



Board Meeting Summary

September 18, 2025
12:00 p.m.

Value of Assets	Funded Status
\$4.07 billion	75.7%
<i>As of 6/30/2025</i>	<i>As of 6/30/2025</i>

Approval of Board Meeting Minutes

The Board approved the minutes of the June 20, 2025 meeting. These minutes, as well as those from prior meetings, can be found on MPERS' [website](#). Minutes from the current meeting will be posted after they are adopted at the Board's next regular meeting.

Annual Actuarial Evaluation

Representatives from MPERS' actuary, GRS, presented the annual actuarial valuation. The annual actuarial valuation is designed to measure the overall financial condition of the retirement system. During Fiscal Year 2026, MPERS' funded status increased from 70.6% to 75.7%. This is the highest funded status in MPERS' history. The funded status represents the level of assets available to pay the benefits that our members have earned.

The annual valuation also provides the basis for determining employer contribution rates for the next fiscal year, which must be certified by the Board to the employers (MoDOT and MSHP) by October 1. As approved by the Board for Fiscal Year 2027, the contribution rate will be 32.979% of payroll for the non-uniformed group (MoDOT and the non-uniformed members of the Highway Patrol) and 58.000% for the uniformed group. The contribution rate is comprised of the factors noted below.

	FY 2027 Employer Contribution Rates Expressed as % of Active Payroll for Total Benefits			
	Non-Uniformed			Uniformed Patrol Total
	Civilian Patrol Employees	MoDOT Employees	Total	
Benefit Normal Cost	7.770%	7.770%	7.770%	15.950%
Expenses	1.240%	1.240%	1.240%	1.240%
Disability Insurance	0.475%	0.475%	0.475%	0.475%
Total Normal Cost	9.485%	9.485%	9.485%	17.665%
Unfunded Liability	23.494%	23.494%	23.494%	40.335%
Total	32.979%	32.979%	32.979%	58.000%
Projected \$	\$23,591,695	\$101,357,234	\$124,948,929	\$68,297,516
Prior Year Projected \$	\$23,635,427	\$108,381,802	\$132,017,229	\$62,829,913

The Board certified the contribution rates for Fiscal Year 2027 in accordance with statutory

requirements.

Vital Signs

Mr. Simon reported to the Board that all the System's vital signs are "green" or without concern. This report is an interactive dashboard that provides data showing where the System is relative to each vital sign's metric. The history of each vital sign is also part of this dashboard. The dashboard is available on the MPERS website, and this year's results will be updated no later than the auditor's final report in November.

Investment Committee Report

The Investment Committee met before the board meeting on September 18, 2025. Various investment staff presented the current liquidity analysis (i.e., where the fund has adequate liquid assets to pay expenses and benefits), the private markets pacing plan (which ties to liquidity and projected commitments to private market asset classes in the coming years), the semi-annual internal fixed income review, and a management fee analysis (fees are appropriate based on the approved asset allocation). Policy requires all the Investment Committee topics to be reported annually or semi-annually.

Staff also discussed the *National Security and Financial Sanctions Policy*, which requires staff to research publicly available information and determine whether MPERS has any direct investment in companies identified as supporting terrorism.

Investment Performance

The investment portfolio generated a 12.71% return in Fiscal Year 2025, which outperformed the policy benchmark (10.74%), median public fund (11.1%), and most importantly, the actuarial assumption (6.5%).

MPERS' long-term returns continue to look strong relative to any metric. MPERS' 3-year ranks in the 21st percentile of the peer universe, while the 5-, 10-, and 20-year returns all rank in the 1st or 2nd percentile of the peer universe.

Fiscal Year 2026 is also off to a good start. Stocks continue to trade near all-time highs, and bonds have rallied a bit in recent weeks in hopes that the Federal Reserve will further reduce interest rates in its coming meetings. Overall, the portfolio is up an estimated 3.3% to start the year (July 1st – September 9th).

In addition to staff's investment performance report, NEPC, the Board's investment consultant provided a detailed report of MPERS' investment performance for the last fiscal year.

Director's Comments

Mr. Simon reported that MPERS' hired a new CFO who started on August 4, 2025. This position was filled early to include overlap prior to the current CFO's retirement in early 2026. He also shared that MPERS will be open in our new building beginning September 29, 2025.

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