



MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

Expansion of Employee Contribution Options

The Missouri Local Government Employees Retirement System (LAGERS) is committed to making Missouri's communities better. We help local governments attract and retain quality workers by offering stable pension benefits in the most efficient manner possible.

LAGERS is Missouri's largest non-profit public pension system for local government workers, serving 60,000 current and former local government employees from over 750 participating employers with \$8 billion in assets.

LAGERS is seeking legislation that would expand the current options available under law for funding LAGERS benefits. Currently, an employer can choose to have all eligible employees contribute 4% of their gross wages to help fund their retirement benefits, or the employer can choose to not require any employee contributions and fund the benefit exclusively through employer contributions.

The proposed legislation would:

- **Expand the employee contribution option from 0% or 4% of gross wage to 0%, 2%, 4%, or 6%.**
- **Allow an employer who has elected a different benefit multiplier for non-social security covered employees to correspondingly elect a different employee contribution amount.**
- **Provide every LAGERS employer with additional tools to tailor a benefit package to meet the specific goals of their local political subdivision.**

This proposal for the expansion of employee contribution elections is the result of many years of conversation between LAGERS employers, members, and affiliate organizations who believe the added flexibility would enhance an employer's ability to fine-tune their elections in the system so that every employer can even better attract and retain the brightest public servants to best serve their communities and citizens.

The language was originally filed in Senate Bill 768 and House Bill 1467.

Quick Facts

- **LAGERS is currently 94.9% pre-funded.**
- Every LAGERS employer makes their full actuarial contribution every month.
- **Employee contribution amounts are a locally elected option.**
- Employee contributions are not directly tied to a member's benefit amount, but rather helps pay the cost of funding the retirement benefits.
- **Employee contributions are always guaranteed back to the employee. A member may receive their contribution back through a benefit or refund.**