

05 Financial Highlights

06 Local Government Hero

12 Changes to Your 1099-R
Make it Easier to Read

14 Retiree Spotlight

Retiree RESOURCE

WINTER AND
SPRING ISSUE 2026



MISSOURI LAGERS



MISSOURI LAGERS

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FOREWORD FROM THE EXECUTIVE DIRECTOR

At LAGERS, our focus is always on the members we serve. Everything we do is guided by a commitment to sound governance, responsible stewardship, and clear, dependable support for your retirement benefits.

Across the organization, our Board of Trustees and staff work together to make thoughtful decisions, strengthen services, and continuously improve how we serve members and employers. From recognizing outstanding public service to enhancing member resources and maintaining strong funding and administrative practices, our efforts are centered on long-term stability and trust.

As you read this issue, we hope it provides helpful insight into our work and the ways LAGERS supports you throughout your retirement.

Our priorities remain firmly rooted in our mission of protecting the long-term security of retirement benefits, supporting employers with reliable, sustainable plan options, maintaining strong governance and operational excellence, and continuing to serve as responsible stewards of your future benefit. We are grateful for the opportunity to serve Missouri's local government community.

Thank you for your dedication to public service and for your continued engagement with LAGERS. We look forward to another year of progress, collaboration, and shared purpose.



Best regards,

Bill Betts
Executive Director

Inside

02 FROM THE DIRECTOR'S DESK

04 SYSTEM NEWS

- 04 Trustees Elected at Annual Meeting
- 05 Financial Highlights
- 06 Local Government Hero
- 09 Benefit Reserve Fund

11 MARKET NEWS

- 11 Focus Over Forecasts

12 RESOURCES

- 12 Changes to Your 1099-R Make it Easier to Read

14 RETIREE SPOTLIGHT

- 14 See You at the Zoo

GET IN TOUCH



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Trustees Elected at LAGERS Annual Meeting

Two trustees were elected at the 58th Annual Meeting of the LAGERS system. The following candidates were elected during the system's business meeting on Oct. 31. Candidates declared their intent to run for the board during the nomination period running from July – September in 2025.

The LAGERS Board of Trustees is the seven-member governing body charged with ensuring the LAGERS system is appropriately managed. The board's primary duties are serving the members and beneficiaries and protecting system assets. Trustees approve strategy and policy and delegate day-to-day management of the retirement system to staff. The board is made up of three elected member trustees, three elected employer trustees, and one appointed citizen trustee.



Chad Munsey, Employer Trustee City of Springfield

Chad currently serves the city of Springfield as a trustee for the city's Police and Fire Pension System Board, a role which he has held since 2021. Chad previously served on the Springfield Police Fire Pension Task Force. Chad professionally works as a broker for Nixon & Lindstrom Insurance, one of the largest brokerage firms in southwest Missouri, specializing in commercial bonds, employee benefits, and personal risk solutions. In addition to his professional work, Chad has previously served as a member of the Rotary of Springfield, Southeast chapter, and as past president of Friends of the Zoo. Chad was appointed to the LAGERS Board of Trustees in 2022 to fill a partial term and was reelected to his first full term in 2023.



Erich Weimer, Member Trustee City of Webster Groves

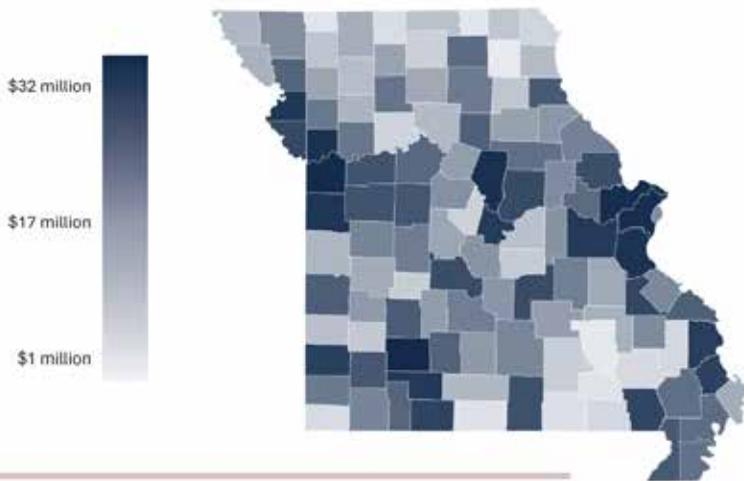
Erich brings over 23 years of dedicated public service to the city of Webster Groves, most recently serving as the assistant chief of police. Throughout his career, Erich has been responsible for managing complex operations, developing policy, overseeing budgets, and leading strategic planning efforts for his department. Erich has also served in various other leadership capacities for his community, including serving on the Traffic Advisory Commission, the WG Safe Streets Task Force, and the Business Development Commission.

Your Retirement System Remains Strong

Established in 1967 with just ten employers, the Missouri Local Government Employees Retirement System has since expanded to include 892 political subdivisions across the state and is now the largest public pension system in Missouri serving local government employees.

The LAGERS system remains strong and committed to providing secure benefits for thousands of local government workers and retirees.

Annual LAGERS Benefit Payments by County



In fiscal year 2025, LAGERS paid out \$536 million to 32,001 benefit recipients, with **92% staying in Missouri**

Key Highlights

- For the 47th consecutive year, LAGERS received awards for excellence in financial reporting.
- The funded ratio of LAGERS stands at a healthy 92.3%, a slight decrease of 1.1% from the previous year. This decline is attributed to higher-than-expected pay increases for active members, which, while beneficial for members, increased plan liabilities.
- Cost of living adjustments ranging from 3% to 4% were granted to retirees and beneficiaries retired for more than 12 months as of Oct. 1, 2025.
- Approximately 71% of the LAGERS membership is covered by a 0% member contribution rate.
- Over the past five years, 69 cents of every dollar paid in benefits has been funded through investment earnings, while 28 cents and 3 cents were funded through employer and member contributions, respectively.
- LAGERS welcomed 15 new political subdivisions to the system.

Additionally, LAGERS paid out over \$536 million in retirement benefits, an increase of 8.9% from the previous year. Of that amount, 92% (\$496 million) went to retirees living in Missouri. Many of these retirees continue to live in the communities they served throughout their careers, reinforcing the positive economic impact defined benefit plans continue to have on local communities.

André Williams, 2025 Local Government Hero



André Williams doesn't like the concept of a hero.

"For me, I don't even like the concept of a hero because giving back to your community is just an act of selflessness," he said. "Because you want your community to grow. But anyone that takes a step to make something better is a hero."

The city of Macon police sergeant was selected as the winner of the Missouri Local Government Employees Retirement System's (LAGERS) 2025 Local Government Hero Award. The announcement was made during the system's 58th Annual Meeting held in Springfield on Oct. 30.

The award celebrates the outstanding contributions of the state's local public workforce and honors a LAGERS member who has gone above and beyond the daily duties of a public servant to enhance their workplace, community, and profession.

Williams was named last year's winner for spending the past 13 years making a positive impact on the city of Macon, both in his professional service as a police officer and through his off-duty work in forming Macon's first youth soccer team, the Macon Gunners.

After moving to Macon, in 2018 he started the

team with just 17 players as a way to stay grounded and share his love of soccer—a sport that had helped him earn a scholarship to Lincoln University.

"With the relationships that I've built with the kids and the parents, that just tied me in with the community," he said. "Every January and February I can't wait to start [the season] again! I'm ready to go and ready to compete with these kids."

In addition to spending his days off either coaching a practice or supervising games, Williams said he also travels with the soccer team, even bringing them to his home country of Jamaica this past year.

"Macon is not a town known for diversity, but soccer is a very diverse sport," he said.

Being able to meet people of different races, religions, and backgrounds, he said, is just as important as learning the sport of soccer.

"We've even had parents say it's good for these kids to be around all these diverse backgrounds and know how to interact with different people."

Williams carries that philosophy into his professional work and said that he tries to use discretion and





compassion as a police officer. It's not enough to simply enforce the law, he said, but to understand what causes people to do certain things.

"It's not just saying, 'You broke the law,'" he said. "It's having that compassion to say, 'I understand why you did this. It's not because you're a bad person, it's just because you're in a particular situation more than anything else.'"

He believes that ethos applies especially to kids, who often don't know right from wrong because





they don't have appropriate adult guidance.

"It's not that they're a bad kid. So, you take the time out to sit and talk with that kid and say 'Hey, maybe you just need to follow a better crowd.'" When dealing with children, he tries to emphasize potential future consequences if their behavior is not corrected.

"Instead of the child continuing down the path and just waiting for them to get caught, we let them know look, 'You're not a bad child but what you're doing is unacceptable. You're going down this bad path. Try to correct it before you get to the age where it sticks on your record.'"

Williams said that the soccer program has helped him and other officers build the relationships needed to make those conversations effective.

Mercedes Deskin, Williams' nominator, agreed that the soccer team has been instrumental in building community across different demographics.

"We build relationships with people outside. When we go places, that's sometimes what we're

recognized from," she said. "Like, 'Oh, you're so and so's coach.' So, I would say that you almost build respect and trust from people, or they'll respect you because of what you do for the kids."

She said Williams is extremely deserving of the award and that anyone asked would say the same. But when asked his plans for the future, Williams said he is not quite finished.

"We want to acquire some kind of land so we can have our own home soccer field and extend our soccer season," he said. Currently, the team only has a spring soccer season due to field availability. He recently made a presentation at the Macon city town hall to petition for a home field.

But even then, he thinks he can do more, saying he'd love to see soccer integrated into the Macon school district.

"That would be the prize goal out of everything," he laughed. "I think once we get soccer into the school our job is complete. Then we can coast and our work is done there."

The day you retired, LAGERS set aside your entire retirement benefit

Retirement often opens the door to new possibilities, including more time for family, hobbies, travel, or simply enjoying a slower pace. While it's an exciting chapter, it can also bring financial unknowns to rely on a fixed income. However, as a LAGERS retiree, one thing you never have to worry about is whether your benefit will arrive each month.

Here's why:

LAGERS uses a unique plan feature called the Benefit Reserve Fund. This approach differs from most retirement systems that rely on a "pay-as-you-go" method, where retiree benefits are paid from the current contributions of active employees. Instead, LAGERS pre-funds your benefit.

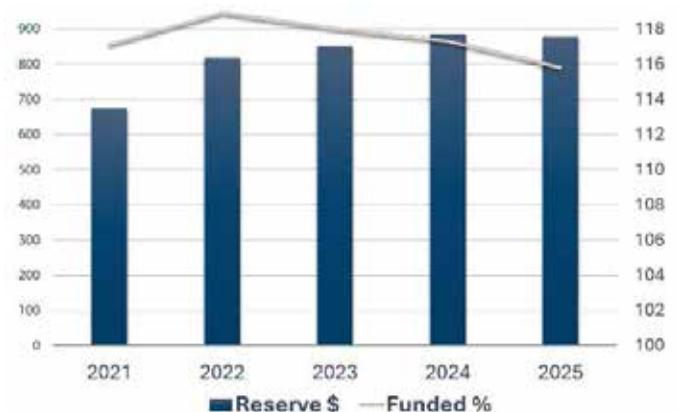
When you retired, LAGERS calculated the full lifetime value of your benefit and transferred 100% of that amount from your employer's contribution account into the Benefit Reserve Fund.

That means the money needed to pay your benefit for life was set aside the day you retired.

This fund exists exclusively for LAGERS retirees and is held in a trust. It cannot be used for any other purpose. The Benefit Reserve Fund is currently 116% funded, meaning there is more than enough money on hand to cover all retiree benefits owed.

As a LAGERS retiree, every dollar of your lifetime benefit has already been set aside in a protected trust. That financial strength allows you to focus on what matters most, enjoying a retirement built on stability, confidence, and peace of mind.

Below: The Benefit Reserve Fund is 116% funded as of FY 25.





FOCUS OVER FORECASTS

Over the fiscal year ended June 30, 2025, capital markets experienced a series of noteworthy developments. Among the most prominent were the implementation of tariffs by the Trump administration, followed by the so-called “tariff flip-flop,” in which several previously imposed tariffs were suspended. The rise of artificial intelligence emerged (as a dominant investment theme, not the Skynet ‘Terminator’ type of rise), and ongoing debate around the Federal Reserve’s policy direction added to market uncertainty. Meanwhile, geopolitical risks remained elevated, and market equity valuations reached historical heights. The oft-misquoted adage, “May you live in interesting times,” seems particularly fitting for the past fiscal year.

Amid this volatility, the LAGERS investment portfolio maintained its disciplined focus on long-term objectives, deliberately looking beyond short-term disruptions. Throughout the year, the investment team achieved several key milestones, including the completion of a new Strategic Asset Allocation (SAA) study, the implementation of a multi-asset risk management system (BlackRock Aladdin), and the development of a proprietary internal analytics platform, the Investment Dashboard, designed to assess macroeconomic conditions and capital markets.

These initiatives enhance the investment team’s ability to remain focused on the factors that truly drive long-term performance, filtering out short-term market noise. For fiscal year 2025, the LAGERS portfolio delivered a positive absolute return of 6.4%, though it underperformed its policy benchmark return of 10.9%, resulting in a relative underperformance of 4.5%. While three-year excess returns are currently negative, five- and ten-year

excess returns remain positive, reflecting the strength of the portfolio’s longer-term positioning.

Key performance highlights and detractors for FY25 include:

- **Equity Portfolio:** As the portfolio’s largest allocation, equities were a primary contributor to absolute returns, delivering a total return of 6.8%. However, this lagged the equity benchmark return of 16.6%.
- **Alpha Portfolio:** Generated the highest absolute return at 8.72%, outperforming its benchmark of 7.8%. Due to its smaller allocation, its overall contribution to total portfolio return was more limited.
- **Fixed Income Portfolio:** Produced a 6.8% return, slightly trailing its benchmark return of 7.2%. Looking forward, the portfolio is well-positioned for the current phase of the market cycle.

The investment team will continue to emphasize long-term drivers of performance and remain committed to navigating short-term volatility with discipline and strategic focus—regardless of how “interesting” the times may become.



Scott Day
Chief Investment Officer

Changes to Your 1099-R Make it Easier to Read

LAGERS sends retirees 1099-R tax documents each year that help ensure retirement income is reported accurately and helps you understand the taxability of your LAGERS benefit. Inside your 1099-R, you will find information about your LAGERS benefits paid during the previous calendar year.

This year, LAGERS made a change to how the information in Box 5 is presented. Box 5 is an informational box and does not affect your taxable income. Although this change will have no impact on how your taxes are calculated, it is designed to help you better understand any non-taxable portion of your benefit.

To have a non-taxable portion of your benefit, you must have contributed employee contributions to LAGERS. If your employer paid the cost of funding your benefit, your entire benefit will be subject to applicable state and federal tax, and your Box 5 will read "0."

For retirees with employee contributions, a portion of your monthly benefit is non-taxable because employee contributions are made on an after-tax basis to LAGERS, meaning you paid taxes on the contributions while you were working.

Previously, Box 5 reported the same amount every year: your total lifetime member contributions and any post-tax funds used for service purchases or reinstatements. It did not represent the non-taxable portion of your monthly benefit. While your total contribution amounts can still be viewed any time on your myLAGERS account, Box 5 will now show the non-taxable portion of your annual benefit that was funded through your after-tax employee contributions and will represent the difference between Box 1 (gross distribution) and Box 2a (taxable amount).

This change is designed to help you better understand the taxability of your LAGERS benefit, making it more transparent and easier for you to understand.

If you have questions regarding your specific tax situation, please contact a qualified tax professional.

1099-R'S WERE MAILED OUT JAN. 23

You can also view your 1099-R on myLAGERS

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. CORRECT

1099

PAYER'S federal identification number

RECIPIENT'S identification number

RECIPIENT'S name

Street address (including apt. no.)

City or town, state or province, country, and ZIP or foreign postal code

Employer identification number (see instructions)

FATCA requirements



See You At the Zoo

LAGERS retiree puts her passion for wildlife into action

Paula George spends much of her spare time at the zoo. “I love meeting the people and seeing my animal friends,” she said. “The zoo is where I go when I feel like I need cheering up.”

For the past 13 years, Paula has volunteered at the Kansas City Zoo as a guest guide, ambassador, and now a docent. She serves as an educator and

interpreter at animal habitats throughout the zoo, provides tours, and assists with the zoo’s educational programs throughout the year.

“My job is to interpret different animals to our guests, give them facts about the animal, and answer any questions they might have,” she said. Although Paula spent most of her professional

life working for various electric companies in Butler and Joplin, she retired from the city of Lee's Summit treasury office in 2012 with a LAGERS benefit. Retirement gave Paula the time and flexibility to turn a lifelong appreciation for animals into meaningful volunteer work.

After retiring, those visits became more frequent. Eventually, other zoo docents took notice and encouraged her to become a volunteer, and she has never looked back.

"I have no desire to quit volunteering," she said. "It's a rewarding program, and we are always looking for new people."

Paula comes from what she describes as a "decent animal family." She has one granddaughter, Walker, who lives in Joplin and works in the medical field. While they don't see each other as often as she would like, Paula says animals have always been an important part of her family's life. Like many zoo volunteers, she views animals not just as exhibits, but as essential to the health of the planet.

The Kansas City Zoo is involved in a number of conservation programs aimed at protecting animals in the wild, a mission Paula is passionate about sharing with guests. She especially enjoys seeing children experience animals in person rather than only on screens.

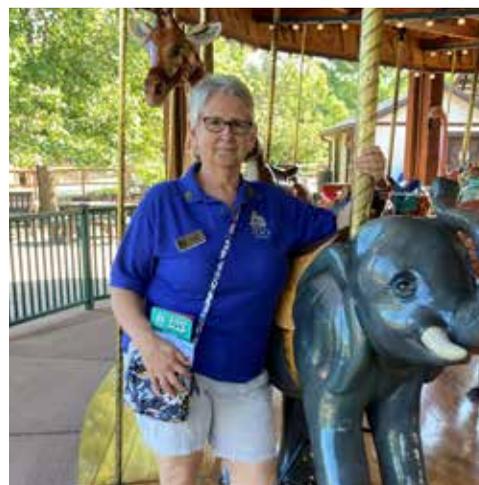
"Every animal on earth and in the ocean has a specific role to play in our daily lives," she said. "If we don't protect our animals, they will slowly disappear, and the earth as we know it will no longer be able to function."

As a docent, Paula encourages guests to think about how everyday choices can make a difference. She often shares simple, practical steps people can take, such as reading labels to avoid products made with unsustainable palm oil, choosing legally caught seafood, and picking up animal waste so it doesn't wash into local rivers.

"We are one big family at the Kansas City Zoo," she said, "all trying to protect our animals and give enjoyment as well."

And for those who haven't visited in a while, Paula has a standing invitation.

"We'll be looking for you at the zoo!"



Above: Paula George poses for a picture at the Kansas City Zoo where she volunteers as a docent in retirement.

Interested in being featured?

Submit a picture of yourself enjoying retirement to communications@molagers.org for a chance to be featured on LAGERS' social media pages or future newsletters.



Missouri Local Government Employees Retirement System

701 West High St., PO Box 1665, Jefferson City, MO 65101

View your 1099-R tax form on myLAGERS

Your tax documents were mailed at the end of January. They are also available to view and download on your myLAGERS account.

If you have not received your hard copy in the mail, you can call the LAGERS office at 1-800-447-4334 for a replacement.

