



## The Pensioner: *Looking Forward*

Welcome to the digital MPERS newsletter! *The Pensioner: Looking Forward* contains news, updates, and important information for active employees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.

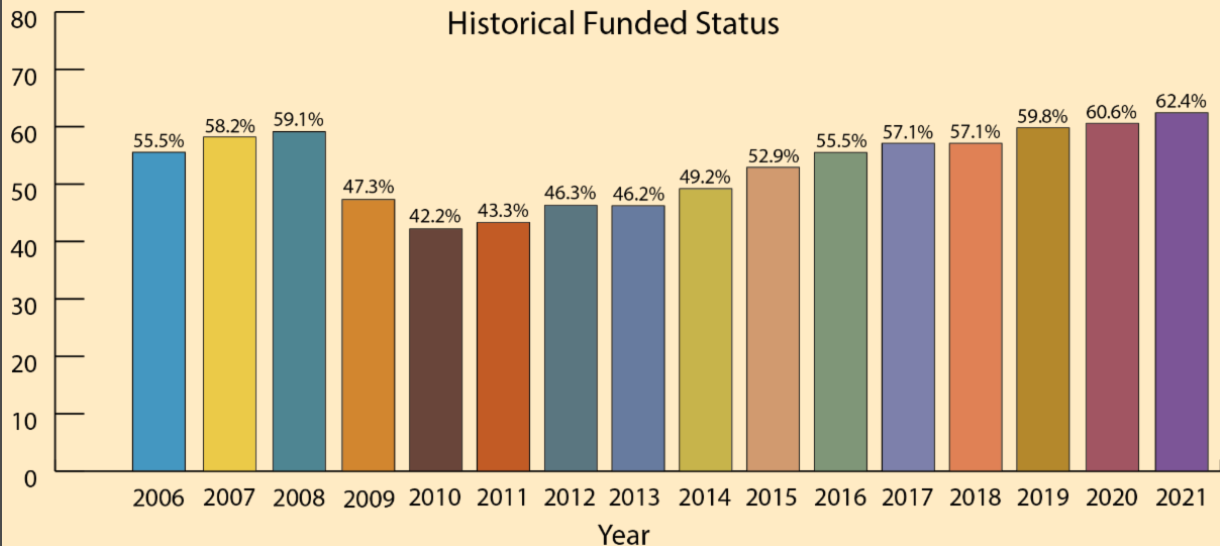


### MPERS' Funded Status Increases Again!

During Fiscal Year 2021, MPERS' funded status increased from 60.6% to 62.4%!

This is an incredible feat considering just 11 short years ago, the funded status was 42.2%. During this time, not only were pension plans across the nation suffering, but the economy was in a period of deflation known as the [Great Recession](#).

What is a funded status? The funded status represents the level of assets available to pay the benefits promised. While MPERS is still below the goal of being 100% funded, we are slowly making progress in the right direction. This is due to the Board's aggressive funding policies as well as a dedicated staff of investment professionals whose number one priority is MPERS' members and stakeholders.



Want to know more? View the complete FY 21 Actuarial Valuation [here!](#)

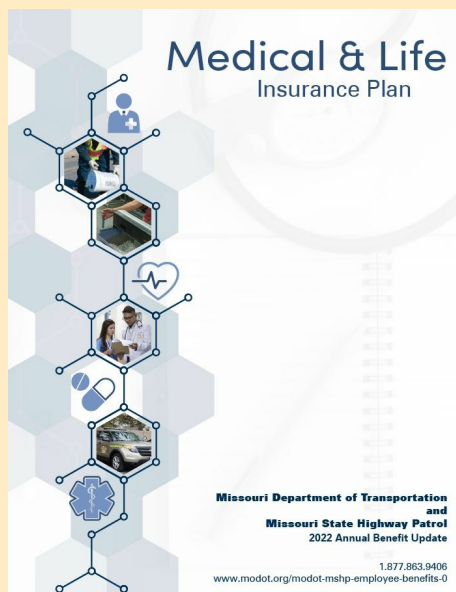


### Open Enrollment information from MoDOT Employee Health and Wellness

October 1 marks the beginning of open enrollment for MoDOT, Patrol, and MPERS employees. Remember that open enrollment is held **every other year**. Below are some key points going into this open enrollment season.

**Important Note: If you are planning on retiring prior to 2/1/2024 and would like to have medical coverage through MoDOT/MSHP in retirement, you MUST enroll yourself or and/or your dependents during open enrollment October 1-31, 2021. Failure to enroll will make you ineligible for retiree coverage.**

- No action is required if you plan to keep the same medical plan and coverage level for 2022.
- This is your opportunity to add or remove medical coverage for yourself, spouse, or dependents.
- This is your opportunity to switch between the PPO plan and the high deductible health plan (HDHP) with health savings account (HSA) medical plans if you wish to do so.
- The employer contribution amount to the HSA will remain the same:
  - \$500 for subscriber-only plan
  - \$1,000 for subscriber with dependent on the HDHP plan.
- HDHP with HSA plan required a new HSA contribution form. [You can find the form here.](#)
- All changes made during October 1-31, 2021, will be effective January 1, 2022.
- Any premium changes will be reflected on your December 15, 2021 paycheck.



MoDOT Employee Health and Wellness recently mailed the 2022 Annual Benefit Update to your home address.

[Once it is available online, you can find it here.](#)

If you have further questions regarding your medical insurance, please contact MoDOT Employee Health and Wellness at 877-863-9406 or visit the [MoDOT/MSHP Employee Benefits website.](#)



Questions regarding your dental and vision benefits can be directed to Missouri Consolidated Health Care Plan at 800-487-0771 or visit [www.mchcp.org](http://www.mchcp.org).

# MPERS' Matters

## Investments PART 5

In the March edition of *The Pensioner: Looking Forward*, the oversight formula was introduced:

$$C + I = B + E$$

As we wrap up our discussion of the investment component of the oversight formula  $C+I = B+E$ , we move now to the last part of the series: risk.

In the July edition of MPERS' Matters-Investments Part Two, we acknowledged that in order to have meaningful, positive investment returns, an investor must take some amount of risk.

With that in mind, it is important to note that we manage risk, we do not eliminate it. Eliminating risk would forgo returns the markets have provided over the long term and increase the cost of the plan to covered

employers in a way that would be unaffordable. As a result, the Board utilizes professional investment staff and investment consultants to manage these risks.

MPERS' primary goal with regard to risk management is to maintain a financially sound retirement system. This goal is complicated because most risks are not measurable or quantifiable. For example, market risk, inflation risk, and interest rate risks are all important factors to recognize and observe but they are not measurable.

**C = Contributions**  
**I = Investments**  
**B = Benefits**  
**E = Expenses**

Market volatility (as measured by the standard deviation of returns) is the rare quantifiable risk. Since volatility is a risk that is measurable, it is routinely reported with MPERS' investment performance. Higher volatility puts added pressure on covered employers with regard to contributions. This is because when returns see wide swings in results, this can put unnecessary variability on the contribution rates for employers. Lower volatility minimizes that risk, which is important to the longevity of the plan. MPERS' historical performance reflects the successful management of this risk. In fact, MPERS routinely leads the public pension peer universe with lower risk and higher returns over periods out to 15 years.



Another risk with some measurability is liquidity. Liquidity is liquid assets, or cash, readily accessible to the plan. This variable receives constant attention from staff and is stress tested annually to maintain confidence in MPERS' ability to make benefit payments and meet other financial commitments.

Although most other risks are not measurable, that does not mean they are not managed. Here again, professional investment staff are essential to

recognizing, assessing, and managing these risks. Risk plays a very important role with regard to the allocation of assets for MPERS. There is an infinite number of asset allocations a plan like MPERS could use. MPERS' current allocation is expected to provide the greatest amount of return within risk parameters that are considered reasonable.

Alternative assets are often viewed as riskier than public assets. According to current projections, forgoing the benefit of alternative asset returns would limit or diminish the returns of the plan if the System only utilized publicly traded assets. For example, over the next 10 years, a 60/40 allocation of publicly traded US/International equities and fixed income is projected to provide a return of approximately 4.6%. Meanwhile, a policy mix like the one MPERS uses with a combination of publicly traded and alternative assets, is estimated to return approximately 5.8%. The difference between these two allocations for a \$3 billion portfolio equates to \$36 million over a one-year period. A similar review of a multiple-year period compounds the importance of choosing the best possible asset allocation and managing the associated risk.

This reinforces the premise and importance of being risk managers, not risk eliminators.



## Check Out This Month's Benefit Bite!

### The Comparator

**Have you noticed this dinosaur in your myMPERS account?**



The Comparator is a handy tool that members of the Closed Plan and Year 2000 Plan can find in the Forms section of their myMPERS account.

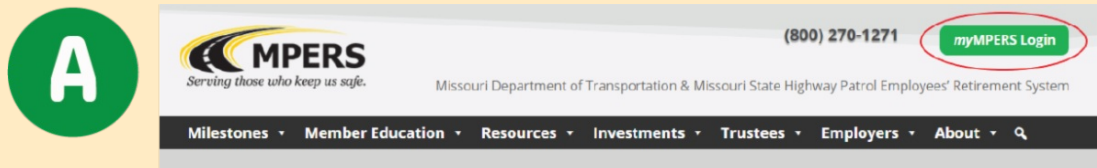
Members of the Closed Plan have a difficult choice to make at retirement: Do I retire under the Closed

Plan or the Year 2000 Plan? Which plan will pay me the most over my lifetime and/or my spouse's lifetime? The Comparator can help answer those questions.

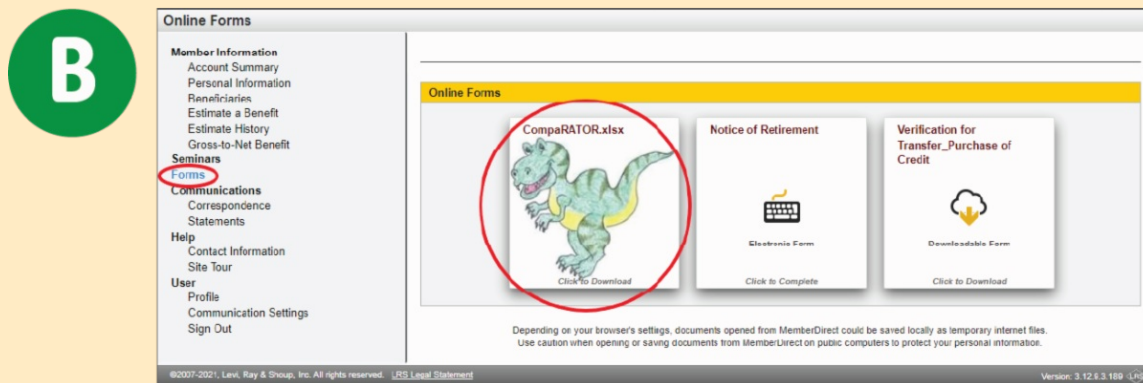
Members of the Year 2000 Plan may wonder if they should take BackDROP or not. Or perhaps they would like to know how a certain payment option would affect individual lifetime benefits. The Comparator can help answer those questions.

**Before using the Comparator, please make sure you have your benefit estimate ready to reference. The Comparator uses dollar amounts from your benefit estimate, but you have to manually enter them. If you are not sure how to go about getting a benefit estimate, please check out the [Benefit Bite in the September edition of The Pensioner: Looking Forward](#).**

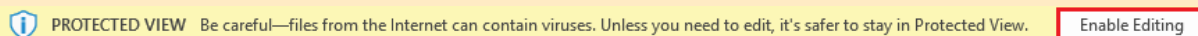
Head to [www.mpers.org](http://www.mpers.org) to log in to your myMPERS account (A).



Once you are logged in, select "Forms" from the menu on the left of your home page. Then select The Comparator (B).



The Comparator is an Excel spreadsheet that uses information from your benefit estimate to create plan comparisons based on dollar amounts. To input your information, you must select "enable" in the warning that appears at the top of the spreadsheet.



The top portion of The Comparator (C) is where you input all of the applicable information from your benefit estimate.

If you are unsure of what amount goes where, each box has a question mark located to the left or right. If your mouse cursor hovers over the question mark, it will tell you where to find the corresponding amount on your benefit estimate.



Please note there are three tabs in this Excel file that you may wish to use to compare benefits.

To compare benefits between the two plans, use the estimates you generated from your MyMPERS secure member account to update the yellow highlighted fields below. If you need help or more information, hover over the question marks to the left or right of the field.



### The ComparATOR



**DISCLAIMER:** None of the information provided in this "Comparator" tool is binding on MPERS, its Board of Trustees, or the State of Missouri. Further, such information does not constitute a guarantee of benefits, an admission of liability or a waiver of any legal rights or arguments in any pending or future legal proceeding. All estimates, calculations, and the information they are based upon are subject to final verification for accuracy by MPERS prior to the payment of benefits, and subject to the laws in effect at the time of retirement. In the event of a conflict between this tool and the law, the law prevails.

Retirement Date (mm/01/yyyy)  Name: \_\_\_\_\_

Member's Birthdate (mm/dd/yyyy)

Choose desired Benefit Payment Option from the drop-down list

Were you hired in a benefit-eligible position prior to 8/27/1997?

Choose the COLA rate to assume - Year 2000 Plan and Closed Plan when applicable

Closed Plan Monthly Benefit

Year 2000 Monthly Base Benefit

Year 2000 Monthly Temporary Benefit, if applicable

BackDROP Date (mm/01/yyyy), if applicable

Do you want to include your BackDROP lump sum in your comparison of your cumulative total?

CP BackDROP Lump Sum

Y2K BackDROP Lump Sum

After you enter the information from your benefit estimate, the comparison will update on the bottom portion of The Comparator (D).

For Closed Plan members, you can compare the Closed Plan vs. the Year 2000 Plan, with or without BackDROP and get an idea of which plan will pay you the most monthly (noted in the column on the left), or over your lifetime (noted in the column on the right).

Year 2000 Plan members can compare their benefit amounts and determine whether or not to take the BackDROP payment option.



	Estimated Monthly Benefit					Benefit as of	Estimated Cumulative Life-Time Total		
	Closed Plan	AGE	Year 2000 Plan				Closed Plan	AGE	Year 2000 Plan
			Total	Life	Temp				
	\$0.00	0	\$0.00	\$0.00	\$0.00				
1	\$0.00	1	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	1	\$0.00
2	\$0.00	2	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	2	\$0.00
3	\$0.00	3	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	3	\$0.00
4	\$0.00	4	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	4	\$0.00
5	\$0.00	5	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	5	\$0.00
6	\$0.00	6	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	6	\$0.00
7	\$0.00	7	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	7	\$0.00
8	\$0.00	8	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	8	\$0.00
9	\$0.00	9	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	9	\$0.00
10	\$0.00	10	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	10	\$0.00
11	\$0.00	11	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	11	\$0.00
12	\$0.00	12	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	12	\$0.00
13	\$0.00	13	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	13	\$0.00
14	\$0.00	14	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	14	\$0.00
15	\$0.00	15	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	15	\$0.00
16	\$0.00	16	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	16	\$0.00
17	\$0.00	17	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	17	\$0.00
18	\$0.00	18	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	18	\$0.00
19	\$0.00	19	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	19	\$0.00
20	\$0.00	20	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	20	\$0.00
21	\$0.00	21	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	21	\$0.00
22	\$0.00	22	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	22	\$0.00
23	\$0.00	23	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	23	\$0.00
24	\$0.00	24	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	24	\$0.00
25	\$0.00	25	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	25	\$0.00
26	\$0.00	26	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	26	\$0.00
27	\$0.00	27	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	27	\$0.00
28	\$0.00	28	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	28	\$0.00
29	\$0.00	29	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	29	\$0.00
30	\$0.00	30	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	30	\$0.00
31	\$0.00	31	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	31	\$0.00
32	\$0.00	32	\$0.00	\$0.00	\$0.00	Closed Plan Greater	\$0.00	32	\$0.00

The Comparator is a great tool for future planning, but it can be a little complex. If you find that you need assistance using The Comparator, please contact MPERS directly at [mpers@mpers.org](mailto:mpers@mpers.org) or 800-270-1271.

Want to give The Comparator a try? Select the



# COMING SOON

## myMPERS Secure Member Access Multi-Factor Authentication

The safety and security of member and stakeholder personal information is something we take seriously at MPERS. In the coming months we will be implementing an additional security measure called multi-factor authentication to the myMPERS login process.

Upon logging in to your myMPERS account, you will be prompted to choose your preference(s) for MFA.

Please remember, it has not taken affect just yet, so proceed as normal. Once it has been fully implemented, we will be available to assist with the transition.



MPERS benefit specialists will **NEVER** reach out to you to arrange personal counseling sessions unless you have requested for them to do so.

If you would like to request an appointment, you may do so by calling 800-270-1271, sending a message to [mpers@mpers.org](mailto:mpers@mpers.org), or completing the online appointment request form [found here](#).

If you receive an email requesting an appointment but you did not contact MPERS first, please let MPERS know.

# October

## Upcoming Events

- 11 - Columbus Day - office open
- 12 - Office closed for technology upgrades (sorry for the inconvenience)
- 14 - Pre-Retirement Webinar for Closed Plan and Year 2000 Plan members -[Register here](#)
- 20 - Mid-Career Checkup webinar for 2011 Tier members -[Register here](#)
- 31 - Deadline to submit step 1 -*Notice of Retirement* for December 1 retirement



We value your feedback!  
What would you like to see in ***The Pensioner: Looking Forward?***  
Send comments and suggestions to [Julie.West@mpers.org](mailto:Julie.West@mpers.org).