Note Disclosures

Summary of Significant Accounting Polices

Instructions

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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General Information about the Pension Plan

Plan description. The [employer *name*] defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The [employer *name*] participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

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Benefits provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police, fire, and public safety groups) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police, fire, and public safety groups) and receive a reduced allowance.

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	XXXX Valuation
Benefit Multiplier:	X.XX%
Final Average Salary:	X Years
Member Contributions:	X%

Data can be found in your actuarial valuation

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms. At June 30, 20XX, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	[ ]
Inactive employees entitled to but not yet receiving benefits	[ ]
Active employees	[ ]

Data can be found in the GASB 68 Accounting Schedule Executive Summary

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer [contribute 4% of their gross pay] [do not contribute] to the pension plan. Employer contribution rates are [%] (General), [%] (Police) and [%] (Fire) of annual covered payroll.

Data can be found in your actuarial valuation

Net Pension Liability. The employer's net pension liability was measured as of June 30, XXXX, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 2X, XXXX.

Actuarial assumptions. The total pension liability in the February 2X, XXXX actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	[%]
Salary Increase	[%] to [%] including inflation
Investment rate of return	[%]

Data can be found in the GASB 68 Accounting Schedule (verify annually)

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PUBNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of general groups and 75% of the PubS-2010 Employee Mortality Table for males and females of police, fire, and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 2X, XXXX valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Data can be found on the LAGERS website – GASB page

(verify annually)

Discount rate. The discount rate used to measure the total pension liability is [%]. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Data can be found in the GASB 68 Accounting Schedule Executive Summary

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/XXXX			
Changes for the year:			
Service Cost			
Interest			
Difference between expected and actual experience			
Contributions - employer			
Contributions - employee			
Net investment income			
Benefit payments, including refunds			
Administrative expense			
Other changes			
Net changes			
Balances at 6/30/XXXX			

Data can be found in the GASB 68 Accounting Schedule Financial Statements

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of [%], as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower ([%]) or one percentage point higher ([%]) than the current rate.

1% Decrease [%]	Current Single Discount Rate Assumption [%]	1% Increase [%]

Data can be found in the GASB 68 Accounting Schedule Financial Statements

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended [ ] the employer recognized pension expense of [ ]. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience		
Differences in assumptions		
Excess (deficit) investment returns		
Contributions subsequent to the measurement date*		
Total		

Data can be found in the GASB 68 Accounting Schedule Executive Summary and Contributions After Measurement Date report provided by LAGERS

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending [ ].

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Data can be found in the GASB 68 Accounting Schedule Financial Statements

Year ended:

2022	[ ]
2023	[ ]
2024	[ ]
2025	[ ]
2026	[ ]
Thereafter	[ ]

Payable to the Pension Plan

At [ ], the [ ] reported a payable of [$] for the outstanding amount of contributions to the pension plan required for the year ended [ ].

Data can be found in your Statement of Account