



LAGERS Retirement Process & Payment Options



MISSOURI LAGERS
A Secure Retirement for All

Calculating Your LAGERS Benefit

How is my benefit calculated, and how can I increase my monthly benefit?



A lifetime monthly benefit calculation might look like this:

$$1.5\% \times \$4,000 \times 25 \text{ Years} = \$1,500$$



Calculating Your LAGERS Benefit

How can I increase my monthly benefit?

*The best way for you to increase your benefit is to **work longer** and/or **make more**.*

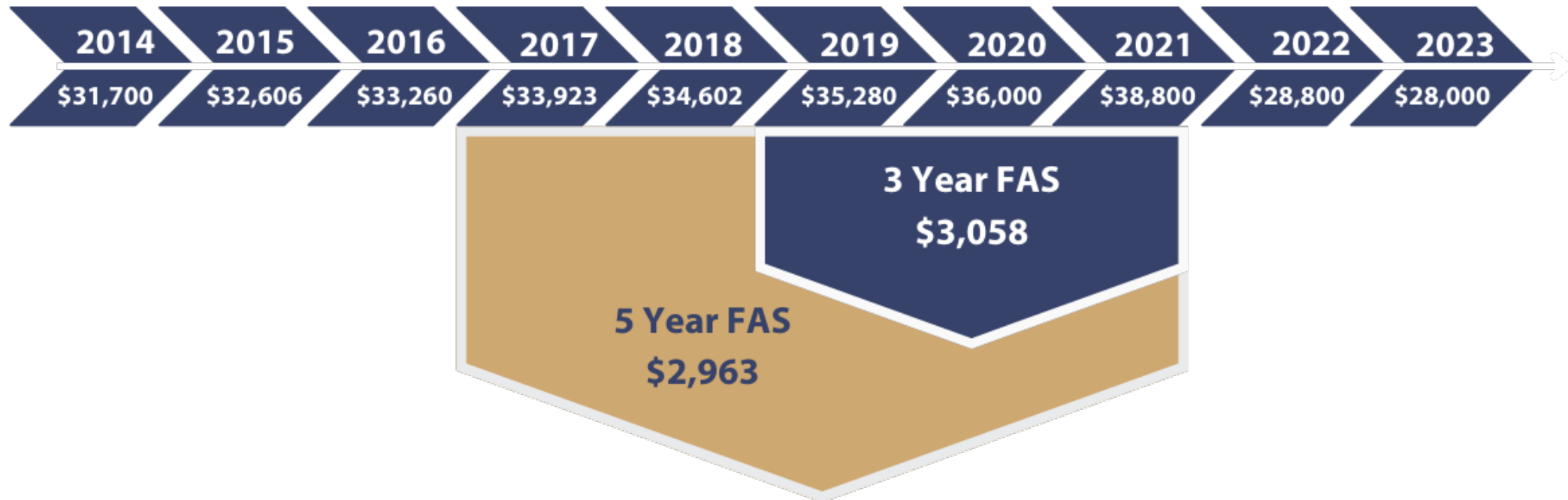
Leave employment 5 years early with 25 years of service	Work 5 more years	OR – Work 5 years with 2% salary increase per year
$1.5\% \times \$4,000 \times 25 = \$1,500$ $\$1,500 \times 70\% = \$1,050$	$1.5\% \times \$4,000 \times 30 = \$1,800$	$1.5\% \times \$4,600 \times 30 = \$2,070$

Compare \$1,050 (5 yrs early) to \$2,070 (normal retirement)



Calculating Your LAGERS Benefit

What happens to my benefit if I take a lower paying job with my employer?



Application Process

You may initiate your LAGERS retirement in one of two ways:

- Complete an Application for **Retirement (LRS-8)** form
- Apply online through **myLAGERS**.

LAGERS MUST receive your application no less than 30 – 90 days before your first desired benefit payment.



Application Process

OPTIONAL FORMS OF PAYMENT AVAILABLE TO ROBERT L. WILSON			
EMPLOYER NAME:	CITY OF BRANSON	BENEFIT PROGRAM:	L-6
LAGERS NUMBER:	3883-1-9999	DEPARTMENT:	GENERAL
TYPE OF BENEFIT:	EARLY RETIREMENT	BENEFIT EFFECTIVE DATE:	04/01/2008

PLEASE INITIAL ONLY ONE OF THE OPTIONS BELOW

COMPUTED MONTHLY BENEFITS

INITIAL	OPTION	DESCRIPTION	TO MEMBER	POTENTIAL TO BENEFICIARY
_____	LIFE	Single Life Allowance Terminating at Death NO LUMP SUM PAYMENT	\$1,527.12	
_____	A	Joint & 75% Survivor NO LUMP SUM PAYMENT	\$1,298.05	\$973.54
_____	B	Joint & 50% Survivor NO LUMP SUM PAYMENT	\$1,374.41	\$687.21
_____	C	Life Allowance with 10 Year Certain Feature NO LUMP SUM PAYMENT	\$1,450.76	\$1,450.76
_____	LIFE PLUS	Single Life Allowance Terminating at Death A LUMP SUM PAYMENT OF APPROXIMATELY	\$1,288.89 \$36,650.88	
_____	A PLUS	Joint & 75% Survivor A LUMP SUM PAYMENT OF APPROXIMATELY	\$1,095.56 \$36,650.88	\$821.67
_____	B PLUS	Joint & 50% Survivor A LUMP SUM PAYMENT OF APPROXIMATELY	\$1,160.00 \$36,650.88	\$580.00
_____	C PLUS	Life Allowance with 10 Year Certain Feature A LUMP SUM PAYMENT OF APPROXIMATELY	\$1,224.45 \$36,650.88	\$1,224.45

Beneficiary information MUST be completed regardless of the option chosen.

To receive any benefits payable upon my death, I hereby designate as my primary beneficiary, _____ whose relationship to me is _____, whose sex is _____, whose address is _____, whose birth date is _____, and (if Option A or B is elected) whose date of marriage to me is _____. (Documentary evidence of dates must be attached.)

If any benefits are payable to a beneficiary subsequent to my primary beneficiary's death, I hereby designate as my contingent beneficiary _____, whose relationship to me is _____, and whose address is _____.

I REALIZE THAT THE PAYMENT OPTION SELECTED CANNOT BE CHANGED AFTER RETIREMENT.

SIGNATURE OF MEMBER _____ DATE _____
Member's address _____ Member's telephone number _____

SPOUSAL ACKNOWLEDGEMENT OF MEMBER'S ELECTION
(This section should be completed if member is married.)

I, _____, am the lawful spouse of _____.
I hereby acknowledge my spouse's election of the payment option selected above.
Signed _____ Date _____

Once LAGERS receives your application, you will receive an **Election of Payment** form to complete. You will also receive:

- **Additional Tax Information**
- **Tax Withholding Forms**
- **Direct Deposit Form**



Payment Options

LAGERS members have several payment options from which to choose

*Once you begin receiving a LAGERS benefit, your chosen payment option **cannot** be changed in the future.*



Payment Options

The Life Allowance

The Life Allowance pays the highest monthly benefit to the member, but payments stop upon the death of the member.

*Here's how the **Life Allowance** is calculated.*

Example: Assume L-7 (1.5%), \$4,000 Final Average Salary, 25 years of Credited Service



Payment Options

The Life Allowance

If you pass away before receiving an amount equal to the money you paid into LAGERS, the remainder of your contributions will be refunded to your beneficiary.

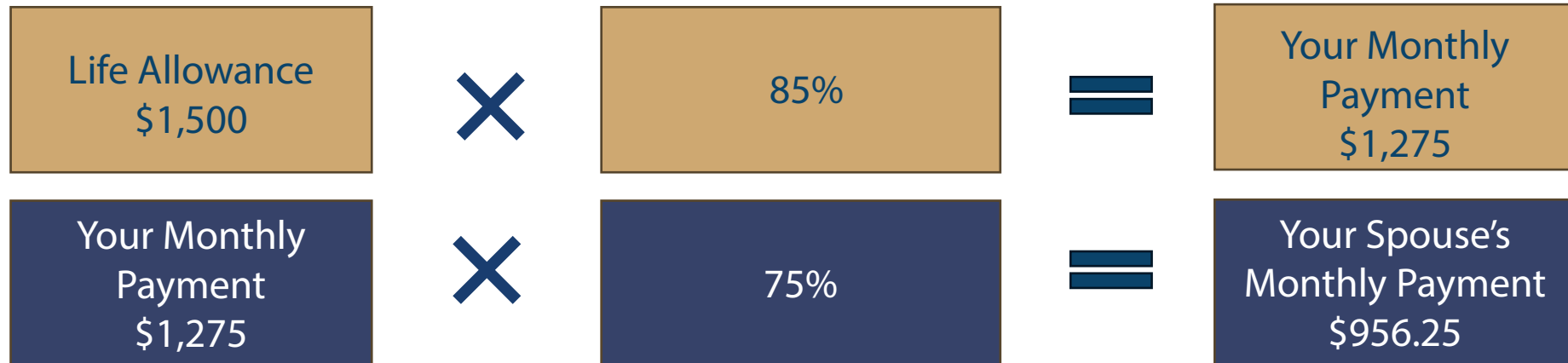


Payment Options

Option A

Option A pays 85% of the life allowance for the lifetime of the retiree, plus an additional benefit paid to a beneficiary should the retiree predecease his or her beneficiary.

Here's how Option A is calculated:

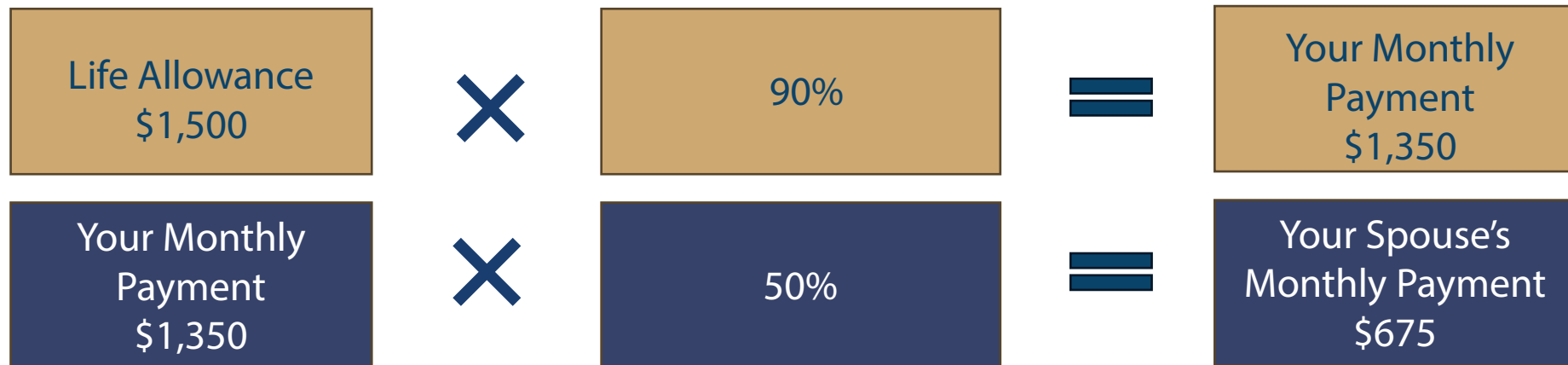


Payment Options

Option B

Option B pays 90% of the life allowance for the lifetime of the retiree, plus an additional benefit paid to a beneficiary should the retiree predecease his or her beneficiary.

Here's how Option B is calculated:



Payment Options

Options A & B

- When both the beneficiary and the member have passed away, there is nothing else payable, unless employee contributions remain.
- A beneficiary can be:
 - Someone married to the member for 2 years prior to retirement
 - Someone who is age 40 or older, is more than half supported by the member for 2 or more years
 - Signed legal affidavit required



Payment Options

Options A & B

- Pop-Up Provision:
 - If the member's beneficiary pre-deceases the member, the reduction for the payment option is removed.
 - Does not apply to divorce
 - If divorced, the spouse elected under the payment options will receive the benefit if the member predeceases the beneficiary



Payment Options

Options A & B

- The lifetime monthly benefit is adjusted for age:
 - Depends on the age difference between the member and beneficiary
 - Adjustment included in a LAGERS benefit estimate



Payment Options

Partial Lump Sum (PLUS)

The PLUS can be added to any of LAGERS' payment options.

- Equal to 24 payments (2 years) of the Life Allowance
 - Does not include the temporary benefit under the Life & Temporary Plan
- Payable 90 – 150 days after retirement
- A reduced lifetime benefit is still payable
 - Reduced by approximately 16% (adjusted for age)



Payment Options

Partial Lump Sum (PLUS)

The PLUS may also be subject to taxation.

- You may delay taxes by rolling over into eligible retirement account
- If you receive the lump sum directly:
 - LAGERS must withhold 20% and forward to IRS
 - You may also be subject to an early distribution penalty – check with tax advisor



You have a few resources available to you:

LAGERS Website: molagers.org

LAGERS Member Web Portal: [myLAGERS](#)

LAGERS Benefit Specialists: (800) 447-4334

LAGERS Events

