



MISSOURI LAGERS
A Secure Retirement for All

Retiree RESOURCE

FALL 2023 ISSUE

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Board Approves 2023 COLA

BENEFITS CORNER

ABCs of the Helps Deduction

COST OF LIVING ADJUSTMENT

LAGERS RETIREES HELPING
TO KEEP THE AMERICAN
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Get in Touch

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Keep Your Information Up To Date!



LAGERS is required to send your tax documents to the address we have on file. If you have changed addresses recently, make sure you update your address with us before the end of the year. You can verify and update your address online through your myLAGERS account or complete a change of address form.

System Updates

Board Approves 2023 Cost of Living Adjustment

At the June 18, 2023 LAGERS Board of Trustees Meeting, the board unanimously approved a Post-Retirement resolution authorizing a full cost of living adjustment (COLA) for retirees. The 2023 adjustment will be made on October 1st benefit payments.

As a reminder, LAGERS is no longer mailing pay stubs with your October payment. If you would like to see your new benefit amount prior to October 1st, log into your myLAGERS account.

LAGERS Funding Remains Strong

The LAGERS system prides itself on delivering long-term financial security and peace of mind to our members and retirees alike. Although retiree benefits are fully funded at retirement, LAGERS annually measures the overall funding of the system's future liabilities as a measure of ongoing financial performance.

At the June Board meeting, LAGERS' actuaries (GRS) reported the system's funding is expected to remain stable this year, with an updated funding level of 95.1% for the plan year ending in 2023. Although this is a slight decrease from the previous year, they noted the change is largely due to greater-than-expected pay increases as public employers continue to adjust and compete in the current labor market, and that the system remains in exceptional financial health.

As always, the Board of Trustees monitors all experiences of the system and works in conjunction with LAGERS staff and actuaries to ensure LAGERS continues to deliver on our promise of financial security well into the future.

Board Elections to Take Place in October

The LAGERS Board of Trustees is an elected body whose principal role is to ensure that LAGERS is appropriately governed and managed. The Board acts for the best interests of members and beneficiaries in order to protect the retirement security of the members of the system.



The Board of Trustees approves strategy and policy during four quarterly meetings each year and delegates day-to-day management of the retirement system to staff. By law, the Board of Trustees is made up of three elected Member Trustees, three elected Employer Trustees and one appointed Citizen Trustee.

Two Employer Trustee seats will be open for election at this year's Annual Meeting. Delegates from LAGERS' employers will attend the meeting to vote on Trustees.

Cost of Living Adjustments

One of the benefits of being a LAGERS retiree is receiving an annual cost-of-living adjustment (COLA). LAGERS COLAs are designed to ensure retirees do not lose purchasing power over the course of their retirement due to inflation.

The statutes governing LAGERS provide for how and when the adjustment is made to your monthly benefit. Particularly in this current environment of high inflation, you might be interested in knowing just how your COLA is determined. At right is a quick bullet summary of the key provisions.

- LAGERS COLAs are effective October 1 of each year.
- To be eligible to receive a COLA, you must be retired a full 12 months (i.e., retired by October 1 of the preceding year).
- The amount of your annual COLA is based on the change in the CPI from June of the previous year to the June immediately preceding the October it will go into effect (i.e., October 1, 2023 COLAs will be based on the CPI change from June 2022 to June 2023).
- The purpose of the COLA is for retirees and beneficiaries to maintain purchasing power (to keep up with inflation).
- There is a statutory limit of 4% on annual COLAs. However, cumulative COLAs from date of retirement are intended to ultimately equal 100% of cumulative CPI.





In the below example, when Consumer Price Index (CPI), which is the measure of inflation the LAGERS Board of Trustees uses to determine Cost of Living Adjustments, exceeds the 4% statutory cap, retirees only receive a 4%

adjustment for the year. In the following year (year 2) the adjustment will be cumulative meaning it will include that year's CPI adjustment, plus any 'catch-up' adjustment from the previous year (year 1).

How Cumulative Increases Work (Consumer Price Index)



As a result of the maximum annual increase allowed of 4%, for both 2021 and 2022 all retiree COLAs were capped at 4%. This compares to actual annual CPI increases of 5.39% and 9.06% for 2021 and 2022, respectively. For 2023 most COLAs will again be capped at 4%, with the exception of a small group of retirees receiving their first COLA (equal to the actual current increase of 2.97%). Therefore, currently all retirees are owed additional increases until reaching 100% of the applicable cumulative CPI measure. This can take some time depending on what future annual CPI increases are, LAGERS expects all retirees to be above 90% purchasing

power following this year's adjustment. As future annual CPI increases fall below 4%, additional progress can be made in catching all retirees up to full purchasing power.

Please remember that even though your COLA increase is capped annually, the methodology is intended to provide all retirees ultimately with 100% purchasing power while protecting the funding status of the LAGERS system. While more complex than many other retirement systems' methods for granting COLAs, this method is based on sound plan design for the ultimate benefit of all LAGERS retirees.

Benefits Corner

ABCs of the HELPS Deduction

The Healthcare Enhancement for Local Public Safety (HELPS) Retirees Act provides essential healthcare support to retired public safety personnel who have dedicated their careers to safeguarding communities. Designed to address the growing concerns surrounding the health and well-being of these retirees, the HELPS Deduction seeks to ensure that those who served in law enforcement, firefighting, and other public safety roles receive the care and recognition they deserve during their retirement years.

A

What is the HELPS Deduction?

Eligible public safety retirees are allowed a reduction of up to \$3,000 in their federal taxable income in connection with premiums for various types of health and long-term care insurance.

B

Who is Eligible?

To qualify for the deduction, you must have:

- Been serving as a public safety officer (as defined by applicable federal law) when you retired.
- Retired under the normal retirement provision of the system (meaning that you did not take an early retirement) or you must have taken a disability retirement. Rule of 80 qualified retirement does qualify.

C

How do I take advantage of this benefit?

Talk to your tax professional about if you qualify. New in 2023, LAGERS is no longer required to withhold health and long-term care premiums in order for a retiree to qualify for the deduction. Eligible retirees may deduct premiums that were paid directly to their providers.



Retirement Housekeeping: Review and Update Your Personal Information

It is important to keep your designated beneficiaries up to date. Regardless of which Benefit Payout Option you elected at retirement, keeping your beneficiaries up to date ensures all future payable benefits are made to whom you intend. This may include both refunds of contributions or a monthly annuity.

Retirement Housekeeping Check List



Review and update contact information.

Maintaining accurate contact information ensures that you receive important updates and notifications regarding your retirement benefits, such as tax documents. It also helps protect you from potential identity theft or fraud.



Review your designated beneficiaries

Beneficiaries designated under Option A and B (options providing a lifetime annuity for your spouse) cannot be changed. Should your spouse pre-decease you, be sure to contact the LAGERS office to enact the Pop-Up provision on your benefit. Under this provision, a retiree receiving a reduced benefit under Option A or B may 'pop-up' to their full Life benefit in the event of the death of a spouse.



File a Power of Attorney

A Power of Attorney (POA) is a legal document that designates someone you trust to act on your behalf if you become unable to make decisions due to illness, injury, or any other reason. By appointing a POA, you ensure that someone you trust can handle your affairs and make essential decisions when you cannot.

Verify and Update
Your Information on
myLAGERS Today!



LAGERS Retirees Helping to

Keep the American Dream Alive

Each year, LAGERS retirees living in Missouri receive more than \$422 million in benefit payments, which were earned by serving their communities throughout their careers in public service. These benefit payments not only mean financial security for LAGERS retirees but also create economic impact within Missouri's communities. As part of our ongoing "LAGERS Loves Local" series, we sat down with retirees Linda and Wayne Hartley at one of their favorite local spots, The Royal Biscuit, to hear more about how they are supporting their local economy in retirement.

Owning a local business is the epitome of the American dream. But when Linda and Wayne Hartley met while working at the City of Independence more than 25 years ago, they could have never imagined how important their LAGERS retirement would be to supporting the dreams of others in their community.

Linda and Wayne both spent decades-long careers in public safety for the city of Independence. Linda spent her 38-year career working as a 911-dispatcher, while Wayne held various roles with the Independence Police Department including as a police officer and volunteer Chaplain. For anyone listening to Linda and



Wayne talk about their careers, it quickly becomes apparent they share a servant's heart. "It was not always easy," they share, "but I know we made a difference in people's lives."

But for Linda and Wayne, working for the city ended up being more than just a professional calling. After being no more than acquaintances at work for some time, they were set up on a date. Linda chuckled as she reminisces, "we actually got to talking and never made it to dinner that night. I guess it was just meant to be."

Now in retirement, Linda and Wayne credit their happiness to their similar interests. "We've always enjoyed the same things," Wayne adds. Whether they are crafting or riding motorcycles, Linda and Wayne are always making the most of their

"We are grateful that our LAGERS benefit allows us to do what we want."



retirement together, including hitting one of their favorite breakfast spots, the Royal Biscuit.

As we chatted and perused the vast menu, owners Jose and Cinthia Barrios bustled over to our table to say hello. They greeted the Hartleys with warm hugs, akin to a family's greeting at a holiday get-together. At the Royal Biscuit, Linda and Wayne are much more than just patrons, they are a part of the restaurant's very fabric. "It's like a big family here," Cinthia adds, "we just love Linda and Wayne!" Cinthia's beaming smile and warm demeanor quickly made me feel like I too was just a part of the family. And as Cinthia and Jose visited with us, their passion for customers was on full display.

But when COVID hit, Jose didn't know if his dream would last. "It hit small business owners really hard, it was tough. We wouldn't be here today without people like Linda and Wayne," he adds.

"Our customers are helping keep my dream alive," Jose beams. "I started in the restaurant industry as a busboy and worked my way up until I was able to own my own restaurant. It really is a dream come true."



About that time Linda points out the coffee mugs customers were happily sipping out of. "We designed these," Linda shared. "It was meant to be a gift to Jose and Cinthia one Christmas, and they liked them so much, now they use them in the restaurant. It is hard not to appreciate the many ways Linda and Wayne have impacted the Royal Biscuit family.

As Jose and Cinthia's son, David, made sure our coffees stayed topped off, and as our piping hot breakfast was delivered, we gladly tucked in to enjoy all the Royal Biscuit has to offer. With hundreds of five-star online reviews about their great breakfast and the friendliest atmosphere in town, the Royal Biscuit in Blue Springs, Missouri is certainly worth a try.



Session Concludes with Little Impact to the LAGERS System

The 2023 Missouri Legislative Session ended on May 12 without any negative impact on the LAGERS system.

The 2023 Missouri Legislative Session ended on May 12 without any negative impact on the LAGERS system. In total, more than 2,300 bills were filed, including over 50 bills relating to public retirement.

Although LAGERS did not have any legislative priorities this session, it was another busy session in the capitol. LAGERS staff tracked over 150 bills covering a wide range of issues from local government to public safety to social investing, and is pleased to report no bills with negative impact on the LAGERS system were passed.

The session concluded with forty-three bills crossing the finish line, including two omnibus retirement bills primarily containing clean-up language that was specific to other public pension plans in Missouri.

In addition to the retirement packages, a few other notable bills crossed the finish line.

Of note, Senate Bills 24 and 186, contain numerous public safety provisions, one of which amends the definition of first responder to include emergency telecommunicators. Although LAGERS already has the option for employers to classify emergency telecommunicators as first responders, the bill aimed to create a broader recognition of the important work of these roles. Senate Bill 24 also included another provision extending military employment rights (which are defined by federal law) to members of Missouri Task Force One.

Another notable piece of legislation that has also been signed by the governor is Senate Bill 190. This bill, dubbed the senior tax relief bill in the legislature, authorizes any Missouri county to voluntarily approve a tax credit for eligible seniors, which would in effect, limit future tax increases to

a primary homestead. The package also expands certain retirement tax deductions, by removing income limits for existing deductions, subject to limitations. For information on how this might affect your tax situation, visit with your tax professional.

Although there were ultimately no bills passed with a direct impact to LAGERS, pension policy is always an area of focus for the legislature. LAGERS continues to build and maintain strong relationships with the legislature to ensure that no matter what issue is being discussed, LAGERS continues to promote policy that allows the LAGERS Board of Trustees and staff to make decisions that are in the sole and best interest of our members and retirees.



LAGERS members Brandon Ruediger, Charlene Leslie, Tim Edington, and Lori Meyer visited with lawmakers during LAGERS 2023 Legislative Days.

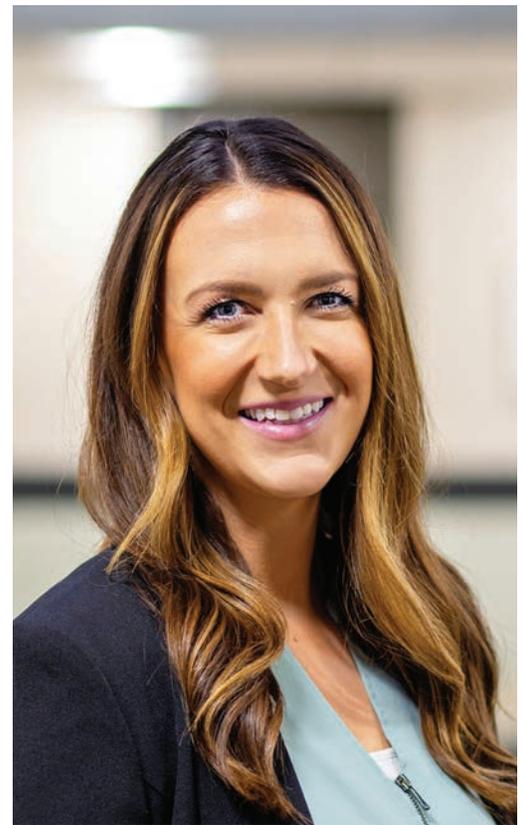
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LAGERS Welcomes New Chief Technology Officer

As information technology and security continue to evolve at lightning speed, LAGERS is investing in the security of your retirement system. LAGERS is pleased to welcome Ciara Bauer as the system's first Chief Technology Officer. As part of LAGERS' leadership team, Ciara will manage the IT department, oversee the development and implementation of technology solutions to support the organization's goals and objectives, and ensure that the technology infrastructure is reliable, secure, and scalable.

Ciara comes to LAGERS from the Public School Retirement System (PSRS), where she has held various roles over the past six years including Project Manager and Application Development Manager. Prior to her time at PSRS, Ciara worked for the city of Jefferson City in their information technology department. In addition to her professional duties, Ciara also serves on the State Technical College of Missouri Advisory Council for Computer Application Development. She holds degrees in Secondary Business Education and Management Information systems and holds Project Management Professional (PMP) from the Project Management Institute, PMI Agile Certified Practitioner (PMI-ACP) from the Project Management Institute, and Certified Scrum Master (CSM) from Scrum Alliance designations.

We are fortunate to have Ciara join the LAGERS team," says executive director Bill Betts. "Ciara's extensive knowledge in cyber security and application development are going to serve LAGERS and our membership well into the future."



Ciara Bauer, Chief Technology Officer



“Ciara’s extensive knowledge in cyber security and application development are going to serve LAGERS and our membership well into the future.”



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New Chief of Technology Officer

LAGERS Direct Deposit Schedule

- Monday, October 2nd
- Wednesday, November 1st
- Friday, December 1st
- Tuesday, January 2nd
- Thursday, February 1st
- Friday, March 1st