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facebook.com/MOSERSRetirement mosersrc.blogspot.com

twitter.com/MOSERSjc youtube.com/MOSERSOnline

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Graphic Designer - Mike Azar

Make sure you receive your important benefit information now and in the future. Verify or update your mailing address, email, and phone number while logged in. Go to www.mosers.org and click on myMOSERS. Under Personal Information, click on Email Options to change your preferences.
The Board also received an update on the status of the Plan’s funded ratio. As of June 30, 2019, the actuarial funded ratio of the MSEP is 62.9%. This is a ratio of plan assets to plan liabilities. The funded ratio is projected to decrease over the next 5 years but is then projected to steadily increase.

A key component of the employer contribution rate and the Plan’s funded ratio is the assumed rate of return on investments. The Board has been systematically reducing the MOSERS investment return assumption. This reduction results in an increase in the employer contribution rate and a decrease in the Plan’s funded ratio.

For example, the Board’s adopted investment assumption of 7.1% contributed to the 22.88% employer contribution rate and the 62.9% funded ratio. If the Board had adopted a higher assumed investment return, such as 8.1%, then the employer contribution rate would be closer to 18% and the funded ratio would be almost 70%.

While a lower employer contribution rate and a higher funded ratio might make some “feel” better, the current investment assumption is a more conservative approach to ensuring the long-term sustainability of MOSERS.

These are complicated topics, no doubt. Please know that your Board of Trustees is deeply engaged in these topics and is focused on the future. Together, we continue to work hard for your benefit.
Annual Benefit Scorecard
MOSERS’ Cost and Service Relative to Our Peers
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 FY18 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 two of the 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 FY18 Administrative Cost per Member of $79, our costs are significantly less than that of our peer average of $86. Our retiree population is growing each year, causing member transactions and communications to increase. But this cost comparison information helps gauge the reasonableness of our expenses and aids in continuing to develop ways to improve our cost-effectiveness.

Service
Excellent customer service is an expectation and a hallmark of MOSERS. In FY18, 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 9.3 out of 10.

Currently, we have 20 situations in which we have stopped a retirement payment and three instances of stopping a refund of employee contributions. Some go as far back as 2016. Once we are able to verify the address of someone due a payment, we will pay benefits retroactively to the date of suspension.
Nobody wants to miss important information or have their payment stopped! So, please be sure to keep your contact information up to date! Easily update your information online at myMOSERS.

Update Your Beneficiary Designations, too!
Depending on your situation, plan membership, and career stage, you may have beneficiaries for your:
• Employee contributions
• Life insurance
• Final payment of your pension benefits

Among those who attended a PreRetirement Seminar, 99% reported they were somewhat satisfied to very satisfied with the content.
Of the retirees who attended a Coffee Break seminar, 98% reported that they were somewhat satisfied to very satisfied.
MOSERS benefit counselors had 2,756 in-person meetings with members in FY18. Regarding the counselor explaining information in a manner that was easy to understand, the thoroughness with which the counselor answered questions, and their overall experience, 97% of members said they were somewhat satisfied to very satisfied. On average, members’ wait time to see a counselor was less than one minute, while the duration of their appointments averaged 33 minutes.
In addition to face-to-face meetings, our benefits staff handled 83,230 calls from members in FY18.
For more information, read the full Annual Benefits Scorecard online.

Don’t Forget
Reasons to Keep Your Information Updated
1. Contact Information: If your email or mailing address changes and we lose contact with you, you could miss out on important benefit information.

2. Money: If we are mailing a paper check and find that you have an invalid mailing address, we will stop payment immediately and suspend payment until we get a new address from you in writing.
If you are getting paid by direct deposit and we find that you have an invalid mailing address, we will also stop payment. If you have direct deposit and your address changes, give us a call. These procedures help ensure that payments go to the rightful recipient.

Sometimes, after a member has passed away, we are unable to make payments because we can’t track down beneficiaries. Visit myMOSERS to ensure your beneficiary designations are up to date with the person you currently want named, including their:
• Full name (may change if they get married or divorced)
• Address
• Social Security number
• Date of birth

We contract with The Standard Insurance Company for life insurance. Standard will honor a beneficiary designation for life insurance that you have on file with MOSERS, even if it is from many years ago; even if it is an ex-spouse. If Standard is unable to locate your beneficiary, they will send life insurance proceeds to the state’s unclaimed property division.
Message from the Executive Director

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, 2019. During fiscal year 2019, 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.

The MOSERS investment portfolio generated a time-weighted return of 4.3%, net of fees, for fiscal year 2019. The total fund returned 1.8% more than would have been expected through passive investing in the benchmarks. Additionally, our staff reduced investment management fees by $9 million.

During fiscal year 2019, the Board continued the reduction of the assumed rate of return on investments, as set forth in the Board’s funding policy. This reduction resulted in an assumed rate of return of 7.10%, reduced from 7.25%. The Board’s intention is to further reduce the assumed rate 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, 2019, the MSEP was 62.9% pre-funded and the Judicial Plan was 27.9% pre-funded on an actuarial basis.

The General Assembly authorized and the Governor approved the appropriation of $432 million to MOSERS for fiscal year 2020, which will fully fund the Board-certified employer contribution rate.

It is clear that one of the core concepts held at MOSERS in fiscal year 2019 was teamwork. Whether it was in service to our membership through the design of a new public website, service to our community after a tornado struck our area in May, or service to each other when supporting fellow staff members, the MOSERS staff embodied the idea of team. Our team expands when we consider the trust that has been placed in MOSERS by our members, employers, and other stakeholders. Together, we will celebrate our successes and navigate our challenges into the future. 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. The MOSERS staff will continue to “roll up our sleeves” and work hard for our members, the Board, and all our stakeholders as we move into fiscal year 2020. 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

Dear Members:

On behalf of the MOSERS Board of Trustees, I am pleased to present MOSERS’ Summary Annual Financial Report for the fiscal year ended June 30, 2019. This report is one of MOSERS’ finest examples of collaboration and an organization-wide team effort.

During the year ended June 30, 2019, the Board of Trustees established a Board Audit Committee. This 3-member committee reviewed and recommended a new external auditing firm as part of a formal procurement process. This committee will continue to function as an extension of the Board and will assist in providing recommendations relative to the organization’s initiatives for areas such as risk management, internal audit, and external financial statements.

Our Board and staff members worked on several initiatives in the last fiscal year, some of which included:

- developing and adopting the MOSERS Strategic Plan for July 1, 2019 – June 30, 2022;
- continuing the systematic reduction of the MOSERS investment rate of return assumption, consistent with the Board’s funding policy;
- beginning the 36-month transition of the Board-adopted investment portfolio and conducting ongoing analysis of each asset allocation category; and
- producing brief videos to provide stakeholders with timely information about Board meetings and action taken at these meetings.

On behalf of the Board and staff, I would like to recognize former State Treasurer Eric Schmitt and Mr. Don Martin for their hard work and dedication while serving as trustees. Representative Rusty Black and Gary Findlay (elected by retired membership) joined the Board as new trustees during the fiscal year. Trustees devote many hours in fulfilling their fiduciary duties.

During my tenure as Board chairwoman, I have witnessed the substantial amount of time and service our trustees have dedicated to MOSERS. I am proud to lead this fine group of fiduciaries in acting in the best interest of our members. Together, with staff, we continue to further our core mission of advancing the financial security of our members.

With another fiscal year in full swing, I wish to thank the MOSERS staff for their ongoing 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 that accompany public service. As a team, we will continue to navigate those challenges and celebrate our successes. 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

Contribution rates, funded ratios, assumed rates of return, etc. are all complicated topics. Please know that your Board of Trustees is deeply engaged in these topics and is focused on the future. Together, we continue to work hard for your benefit.
## Financial Highlights

### Fiscal Year 2019

- **$319.2 Million**
  - Investment Income
- **$432.8 Million**
  - Employer Contributions
- **$32.4 Million**
  - Employee Contributions
- **$880 Million**
  - Benefit Payments
- **$1,131**
  - Average Monthly Benefit Amount for FY19 MSEP Retirees
- **50,281**
  - Retirees & Beneficiaries
- **$8.1 Billion**
  - Net Trust Fund Assets

### Summary Statement of Fiduciary Net Position

#### (Fiscal Year Ended June 30, 2019)

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2019</th>
<th>As of June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term instruments</td>
<td>$263,269,711</td>
<td>$2,379,956</td>
</tr>
<tr>
<td>Receivables</td>
<td>346,692,311</td>
<td>152,195,889</td>
</tr>
<tr>
<td>Investments</td>
<td>11,596,260,814</td>
<td>12,065,659,652</td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>4,887,103</td>
<td>3,237,785</td>
</tr>
<tr>
<td>Other assets</td>
<td>75,750</td>
<td>44,847</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>12,211,185,689</td>
<td>12,223,518,129</td>
</tr>
<tr>
<td><strong>Deferred outflow of resources</strong></td>
<td>743,472</td>
<td>301,182</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative expense payables</td>
<td>1,666,007</td>
<td>3,007,015</td>
</tr>
<tr>
<td>Investment activities payable</td>
<td>202,258,228</td>
<td>170,776,608</td>
</tr>
<tr>
<td>Obligations under repurchase agreements</td>
<td>3,921,700,618</td>
<td>3,853,968,794</td>
</tr>
<tr>
<td>MOSERS investment portfolio liability (MIP)</td>
<td>3,470,132</td>
<td>4,014,950</td>
</tr>
<tr>
<td>Net OPEB liability</td>
<td>7,666,038</td>
<td>7,272,038</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,136,761,023</td>
<td>4,039,039,405</td>
</tr>
<tr>
<td><strong>Deferred inflow of resources</strong></td>
<td>369,869</td>
<td>71,907</td>
</tr>
<tr>
<td><strong>Net positions restricted for pensions</strong></td>
<td>$8,074,798,269</td>
<td>$8,184,707,999</td>
</tr>
</tbody>
</table>

**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, 2019, MOSERS has accumulated $8.1 billion in net assets for the payment of promised retirement benefits.

### Summary Statement of Changes in Fiduciary Net Position

#### (Fiscal Year Ended June 30, 2019)

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2019</th>
<th>As of June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions*</td>
<td>$469,065,954</td>
<td>$450,974,449</td>
</tr>
<tr>
<td>Net investment income</td>
<td>319,211,119</td>
<td>589,611,104</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>500,793</td>
<td>548,581</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>788,777,866</td>
<td>1,041,134,134</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit payments</td>
<td>880,399,391</td>
<td>853,758,969</td>
</tr>
<tr>
<td>Service transfers and refunds</td>
<td>9,015,238</td>
<td>68,609,753</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>9,272,967</td>
<td>10,209,941</td>
</tr>
<tr>
<td><strong>Total deductions</strong></td>
<td>898,687,596</td>
<td>932,578,663</td>
</tr>
<tr>
<td><strong>Net increase (decrease)</strong></td>
<td>(109,909,730)</td>
<td>108,555,471</td>
</tr>
<tr>
<td><strong>Net position beginning of year</strong></td>
<td>8,184,707,999</td>
<td>8,076,152,528</td>
</tr>
<tr>
<td><strong>Net positions restricted for pensions</strong></td>
<td>$8,074,798,269</td>
<td>$8,184,707,999</td>
</tr>
</tbody>
</table>

* Includes employee and employer contributions, purchases of service credit, and service transfers.
### Membership

#### Benefit Recipients by Location

![Map of the United States with states marked for benefit recipients]

#### Member Data

<table>
<thead>
<tr>
<th>Date</th>
<th>MSEP*</th>
<th>Judicial Plan**</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Average</th>
<th>Average</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>age</td>
<td>years</td>
<td>annual</td>
<td>of Retirees</td>
</tr>
<tr>
<td>Active</td>
<td>45.5</td>
<td>10.8</td>
<td>$41,199</td>
<td>46,864</td>
</tr>
<tr>
<td>Retired Members &amp; Beneficiaries</td>
<td>70.5</td>
<td>7.6</td>
<td>$15,694</td>
<td>49,696</td>
</tr>
<tr>
<td>Total Membership</td>
<td>46,864</td>
<td>49,696</td>
<td>15,476</td>
<td>36</td>
</tr>
</tbody>
</table>

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

#### Members Retired During Fiscal Year 2019

<table>
<thead>
<tr>
<th>Years</th>
<th>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>$198</td>
<td>$5,081</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>5-10</td>
<td>369</td>
<td>2,907</td>
<td></td>
<td>484</td>
</tr>
<tr>
<td>11-15</td>
<td>609</td>
<td>2,900</td>
<td></td>
<td>388</td>
</tr>
<tr>
<td>16-20</td>
<td>886</td>
<td>3,076</td>
<td></td>
<td>409</td>
</tr>
<tr>
<td>21-25</td>
<td>1,356</td>
<td>3,637</td>
<td></td>
<td>456</td>
</tr>
<tr>
<td>26-30</td>
<td>1,840</td>
<td>3,978</td>
<td></td>
<td>428</td>
</tr>
<tr>
<td>31+</td>
<td>2,321</td>
<td>4,206</td>
<td></td>
<td>225</td>
</tr>
<tr>
<td>All Members*</td>
<td>1,131</td>
<td>3,390</td>
<td></td>
<td>2,393</td>
</tr>
</tbody>
</table>

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

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. As reflected in the graph (top right), the investment portfolio, as of June 30, 2019, was $8.1 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.

In 2018, the Board repositioned the portfolio to address the challenging return environment. We began transitioning to a new portfolio during fiscal year 2019, and will continue over the next few years.

The percentage of the total investment portfolio by specific asset class for both the old and new portfolios, as of June 30, 2019, is reflected in the graphs (middle right). The asset allocations are built on the belief that diversification is critical in achieving consistent, long-term risk-adjusted investment returns.

Investment Performance vs. Benchmark Return
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 total fund 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 establishes the Board’s long-term view regarding investments, which puts into perspective any reaction, or over-reaction, to short-term market conditions. Returns for the total fund versus these benchmarks are displayed in the corresponding graph (lower right).

* As of June 30, 2019, the total fund policy benchmark was comprised of the following components: 83% old portfolio policy benchmark, 17% new portfolio policy benchmark.
  - The old portfolio policy benchmark was comprised of the following components: 38% total opportunistic global equities policy, 44% total nominal bonds policy, 20% total commodities policy, 39% total inflation-indexed bonds policy, and 31% total alternative beta policy. This program did not begin until September 2012.
  - The new portfolio policy benchmark was comprised of the following components: 45% total growth policy, 35% total income policy, 40% total inflation hedge policy, and 20% total alternative betas policy. This program did not begin until January 2019.
**MSEP Retirement Funding**

**Funded Status**
In order to ensure your benefits are available to you, MOSERS contracts with an outside actuarial firm to perform an annual funding valuation which determines the funded status of the plans at year end and the contribution rates needed to adequately fund the System in the future. The percentages shown in the bar chart indicate the extent to which the System was funded as of a given year.

The state contributes the actuarially determined contribution that, when combined with present assets and future investment returns, will be sufficient to meet the present and future assumed financial obligations of the System.

Through a history of reasonable benefit levels, mandatory participation, actuarially determined employer contributions, and professionally managed investments, MOSERS benefits continue to be secure.

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, 2019, a total of 47.35% of active employees are in the MSEP 2011.

**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 58% of the assets in the MOSERS Trust Fund.

A key component of the employer contribution rate and the plan’s funded ratio is the assumed rate of return on investments. The Board has been systematically reducing the MOSERS investment return assumption. This reduction results in an increase in the employer contribution rate and a decrease in the plan’s funded ratio.

For example, the Board’s adopted investment assumption of 7.1% contributed to the 22.88% employer contribution rate and the 62.9% actuarial funded ratio. If the Board had adopted a higher assumed investment return, such as 8.1%, then the employer contribution rate would be closer to 18% and the funded ratio would be almost 70%.

<table>
<thead>
<tr>
<th>Investment Return Assumption</th>
<th>7.1%</th>
<th>8.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Contribution</td>
<td>22.88%</td>
<td>18.18%</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>62.9%</td>
<td>69.5%</td>
</tr>
</tbody>
</table>

While a lower employer contribution rate and a higher funded ratio might make some “feel” better, the current investment assumption is a more conservative approach to ensuring the long-term sustainability of MOSERS.
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to MOSERS for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. MOSERS has received this award for 24 consecutive years (fiscal years ended 1995 through 2018). We believe our current report continues to conform to the Popular Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

Visit us online at 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

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

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- Gary Metzger - Vice Chair
- Representative Rusty Black
- Gary Findlay
- Treasurer Scott Fitzpatrick
- Jenny Jacobs
- Joe Keifer
- Commissioner Sarah Steelman
- Senator Wayne Wallingford
- Senator Gina Walsh
- Representative John Wiemann

Executive Staff
- Ronda Stegmann
  Executive Director
- Lori Woratzek
  Deputy Executive Director – Operations/Chief Financial Officer
- Seth Kelly
  Deputy Executive Director – Investments/Chief Investment Officer
Tax Information

Your 1099-R is Coming Soon

We will mail 1099-R forms to all retirees and beneficiaries by the end of January 2020. This form lists your 2019 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 2019 calendar year:

**Total Gross Distribution**

The gross amount you received from MOSERS in 2019

**Total Taxable Amount**

Taxes Withheld

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

For detailed information on deductions from your MOSERS benefits, contact your insurance provider.

Get 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 myMOSERS and you will find it listed under Personal Information. Your 1099-R form will be available for you to view or print after we have mailed them. Watch our website for updated information.

We encourage you to create an Online ID for MOSERS if you have not already done so. This will make accessing your 1099-R quick and convenient when you need it.

To create an Online ID, go to our website at www.mosers.org and click on myMOSERS. You will find instructions to lead you through the process or you can watch the myMOSERS Tutorial video.
Public Pension Exemption

Retirement & Your Taxes

Depending on a variety of factors (including, but not limited to, income, filing status, and age), as a retiree, 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 | Married, filing jointly |
| Up to $100,000 | Married, filing separately |
| Up to $85,000 | Single, Head of Household, or Qualifying Widow(er) |

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. 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.

For additional information, contact the Missouri Department of Revenue or: dor.mo.gov/personal/ptc/pension.php

2020 COLA

Benefit Adjustments

Your annual cost-of-living adjustment, or COLA, is based on the Consumer Price Index (CPI).* You can find the 2020 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 2020 and is based on a comparison of changes from 2018 to 2019. 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 (2019) to the average CPI from the prior year (2018) 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.
- Inactive-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.
# 2020 Coffee Break Schedule

## A Seminar Just for Retirees

Do you know how to budget & spend your money in retirement?
Do you know about the MCHCP Medicare Advantage Plan?

Join us in 2020 for a post-retirement Coffee Break seminar to learn the answers to these questions and more! Coffee Breaks are open to all MOSERS retirees and are hosted by our Retiree Connection group. This year's topics are:

### Retirement Income Spend-down Strategies – MO Deferred Comp

Get tips for staying within your budget and learn how to transition your savings and/or investments into income in retirement.

### MCHCP Coverage for Medicare Eligible Members – MCHCP

Learn basic information about the Medicare Advantage Plan through MCHCP along with other healthcare tips for all retirees.

Enroll online at [myMOSERS](https://www.mosers.org/). Registration will be open in early January. Select the session you wish to attend, complete the registration information for both you and your guest (if any), and you are on your way! You will receive a confirmation in your MOSERS Document Express online mailbox (log in to view and print) as well as a reminder one week before your selected session.

Since we will offer complimentary refreshments and have limited seating, we appreciate early registration. If you cannot enroll online or have questions, call (800) 827-1063, ext. 6194 or email education@mosers.org.

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### 2020 Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/7/20</td>
<td>9:30 A.M.</td>
<td>Jefferson City</td>
<td>MOSERS 907 Wildwood Dr.</td>
</tr>
<tr>
<td>4/21/20</td>
<td>9:30 A.M.</td>
<td>Jefferson City</td>
<td>MOSERS 907 Wildwood Dr.</td>
</tr>
<tr>
<td>4/30/20</td>
<td>1:00 P.M.</td>
<td>Fulton</td>
<td>Callaway Electric Cooperative 1313 Cooperative Dr.</td>
</tr>
<tr>
<td>5/6/20</td>
<td>9:30 A.M.</td>
<td>Columbia</td>
<td>Columbia Police Department Regional Training Center 5001 E Meyer Industrial Dr.</td>
</tr>
<tr>
<td>5/20/20</td>
<td>1:00 P.M.</td>
<td>Independence</td>
<td>Metropolitan Community College Education Center, Room 110 20301 EAST 78 HIGHWAY</td>
</tr>
<tr>
<td>5/21/20</td>
<td>9:30 A.M.</td>
<td>St. Joseph</td>
<td>MO Conservation Department 701 JAMES MCCARTHY DR.</td>
</tr>
<tr>
<td>6/10/20</td>
<td>1:00 P.M.</td>
<td>Springfield</td>
<td>The Library Center 4653 S. Campbell Ave.</td>
</tr>
<tr>
<td>6/11/20</td>
<td>9:30 A.M.</td>
<td>Joplin</td>
<td>Shoal Creek Conservation &amp; Education Center 201 W RIVIERA DR.</td>
</tr>
<tr>
<td>6/24/20</td>
<td>9:30 A.M.</td>
<td>Richmond Heights</td>
<td>The Heights Richmond Heights Community Center 8001 DALE AVE.</td>
</tr>
<tr>
<td>8/13/20</td>
<td>1:00 P.M.</td>
<td>Kirksville</td>
<td>MO Conservation Department 3500 S BALTIMORE</td>
</tr>
<tr>
<td>8/19/20</td>
<td>9:30 A.M.</td>
<td>Cape Girardeau</td>
<td>Shawnee Park Center 835 S. WEST END BLVD.</td>
</tr>
</tbody>
</table>

Visit [www.mosers.org/retirees/coffee-breaks](https://www.mosers.org/retirees/coffee-breaks) for more information and any schedule updates!
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 50 years ago to help monitor 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. The governing board consists of volunteers who are retired state employees. This group helps YOU.
- 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 preserving your retirement and medical benefits.

Each person is very important to what can be accomplished. Your support is needed. 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