

RetireeNews

Board Corner
**Upcoming
Board Election**

Noteworthy News
**2022 Coffee Break
Schedule**

Life Planning
**Life Insurance
After Retirement**

Special Insert
**FY21 Summary
Annual Report**

Retirement & You
**Celebrating
Randall Clark's
Career**

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Gary Metzger - Vice Chair
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Gary Findlay
Treasurer Scott Fitzpatrick
Jenny Jacobs
Joe Keifer
Senator John Rizzo
Senator Paul Wieland
Representative John Wiemann
Acting Commissioner Ken Zellers

Executive Director

Ronda Stegmann

Office Hours

Monday–Friday
8:00 am–12:00 pm
1:00 pm–4:30 pm

Contact

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Automated Phone Options

- 1 Benefits
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Connect With Us On Social Media



facebook.com/MOSERSRetirement



mosers.org/rumor-central



twitter.com/MOSERSjc



youtube.com/MOSERSOnline

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.

An Update from the Executive Director

Recent Board Updates from Ronda Stegmann

The main objective of Board meetings is to ensure the long-term sustainability of promised benefits. Below are the highlights from our most recent meeting.

September 23, 2021

The top priority for this quarterly meeting of the Board was to certify the employer contribution rates for FY23.

Following an in-depth presentation from our independent external actuary, the MOSERS Board certified the MSEP employer contribution rate for FY23 at 26.33% of payroll beginning July 1, 2022. The employer contribution rate is the percent of pay that a MOSERS-covered employer contributes every pay period to properly fund the retirement plan. The funded ratio of the plan was calculated at 59%. You may ask, "Why is the funded ratio 59%?". It is important to remember in 2018, after significant analysis and deliberation, the Board adopted a funding policy that we knew would increase the employer

contribution rate and decrease the plan's funded ratio. This funding policy is designed to ensure the long-term sustainability of MOSERS. Our actuarial projections indicate positive movement for both the employer contribution rate and the funded ratio of the plan, going forward.

Next, our Board investment consultant and staff provided the Board with an update of recent investment performance. Our investment return for FY21 was 26.4%, resulting in \$2.1 billion in investment earnings added to the trust fund. This is the highest one-year investment return since 1986. This robust return increased the assets of the MOSERS trust fund to an unprecedented level of \$9.7 billion, as of June 30, 2021.

The Board also approved the 2022 Board meeting schedule, adopted modifications to the Board's Governance Manual, and received updates on staff initiatives such as the multi-year pension administration system project and 2022 legislative proposals.

New Board Member

Office of Administration Acting Commissioner Ken Zellers Joins the MOSERS Board of Trustees

Governor Mike Parsons announced his selection of Ken Zellers as the Acting Commissioner of the Office of Administration on October 12, 2021. Previously, Zellers served as the director of the Department of Revenue. The OA Commissioner is automatically a member of the MOSERS Board of Trustees.

The Office of Administration is the administrative and managerial arm of Missouri State Government, and the Commissioner serves as chief executive with oversight of the seven divisions of the Office of Administration.

Prior to joining the Missouri Department of Revenue, Acting Commissioner Zellers held numerous senior roles in Anheuser Busch InBev, most recently serving as global director, operations brewing and quality. In prior roles with Anheuser-Busch InBev, he served as senior director human resource operations, a member of the Human Resource Operating Committee, and global director of compensation.

Prior to joining Anheuser-Busch InBev, Acting Commissioner Zellers was employed with Citicorp Acceptance and Finance, a division of Citibank, as a manager of quality and exceptions processing.

Acting Commissioner Zellers was born and raised in Missouri. He is married and has two children. He holds a bachelor's degree in business administration from Missouri Baptist University in St. Louis.

We are pleased to welcome Acting Commissioner Zellers to the MOSERS Board of Trustees.

The MOSERS Board is responsible for establishing and maintaining Board policies, procedures, and objectives for the System's operations.

Trustees elected by members serve a four-year term. The State Treasurer and the Commissioner of Administration serve as Trustees during their respective terms of office. The two members of the Missouri Senate and the two members of the Missouri House of Representatives are appointed by the Senate Pro Tem and Speaker of the House, respectively. These General Assembly members serve as Trustees until they resign, are no longer members of the General Assembly, or are replaced by new appointments. Trustees appointed by the Governor serve as Trustees until they resign or are replaced by new appointments.

Upcoming Board Election

Summer will be here before you know it and so will the 2022 MOSERS Board Election. In August, it will be time to elect one retired member to the MOSERS Board of Trustees. We have already begun working to ensure a smooth and fair election process.

What are the Board's Responsibilities?

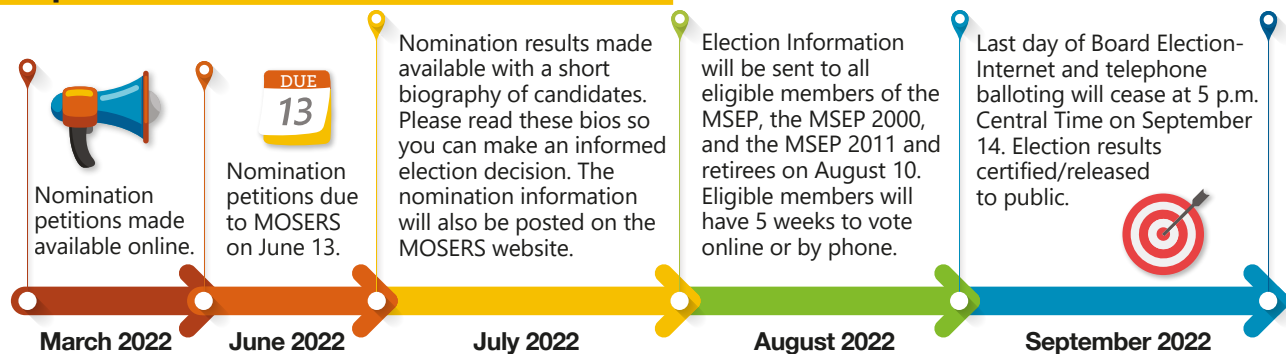
The MOSERS Board is responsible for establishing and maintaining Board policies, procedures, and objectives for the System's operations and investments of more than \$9.7 billion in trust fund assets. MOSERS staff, under the leadership of the System's executive director, performs the day-to-day administration and investment functions.

"Big Picture" Policy Focus

The members of the Board set expectations for and monitor the performance of investments and benefits administration including:

- **Oversight of the administration of the retirement, life insurance, and long-term disability insurance plans** - The Board develops rules and policies to implement plan provisions that are set forth by law.
- **Oversight of the investment program, including decisions regarding asset allocation and risk management** - Board members are responsible for maximizing total returns within prudent risk parameters, and acting in the exclusive interests of System members.
- **Oversight of the MO Deferred Comp Plan** - Board members are responsible for ensuring the investment options are appropriate for Plan members, ensuring the Plan is operating in compliance with laws and regulations, and monitoring the overall administration of the Plan.

Important Board Member Election Dates



Time and Willingness to Learn

Board members must be willing to commit their time to regular Board meetings (four or five per year plus four committee meetings), and understand that issues facing the Board are often complex. Our staff provides support by preparing educational material prior to each Board meeting and assists trustees in finding information needed to make informed decisions.

Group Decision-Making Skills

The ability to develop a consensus is an important part of the Board's decision-making process. Decisions by the Board are made as a whole after a thorough analysis of the issues. Every year, the trustees must certify the state's contribution rate and approve the System's operating budget.

Ready to Serve

If you or someone you know may be interested in running for a seat on the MOSERS Board as a representative of retired state employees, please see our website in March 2022 for information on the nomination process.

Keep Your Info Updated

In order to participate in the upcoming election, we will need to have your current mailing and email address so that we can contact you with election information! You can update your email by logging in to [myMOSERS](#). Select **Personal Information** then click **Update Personal Information**. If you are unable to do so online, please contact a MOSERS benefit counselor, who will be happy to assist.

2022 Coffee Break Registration is Open!

We are looking forward to the 2022 Coffee Break Season and hope you are too!

We have made the decision to continue Coffee Breaks sessions online only again in 2022. We will host six sessions throughout the year with morning and afternoon options. Along with hearing updates and information for retirees directly from MOSERS, we are excited that the Alzheimer's Association will be joining us and presenting their very popular session, *10 Warning Signs of Alzheimer's*.

You must register to attend and are welcome to view all or part of the session. Coffee Breaks are co-hosted by our Retiree Connection group and are open to all MOSERS retirees.

Register

It's easy! View the schedule and log in to [myMOSERS](#). Make sure to complete both steps of the registration process:

- 1. myMOSERS** – After logging in, hover over the **Seminar Enrollment** drop-down and select **Coffee Break**. Once you've reviewed the schedule, select the date you wish to attend. The enrollment program will walk you through the rest of the process.
- 2. GoTo Webinar** – You will find this link on the confirmation page of your [myMOSERS](#) enrollment. Make sure to select the correct webinar date from the drop-down on the GoTo Webinar registration page; this should be the same date you registered for in the first step. The second step is necessary in order for you to receive the instructions and link to join the webinar.

Confirmation/Reminder Emails

We will send a confirmation to your MOSERS Document Express online mailbox (*log in to view and print*) as well as reminders leading up to the session. You will also receive confirmation and reminder emails from GoTo Webinar with instructions and the link to join the webinar. These emails contain the MOSERS logo at the top and, in some instances, may end up in your spam folder.



Questions about the Coffee Breaks?
Call (800) 827-1063, ext. 6194,
email MOSERSEducation@mosers.org,
or visit
www.mosers.org/retirees/coffee-breaks.

March 15

9:30 am – 11:00 am

April 12

1:30 pm – 3:00 pm

May 12

9:30 am – 11:00 am

August 23

1:30 pm – 3:00 pm

September 14

9:30 am – 11:00 am

October 25

1:30 pm – 3:00 pm



COLAs Coming in 2022

Your annual cost-of-living adjustment, or COLA, is based on the Consumer Price Index (CPI). We will calculate the COLA in **mid-January** and post it to our website. Be sure to keep an eye out for it!

What is the CPI?

The U.S. Bureau of Labor Statistics calculates the CPI monthly. The CPI is used to measure the rate of inflation and to show larger economic trends annually. MOSERS must use the Consumer Price Index for All Urban Consumers (CPI-U) for our calculations as required by state law. This 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.



How is it calculated?

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%).

Each year, MOSERS compares the average CPI for the calendar year just completed (2021) to the average CPI from the prior year (2020) 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 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 that there is something in your MOSERS Document Express during the month when you get your COLA.

* If you retired under MSEP, and were employed before August 28, 1997, your COLA may be different. See the COLA page on our website: <https://mosers.org/retirees/cost-of-living-adjustments>

Are you a retiree or beneficiary who will be changing your name?

It is important that we have your current information on file and that includes your legal name.

If you are currently receiving a pension benefit of any kind, you must submit proof to MOSERS to change your name or marital status. For proof of name change, we accept an updated Missouri driver's license showing your new name. For proof of name change and marital status change, we can accept a divorce decree or a marriage certificate. We do not require documented proof of gender change.

We also require proof of name change for any inactive vested member or beneficiary applying for survivor or remaining guaranteed payments.

We accept documents of proof in the format of photo or electronic copy. You can mail, e-mail, upload through **myMOSERS**, or fax them to us.

Other changes?

You can change your address, email, or phone number(s) by logging in to **myMOSERS**. Select the **Update Personal Information** tab and follow the instructions.

To begin the name change process, please contact a benefit counselor.

Long Story Short

PENSIONS HAVE PURPOSE

Summary Annual Report to Members

Fiscal Year Ended June 30, 2021

MOSERS



Message from the Executive Director



Ronda Stegmann
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, 2021. During fiscal year 2021, 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 26.4%, net of fees, for fiscal year 2021. The total fund returned 1.2% more than would have been expected through passive investing in the benchmarks.

Staff completed the transition from the "Old" portfolio allocation to the "New" portfolio allocation at the end of February 2021 in 26 months, 10 months ahead of schedule. The Old portfolio represented approximately 42% of the total fund at the beginning of the fiscal year. We utilized six one-month advancements of the transition, as permitted by policy, in order to complete the transition in February.

To allow for more predictable and stable contributions 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, 2021, the MSEF was 59.0% pre-funded and the Judicial Plan was 31.1% pre-funded, based on MOSERS' funding valuation.

The General Assembly authorized and the Governor approved the appropriation of \$505 million to MOSERS for fiscal year 2022, which will fully fund the Board-certified employer contribution rate.

The theme of this year's *Summary Annual Report to Members* is "Long Story Short...Pensions Have Purpose". This message highlights important aspects of the System. We know public pensions, like MOSERS, are long-term entities that invest over long time horizons and span many generations of membership. Some of our retired membership are highlighted in this report through the sharing of their "six word stories". These "stories" describe their thoughts on being a MOSERS retiree or retirement in general. This theme also speaks to MOSERS mission statement to "advance the financial security of its members" and the hallmark of all we do. We know our members rely on their benefits now and far into the future. 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 2022. It is our honor to work for this great state and its citizens.

Respectfully submitted,

Ronda Stegmann
Executive Director

This *Summary Annual Report to Members* is derived from the information contained in MOSERS' *Annual Comprehensive Financial Report* (ACFR) 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. View the annual report 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 the MOSERS *Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2021. This report is one of MOSERS' finest examples of collaboration and an organization-wide team effort.

During the year ended June 30, 2021, the Board of Trustees continued its work on behalf of the MOSERS membership. While the global pandemic required MOSERS to modify the way we conduct business, our Board and staff members continued to work on key initiatives over the last fiscal year, some of which included:

- comprehensive review and adoption of MOSERS' Board Rules;
- completing the transition of the Board-adopted investment portfolio while generating a return of 26.4%, net of fees; and
- maintaining robust communication with our membership during the ever-changing landscape of fiscal year 2021.

MOSERS was very fortunate to have Board continuity, with minimal turnover, during fiscal year 2021. The MOSERS Board received two new Senate-appointed members when both Senate-appointed members of the Board left the legislature due to term limits. I would like to thank Senator Wallingford and Senator Walsh for their dedicated service as a MOSERS Board Trustee. We welcomed Senator Rizzo and Senator Wieland to the MOSERS Board in 2021. Their participation and perspectives have already added to the Board's robust discussions and decision-making process.

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. As a state employee elected to the MOSERS Board by our active membership, I understand the value of a future MOSERS pension benefit and the role this benefit has in the employers' recruitment and retention efforts. Total compensation is more than just the dollars received in a paycheck. The ongoing monthly contributions from the MOSERS-covered employers represent a significant financial commitment to our members, their families, their communities, and ultimately the citizens we serve. As we look to fiscal year 2022, the Board in conjunction with staff, will continue to further our core mission of advancing the financial security of our members.

I wish to express my appreciation to you, our members, for your commitment and service to this great state and its citizens. 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



Crystal Wessing
Board Chairwoman

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

Financial Highlights

Fiscal Year 2021

\$2.1 Billion
Investment Income

\$502 Million
Employer Contributions

\$39 Million
Employee Contributions

\$953 Million
Benefit Payments

\$1,195
Average Monthly
Benefit Amount for
FY21 MSEP Retirees

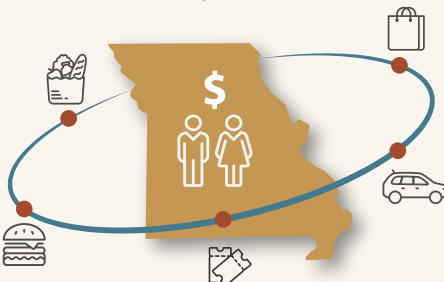
52,830
Retirees & Beneficiaries

\$9.7 Billion
Net Trust Fund Assets

Economic Impact

- MOSERS provides a modest benefit to those who served the public during their working years to help meet their basic needs.
- 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. Each \$1 paid in benefits has \$1.50 in economic impact.*
- Retirees had more than \$17.2 million in state taxes and \$69.7 million in federal taxes withheld from their benefit payments in fiscal year 2021.

* National Institute on Retirement Security, Pensionomics 2021



Net Position

The *Summary Comparative Statements of Fiduciary Net Position* reports the pension plan's financial position as of the end of the fiscal year.

Summary Comparative Statements of Fiduciary Net Position (Fiscal Year Ended June 30, 2021)

| | Year Ended June 30, 2021 | Year Ended June 30, 2020 (as adjusted)* |
|---|-----------------------------|---|
| Assets | | |
| Administrative operating cash and equivalents | 7,386,658 | 9,801,690 |
| Receivables | 750,600,068 | 396,473,141 |
| Investments | 12,850,390,046 | 11,463,190,890 |
| Capital assets, net of accumulated depreciation | 11,070,763 | 7,530,526 |
| Other assets | 0 | 17,717 |
| Total assets | 13,619,447,535 | 11,877,013,964 |
| Deferred outflow of resources | 917,071 | 899,535 |
| Liabilities | | |
| Administrative and other payables | 6,903,186 | 11,021,679 |
| Investment related payables and obligations | 3,869,974,406 | 3,777,012,632 |
| MOSERS investment portfolio liability (MIP) | 3,953,169 | 3,481,031 |
| Net OPEB liability | 7,682,560 | 7,695,160 |
| Total liabilities | 3,888,513,321 | 3,799,210,502 |
| Deferred inflow of resources | 718,655 | 465,011 |
| Net positions restricted for pensions | \$ 9,731,132,630 | \$ 8,078,237,986 |

* Prior year comparative amounts have been adjusted to conform to the current year presentation due to the adoption of Governmental Standards Board Statement No. 84.

The *Summary Comparative Statements of Changes in Fiduciary Net Position* reports MOSERS' contributions, benefit expenses, investment income and expenses.

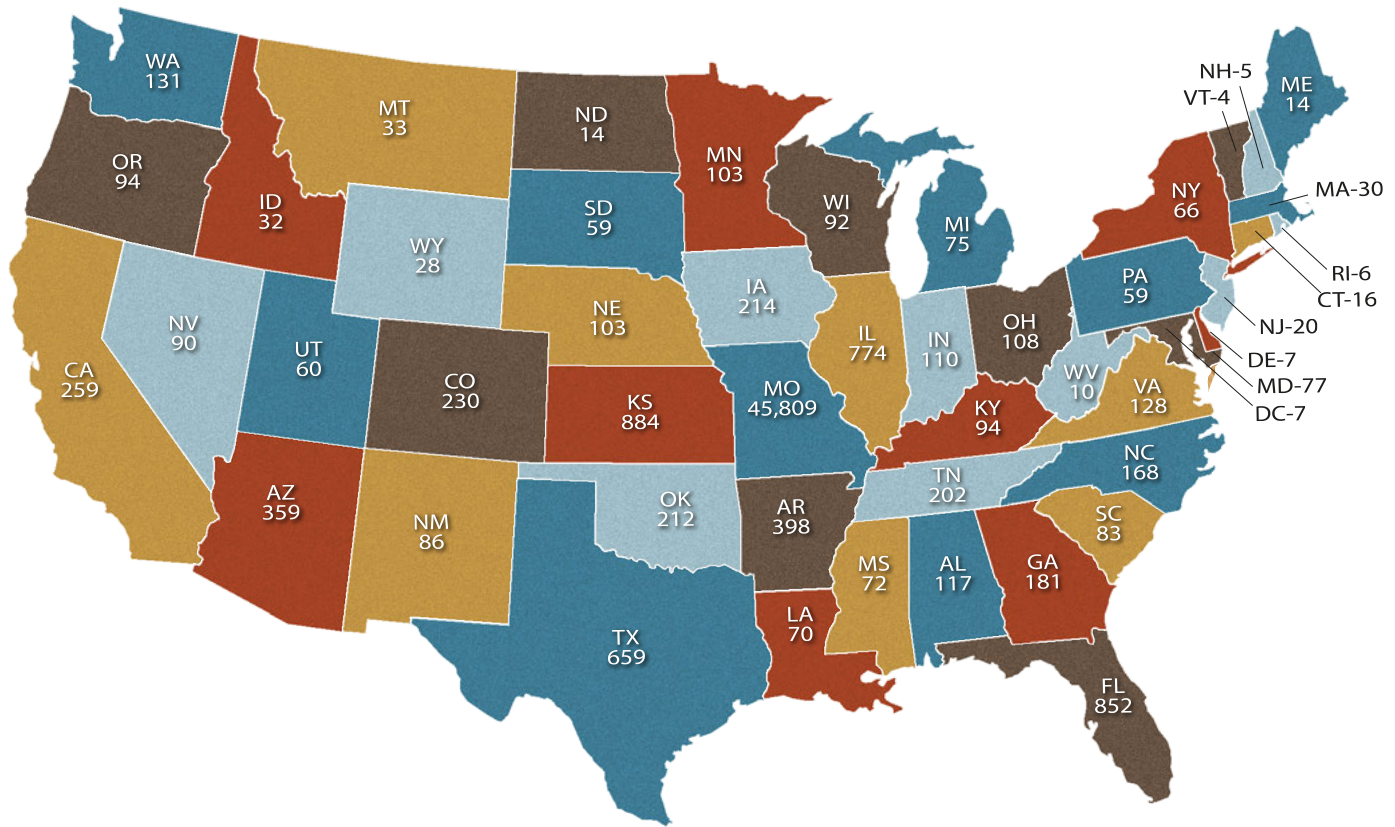
Summary Comparative Statements of Changes in Fiduciary Net Position (Fiscal Year Ended June 30, 2021)

| | Year Ended June 30, 2021 | Year Ended June 30, 2020 (as adjusted) |
|--|-----------------------------|--|
| Additions | | |
| Contributions and premiums* | \$ 577,738,031 | \$ 549,163,044 |
| Net investment income | 2,077,042,662 | 408,563,551 |
| Miscellaneous income | 560,195 | 618,027 |
| Total additions | 2,655,340,888 | 958,344,622 |
| Deductions | | |
| Benefit payments | 953,049,815 | 904,429,822 |
| Premium disbursements | 31,597,820 | 32,549,567 |
| Service transfers and refunds | 8,425,724 | 9,041,675 |
| Administrative expenses | 9,372,885 | 8,952,734 |
| Total deductions | 1,002,446,244 | 954,973,798 |
| Net increase (decrease) | 1,652,894,644 | 3,370,824 |
| Net position beginning of year | 8,078,237,986 | 8,074,867,162 |
| Net positions restricted for pensions | \$ 9,731,132,630 | \$ 8,078,237,986 |

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

Membership

Benefit Recipients by Location



- | | | | |
|--------------------|------------------|----------------------------|-------------------|
| 21 Alaska | 1 Czech Republic | 2 Ireland | 3 Puerto Rico |
| 23 Hawaii | 1 Ecuador | 1 Israel | 1 Philippines |
| 1 Army Post Office | 1 Germany | 3 Italy | 1 Spain |
| 1 Argentina | 1 Guam | 1 Latvia | 2 Sweden |
| 2 Australia | 1 Hong Kong | 1 Mexico | 2 Thailand |
| 1 Brazil | 1 India | 1 Marshall Islands | 1 The Netherlands |
| 12 Canada | | 1 Northern Mariana Islands | 5 United Kingdom |
| 1 Costa Rica | | | 5 Virgin Islands |

Member Data

| June 30, 2021 | MSEP* | Judicial Plan** |
|--|----------|-----------------|
| Active Members | | |
| Average age | 45.9 | 55.5 |
| Average years of service | 11.0 | 10.8 |
| Average annual salary | \$45,809 | \$150,793 |
| Retired Members & Beneficiaries | | |
| Average age | 71.1 | 76.8 |
| Average annual benefit | \$16,117 | \$69,697 |

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

Members Retired During Fiscal Year 2021

| Years Credited Service | Average Monthly Benefit | Average Final Average Salary | Number of Retirees |
|------------------------|-------------------------|------------------------------|--------------------|
| <5 | \$ 526 | \$ 5,705 | 9 |
| 5-10 | 353 | 2,763 | 481 |
| 11-15 | 624 | 3,054 | 456 |
| 16-20 | 966 | 3,337 | 390 |
| 21-25 | 1,420 | 3,798 | 568 |
| 26-30 | 1,952 | 4,257 | 464 |
| 31+ | 2,554 | 4,651 | 207 |
| All Members* | 1,195 | 3,561 | 2,575 |

* 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, 2021, was \$9.7 billion.

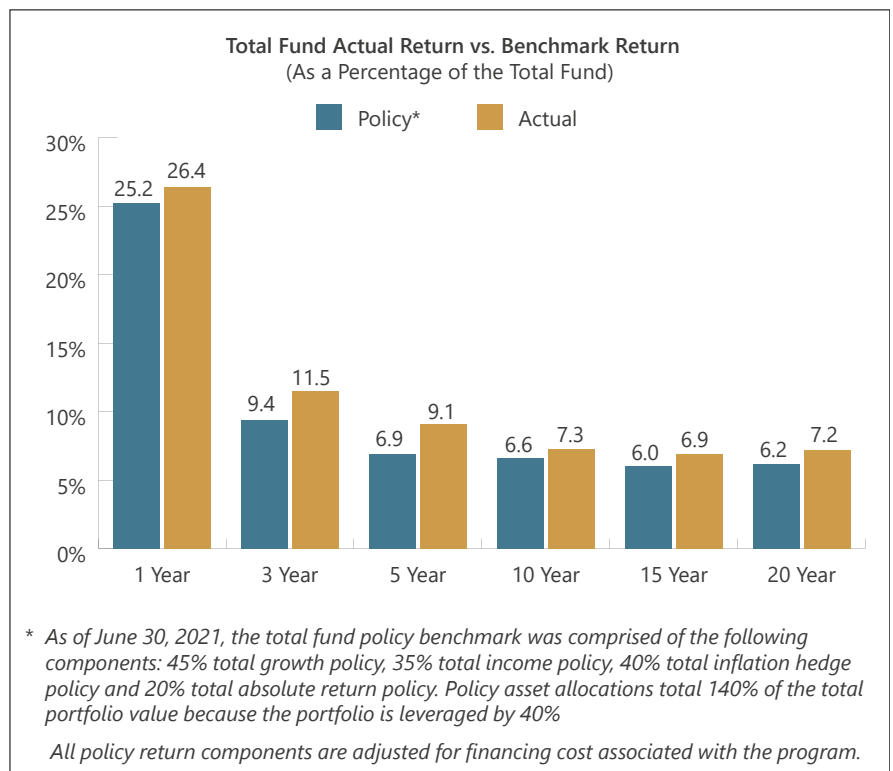
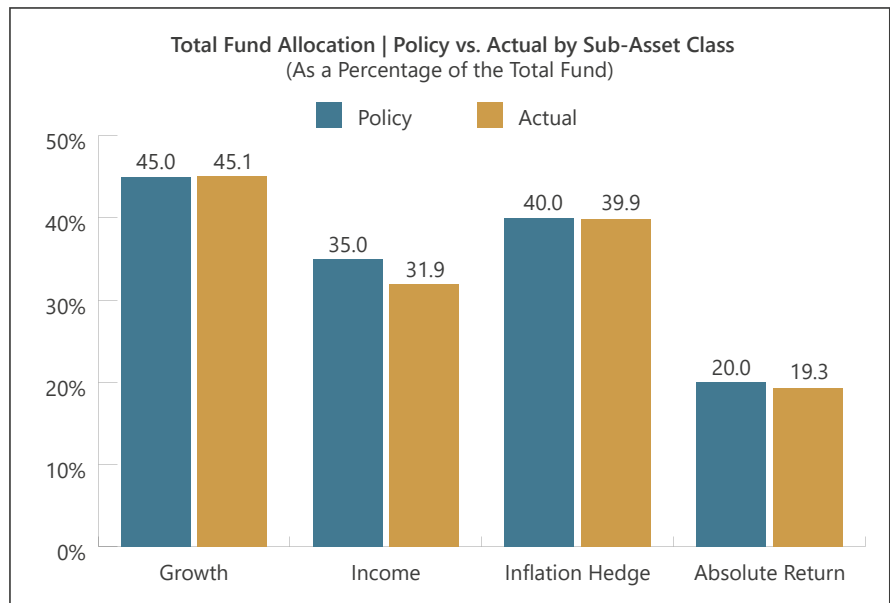
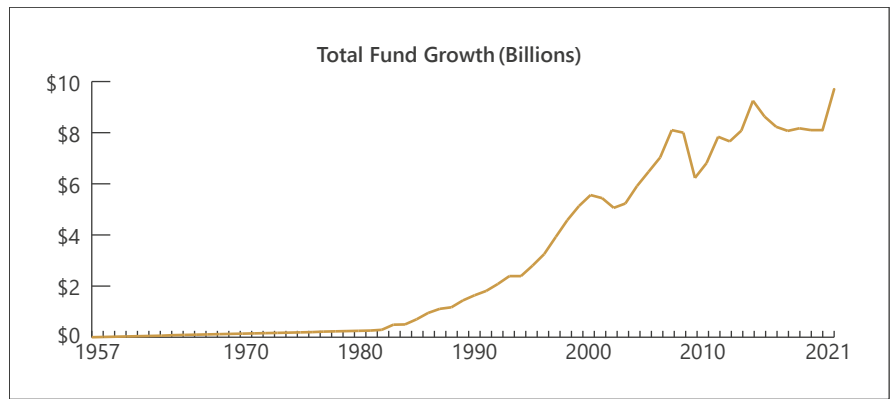
Fund Allocation & Risk

Market volatility is what investors traditionally consider to be the risk of investing. To protect against this risk, our investment portfolio is diversified across numerous asset classes and investment strategies.

The percentage of the total investment portfolio by specific asset class as of June 30, 2021, is reflected in the graphs (middle right). The asset allocation is 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 verses these benchmarks are displayed in the corresponding graph (lower right).



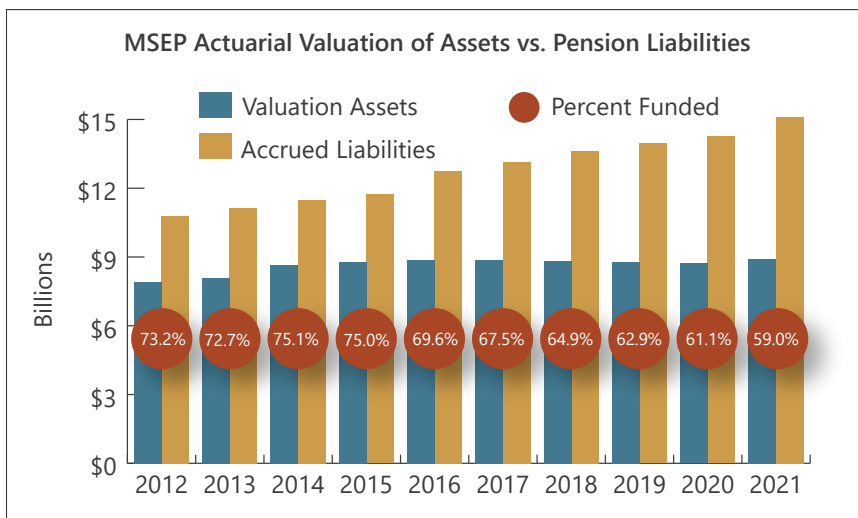
MSEP Retirement Funding

Funded Status

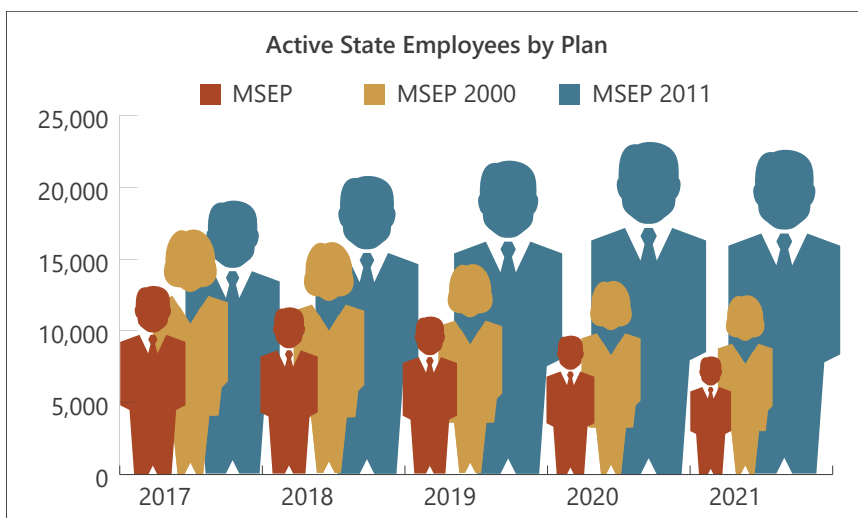
In order to help ensure your benefits are properly funded, MOSERS contracts with an outside actuarial firm to perform an annual actuarial valuation which determines the funded status of the plans at year end and the contribution rates needed to adequately fund the System in the future. The percentages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

Employers contribute the actuarially determined contribution that, when combined with current assets and expected future investment returns, will be sufficient to meet the current 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.

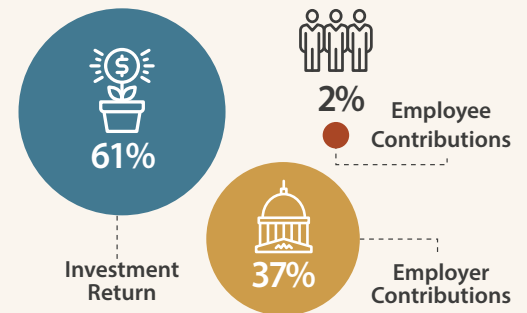


Pension reform in 2010, known as MSEP 2011, works to stabilize plan funding, retains the defined benefit (DB) structure, and provides sustainability for future generations. As of June 30, 2021, a total of 52.2% of active employees are in the MSEP 2011.



Plan Revenue

MOSERS is an advance-funded retirement system. Unlike "pay-as-you-go" plans, employer 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 largest contributor to accumulated plan assets is investment earnings, which accounts for 61% of the assets in the MOSERS Trust Fund.



A few key components used to calculate the employer contribution rate and the plan's funded ratio are the assumed rate of return on investments and the adoption of mortality tables relative to members' life expectancy. Both of these inputs are set using realistic expectations in order to appropriately fund the plan over time.

During the last experience study, the Board approved updated mortality tables in recognition of longer life expectancy. This action, along with other recommendations adopted from the experience study, increased the fiscal year 2023 employer contribution rate by approximately 1.9% of payroll.

Additionally, the Board has systematically reduced the MOSERS investment return assumption from 7.5% in 2017 to the current assumption of 6.95% in 2020. This movement was in recognition of lower capital market expectations. This calculated reduction in the investment return assumption has resulted in an increased employer contribution rate and lower funded ratio for the MSEP.

The prudent actions mentioned above, while increasing the employer contribution rate and decreasing in the plan's funded ratio in the near-term, will work to ensure the long-term sustainability of MOSERS.

Awards



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 fiscal year ended June 30, 2020. 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 26 consecutive years (fiscal years ended 1995 through 2020). We believe our current report continues conform to the Popular Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another Award.

Want to Know More?



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 or to make an appointment.

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

Board of Trustees

as of June 30, 2021

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- Gary Metzger - Vice Chair
- Representative Rusty Black
- Gary Findlay
- Treasurer Scott Fitzpatrick
- Jenny Jacobs
- Joe Keifer
- Senator John Rizzo
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- Lori Woratzeck
*Deputy Executive Director – Operations
Chief Financial Officer*
- Shannon Davidson
*Deputy Executive Director – Investments
Chief Investment Officer*



Tax Information

MOSERS will mail 1099-R forms to all retirees and beneficiaries by January 31, 2022. This form lists your 2021 pension benefit income from MOSERS. You will need this form to file your income tax return. The 1099-R provides the following information for the 2021 calendar year:

- Total gross distribution (the gross amount you received from MOSERS in 2021)
- Total taxable amount
- Taxes withheld

In addition to the required information above, MOSERS will list any medical, vision, and dental insurance premium deductions withheld from your pension benefit. Contact your insurance provider with any questions on these deductions.

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 [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 in late January.

Watch our website for updated information. If you have not already done so, we encourage you to log in to [myMOSERS](#). This will make accessing not only your 1099-R, but other forms and documents, quick and convenient when you need it.

Not sure how to log in? Watch our video, the [myMOSERS](#) Tutorial in our video gallery online. If you have any questions, contact us.

| Form 1099-R <input type="checkbox"/> CORRECTED (if checked) <input type="checkbox"/> RE-ISSUE | | | OMB No. 1545-0119 | | Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. |
|--|-------------------------------------|-----------------------------|--|---|---|
| PAYER'S name, street address, city, state and ZIP code | | | 2021 Form 1099-R | | |
| MO STATE EMPLOYEES RETIREMENT SYSTEM 907 WILDWOOD DRIVE JEFFERSON CITY, MO 65109 800-827-1063 | | | 1 Gross distribution \$ 11,908.88 | | |
| PAYER'S federal identification number | | | 2a Taxable amount \$ 11,908.88 | 2b Taxable amount not determined <input type="checkbox"/> | Total distribution <input type="checkbox"/> |
| RECIPIENT'S identification number XXX-XX-1234 | | | 3 Capital gain (included in box 2a) \$ | 4 Federal income tax withheld \$ 1,800.00 | 5 Service Purchase with After-tax Funds (excluded from taxable amount) \$.00 |
| RECIPIENT'S name, street address (including apt. no.), city, state and ZIP code PENNY SAVER 114 RETIREMENT ST. JEFFERSON CITY, MO 65109 | | | 6 Net unrealized appreciation in employer's securities \$ | 7 Distribution code(s) <input type="checkbox"/> IRA/SEP/SIMPLE | 8 Other \$ % |
| 10 Amt allocable to IRR within 5 yrs | 11 1st year of desig. Roth Contrib. | 12 FATCA filing requirement | 9a Your percentage of total distribution % \$.00 | | 9b Remaining Service Purchase Paid |
| | | | 14 State tax withheld \$ 900.00 | 15 State/Payer's state no. | 16 State distribution \$ |
| | | | 17 Local tax withheld | 18 Name of locality | 19 Local distribution |
| | | | Health Ins Deductions \$ | Dental Ins Deductions \$ | Vision Ins Deductions \$ |

Copy B

Report this income on your federal tax return. If this form shows federal income tax withheld in Box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.

- | | |
|--|---|
| <p>1 Gross Distribution - Amount paid to you by MOSERS</p> <p>2a Taxable Amount - Portion of your total benefit that should be considered taxable income</p> <p>4 Federal Income Tax Withheld - Amount of federal income tax withheld</p> <p>5 Service Purchase with After-tax Funds - Portion of service purchase excluded from taxable amount during the year – only applies to after-tax funds (Difference in Box 1 and Box 2a)</p> | <p>7 Distribution Code(s) - Identifies the type of benefit being paid. See chart on page 2 of your 1099-R</p> <p>9b Remaining Service Purchase Paid - Remaining balance of what was paid in for any purchase of service to be applied in future years – decreases yearly by the amount in box 5</p> <p>14 State Income Tax Withheld - Amount of Missouri income tax withheld</p> |
|--|---|

Life Insurance after Retirement

Do you know the difference between primary and contingent beneficiaries?

It is important to know that difference as you may name one or more beneficiaries (primary and contingent) to receive the proceeds from your life insurance.

- **Primary Beneficiary** - The person(s) or organization(s) who will be recognized first by The Standard Insurance Company to receive your life insurance proceeds.
- **Contingent Beneficiary** - The alternative beneficiary(ies) who will receive your life insurance proceeds in the event your primary beneficiary(ies) does not survive you.

How do I update my beneficiaries?

We know life moves quickly, so we encourage you to update your beneficiary designations as soon as possible if you have had a life change such as a marriage, divorce, or the death of a family member.

You can review your current beneficiary designations and make changes online by following these steps:

- Log in to [myMOSERS](#).
- Click on **Forms** then **Life Insurance Beneficiaries**.
- Follow the instructions to complete and submit the online form. Your designation becomes effective upon receipt by MOSERS – as long as we receive it during your lifetime.

Can I name a minor as my beneficiary?

Naming a minor (a person under the age of 18, except an emancipated minor) or estate as your beneficiary may require that a conservator or other legal representative be appointed by a court before any payment can be issued. This could cause legal expenses for the beneficiary and delay the payment. As an alternative, you may wish to set up a trust to receive your assets upon your death. To set up a trust, please contact an attorney.

What is the difference between an agent and a beneficiary?

A beneficiary is a person (or organization) whom you have designated to receive your final benefit payment or life insurance proceeds upon your death.

An agent is authorized to make benefit decisions on your behalf if you become incapacitated during your lifetime. The *Designation of Agent* form allows you to choose who would be your agent.

MOSERS recommends that you complete and submit the *Designation of Agent* form, but it is optional. You may have completed it at retirement. If so, we recommend you review and update it if you wish to designate a different person or if your designated agent changes their name or contact information. The *Designation of Agent* form **does not** give your agent broad powers like those usually found in a durable power of attorney. It relates to MOSERS benefits only and can be completed or updated online at any time.

Your Six-Word Stories

RETIREMENT & YOU

You may recall that last year we featured the wonderful six-word stories of our Retiree Connection group members. We then asked to hear from you, our retired members, about your experience in retirement. Our staff has enjoyed reading through the submitted stories and wanted to feature a few. Check them out!

The History of Six-Word Stories

It's an entire story written in only six words. It has been said that Ernest Hemingway was the first to do this when he was challenged to write an entire story using only six words. It has also been said that writing teachers before Hemingway used this method as an exercise for their students as far back as the early 1900s.

Lindell Edmonds - "One chapter ends, another one begins."

Becky Hutchins - "Retirement is the best profession of all!"

E Gene Schneider - "Retirement secure WITH wife and MOSERS."

Donna J Cavitte - "Make time to feed the birds."

What is your six-word story?

Let us know by emailing your story
to MOSERSEducation@mosers.org!



Six-Word Stories

ARMSE

The Active and Retired Missouri State Employees (ARMSE) association 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.
- ARMSE successfully passed recent legislation adding employees and retirees to the Missouri Consolidated Health Care Plan (MCHCP) board. This is the first time plan users have been able to participate in the decision-making process regarding their health insurance and medical needs.

Each person is very important to what can be accomplished. Your support is needed. You can join online at www.armse.org. Or, for a membership brochure and application, send your name and address to:

ARMSE, Post Office Box 11, Jefferson City, Missouri 65102. You can email ARMSE at: office@armse.org.

Help us help YOU as ARMSE continues to protect the pensions and medical insurance we have earned!



ARMSE

Active & Retired
Missouri State
Employees

A Finer Co-Worker You Will Not Find

Celebrating the career of Randall Clark in the Labor Market Statistics section of the Missouri Department of Higher Education and Workforce Development

July 3, 1972, was an unusually quiet Monday in the office, as it was the day before the Independence Day holiday. Randall Clark walked across the office threshold that morning for the first time as a new Missouri State Employee at what was then the Kansas City office of the Department of Labor & Industrial Relations.

Due to the holiday, the individuals responsible to train him in his new position were out of the office. Instead, he was handed the *Missouri Employment Statistics Manual* with instructions to read it. Though that day left him pondering about what he had gotten himself into, young Randall had no idea what was in store for him. That quiet Monday morning would be the start of a long and successful career for Mr. Clark. Over the next five decades, his hard work and dedication would serve the state of Missouri time and time again.

Randall, originally from Collinsville, Illinois, grew up in East St. Louis and graduated from East St. Louis High School in 1964. He then went on to serve his country during the Vietnam Era. He completed his basic training at Fort Leonard Wood in Missouri, was sent to Fort Lee in Virginia, and then assigned to U.S. Army Camp Carroll Depot at Waegwan, the Republic of Korea, in September of 1970. He completed his active military service at Fort Hood, Texas, and was separated from active duty on January 28, 1972. He served in the Inactive Reserve until June 20, 1975, when he received an honorable discharge.

Now, as we fast-forward to 2021, with the early days of his career long behind him, Randall has begun a new adventure: retirement. In October of this year, Randall retired with a total of 49.25 years of service. Out of all current state employees under the Office of Administration, he has the **fifth highest** amount of service.



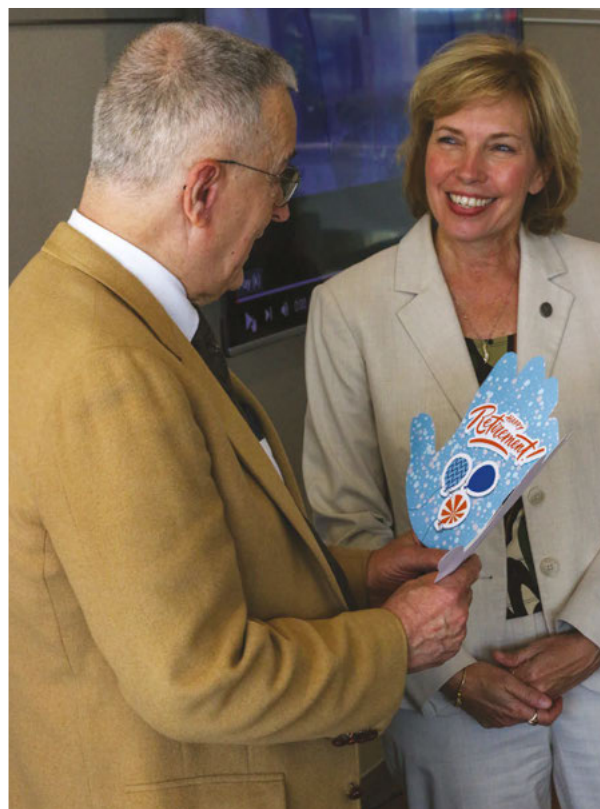
RANDALL E. CLARK

START DATE: JULY 3, 1972

RETIREMENT DATE: OCTOBER 1, 2021

**49.25 YEARS
OF SERVICE**

LABOR MARKET STATISTICS
SECTION OF THE
MISSOURI DEPARTMENT OF
HIGHER EDUCATION AND
WORKFORCE DEVELOPMENT



MOSERS Executive Director Ronda Stegmann congratulates Randall Clark on his long service and retirement.

At Randall's retirement party, he humbly summed up his job as "I'm the person responsible for those unemployment numbers you see every month." However, to anyone who had the pleasure of working with him, they knew his position and what he brought to the table encompassed much more than that.

As a Missouri local area unemployment statistics analyst, he left an impact on many individuals. "Randy helped Missourians from policymakers to local leaders to students understand trends in the state's economy for more than 49 years," says his former colleague, Veronica Gielazauskas. "Randy brought years of experience and understanding to his role, but what I will miss the most is his kindness and good sense of humor," she adds. Randall found joy in many aspects of his job. He noted that some of his favorite memories were "traveling to every corner of Missouri as part of my job, seeing a lot of great sights, and meeting a LOT of great people."

Randy is absolutely the kindest person I have ever worked with.

"A finer co-worker you will not find," says Jeffery Drake, a former colleague of more than 27 years. "He is always ready to assist in any endeavor or project that comes along. His intimate knowledge of economic events in the state is priceless for explaining why the numbers are doing what they are doing."

Knowledge of economics is not the only thing Randall is known for. "He is a stone cold assassin when it comes to trivia!" explained Drake. According to coworkers, their department used to partake in a trivia contest but eventually had to stop the contest all together due to one group winning every time. It may come as no surprise that Randall, or Randy as he is known to close associates, was always on the victorious team. "From presidential trivia to old movies to current events, he was tough to beat," adds Drake.



HAPPY Retirement!

His compassionate nature over the years in the office did not go unnoticed. "Randy is absolutely the kindest person I have ever worked with. He is soft spoken, patient, and will throw out the funniest joke when you are not expecting it," says Marya Amos, who worked with Randall for 18 years. Drake added, "He is kind beyond words. I have never heard him utter a mean thing in all my years. We all should be as thoughtful as he is. He is the epitome of what the golden rule is about." As he pondered his retirement, Randall reflected, "I'll miss the people I worked with and I'll miss the satisfaction of completing a difficult project on schedule."

He is the epitome of what the golden rule is about.

When asked if he had any advice for his younger self, Randall answered simply, "Get more involved in available activities, take more training, and broaden your horizons." MOSERS staff have been honored to serve Mr. Clark as he transitions into retirement and begins to broaden his horizons even further in this new stage of life. His steadfast dedication to his work and the state of Missouri, over the course of nearly five decades, has truly served as an inspiration to his co-workers and to MOSERS staff - and will for many years to come.



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RetireeNews Newsletter

RETIREMENT & YOU



2022 Benefit Payment & Holiday Schedule

| | | |
|--------------------------------|-------------------------|-------------------------|
| Jan 1 New Year's Day | May 9 Truman Day* | Sept 5 Labor Day |
| Jan 17 MLK Jr. Day | May 30 Memorial Day | Sept 30 Payday 💰 |
| Jan 31 Payday 💰 | May 31 Payday 💰 | Oct 10 Columbus Day* |
| Feb 11 for Lincoln's Birthday* | June 20 Juneteenth | Oct 31 Payday 💰 |
| Feb 21 President's Day | June 30 Payday 💰 | Nov 11 Veterans Day |
| Feb 28 Payday 💰 | July 4 Independence Day | Nov 24 Thanksgiving Day |
| Mar 31 Payday 💰 | July 29 Payday 💰 | Nov 30 Payday 💰 |
| Apr 29 Payday 💰 | Aug 31 Payday 💰 | Dec 26 for Christmas |
| | | Dec 30 Payday 💰 |

To Schedule an Appointment:
Call (800) 827-1063

8:00 a.m. - 12:00 p.m.
1:00 p.m. - 4:30 p.m.

* MOSERS will be closed on all of the above holidays with the exception of Lincoln's Birthday, Truman Day and Columbus Day.

www.mosers.org