



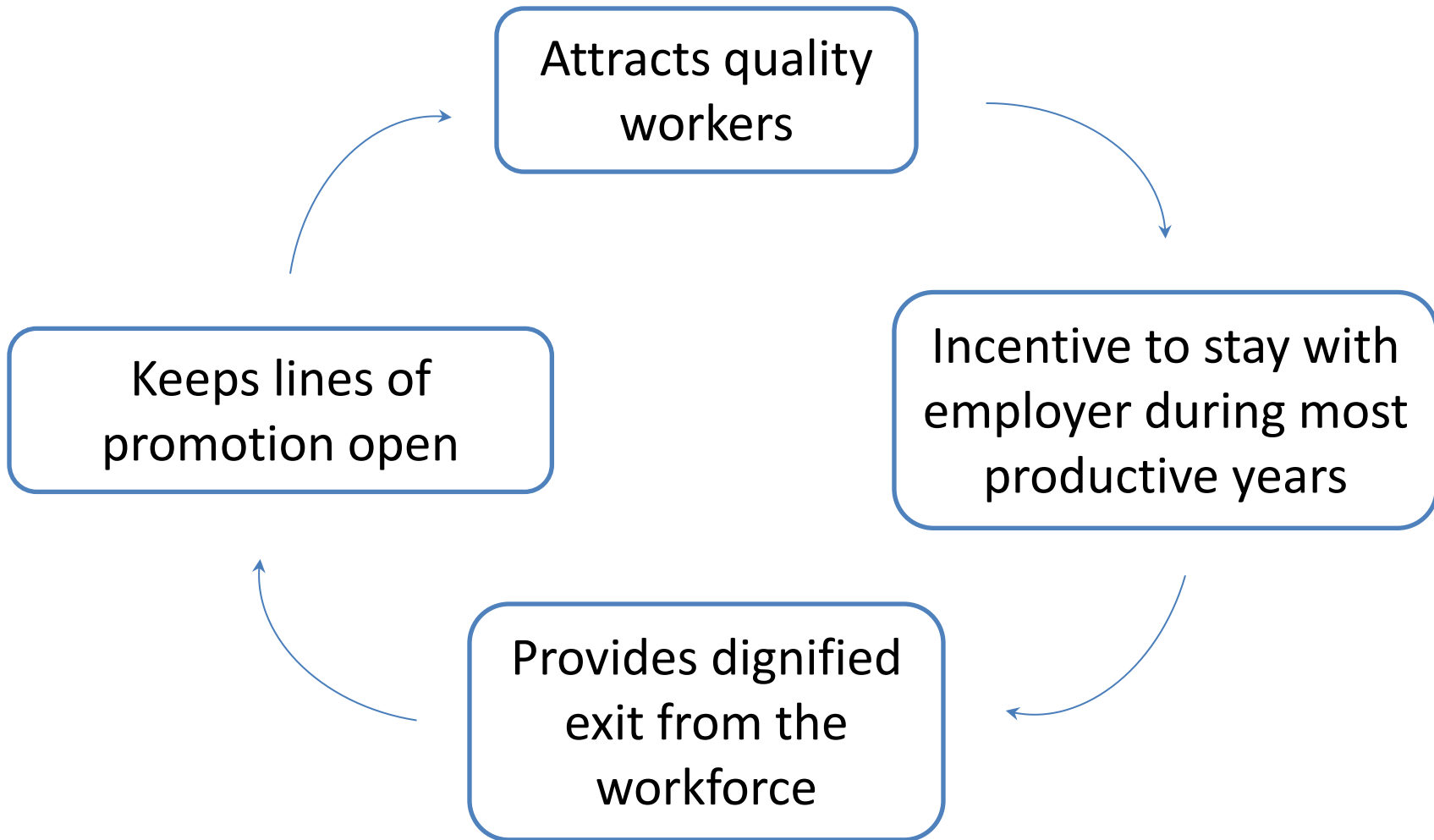
Missouri Soil and Water Conservation Districts

Your Secure Path to Retirement

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM



Why are retirement benefits important?



Who is LAGERS?



- **Non-profit public pension system**
- **We serve:**
 - 700 local participating employers
 - 34,000 local workers
 - 20,000 retirees and beneficiaries
- **We pay over \$260 Million in annual benefits to our members and manage nearly \$7 Billion in assets**
- **Over 95% Pre-Funded**

How it works...

Defined Contribution Plans:
Benefits Based on Account
Balance & Market
Performance



Defined Benefit Plan:
Benefits are Based on
Formula
LAGERS is a Defined Benefit!



LAGERS Helps Take the Guesswork Out of Your Retirement...

- Provides guaranteed, protected lifetime income: *No Outliving Your Benefit*
- Not affected by market swings
- We do the investing for you



A Defined Benefit plan Provides stable, predictable, lifetime income during retirement years

Multiplier
Chosen by
Employer



Salary



Length of
Service

So what kind of income can a LAGERS benefit provide?

Multiplier

Salary Replacement Rate

25 Year Employee

1.00%

25%

1.25%

31%

1.50%

38%

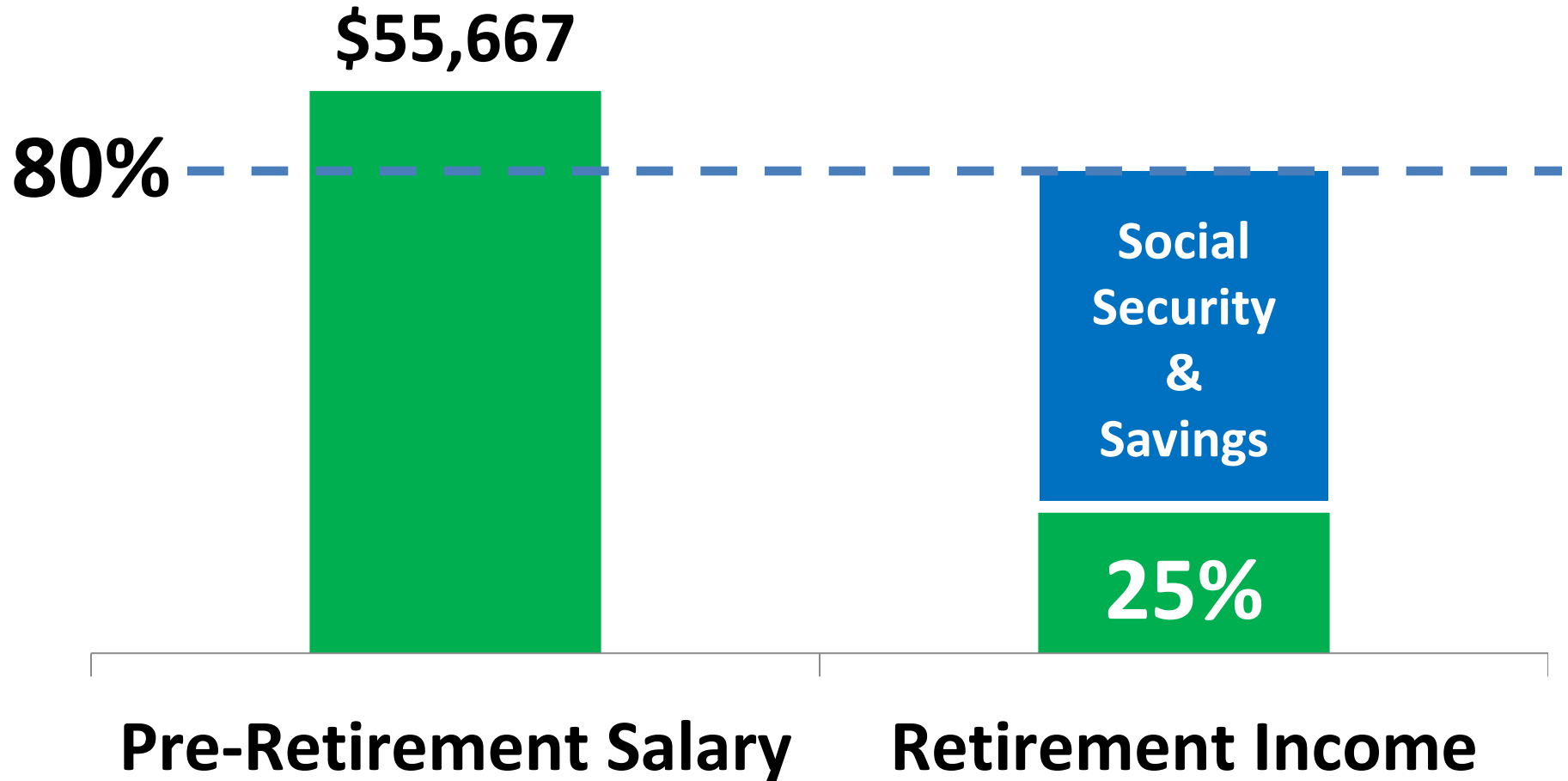
1.75%

44%

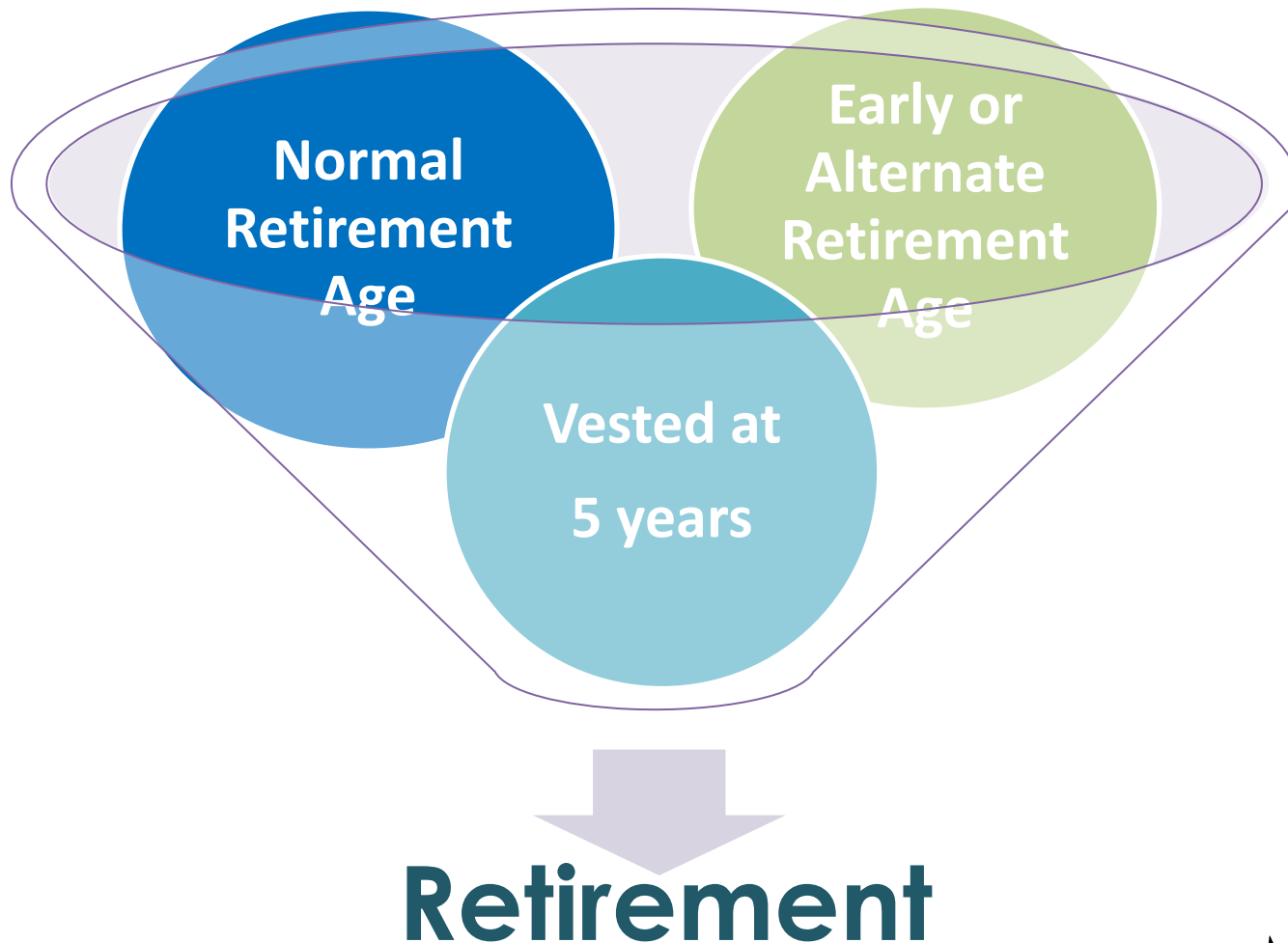
2.00%

50%

LAGERS benefits are designed to replace income.



What are the retirement eligibility requirements?



So how much does it cost?

- The cost of providing LAGERS is unique to each employer
- A monthly contribution from the employer, and possibly the employee, funds the benefits
- No up-front lump sum required

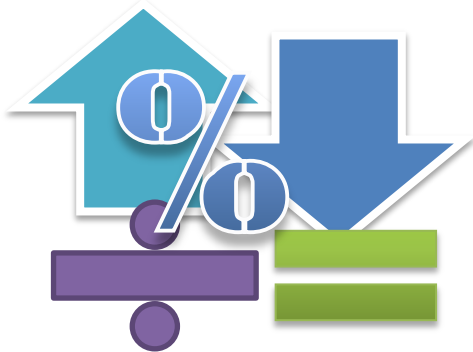
Employer cost is unique to every county based on . . .



**Employee
Demographics**

Year-to-Year Adjustments

- Retirements
- Turnover
- Payroll
- Investment Return
- Inflation



**Benefit
Options
Chosen**

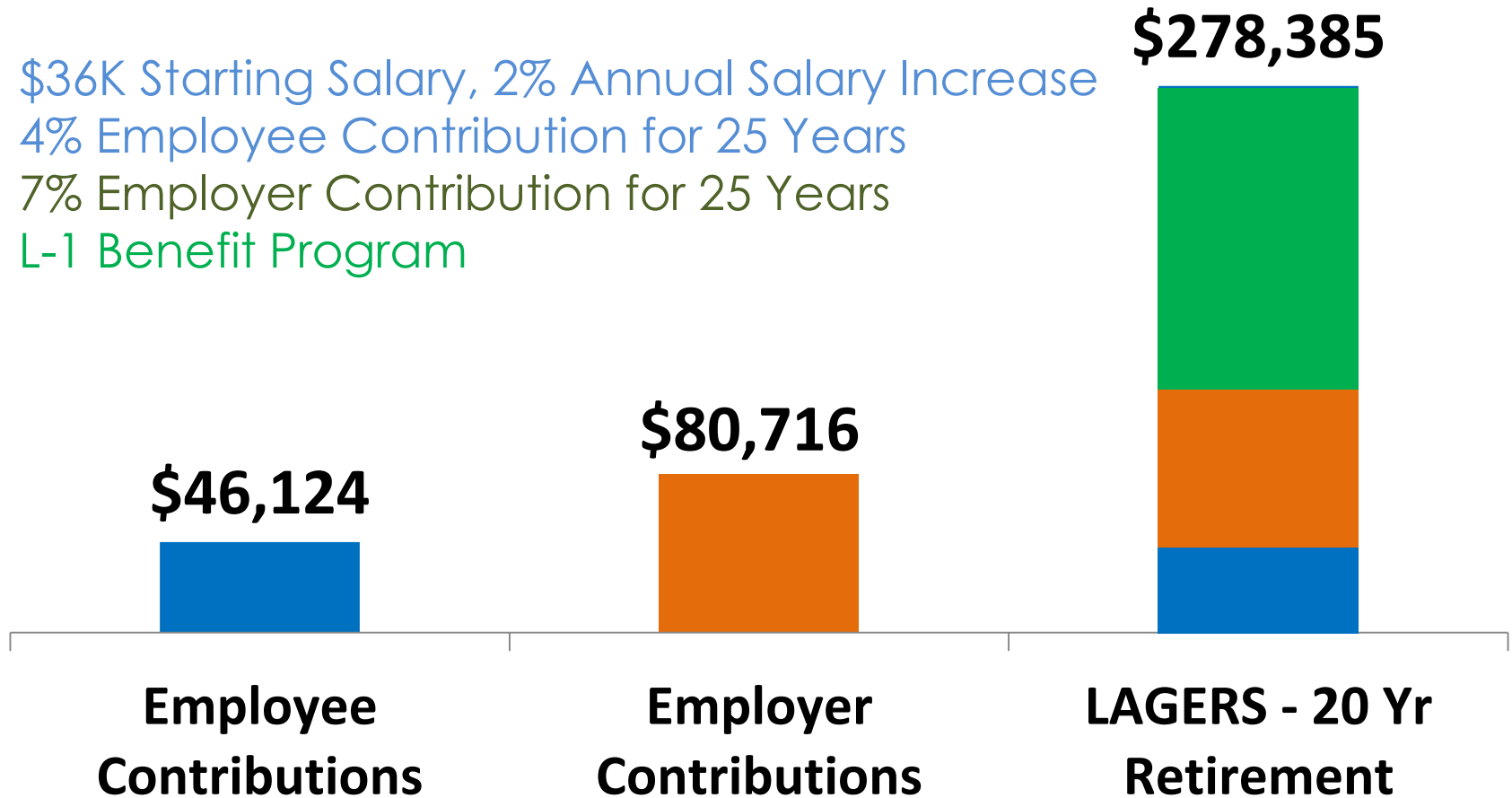
Sample Rates Assuming a 5 Year FAS, and 4% Employee Contribution

Benefit Program	Total Rate	Prior Service	Current Cost	Disability Cost
L-1	14.00	11.40	2.40	0.20
	5.90	1.50	4.20	0.20
	5.40	0.80	4.40	0.20
	13.90	10.00	3.70	0.20
	6.00	2.80	3.00	0.20
Avg	9.04	5.30	3.54	0.20
L-3	18.10	14.40	3.40	0.30
	8.00	1.90	5.90	0.20
	7.50	1.00	6.20	0.30
	18.00	12.50	5.20	0.30
	8.30	3.50	4.50	0.30
Avg	11.98	6.66	5.04	0.30
L-7	22.30	17.30	4.70	0.30
	10.20	2.30	7.70	0.20
	9.40	1.30	7.80	0.30
	22.10	15.10	6.70	0.30
	10.50	4.30	5.90	0.30
Avg	14.90	8.06	6.56	0.30

****Rates for individual employers will vary depending on the demographic characteristics of that group. The only way to receive official cost information is to request an Initial Actuarial Valuation from LAGERS.**

The majority of a benefit is funded by investment return.

\$36K Starting Salary, 2% Annual Salary Increase
4% Employee Contribution for 25 Years
7% Employer Contribution for 25 Years
L-1 Benefit Program



Will the time the employees have already worked be covered?



100%
20 Years

75%
15 Years

50%
10 Years

25%
5 Years

The cost for prior service is funded as a component of the monthly contribution rate.

Each board will determine if they will cover prior service.

LAGERS also provides disability and survivor benefits to all members.



A LAGERS member or survivor may be eligible for a monthly disability or survivor benefit in the event of a permanent disability or death.

The process to join LAGERS

1

- Missouri's Statutes must be amended to define SWCDs as political subdivisions for LAGERS.

2

- Each Board individually decides to pursue or not pursue LAGERS membership. The first step would be to request a Cost Study from LAGERS.

3

- Cost study must be made public information for 45 days
- Joining Resolution Adopted by local board

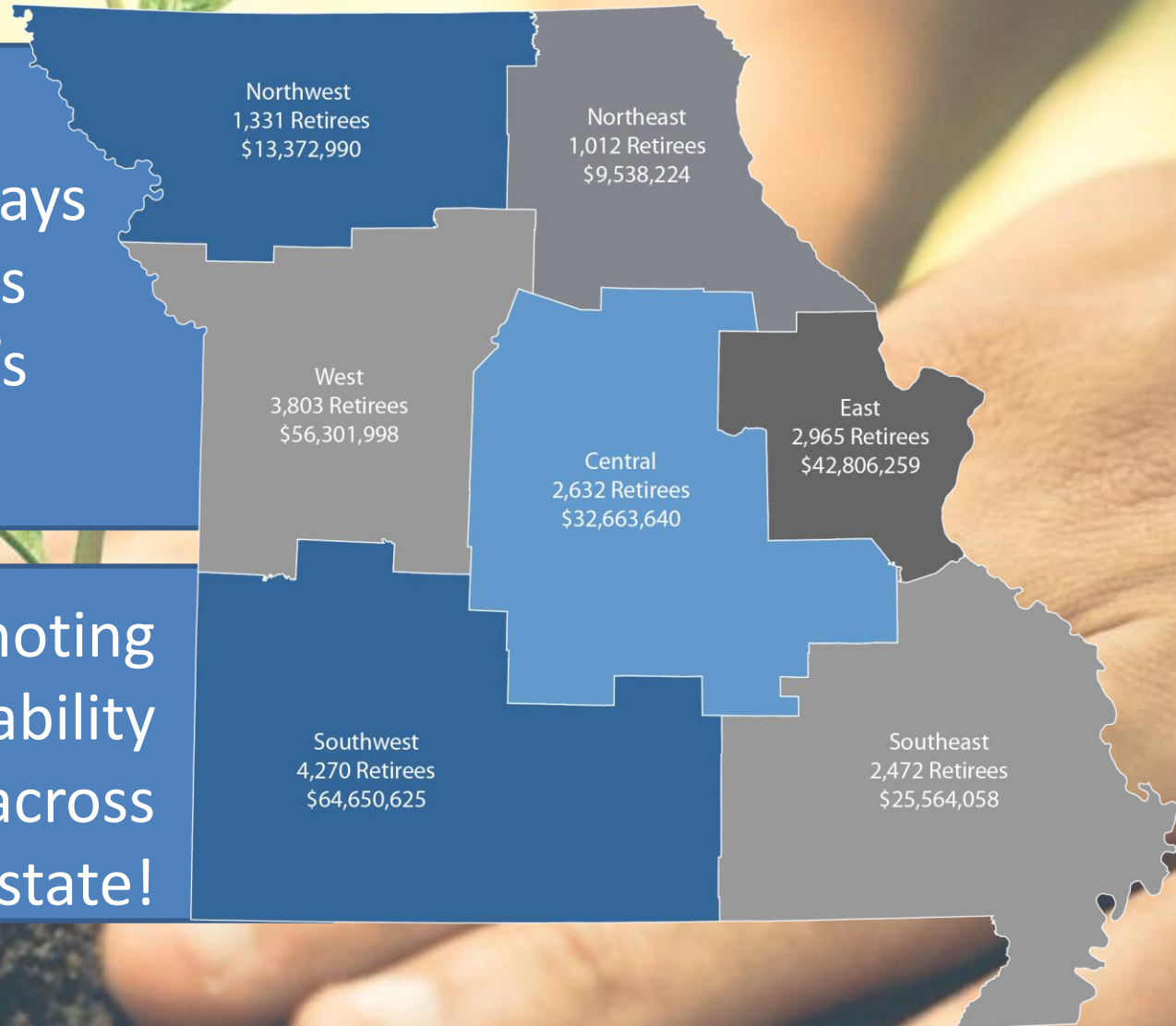
4

- All Benefit Elections are made and controlled at the LOCAL level!
- Benefits can be adjusted in the future.

LAGERS is not just good for our members, we're good for Missouri!

93% of the \$262 million LAGERS pays in annual benefits stays in Missouri's communities...

...promoting economic stability and growth across the state!



Still have questions?



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