility is greater but the commitment to each one of our members is still the same."

LAGERS Executive Director, Bob Willson

## *Why we love serving our members in **6** words or less...*

**"Ensuring members' financial security."**

-Megan Loehner, Director of Investments

**"Members' excitement about a new chapter."**

-Angela Lechtenberg, Communications Specialist

**"Providing our members with peace of mind."**

-Miranda Fishback, Accounts Analyst

**"Making a difference to difference makers."**

-Erin Stieferman, Investment Risk & Operations Manager

**"Positively impacting our members' lives."**

-Dennise Schaben, Senior Accounts Analyst

**"Helping members reach their next chapter."**

-Diane Towne, Benefits Officer

**"Showing appreciation for a life of service."**

-Dana Eichholz, Benefit Specialist

**"Helping members invest for the future."**

-Brian Collett, Chief Investment Officer



