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Special Insert

FY 2018 Summary Annual Report

You can switch to an electronic version of your newsletter. Electronic subscribers receive it sooner than paper subscribers. To change your preferences, go to www.mosers.org and click on Member Login. Under Personal Information, click on Email Options. While you are logged in, verify or update your mailing address, email address, and phone number so you will be sure to receive your important benefit information now and in the future.
Your MOSERS Board
Officers Elected &
Trustees Appointed
in 2018

New Board Officers
• Effective May 16, 2018, Crystal Wessing assumed the role of Chairwoman of the MOSERS Board of Trustees.
• Board members elected Gary Metzger as the Board Vice Chair during their June 5, 2018 meeting.

New Board Members
In June, Speaker Todd Richardson appointed Representative Scott Fitzpatrick (R – Shell Knob) to the Board. Representative Fitzpatrick filled the legislative vacancy created by the appointment of Representative Justin Alferman to Governor Mike Parson’s staff as Legislative Director. Upon his appointment, Representative Fitzpatrick said, “I look forward to providing legislative oversight and guidance to a retirement system that is indispensably important to the future security of vested state employees. As the budget chairman, it is also my job to make sure that MOSERS provides a tremendous value for taxpayers who support the system with hundreds of millions of dollars each year.”

Jenny Jacobs, CPA, Chief Financial Officer for State Technical College of Missouri, also joined the MOSERS Board this summer as a representative of active state employees. Ms. Jacobs will finish the unexpired term of Shannon Owens, who resigned from state employment. State statute (104.450, RSMo) specifies that vacancies occurring in the offices of the elected board members may be filled by the board of trustees until the next regularly scheduled election. At their June 5th meeting, the MOSERS Board voted to name Ms. Jacobs to the Board because, other than those elected, she received the most votes among active employee candidates in the 2014 MOSERS Board Election.

Active and vested former state employees re-elected Crystal Wessing and Jennifer Jacobs, who both currently serve on the MOSERS Board of Trustees. Retired members elected Gary Findlay, who will officially become a member of the Board on January 1, 2019.

For additional news on the MOSERS Board of Trustees, please see our website at www.mosers.org.

Your MOSERS Board
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For additional news on the MOSERS Board of Trustees, please see our website at www.mosers.org.

Stay connected on social media

facebook.com/MOSERSRetirement  twitter.com/MOSERSjc  mosersrc.blogspot.com  youtube.com/MOSERSOnline

Keeping You Informed
Board Meeting
Updates

In an effort to provide information more quickly to you about actions taken by the MOSERS Board of Trustees, we are emailing board updates and posting them online. Make sure MOSERS has your current email address so you will receive an update after each board meeting.

July Board Meeting Update
After considerable deliberation, the MOSERS Board acted to reduce their assumed rate of return (ARR) on investments from 7.50% to 7.25% and intends to further reduce the ARR to 6.95%, for the June 30, 2020 actuarial valuation. These decisions cause the employer contribution rate to increase in the short term but will work to ensure MOSERS’ sustainability over the long term. Read the full July Board Meeting Update in the News Archive on our website.

November Board Meeting Update
At the November meeting, staff presented our Comprehensive Annual Financial Report (available online). The Board approved MOSERS’ Fiscal Year 2020 budget, the investment portfolio transition plan, and established an audit committee.

Read the Board Meeting Updates on our website or watch our A Moment with MOSERS video summaries of board meetings featuring Executive Director Ronda Stegmann.
Lower Cost and Excellent Service
MOSERS Keeps Costs Low and Receives an A in Customer Service

To see how we compare to our peers and how we can improve, each year, MOSERS analyzes our costs and service scores relative to our peer retirement systems. Using FY17 data so we have complete peer information, the takeaways are:

• Overall, our administrative costs remain below our peer average.
• Our costs per member are at or below average in all three areas measured.
• Our customer service scores remain above average.

Cost
As one of the smaller systems in our peer group, we do not enjoy the economies of scale available to larger systems (that is, the larger systems have proportionate savings gained by serving more members with the same or similar basic resources). Nonetheless, with our FY17 Administrative Cost Per Member of $70, our costs are significantly less than that of our peer average of $86.

Our retiree population is growing each year, causing our member transactions and communications to increase. But this cost comparison information helps us gauge the reasonableness of our expenses and aids us in continuing to develop ways to improve our cost-effectiveness.

Service
Excellent customer service is an expectation and a hallmark of MOSERS. In FY17, in all measures, our members give us an “A” grade.

• In comparison to other pension systems and financial service providers, MOSERS ranks high with a rating of 91 out of 100 in the American Customer Satisfaction Index (ACSI).
• In the actual retirement process, our members gave us an overall rating of 9.2 out of 10.
• Among both those who attended a PreRetirement Seminar and those who talked with a benefit counselor on the phone, 97% reported they were somewhat satisfied to very satisfied with the quality of service they received.
• Of those who had a personal appointment with a MOSERS benefit counselor, 98% said they were somewhat satisfied to very satisfied. On average, their wait time to see a counselor was less than one minute, while the duration of their appointments averaged 33 minutes.
• Of the retirees who attended a Coffee Break seminar, 99% reported that they were somewhat satisfied to very satisfied.
• Among HR and payroll personnel who attended our Benefits U Conference, 95% responded that they were somewhat satisfied to very satisfied with the conference.

For more information, read the full Annual Benefits Scorecard.

Tips in Retirement
The “Pop-Up” Provision

If you elected the Joint & 50% Survivor Option or the Joint & 100% Survivor Option at retirement (which reduced your benefit amount) and your spouse precedes you in death, you may become eligible for the “pop-up” provision. This means your benefit could possibly revert (pop-up) to the Life Income Annuity amount, which could increase your monthly retirement benefit.

The pop-up is not automatic. You must notify MOSERS and send a copy of your spouse’s death certificate before we can adjust your benefit.

If you later remarry, you have one year from the date of remarriage to reelect a joint & survivor option and name your new spouse as beneficiary. This is referred to as a “pop down.”

It is important to keep your life insurance beneficiaries up to date and periodically review them. After life events like marriage, divorce, or death of a family member, check to ensure your beneficiary designations are current.
Good things take time.

Fiscal Year 2018
MOSERS Summary Annual Report to Members
It is my pleasure to present MOSERS’ Summary Annual Report to Members, which provides a brief overview of our financial condition as of June 30, 2018. During fiscal year 2018 (FY18), the board and staff worked extensively and collaboratively on solutions to ensure the fiscal sustainability of MOSERS for current and future members. I would like to thank our trustees for their dedication and commitment. I am honored to have been chosen as your executive director this year and look forward to serving our members in the same tradition of excellence that is the hallmark of MOSERS.

During FY18, the board authorized an economic assumption and actuarial methods review to be performed by its external actuaries, Cavanaugh Macdonald Consulting, LLC. After considerable deliberation, the board adopted multiple changes based upon the results and recommendations of this study. The assumption change with the most substantial financial impact to the plans was the approval of the reduction of the assumed rate of return on investments from 7.5% to 7.25%, effective June 30, 2018. The board expressed the intention of further reducing the rate to 7.10%, effective June 30, 2019, and to 6.95%, effective June 30, 2020.

To allow for more predictable and stable contribution rates, MOSERS’ funding is based upon the actuarial value of assets which smooths asset gains and losses over a five-year period. As of June 30, 2018, the MSEP was 64.9% pre-funded and the Judicial Plan was 27.3% pre-funded on an actuarial basis.

The General Assembly authorized and the Governor approved the appropriation of $413 million to MOSERS for FY19, which will fully fund the board certified employer contribution rate.

In reflecting on the year that was FY18 and all its activities here at MOSERS, we continue to be reminded that it is the long-term security of the benefits we administer that is most important. Those things that are of the highest quality and of the most value require a commitment of time, skill, hard work, sacrifice, and dedication to produce. Built well and properly maintained, they endure for generations. We know our members rely on their benefits now and far into the future. The decisions and initiatives completed by the board and our staff this year all work together to foster the long-term sustainability of the system. As we move into FY19, we, the staff of MOSERS, will continue to “roll up our sleeves” and work hard for our members, the board, and all our stakeholders. It is our honor to work for this great state and its citizens.

Respectfully submitted,

Ronda Stegmann
Executive Director

This Summary Annual Report is derived from the information contained in MOSERS’ Comprehensive Annual Financial Report (CAFR) but does not include all funds administered by MOSERS or certain other information required for conformity with Generally Accepted Accounting Principles (GAAP). MOSERS’ financial statements are produced in conformity with GAAP. Contact MOSERS to request a copy of the CAFR, or explore it on our website at www.mosers.org. To request an alternative format, please contact MOSERS at (573) 632-6100 or (800) 827-1063. MOSERS is an equal opportunity employer.
Message From the Board Chairwoman

On behalf of the board of trustees, I am pleased to present the MOSERS’ Summary Annual Report to members for the fiscal year ended June 30, 2018. Much like the stately tree illustrated on this year’s report cover, MOSERS has grown over the past 61 years in its commitment to provide greater financial security to you for your service to the state of Missouri and its citizens.

During FY18, the MOSERS Board of Trustees continued its ongoing commitment to security and stability by establishing three committees, comprised of three to five board members, to delve into MOSERS-specific topics. Committee members gained a stronger understanding of the important areas of:

- investments;
- strategic planning and governance; and
- procurement of the new pension administration system.

Committee members dedicated additional time and expertise, which resulted in robust analysis benefiting the board as a whole and our stakeholders.

During FY18, board and staff members implemented several initiatives including:

- developing a new asset allocation for the $8 billion MOSERS trust fund;
- embarking on re-writing the board’s governance policies in FY19;
- engaging in a comprehensive environmental scan and analysis of our strengths, weaknesses, opportunities, and threats in preparation for a renewed strategic planning effort; and
- modifying the system’s funding policy, after considerable deliberation, to lower MOSERS’ investment return assumption. The new assumptions more accurately reflect capital market expectations. While this decision will result in higher annual employer contribution requirements in the short-term, we believe this prudent action will strengthen the financial position of the system and enhance the retirement security of our members over the long-term.

On behalf of the board and staff, I would like to recognize Mr. Joe Carmichael, Ms. Shannon Owens, Mr. Antwaun Smith, Representative Justin Alferman, and Representative Mike Bernskoetter for their hard work and dedication while serving as trustees. Four new trustees were named to the board during FY18 including Ms. Jenny Jacobs, Mr. Joe Keifer, Mr. Gary Metzger, and Representative Scott Fitzpatrick. Trustees devote many hours in fulfilling their fiduciary duties. Our newer trustees have already made substantial contributions of time and service to board discussion and decisions.

As we look forward to another fiscal year and the opportunities it will provide, I wish to thank the MOSERS staff for their dedication and professionalism. I also wish to express my appreciation to you, our members, for your commitment and service to this great state and its citizens. As a fellow state employee, I know many of the challenges you face and I am honored to serve as one of your representatives on the MOSERS board. If you ever have any questions, please contact us at MOSERS, P.O. Box 209, Jefferson City, MO 65102, call us at (800) 827-1063, or visit our website at www.mosers.org.

Sincerely,

Crystal Wessing, Chairwoman
Board of Trustees

“Much like the stately tree illustrated on this year’s report cover, MOSERS has grown over the past 61 years in its commitment to provide greater financial security to you for your service to the state of Missouri and its citizens.”

MISSION
MOSERS exists to advance the financial security of its members.

VISION
We endeavor to:

- Exceed customer expectations
- Educate stakeholders
- Ensure sound investment practices
- Encourage responsible funding of the plan
- through a commitment to
- Excellence. Always.

VALUES
Quality • Respect • Integrity
Openness • Accountability
Voluntary Buyout Program
The voluntary Buyout Program, authorized by state law, was offered by the MOSERS Board of Trustees to eligible vested former state employees of the system in an effort to reduce MOSERS pension liability. Members who chose to accept this offer, received a lump-sum payment equal to 60% of the present value of their future retirement benefit — closing their eligibility for future retirement payments.

After initially offering the program with an application window from October 1 through November 30, 2017, the board also offered the “Second Chance Buyout Program” with an application window during May 2018.

17,005 Eligible Vested Former State Employees

4,371 (25.7%) Eligible Members Elected Buyout

$41 Million Net Liability Eliminated

Net Position
The Summary Statement of Fiduciary Net Position reports the pension plan’s financial position as of the end of the fiscal year. As of June 30, 2018, MOSERS has accumulated $8.2 billion in net assets for the payment of promised retirement benefits.

Summary Statement of Changes in Fiduciary Net Position
(Fiscal Year Ended June 30, 2018)

Additions
Contributions (employer and employee) $ 450,974,449
Investment income (investing activities) 589,611,104
Miscellaneous income 548,581
Total additions 1,041,134,134

Deductions
Benefits 853,758,969
Service transfers and refunds 68,609,753
Administrative expenses 10,209,941
Total deductions 932,578,663

Net increase 108,555,471
Net position beginning of year 8,076,152,528
Net positions restricted for pensions $ 8,184,707,999
Our neighbors, friends, and family spend their pension benefits in our communities. Nearly 90% of retirees and their dependents remain in Missouri, spending retirement dollars on housing, goods, and services.

**Membership**

**Benefit Recipients by Location**

Our neighbors, friends, and family spend their pension benefits in our communities. Nearly 90% of retirees and their dependents remain in Missouri, spending retirement dollars on housing, goods, and services.

**Member Data**

<table>
<thead>
<tr>
<th>June 30, 2018</th>
<th>MSEP*</th>
<th>Judicial Plan**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average age</td>
<td>45.4</td>
<td>56.4</td>
</tr>
<tr>
<td>Average years of service</td>
<td>10.9</td>
<td>11.5</td>
</tr>
<tr>
<td>Average annual salary</td>
<td>$40,061</td>
<td>$143,498</td>
</tr>
</tbody>
</table>

| Retired Members & Beneficiaries |       |                |
| Average age   | 70.3  | 76.5           |
| Average annual benefit | $15,452 | $63,862 |

| Total Membership |       |                |
| Active          | 47,806| 415            |
| Retired/Beneficiaries | 48,207 | 569          |
| Inactive-vested/other | 16,386 | 26              |

* Includes MSEP, MSEP 2011, and MSEP 2000 members.
** Includes Judicial Plan and Judicial Plan 2011 members.

<table>
<thead>
<tr>
<th>Years Credited Service</th>
<th>Average Monthly Benefit</th>
<th>Average Final Average Salary</th>
<th>Number of Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5</td>
<td>$402</td>
<td>$5,977</td>
<td>7</td>
</tr>
<tr>
<td>5-10</td>
<td>338</td>
<td>2,815</td>
<td>523</td>
</tr>
<tr>
<td>11-15</td>
<td>584</td>
<td>2,899</td>
<td>475</td>
</tr>
<tr>
<td>16-20</td>
<td>922</td>
<td>3,323</td>
<td>486</td>
</tr>
<tr>
<td>21-25</td>
<td>1,420</td>
<td>3,802</td>
<td>520</td>
</tr>
<tr>
<td>26-30</td>
<td>1,887</td>
<td>4,096</td>
<td>515</td>
</tr>
<tr>
<td>31+</td>
<td>2,511</td>
<td>4,538</td>
<td>208</td>
</tr>
</tbody>
</table>

| All Members* | 1,148 | 3,488 | 2,734 |

* Includes MSEP, MSEP 2011, and MSEP 2000 members, but does not include Judicial Plan and Judicial Plan 2011 members.
Investments

For the past two years, we have focused on achieving excess returns and reducing management fees. In FY18 we continued to achieve those goals.

The MOSERS portfolio generated a time-weighted rate of return, based on market value, of 7.4% for FY18. This was 2.6% better than the policy expectation of 4.8%. Additionally, we reduced our management fees by $9 million.

So, FY18 was a good year. We earned more money than the asset allocation suggested possible at lower fees than the year before. In total, those efforts created about $260 million more than would have been expected by the asset allocation alone.

The negative for the year was simple – equity markets continued to perform well, which means diversification did not work in our favor this year. This year, more equities meant more return. However, the key to successful long-term portfolios is to diversify. Diversification simply is putting eggs into several baskets. While this year’s results would have been better if we had put all of our eggs in the equity basket, that won’t be the outcome in every year. We continue to remain confident that diversification will win in the long term.

As we plan for the future, our focus is on:

• Building a portfolio that better serves the needs of all of our stakeholders
• Continuing to reduce investment management fees
• Continuing to lead the industry in fee transparency

As always, we are here for the benefit of our members and, in all ways, our efforts will continue to focus on strengthening MOSERS’ already strong financial foundation.

Sincerely,

Seth Kelly
Chief Investment Officer

Investment Growth

It takes a long time to grow defined benefit pension assets. MOSERS’ first investment transaction occurred in 1957, when a single outside advisor placed $100,000 in a 90-day Treasury Bill on behalf of participants. It took nearly 30 years for the system’s investments to reach the $1 billion mark. Continuing to grow, the investment portfolio, as of June 30, 2018, was $8.2 billion in net assets.

Fund Allocation & Risk

Market volatility is what investors traditionally consider to be the risk of investing. To protect against this risk, the MOSERS investment portfolio is diversified across numerous asset classes and investment strategies to mitigate the potential impact of negative economic circumstances. The graph below reflects the percentage of the total investment portfolio by specific asset class, as of June 30, 2018. This asset allocation is built on the belief that diversification is critical in achieving consistent, long-term risk-adjusted investment returns. The policy allocation is set by the MOSERS board and invested by staff.
The policy benchmark provides a point of comparison when assessing the investment performance of the total fund. By comparing the policy benchmark return to the fund total return we can determine how the MOSERS investment team performed on a comparative basis over a given time period. Value is added when the total fund return exceeds the policy benchmark. The policy benchmark also provides guidance for staff as well as other stakeholders of the fund through establishment of concrete investment goals. Additionally, the policy benchmark also establishes the board’s long-term view regarding investments, which puts into perspective any reaction, or over-reaction, to short-term market conditions.

* As of June 30, 2018, the total fund policy benchmark was comprised of the following components: 38% MSCI ACWI Net + .75%, 44% Barclays Long Treasuries, 20% S&P GSCI/BCOM, 39% Barclays U.S. TIPS 1-10 YR, and 31% AQR Delta. All policy return components are adjusted for financing cost associated with the beta-balanced program.

### Retirement Funding

#### Plan Revenue
MOSERS is an advance-funded retirement system. Unlike “pay-as-you-go” plans, employers and employee contributions plus investment earnings are accumulated and professionally managed during employees’ careers and paid out over their retirement years. Over the long-term, the major source of revenue is from investment earnings, which accounts for 61% of the assets in the MOSERS Trust Fund.

![Image showing percentage of revenue sources](image-url)

#### Valuation of Assets vs. Pension Liabilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Valuation of Assets</th>
<th>Accrued Liabilities</th>
<th>Percent Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$0</td>
<td>$0</td>
<td>80.7%</td>
</tr>
<tr>
<td>2010</td>
<td>$3</td>
<td>$6</td>
<td>78.3%</td>
</tr>
<tr>
<td>2011</td>
<td>$6</td>
<td>$9</td>
<td>77.2%</td>
</tr>
<tr>
<td>2012</td>
<td>$9</td>
<td>$12</td>
<td>71.4%</td>
</tr>
<tr>
<td>2013</td>
<td>$12</td>
<td>$15</td>
<td>70.9%</td>
</tr>
<tr>
<td>2014</td>
<td>$15</td>
<td>$18</td>
<td>73.3%</td>
</tr>
<tr>
<td>2015</td>
<td>$18</td>
<td>$21</td>
<td>73.1%</td>
</tr>
<tr>
<td>2016</td>
<td>$21</td>
<td>$24</td>
<td>67.8%</td>
</tr>
<tr>
<td>2017</td>
<td>$24</td>
<td>$27</td>
<td>65.8%</td>
</tr>
<tr>
<td>2018</td>
<td>$27</td>
<td>$30</td>
<td>63.3%</td>
</tr>
</tbody>
</table>

Reform in 2010, known as MSEP 2011, stabilizes plan funding, retains the defined benefit (DB) culture, and provides sustainability for future generations. As of June 30, 2018, 43% of active employees are in the MSEP 2011.
**Board of Trustees**
- Crystal Wessing – Chairwoman
- Gary Metzger – Vice Chair
- Representative Scott Fitzpatrick
- Jenny Jacobs
- Joe Keifer
- Don Martin
- Treasurer Eric Schmitt
- Commissioner Sarah Steelman
- Senator Wayne Wallingford
- Senator Gina Walsh
- Representative John Wiemann

**Board Election Results**
In August 2018, active and vested former state employees re-elected to the board of trustees, Crystal Wessing and Jenny Jacobs. Retired members elected Gary Findlay. Newly elected board members will serve a four-year term beginning January 1, 2019, and ending December 31, 2022.

**Awards**
The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Outstanding Achievement in Popular Annual Financial Reporting to MOSERS for its summary annual report for the fiscal year ended June 30, 2017.
This prestigious national award recognizes popular reports for creativity, presentation, understandability, and reader appeal and is valid for a period of one year. We believe the current summary annual report continues to meet these program standards and we are submitting it to the GFOA for evaluation.
MOSERS also received two awards from the National Association of Government Communicators (NAGC) including a first place award for our Benefits U Human Resources Conference materials and an Award of Excellence for our Member Login Video Tutorial.

**Want to Know More?**
Visit us online at [www.mosers.org](http://www.mosers.org) or email us at mosers@mosers.org
In an effort to provide information more quickly about actions taken by the MOSERS Board of Trustees, look for "A Moment with MOSERS" video updates in your email or online.

Benefit counselors are a valuable source for information regarding your benefits. Call to speak with a benefit counselor by phone or make an appointment to visit our office.

**Office Hours**
Monday - Friday
8:00 a.m. - 12:00 p.m.
1:00 p.m. - 4:30 p.m.

**Phone**
(573) 632-6100 • (800) 827-1063

**MO Relay**
711 (voice) • (800) 735-2966 (TTY)

**Mailing Address**
PO Box 209
Jefferson City, MO 65102-0209
Visit us at 907 Wildwood Drive
Tax Information

Your 1099-R is Coming Soon

MOSERS will mail 1099-R forms to all retirees and beneficiaries by the end of January 2019. This form lists your 2018 retirement benefit income from MOSERS. You will need this form to file your income tax return.

The 1099-R provides the following information for the 2018 calendar year:

- Total gross distribution (the gross amount you received from MOSERS in 2018)
- Total taxable amount
- Taxes withheld

In addition to the above required information, MOSERS will list any medical, vision, and dental insurance premium deductions withheld from your retirement benefit.

Contact your insurance provider for more detailed information on the deductions from your MOSERS benefits.

Public Pension Exemption

What You Need to Know for Your Taxes

Depending on a variety of factors (including, but not limited to, income, filing status, and age), you may be able to deduct a portion of your MOSERS public retirement benefit on your Missouri tax return, to the extent the amounts are included in your federal adjusted gross income. The total public pension exemption is limited to the maximum Social Security benefit of each spouse. In order to be eligible for the full deduction, your Missouri adjusted gross income must fall within certain income limitations. If your income exceeds the limitation, you may qualify for a partial exemption.

The amount of your exemption must be reduced by the amount that your income exceeds the limitation.

The limitation is based on your filing status and income (less taxable Social Security benefits) as listed below.

- **Up to $85,000**
  - Single, Head of Household, or Qualifying Widow(er)

- **Up to $100,000**
  - Married, filing jointly

- **Up to $85,000**
  - Married, filing separately

Please be aware that your MOSERS retirement benefits are subject to federal income tax and possibly Missouri state income tax if you reside in Missouri. You should assess your tax situation each year. Life events, such as marriage, divorce, or a change in dependents, may impact the amount you wish to have withheld. It’s easy to change your withholding election. You may change it at any time during the year by submitting a Substitute W-4P form (available online) to MOSERS. The amount of withholdings you elect does not change your tax liability.

The information included in this article is MOSERS’ summary assessment of various income tax laws. In the event of a conflict, the pertinent law prevails.

Want it Online?

If you prefer an electronic copy of your 1099-R or if you find you need a replacement copy of it, simply log in to your Member Homepage and you will find it listed under Personal Information. Your 1099-R form will be available for you to view or print after they have been mailed. Watch our website for updated information.

If you have not already done so, we encourage you to create an Online ID for MOSERS. This will make accessing your 1099-R quick and convenient when you need it. If you haven’t created a MOSERS Online ID, click the Member Login button at www.mosers.org and follow the instructions that will lead you through the process.

For more information, contact the Missouri Department of Revenue or go to:

www.dor.mo.gov/personal/ptc/pension.php
Last year we celebrated ten years of Coffee Breaks. Over those ten years, approximately 3,250 retirees have attended a free Coffee Break program, learning about the security of their MOSERS benefit and a variety of topics over the years. So, THANK YOU to our retirees for helping us make the Coffee Break program such a success!

This year we are excited to announce that we are still growing! We have added a new Coffee Break in FULTON to the 2019 schedule. Coffee Break seminars allow MOSERS to reach out to our retirees while giving you a chance to have face-to-face communication with us along with other state retirees in your area. Each Coffee Break includes a MOSERS topic, social time, and an educational program that is of interest to our retirees.

**Our theme for 2019 is preparedness…**
both with your pension and in the world around you. Now, more than ever, it is crucial to be aware of your surroundings and to protect yourself and your family from harm the best that you can. Join us to learn about:

- **MOSERS Top Tips for Retirees**
- **Situational Awareness** *(how to protect yourself at home and when traveling)*

Registration for the 2019 Coffee Break season will be available online in January 2019! Watch our website for more information.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>City</th>
<th>Location</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/3/19</td>
<td>1:00 p.m.</td>
<td>Fulton</td>
<td>Callaway Electric Cooperative</td>
<td>1313 Cooperative Dr.</td>
</tr>
<tr>
<td>4/9/19</td>
<td>9:30 a.m.</td>
<td>Jefferson City</td>
<td>MOSERS Office</td>
<td>907 Wildwood Dr.</td>
</tr>
<tr>
<td>4/23/19</td>
<td>9:30 a.m.</td>
<td>Jefferson City</td>
<td>MOSERS Office</td>
<td>907 Wildwood Dr.</td>
</tr>
<tr>
<td>5/7/19</td>
<td>9:30 a.m.</td>
<td>Columbia</td>
<td>Columbia Police Regional Training Center</td>
<td>5001 E. Meyer Industrial Dr.</td>
</tr>
<tr>
<td>5/22/19</td>
<td>1:00 p.m.</td>
<td>Independence</td>
<td>Metropolitan Community College</td>
<td>20301 E. 78 Hwy, Rm. 110</td>
</tr>
<tr>
<td>5/23/19</td>
<td>9:30 a.m.</td>
<td>St. Joseph</td>
<td>MO Conservation Department</td>
<td>701 James McCarthy Dr.</td>
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<tr>
<td>6/19/19</td>
<td>1:00 p.m.</td>
<td>Springfield</td>
<td>The Library Center</td>
<td>4653 S. Campbell Ave.</td>
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<tr>
<td>6/20/19</td>
<td>9:30 a.m.</td>
<td>Joplin</td>
<td>Wildcat Glades Conservation Center</td>
<td>201 W Riviera Dr.</td>
</tr>
<tr>
<td>8/7/19</td>
<td>9:30 a.m.</td>
<td>Farmington</td>
<td>Farmington Public Library</td>
<td>101 North A St.</td>
</tr>
<tr>
<td>8/22/19</td>
<td>1:00 p.m.</td>
<td>Kirksville</td>
<td>MO Conservation Department</td>
<td>3500 S. Baltimore St.</td>
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<tr>
<td>9/19/19</td>
<td>9:30 a.m.</td>
<td>Richmond Heights</td>
<td>THE HEIGHTS - Community Center</td>
<td>8001 Dale Ave.</td>
</tr>
</tbody>
</table>

What’s coming in 2019?

**Legislative Update**

As a recap, read the 2018 Legislative Summary online on our Legislative page. The 2019 session begins January 9th. Remember to keep up with our Rumor Central blog, where we address any rumors of proposed pension-related legislation. Log in and sign up for the email notifications on your Member Homepage so you’ll know when we’ve posted new questions. Please check the blog for previous questions before submitting a new one in case we’ve already addressed your topic.

http://mosersrc.blogspot.com
Benefit Adjustments
2019 COLA

Your annual cost-of-living adjustment, or COLA, is based on the Consumer Price Index (CPI).* You will find the 2019 COLA on our website in mid-January. The rate calculation is based on 80% of the percentage increase in the average CPI from one year to the next with a maximum increase of 5% (minimum 0%). The information necessary to make that calculation will be available in January 2019 and based on a comparison of changes from 2017 to 2018. In the meantime, here is a reminder of how it is determined each year:
The Federal Bureau of Labor Statistics calculates the CPI monthly. The CPI is used to measure the rate of inflation and to show larger economic trends on a yearly basis. MOSERS must use the Consumer Price Index for All Urban Consumers (CPI-U) for our calculations as required by state law. The CPI-U is the most comprehensive measure of inflation in consumer goods and services, including food, housing and transportation. CPI calculations are based on information from average households across the country. The impact of inflation on you personally may be more or less than the national average.

Each January, MOSERS compares the average CPI for the calendar year just completed (2018) to the average CPI from the prior year (2017) to determine the percentage change between the two years. You will not receive a COLA less than zero. (In other words, MOSERS does not decrease benefit amounts based on the CPI calculation.)

When are COLAs payable?
COLAs are payable on the anniversary of your retirement date except for:
• Retirees who converted from MSEP to MSEP 2000 during the conversion window in 2000 will have COLAs payable in July.
• Retirees who elected a BackDROP will have COLAs payable on the anniversary of their BackDROP date.
• Terminated-vested members of the MSEP 2011 will receive their first COLA on the second anniversary of their retirement (rather than the first anniversary).

We will send you a notice, either in the mail or in your MOSERS Document Express online mailbox, during the month when you get your COLA.

* If you retired under the MSEP, and were hired before August 28, 1997, your COLA may be different. See the MSEP/MSEP 2000 Handbook.

Traveling soon?
Remember This Important Card

As a reminder, if you have life insurance through MOSERS, you are eligible for Travel Assistance when you travel more than 100 miles from home. Your spouse and children (through age 25) are also covered.

Travel assistance includes:
• 24-hour phone support with registered nurses
• Emergency ticket, passport and credit card replacement
• Emergency medical evacuation, plus return travel for companions or return of dependent children during prolonged hospitalization
• Connection to interpreters, consular office, local attorney
• Pre-trip services, such as passport and visa assistance

Before you travel, cut out the card from below or the Travel Assistance brochure on our website and keep it in your wallet, and add the numbers (United States and international) to your cell phone.

Please note: travel assistance is not the same as travel health insurance. Please contact your health insurance provider regarding health care coverage.

Keep this card with you when you travel!

Travel Assistance is available if you travel more than 100 miles from home or in a foreign country.

Travel Risk Intelligence Portal
standard.com/Travel

For first time activation, use the following information:
Group ID: D2STD
Activation Code: 161002

Contact
866.455.9188: United States, Canada, Puerto Rico, U.S. Virgin Islands and Bermuda
+1.240.330.1380: Everywhere else
ops@ga-ua.com

In all cases, the medical professionals, medical facilities or legal counsel suggested by General Global Assistance (GGA) to provide services to Participants are not employees or agents of The Standard or GGA, and the final decision to utilize any such medical professional, medical facility, or legal counsel is the Participant’s choice alone. The Standard and GGA are not responsible and shall not be liable for any wrongful act or omission of any transportation provider, healthcare professional or legal counsel who is not an employee of The Standard or GGA, as applicable. General Global Assistance is the marketing name for GAMLI, Inc.
Retirement & You

ARMSE

The Active and Retired Missouri State Employees group (ARMSE) monitors your retirement and medical insurance benefits.

• ARMSE is an independent, non-profit association formed more than 40 years ago to help care for the retirement and medical benefits offered by MOSERS, MPERS, MCHCP and the MoDOT and Patrol Medical Plan.

• ARMSE is a group of ordinary people – both active employees and retired employees.

• ARMSE members come from a variety of political persuasions and different corners of the state – the commonality is that members are state employees and retirees who have earned retirement and medical benefits.

• ARMSE was first created to help secure many of the benefits you enjoy today. In the early days, the focus was on enhancing the benefit package to ensure the benefits offered were sufficient to provide a secure retirement for members. Today, the focus is on your retirement and medical benefits.

Each person is very important to what can be accomplished. For a membership brochure and application, send your name and address to:

ARMSE
Post Office Box 11
Jefferson City, Missouri 65102

Or email us at: office@armse.org

www.armse.org

Is your address current?

Please review your mailing address to make sure your information is current, even if you receive your benefit payment and other correspondence from MOSERS electronically. If your address is out of date or invalid, you won’t receive important information from MOSERS, such as the 1099-R tax form we mail at the end of January. You can log in and change your address under the Personal Information menu option.