Welcome to the first edition of *The Feedbag*, MPERS newsletter. MPERS has produced newsletters in the past, but quite frankly our efforts have been sporadic and incomplete. With the debut of *The Feedbag*, we are refocusing our communication efforts with the hope of providing a semi-annual newsletter that not only provides useful information but also reminds you of the valuable benefit you receive as a result of the service you provided. Why do we call it *The Feedbag*? Many of you saw our recent distribution requesting “feedback” on how we are doing. As silly as that email may have seemed, it got your attention, and several of you responded. We hope to keep your attention so we are running with the idea. If this still doesn’t make sense, go to the “How are we doing” tab on our website and you will see our original email. Thanks for reading and keep on the lookout for more editions of *The Feedbag* in the future.

**Credit Union Deductions**

If you currently have a credit union deduction, December will be the final month this deduction will be withheld from your benefit. Effective January 1, 2017, MPERS will no longer withhold for credit union payments.

**MoDOT & MSHP Total Wellness Program**

The Missouri Department of Transportation (MoDOT) and Missouri State Highway Patrol (MSHP) have partnered with Coventry Health Care of Missouri, Inc. to create a wellness program called MoDOT and MSHP Total Wellness. The goal of the program is to give you the knowledge, tools, and resources to help you improve your health and well-being. To learn more about the program or to be added to the monthly newsletters, please contact Robin Gammon at 314-506-1632. Or send an email to rlgammon@aetna.com.

**Did you know?**

Approximately 4.6 million Americans work in the horse industry in one way or another. The US horse industry has an economic effect of $39 billion annually on just nine million American horses. There are approximately 58 million horses in the world and the vast majority are cared for by humans. (Source: American Horse Council)

Defined benefits also play an important role in the sustainability of our economy. In 2012, nearly $477 billion in pension benefits were paid to 24 million retired Americans. Expenditures made out of those payments collectively supported:

- 6.2 million American jobs that paid nearly $307 billion in labor income;
- $943 billion in total economic output nationwide;
- $555 billion in value added (GDP); and
- $135 billion in federal, state, and local tax revenue.

Each dollar paid out in pension benefits supported $1.98 in total economic output nationally. (Source: NIRS Pensionomics 2014)
On April 4, 2016, Greg Beck joined our staff as our new Assistant Executive Director. Mr. Beck was the Chief Auditor at the Missouri State Employees’ Retirement System for 15 years, and prior to that, the Manager of Financial Management and Policy for the Missouri Department of Health and Senior Services. He also spent almost three years in the capitol as a Program Evaluator for the Missouri General Assembly. Greg started his career in state government in 1988 as an auditor with the Missouri State Auditor’s Office.

Greg will be involved with most functions of the retirement office, but given his breadth of experience as an auditor, he will bring an emphasis to risk management to be sure we are practicing good stewardship of the resources our stakeholders have entrusted to us. We are happy to welcome Greg to MPERS.

Correspondence to Expect from MPERS

Throughout the year there are several reasons MPERS may contact you. Please ensure any changes made to your personal information such as address, email and phone number are updated with MPERS.

If your correspondence preference is set as “email,” you will receive notification, via the email address we have on file, that new correspondence is available for viewing in your Secure Member Access. Otherwise, correspondence will be mailed to your home address. The items listed below should be received by all payees, so be familiar with what to expect from us throughout the year and keep a look out for all of these important notices from MPERS.

Benefit Change Letter
This letter is sent any time your benefit changes for any reason. Most members will receive a copy in December (due to medical premium changes) and in January (due to federal tax table changes). However, if you make multiple changes to your benefit throughout the year, you will receive multiple letters.

Direct Deposit Notification
This letter is sent any time you update your bank account information for your direct deposit to confirm that a change has been made. If you receive this letter, but did not make any changes to your bank account, contact us immediately!

1099-R
MPERS will send your tax statement prior to February 1st of each year.

Newsletters from MPERS
MPERS plans to send you two newsletters each year to notify you of any updates or changes that have occurred.

Annual Benefit Statement
This statement will be sent during the month in which you receive your COLA.

Board of Trustees Meeting Schedule
February 23, 2017        April 27, 2017        June 22, 2017
September 28, 2017       November 16, 2017
Understanding Your 1099-R

Before we can print 1099-Rs, all 2016 payments (and adjustments) must be balanced. This process cannot be completed until all December benefit payments (and adjustments) have cleared. Since we only have one accountant, this process takes time.

- **1099-R tax forms will be available and mailed to you by January 31st.**
  You will receive a separate 1099-R for each type of benefit payment you received from MPERS in 2016 (e.g., monthly benefit payment, BackDROP distribution, survivor benefits, etc.). The information from your form will be available through Secure Member Access on MPERS' website (www.mpers.org), before your paper form is mailed to your home address.

- **Year-to-Date Medical Premium Information**
  For your convenience, the 1099-R contains the total medical, dental, and vision premiums that were deducted from your 2016 monthly benefit payments from MPERS (if applicable). The amounts do **not** include any refunds or manual premium payments.

### Notable Sections of Your 1099-R

<table>
<thead>
<tr>
<th>Box#</th>
<th>Description of Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gross Distribution: total amount paid to you by MPERS in 2016.</td>
</tr>
<tr>
<td>2a</td>
<td>Taxable Amount: portion of your total benefit received that is considered “taxable income.” (Amount may be different from box 1 if you purchased service credit before retirement - see box 5.)</td>
</tr>
<tr>
<td>5</td>
<td>Employee Contributions: difference between box 1 and 2a. Portion of amount paid to purchase service that is excluded from your taxable amount (if you purchased service before retirement using after-tax dollars).</td>
</tr>
<tr>
<td>7</td>
<td>Distribution Code(s): the code identifies the type of benefit paid (e.g., retirement, BackDROP, survivor, etc.). Codes are listed on the back of the 1099-R form.</td>
</tr>
<tr>
<td>12</td>
<td>State Tax Withheld: total amount of Missouri state income tax withheld during 2016 (if applicable).</td>
</tr>
</tbody>
</table>

The information in this newsletter does not amend or override any applicable statute, Internal Revenue Code, or administrative rule. In the event of conflict, the applicable statute, Internal Revenue Code, or administrative rule will prevail.
Annual Benefit Changes - Why Is My Benefit Amount Different?

Below are the most common reasons why the net amount (after taxes/deductions) of your benefit might be different in December and/or January.

**MoDOT/MSHP Medical Premiums**

The new 2017 medical insurance premiums begin with your December benefit payment.

*Reason it changes in December:* The premium you pay in the current month is for the following month’s insurance coverage. For example, the premium deducted in December is for your January coverage.

*If you have medical coverage through Employee Benefits and have questions regarding the premium or coverage, please call Employee Benefits at (877) 863-9406.*

**Dental/Vision Premiums**

(Missouri Consolidated Health Care Plan (MCHCP))

The new 2017 dental and vision insurance premiums begin with your December benefit payment.

*Reason it changes in December:* The premium you pay in the current month is for the following month’s coverage. For example, the premium deducted in December is for your January coverage.

*If you have dental/vision coverage through MCHCP and have questions regarding the premiums or coverage, please call MCHCP at (800) 487-0771.*

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Federal Tax Withholding

The IRS generally changes the federal tax withholding tables every January.

The new tables are used to calculate your deduction if your withholding election is based on marital status and number of allowances (e.g., single with 1 allowance, married with 2 allowances, etc.).

*If you have questions regarding your federal or Missouri state tax withholding, please contact a tax professional.*

Credit Union

Effective January 1, 2017, MPERS will no longer withhold credit union deductions from your benefit payment.

Therefore, if you have a deduction from your benefit going to a credit union, that amount will now be deposited into your bank account as part of your net benefit.

*If you wish to continue sending money to your credit union, please contact them directly to find out your options.*

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2017 COLA Rate To Be Determined **Late January**

The 2017 cost-of-living adjustment (COLA) will be calculated and announced *late January*, which is when the U.S. Department of Labor generally releases the December Consumer Price Index for All Urban Consumers (CPI-U) numbers needed for the calculation.

Once the 2017 COLA rate is determined, MPERS will post it online at www.mpers.org.

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Contact Information

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*Serving those who keep us safe.*