



Through the passage of SB 66, eligible employees of the Missouri Department of Transportation and the Missouri State Highway Patrol became members of the MoDOT and Patrol Employees' Retirement System (MPERS) on September 1, 1955. On October 1, 1955, the System processed its first 109 retirements.

MPERS administers retirement and disability benefits to eligible members, including survivor benefits to the eligible beneficiaries of active and retired members.

As of June 30, 2015, MPERS serves over 18,000 members and beneficiaries.

1955

September 1, 1955

The Highways and Transportation Employees' and Highway Patrol Retirement System (HTEHPRS) was created through the passage of SB 66.

When the plan was created, there was no start-up funding – only the monthly contributions. The employees and employers each paid statutorily set contributions equal to 4% of the employee's first \$7,500 in salary each month to fund the system.

The System's assets were invested conservatively through United Missouri Bank (UMB).

HTEHPRS was operated as a unit of the State Highway and Transportation Department. Highway staff were assigned on a part-time basis to carry out the System's business.

Board of Trustees consisted of:

- Members of the State Highway Commission (4 commissioners plus state geologist)
- Chief Engineer of the Highway Department
- Superintendent of the State Highway Patrol

Benefit multiplier statutorily set at 2/3 of 1% (.666) of average final compensation times years of service.

Benefit eligible position is one that requires at least 1,500 hours per year.

"Average final compensation" defined as last 5 years of salary (maximum salary of \$7,500).

Employees with 15 or more years of service entitle to receive normal disability benefit (decreased by workers' compensation benefits).

October 1, 1955

The System accepted 109 retirements. No contributions were paid on the service earned prior to the creation of MPERS; however, benefits were calculated and paid using that service.

1959

August 29, 1959 *Allowed transfer of service between MPERS and MOSERS. Credit for all previous state service granted if continuously employed by the state from January 7, 1959 through August 29, 1959.*

1961

October 13, 1961 *Multiplier statutorily changed to 1% (extended to all retirees).*

Service requirement for those requesting normal disability benefits reduced to 5 years.

1965

November 1, 1965 *The employee contribution amount was raised to 4% of the employee's first \$10,000 of pay. Maximum salary for benefit calculation raised to \$10,000.*

1969

October 13, 1969 *The employee contribution amount was raised to 4% of the first \$15,000 of pay.*

Multiplier changed to 1.125%. (Contribution required by retiree in order to recompute annuity using 1.125%.)

Joint & 100% Survivor option available at retirement. Benefits continue to eligible spouse in the event the member dies.

Death in service benefit added. Joint & 50% Survivor benefit provided to spouse of deceased active member until remarriage or death.

1972

August 13, 1972 *The employee and employer contribution rate was statutorily changed to 5.1% of pay (no salary limit).*

Multiplier changed to 1.25%. Recalculated benefits of retirees as if they had retired January 1, 1972 (reflected the 1.125% and raise in ceiling to \$15,000.)

Members who terminate employment prior to retirement can retire at age 65 with at least 20 years of service – no survivor benefits – contributions to remain in the System.

Definition of "average compensation" changed to highest 5 consecutive years of salary.

Special consultant language implemented making formula increases retroactive.

1974

February 1, 1974

Board active provided Joint & Survivor options of 75%, 66%, 33%, 50%, and 25% in addition to the Joint & 100% Survivor option.

1975

September 28, 1975

Retired members to receive any current benefit being received by those retiring after them (raised retirees from 1.125% to 1.25%).

1976

August 13, 1976

Employee contributions were eliminated. Employee contributions and interest were returned to the employee when he/she retired. Employer contribution rates became actuarially determined. (???)*Refunded monies to retirees who made contributions in 1969 and 1972 to take advantage of change in method of calculating benefits.???)*

*Vested with 15 years of service – **or** – 10 years of service if at least 35 years old.*

Vested member who return to work can have prior service restored after completing 2 continuous years of service.

1977

June 15, 1977

COLA rate established at 4% per year – paid in October each year.

1979

September 29, 1979

Employee contributions and interest were returned to members who were still living and retired prior to August 13, 1976.

Minimum annuity provided for members with 10 or more years of service (10 years = \$75; 15 years = \$112.50).

Service requirement for normal disability reduced to 1 year.

50% of pay to employees who become disabled due to a work-related injury (no minimum service requirement).

1980

February 14, 1980

Employee contributions and interest were returned to active members. (Total refund was approximately \$41 million.)

1981

May 12, 1981

Employee contributions were returned to vested members who left state employment prior to September 1, 1976.

The following representatives were added to the Board of Trustees (HCS HB 835, 591, and 830):

- 1 member of the House of Representatives
- 1 Senator
- 1 member elected by active MoDOT employees (4-year term)
- 1 member elected by active Patrol employees (4-year term)

COLA rate changed to 80% of increase in the consumer price index (CPI). Minimum of 4% and maximum of 5% for those retiring after May 12, 1981. Ceiling amount of COLA increases capped at 50%.

Definition of "average compensation" changed from 5 consecutive years to 3 consecutive years.

1982

June 1, 1982

Vested with 10 years of service (no minimum age requirement)

One month of creditable service granted for each 84 days of unused sick leave.

1984

October 1, 1984

Multiplier changed to 1.333% (6.7% increase in benefit for present and future retirees and normal disability recipients.)

Survivors of those retiring after October 1, 1984 can receive Unreduced Joint & 50% Survivor benefit (free 50).

Survivor benefit allowed for vested members with 20 or more years of service. Benefit equal to 50% of benefit the member would have received at retirement. Benefit paid for lifetime of spouse (previously ceased upon remarriage).

4% minimum COLA for those retiring prior to May 12, 1981.

One month of creditable service granted for each 42 days of unused sick leave.

1985

September 28, 1985

Members who terminated employment after June 1, 1981, but prior to June 1, 1982, allowed to vest with 10 or more year of service.

\$5,000 death benefit provided for members retiring on or after September 28, 1985 – (does not include term-vested members).

1986

January 1, 1986

Minimum benefit is \$12 multiplied by number of full years of creditable service. (Intended to increase benefits to those already retired and receiving low benefits). Amount of benefit was calculated based on initial benefit received "before any actuarial adjustment or any COLA."

August 13, 1986

Long-term disability (LTD) program created. Amount of benefit equal to 60% of member's pre-disability salary (less deductible income).

COLA cap set at 65% for those who retired prior to May 12, 1981. The 50% cap for those retiring after May 12, 1981 was not changed.

1987

June 19, 1987

COLA cap for members who retired on or after May 12, 1981 increased to 65% of the member's initial benefit.

Benefit eligible position is one that requires at least 1,000 hours per year.

Annual audits required to be performed by a CPA or by a firm of CPAs. State auditor required to examine the audit at least once every 3 years and report to the Board of Trustees and the Governor.

MPERS required to prepare a Comprehensive Annual Financial Report (CAFR) showing the financial condition of the plan.

Purchase of 2 years subsidized military service allowed.

Credit for military leave during times of war granted to an employee who was state employee immediately prior to entry into service and returned to work within 90 days of an honorable discharge.

1988

August 13, 1988

The first Executive Director position was established to administer the System, in lieu of the Highway and Transportation Commission Secretary.

The Board of Trustees reduced by 1 Highway Commissioner (SCS HCS HB 1643 and 1399).

Eliminated requirement that retirement system office be house in the Highway and Transportation building.

Multiplier changed to 1.5% (12.5% increase in benefit for present and future retirees and normal disability recipients)

Survivor benefit provided for all terminated-vested members (previously required at least 20 years of service).

1989

June 14, 1989

Retirement benefits subject to Missouri State income tax.

August 28, 1989

Purchase of up to 4 years subsidized military service allowed.

1990

August 28, 1990

One month of creditable service granted for each 21 days (168 hours) of unused sick leave.

1992

August 28, 1992 The Board of Trustees increased by 1 elected retiree (4-year term) (CCS HCS SCS SB 499, 576, and 639).

"Rule of 80" (temporary incentive) - Members who apply for retirement between August 28, 1992 and August 27, 1993 would be eligible for normal retirement if age plus service equals 80 or more (minimum age 55)

Vested with at least 5 years of service.

COLA cap for retirees who retired prior to October 1, 1986 adjusted to 65% of benefit they were receiving on October 1, 1986.

Retirement benefit designated as marital property. MPERS required to divide the benefit, as ordered by the court, in a dissolution of marriage proceeding.

Unreduced Joint & 50% Survivor benefit granted to spouses of retirees who died prior to September 28, 1989. Benefit was retroactive to September 28, 1989.

1994

August 28, 1994 *"Rule of 80" became permanent – members eligible for normal retirement if age plus service equals 80 or more (minimum age 50)*

Pop-up provision – If the spouse of a current or future retiree whose benefit is reduced to provide a survivor benefit to his/her spouse (Joint & Survivor option) precedes the member in death, the member's benefit will be "popped up" to the higher Life Income Annuity option (benefit no longer reduced).

COLA for survivors – minimum 4% to maximum of 5%. Beneficiaries who began receiving COLAs after August 28, 1994 are limited to 65% of their initial benefit.

1995

January 1, 1995 *Multiplier changed to 1.6% (approximately 6.7% increase in benefit for present and future retirees and normal disability recipients)*

Minimum benefit increased to \$15 (normal annuity amount could not be less than the member's total years of service multiplied by \$15).

August 28, 1995 *Work-related disability benefit set to 70%. Total amount of disability benefit, plus social security benefits, cannot exceed 90% of employee's gross salary.*

1997

1997 MPERS reached \$1 billion in assets.

August 28, 1997 *COLA rate for retirees (and survivors) hired prior to August 28, 1997 is equal to 80% of increase in the CPI. Minimum is 4% and maximum is 5% until reaching the 65% COLA cap.*

COLA rate for retirees (and survivors) who have reached 65% COLA cap or were hired on or after August 28, 1997 is equal to 80% of increase in the CPI (no minimum COLA rate, but maximum is 5%).

October 1, 1997 Hired first investment manager (Rothchild Asset Management). In addition to UMB, the System started to diversify investment managers by hiring 7 managers over the next 4 years.

1999

1999 Began pre-funding all benefits.

August 28, 1999 Chief Engineer replaced on the Board of Trustees by the Director of MoDOT (SB 268).

2000

July 1, 2000 *The Year 2000 Plan became effective for members hired on or after July 1, 2000 (SB 308 & 314). The prior plan became known as the Closed Plan. Current retirees were given an opportunity to switch from the Closed Plan to the Year 2000 Plan.*

August 28, 2000 *Removed the 1-year waiting period for vested members who return to state employment before they can combine prior service with current service.*

Pop-up provision became effective the month following the spouse's date of death. If retiree elected a Joint & Survivor option, his/her benefit would "pop-up" to the higher Life Income Annuity option if spouse dies.

Within one year of marriage, a retiree may elect a Joint & Survivor option for new spouse if: 1) the retiree was not married at retirement and elected the Life Income Annuity option; or 2) the retiree elected a Joint & Survivor option at retirement and spouse has died.

2001

October 1, 2001 Transferred five employees from MoDOT to MPERS to work full-time for the Plan.

November 28, 2001 Hired the first Assistant Executive Director.

2002

January 1, 2002 *Deferred retirement option plan (BackDROP) created (HB 371). Must continue working at least 2 years beyond date first eligible for normal retirement.*

June 14, 2002 MPERS purchased building at 1913 William Street.

July 9, 2002 Employees of Motor Carrier are moved under MoDOT (SB 1202). Given the option of staying in MOSERS or electing MPERS. Election to become effective January 1, 2013.

August 9, 2002 MPERS moved to its current location at 1913 William Street.

August 28, 2002 *Non-vested members who return to work must work continuously for 1 year before prior service can be restored.*

2003

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| January 1, 2003 | Hired Northern Trust as custodial bank. |
| August 28, 2003 | "Rule of 80" - The minimum age lowered from age 50 to age 48 (SB 248). |
| December 1, 2003 | Hired the first Chief Investment Officer (CIO). |

2004

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| July 1, 2004 | Contracted with Standard Insurance Company to handle long-term and work-related disability benefit claims. |
| August 28, 2004 | The System was renamed the MoDOT and Patrol Employees' Retirement System (MPERS). |

2005

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| January 1, 2005 | Hired the first General Counsel. |
| August 28, 2005 | Governor Matt Blunt established a State Retirement Consolidation Commission. |
| 2005 – 2006 | The portfolio was restructured to diversify and take advantage of opportunities in alternative asset classes such as real estate, private equity, and hedge funds. |

2006

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| February 1, 2006 | Hired the first Senior Financial Officer. |
| September 28, 2006 | The Board adopted permanent funding policy. Total contribution based on normal cost plus a 29-year amortization period for unfunded liabilities. The financing period is a closed period starting July 1, 2007. |

2007

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| August 28, 2007 | <p>Legislation passed that limits plans from adopting or implementing any additional benefit increase, supplement, enhancement, lump sum benefit payment to participant, or COLA adjustment beyond current plan provisions, unless the plan's funded ratio prior to proposed change is at least 80%. After the plan changes are adopted, the funded status cannot be less than 75%. Plans with funded status below 60% must have their actuary prepare an accelerated contribution schedule.</p> <p>Board of Trustees added 1 retiree Patrol representative (4-year term) (HCS SB 127). There are now 11 members on the Board of Trustees.</p> <ul style="list-style-type: none">• 3 members of the Highways and Transportation Commission elected by the members of the Commission• Director of the Department of Transportation• Superintendent of the Highway Patrol• 1 Senator appointed by the President Pro Tem of the Senate• 1 Representative appointed by the Speaker of the House• 1 Active MoDOT employee (elected to 4-year term)• 1 Active Patrol employee (elected to 4-year term) |
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- 1 Retired MoDOT employee (elected to 4-year term)
- 1 Retired Patrol employee (elected to 4-year term)

September 27, 2007 The first Senior Investment Officer was hired to assist the CIO with investment portfolio.

2009

September 17, 2009 The Board adopted a temporary accelerated funding policy to address the underfunding situation (15-year amortization period for unfunded retiree liabilities and 30-year amortization period for other unfunded liabilities).

December 31, 2009 Data converted to new Pension Administration System (PE). Ran parallel to old legacy system until MoDOT turned it off in April 2010. First benefit payments from new system in May 2010.

2010

June 30, 2010 The Board adopted further revisions to asset allocation to reduce risk in investment portfolio.

???, 2010 myMPERS Secure Member Access went live.

2011

January 1, 2011 *With the passage of Pension Reform legislation in 2010 (HB 1), the contributory 2011 Tier (section of the Year 2000 Plan) became effective. Members of the 2011 Tier contribute 4% of pay each month. An annual interest rate of 4% was paid each June 30 to eligible members.*

July 1, 2011 *Water Patrol merged with Highway Patrol (HB 1868 passed in 2010). Current employees may elect to stay in MOSERS or transfer to MPERS.*

September 2011 Completed transition to revised asset allocation targets.

2013

August 28, 2013 *No error shall be corrected unless the system discovers or is notified of it within 10 years after the initial date of error.*

2014

August 28, 2014 *Members convicted of a work-related felony will not be eligible to receive a retirement benefit (stealing, receiving stolen property, forgery, counterfeiting, bribery of a public servant, and acceding to corruption) (HB 1217).*

September 25, 2014 The Board established a rate stabilization reserve fund to further reinforce funding and protect against higher contribution rates in the future.

October 3, 2014 *Ruling by Jackson County Circuit Court (Barrier et al. vs. Vasterling, et al.) requires same-sex spouses, who were legally married in a state or country*

allowing same-sex marriage, to be recognized as married by the State of Missouri.

2015

May 4, 2015

MPERS reached \$2 billion in assets.

June 26, 2015

U.S. Supreme Court rules to legalize same-sex marriage nationwide.