

Retiree RESOURCE

SUMMER AND
FALL ISSUE 2025

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MISSOURI LAGERS



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FROM THE DIRECTOR'S DESK

I hope this newsletter finds you enjoying the rewards of your well-earned retirement. At

Missouri LAGERS, our top

priority remains the same: protecting the security of your LAGERS benefit. In today's ever-changing economic climate, the peace of mind that comes from knowing your monthly payment will arrive on time each month is something you can always count on.

In this issue, you'll find important updates including market insights and news about your cost-of-living adjustment (COLA). I'm pleased to share that the LAGERS Board of Trustees has approved a 2025 COLA, continuing our commitment to helping your benefit keep pace with inflation. While COLAs like the one you receive from LAGERS are increasingly rare among public pension systems, I am proud that we can continue to offer this added layer of stability for your financial future.

I also want to encourage you to stay connected with us. Whether you're traveling, volunteering, mentoring, or spending time with loved ones, we want to hear how you're making the most of this next chapter. Your continued contributions, both big and small, remind us why we do the work we do every day.

Thank you for your legacy of service and for allowing us the privilege of serving you in retirement. If you ever have questions or need assistance, never hesitate to contact our office.

Best regards,

Bill Betts
Executive Director

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GET IN TOUCH



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info@molagers.org





Elizabeth Althoff
Director of Legislation &
Communications

Legislative Session Concludes: No Negative Impact to LAGERS

The 2025 Missouri legislative session officially concluded a day before its constitutional deadline in May. Each year, LAGERS tracks hundreds of bills, many with either a direct or indirect impact on the LAGERS system. LAGERS maintains a proactive presence in the statehouse to ensure your retirement benefits are protected. We are pleased to report that LAGERS had a successful session, securing several positive changes to state law. In all, lawmakers sent 66 bills to Gov. Kehoe for his consideration. Among the passed bills was an omnibus public pension bill, House Bill 147.

House Bill 147, sponsored by former LAGERS board member, Rep. Barry Hovis of Cape Girardeau, contains various provisions impacting public pension plans in Missouri. The bill, which was signed by Gov. Kehoe in July, received wide bipartisan support from the General Assembly and includes several clean-up provisions and investment fiduciary protections that impact LAGERS.

Clean-up provisions are technical changes aimed at clarifying or reconciling inconsistencies and outdated references in existing law. Although none of the clean-up provisions have a direct impact on member benefits, they are important to keeping the system's governing statutes up to date. Changes in HB 147 include ensuring consistency across LAGERS statutes, clarifying intent where existing language was ambiguous, and removing obsolete language and statute references.

House Bill 147 also codifies several of LAGERS' long-standing practices regarding investment decision-making. The new law requires that all public funds make investment decisions and cast proxy votes for the exclusive financial interest of their members.

"Although LAGERS has always followed this principle in our investment practices, we are pleased to see the General Assembly agrees with our approach," LAGERS Executive Director Bill Betts said. "Our priority has always and will always be to protect the financial futures of the members we serve."

Perkins Steps Down From LAGERS Board



Member Trustee Mark Perkins from the city of Creve Coeur has announced his resignation from the city, effective July 31. With his resignation, Perkins will also step down from the

LAGERS board.

“In the relatively short time I served, I gained an appreciation for the dedication of the board and staff in ensuring that LAGERS retains its status as one of the best funded public retirement plans in the nation,” said Perkins.

Perkins has served as the city administrator for Creve Coeur since 1999. He was appointed to the LAGERS board in June 2024 and elected to another one-year term in October 2024. His seat will remain vacant until the LAGERS Annual Meeting, which will be held Oct. 30-31, 2025, in Springfield, Mo. Perkins is looking forward to continuing to serve his community as the newly appointed CEO for Great Rivers Greenway, a public agency dedicated to building and maintaining recreational greenways for the greater St. Louis metropolitan area.

“We are grateful for Mark’s dedicated service and the many contributions he has made during his time on the board,” Board Chair Joan Leary said. “We congratulate him and wish him well on his next chapter.”

Missouri LAGERS Receives Awards for Excellence in Financial Reporting

LAGERS has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its 2024 Annual Comprehensive Financial Report for the fiscal year ending June 30. This is the 47th consecutive year LAGERS has received the award. LAGERS also received the GFOA’s Popular Annual Financial Reporting Award.

Established by the GFOA in 1945, the Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

“Earning this recognition again this year is a testament to LAGERS’ commitment to transparency, accountability, and the trust our members place in us,” said Melissa Rackers, LAGERS’ chief financial officer. “It reflects the care and professionalism our team brings to every financial report—and the deep responsibility we feel to those we serve.”

The report was judged by an impartial panel and found to meet the high standards of the GFOA program, which includes demonstrating a constructive “spirit of full disclosure.”

LAGERS financial reports are available at molagers.org.



LISTENING ABOVE THE NOISE

It seems that originality in filmmaking is increasingly rare today. Instead, reboots and sequels dominate the landscape. Take 2025, for instance: we're seeing the return of *Fantastic Four*, *Superman*, and even *Jurassic Park*, a franchise born over 30 years ago. Michael Crichton, who first brought *Jurassic Park* to life, also authored *Westworld* in the 1970s, a lesser-known

work that was recently revived as an HBO series. Without spoiling the plot for those who haven't yet watched it, the series raises an intriguing question: Can human behavior be so predictable that it can be pre-programmed?

We all like to think of ourselves as unique—our quirks, our individual personalities—but when it comes to decision-making, do we really act in any way that differs from others? This question becomes especially relevant when we look at the financial world. The media is constantly filled with economists and strategists forecasting the future, especially in times of uncertainty—whether it's tariffs, taxes, or geopolitical unrest. Yet, despite their expertise and their access to a wealth of data, both everyday investors and seasoned professionals alike often fail to beat the market.

According to the 2024 Dalbar QAIBR study, the average equity investor has underperformed the S&P 500 by more than 1% annually over the past 20 years. While 1% might seem like a small margin, consider this: A \$100,000 investment would have grown to \$585,644 for the average equity investor, but to \$716,880 in the S&P 500. It's easy to assume that individual investors lag because they lack the time, tools, and expertise that professionals possess. But even professional investors often fail to deliver superior returns. In fact, the 2024 Morningstar Active/Passive Barometer report reveals that approximately 92% of professional U.S. Large Cap equity investors have underperformed the S&P 500.

So, why is this happening?

Most investors, whether amateurs or professionals, assume rationality in their decision-making. If prices rise, we buy less; if they fall, we buy more. Yet, markets don't follow this straightforward logic. They are influenced by imperfect, often conflicting, information. For instance, how will tariffs, taxes, inflation, and geopolitical tensions impact markets? In recent months, the markets have largely ignored negative news and instead focused on the potential for positive outcomes, driving equities to new all-

time highs. The markets could just as easily have responded to fears of higher inflation, rising interest rates, or a slowing economy, pushing stock prices lower. Essentially, the collective behavior of investors, guided by sentiment rather than cold, hard facts, often pushes the market in one direction, regardless of the underlying risks. This herd mentality is why, despite knowing the risks, investors often fail to navigate market volatility effectively.

Our investment team understands the irrationality that drives markets. That's why we've built our investment process to not only survive but to thrive

"We've built our investment process to not only survive but to thrive amid market fluctuations"

amid market fluctuations. We've been able to "look through" short-term noise and stay focused on material facts. Before recent market volatility, we maintained a neutral stance on equities, and we continue to do so. While we remain cautious about the historically high

valuations and potential risks of a market correction, we also stay vigilant, waiting for the speculative fever pushing stocks higher to subside.

This brings to mind a timeless quote from Charles Mackay in his classic *Extraordinary Popular Delusions and the Madness of Crowds*: "Men, it has been well said, think in herds; it will be seen they go mad in herds, while only recover their senses slowly, and one by one."



Scott Day
Chief Investment Officer

NOW YOU CAN Sign Up for Direct Deposit on myLAGERS

As part of our ongoing efforts to improve our customer experience, we are excited to announce that you can now update your banking information on your myLAGERS account – no more inconvenient trips to the bank or waiting for a paper form to be processed.

Most LAGERS retirees receive their monthly benefit payments via direct deposit. Direct deposit is an electronic transfer of your benefit directly into your bank account. It's a fast, secure, and convenient way to receive your payment without having to wait for your check to arrive in the mail and make a trip to the bank to deposit it.

What does this change mean for me?

If you need to set up or change the account in which your LAGERS benefit is deposited, you can do so directly on myLAGERS. Previously, this could only be done with a paper form that you had to take to your bank and then mail to LAGERS.

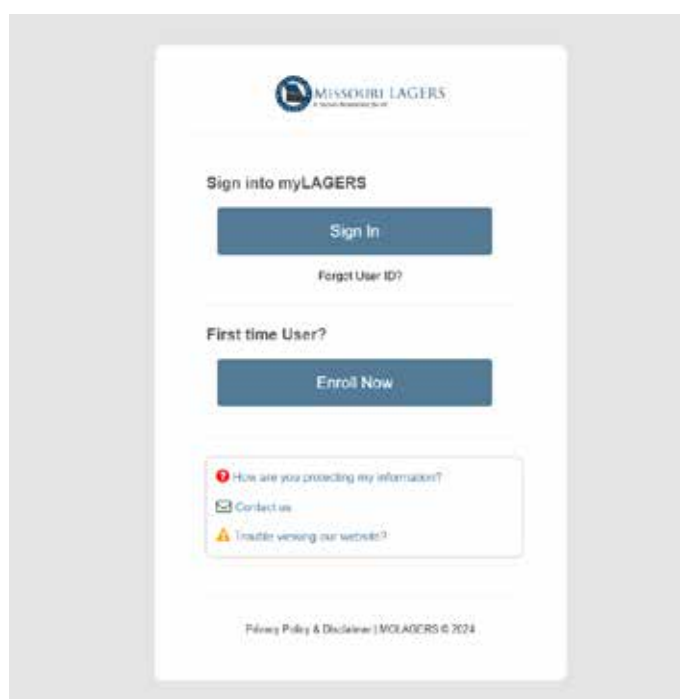
Why is this change happening now?

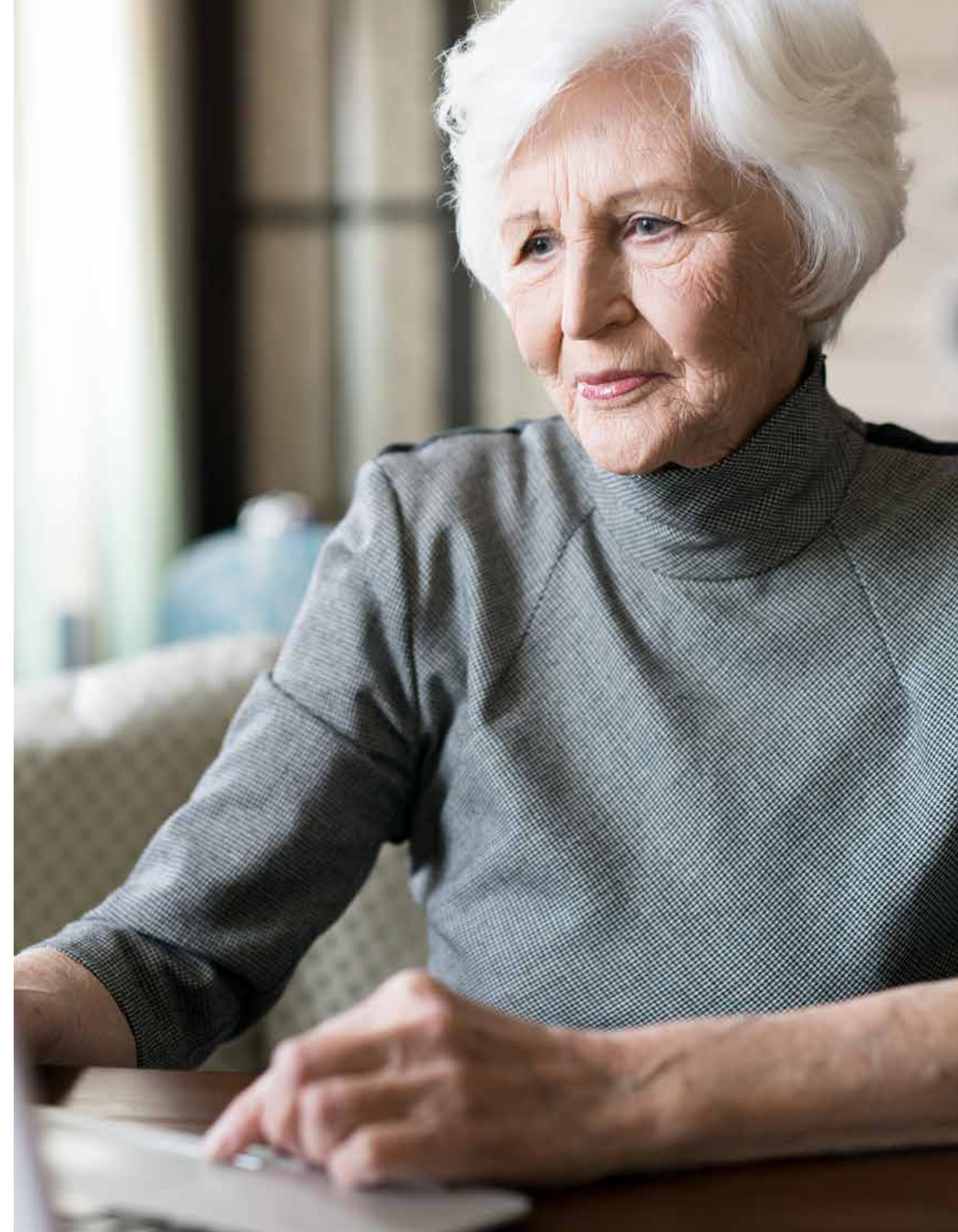
Getting a paper form signed at the bank is a hassle. As we continue to make enhancements to your online myLAGERS security, we are now able to offer this feature as a secure, convenient way to update your financial information in just a few clicks.

Do I need to do anything?

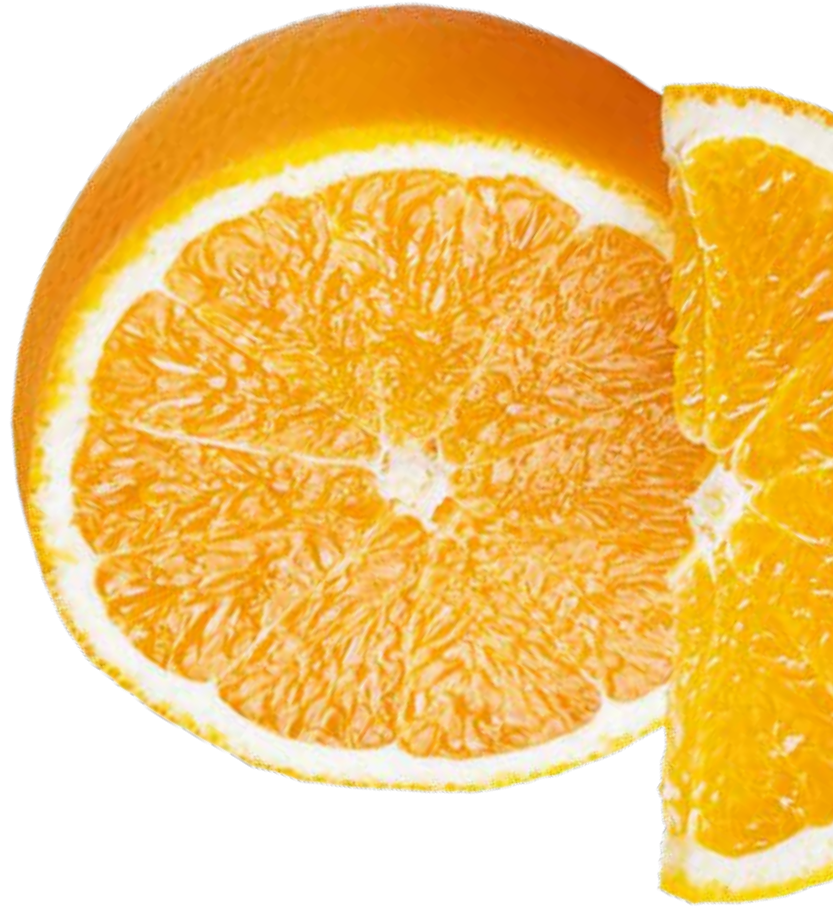
No! This new feature is available if you ever need to update your banking information, but no action is required today. New retirees will also benefit from this feature if they apply for retirement on myLAGERS and are setting up their banking information for the first time. No more paper forms, no more trips to the bank, no more hassle.

LAGERS is excited to offer this new feature to make managing your retirement even easier. It's just one of many improvements we're making to better serve you.





COLAS COMING OCT. 1



American consumers continue to feel the squeeze of inflation, with rising grocery prices and increased costs of living for essential goods and services. For LAGERS retirees, this means that everyday expenses, from food and utilities to healthcare, are consuming a larger portion of their fixed income.

To help offset these challenges, the LAGERS Board of Trustees voted to approve a cost of living adjustment (COLA) for eligible retirees starting Oct. 1.

COLAs provide a crucial financial cushion that allows LAGERS retirees to retain full purchasing power with their hard-earned benefit, even as the cost of living fluctuates from year to year.

Does everyone receive the same COLA?

COLA amounts will vary by retiree depending on your effective retirement date, but LAGERS' goal is to ensure that all retirees are either at or working toward reaching 100% purchasing power of your original benefit.

By law, an adjustment can't exceed 4% in any given year. Because we have been in a period of high inflation, this means some retirees may still be hitting the 4% annual cap as LAGERS continues to work every retiree back to full purchasing power.



Will I receive a notice with my COLA amount?

No, you will not receive a notice with your new COLA amount. Your 2025 adjustment will appear on your Oct. 1 payment. You can view your new payment amount before Oct. 1 by logging on to your myLAGERS account any time after Sept. 1.

Why did I not receive a COLA?

If you did not receive a COLA on Oct. 1, you may not be eligible yet. To qualify for your first cost of living adjustment, you must be retired a full 12 consecutive months, including an Oct. 1. A common misconception is that retiring after Oct. 1 could reduce your benefit because you won't be eligible for your first year's cost-of-living adjustment (COLA). While it's true that retirees must be retired for twelve full months before receiving their first COLA, LAGERS adjustments are cumulative. If you retire after Oct. 1, your first adjustment will be larger the following year to ensure your benefit maintains 100% of its purchasing power.

For additional questions about COLAs, please reach out to our benefits team at 1-800-447-4334 or retirement@molagers.org.

How to Protect Your Personal Information Online



Ciara Bauer
Chief Technology Officer

From accessing your retirement information to communicating with LAGERS, much of today's activity happens online—and with that convenience comes risk. Cyber threats like phishing scams and identity theft are becoming more sophisticated, making it essential to take proactive steps to safeguard your personal data.

The good news? A few smart habits can go a long way in protecting your information.

Whether you're sharing information with LAGERS, managing records, or looking up information about your benefit, following strong cybersecurity practices helps ensure your information stays secure.

Here are some essential tips and tools to help you stay safe online.

Secure Ways to Share Data with LAGERS

LAGERS members and retirees should always use secure methods when sharing personal or financial information. The safest way is through the myLAGERS portal, where you can update beneficiary information, apply for retirement, and view benefit information securely. For urgent matters, calling the LAGERS office directly ensures you're speaking with a LAGERS staff member.

If you need to send personal information through email, always use encryption to protect your data's security.

LAGERS emails will always be sent from an @molagers.org account and will usually be from a familiar contact. LAGERS will never ask for a wire transfer, PayPal payments, gift cards, or personal identifying information to be sent in an email or text. If you are unsure that an email you've received regarding your LAGERS benefit is authentic, call our office at 1-800-447-4334.

Strong Password Practices

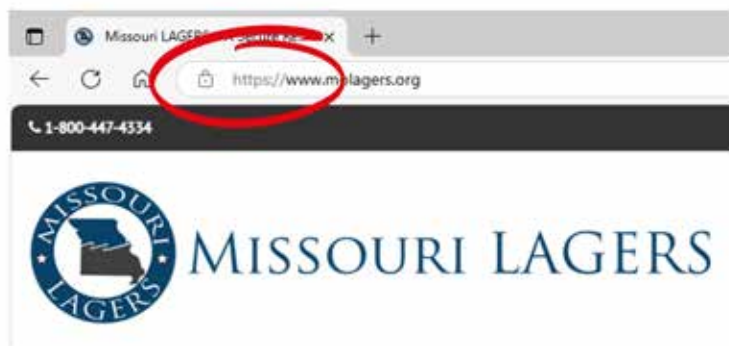
For strong password security, aim for a length of 12 to 16 characters or more. Use a combination of uppercase and lowercase letters, numbers, and special characters to increase complexity. Avoid reusing the same password across multiple platforms, and steer clear of including personal information—such as pet names, children's names, or street addresses—that could be easily guessed.

Using a password manager makes it easier to store and generate secure passwords, helping you maintain strong credentials for each account. Recommended tools include Bitwarden, LastPass, and 1Password. You can test the strength of your passwords at bitwarden.com/password-strength or see if they've been compromised at haveibeenpwned.com/Passwords.

Additional Security Tips

Protecting your data requires vigilance and smart browsing habits. Always be cautious of phishing attempts—scammers often mimic legitimate contacts, so don't click on links or share information unless you've verified the source. Use password-protected Wi-Fi networks and avoid public Wi-Fi when possible; turning off auto-connect and using a VPN or personal hotspot adds an extra layer of security.

Enter sensitive information only on secure websites that begin with "https://" and display a padlock icon. To further protect your device, install an ad blocker like uBlock Origin to block malicious ads and download software only from reputable sources. Regularly restarting your devices helps clear out threats and apply updates, and locking your screen or logging out when stepping away ensures your information stays safe.



Enter sensitive information only on secure websites that begin with "https://" and display a padlock icon.

WILL MY SPOUSE RECEIVE A BENEFIT AFTER I'M GONE?



One of the most common questions LAGERS benefit specialists receive involves the distribution of benefits after you pass away. Whether your spouse (or another beneficiary) continues to receive benefit payments after your death depends on the payout option you elected at retirement and your corresponding beneficiary.

Payout Options

Who receives your benefit after your death largely depends on the payout option you selected at retirement. LAGERS offers four primary ways you can choose to receive your monthly benefit. Once you begin receiving payments, neither you nor your beneficiary can change the way the payment is distributed.

Each option provides a different type of protection for your loved ones.

Life Option: If you selected the Life Option at retirement, you are receiving 100% of your monthly benefit for the rest of your life. A spouse or beneficiary will not receive any payments after your death, unless there is a remaining employee contribution account balance (any funds from your paycheck that your employer required you to contribute toward funding your benefit). If so, that balance will be refunded to your designated beneficiary or estate as a lump sum. You can change this beneficiary at any time in retirement.

Option A: If you selected Option A, you are receiving 85% of the Life benefit for your lifetime. After you pass away, your spouse or other eligible dependent will receive 75% of your benefit payment for the rest of their life. To select this option, you must have been married to your spouse for two years before retirement or have an eligible dependent over the age



of 40 who relied on you for more than half of their financial support for at least two years before retirement. Once payments begin, this beneficiary cannot be changed.

If your designated beneficiary passes away before you do, and you retired on or after Sept. 1, 1992, you may “pop up” your benefit to the full 100% amount for the rest of your life upon written notification to LAGERS.

Option B: If you selected Option B, you are receiving 90% of the Life benefit for your lifetime.

After you pass away, your spouse or other eligible dependent will receive 50% of your benefit for the rest of their life. To select this option, you must have been married for at least two years prior to retirement or have an eligible dependent over the age of 40 who relied on you for more than half of their financial support for at least two years before retirement. Once payments begin, this beneficiary cannot be changed.

If your designated beneficiary passes away before you do, and you retired on or after Sept. 1, 1992, your benefit may “pop up” to the full 100% amount for the rest of your life upon written notification to LAGERS.

Option C: If you selected Option C, you are receiving 95% of the Life benefit for your lifetime. Your beneficiary will only receive a monthly payment if you pass away within 10 years of your retirement date, and the beneficiary’s monthly payment will stop once LAGERS makes 120 payments to you and your beneficiary combined. You can change this beneficiary at any time in retirement.

How do I find out which option I chose? If you’re unsure which payout option you selected at retirement, log in to your myLAGERS account at molagers.org and go to the “Payment Accounts” section. If you click on the hyperlink under “Retirement Date Link,” you will be taken to a payment account summary page. Under “Account Details,” your payout option will be listed under “Benefit Option.”

You can also contact the LAGERS office to confirm which option you selected. Regardless of your choice, your monthly benefit is guaranteed for life.

Beneficiaries

It is important that you talk to your beneficiaries about the payout option you selected at retirement so they understand what they may be entitled to upon your death. Just because someone is listed as a beneficiary on your account does not necessarily mean there will be a benefit payable. Communicating your payout option can help ensure your loved ones know what to expect and alleviate any confusion down the road.

Who is my beneficiary? To see who you have listed as your beneficiary(ies), log in to your myLAGERS account and click on the “Beneficiaries” tab.

Can I change my beneficiary after retirement? It depends. For Options A and B, your beneficiary cannot be changed once your benefit payments have begun. For Option C and the Life Option, you may update your beneficiary designation at any time during retirement.

What if I get divorced? If you selected Option A or B and get divorced from the spouse you named as your beneficiary, they will still receive a monthly payment after your death, as the beneficiary for these options cannot be changed after retirement.

Will my beneficiary automatically receive payments after my death? No. In the event you pass away, your beneficiary will need to notify LAGERS so we can stop your benefit. They will also need to provide LAGERS with a certified death certificate if continuing benefits are payable.



Missouri Local Government Employees Retirement System

701 West High Street Jefferson City, MO 65101

Submit a picture of your activities in retirement!

Have you started a new hobby or begun checking things off your bucket list? We want to hear from you! Submit a picture of yourself enjoying retirement for a chance to be featured on LAGERS' social media pages or future newsletters.

Submit a picture with a short description to communications@molagers.org.

