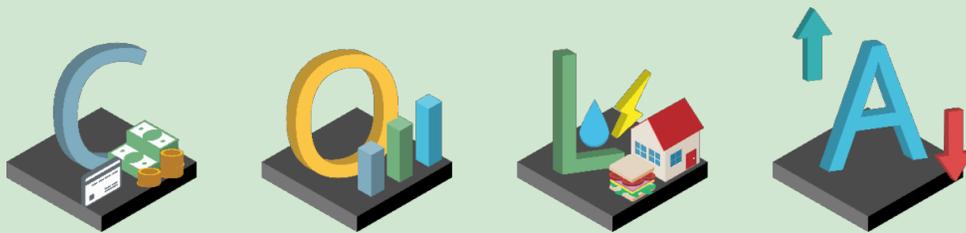




The Pensioner: In the Moment

Welcome to the digital MPERS newsletter! *The Pensioner: In the Moment* contains news, updates, and important information for retirees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.



2023 Cost-Of-Living Adjustment Announced

The 2023 cost-of-living adjustment (COLA) has been calculated and will be 5%.

As a friendly reminder, when your COLA will be applied depends upon under which plan you retired.

Closed Plan members

- Will see the 5% COLA increase on their October 31, 2023 benefit payment.
- If a Closed Plan member elected to retire under the Year 2000 Plan, they will receive their COLA during the month of their retirement anniversary **OR** the anniversary month of their BackDROP date.

Year 2000 Plan and 2011 Tier members

- Will receive the 2023 5% COLA increase on the anniversary date of their retirement.
- If a Year 2000 Plan member elected BackDROP, then the COLA is applied on the anniversary of the BackDROP date.

How was the 2023 COLA calculated?

MPERS calculates annual COLAs according to statutory guidelines set out in RSMo[104.103.5](#) and [104.1045.2](#) and uses data from the Consumer Price Index for All Urban Consumers (CPI-U).

The chart below shows the annual average of the CPI-U during 2021 was 270.970 and is subtracted from the annual average of the CPI-U for 2022 of 292.655, for a difference of 21.865. This difference is then divided by the CPI-U average from 2021 (270.970).

The result of that calculation is 8.003%, which is the percentage of increase from 2021 and 2022. Missouri statutes state the COLA amount will be 80% of the percentage increase in the CPI-U. The final calculation takes the percentage increase of 8.003% and multiplies it by 80% which equals 6.402%.

The MPERS COLA amount is capped at a maximum of 5%, therefore during 2023, all eligible retirees and payees will receive a 5% COLA.

Consumer Price Index for All Urban Consumers (CPI-U)

<u>Month</u>	<u>2021</u>	<u>2022</u>
January	261.582	281.148
February	263.014	283.716
March	264.877	287.504
April	267.054	289.109
May	269.195	292.296
June	271.696	296.311
July	273.003	296.276
August	273.567	296.171
September	274.310	296.808
October	276.589	298.012
November	277.948	297.711
December	278.802	296.797
Annual Average	270.970	292.655

Gross increase: $(292.655 - 270.970) / 270.970 = 8.003\% \times 80\% = 6.402\%$

If you have questions about the COLA or would like more information, please email benefits@mpers.org or visit the [COLA page on our website](#).

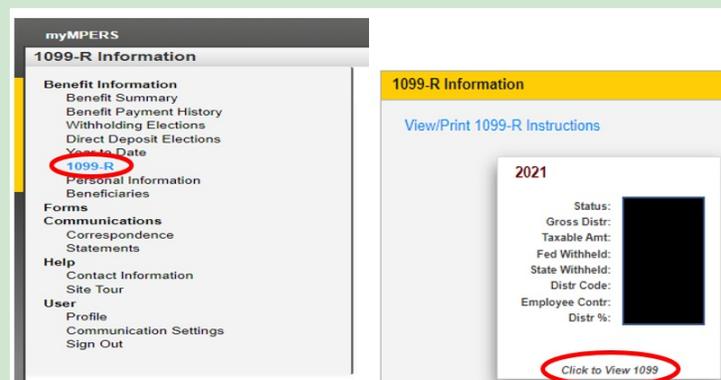


MPERS retirees and payees are **not eligible** to receive COLAs set by the Governor that are intended for active state employees.

The Social Security Administration COLA is calculated differently than the MPERS COLA, therefore they may differ.

1099-R Forms Are On the Way!

1099Rs were mailed January 25th. Can't wait to get yours so you can get a jump on filing your taxes? You can view and print your 1099-R from your [myMPERS](#) account!



Remember, if you worked **and** retired during the 2022 tax year, you will receive a W-2 from your former employer AND a 1099-R from MPERS for tax reporting purposes. If you opted to take BackDROP, you will receive an additional 1099-R that reflects your distribution choice. For example, if a combination cash/rollover was chosen, expect a 1099-R for each distribution of the lump sum.

FEBRUARY

Upcoming Events

- 13 - Lincoln's birthday observed, office open
- 15 - Deadline to submit direct deposit and/or tax withholding changes. [Complete changes here.](#)
- 17 - Board meeting
- 20 - Presidents' Day, office closed
- 28 - Payday for benefit recipients



We value your feedback!
What would you like to see in ***The Pensioner: In the Moment?***
Send comments and suggestions to Julie.West@mpers.org.