



9:00 AM – UNDERSTANDING YOUR LAGERS BENEFITS

9:45 AM – LAGERS RETIREMENT PAYMENT OPTIONS

10:30 AM – LAGERS DISABILITY BENEFITS

11:15 AM – BEST PRACTICES FOR COMMUNICATING LAGERS BENEFITS

EDUCATIONAL BREAKOUT SESSIONS

GLENDALOUGH I & II





UNDERSTANDING YOUR LAGERS BENEFITS



YOUR LAGERS BENEFIT

Your LAGERS Benefit is a valuable tool for helping you plan and reach financial independence in retirement



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YOUR LAGERS BENEFIT: **DEFINED BENEFIT PLAN**

Defined Benefit Plans Provide:

- Guaranteed protected lifetime income
- A stable benefit not affected by market swings
- A plan that doesn't require you to be an investment expert



YOUR LAGERS BENEFIT: THE CALCULATION

LAGERS is a Defined Benefit Plan

- This means benefits are based on a formula, not an account balance.

Your Employer's Benefit Program

X

How Much You Make

X

How Long You Work



YOUR LAGERS BENEFIT: DESIGNED TO REPLACE INCOME

The Longer You Work,
The MORE you receive from LAGERS



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YOUR LAGERS BENEFIT: DESIGNED TO REPLACE INCOME



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YOUR LAGERS BENEFIT: DESIGNED TO REPLACE INCOME

If you have 10 years of LAGERS service, your lagers benefit will replace:

L-1	$1.00\% \times 10 = 10\%$ of your pre-retirement income
L-3	$1.25\% \times 10 = 12.5\%$
L-7	$1.50\% \times 10 = 15\%$
L-12	$1.75\% \times 10 = 17.5\%$
L-6	$2.00\% \times 10 = 20\%$



YOUR LAGERS BENEFIT: DESIGNED TO REPLACE INCOME

If you have 20 years of LAGERS service, your lagers benefit will replace:

L-1	$1.00\% \times 20 = 20\%$ of your pre-retirement income
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L-3	$1.25\% \times 20 = 25\%$
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L-7	$1.50\% \times 20 = 30\%$
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L-12	$1.75\% \times 20 = 35\%$
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L-6	$2.00\% \times 20 = 40\%$
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YOUR LAGERS BENEFIT: DESIGNED TO REPLACE INCOME

If you have 30 years of LAGERS service, your lagers benefit will replace:

L-1	$1.00\% \times 30 = 30\%$ of your pre-retirement income
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L-3	$1.25\% \times 30 = 37.5\%$
-----	-----------------------------

L-7	$1.50\% \times 30 = 45\%$
-----	---------------------------

L-12	$1.75\% \times 30 = 52.5\%$
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L-6	$2.00\% \times 30 = 60\%$
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YOUR LAGERS BENEFIT:

FINAL AVERAGE SALARY CALCULATION

Average Salary Calculation Includes:

- Gross Wages
- Sick & Vacation Time Used
- Overtime & Recurring Bonuses
- Recurring Vacation Sick Buyback
- Allowances (cell phone, uniform, etc.)



YOUR LAGERS BENEFIT:

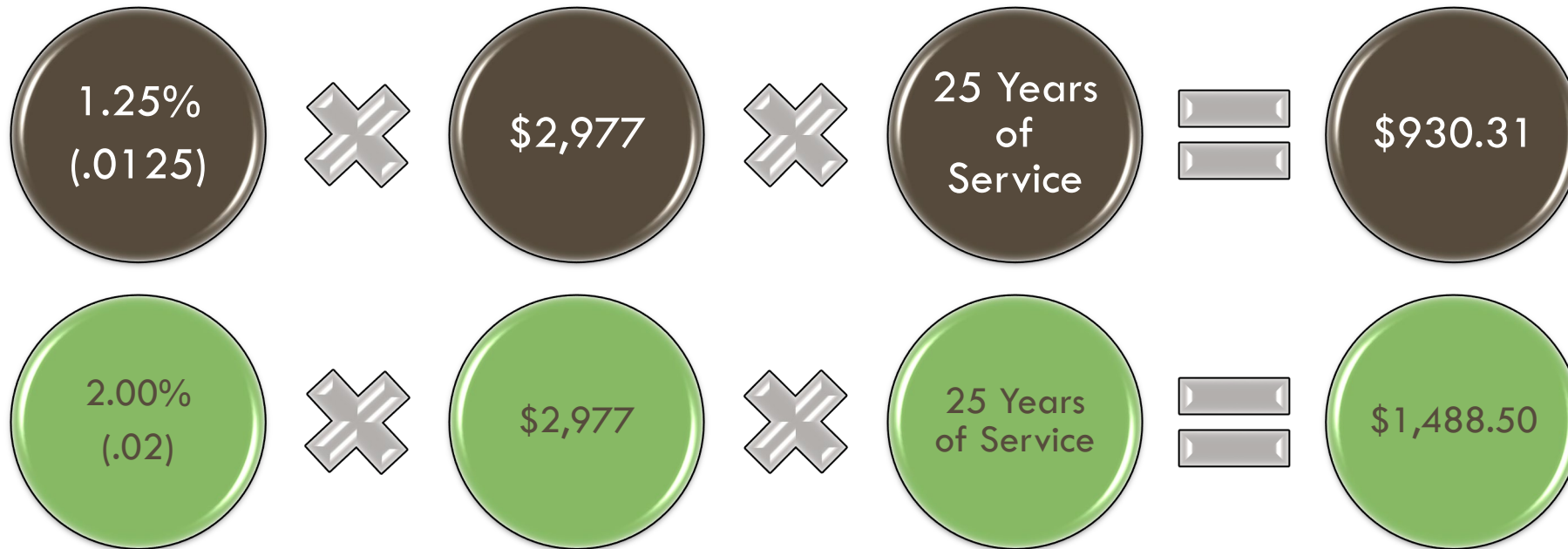
FINAL AVERAGE SALARY CALCULATION

Final average salary is calculated as the highest consecutive 36 or 60 months from your last 120 months of credited service.

2021	3 Year Average	\$38,800	$\frac{\$110,080}{36 \text{ Months}} = \$3,058$ $\frac{\$178,605}{60 \text{ Months}} = \$2,977$
2020		36,000	
2019		35,280	
2018		34,602	
2017		33,923	
2016		33,260	
2015		32,606	
2014		31,700	
2013		31,100	
2012		30,600	



YOUR LAGERS BENEFIT: USING THE FORMULA



YOUR LAGERS BENEFIT:

WHEN AM I ELIGIBLE TO RECEIVE MY BENEFIT?

Vesting = 60 Months of Service

Benefit Payable = 60 for General Employees
 55 for Police Officers
 55 for Fire Fighters
 55 for Public Safety *
 *(if employer elects)

You may draw
your benefit up
to 5 years early
with a reduction



YOUR LAGERS BENEFIT:

WHEN AM I ELIGIBLE TO RECEIVE MY BENEFIT?

Rule of 80

Age at Hire	Service Credit	+	Rule of 80 Age	=	80
20	30	+	50	=	80
25	27.5	+	52.5	=	80
30	25	+	55	=	80
40	20	+	60	=	80



YOUR LAGERS BENEFIT: EMPLOYEE CONTRIBUTIONS

Employers have the option to require employees to contribute to LAGERS to assist with funding the benefits

Employees may contribute:

0%

2%

4%

6%

- Contributions:
 - Are guaranteed to be paid back to you or beneficiary
 - Are After Tax
 - Earn Interest



THANK YOU FOR ATTENDING!

NEXT SESSION BEGINS AT 9:45 AM

Glendalough I & II

9:45 AM – LAGERS Retirement Payment Options

10:30 AM – LAGERS Disability Benefits

Glendalough III

9:45 AM – How Your Subdivision's Cost is Determined

10:30 AM – LAGERS Tools for Educating You and Your Employees

Glendalough I & II – with Jeff Pabst

11:15 AM – Best Practices for Communicating Your LAGERS Benefit for Increased Recruitment & Retention of Local Government Workers



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LAGERS PAYMENT OPTIONS



YOUR PAYMENT OPTIONS

Life Allowance

Option A

Option B

Option C

+ Partial Lump Sum
(PLUS)



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YOUR PAYMENT OPTIONS

There is not a best payment option, but there are questions to ask yourself before making your decision:

- What will my fixed expenses be in retirement?
- Do I need/want to provide for a spouse after I pass away?
- What other income sources will I have in retirement?
- Do I want to leave a legacy?
- What are my expectations for retirement?
- Do I want to travel, pursue a hobby, volunteer, etc.?



BENEFIT ESTIMATE

LAGERS BENEFIT ESTIMATE FOR Joseph C Employee Calc ID :12345

BENEFIT EFFECTIVE DATE : 01/01/2013

LAGERS NUMBER	EMPLOYER NAME	BENEFIT PROGRAM	DEPARTMENT	TYPE OF BENEFIT
1234-1-5678	City of Smalltown	L-7	General	Age & Service

MEMBER DATA

DATE OF TERMINATION:	01/01/2013
DATE OF BIRTH:	10/26/1951
SERVICE CREDIT:	16 YEARS AND 0 MONTHS
AGE LAST MONTH:	61 Y 2 M
AGE TO NEAREST BIRTHDATE:	61
SEX:	Male

MEMBER ACCOUNT BALANCE

CONTRIBUTIONS:	\$21,249.18
INTEREST:	\$4,495.16
TOTAL ACCOUNT BALANCE:	\$25,744.34

BENEFICIARY DATA

NAME:	Karen R Employee
DATE OF BIRTH:	07/30/1951
AGE LAST MONTH:	61 Y 5 M
AGE TO NEAREST BIRTHDATE:	61
SEX:	Female

SALARY DATA

SALARY – 12 MONTH PERIODS FROM 01-2009 TO 12-2011 – MOST RECENT FIRST

\$45,000.00	01/2011-12/2011	PERIOD 1
\$45,000.00	01/2010-12/2010	PERIOD 2
\$45,000.00	01/2009-12/2009	PERIOD 3
\$3,750.00 IS THE MEMBER'S 3 YEAR MONTHLY FINAL AVERAGE SALARY		

LAGERS BENEFIT ESTIMATE FOR Joseph C Employee Calc ID :12345

BENEFIT EFFECTIVE DATE : 01/01/2013

LAGERS NUMBER	EMPLOYER NAME	BENEFIT PROGRAM	DEPARTMENT	TYPE OF BENEFIT
1234-1-5678	City of Smalltown	L-7	General	Age & Service

COMPUTED MONTHLY BENEFITS

NO LUMP SUM PAYMENT		MONTHLY AMOUNTS	
OPTION	DESCRIPTION	TO MEMBER	POTENTIAL TO BENEFICIARY
LIFE	SINGLE LIFE ALLOWANCE TERMINATING AT DEATH	\$900.00	
A	JOINT & 75% SURVIVOR	\$765.00	\$573.75
B	JOINT & 50% SURVIVOR	\$810.00	\$405.00
C	LIFE ALLOWANCE WITH 10 YEAR CERTAIN FEATURE	\$855.00	\$855.00

PLUS LUMP SUM PAYMENT OF \$21,600.00		MONTHLY AMOUNTS	
OPTION	DESCRIPTION	TO MEMBER	POTENTIAL TO BENEFICIARY
LIFE(PLUS)	SINGLE LIFE ALLOWANCE TERMINATING AT DEATH (PLUS ABOVE LUMP SUM)	\$720.00	
A (PLUS)	JOINT & 75% SURVIVOR (PLUS ABOVE LUMP SUM)	\$612.00	\$459.00
B (PLUS)	JOINT & 50% SURVIVOR (PLUS ABOVE LUMP SUM)	\$648.00	\$324.00
C (PLUS)	LIFE ALLOWANCE WITH 10 YEAR CERTAIN FEATURE (PLUS ABOVE LUMP SUM)	\$684.00	\$684.00
THE PLUS FACTOR = 0.8000			

NOTE: PLEASE BEAR IN MIND THAT THIS IS AN ESTIMATE. LAGERS MUST VERIFY ACTUAL AGE, SALARY AND SERVICE WITH THE POLITICAL SUBDIVISION PRIOR TO FINAL CALCULATION

COMMENTS

THE OPTION A FACTOR FOR THE MEMBER'S BENEFIT IS 0.8500.
THE OPTION B FACTOR IS 0.9000.
THE OPTION C FACTOR FOR THE MEMBER'S BENEFIT IS 0.95.



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YOUR PAYMENT OPTIONS: LIFE ALLOWANCE

Pays the highest monthly benefit to the member, but payments stop upon death of the member

$$\begin{array}{ccccc} \boxed{1.50\%} & \times & \boxed{\$3,000} & \times & \boxed{25 \text{ Years of Service}} \\ & & & & \\ & & \boxed{=} & & \\ & & \boxed{\$1,125} & & \\ & & \text{per month for the member's lifetime} & & \end{array}$$



YOUR PAYMENT OPTIONS: LIFE ALLOWANCE

Eligible beneficiary

- Any person, trust, charity, or other legal entity.

Beneficiary will receive

- Any of your remaining contributions only

If beneficiary pre-deceases me

- You can change this beneficiary at any time during retirement



YOUR PAYMENT OPTIONS: LIFE ALLOWANCE

**Example of
Life Allowance
with \$25,000
in member
contributions:**

\$1,125 per month for the member's lifetime

**Member dies after 18 months
 $\$1,125 \times 18 \text{ payments} = \$20,250$**

**Contribution Balance: \$25,000
Total Distributions: \$20,250
Beneficiary Receives: \$4,750**



YOUR PAYMENT OPTIONS: **OPTION A**

Option A pays a monthly lifetime benefit to the retiree, plus an additional lifetime benefit to a beneficiary.

Member's Benefit

$\$1,125 \times 85\% = \956.25 per month
(adjusted for age)



Beneficiary's Benefit

$\$956.25 \times 75\% = \717.19 per month



YOUR PAYMENT OPTIONS: **OPTION A**

Eligible beneficiary

- A spouse of at least 2 years OR another adult age 40 or older who has been more than ½ financially dependent on you for at least 2 years.

Beneficiary will receive

- 75% of the member's monthly payment for life (not including Temporary Benefits)

If beneficiary pre-deceases me

- This beneficiary CANNOT be changed
- May enact the 'Pop-Up' provision



YOUR PAYMENT OPTIONS: **OPTION B**

Option B pays a monthly lifetime benefit to the retiree, plus an additional lifetime benefit to a beneficiary.

Member's Benefit

$\$1,125 \times 90\% = \$1,012.50$ per month
(adjusted for age)



Beneficiary's Benefit

$\$1,012.50 \times 50\% = \506.25 per month



YOUR PAYMENT OPTIONS: **OPTION B**

Eligible beneficiary

- A spouse of at least 2 years OR another adult age 40 or older who has been more than ½ financially dependent on you for at least 2 years.

Beneficiary will receive

- 50% of the member's monthly payment for life (not including Temporary Benefits)

If beneficiary pre-deceases me

- This beneficiary CANNOT be changed
- May enact the 'Pop-Up' provision



YOUR PAYMENT OPTIONS: **OPTION C**

Option C pays a monthly lifetime benefit to the retiree, plus guarantees that a minimum of 120 payments will be made.

Life Allowance x 95%



**Member or
Beneficiary's
Benefit**



YOUR PAYMENT OPTIONS: **OPTION C**

Eligible beneficiary

- Any person, trust, charity, or other legal entity.

Beneficiary will receive

- If 120 months worth of the member's payments have not been made, the beneficiary receives the remainder of the 120 months.

If beneficiary pre-deceases me

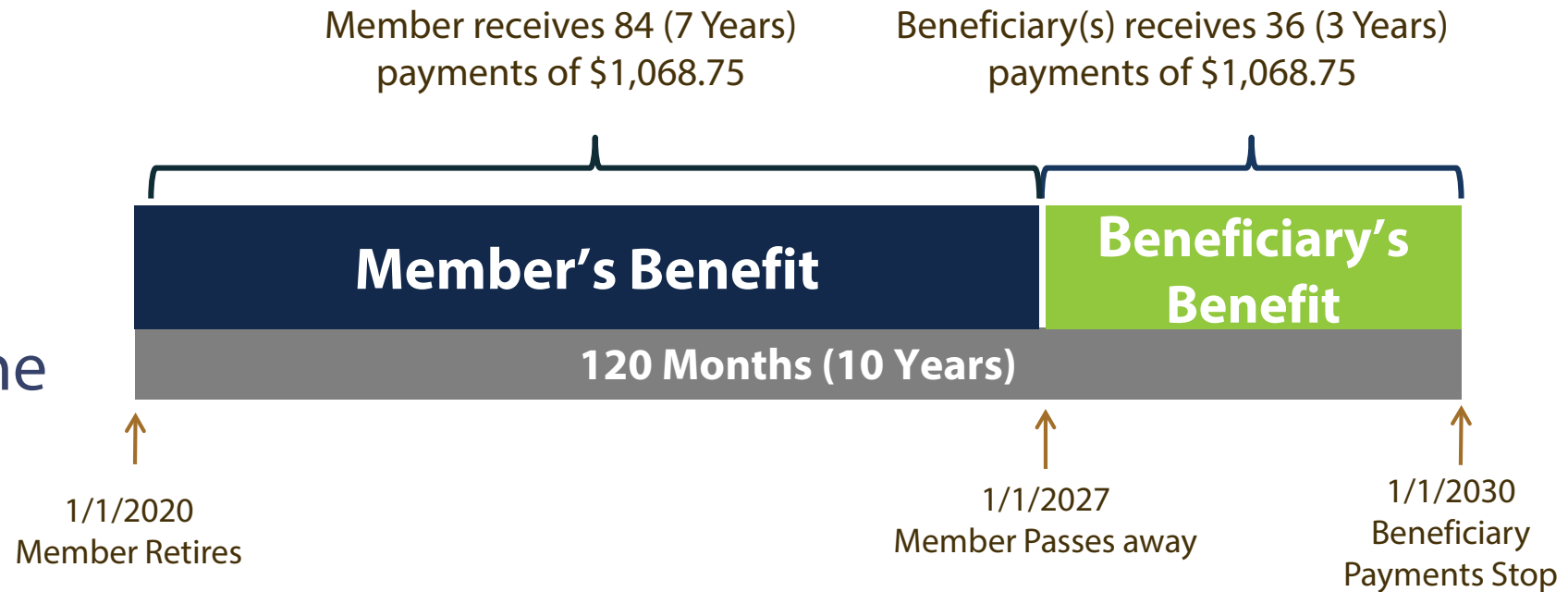
- Can be changed at any time during retirement.



YOUR PAYMENT OPTIONS: **OPTION C**

Whether a benefit will be payable to a beneficiary depends on how many payments the retiree received.

$$\text{\$1,125} \times 0.95 = \text{\$1,068.75}$$



YOUR PAYMENT OPTIONS: PARTIAL LUMP SUM

- Equal to 24 payments (2 years) of the Life Allowance
 - Does not include temporary benefit under a LT plan
- Can be added to any payment option
- Payable 90-150 days after retirement date (you decide for tax purposes-please note that the PLUS will be added to your taxable income along with your LAGERS monthly payments)
- Monthly benefit reduced by 16% at age 60
 - Increased 0.4% more for each year you are older than 60
 - Reduced 0.4% less for each year you are younger than 60



YOUR PAYMENT OPTIONS: PARTIAL LUMP SUM

- Take the PLUS Payment to Self
 - LAGERS MUST withhold 20% and forward to IRS for federal taxes
 - General employees younger than 55 and public safety employees younger than 50 may also be subject to an early distribution penalty
- Rollover the PLUS Payment to a Qualified Retirement Account
 - Does not affect contribution limits to that account
 - Requires you and the financial institution to complete paperwork to conduct the rollover



YOUR PAYMENT OPTIONS: ARE PERMANENT

Retirement is as unique as each individual. It's a matter of choosing what's best for you and/or your family for your future goals in retirement.

Once you receive your first benefit, you cannot change your plan election.



WHEN AND HOW TO APPLY

- LAGERS MUST receive your application **30-90 days before** your first desired benefit payment
- Complete an Application for Retirement Form OR Apply Online through **myLAGERS**
- Documents to gather and send in when applying:
 - Birth Certificate(s)
 - Marriage certificate



WHAT TO EXPECT AFTER YOU APPLY

- Confirmation Email if you apply online
- Once LAGERS receives your application, you will receive an Election of Payment Form 2 to 3 weeks before your effective date.
- You will also receive:
 - Additional tax information
 - Tax withholding forms
 - Direct deposit form



TAXES & EXEMPTIONS

STATE & FEDERAL INCOME TAXES

YOUR LAGERS BENEFIT, INCLUDING THE PLUS **WILL BE** SUBJECT TO BOTH **STATE AND FEDERAL INCOME TAX**

- When you retire, complete withholding form
- 1099-Rs are mailed in January
- If you take the PLUS, you will receive a separate 1099-R for that distribution
- If you are planning to move out of state, remove state withholding
- You may qualify for a total or partial exemption of Missouri taxes on your LAGERS benefit: Missouri Public Pension Exemption



THANK YOU FOR ATTENDING!

NEXT SESSION BEGINS AT 10:30 AM

Glendalough I & II

10:30 AM – LAGERS Disability
Benefits

Glendalough III

10:30 AM – LAGERS Tools for
Educating You and Your Employees

Glendalough I & II – with Jeff Pabst

11:15 AM – Best Practices for Communicating Your LAGERS Benefit for
Increased Recruitment & Retention of Local Government Workers

Lunch will be provided



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DISABILITY BENEFITS OVERVIEW AND APPLICATION PROCESS



DISABILITY BENEFIT OVERVIEW

- **Disability must be permanent to qualify**
- **Must be disabled to do current job**
- **No reduction to benefit for early retirement**
- **Monthly benefit is payable for life**
- **Restatement of disability required (until normal retirement age)**



DUTY VS. NON-DUTY DISABILITY COMPARISON

- **Duty Disability**
 - Caused by work-related injury/illness
 - No vesting requirement
 - Benefit based on service extended to age 60
- **Non-Duty Disability**
 - Caused by non-work-related injury/illness
 - Must be vested
 - Benefit based on accrued service



DISABILITY BENEFIT APPLICATION PROCESS

- **Application for Disability Retirement is submitted**
- **Required documentation is gathered**
- **Medical Committee Review**
- **Disability Committee Review**
- **LAGERS' Board of Trustees Approval/Denial**



DENIAL AND APPEAL PROCESS

- **Informal Hearing with Disability Committee**
- **Formal Hearing with Hearing Officer**
- **Appeal in Circuit Court**



RESTATEMENT OF DISABILITY EXAMS

- **If approved, continuing medical examinations are required to verify still disabled**
- **Once per year for the first 5 years**
- **Then, every 3 years**
- **No more after normal retirement age**



RESOURCES

- **“Take Away” page in your Annual Meeting booklet**
- **Visit our website: www.molagers.org**
- **Call our office: 1-800-447-4334**



QUESTIONS???



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THANK YOU FOR ATTENDING!

NEXT SESSION BEGINS AT 11:15 AM

Glendalough I & II – with Jeff Pabst

11:15 AM – Best Practices for Communicating Your LAGERS
Benefit for Increased Recruitment & Retention of Local
Government Workers



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BEST PRACTICES FOR COMMUNICATING YOUR LAGERS BENEFITS



YOUR LAGERS PENSION PLAN IS A WORKFORCE MANAGEMENT TOOL

Attracts quality
workers



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RECRUITMENT

THE FACTS:

- **830+ Political Subdivisions in Missouri partner with LAGERS for their retirement plan needs**
- **74% of Local Government workers in the U.S. participate in a Defined Benefit Retirement Plan**
 - **Only 48% of Private Sector Workers are Eligible for any Retirement Plan Through Their Employer**



GOVERNMENT'S COMPETITIVE ADVANTAGES

Employee Benefits

- Tend to lead private sector in retirement, healthcare, paid time off

Mission & Purpose

- Younger workers more drawn to employers that make a difference in society



COMMUNICATING YOUR LAGERS BENEFIT RECRUITMENT

Consider using phrases like:

- LAGERS provides you with secure lifetime income when you leave the workforce
- Our retirement plan will provide you with a larger benefit the longer you work for us (it's always going up!)

Use LAGERS Recruitment Webpage:

- molagers.org/join-the-lagers-community/



What do local government heroes look like? They look like you!

Meet LAGERS 2021 Local Government Hero Award Winner, Dan Burns. Dan is a mechanic with Battlefield Fire Protection District, and even though Dan doesn't see himself as a hero, he has made a difference in his community. Watch the video to hear more about Dan's story!



Join the LAGERS Community Today!

Peace of Mind in All Markets

Not a professional investor? No problem. LAGERS takes the guess work out of retirement planning. Future retirement income is not tied to market performance, rather, how long you serve. The longer you work, the more your monthly benefit will be!

Security that follows you

LAGERS is a network of over 820 local government employers, all working to build a superior local government workforce. LAGERS members can earn a benefit at any member employer, so no matter where you serve, financial security will follow!

Partnerships that Matters

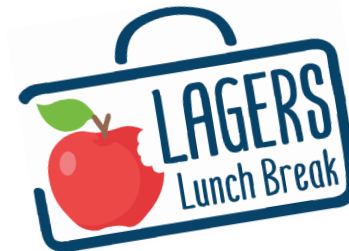
LAGERS employers believe in the value of their workforce, because great communities start with great public servants. Membership in LAGERS is one way local government employers invest in their workforce and community's future!

TOOLS AVAILABLE TO HELP NEW EMPLOYEES

New Hire Communication

- Welcome letter with benefit explanation
- **New Enrollment Emails**
- Give new employee custom LAGERS handouts
 - Not just limited to new hires

On-Site Presentation: Lunch Break!



YOUR LAGERS PENSION PLAN IS A WORKFORCE MANAGEMENT TOOL

Attracts quality
workers



Incentive to stay with
employer during most
productive years



COMMUNICATING YOUR LAGERS BENEFIT RETENTION OF EMPLOYEES

- **When explaining LAGERS benefits to employees consider the following:**
 - Focus on Vesting - You are guaranteed to receive a benefit from LAGERS after 5 years with a LAGERS employer
 - Focus on Security - Your LAGERS benefit will grow larger the longer you work for a LAGERS employer



TOOLS AVAILABLE TO HELP RETENTION OF EMPLOYEES

- **Use Custom Employee Handout**
 - Worksheet on back will help show employee total value
 - Member Handbook is a good in-depth resource
 - Caution: Information Overload
- **Member Annual Statements**
- **Webinars**
- **On-Site Presentation: Lunch Break, Management Meetings**
- **Now being deployed – New Hire Email Series**



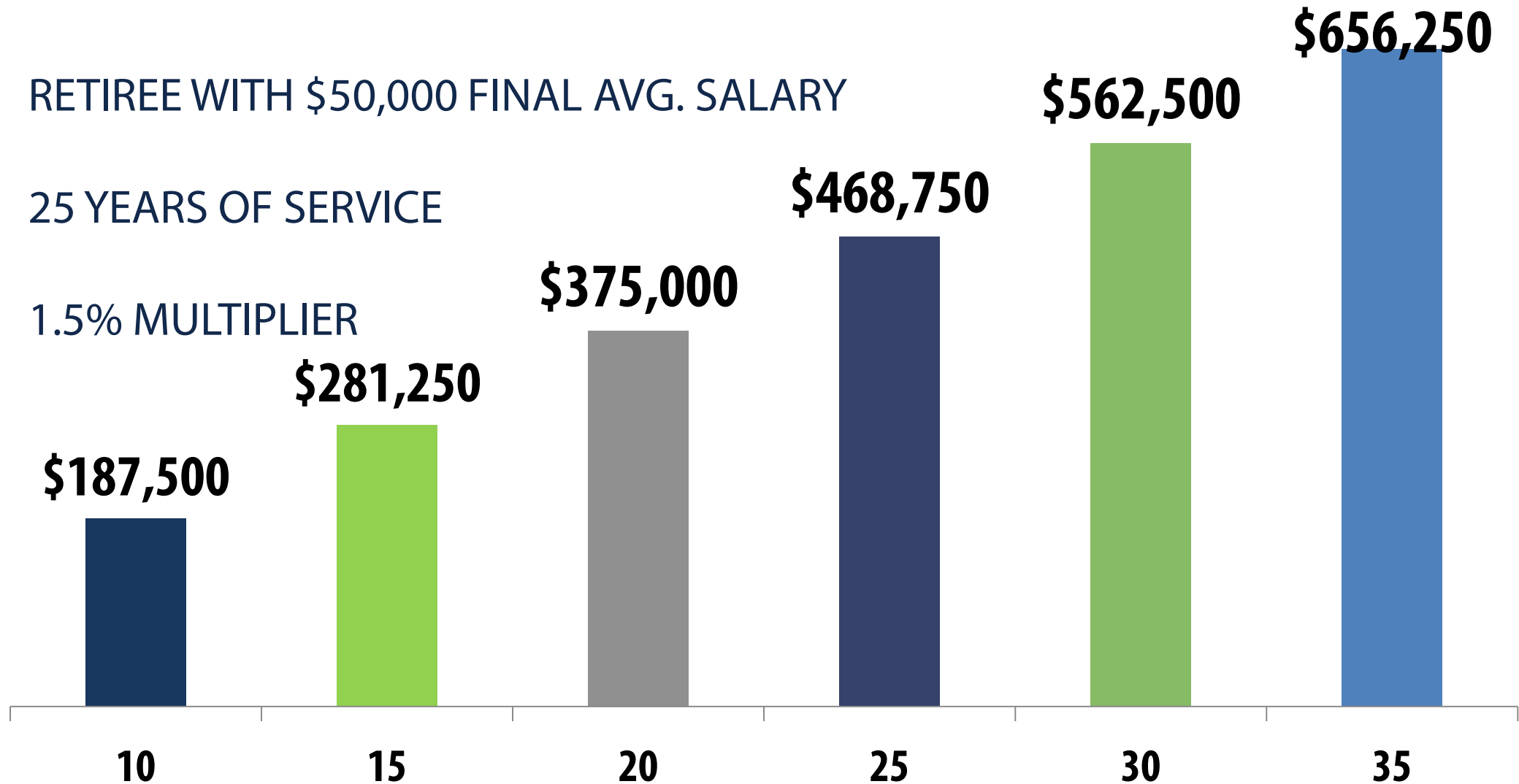
SHOW THE VALUE – LUNCH BREAK EXAMPLE



RETIREE WITH \$50,000 FINAL AVG. SALARY

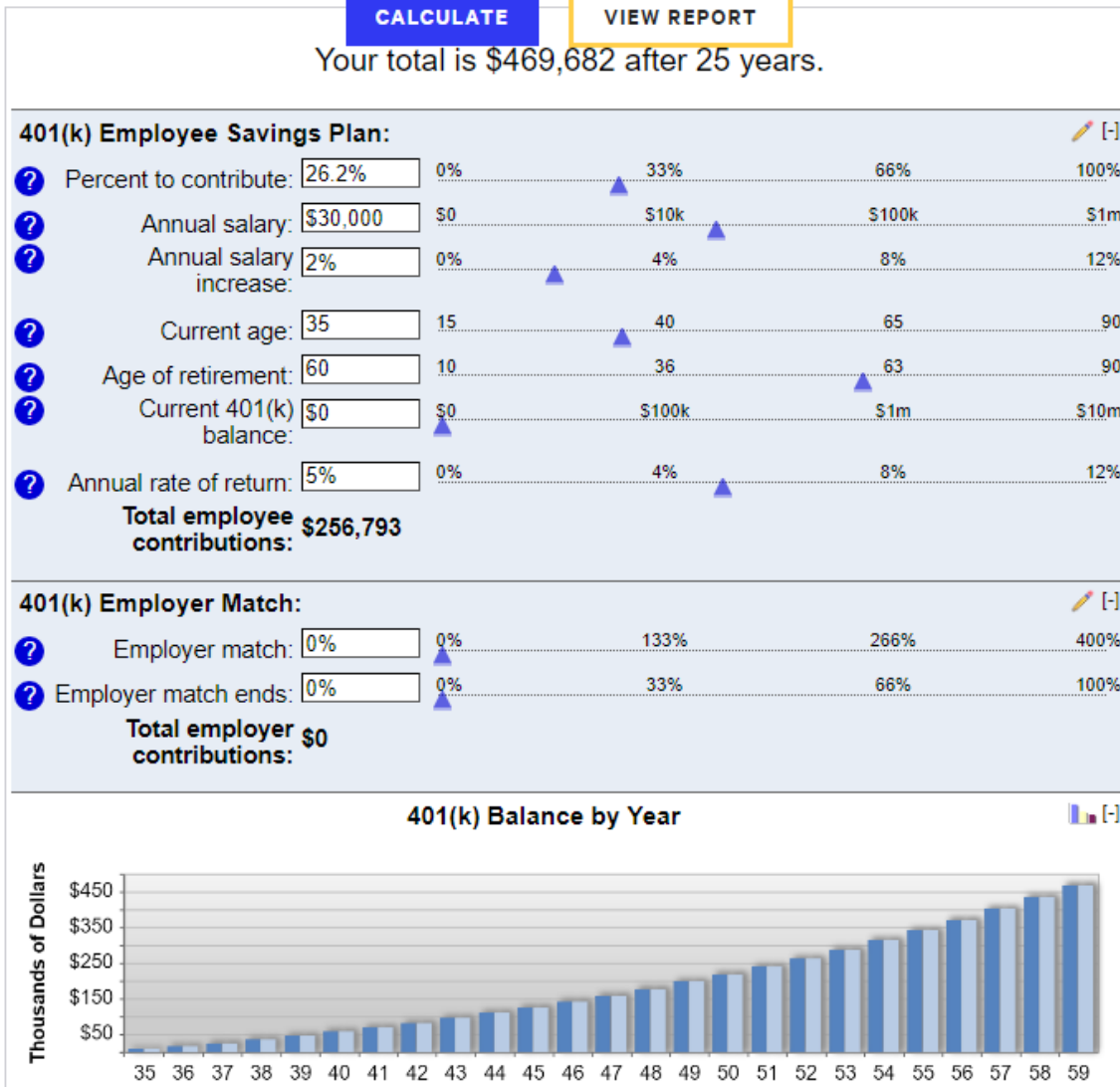
25 YEARS OF SERVICE

1.5% MULTIPLIER



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SHOW THE VALUE – LUNCHBREAK EXAMPLE



Over a 25 year retirement, the total value of the LAGERS benefit was

\$468,750

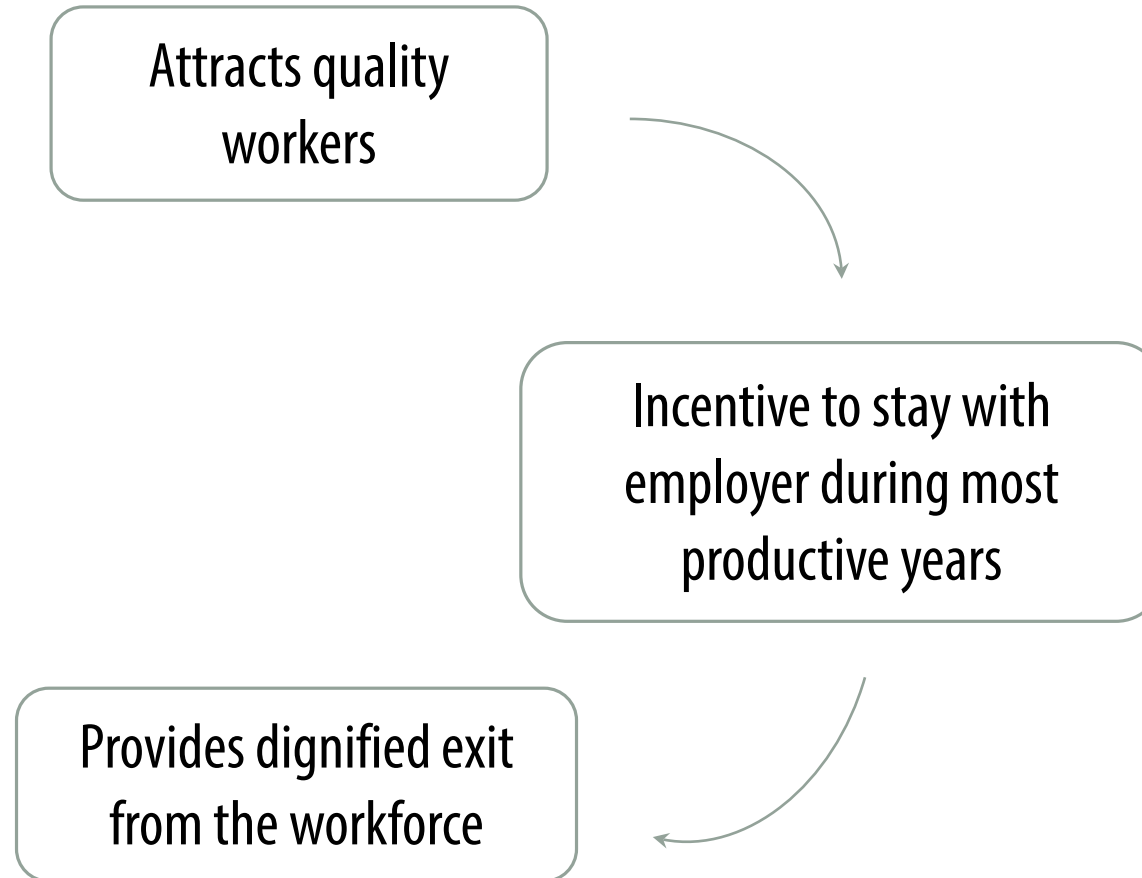
To save this amount on their own based on a 25 year career, the employee would need to save

26.2% of their salary!



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YOUR LAGERS PENSION PLAN IS A WORKFORCE MANAGEMENT TOOL



COMMUNICATING YOUR LAGERS BENEFIT EMPLOYEES NEAR RETIREMENT

- **When explaining LAGERS benefits to employees, use the following to help prepare employees for retirement**
 - Refer to Member Handbook
 - Application Process & Payment Options in “Near Retirement Section”
 - Refer them to LAGERS website
 - Encourage them to get a benefit estimate on myLAGERS or by calling our office
 - Promote LAGERS Pre-Retirement Seminars
 - Available both in-person and virtually



TOOLS AVAILABLE TO HELP EMPLOYEES NEARING RETIREMENT

Member Handbook

- Detailed information is provided about the process, options, taxes, cost of living adjustments and more

Benefit Estimates

- Detailed information about the benefits payable to the member for each payment option

Webinars

- Application Process & Payment Options, After Retirement and many other topics

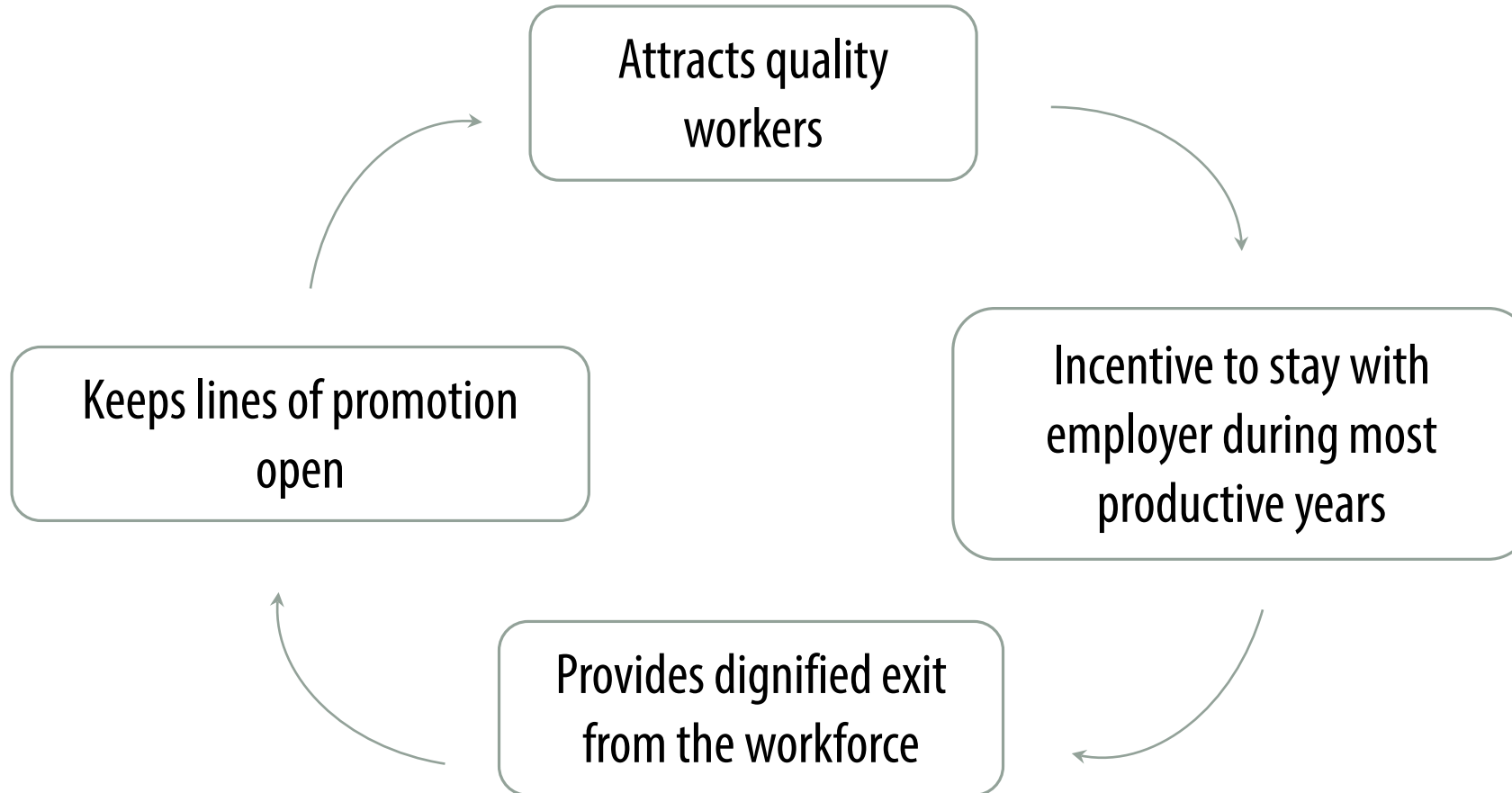
On-Site Presentation: Custom Pre-Retirement Seminars (where appropriate)

- Better than regional Pre-Retirement Seminars because content is customized

Coming Soon – Near Retirement Email Series



YOUR LAGERS PENSION PLAN IS A WORKFORCE MANAGEMENT TOOL



THANK YOU FOR ATTENDING!

MAIN CONFERENCE SESSIONS BEGINS AT 1:15 P.M.

Glendalough I & II

1:15: Opening remarks from LAGERS Board of Trustees
Chairperson, Joan Jadali



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