

MoDOT & Patrol Employees' Retirement System



MPERS **FYI**

Popular Annual Financial Report
for the Fiscal Year Ended June 30, 2025



Missouri Department of Transportation and Highway
Patrol Employees' Retirement System
A Component Unit of the State of Missouri



Scott Simon

MPERS' Executive Director



MPERS has made benefit payments

on time and without fail

since it was founded in 1955.

A MESSAGE FROM THE DIRECTOR

This year marks MPERS' 70th anniversary, a milestone that highlights our enduring commitment to providing financial security and peace of mind for Missouri's transportation and patrol employees, retirees, and their families. Since 1955, MPERS has evolved and grown, adapting to changing needs while maintaining a strong foundation of quality benefits, exceptional member service, and professional plan administration.

MPERS' membership includes benefit-eligible employees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS, as well as all benefit recipients (retirees, survivors, etc.). The System administers retirement, survivor, and disability benefits in accordance with Chapter 104 of the Missouri Revised Statutes and operates as a 401(a) tax-qualified defined benefit plan.

As we celebrate our 70th year, we also recognize significant achievements from the past fiscal year:

Funded Status at a Record High: MPERS' funded status reached 75.7% on an actuarial basis and 80.2% on a market value basis, the highest in our history.

Employer Contribution Rates Down: For non-uniformed employees, employer contribution rates decreased for the second time in over a decade, reflecting strong investment performance and prudent policy.

Vital Signs All Positive: All Board-approved Vital Sign results came in as expected, with positive outcomes for benefit administration, financial/audit, budget, communication, and investments.

Investment Performance: As of June 30, 2025, MPERS' investment portfolio had a fair value of \$4.08 billion, with a return of 12.71% for the fiscal year. Long-term returns (3-, 5-, 10-, and 20-year) continue to rank MPERS in the top 1% and 2% of the public fund universe.

For seven decades, MPERS has provided a foundation for financial security to plan participants. The steady monthly benefit payments offered by defined benefit plans like MPERS continue to provide peace of mind and security for retirees and their families. Our commitment to delivering quality benefits, exceptional member service, and professional plan administration remains as strong as ever.

We express our gratitude to the Board, the staff, the consultants, and the many people who have contributed to MPERS' success over the past 70 years. Thank you for your dedication and support.

Sincerely,

Scott Simon
MPERS' Executive Director



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Retirement System**

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About This *FYI*

This *For Your Information (FYI)* brochure is prepared to provide a reader-friendly summary of the MoDOT & Patrol Employees' Retirement System's (MPERS or System) information, which members and other stakeholders may find useful. For additional, more detailed System information, please refer to the *Annual Comprehensive Financial Report*, available on the MPERS website at <https://www.mpers.org/publications/annual-reports>.

Outstanding Achievement in Popular Annual Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the MoDOT & Patrol Employees' Retirement System (MPERS) for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. 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. MPERS has received a Popular Award for the last eight consecutive years (fiscal years ended 2017-2024). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



History

MPERS was established by Senate Bill 66 in the 68th General Assembly. In accordance with this legislation, employees of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP) became members of the retirement system on August 29, 1955, with the passage of Senate Bill 66. Effective October 1, 1955, the System accepted 109 retirements. Employees of MPERS became members of the System after the passage of Senate Bill 371 in 2001.

Our Mission

*At MPERS, our mission is simple:
Provide sustainable benefits for the
lifetime of our members.*

Our Core Values

*Our members are our number one
focus...we work for them.*

*Our goal is to provide exceptional
service **always**, no matter who is on
the phone or sitting across from us.*

*We strive to preserve, protect, and
grow our assets.*

*We are committed to the security and
privacy of our members' information.*

*We make decisions in the best
interest of our members based upon
statutory guidance.*

*We conduct business at a reasonable
cost to the taxpayers of Missouri.*



Board of Trustees

MPERS' 11-member Board is responsible for the oversight of the System. The trustees serve as fiduciaries and are responsible for selecting and retaining competent management. The trustees and management jointly establish sound policies and objectives, monitor operations for compliance, and oversee performance. As of June 30, 2025, the Board comprised of:

Todd Tyler

Chair, MoDOT Employee

Lt. Colonel Wallace Ahrens

Vice-Chair, MSHP Employee

Mike Bernskoetter

Missouri State Senator

W. Dustin Boatwright

MoDOT Commissioner

Sue Cox

MoDOT Retiree

Warren K. Erdman

MoDOT Commissioner

Ed Hassinger

Director of MoDOT

Daniel Hegeman

MoDOT Commissioner

Barry Hovis

Missouri State Representative

William Seibert

MSHP Retiree

Colonel Michael Turner

Superintendent of MSHP



Assets and Liabilities

The Summarized Comparative Statements of Fiduciary Net Position includes all of the System's assets and liabilities, with the difference between the two reported as net position.

	June 30, 2025	June 30, 2024	% Change (2025 / 2024)
Cash and Receivables	\$ 22,828,702	\$ 23,387,102	(2.4)
Investment Sales Receivables	48,925,514	7,877,386	521.1
Investments	4,101,436,130	3,658,217,662	12.1
Invested Securities Lending Collateral	27,346,939	21,142,145	29.3
Capital Assets	4,999,787	526,358	849.9
Total Assets	4,205,537,072	3,711,150,653	13.3
Deferred Outflows of Resources	190,780	288,727	(33.9)
Accounts Payable	2,342,999	2,146,932	9.1
Investment Purchases Payable	85,073,939	7,714,394	1,002.8
OPEB Obligation	843,082	837,636	0.7
Securities Lending Collateral	27,929,162	21,725,160	28.6
Total Liabilities	116,189,182	32,424,122	258.3
Deferred Inflows of Resources	1,073,664	1,357,751	(20.9)
Net Position Restricted for Pensions	\$ 4,088,465,006	\$ 3,677,657,507	11.2

The System's investments represent the main component of total assets. These investments include equities, fixed income, limited partnerships, hedge funds, and short-term investments.

Income and Expenses

The Summarized Comparative Statements of Changes in Fiduciary Net Position accounts for all the current year's additions (income) and deductions (expenses), regardless of when cash is received or paid.

	Year Ended June 30, 2025	Year Ended June 30, 2024	% Change (2025 / 2024)
Contributions	\$ 267,193,851	\$ 270,240,170	(1.1)
Net Investment Income	460,643,075	432,121,321	6.6
Other Income	391	179	118.4
Total Additions	727,837,317	702,361,670	3.6
Benefits	310,871,680	300,081,057	3.6
Administrative Expenses	6,158,138	6,250,950	(1.5)
Total Deductions	317,029,818	306,332,007	3.5
Net Increase	410,807,499	396,029,663	3.7
Net Position—Beginning	3,677,657,507	3,281,627,844	12.1
Net Position—Ending	\$ 4,088,465,006	\$ 3,677,657,507	11.2



Net investment income, a primary component of plan additions, was \$460.6 million for fiscal year 2025, which represented a 12.71% rate of return for the fiscal year ended June 30, 2025.



MPERS' investment portfolio generated a 12.71% return for the year, net of all management fees and based on time-weighted rates of return and market valuations. As of June 30, 2025, MPERS' investment portfolio had a total fair value of \$4.076 billion, representing an increase of \$408 million from June 30, 2024.



MPERS' investment consultant completes an asset/liability study every five years to determine whether or not changes are needed to the asset allocation. The asset allocation is reviewed annually by the Board.

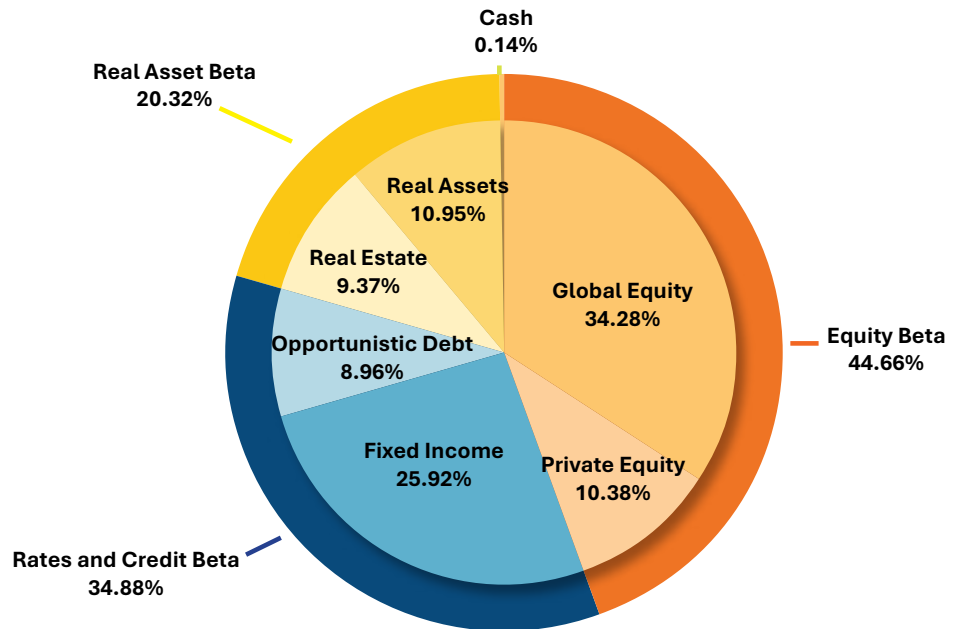
Investment Policy

MPERS' primary objective is to provide sustainable retirement benefits for the lifetime of our members. The investment portfolio is constructed to generate a total return that, when added to employer contributions, is sufficient to meet the benefit obligations. Following prudent standards for preservation of capital, the goal is to achieve the highest possible rate of return consistent with the System's tolerance for risk as determined by the Board in its role as fiduciary.

	FY 2025	FY 2024	FY 2023
Asset Value	\$4.1 billion	\$3.7 billion	\$3.3 billion
1-Year Return	12.71%	13.29%	8.88%
<i>Policy Benchmark</i>	10.74%	12.29%	6.43%
3-Year Return	11.61%	8.64%	13.97%
<i>Policy Benchmark</i>	9.79%	4.56%	7.92%
5-Year Return	13.58%	10.79%	9.50%
<i>Policy Benchmark</i>	9.35%	7.99%	7.30%
10-Year Return	9.47%	8.86%	9.27%
<i>Policy Benchmark</i>	7.97%	7.41%	7.62%
20-Year Return	8.33%	8.24%	8.32%
<i>Policy Benchmark</i>	7.43%	7.40%	7.46%

Asset Allocation

Asset allocation as of June 30, 2025.



Funding Policy

To address the System’s underfunded status, the Board has adopted policies over the past 18 years designed to improve MPERS’ funded status. In June 2025, the Board amended the funding policy to continue positive progress for both funding levels and contribution rates. As of June 30, 2025, the funding policy uses a 14-year closed amortization period for unfunded liabilities (reduced from 15 years in 2024), reflecting the Board’s commitment to responsible funding and long-term sustainability.



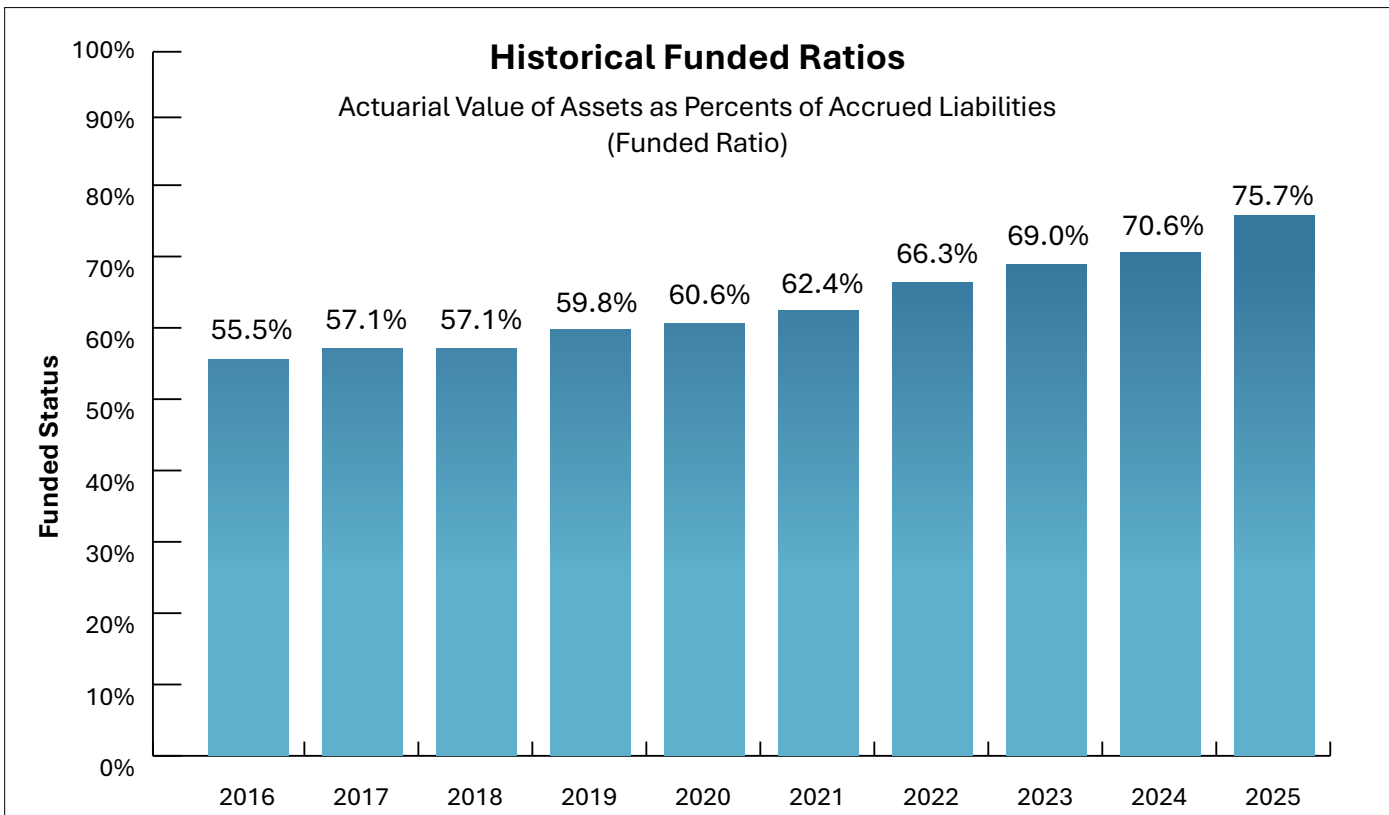
MPERS’ funding objective is to meet current and future benefit obligations of retirees and beneficiaries through contributions and investment earnings.

Funded Status Calculation

The funded status is calculated by dividing the current actuarial value of assets by the total actuarial accrued liability (the amount needed to fund future benefits). During the fiscal year ending June 30, 2025, MPERS’ funded status increased by 5.08 percentage points, reaching a new all-time high of 75.68% (up from 70.60% in 2024). This improvement was driven primarily by strong investment returns and continued adherence to the Board’s funding policy.

Each year, an actuary calculates the liability associated with the benefits, determines the funded status, and calculates the contribution rate necessary to fund the System in accordance with the Board-approved funding policies.

Current Actuarial Value of Assets	÷	Total Actuarial Accrued Liability	=	Current Funded Status
\$3,858,076,680		\$5,098,039,114		75.7%



When the retirement plan was established in 1955, both employees and employers contributed to funding future benefits. In 1976, the plan became non-contributory for employees, shifting the funding responsibility solely to employers and investment income until 2011. In 2010, legislation created the contributory 2011 Tier, requiring new benefit-eligible employees hired on or after January 1, 2011, to contribute four percent of their salary, while employer contributions and investment earnings continue to be the primary funding sources for the plan.

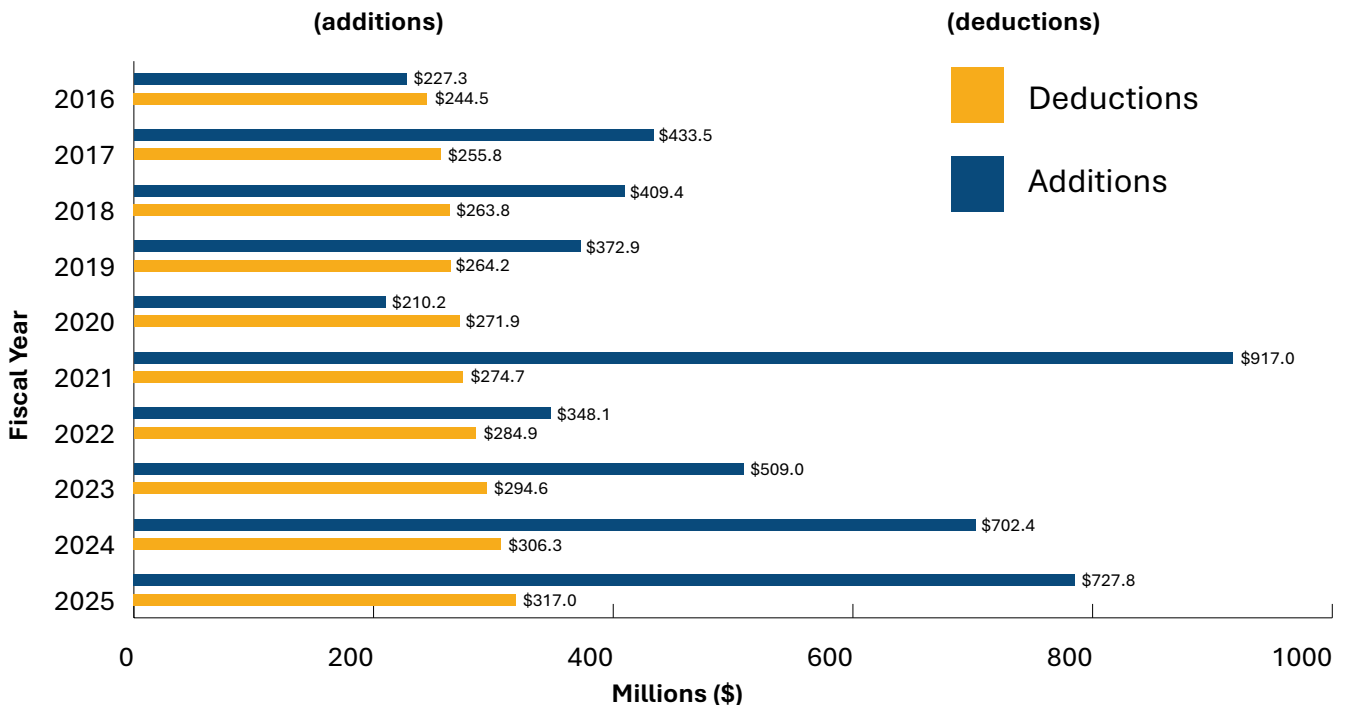
The Board determines the employer contribution rate as a percentage of payroll, based on actuarial recommendations and the System's funding policy.

This rate is influenced by several factors, including the current level of benefits, the number of participants, current and projected pay levels, members' age and life expectancy, expected investment returns, and the System's unfunded liability.

FY 2027 Employer Contribution Rates

	MoDOT & Civilian Patrol	Uniformed Patrol
Normal Cost of Benefit	7.770%	15.950%
Administrative Expenses	1.240%	1.240%
Disability Insurance Premium Other Income	0.475%	0.475%
Total Normal Cost	9.485%	17.665%
Catch-Up Payment on the Unfunded Liabilities	23.494%	40.335%
Total Employer Contribution Rate	32.979%	58.000%

Contributions + Investment Income vs. Benefit Payments + Expenses



The investment portfolio is constructed to generate income that, when added to employer contributions, is sufficient to meet benefit obligations and expenses.

Retirement Plans

To participate in MPERS, an employee must be employed in a benefit-eligible position for MoDOT, MSHP, or MPERS. A benefit-eligible position requires the performance of duties during at least 1,040 hours per year (half-time or greater). Based on hire date, members participate in one of three plans.

1955	2000	2011
Closed Plan (non-contributory)	Year 2000 Plan (non-contributory)	2011 Tier (contributory)
Members hired prior to July 1, 2000	Members hired on or after July 1, 2000, but prior to January 1, 2011	Members hired on or after January 1, 2011



New MSHP Retirees
100

Benefit Formula

Benefits are calculated using a formula set by law. The benefit formula includes final average pay, credited service, and a multiplier set by law.

Creditable Service

Creditable Service
Years and months of service worked, purchased, and/or transferred

X

Multiplier

Multiplier
A percentage set by state law

X

Final Average Pay

Final Average Pay
The average of the highest 36 consecutive months of pay

=

Base Benefit

Base Benefit
Paid for the lifetime of the benefit recipient and/or eligible spouse



New MoDOT Retirees
274

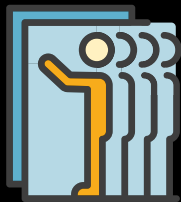
BENEFITS



19,155
members



9,938
members currently
receiving benefits



7,011
active members

During the 2025 fiscal year, MPERS' overall membership increased by 253. Retired members and their beneficiaries increased by 135, active members increased by 123, and terminated-vested members decreased by 5.

Active members include active employees who work in a benefit-eligible position at MoDOT, MSHP, or MPERS. Once an active member has five years of credited service, the member is considered vested and is eligible to receive a retirement benefit at a future date.

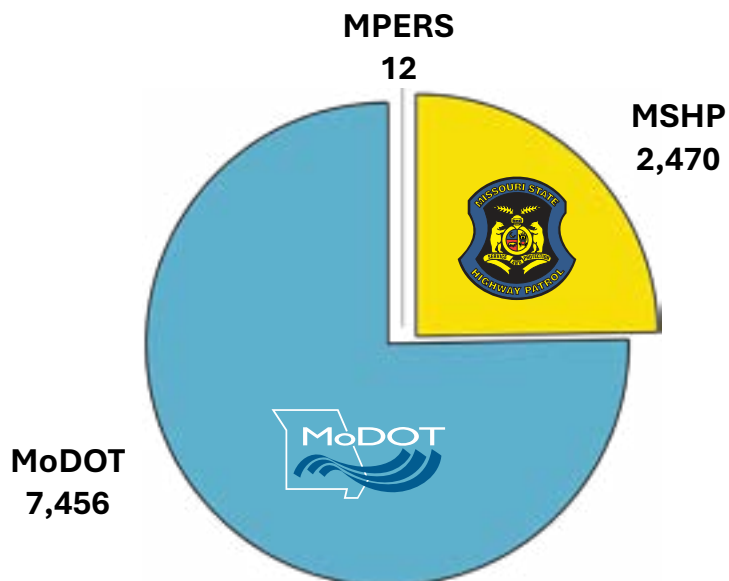
Terminated-vested members are those who left employment at MoDOT, MSHP, or MPERS after becoming vested but prior to reaching retirement eligibility. Once certain age and service requirements are met, these individuals will be eligible to begin collecting retirement benefits.

MPERS provides long-term and work-related disability benefits for active employees of MoDOT, MSHP, and MPERS.

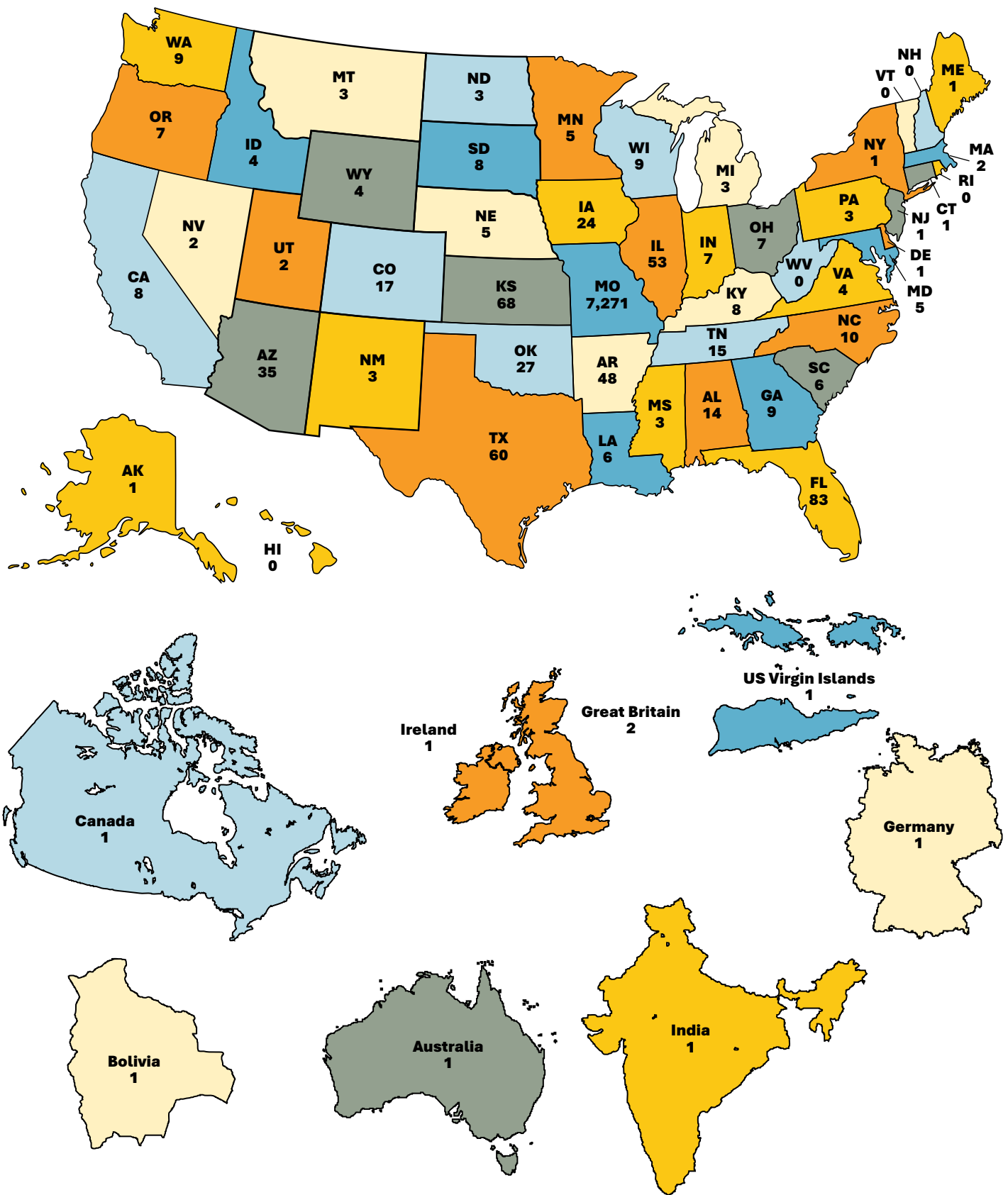
MPERS' Membership as of June 30, 2025

	Closed	Year 2000	2011 Tier	Total
Retirees, Beneficiaries, and Disabilities Currently Receiving Benefits	4,668	5,142	128	9,938
Terminated Employees Entitled to But Not Yet Receiving Benefits	691	1,016	499	2,206
Active Employees				
Vested	928	1,725	1,914	4,567
Non-Vested	3	48	2,393	2,444
Total Membership	6,290	7,931	4,934	19,155

Benefit Recipients as of June 30, 2025



RETIREE LOCATION



This map represents the demographic distribution of only retirees by state and country as of June 30, 2025.