



9:00 AM – CHANGING YOUR SUBDIVISION'S LAGERS BENEFIT LEVELS

9:45 AM – HOW YOUR SUBDIVISION'S COST IS DETERMINED

10:30 AM – LAGERS TOOLS FOR EDUCATING YOU AND YOUR EMPLOYEES

EDUCATIONAL BREAKOUT SESSIONS

GLENDALOUGH III





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Education & Outreach Specialist

CHANGING YOUR SUBDIVISION'S LAGERS BENEFIT LEVELS



EMPLOYERS CAN **CHANGE BENEFIT LEVELS** ONCE EVERY 2 YEARS

WHAT CAN BE CHANGED?

Benefit Program

Multiplier can range from 1.0-2.5%

Final Average Salary

Can be highest consecutive 60 or 36 month average.

Contributory Status

Employee Contributory

Employee Non-Contributory

Retirement Age

Normal Retirement & Rule of 80

Public Safety Age 55

- Currently available only to employers located in third class counties.
- Increased Cost

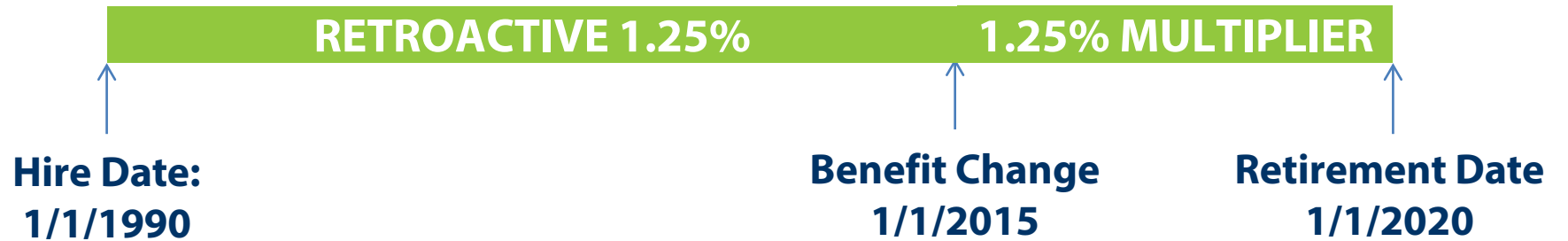


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EMPLOYERS CAN **CHANGE BENEFIT LEVELS** ONCE EVERY 2 YEARS

UPGRADES

**Upgrades
Are
Retroactive**



**Future Benefit Without
Upgrade**

**$1.00\% \times \$3000 \times 30 \text{ Years} =$
 $\$900/\text{month}$**

Future Benefit With Upgrade

**$1.25\% \times \$3000 \times 30 \text{ Years} =$
 $\$1,125/\text{month}$**



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ADVANTAGES OF INCREASING THE MULTIPLIER

UPGRADES

- Impacts all active employees equally
- Improves employees' ability to retire at an appropriate time
- Helps to recruit workers by improving employer's workforce competitiveness
- Helps to retain workers



DISADVANTAGES OF INCREASING THE MULTIPLIER

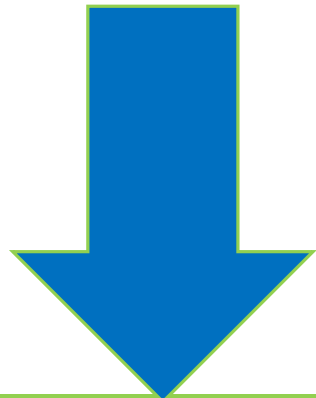
UPGRADES

- Employers will take on an additional unfunded liability
- Future decreases to the benefit multiplier will not erase the liability associated with this upgrade
- Higher than normal retirement rates in the years immediately following a benefit multiplier upgrade may cause additional increases to LAGERS contribution rates beyond the initial rate increase

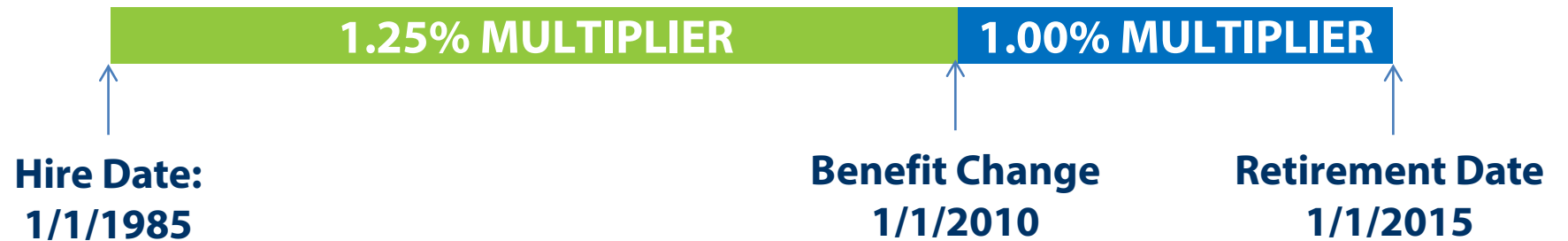


EMPLOYERS CAN **CHANGE BENEFIT LEVELS** ONCE EVERY 2 YEARS

DOWNGRADES



**Downgrades
only affect
future
service.**



Future benefit with downgrade

1.25% x \$3000 x 25 Years = \$937.50

1.00% x \$3000 x 5 Years = \$150.00



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EMPLOYERS CAN **CHANGE BENEFIT LEVELS** ONCE EVERY 2 YEARS

PROCESS

- 1. Request a Supplemental Actuarial Valuation**
- 2. Make the valuation available for public view for 45 days**
- 3. Pass a Resolution / Ordinance adopting the change**
- 4. Send copy of Resolution / Ordinance to LAGERS within 10 days of it passing**



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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Jeff Pabst, CRC
Education & Outreach Coordinator

HOW YOUR EMPLOYER'S COST IS DETERMINED



TERMS TO KNOW

Actuary - A professional who evaluates the likelihood of certain events and creates plans to deal with those events.

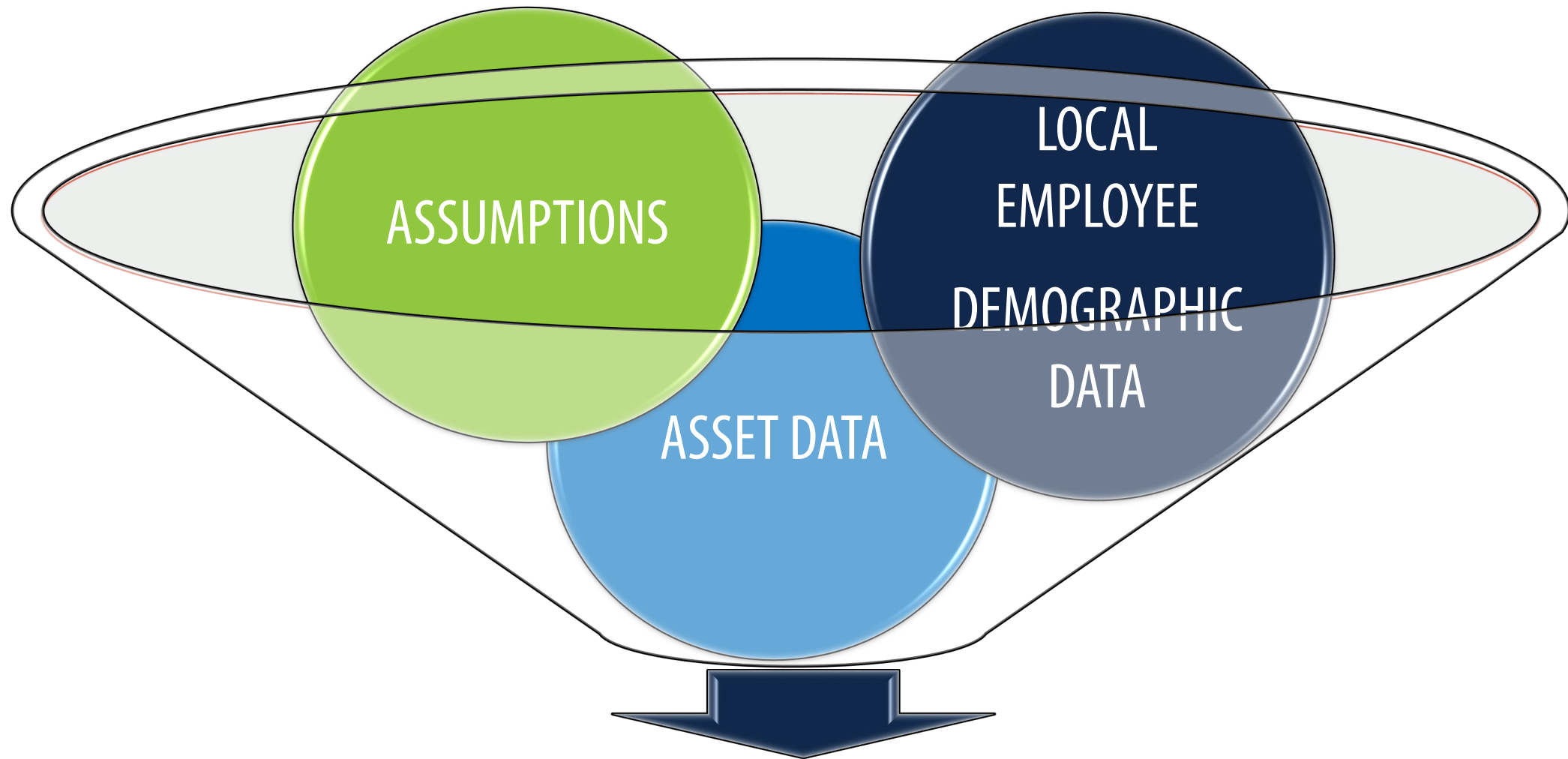
Actuarial Accrued Liability - present value of promised pension benefits, or pension obligations.

Unfunded Actuarial Accrued Liability – amount of liabilities (or promised benefits) that are greater than assets

Actuarial Assumptions - Estimates used to forecast uncertain future events affecting future benefits or costs associated with a pension fund.



HOW YOUR EMPLOYER'S COST IS DETERMINED



ANNUAL VALUATION / CONTRIBUTION RATE



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ACTUARIAL ASSUMPTIONS

DEMOGRAPHIC

- Members that leave employment
- Disabilities for Members
- Retirements of Members
- Salary Increases for Members
- Mortality of Active Members & Retirees

ECONOMIC

- Price Inflation: 2.25% Annually
- Wage Inflation: 2.25% Annually
- Payroll Growth: 2.75% Annually
- Investment Return: 7.00% Annually



ACTUARIAL ASSUMPTIONS

Changes in the annual required contribution occur when the assumptions and experience don't match.

You Pay for Experience, Not the Assumptions



EXPERIENCE VS. ASSUMPTIONS

Some variances are out of your employer's control.

- Example: Disability rates

Some variances are in your employer's control.

- Example: Pay increases. LAGERS assumes 3.25% annual increase.



YOUR EMPLOYER PAYS ONLY FOR BENEFITS EARNED WITH YOUR EMPLOYER

Rates Determined By

- **Benefits Chosen**
- **Economic & Demographic Experience at your Employer**
- **Economic & Demographic Experience of LAGERS**

Exceptions:

Pooled Benefit Reserve Fund

&

Casualty Reserve Fund



PROTECTIONS IN PLACE

State Statute 70.730(6) – One percent annual cap

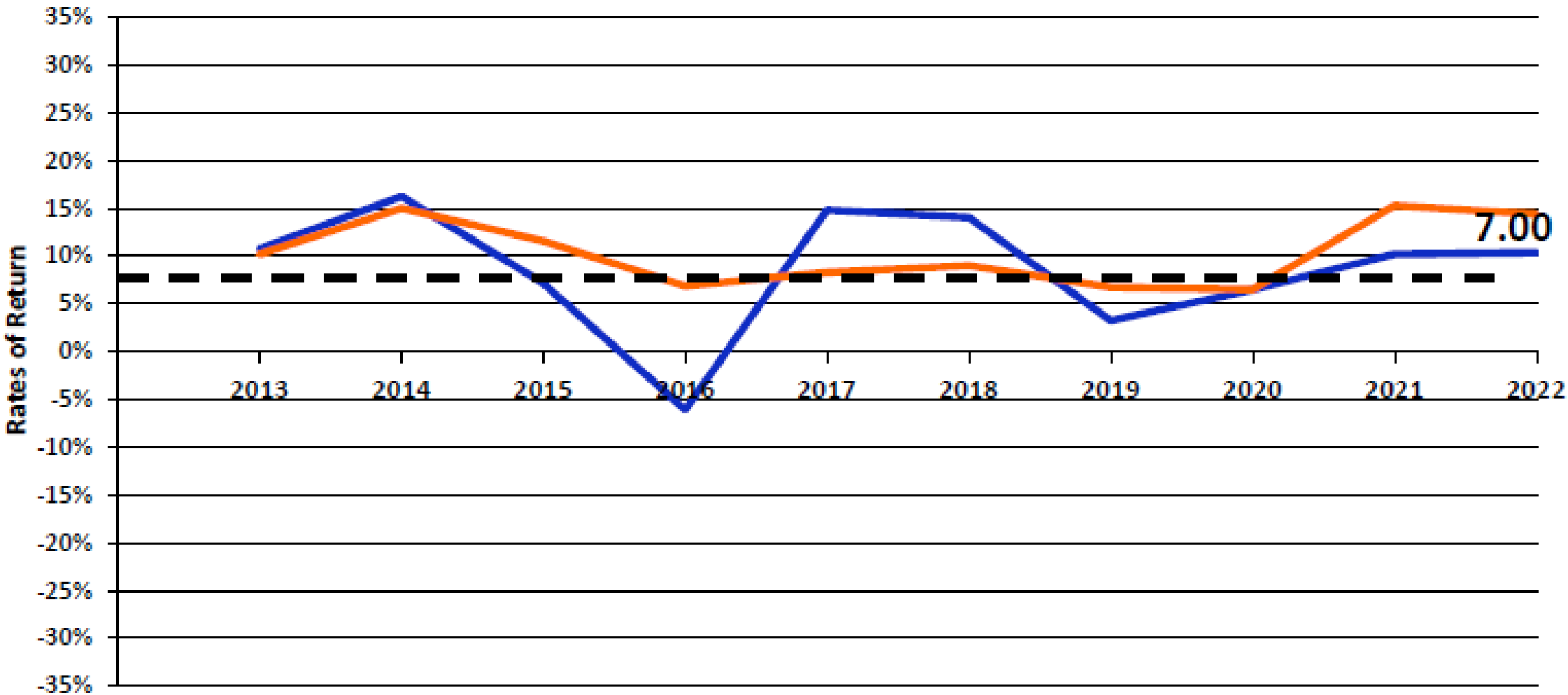
- **LAGERS cannot increase a subdivision's contribution rate(s) by more than 1% of payroll per the subdivision's fiscal year**

Investment Smoothing

- **Investment gains and losses are realized over a 5 year period**



LAGERS SMOOTHS GAINS & LOSSES



THE COMPONENTS OF YOUR CONTRIBUTION RATE

Employer Contributions to the Retirement System for the Fiscal Year Beginning January 1, 2023

Division	Employer Contributions Expressed as %'s of Active Member Payroll			
	Normal Cost Rate	Casualty Rate	Prior Service Cost Rate	Total Employer Contribution Rate
General	7.9%	0.5%	3.2%	11.6%
Police	8.2	0.8	5.4	14.4

Normal Cost Rate:

- Pre-Funding Component
- Doesn't fluctuate too much
- Will increase with benefit enhancements

Casualty Rate

- Pooled Cost
- All employers pay into pool for duty related disability & death benefits

Prior Service Cost Rate

- Represents amortization of Unfunded Actuarially Accrued Liability
- Includes initial prior service (if any)
- Includes cost of retroactive upgrades
- Includes actuarial gains/losses from valuation process year to year



PENSION FUNDING

Common Characteristics of Well-Funded Plans

An amortization policy & practice that reduces unfunded liabilities in a timely manner while minimizing volatility.



PENSION FUNDING

Common Characteristics of Well-Funded Plans

- Regular receipt of actuarially determined contributions.
- Actuarial assumptions that align with experience.

PENSION FUNDING

Common Characteristics of Well-Funded Plans

- Flexibility in plan design and/or financing.





QUESTIONS?



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Benefits

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Increased Recruitment & Retention of Local Government Workers



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Education & Outreach Coordinator

TOOLS FOR EDUCATION YOU AND YOUR EMPLOYEES



HOW TO STAY CONNECTED

- Digital & Online Tools
- Print Resources
- In Person Events



DIGITAL & ONLINE RESOURCES

Integrated Online Portals



Wage Reporting, Enrollments,
Benefit Certifications

Online Payments
NEAR 99%

The logo for the myLAGERS portal, consisting of the text "myLAGERS" in a white, bold, sans-serif font. The "my" is in a lowercase script-like font, while "LAGERS" is in all caps. The text is set against a solid dark blue rectangular background.

myLAGERS

Benefit estimates, beneficiaries, application for
distributions, and more

30+% of applications
completed on myLAGERS



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DIGITAL & ONLINE RESOURCES

Webinars

- 4+ Monthly
- Wide Variety of Topics
 - Monthly Reporting
 - New Hire Orientation
 - Virtual Pre-Retirement Seminars
 - More
- Register Online or via Monthly Events Email
- Recorded Webinars Available



DIGITAL & ONLINE RESOURCES

Responsive Website

- Online Member Handbook
 - [Summary of Benefits](#)
- Register for Events
- System Updates
- Printable Forms
- myLAGERS (Member) Access
- ECLIPSE (Employer) Access



DIGITAL & ONLINE RESOURCES

Direct Member Communication

- Quarterly Member Resource Board Update Emails
- Monthly Event Emails

Custom Member Communication

- New Hire Email Series
- Coming Soon: Pre-Retirement Email Series



DIGITAL & ONLINE RESOURCES

Direct Employer Communication

- Quarterly Administrator Emails
- Monthly Event Emails

Custom Employer Communication

- Work in Progress – New Employer Contact Email Series



DIGITAL & ONLINE RESOURCES

Social Media



blog.molagers.org – **Subscribe!**



facebook.com/MissouriLAGERS



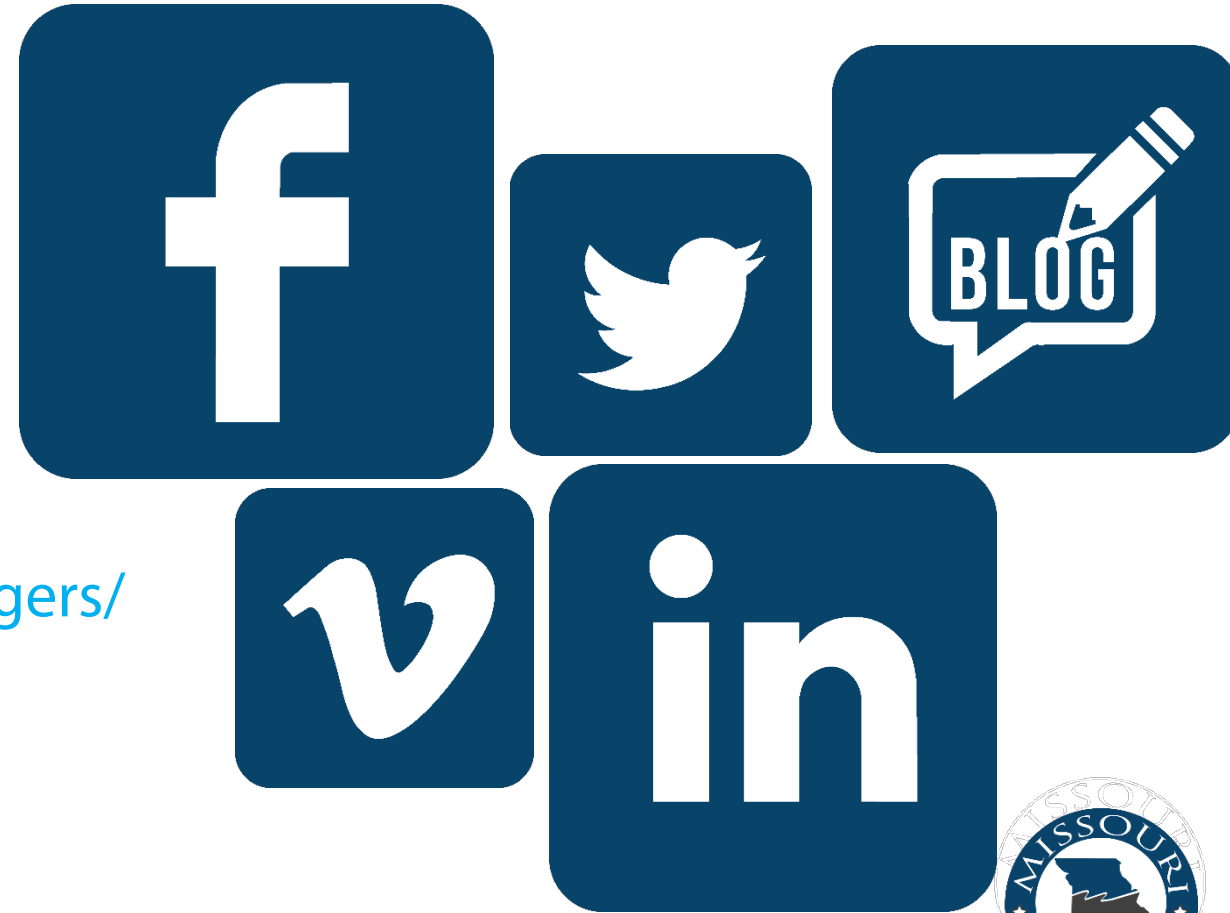
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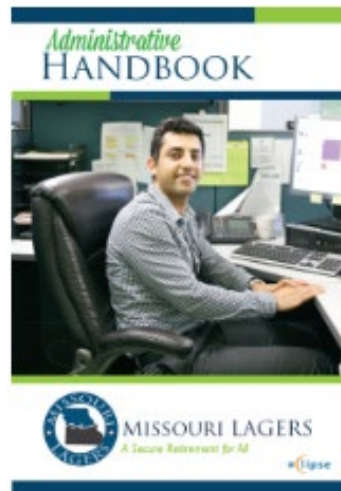
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PRINT RESOURCES



PRINT RESOURCES

Direct Member Communication

- Newsletters
- Member Annual Statements



IN-PERSON LEARNING

Pre-Retirement Seminars

Retiree Meetings - 2023

Employer Rate Meetings

HR Resource Meetings

On-Site Employee Presentation

- LAGERS LunchBreak!
- Custom Pre-Retirement Seminars
- Employee Meetings / Benefits Fairs

Board / Council Presentations

Association Conference Presentations



IN-PERSON LEARNING

Pre-Retirement Seminars

- 1-2 in each region in 2022
- Can be done onsite at your employer by request



IN-PERSON LEARNING

Employer Rate Meetings

- Topics will include:
 - Employer Contribution Rate Overview
 - System Trends and Performance
 - Inner workings of LAGERS financial structure
 - GASB Overview



IN-PERSON LEARNING

HR Resource Meetings

- Held in June & July Annually
- Topics will include:
 - Benefit Overviews
 - Benefit Change Process
 - In-Depth about communicating benefits
 - In-Depth about best uses of LAGERS' educational tools



IN-PERSON LEARNING

Board / Council Presentation

- Actuarial Valuation Review / Benefit Changes
- Importance of LAGERS Benefits for the Employer and the Taxpayers
- How a Pension Fits in with Total Compensation



IN-PERSON LEARNING

Association Conference Presentations

▪ **Topics we LOVE to Speak About**

- LAGERS Specific Topics
- The Value of Public Service
- The Value of Public Pension Benefit
- The Economic Impact of LAGERS
- Compare / Contrast of Retirement Plans
- Pension Funding Basics



LEARNING ENHANCEMENT

Certified LAGERS Administrator

- Self Study / Work at Your OWN Pace
- Receive a working knowledge about administration of LAGERS
- Will require you to attend some In-Person or Web events
- Changes are Coming to this Program



THANK YOU FOR ATTENDING!

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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 is provided



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