



The Feedbag

Getting Connected



MoDOT & Patrol Employees' Retirement System

January 2018

Volume #4



Director's Note

Defined benefit pension plans, like MPERS, are on the decline. In the private sector, traditional pensions are being replaced with 401k-style savings plans that provide greater portability but a much smaller benefit while also being less efficient. To make matters worse, most owners of these 401k plans do not adequately fund them. The pressure to replace defined benefit plans in the public sector, or at a minimum change benefits for future hires, has been steadily building for years as well. Legislation to move the state plans toward 401k style plan design have been filed for years now without success. Those proposals are likely to continue, but will they always be unsuccessful?

- In this Issue:*
- Director's Note
 - No Paper Ballots - Board Election
 - Current Board Members
 - Summary Annual Financial Report
 - Updated *myMPERS*
 - Pre-Retirement Seminars

Stop for a moment and ask yourself "how prepared for retirement will I be if I would not receive a monthly benefit from MPERS upon retirement?" For many, the answer to that question would send a cold chill down the spine. I am not suggesting that MPERS provides some extravagant, wealth-building benefit. But it does provide basic financial security that you can count on for your lifetime when you retire. Last year, the average annual benefit for a new MPERS retiree – one who retired directly from active employment – was almost \$30,000. By itself, that number may not garner much attention. Consider for a moment, however, that a retiree may receive that amount for 20 years, 30 years, or even longer. Over 25 years, ignoring cost-of-living adjustments, that would amount to \$750,000. Imagine the level of personal savings you would need to set aside to achieve that sum.

Reminder! **Watch for your Annual Benefit Statement coming in April 2018**

Did you know?

95% of Americans now own a cellphone of some kind...
 ...77% of those people have a smartphone.
 80% of US adults own a desktop or laptop computer, while roughly half now own tablet computers...
 ...and 20% own e-reader devices.

Source: Pewinternet.org/fact-sheet/mobile

The truth of the matter is that most of us do not do a good enough job saving for retirement. Too many retirees that do not have a pension like MPERS' end up trying to live entirely on their social security benefit. The average annual social security benefit paid to retired workers in 2016 was \$16,207, which is not going to sustain a comfortable lifestyle in retirement. What makes that even more worrisome is that by the 2030s, social security benefits are projected to be paid at 75% of their normal value unless some legislative action is taken.

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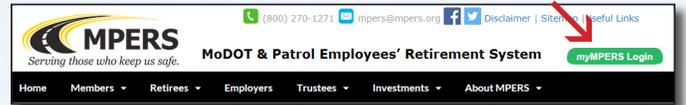


No Paper Ballots!!! Board Election 2018

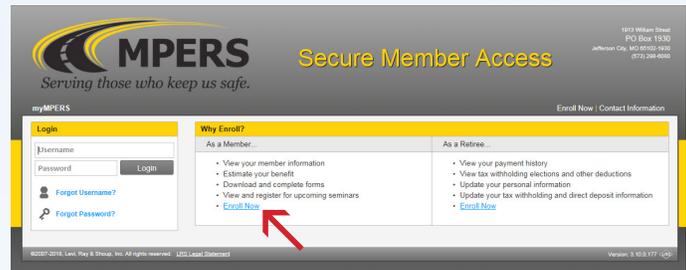
Coming in March 2018, MPERS will conduct elections for the active and retired representatives for our Board of Trustees. Over the last few years, the election process has been slowly converted to an electronic process. The March election will be the first that is totally electronic for both our retired and active members. What does that mean? In short, it means that voters may only cast their ballots via the secure portion of MPERS' website.

Many of you have already registered for access to the secure portion of our website and we thank you for using that feature. In fact, you will find an article in this newsletter about updates to that member-only website.

If you have not registered, we encourage you to do so soon so there is no impediment to your election participation. To register for secure access, go to our website, www.mpers.org and click on the green button in the top right hand corner that says "myMPERS Login."



You will then be directed to the myMPERS Secure Member Access login page. Click on the button that says "Enroll". You will then be asked a few security questions to verify your identity, and will set up a username and passphrase.



Once your account has been established, logging in is simple. Go to our website, www.mpers.org and click on the green button in the top right hand corner that says "myMPERS Login."

The electronic voting process has a number of advantages relative to the paper ballots of the past. The printing, distribution, and manpower costs required to create, issue, and tally the paper ballots was significant. The electronic voting process has practically no cost and requires only a few hours of staff time, not to mention it is free of human error in tallying the votes.

We realize everyone does not have a computer or possibly internet access to routinely use our website. For these occasions, we would encourage you to use a family or friend's computer, go to the public library, use one at church, or use your smartphone. Regardless of the means, always be sure to protect passwords/passphrases and other personal information.

Current MPERS Board of Trustee Members



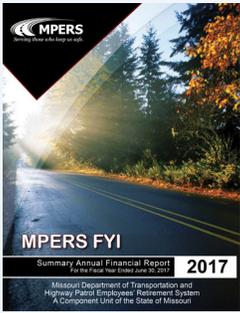
Sue Cox Board Chair Bill Seibert Board Vice-Chair John W. Briscoe Sgt Matt Broniec Col Sandra Karsten Patrick McKenna Michael B Pace Rep Shawn Rhoads Sen Dave Schatz Gregg C Smith Todd Tyler



Board of Trustees Meeting Schedule

February 15, 2018 April 26, 2018 June 21, 2018
September 27, 2018 November 29, 2018

Summary Annual Financial Report (MPERS FYI)



In the past, MPERS published an annual information brochure entitled, *MPERS FYI*, which provided various financial, statistical, and operational information about MPERS and the benefits provided. This year, we have taken information from MPERS *Comprehensive Annual Financial Report (CAFR)* and combined it with information from *MPERS FYI*, to create a *Summary Annual Financial Report*. This report provides an abbreviated version of the detailed information found in the CAFR as well as continuing to provide the informational items that were previously available in the *MPERS FYI*. We hope you find this report useful and informative. The report is available on our website under About MPERS/MPERS FYI.

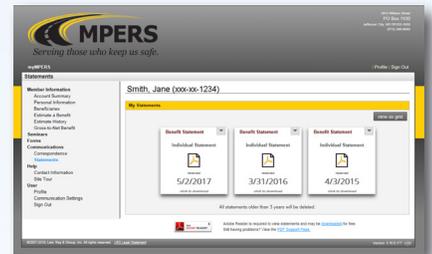
Updated myMPERS Secure Member Access

The Secure Member Access portal (*myMPERS*) on MPERS website has recently been improved. The new design will allow members to use a variety of devices (i.e., smartphone, tablet, laptop, and desktop computer) to access their individual account information. Additionally, the new design will allow the display to automatically resize based on the size of the screen.



You must have a username and passphrase to access the secure member access portal. If you have never used *myMPERS* before, we encourage you to do so. The new website offers a “site tour” that will provide you with an opportunity to learn about what the new website has to offer. Some of the improvements are:

- Under “forms”, active members of the Closed Plan and Year 2000 Plan will see our “ComparATOR”. This program will allow you to compare your options between the plans, with and without BackDROP if eligible.
- Seminars will now show the upcoming seminar the member has enrolled in at the top of the list.
- Members may see information displayed on cards or in grid view.



We hope you like the new design and have a better experience when accessing your retirement data at MPERS.

Director's Note...continued

It is increasingly important that individuals like yourself communicate how important these pensions are to your retirement security. You can do that as an individual or by joining an advocacy group like the Association for Active & Retired Missouri State Employees (ARMSE). Recently the group has ramped up efforts because they recognize the risk of our pension plans disappearing. One of the constant struggles for ARMSE, however, is low membership. All of you likely know an active or retired teacher in your area. Ask those teachers if they belong to the Missouri State Teachers Association or the Missouri Retired Teachers Association. The answer will very likely be “yes.” The teachers’ associations are some of the most powerful voices in the state capitol each legislative session because they have strong memberships. There is no reason why ARMSE cannot join those ranks but it cannot get there without your membership. I strongly encourage you to go to the ARMSE website, www.armse.org, or call (573) 291-8277 to inquire about joining and participating in that group. Your participation could make a difference for generations to come.



Pre-Retirement Seminars

As some of you already know, we solicit ~~feedback~~ feedback from our members that attend our pre-retirement seminars. There is a one-page survey form that we ask our members to complete before they leave the seminar. Believe it or not, four staff members read each completed survey. We use the feedback to continually improve our seminars and the other services we provide.

We have noticed several members who have attended our pre-retirement seminars more than once have indicated that they attend more than one seminar to see if any changes to the basic benefit structure have occurred. We want to assure these members that the basic benefit structure does not change all that often but when it does, it generally changes the benefits for incoming or new employees/members only. A perfect example is the 2011 Tier. That change had no impact on the members hired in the 1990s (i.e., Closed Plan members) or members hired from say 2001 to 2010 (i.e., Year 2000 Plan members). The multiplier for each plan (Closed, Year 2000, and 2011 Tier) will, for the most part, remain the same for members currently in those plans. Same for the cost of living adjustments. Same for the Rule of 80 for the Closed and Year 2000 Plan members and Rule of 90 for the 2011 Tier members. Those basic benefit features are generally locked in place. Some members are worried about the BackDROP going away. As a reminder, it did go away for members of the 2011 Tier. It did not go away for members of the Closed Plan or the Year 2000 Plan.

All of these comments are not to be construed as iron-clad guarantees. We all know that the legislature is the policy setting body for the state. As such, it can and does make changes to the state pension plans from time to time and assuming the governor approves those changes they do impact the retirement plans. We have an internal policy to keep our members informed of legislative changes during the legislative session and will notify all members of any changes to the law once the governor has signed any bills that were passed.

Based on feedback from the last session, we plan to provide even more information to our members this upcoming legislative session and future sessions. We encourage you to view our website and click on "Legislative Updates" found under "About MPERS" at the far right side of our home page.



Pre-Retirement Seminar dates and locations will become available on our website February 2018

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"The Feedbag" was conceived to get attention for a specific purpose - feedback. It worked! So we decided to keep the theme and return the favor by delivering important information to our members via these newsletters. Input on the content of these newsletters, or anything related to MPERS for that matter, is always welcome. Keep the exchange going and share your ~~feedback~~ feedback with us at mpers@mpers.org.