JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

FOURTH QUARTER MEETING

November 20, 2013

The Joint Committee on Public Employee Retirement held its 4th Quarter Meeting on Wednesday, November 20, 2013 at 1:00 pm in House Hearing Room 6. With a quorum being established, Representative Leara called the meeting to order. Joint Committee members in attendance were Representatives Anders, Bernskoetter, Pierson, Runions and Wieland. Senators Keaveny, Kehoe, Lamping, Rupp and Walsh attended via telephone and Senator Chappelle-Nadal was not in attendance.

Representative Leara turned the meeting over to the Executive Director, Ronda Stegmann. The Director advised the committee that the court case regarding the collection by municipalities of a \$3 court cost surcharge used to fund the Sheriffs' Retirement System, was set to be heard in Cole County Court on January 27, 2014. Staff will continue to monitor this litigation as it moves through the judicial process and keep the committee updated of any action.

The 2013 Watch List, highlighting plans that are under 70% funded on a market value basis, was presented to the Committee. It was noted that the number of plans on this list decreased from 29 on the previous report to 24 plans in the current year. This year's list consisted of 15 Municipal Plans, 4 Fire Protection Districts, 3 Transportation Districts, 1 County and 2 Statewide Plans. Thirteen responses were received by the plans and many of the plans on the list are considering or have made modifications to address funding concerns. It was emphasized that the funded ratio alone is not necessarily an indication of a plan's health. The Director reviewed plans who are not receiving the full annual contribution as recommended by the plan's actuary.

Quarterly reporting information was not available since the plans are given 45 days after the end of a quarter to submit on-line reporting. The committee meeting was held close to the end of the 45 day period and all plans may not have had the opportunity to respond. This information will be available at the January meeting.

The Director discussed the current status regarding the State Auditor's retirement survey. This activity included a questionnaire forwarded to15 large pension plans by the State Auditor's office and according to the Auditor's office, this survey is for informational purposes only and is not considered an audit. This informational report has a target end date of the end of the 2013 calendar year and a copy will be distributed to the committee as soon as it becomes available. The requests made from the State Auditor's office has proven to be beneficial to JCPER staff in regard to data cleansing and the consideration of a tutorial or other form of assistance for the on-line reporting.

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

FOURTH QUARTER MEETING

November 20, 2013
(Continued)

A handout was distributed regarding proposed modifications to JCPER governing and plan reporting statutes contained in Chapters 21 and 105. These proposed modifications are to provide clarification of existing statutes and to address issues or suggestions during the last several years. It was emphasized that feedback on this proposal is welcome along with any suggestions or edits. This proposal will be reviewed again at the first quarter committee meeting prior to any potential filing of legislation.

The Chairman then discussed the appointment of the JCPER Director, Ronda Stegmann, as Staff Vice Chair to the National Conference of State Legislatures (NCSL), Standing Committee on Budget and Revenue. With no objections being heard, the Chairman made a motion to approve the appointment of Ronda Stegmann to the NCSL Standing Committee on Budget and Revenue, along with payment of reasonable expenses associated with this appointment. Representative Anders seconded the motion. The motion was unanimous with a roll call vote. Senator Rupp was not in attendance for this vote.

The next committee meeting will be held in January 2014 and will include a review of the 2014 Annual Report and statutory proposals.

With no further business being presented, the committee adjourned.

Ronda Stegmann
Executive Director

JCPER

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

4th QUARTER MEETING
November 20, 2013
1:00 p.m.— House Hearing Room 6

AGENDA

Roll Call

Plan Updates/Issues
Sheriff's Retirement System

Watch List

Quarterly Reporting

State Auditor's Office

Statutory Considerations

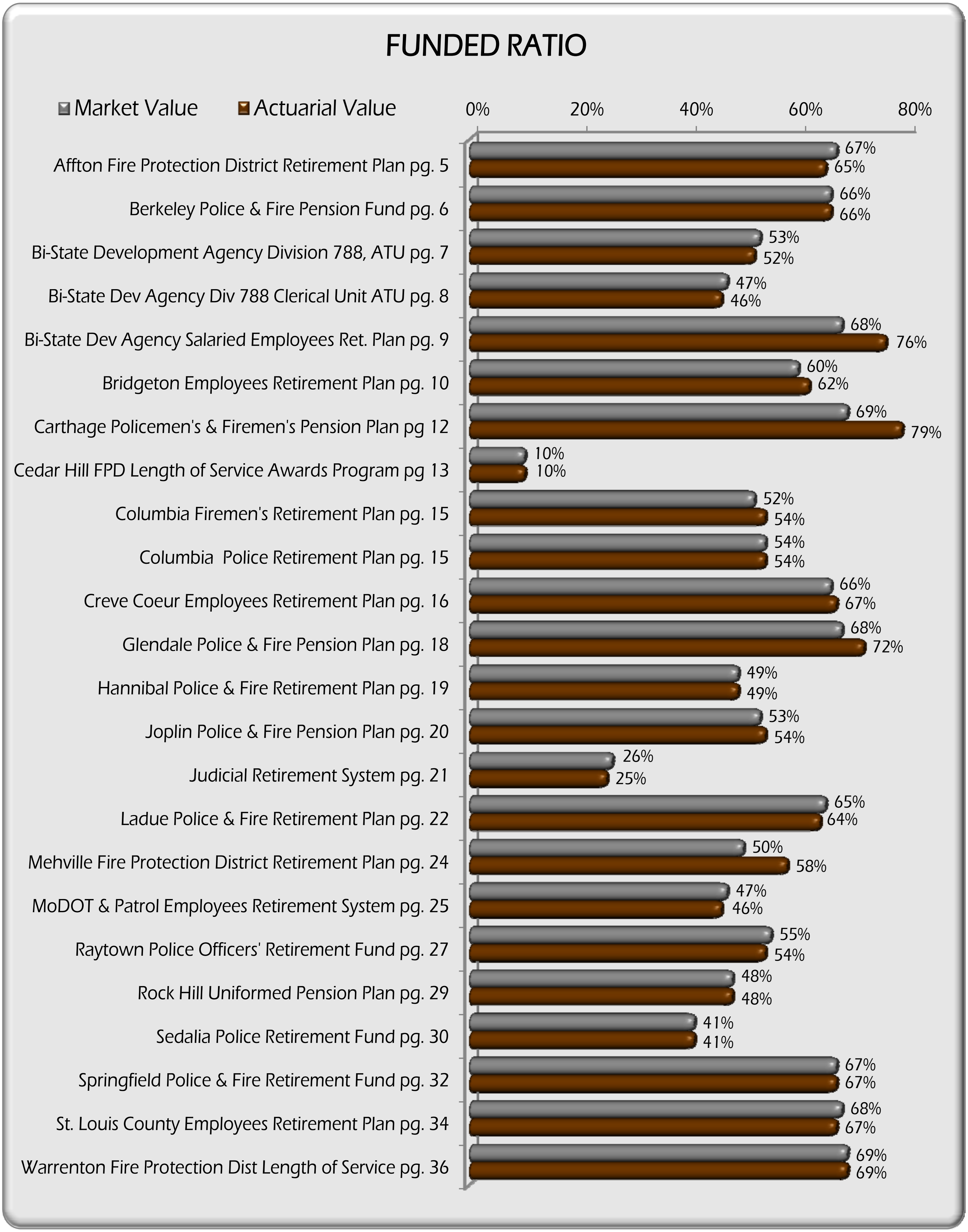
National Conference of State Legislatures (NCSL)
Appointment

Other Business

JOINT COMMITTEE ON
PUBLIC EMPLOYEE RETIREMENT

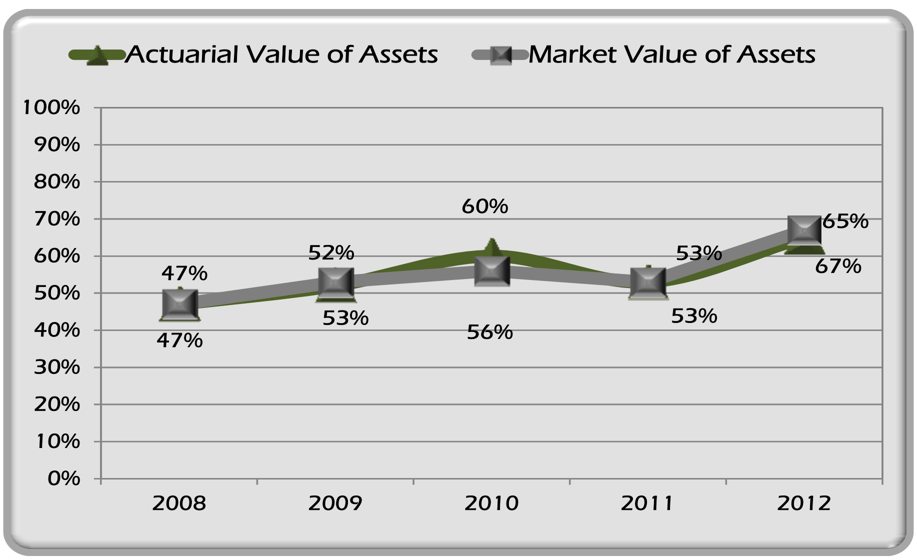
WATCH LIST

2013


FUNDED RATIO
Market Value
Actuarial Value
0%
20%
40%
60%
80%
Affton Fire Protection District Retirement Plan pg. 5
67%
65%
Berkeley Police & Fire Pension Fund pg. 6
66%
66%
Bi-State Development Agency Division 788, ATU pg. 7
53%
52%
Bi-State Dev Agency Div 788 Clerical Unit ATU pg. 8
47%
46%
Bi-State Dev Agency Salaried Employees Ret. Plan pg. 9
68%
76%
Bridgeton Employees Retirement Plan pg. 10
60%
62%
Carthage Policemen's & Firemen's Pension Plan pg 12
69%
79%
Cedar Hill FPD Length of Service Awards Program pg 13
10%
10%
Columbia Firemen's Retirement Plan pg. 15
52%
54%
Columbia Police Retirement Plan pg. 15
54%
54%
Creve Coeur Employees Retirement Plan pg. 16
66%
67%
Glendale Police & Fire Pension Plan pg. 18
68%
72%
Hannibal Police & Fire Retirement Plan pg. 19
49%
49%
Joplin Police & Fire Pension Plan pg. 20
53%
54%
Judicial Retirement System pg. 21
26%
25%
Ladue Police & Fire Retirement Plan pg. 22
65%
64%
Mehville Fire Protection District Retirement Plan pg. 24
50%
58%
MoDOT & Patrol Employees Retirement System pg. 25
47%
46%
Raytown Police Officers' Retirement Fund pg. 27
55%
54%
Rock Hill Uniformed Pension Plan pg. 29
48%
48%
Sedalia Police Retirement Fund pg. 30
41%
41%
Springfield Police & Fire Retirement Fund pg. 32
67%
67%
St. Louis County Employees Retirement Plan pg. 34
68%
67%
Warrenton Fire Protection Dist Length of Service pg. 36
69%
69%

AFFTON FIRE PROTECTION DISTRICT RETIREMENT PLAN

- Rate of return on investments equaled 12% (Market) vs. 6.5% assumed.
- Assets are valued at Market Value except 2008 loss which is smoothed over 5 years.
- Unfunded Actuarial Accrued Liabilities are amortized over an open 30 year period.
- Plan provisions were modified effective 01/01/13. The benefit multiplier was changed from 2.1667% to 1.7333%. Accrued benefits are not modified however new and prospective service will be at new provision levels. Lump sum benefit payments were also ceased.
- Employee contributions were implemented in 2010 at 4% and then 7% thereafter.
- Investment assumption reduced from 7.5% to 6.5% and salary assumption reduced from 4.5% to 3.5%
- Extra payments above the dedicated tax levy proceeds have been contributed to the fund since 2006. In 2012, the employer contribution exceeded the ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2012	$437,922	$1,308,443	299%
2011	$395,863	$286,615	72%
2010	$384,986	$284,870	74%
2009	$583,257	$326,225	56%
2008	$476,913	$347,709	73%

As of 1/1/13

Market Value: $6,314,515
Actuarial Value: $6,120,117
AAL: $9,413,596

MEMBERSHIP:
Active: 33 **Inactive:** 25

Normal Retirement Formula:
52% (from 65%) of compensation
Reduced for less than 30 Years
Supplemental Benefit:
$500 monthly to Age 62 if employed on 01/01/09 and have at least 30 Yrs service as of 12/31/09

Normal Retirement Benefits:
Age 60 with 5 years of service

Social Security Coverage: Yes

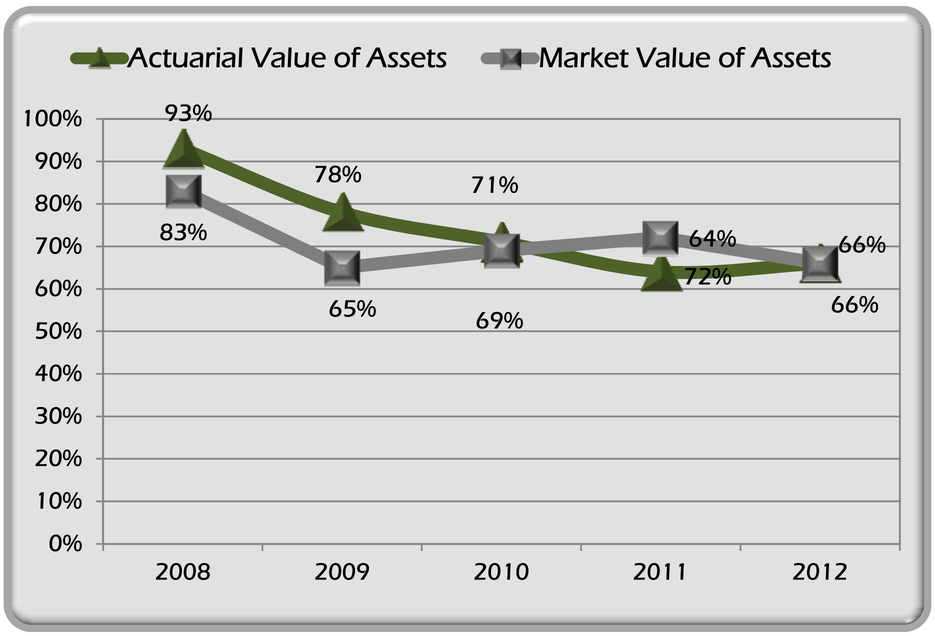
COLA: No COLA

ACTUARIAL ASSUMPTIONS:

Interest: 6.5% **Salary:** 3.5%

BERKELEY POLICE & FIRE PENSION FUND

- Rate of return on investments equaled 1.4% (Market) & 14.9% (Actuarial) vs. 7.5% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Updated mortality tables increased plan liability by $613,624 and the plan contribution by $95,000.
- Actuary notes, *"If the City's current annual contribution rate continues into the future, we project that the funded ratio on a market value basis will continue to deteriorate, dropping below 60% within 3 years and below 50% within 7 years, and the Fund will be on a path toward insolvency that will be difficult to reverse. If plan assets fail to earn at least 7.5% each year, the deterioration will occur even more quickly."*
- The dedicated tax of 11 cents per $100 assessed value is not generating nearly enough revenue to support the existing benefit structure according to plan actuary.
- Employees contribute 6% of pay to this plan. *Employee contributions are refunded at retirement.*
- The employer has not met the ARC since 2003.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$1,279,952	N/A	-
11/12	$1,245,038	$225,619	18%
10/11	$976,809	$246,418	25%
09/10	$855,227	$228,800	27%
08/09	$557,893	$211,259	38%

As of 6/30/12

Market Value: **$11,825,774**
Actuarial Value: **$11,883,023**
AAL: **$17,940,998**

MEMBERSHIP:
Active: 74 **Inactive:** 47

BENEFITS:
Normal Retirement Formula:
50% of compensation for first 20 years of service plus 1% for next 5 years of service
Maximum: 55% of compensation

Normal Retirement Benefits:
Age 55 with 10 years of service

Social Security Coverage: Yes

COLA:
Percent of CPI: 50%
Annual Amount Maximum: 3%

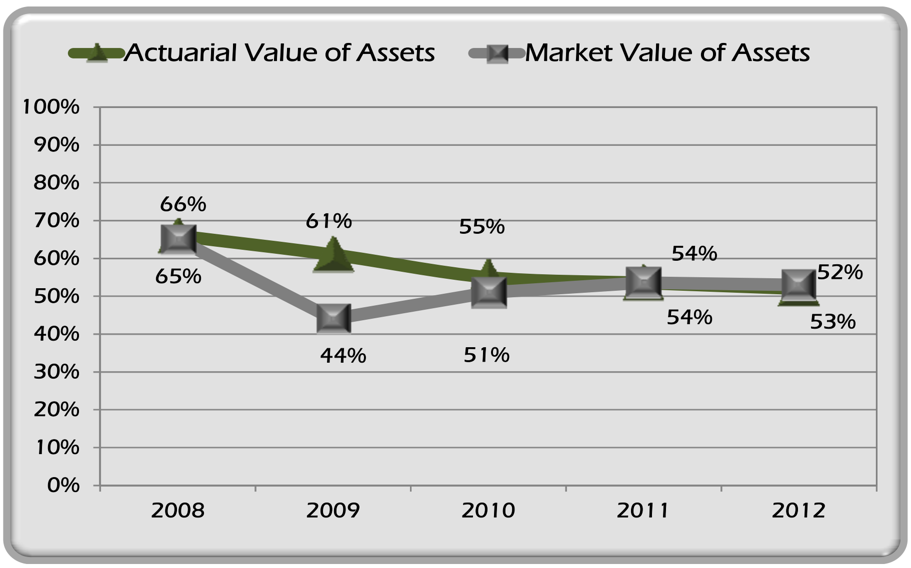
ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** 4%

BI-STATE DEVELOPMENT AGENCY
DIVISION 788, A.T.U.

- Rate of return on investments equaled 4.0% (Market) and 3.2% (Actuarial) vs. 7.25% assumed.
- Investment gains/losses are smoothed.
- Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective April 1, 2003.
- Plan assumption and method changes incorporated in the 4/1/10 valuation include:
  - Decreased interest rate assumption from 8% to 7.25%
  - Mortality tables updates to RP-2000
- The weekly recommended contribution for plan year 12/13 equals $154.09 per active participant.
- Employees contribute approx. 30% of weekly contributions.
- The Employer continues to meet the full ARC however total recommended contributions have not been met since plan year 06/07.

Div 788, ATU Total Plan Contributions

Plan Year	Recd Total Contribution	Actual Total Contribution	% Contributed
11/12	$ 9,659,870	$ 9,250,099	95.76%
10/11	$ 8,825,103	$ 7,501,929	85.01%
09/10	$ 7,416,877	$ 6,841,491	92.24%
08/09	$ 6,406,578	$ 6,908,808	107.84%
07/08	$ 6,437,859	$ 6,396,002	99.35%
06/07	$ 5,181,710	$ 6,421,831	123.93%



	EMPLOYER RECOMMENDED	EMPLOYER ACTUAL	PERCENT CONTRIBUTED
11/12	$6,904,988	$6,904,988	100%
10/11	$5,393,748	$5,393,748	100%
09/10	$4,953,503	$4,953,503	100%
08/09	$4,854,000	$4,854,000	100%
07/08	$4,671,805	$4,671,805	100%

As of 4/1/12

Market Value: $ 91,652,460
Actuarial Value: $ 90,572,184
AAL: $173,975,933

MEMBERSHIP:
Active: 1,288 **Inactive:** 1,060

BENEFITS:
Normal Retirement Formula:
$40 times years of service for those retiring with less than 25 years of service
$55 times years of service for those retiring with 25 or more years of service

Normal Retirement Benefits:
25 years of service, age 65, or age 55 with 20 years of service

Social Security Coverage: Yes

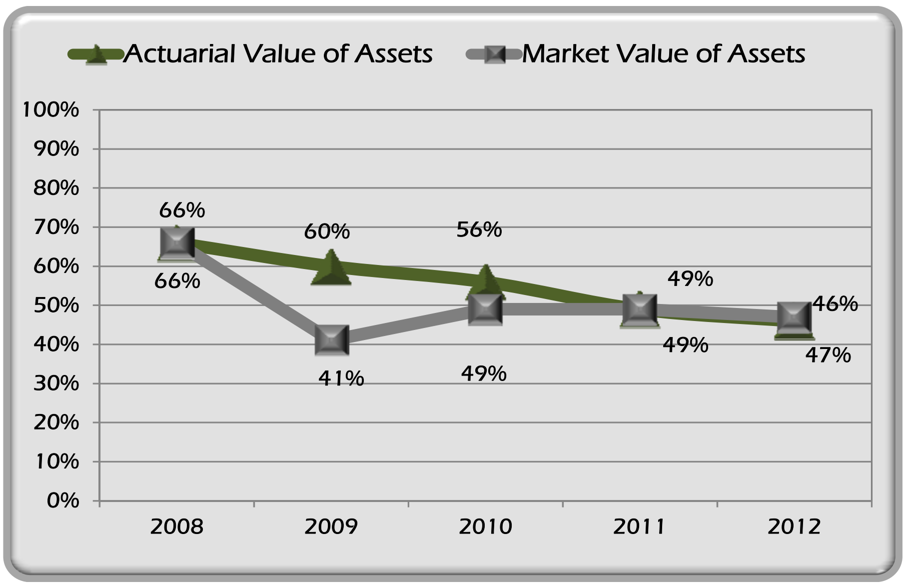
COLA: Ad Hoc COLA
ACTUARIAL ASSUMPTIONS:
Interest: 7.25%

BI-STATE DEVELOPMENT AGENCY
DIVISION 788 CLERICAL UNIT ATU

- Rate of return on investments equaled 1.8% (Market) vs. 7.25% assumed.
- Investment gains/losses are smoothed.
- Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective April 1, 2004.
- Plan assumption and method changes incorporated in the 4/1/10 valuation include:
  - Decreased interest rate assumption from 8% to 7.25%
  - Mortality assumption changed from 1983 GAMT to RP-2000 mortality tables
- The weekly recommended contribution for plan year 12/13 equals $270.73 per active participant.
- Employees contribute approximately 32% of the weekly contributions.
- The Employer continues to meet the full ARC however the total contribution has not met in since plan year 06/07.

Clerical Unit, Union Employees Total Plan Contributions

Plan Year	Recd Total Contribution	Actual Total Contribution	% Contributed
11/12	$ 621,627	$ 509,846	82.02%
10/11	$ 518,448	$ 347,392	67.01%
09/10	$ 457,771	$ 322,525	70.46%
08/09	$ 371,521	$ 312,519	84.12%
07/08	$ 343,278	$ 323,074	94.11%
06/07	$ 310,145	$ 316,634	102.09%



	EMPLOYER RECOMMENDED CONTRIBUTION	EMPLOYER ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
11/12	$402,109	$402,109	100%
10/11	$241,798	$241,798	100%
09/10	$223,550	$223,550	100%
08/09	$216,471	$216,471	100%
07/08	$229,977	$229,977	100%

As of 4/1/12

Market Value: **$ 5,315,418**
Actuarial Value: **$ 5,214,565**
AAL: **$11,383,262**

MEMBERSHIP:
Active: 50 **Inactive:** 73

BENEFITS:
Normal Retirement Formula:
$40 times years of service for those retiring with less than 25 years of service;
$55 times years of service for those retiring with 25 or more years of service

Normal Retirement Benefits:
25 years of service, or age 65 with 10 years of service

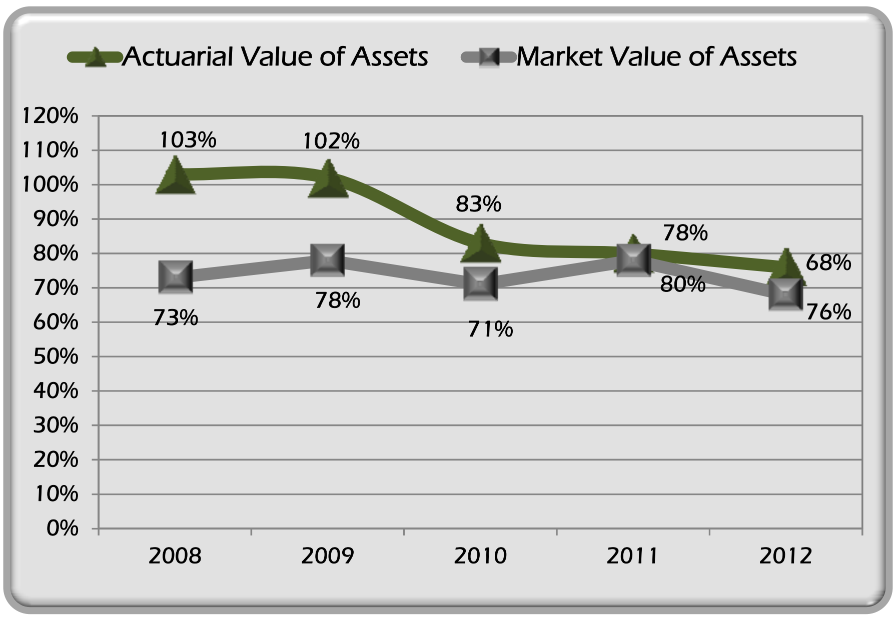
Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.25%

BI-STATE SALARIED EMPLOYEES RETIREMENT PLAN

- Rate of return on investments equaled –5.1% (Market) and 2.2% (Actuarial) vs. 7.5% assumed.
- Plan gains/losses are smoothed over a 5 year period.
- Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective June 1, 2010.
- Plan assumption and method changes incorporated in the 6/1/10 valuation include:
  - Decreased interest rate assumption from 8% to 7.5%
  - Mortality assumption changed from 1983 GAMT to RP-2000 mortality tables
- Employees do not make a payroll contribution to this plan. Employees participate in Social Security.
- The Employer continues to meet the full ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
11/12	$3,129,976	$3,129,976	100%
10/11	$1,924,940	$1,924,940	100%
09/10	$2,803,934	$2,803,934	100%
08/09	$2,234,053	$2,234,053	100%
07/08	$1,731,125	$1,731,125	100%

As of 6/1/12

Market Value: $ 43,035,069
Actuarial Value:: $ 47,628,801
AAL: $ 63,034,360

MEMBERSHIP:
Active: 483 Inactive: 480

BENEFITS:
Normal Retirement Formula:
1.5% of compensation times years of service

Normal Retirement Benefits:
Age 65 with 5 years of service

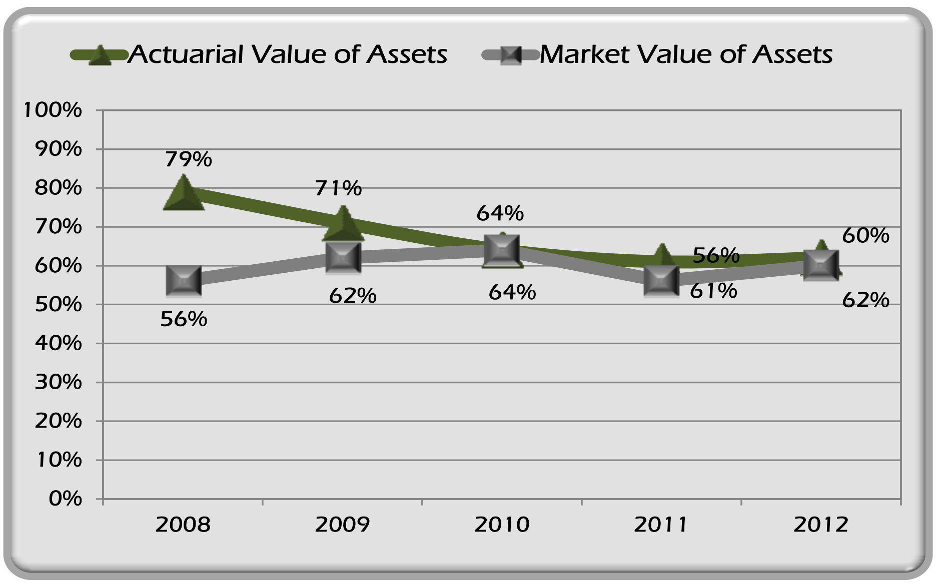
Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% Salary: 4.5%

BRIDGETON EMPLOYEES RETIREMENT PLAN

- Rate of return on investments equaled 11.3% (Market) and 6.9% (Actuarial) vs. assumed 7.5%
- Investment gains/losses are smoothed over a 3 year period.
- Open 30 year period for amortization of unfunded liabilities
- Actuary notes reasons for increase in contribution requirements are mortality assumption change and *"actual City contributions falling short of target contributions."*
- Employees do not make a payroll contribution to this plan.
- The Employer has not met the ARC since 2008.
- *This plan was frozen to new employees as of January 1, 2012*
- *The City has implemented a new defined contribution plan for employees hired after January 1, 2012.*



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$1,767,398	N/A	-
2012	$1,745,095	$1,000,000	57%
2011	$1,529,511	$900,000	59%
2010	$1,400,936	$900,000	64%
2009	$1,165,675	$900,000	77%

As of 12/31/12

Market Value: **$22,089,366**
Actuarial Value: **$22,889,266**
AAL: **$36,832,385**

MEMBERSHIP:
Active: 124 **Inactive:** 133

BENEFITS:
Normal Retirement Formula:
2% of compensation times years of service

Normal Retirement Benefits:
Age 60 with 5 years of service

Social Security Coverage:
Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** 4.5%

City of Bridgeton Response

From: Dennis Rainey <DRainey@bridgetonmo.com>

Sent: Thursday, November 07, 2013 10:48 AM

To: Ronda Stegmann

Subject: RE: JCPER Plan Information

In response to the watch list report for Bridgeton:

The ratio of 62% comes from the market value as a percentage of Actuarial Accrued Liability ($35,608,949). Our Actuarial Report uses the criteria of market value as a percentage of Actuarial Present Value of Accumulated Benefits ($30,073,693). Also, the market value used ($22,089,366) does not include the $1,000,000 accrued contribution, which brings the market value to $23,089,366. Based on this criteria, our Actuaries calculated the funded percentage to be 77%.

Sincerely,

Dennis Rainey

Finance Officer

City of Bridgeton

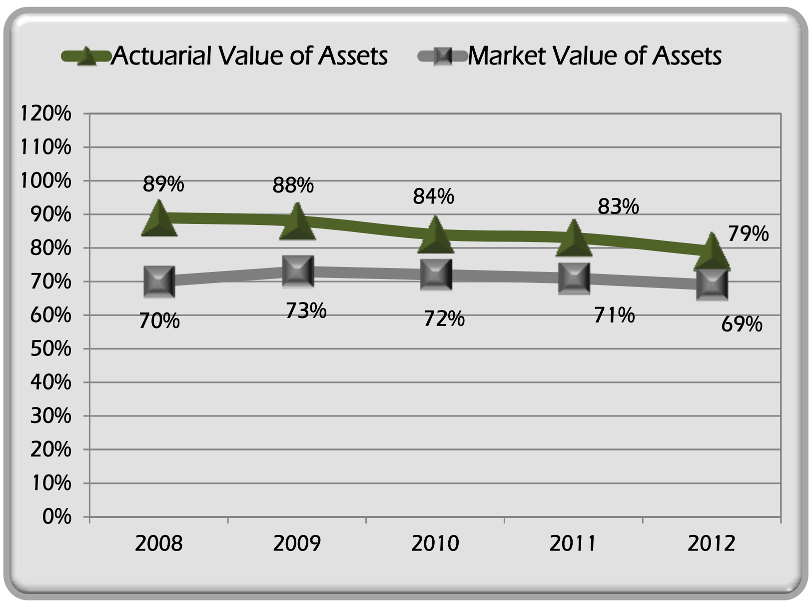
12355 Natural Bridge Rd.

Bridgeton, MO 63044

314-739-7500

CARTHAGE POLICEMEN'S & FIREMEN'S PENSION PLAN

- Rate of return on investments equaled 6.18% (Market) &3.96% (Actuarial) vs. 7% assumed.
- Plan gains/losses are smoothed over a 5 year period. The 2008 investment loss is being recognized over a 10 year period.
- Plan assumptions were modified with the 01/01/13 valuation with the assumed investment return reduced from 8.0% to 7.0% and salary increase assumption reduced from 4.0% to 3.5%.
- Prior to this year, this plan has not previously been included on this list.
- Employee payroll contributions have not been required since 1988.
- Members participate in Social Security.
- The employer did not meet the ARC in 2012.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$346,065	N/A	-
2012	$328,432	$286,553	87%
2011	$317,672	$293,074	92%
2010	$260,475	$268,370	103%
2009	$235,336	$218,899	93%

AS OF 12/31/12

Market Value: **$ 5,665,561**
Actuarial Value: **$ 6,519,979**
AAL: **$ 8,228,699**

MEMBERSHIP:
Active: 50 **Inactive: 43**

Normal Retirement Formula:
2.5% of compensation for first 20 years of service, plus 1% for next 15 years of service

Normal Retirement Benefits:
Age 58 with 10 years of service

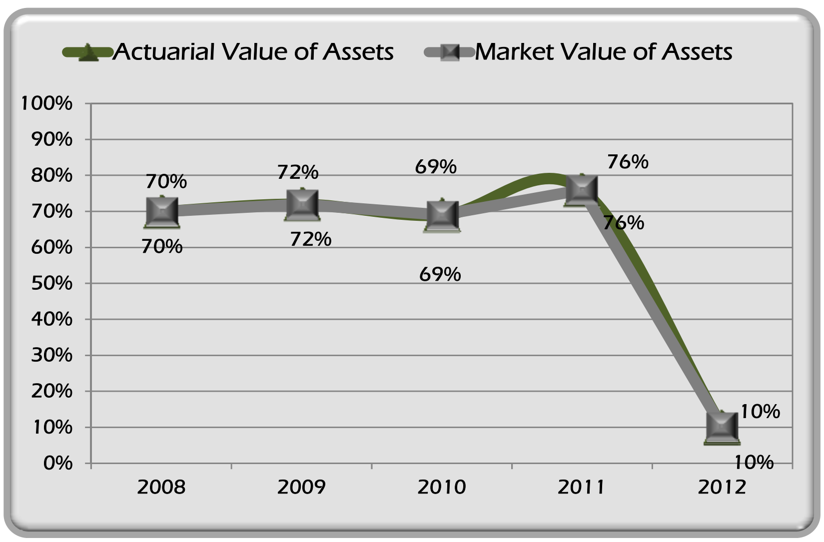
COLA: No COLA

ACTUARIAL ASSUMPTIONS:

Interest: 7% **Salary:** 3.5%

CEDAR HILL FPD LENTH OF SERVICE AWARDS PROGRAM

- This plan provides a pension benefit for volunteer members of the fire protection district.
- Provides $15 per month per year of service with a maximum monthly benefit of $450.
- Normal form of payment is life annuity guaranteed for 10 years.
- Benefit payments in the 2012 exceeded $140,000 which greatly depleted plan assets.
- Active members do not make a monetary contribution to this plan.
- The District exceeded the ARC for the last two plan years.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2012	$18,571	$28,374	152%
2011	$27,116	$27,342	101%
2010	$26,310	$22,825	87%
2009	$22,013	$19,074	87%
2008	$17,262	$18,877	109%

AS OF 12/01/12

Market Value: **$ 8,204**
Actuarial Value: **$ 8,204**
AAL: **$ 78,716**

MEMBERSHIP:
Active: 30 **Inactive: 15**

Normal Retirement Formula:
$15 per month times years of service
Maximum: $450 per month
Life annuity guaranteed for 10 years

Normal Retirement Benefits:
Age 65 with 5 years of service

COLA: No COLA

ACTUARIAL ASSUMPTIONS:

Interest: 4.75%

Cedar Hill Fire Protection District Response

From: Terry Soer <chfpd@cedarhillfire.com>
Sent: Thursday, November 07, 2013 2:43 PM
To: Ronda Stegmann
Cc: Greg Spinner
Subject: RE: JCPER Plan Information
Attachments: SKMBT_C45213110715420.pdf

Hi Ronda,

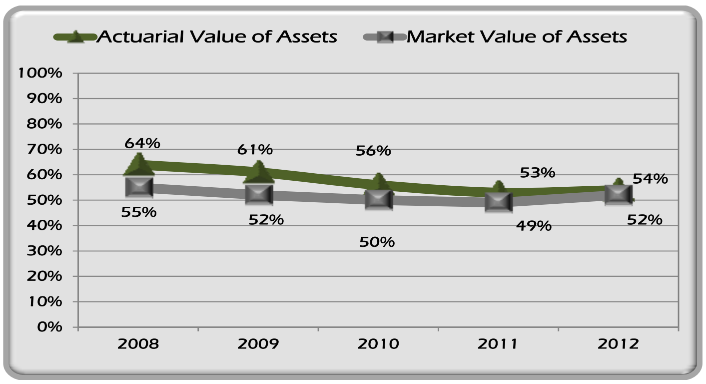
Per our conversation this afternoon I would like to respond with some explanations that may clear up the report. Attached you will find the report from Hartford Life on the LOSAP Plan for the volunteers defined benefit plan for Cedar Hill Fire Protection District through 9/30/13. You will see a contribution this year of $30,984.18 on 3/18/13. In 2012 an annuity was taken out of the plan for a volunteer that achieved his entitlement age of 65. VFIS, the program administrator, withdrew the wrong amount for the annuity in 2012 and had to refund the plan in 2013. This along with taking out additional annuities for some additional personnel that left the plan but were vested caused the plan balance to drop considerably. I appreciate the review and comments along with our conversation and suggestions that were made today. I will be forwarding these on to the Board of Directors on Monday evening. I hope that this will be of some assistance to clarify our plan better. If you should have any question or need any further information please do not hesitate to contact me. Thanks again.

Terry Soer

COLUMBIA FIREMEN & POLICE RETIREMENT SYSTEMS

- The Fire & Police plans are comingled for investment purposes. Rate of return on investments equaled 13.2% (Market) & 5.6% (Actuarial) vs. 7.5% assumed. Investment gains/losses are smoothed over a 4 year period.
- Unfunded liabilities amortized over a 27 year period.
- A new tier of provisions were passed for employees hired on or after October 1, 2012. These provisions include, but are not limited to, modified age and service requirements for retirement eligibility, modified benefit multiplier with no retiree COLA, fire member contribution reduced to 4% of pay, and automatic survivor benefit replaced with a survivor option at retirement with member's reduced benefit. New tier provisions estimated to produce in excess of $40 million savings over 20 years.
- Plan assumptions were modified in the 9/30/10 valuation with the assumed investment return reduced to 7.5% (from 8%), the payroll growth reduced to 3.5% (from 4%), the amortization period changed to a closed 30 year period (beginning with 9/30/09 valuation) from closed19 years and a 25% market value corridor was adopted.
- Fire Employees contribute 16.32% of pay (4% - new hires) and do not participate in Social Security.
- Police employees contribute between 7.45% & 8.35% of pay (4.5% - new hires) & do participate in Social Security.
- The employer continues to meet the ARC.

FIREMEN'S RETIREMENT SYSTEM



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$4,207,897 est.	n/a	n/a
11/12	$3,995,869	$3,995,869	100%
10/11	$3,598,322	$3,598,322	100%
09/10	$3,330,409	$3,330,409	100%
08/09	$3,098,617	$3,098,617	100%

As of 09/30/12

Market Value:	$ 55,394,354	Membership:	
Actuarial Value:	$ 57,179,657	Active:	126
AAL:	$ 106,779,915	Inactive:	124

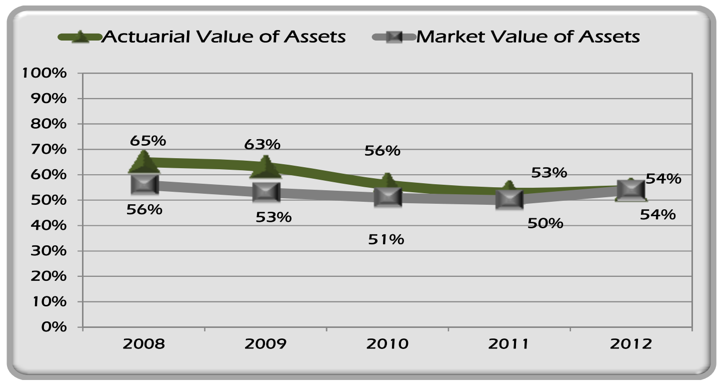
Normal Retirement Formula:
3.5% of compensation for first 20 years + 2% for next 5 years
Maxi 80% of compensation; 2% of compensation < 20 years
2.5% of compensation x yrs service—No max (new hires)

Normal Retirement Benefits: Age 65 or 20 years of service
Age 55 w/ 5 yrs service or Rule of 80 (new hires)

COLA: Annual Amount Max: 2%

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% Salary: 3.5%

POLICE RETIREMENT SYSTEM



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$3,342,063 est.	n/a	n/a
11/12	$3,153,367	$3,153,367	100%
10/11	$3,033,164	$3,033,164	100%
09/10	$2,693,152	$2,693,152	100%
08/09	$2,549,967	$2,549,967	100%

As of 09/30/12

Market Value:	$ 38,911,003	Membership:	
Actuarial Value:	$ 38,862,427	Active:	146
AAL:	$ 71,536,365	Inactive:	142

Normal Retirement Formula:
3% of compensation for first 20 years + 2% for next 5 years
Maximum: 70% of compensation
2.0% of compensation up to 25 years + 1.5% over 25 years
Max—57.5% of compensation (new hires)

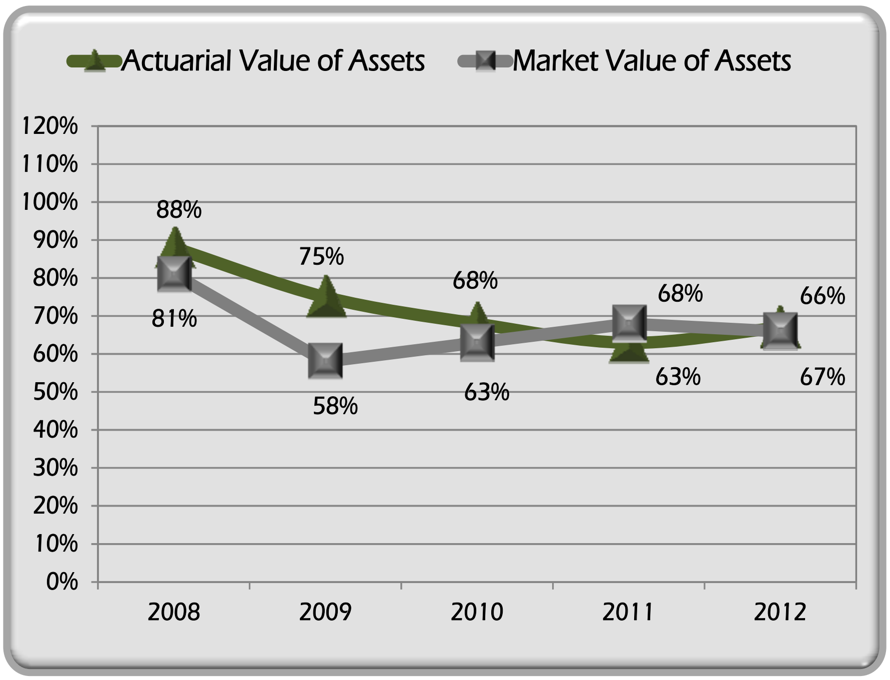
Normal Retirement Benefits: 20 years of service, or age 65
25 years of service or age 65 (new hires)

COLA: Annual Amount Max: 0.6%

ACTUARIAL ASSUMPTIONS: Interest: 7.5% Salary: 3.5%

CREVE COEUR EMPLOYEES RETIREMENT PLAN

- Rate of return on investments equaled 0.49% (Market) & 10.6% (Actuarial) vs.7.5% assumed.
- Investment gains/losses are smoothed in over a 3 year period.
- Unfunded Actuarial Accrued Liabilities are amortized over an open 15 year period.
- Investment assumption reduced from 8% to 7.5% and salary assumption reduced from 5.5% to 5.0% in 2009.
- Mortality tables updated resulting in approximately $2.1 million increase in plan liability and approximately $260,000 increase to annual cost.
- This plan is closed to new employees hired after June 1, 2006. Those new employees participate in the City's defined contribution plan.
- Employee payroll contributions are being phased in beginning 07/01/11 at 1% with annual increases of .5% until the contribution rate meets 3%.
- Employer has consistently met or exceeded the ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$1,204,193	N/A	-
11/12	$1,339,314	$1,389,538	104%
10/11	$1,179,145	$1,225,000	104%
09/10	$1,004,897	$1,057,900	105%
08/09	$675,394	$757,900	112%

As of 6/30/12

Market Value:	**$16,444,937**
Actuarial Value:	**$16,671,075**
AAL:	**$24,744,421**

MEMBERSHIP:
Active: 62 **Inactive:** 91

BENEFITS:
Normal Retirement Formula:
2% of compensation times years of service; or
1.7% of compensation times years of service, plus
3% employer contribution to DC Plan;
Maximum: 30 years of service

Normal Retirement Benefits:
Age 65 with 8 years of service, or Rule of 85
Uniformed: Age 55

Social Security Coverage: Yes

COLA: Ad Hoc COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** 5%

Deferred Retirement Option Plan

Defined Benefit Plan Closed June 2006

City of Creve Coeur Response

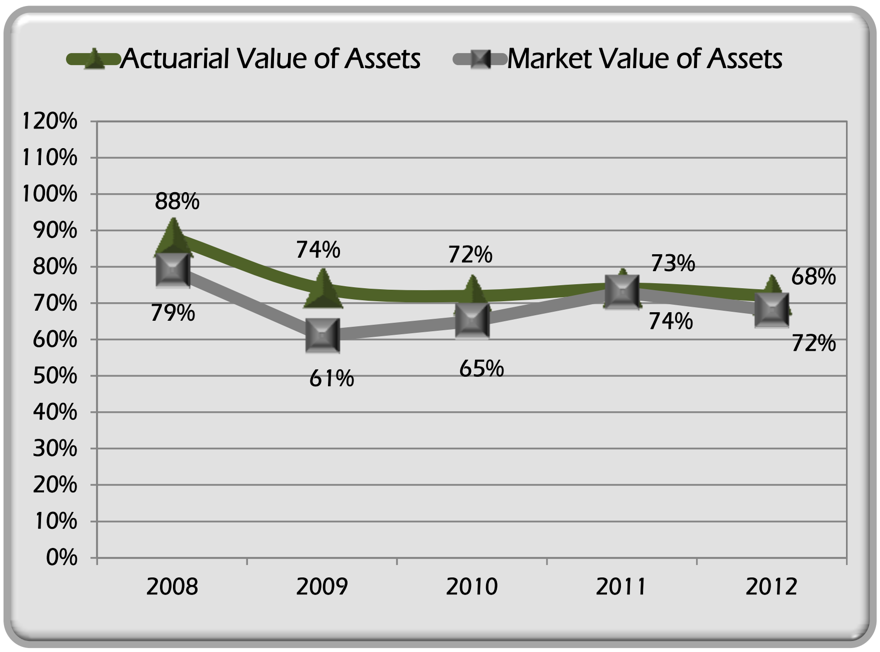
From: Smith, Daniel N [mailto:dnsmith@ci.creve-coeur.mo.us]
Sent: Thursday, November 07, 2013 10:20 AM
To: Ronda Stegmann
Cc: Perkins, Mark C.; ksullivan@dunckerstreett.com; Williams, Glen
Subject: RE: JCPER Plan Information

For your information the most recent actuarial report just received shows funding at 71.4%. In addition City Council approved an additional $300,000 contribution to the plan, above the actuarially required amount, for FY 2014. In addition during the Budget meeting they indicated a desire to continue the additional annual contribution for at least a 5 year period. Thanks. DNS

Daniel N. Smith, CPA, CPFO
Director Of Finance
City of Creve Coeur
300 N. New Ballas Rd.
Creve Coeur, Missouri 63141
314-872-2519
dsmith@ci.creve-coeur.mo.us

GLENDALE POLICE & FIRE PENSION PLAN

- Rate of return on investments equaled 0.4% (Market) & 6.0% (Actuarial) vs.7.5%assumed.
- Plan gains/losses are smoothed in over a 5 year period.
- Plan uses the "Aggregate" Cost Method which does not yield an unfunded actuarial accrued liability for amortization purposes.
- Employees contribute 3.25% of pay to the plan.
- The Employer contribution is tied to tax levy which has met the full Annual Required Contribution (ARC) one time (2007) since 2002.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$311,625	N/A	-
11/12	$305,145	$132,462	43%
10/11	$347,737	$165,555	48%
09/10	$305,247	$132,524	43%
08/09	$181,814	$123,650	68%

As of 7/01/12

Market Value: $4,579,712
Actuarial Value: $4,810,012
AAL: $6,717,055

MEMBERSHIP:
Active: 27 **Inactive:** 18

BENEFITS:
Normal Retirement Formula:
50% of compensation for first 20 years of service, plus 1% of compensation for each year over 20 years

Normal Retirement Benefits:
Age 55 with 15 years of service

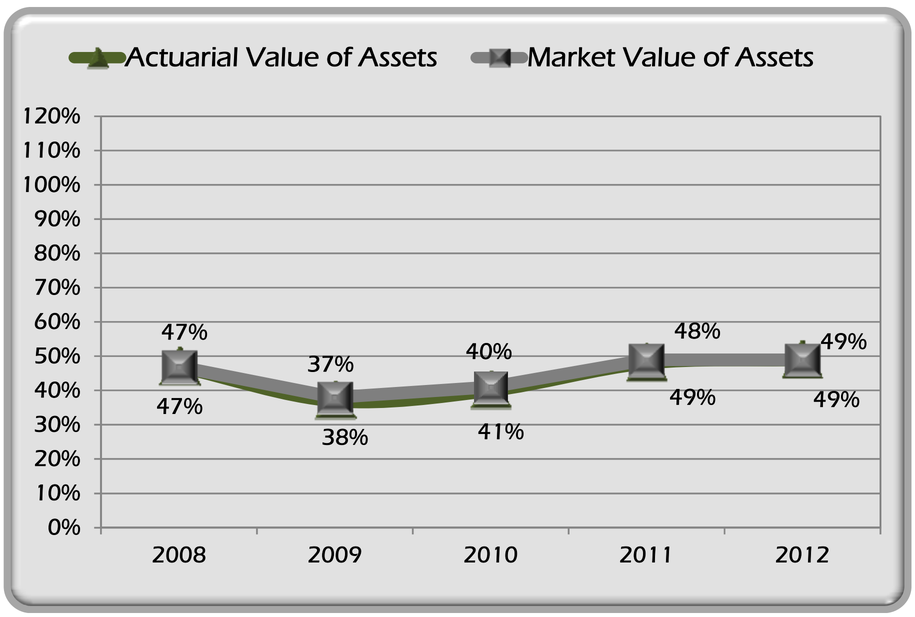
Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** 3.75%

HANNIBAL POLICE & FIRE RETIREMENT PLAN

- The plan does not smooth investment gains/losses.
- Open 20 year period for amortization of unfunded liabilities.
- Actuary notes "*In recent years the city has been contributing less than the actuarial recommended contribution. Asset and liability gains have helped increase the funded status. The new policy increasing employee contributions while not decreasing the city's contribution rate will also help the Plan in its recovery. However, any continuation of less than adequate funding could decrease the funded status of the Plan to a point from which it would be impossible to recover.* "
- Plan modifications effective <u>7/1/11</u> include: Increasing mandatory employee contributions from 9.5% of pay to 12%, 11.4% annual minimum City contribution (plus tax revenue) will be modified to provide that the City's contribution will not be reduced unless the plan is determined to be at least 80% funded.
- Employee contribution of 12% of pay effective with plan year 2011 (from 9.5%). These members do <u>not</u> participate in Social Security.
- The employer exceeded the ARC in 2011/12 after 6 consecutive years of not meeting ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$1,010,251	N/A	-
11/12	$921,124	$1,152,165	125%
10/11	$1,179,620	$1,101,663	93%
09/10	$1,169,397	$935,435	80%
08/09	982,832	$803,329	82%

<u>As of 6/30/12</u>

Market Value: **$11,412,637**
Actuarial Value: **$11,412,637**
AAL: **$23,358,465**

MEMBERSHIP:
Active: 75 **Inactive:** 63

BENEFITS:
Normal Retirement Formula:
65% of compensation for first 25 years of service, plus 1% for each of the next 5 years of service in excess of 25
Maximum: 70% of compensation

Normal Retirement Benefits:
Age 55 or 25 years of service

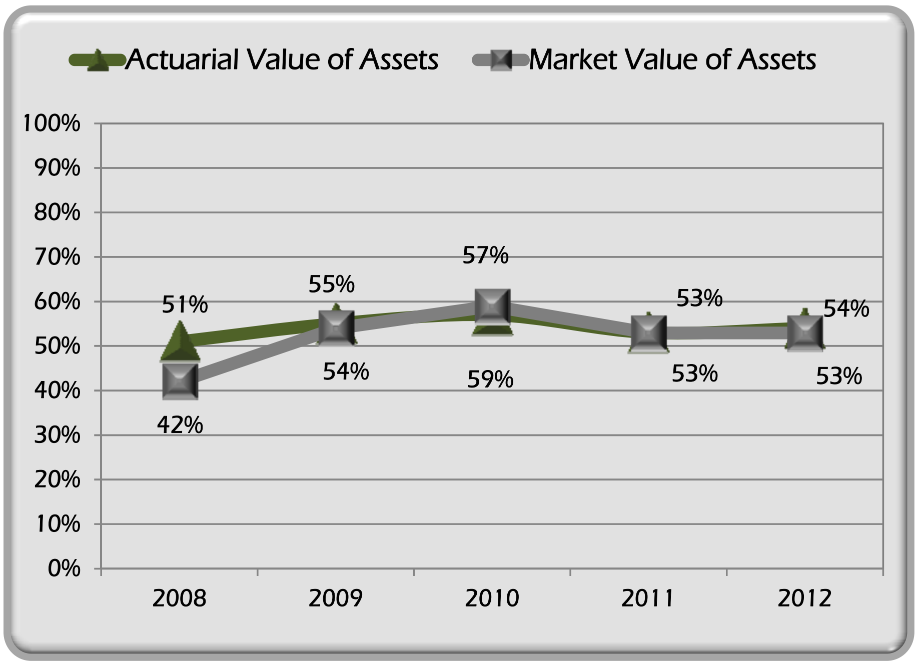
Social Security Coverage: No

COLA: Ad Hoc COLA
No COLA if Funded Ratio below 50%

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** 4%

JOPLIN POLICE & FIRE PENSION PLAN

- Rate of return on investments equaled 6.9% (Market) and 6.5% (Actuarial) vs. 7% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Closed 30 year period as of 11/01/06 for amortization of unfunded liabilities.
- Modified plan assumptions in 2011 included, but not limited to, mortality, inflation rate and retirement rates resulted in approximately $5 million increase in plan liabilities. These modifications were based on the most recent experience study.
- A new tier was implemented for those hired after 1/31/09 with provisions including normal retirement service of 25 years (from 20) and maximum benefit of 60% of compensation (from 65%).
- Employees contribute 18.08% of pay, which is refunded at retirement. Those hired under new benefit tier contribute10% of pay without refund.
- The City has agreed to make an additional payment of $950,000 and beginning each plan year as of 11/1/11 and after, the City's contribution is calculated by the plan's actuary.
- The City exceeded the ARC in plan year 2012.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
12/13	$2,580,017	N/A	-
11/12	$2,214,118	$2,473,301	112%
10/11	$2,214,118	$2,653,556	120%
09/10	$2,206,690	$1,797,683	81%
08/09	$2,169,744	$2,443,752	113%

As of 10/31/12

Market Value: **$28,359,384**
Actuarial Value: **$28,678,333**
AAL: **$53,113,500**

MEMBERSHIP:
Active: 199 **Inactive:** 156

BENEFITS:
Normal Retirement Formula:
Hired after 1/31/09: 2.2% of compensation for first 25 years of service, plus 1% for each of the next 5 years of service
Maximum: 60% of compensation

Normal Retirement Benefits:
Age 60 or 25 years of service

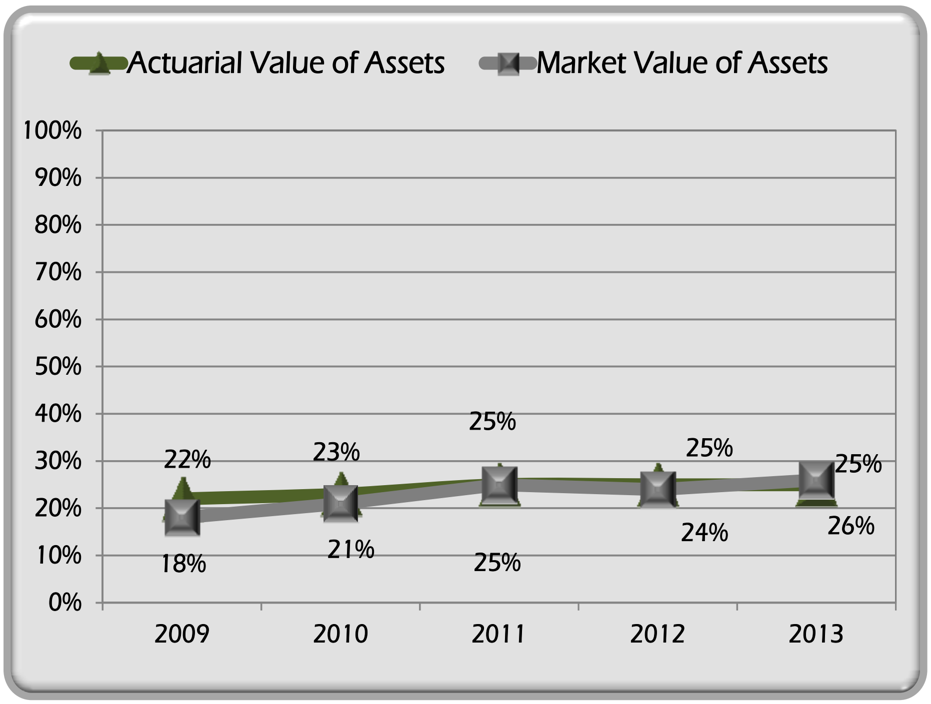
Social Security Coverage: No

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7% **Salary:** 2.5%

JUDICIAL RETIREMENT SYSTEM

- Rate of return on investments equaled 10.71% (Market) and 8.03% (Actuarial) vs. 8.0% assumed.
- Adopted a Closed 30 year amortization of unfunded liabilities (Previously open 30 years).
- Asset Method modified to recognize the expected investment return and averages unanticipated market return over a five-year period.
- New tier provisions were passed in 2010 requiring increased age and service requirements, as well as employee contributions for judges serving for the first time on or after 01/01/11.
- Modified plan assumptions including, but not limited to, investment return assumption from 8.5% to 8.0% and price inflation from 3.20% to 2.50%. These modifications were based on the most recent experience study.
- Prior to 1998, the plan was funded on a pay-as-you-go basis.
- Judges serving for the first time on or after 1/1/11 make a 4% of pay contribution.
- The Employer continues to meet the ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
14/15	$30,200,000 (estimated)	N/A	-
13/14	$29,000,000 (estimated)	N/A	-
12/13	$28,330,648	$28,330,648	100%
11/12	$26,324,526	$26,324,526	100%
10/11	$27,762,640	$27,702,682	100%

As of 6/30/13

Market Value: **$111,203,538**
Actuarial Value: **$111,140,339**
AAL: **$435,378,358**

MEMBERSHIP:
Active: 400 **Inactive:** 530

BENEFITS:
Normal Retirement Formula:
Less than 12 years of service:
4.17% of compensation times years of service;
> 12 years: 50% of compensation

Normal Retirement Benefits:
Age 62 with 12 years of service;
Age 60 with 15 years of service;
Age 55 with 20 years of service

Serving for first time on or after 01/01/11:
Age 67 with 12 years of service, or
Age 62 with 20 years of service

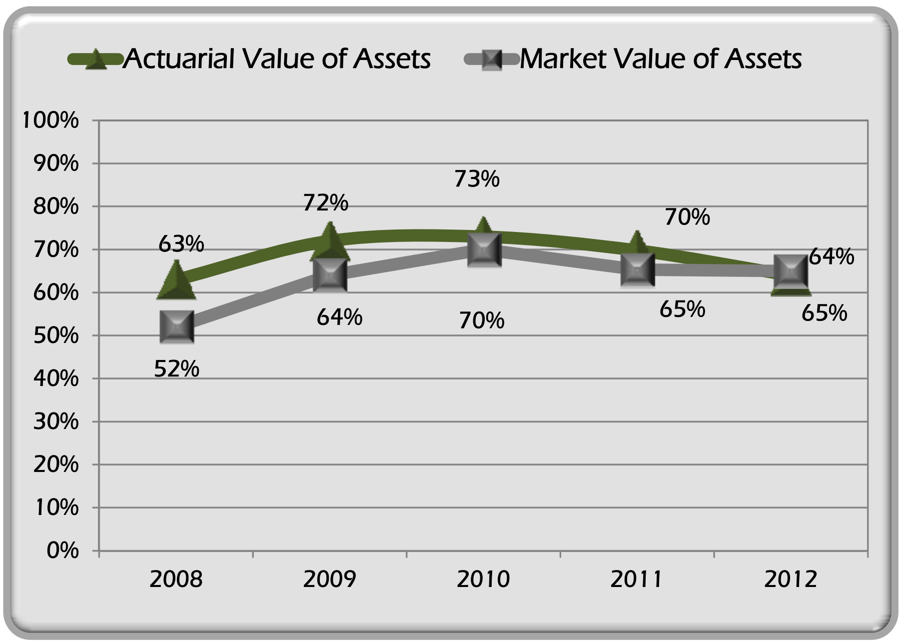
Social Security Coverage: Yes

COLA: Annual Amount Max: 5%
Percent of CPI: 80%

ACTUARIAL ASSUMPTIONS:
Interest: 8.% **Salary:** 4%

LADUE POLICE & FIRE RETIREMENT PLAN

- Rate of return on investments equaled 11.3% (Market) and 3.0% (Actuarial) vs. 7.0% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Open 20 year period amortization of Unfunded Actuarial Accrued Liabilities.
- The plan decreased the assumed investment rate of return assumption from 8.5% in PY01 to 8% in PY02 to 7.75% in PY03 to 7.5% in 2010 and 7.0% in 2013.
- 2012 plan modifications to the plan include: Exclusion of lump sum cash-out of unused vacation and sick leave from retirement calculations, reduction of benefit maximum from 65% of compensation to 60% for new members, increase of employee contributions from 3% to 4.5% in 2013 and from 4.5% to 6.0% in 2014.
- Employees contribute 4.5% of pay. These members do not participate in Social Security.
- The Employer has consistently met or exceeded the ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$1,616,761	N/A	-
2012	$1,182,728	$1,182,728	100%
2011	$1,100,673	$1,100,673	100%
2010	$1,092,786	$1,692,786	155%
2009	$1,255,382	$2,255,382	180%

As of 01/01/13

Market Value: **$23,241,352**
Actuarial Value: **$23,012,239**
AAL: **$35,826,301**

MEMBERSHIP:
Active: 52 **Inactive:** 65

BENEFITS:
Normal Retirement Formula:
2% of compensation for first 20 years of service, plus 2.5% for each of the next 10 years of service
Maximum: 65% of compensation
New hires after 12/31/12:
2% of compensation
Maximum: 60% of compensation

Normal Retirement Benefits:
Age 55 with 10 years of service

Social Security Coverage: No

COLA: Annual Maximum: 2%
'CAP'-Total Maximum: 20%
Percent of CPI: 100%

ACTUARIAL ASSUMPTIONS:
Interest: 7.0% **Salary:** 4.5%

City of Ladue Response

From: Administration <administration@cityofladue-mo.gov>
Sent: Monday, November 11, 2013 7:53 AM
To: Ronda Stegmann
Subject: RE: JCPER Plan Information

Rhonda – thank you for the opportunity to comment. The City of Ladue continues to closely monitor its employees' pension plans and is committed to implementing best practices to insure the financial stability of the plans. I reviewed your attachments and have only a couple of comments.

1. The City committed to the employees that an additional $1,000,000, in addition to the ACR, would be contributed to the Police & Fire Pension Plan in 2013 and 2014 for acceptance of the changes approved in December 2012. The ACR and additional $1,000,000 contribution for 2013 have been made for a total contribution of $2,616,761.00.

2. The plan trustees decreased the salary increase assumption from 4.75 to 4.5%.

3. The amortization of Unfunded Accrued Liability was changed from a level percent of payroll to a level dollar amortization.

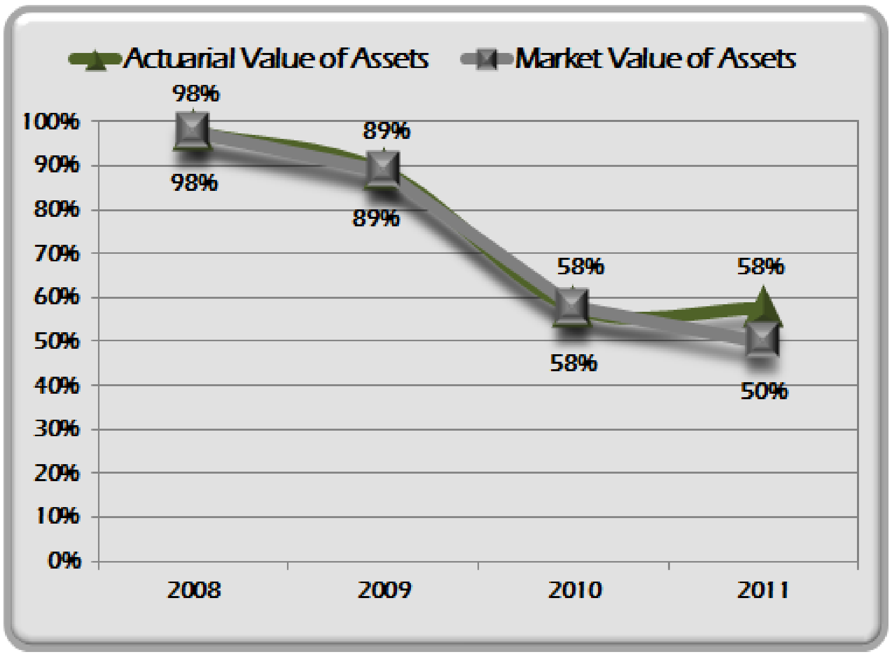
If you need any further information, please let me know.

Michael W. Wooldridge
City of Ladue
9345 Clayton Road
St. Louis, Mo 63124
314-993-3439
314-993-5652 (fax)
administration@cityofladue-mo.gov

MEHLVILLE FIRE PROTECTION DISTRICT
DEFINED BENEFIT PLAN

- Rate of return on investments equaled 0.05% (Market) vs. 5% assumed.
- Plan does not smooth investment gains/losses.
- Plan was closed in 2006 and a defined contribution plan was established for District employees.
- Unfunded Actuarial Accrued Liabilities amortized over a 20 year period as of 2011.
- According to the actuarial valuation, the IRS, **in a Determination letter dated June 11, 2010** approved the Plan's termination. The Plan's assets and liabilities have yet to be fully settled as part of that termination as of 1/1/13.
- Interest rate assumption decreased from 7.5% to 5.0% in 2010.
- Biennial Valuation is performed on this plan with another valuation due as of 01/01/13.
- Employees do not make a payroll contribution to this plan.
- The employer has not made a contribution to the plan since 2006.

This information reflects identical information reported in the last Watch List report.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2011	$426,969	$0	0%
2010	$35,435	$0	0%
2009	$35,435	$0	0%
2008	$110,715	$0	0%
2007	$1,681,820	$0	0%

As of 1/1/11 & 12/31/11

Market Value:	$ 6,644,743
Actuarial Value:	$ 7,786,626
AAL:	$13,373,649

MEMBERSHIP:
Active: 0 Inactive: 32

BENEFITS:
Normal Retirement Formula:
2.625% of compensation for each of the first 27 years of service, plus 1% for each additional year
Maximum: 75% of compensation
Temporary Supplemental Benefit: $500 per month from age 58 until Social Security eligibility

Normal Retirement Benefits:
Age 58 with 5 years of service

Social Security Coverage: Yes

COLA: 'CAP'-Total Maximum: 3%

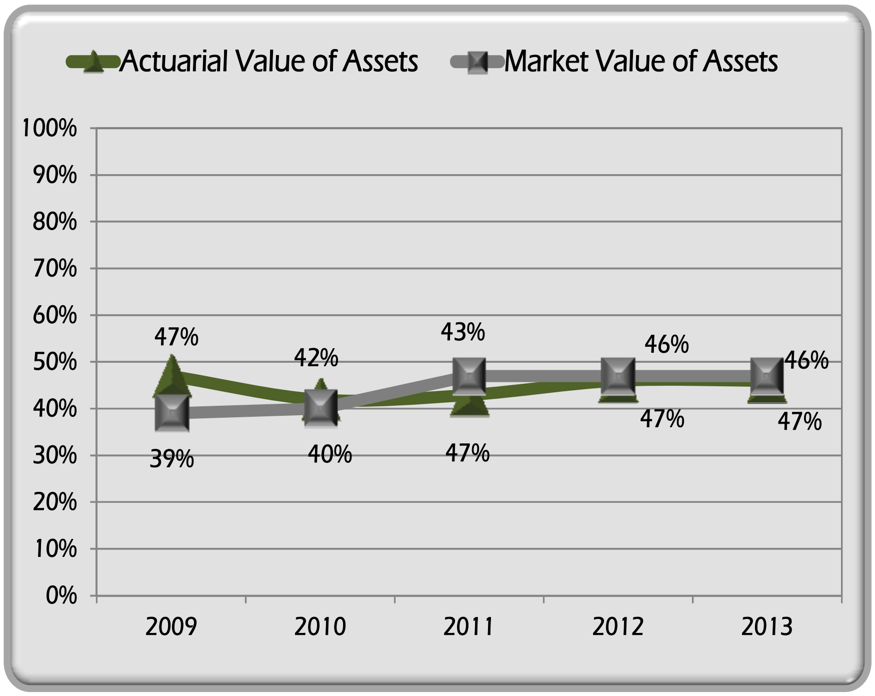
ACTUARIAL ASSUMPTIONS:
Interest: 5.0%

Defined Contribution Plan

Defined Benefit Plan frozen effective 3/31/06

MoDOT & PATROL EMPLOYEES RETIREMENT SYSTEM

- Rate of return on investments equaled 13.0% (Market) and 12.0% (Actuarial) vs. 7.75% assumed.
- Investment gains/losses are smoothed over a 3 year period.
- Assumed Investment return reduced from 8.25% to 7.75%. The inflation component of 3.75% was not changed, yielding a real rate of return reduction of 4.5% to 4.0%
- New tier provisions were passed in 2010 requiring increased age and service requirement, increased vesting period and employee contributions for employees hired for the first time on or after 01/01/11. As of 06/30/13, 659 members (up from 198 in 2012) were covered under the 2011 tier.
- Closed 11 year period amortization of unfunded retiree liabilities and closed 26 year period amortization for the remaining unfunded liabilities.
- Provisions passed to address asset transfer associated with reciprocal service provisions between MPERS and MOSERS.
- Employees hired for the first time on or after 1/1/11, contribute 4% of pay.
- The Employer continues to meet the ARC.



	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
14/15	$200,485,540 (estimated)	N/A	-
13/14	$184,188,191	N/A	-
12/13	$170,836,117	$170,836,117	100%
11/12	$164,884,467	$164,884,467	100%
10/11	$149,952,750	$149,952,750	100%

<u>As of 6/30/13</u>

Market Value: **$1,685,732,710**
Actuarial Value: **$1,657,402,393**
AAL: **$3,583,975,559**

MEMBERSHIP:
Active: 7,336 **Inactive:** 10,479

BENEFITS:
Normal Retirement Formula:
MSEP 2000: 1.7% of compensation times years of service, plus .8% to Age 62 (under Rule of 80 or Rule of 90)

Normal Retirement Benefits:
Age 62 with 5 years service, or Rule of 80 (Age 48)
Uniformed Patrol: Mandatory retirement at Age 60
Hired for first time on or after 01/01/11: Age 67 w 10 years service, or Rule of 90 (Age 55)
Uniformed Patrol: Age 55 with 10 years service

Social Security Coverage: Yes

COLA: Annual Amount Maximum: 5%
Percent of CPI: 80%

ACTUARIAL ASSUMPTIONS:
Interest: 7.75% **Salary:** 3.50%

MoDOT & Patrol Employees Retirement System Response

From: Scott Simon <Scott.Simon@mpers.org>
Sent: Thursday, November 07, 2013 10:47 AM
To: Ronda Stegmann
Subject: RE: JCPER Plan Information

Ronda, Thank you for the opportunity to respond. While it is noted within your documented plan information, it may not be clear that our actuarial assumptions were recently updated. Specifically, our assumed rate of return was lowered from 8.25% to 7.75%. This update, along with our pre-established accelerated funding policy, demonstrates our Board's continued resolve to address our funding shortfalls of the past.

Should the Joint Committee like to discuss our recent changes or the funding policies developed to address our funded status, I would be happy to oblige.

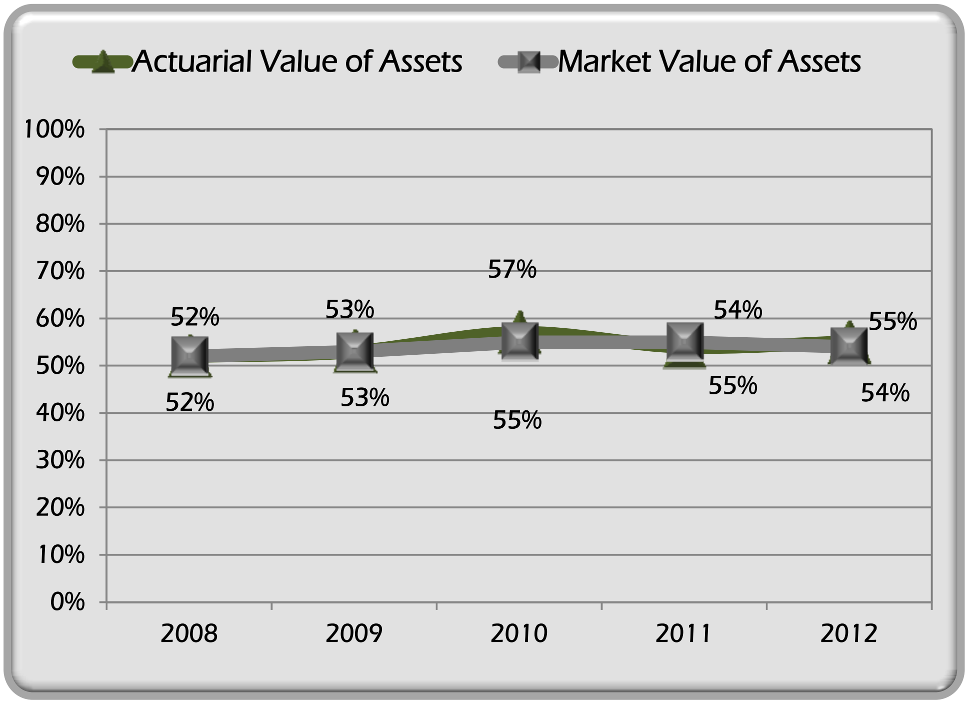
Scott

Serving those who keep us safe!

Scott L Simon | Executive Director | MoDOT and Patrol Employees' Retirement System
Office Location: 1913 William St., Jefferson City, MO 65109 **Mailing Address:** Post Office Box 1930, Jefferson City, MO 65102-1930
Telephone Number: (573) 298-6020 **Toll Free:** 1-800-270-1271 **Admin. Fax:** (573) 526-5895 **Website:** www.mpers.org

RAYTOWN POLICE OFFICERS' RETIREMENT FUND

- Plan experience was more favorable than expected plan year due to investment and liability gains.
- Plan does not smooth investment gains/losses.
- Modified from a Closed 30 to an Open 30 year period amortization of Unfunded Actuarial Accrued Liabilities.
- An Employee contribution of 3% of pay was ceased in 2000 when the Plan was 101% funded.
- The actuary notes *"The Plan has been making progress toward a safe funding level. Asset gains in 2009 and 2010 continue to help offset losses from 2008. Losses from 2011 have caused the funded status to drop slightly and the recommended contribution to increase accordingly. Gains from 2012 have slightly increased the funded status. The City policy to contribute the recommended contribution will allow the funded status to slowly improve."*
- The City exceeded the ARC for plan year 2011 and 2012.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$660,842	N/A	-
2012	$678,787	$678,787	100%
2011	$616,618	$637,728	103%
2010	$865,591	$614,745	71%
2009	$685,030	$278,854	41%

As of 12/31/12 and 10/31/12

Market Value: **$ 8,910,693**
Actuarial Value: **$ 8,765,297**
AAL: **$16,326,706**

MEMBERSHIP:
Active: 51 **Inactive:** 33

BENEFITS:
Normal Retirement Formula:
2.5% of compensation for first 20 years of service, plus 1% for each of the next 10 years of service

Normal Retirement Benefits:
Age 55 with 20 years of service

Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** 4%

<u>Raytown Police Department Response</u>

From: Melanie Lanigan [mailto:laniganm@raytownpolice.org]
Sent: Tuesday, November 12, 2013 11:04 AM
To: Ronda Stegmann
Cc: James Lynch
Subject: FW: JCPER Plan Information

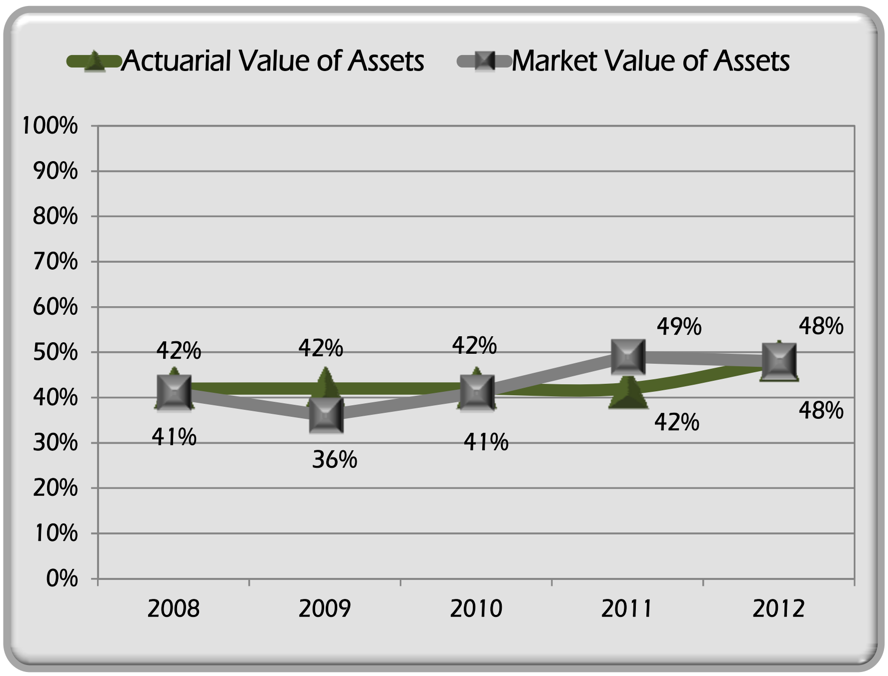
Ms. Stegmann,

We have looked at the report and have no comments. However, please find attached our City Ordinance changing our Pension Plan to LAGERS effective January 1, 2014. If you have any questions or if I need to submit anything further, please feel free to contact me.

Melanie Lanigan
Office Manager
Raytown Police Dept.
Phone 816□737□6022
Fax 816□737□6025

ROCK HILL UNIFORMED PENSION PLAN

- This plan was closed to new employees effective May 2003.
- All active participants as well as new hires are members of LAGERS as of 09/2007.
- After multiple years of the employer not making a contribution to this plan, contributions have resumed to this plan. However, contributions continue to not meet the ARC.
- Employees do not make a payroll contribution to this plan.
- Plan does not smooth investment gains/losses.
- The employer has not met the ARC since 2007.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$251,551	n/a	-
2012	$293,522	$210,325	72%
2011	$293,522	$213,226	73%
2010	$293,522	$280,000	95%

As of 3/31/13 & 5/1/12

Market Value:	**$1,748,170**
Actuarial Value :	**$1,746,542**
AAL:	**$3,618,670**

MEMBERSHIP:
Active: 10 **Inactive:** 20

BENEFITS:
Normal Retirement Formula:
40% or 50% of compensation, reduced by 1/20 for each year less than 20, plus temporary benefit. Percentage based on age and years of service as of 4/30/03.

Normal Retirement Benefits:
Age 60 with 5 years of service

Social Security Coverage: Yes

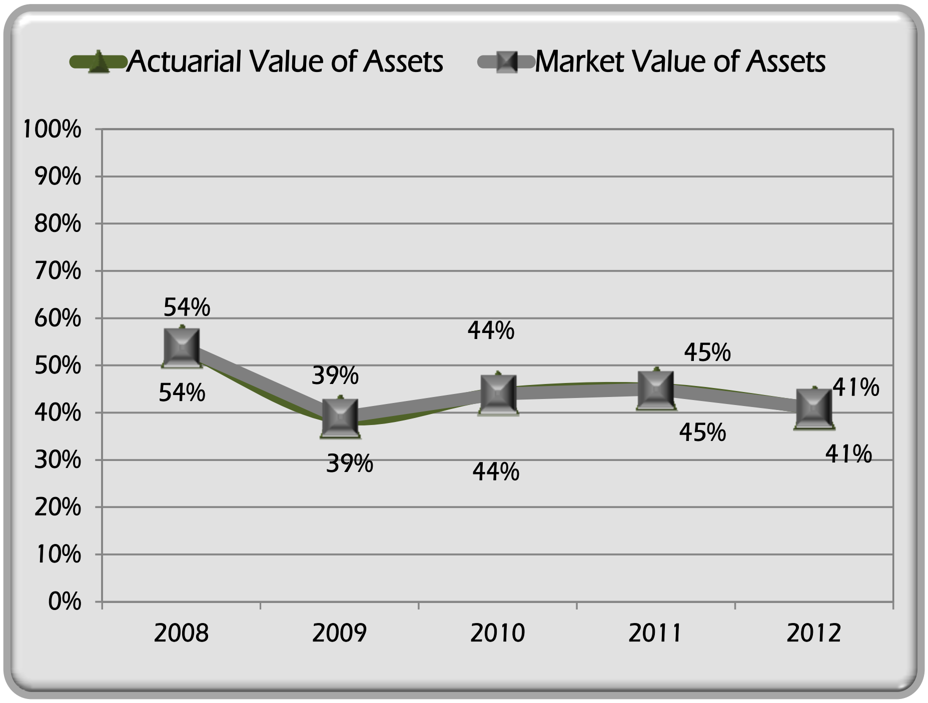
COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 6.0% **Salary:** 0%

Closed Plan effective October 2003

SEDALIA POLICE RETIREMENT FUND

- Rate of return on investments equaled 1.05% (Market) vs. 7.5% assumed.
- Plan does not smooth investment gains/losses.
- Unfunded Actuarial Accrued Liabilities amortized over a 25 year period as of 2012 (down from a 28 year period in 2011).
- The actuary notes regarding the 7.5% interest assumption... "*Given the current economic environment, the Board should give serious consideration to whether or not that represents a reasonable long term rate of return on plan assets. It should be noted that the measure of future costs and liabilities is very sensitive to this assumption. A slight decrease in the assumed rate can cause a substantial increase in the liabilities measured*."
- Plan was frozen as of April 1, 2010, with no additional benefit accruals.
- Existing and new employees moved to LAGERS.
- Effective 4/1/10, Employee payroll contributions are not required.
- Employer contributions tied to tax levy proceeds are not meeting the ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$401,679	N/A	-
2012	$364,705	$231,860	64%
2011	$429,331*	$222,527	52%
2010	$597,847	$221,579	37%
2009	$476,644	$213,378	45%

* estimate

As of 7/31/12

Market Value: **$3,157,848**
Actuarial Value: **$3,157,848**
AAL: **$7,800,214**

MEMBERSHIP:
Active: 35 **Inactive:** 41

BENEFITS:
Normal Retirement Formula:
2% of compensation times years of service
Maximum: 30 years

Normal Retirement Benefits:
Age 52 with 15 years of service

Social Security Coverage: Yes

COLA:
Annual Amount Maximum: 2%

ACTUARIAL ASSUMPTIONS:

Interest: 7.5%

Plan Frozen April 2010

City of Sedalia Response

From: Arlene Silvey [mailto:asilvey@cityofsedalia.com]
Sent: Friday, November 08, 2013 10:39 AM
To: Ronda Stegmann
Subject: RE: JCPER Plan Information

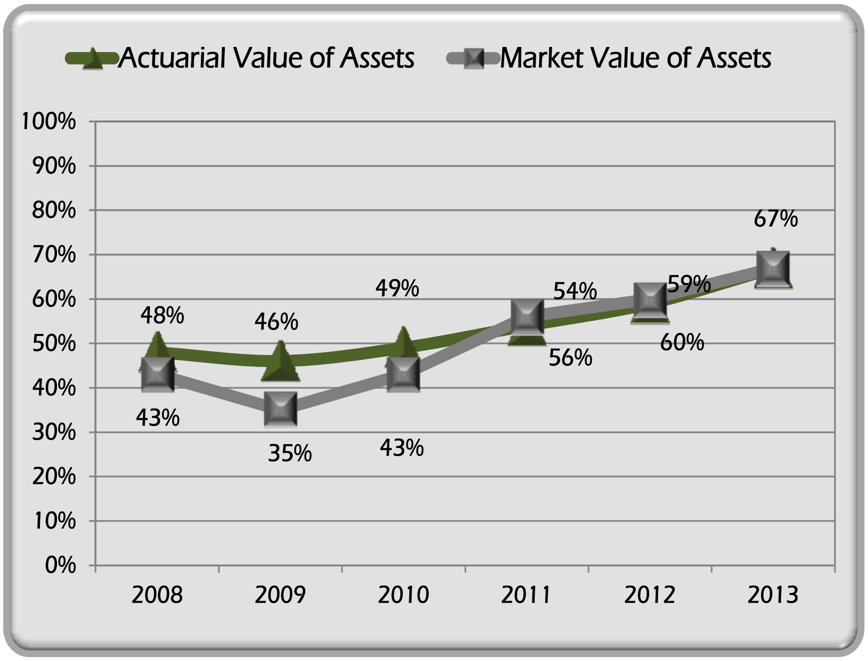
Ronda:
I have sent the e mail to all of our Police Retirement Board Members which includes the Mayor and City Administrator.

I did want to let you know that the City of Sedalia contributed $37,000 to the Police Fund in September of this year as part of the 2013/2014 budget.

Arlene
Arlene Silvey, MRCC City Clerk
City of Sedalia, MO
200 S. Osage
Sedalia, MO 65301
asilvey@cityofsedalia.com

SPRINGFIELD POLICE & FIRE RETIREMENT FUND

- Rate of return on investments equaled 10.5% (Market) and 9.2% (Actuarial) vs. 7.5% assumed.
- Investment gains/losses are smoothed over a 4 year period.
- A 3/4 cent sales tax passed in November 2009. Tax proceeds contributed $27.9 million to the plan for PYE 06/30/13 in addition to the City's contribution of 35% of pay. A renewal vote for this sales tax will be held in 2014.
- Plan is closed to new employees. Tier 2 members (hired after June 2006) and new employees were moved to LAGERS in 2010.
- Employees make a 14.63% payroll contribution to the plan effective 07/01/13.
- The Employer has exceeded the ARC since PYE 06/30/09.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
13/14	$18,429,782 (estimated)	N/A	-
12/13	$20,823,687	$35,615,908	171%
11/12	$20,881,652	$35,726,586	171%
10/11	$12,972,229	$34,141,863	263%
09/10	$13,137,104	$31,916,852	243%

As of 6/30/13

Market Value: **$254,357,749**
Actuarial Value: **$251,103,602**
AAL: **$375,635,753**

MEMBERSHIP:
Active: 354 **Inactive:** 511

BENEFITS:
Normal Retirement Formula:
2.8% of compensation times years of service;
Maximum: 70% of compensation

Normal Retirement Benefits:
Age 50 with 20 years of service,
Age 60, or 25 years of service

Social Security Coverage: No

COLA:
Annual Amount Maximum: 3%

ACTUARIAL ASSUMPTIONS:
Interest: 7.5% **Salary:** varies

Plan Closed January 31, 2010
Active members hired after 6/01/06 & new hires moved to LAGERS

City of Springfield Response

From: Mannix, Mary <mmannix@springfieldmo.gov>
Sent: Tuesday, November 12, 2013 2:22 PM
To: Ronda Stegmann
Cc: Kerringer, Maryjo
Subject: RE: JCPER Plan Information

Rhonda,

I have just a few comments for the City's response.

1. The time weighted rate of return for the Plan was 11.5% for the fiscal year ending in June 2013. This reflects actual investment returns as opposed to the average rate of return prepared by the actuary.

2. The sales tax is expected to generate $29 million in FY 2014.

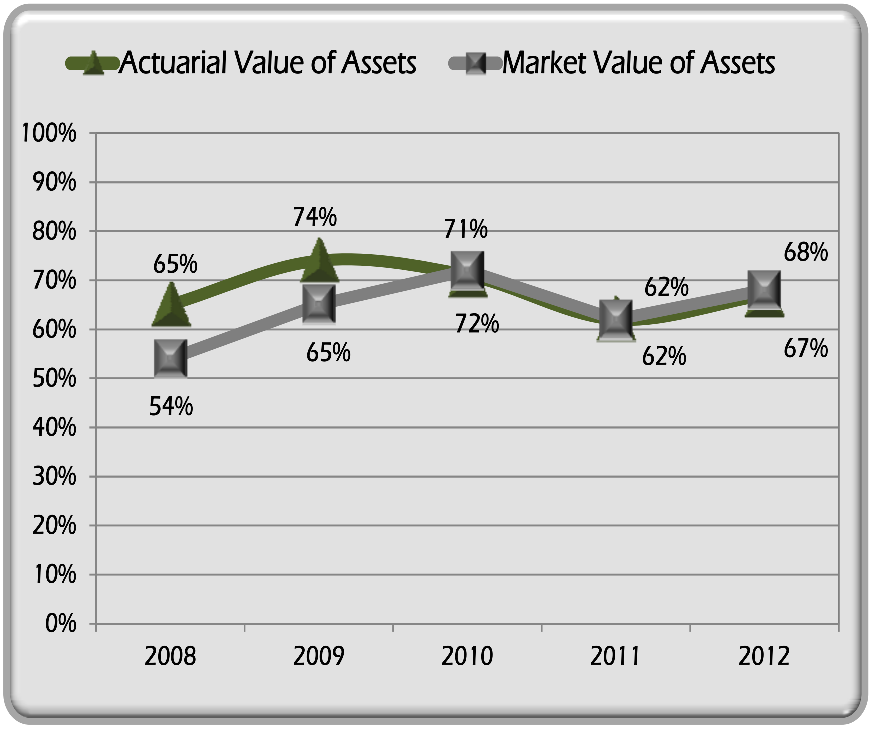
3. The comment pertaining to the COLA can be deleted since this has been resolved.

Thank you for providing the opportunity for our input.

Mary Mannix Decker
Director of Finance
City of Springfield
417□864□1399
mmannix@springfieldmo.gov

ST. LOUIS COUNTY EMPLOYEES RETIREMENT PLAN

- Rate of return on investments equaled 14.3% (Market) and 11.7% (Actuarial) vs, 8% assumed.
- Investment gains/losses are smoothed over a 4 year period.
- Open 30 year period amortization of unfunded actuarial accrued liabilities.
- This plan maintains both uniformed and non-uniformed components.
- Mortality tables were updated, termination and retirement assumptions were modified in accordance with a 2012 study.
- Employees do not make a payroll contribution to this plan. Employees participate in Social Security.
- The Employer continues to meet the ARC.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2013	$36,628,538	N/A	-
2012	$38,959,667	$38,959,667	100%
2011	$30,949,913	$30,949,913	100%
2010	$29,106,006	$29,106,006	100%
2009	$32,848,970	$32,848,970	100%

As of 12/31/12

Market Value: $500,156,496
Actuarial Value: $493,174,121
AAL: $740,433,523

MEMBERSHIP:
Active: 3,808 **Inactive:** 3,778

BENEFITS:
Normal Retirement Formula:
General Employees: 1.5% of compensation times years of service, plus $15 per month times yrs service
Uniformed: 1.6% of compensation times years of service, plus $30 per month times years of service to age 65, plus $5 per month times years of service

Normal Retirement Benefits:
General Employees: Age 65 with 3 years of service
Uniformed: Age 60 with 10 years of service, age 65 with 3 years of service, or Rule of 80

Social Security Coverage: Yes

COLA: Ad Hoc COLA
ACTUARIAL ASSUMPTIONS:
Interest: 8% **Salary:** 4.5%

St. Louis County Response

ST. LOUIS COUNTY EMPLOYEES RETIREMENT PLAN

I was recently notified by the Joint Committee on Public Employee Retirement that the St. Louis County Employees Retirement Plan is being placed on a "watch list" of public pension plans with a funded ratio of less than 70% as of 12/31/12. Given that this information will be a part of JCPER members' packets as well as the committee's website information I am accepting the invitation to submit a brief response on behalf of our plan:

1. As of 9□30□13 the plan has reached a 73% funding level. Year to date returns exceed 12%. As of 10□29□13 total funding is $567MM.

2. Since 12□31□08 when the plans' value was $334MM, the plan has accrued more than $233MM through County contributions and investment returns.

3. The County has contributed 100% of its recommended contribution since the inception of the plan in 1967.

4. The pension board has been prudent with allocating any plan improvements awarding beneficiaries a most recent COLA increase in 2005.

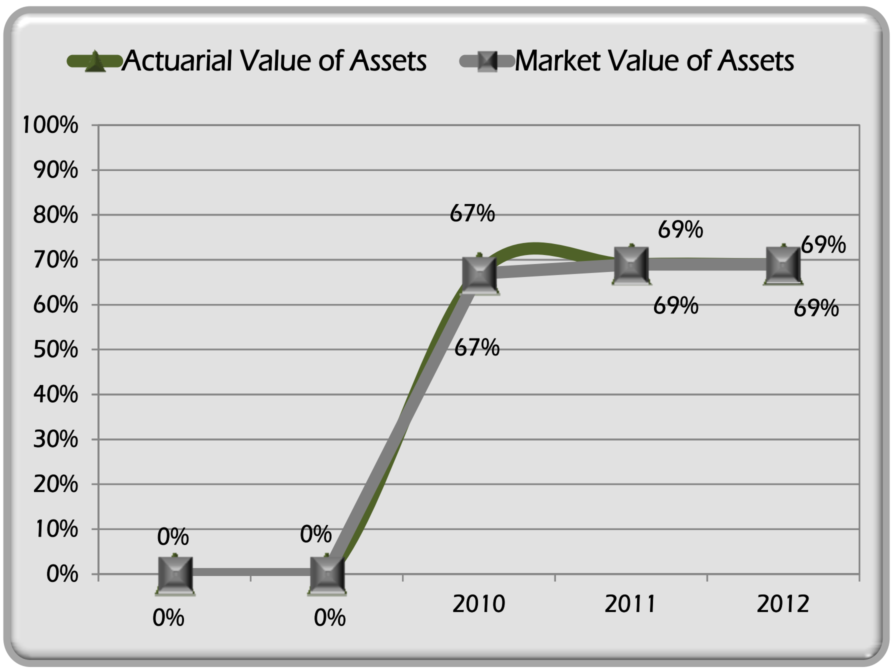
Sincerely,

Kirk McCarley

Plan Administrator

WARRENTON FIRE PROTECTION DISTRICT LENGTH OF SERVICE AWARDS PROGRAM

- This plan provides a pension benefit for volunteer members of the fire protection district.
- Plan was established in 1988.
- Plan began reporting to JCPER in 2011.
- Active members do not make a monetary contribution to the plan.
- District has made the full contribution in 2011 and 2012.



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2012	$18,297	$19,320	106%
2011	$30,668	$32,064	105%

As of 12/31/12

Market Value: **$178,794**
Actuarial Value: **$178,794**
AAL: **$258,708**

MEMBERSHIP:
Active: 37 **Inactive:** 8

BENEFITS:
Normal Retirement Formula:
$10 per month times yrs service; Maximum: $200 per month
Life annuity guaranteed for 10 years

Normal Retirement Benefits:
Age 65 with 1 year of service

Social Security Coverage: Yes

COLA: No COLA

ACTUARIAL ASSUMPTIONS:
Interest: 4.75%

Proposed Modifications to JCPER Governing Statutes
Chapters 21 and 105
Summary

Section

21.557	Clarifies statute regarding committee appropriation shall pay the expenses of the committee or the Joint Contingent From if approved by both House and Senate.
21.561	Adds new subsection regarding non-compliant of existing statutes and allows JCPER to compel testimony of pension plan officials regarding such non-compliance.
21.562	Clarifies the reporting of cost of living increases to the JCPER
21.563	Modifies submission date of the JCPER Annual Report from January 15th to date of annual first quarter meeting of the JCPER
21.564	Removes section regarding 1989 special report by the JCPER

****

105.660	Modifies definition of "Substantial Proposed Change"
105.664	Clarifies governmental accounting standards board (GASB) inclusion in actuarial valuations and requires actuarial valuations performed as a result of new GASB pronouncements be forwarded to the JCPER
105.665	Modifies components of an actuarial cost statement relative to a substantial proposed change
105.666	Adds new subsections regarding plan board of trustee education -Each education program shall be at least 3 hours in length -Excludes annual presentations by outside service providers as meeting education requirement -Requires record of education as well as signature by attending board member to be made available for public disclosure purposes -Allows board, by majority vote, to remove any board member who is not meeting education requirements.
105.670	Clarifies the filing of an actuarial cost statement at least five legislative days prior to third reading of bill in each chamber
105.683	Removes obsolete date reference
105.684	Clarifies a benefit enhancement shall be a plan modification which increases a plan's actuarial accrued liability when valued by a plan's actuary.
105.692	New section – adding existing law regarding the filing of a procurement action plan by public pension plans with the JCPER to Chapter 105 (currently found in Chapter 104).

Proposed Modifications to JCPER Governing Statutes
Chapters 21 and 105

Personnel and actuarial assistance authorized--compensation, how paid.

21.557. The committee may employ such personnel and actuarial assistance as it deems necessary to carry out its duties and prepare required reports. The compensation of such personnel and the expenses of the committee shall be paid from [the] **monies appropriated to the committee or from the** joint contingent fund **as approved.** **[**or jointly from the senate and house contingent funds until an appropriation is made therefor.**]**

(L. 1983 S.B. 393 § 3)

Powers and duties of joint committee.

21.559. The committee shall:

(1) Make a continuing study and analysis of all state and local government retirement systems;

(2) Devise a standard reporting system to obtain data on each public employee retirement system that will provide information on each system's financial and actuarial status at least biennially;

(3) Determine from its study and analysis the need for changes in statutory law;

(4) Make any other recommendation to the general assembly necessary to provide adequate retirement benefits to state and local government employees within the ability of taxpayers to support their future costs.

(L. 1983 S.B. 393 § 4, A.L. 1985 H.B. 695)

Retirement systems, state and local to cooperate.

21.561. 1. All state and local public employee retirement systems shall cooperate with and assist the committee in the performance of its duties and shall make available all books, records and information requested.

2. If any state or local public employee retirement system does not comply with the committee's request for books, records, or information or does not cooperate and assist the committee as provided in subsection 1 of this section, then the committee may request the staff or board members of any state or local public employee retirement system to testify before the committee regarding non-compliance of this section.

~~2.~~ **3.** The committee may subpoena witnesses, take testimony under oath, and compel the production of records.

(L. 1983 S.B. 393 § 5)

Cost-of-living increases in pension benefits, notice of to committee, when--evidence of actuarial soundness, when.

21.562. 1. **[**All state and local public employee retirement systems providing periodic cost-of-living increases in pension and retirement benefits paid to its retired officers and employees and spouses of deceased officers and employees prior to September 28, 1985, shall notify the joint committee on public employee retirement of such periodic cost-of-living increases within seven days after September 28, 1985.

2.**]** All state or local public employee retirement systems shall notify the committee within seven calendar days when the governing body thereof which determines the amount and type of plan benefits to be paid takes final action providing any new or additional payments of periodic cost-of-living increases in pension and retirement benefits for its retired officers and employees and spouses of deceased officers and employees **beyond the plan provisions of the prior plan year**.

2[3]. If so requested at any time by the committee, any state or local public employee retirement system providing such periodic cost-of-living increases shall provide satisfactory evidence of its actuarial soundness.

(L. 1985 H.B. 695)

Report, contents--submitted when.

21.563. The committee shall compile a full report of its activities for submission to the general assembly. The report shall be submitted not later than the **annual first quarterly meeting of the joint committee on public employee retirement** **[**fifteenth of January of**]** each year in which the general assembly convenes in regular session and shall include any recommendations which the committee may have for legislative action, as well as any recommendations to retirement system boards of management. The report shall also include an analysis and statement of the manner in which statutory provisions relating to public employee retirement programs are being executed.

(L. 1983 S.B. 393 § 6)

Study by joint committee on public pensions, retirement and benefits--report to general assembly, when.

[21.564. The joint committee on public employee retirement shall conduct a study of pension, retirement and other benefits and the taxation thereof by the state of Missouri in relation to recent federal court decisions and shall report its findings and recommendations to the general assembly no later than the beginning of the second regular session of the eighty-fifth general assembly.**]**

(L. 1989 H.B. 674 § 3)

Definitions, retirement benefit changes.

105.660. The following words and phrases as used in sections 105.660 to 105.685, unless a different meaning is plainly required by the context, shall mean:

(1) "Actuarial valuation", a mathematical process which determines plan financial condition and plan benefit cost;

(2) "Actuary", an actuary (i) who is a member of the American Academy of Actuaries or who is an enrolled actuary under the Employee Retirement Income Security Act of 1974 and (ii) who is experienced in retirement plan financing;

(3) "Board", the governing board or decision-making body of a plan that is authorized by law to administer the plan;

(4) "Defined benefit plan", a plan providing a definite benefit formula for calculating retirement benefit amounts;

(5) "Defined contribution plan", a plan in which the contributions are made to an individual retirement account for each employee;

(6) "Funded ratio", the ratio of the actuarial value of assets over its actuarial accrued liability;

(7) "Lump sum benefit plan", payment within one taxable year of the entire balance to the participant from a plan;

(8) "Plan", any retirement system established by the state of Missouri or any political subdivision or instrumentality of the state for the purpose of providing plan benefits for elected or appointed public officials or employees of the state of Missouri or any political subdivision or instrumentality of the state;

(9) "Plan benefit", the benefit amount payable from a plan together with any supplemental payments from public funds;

(10) "Substantial proposed change", a proposed change in future plan benefits which would increase or decrease the <u>**employer or employee**</u> **[**total**]** contribution percent by at least one-quarter of one percent of active employee payroll, or would increase or decrease a plan benefit by five percent or more, or would materially affect the actuarial soundness of the plan. In testing for such one-quarter of one percent of payroll contribution increase, the proposed change in plan benefits shall be added to all actual changes in plan benefits since the last date that an actuarial valuation was prepared. <u>**The closing or freezing of a current defined benefit plan would be considered a substantial proposed change for the purposes of sections 105.660 to 105.685.**</u>

(L. 1979 H.B. 130 § 1, A.L. 2007 S.B. 406)

Actuarial valuation performed at least biennially.

105.664. **1.** Each plan shall at least biennially prepare and have available as public information an actuarial valuation performed in compliance with **[**the recommended**]** **applicable** standards and guidelines as set forth by the governmental accounting standards board. Any plan currently performing valuations on a biennial basis making a substantial proposed change in benefits as defined in section 105.660 shall have a new actuarial valuation performed using the same methods and assumptions for the most recent periodic actuarial valuation.

2. An actuarial valuation performed in compliance with applicable governmental accounting standards board pronouncements shall be forwarded to the joint committee on public employee retirement.

(L. 2002 H.B. 1455)

Effective 7-11-02

Cost statement of proposed changes prepared by actuary--contents.

105.665. 1. The legislative body or committee thereof which determines the amount and type of plan benefits to be paid shall, before taking final action on any substantial proposed change in plan benefits, cause to be prepared a statement regarding the cost of such change.

2. The cost statement shall be prepared by an actuary using the methods used in preparing the most recent periodic actuarial valuation for the plan and shall, without limitation by enumeration, include the following:

(1) The level normal cost of plan benefits currently in effect, which cost is expressed **both in annual dollars and** as a percent of active employee payroll;

(2) The contribution for unfunded accrued liabilities currently payable by the plan, which cost is expressed **both in annual dollars and** as a percent of active employee payroll and shall be over a period not to exceed thirty years;

(3) The total contribution rate expressed **both in annual dollars and** as a percent of active employee**[s**] payroll, which contribution rate shall be the total of the normal cost percent plus the contribution percent for unfunded accrued liabilities;

(4) A statement as to whether the legislative body is currently paying the total contribution rate as defined in subdivision (3) of this subsection;

(5) The plan's actuarial value of assets, market value of assets, actuarial accrued liability and funded ratio as defined in section 105.660 as of the most recent actuarial valuation;

(6) **[**(5)] The total **post change** contribution rate expressed **both in annual dollars and** as a percent of active employee payroll [which would be sufficient to adequately fund the proposed change in benefits**]**;

(7) A projection of at least 20 years of the current plan provisions compared to the proposed change from the proposed effective date of such change including the total contribution rate expressed both in annual dollars and as a percent of active employee payroll, the actuarial value of assets, the market value of assets, the actuarial accrued liability and the funded ratio as defined in section 105.660;

(**8[**6**]**) A statement as to whether such additional contributions are mandated by the proposed change;

(**9[**7**]**) A statement as to whether or not the proposed change would in any way impair the ability of the plan to meet the obligations thereof in effect at the time the proposal is made;

(**10[**8**]**) All assumptions relied upon to evaluate the present financial condition of the plan and all assumptions relied upon to evaluate the impact of the proposed change upon the financial condition of the plan, which shall be those assumptions used in preparing the most recent periodic actuarial valuation for the plan, unless the nature of the proposed change is such that alternative assumptions are clearly warranted, and shall be made and stated with respect to at least the following:

(a) Investment return;

(b) Pay increase;

(c) Mortality of employees and officials, and other persons who may receive benefits under the plan;

(d) Withdrawal (turnover);

(e) Disability;

(f) Retirement ages;

(g) Change in active employee group size;

(**11[**9**]**) The actuary shall certify that in the actuary's opinion the assumptions used for the valuation produce results which, in the aggregate, are reasonable;

(**12[**10**]**) A description of the actuarial funding method used in preparing the valuation including a description of the method used and period applied in amortizing unfunded actuarial accrued liabilities;

(**13[**11**]**) The increase in the total contribution amount required to adequately fund the proposed change in benefits, expressed in annual dollars as determined by multiplying the increase in total contribution rate by the active employee annual payroll used for this valuation.

(L. 1979 H.B. 130 § 2, A.L. 1996 H.B. 1355, A.L. 2007 S.B. 406)

Board member education program required, curriculum--annual pension benefit statement required.

105.666. 1. Each plan shall, in conjunction with its staff and advisors, establish a board member education program, which shall be in effect on or after January 1, 2008. The curriculum shall include, at a minimum, education in the areas of duties and responsibilities of board members as trustees, ethics, governance process and procedures, pension plan design and administration of benefits, investments including but not limited to the fiduciary duties as defined under section 105.688, legal liability and risks associated with the administration of a plan, sunshine law requirements under chapter 610, actuarial principles and methods related to plan administration, and the role of staff and consultants in plan administration. Board members appointed or elected on a board on or after January 1, 2008, shall complete a board member education program designated to orient new board members in the areas described in this section within ninety days of becoming a new board member. Board members who have served one or more years shall attend at least two continuing education programs each year in the areas described in this section.

2. Each education program required in subsection 1 of this section shall be at least three hours in length and shall be solely for education purposes. Routine annual presentations by outside plan service providers shall not be used to satisfy board member education or continuing education program requirements.

3. Plan governing body or staff shall maintain a record of board member education, including, but not limited to, date, time length, location, education material and any facilitator utilized. The record shall be signed and attested to by the attending board member. Such information shall be maintained for public record and disclosure, if requested.

4. A board member not participating in the required education programs pursuant to this section may be removed from such board by a majority of the board members which shall result in a vacancy to be filled in accordance with plan provisions.

[2**] 5**. Each plan shall, upon the request of any individual participant, provide an annual pension benefit statement which shall be written in a manner calculated to be understood by the average plan participant and may be delivered in written, electronic, or other appropriate form to the extent such form is reasonably accessible to each participant or beneficiary. Such pension benefit statement shall include, but not be limited to, accrued participant contributions to the plan, total benefits accrued, date first eligible for a normal retirement benefit, and projected benefit at normal retirement. Any plan failing to do so shall submit in writing to the joint committee on public employee retirement as to why the information may not be provided as requested.

(L. 2007 S.B. 406)

Cost statement available for inspection--effect of changes (general assembly).

105.670. When the general assembly is the legislative body responsible for authorizing a substantial proposed change in plan benefits, a prepared statement regarding the cost of such change shall be made available for its consideration prior to taking final action. Such statement of cost shall be prepared in accordance with section 105.665 and shall be available as public information for at least five legislative days before **third reading and** [final] passage by **each** [either] house. The speaker or president pro tem may refer such bill for reconsideration upon receipt of the actuary statement to the committee to which the bill was originally referred. The bill shall retain its place on the calendar as though it had not been recalled. The committee shall report the bill to the house or senate, respectively, within seven calendar days with its recommendations. If any additional substantial proposed change as defined in subdivision **[**(5)**]** **(10)** of section 105.660, in cost or benefits is made by either house or committee thereof, the actuary making the original cost statement shall amend the statement to reflect the additional features **prior to being truly agreed to and finally passed**. The plan shall make available to the actuary such information as is necessary to prepare such actuarial statement. The statement of cost shall be filed with the chief clerk of the Missouri house of representatives, the secretary of the senate, and with the joint committee on public employee retirement.

(L. 1979 H.B. 130 § 3, A.L. 1985 H.B. 695, A.L. 1987 H.B. 713, A.L. 1989 H.B. 674, A.L. 1996 H.B. 1355)

Plan deemed delinquent, when, effect of.

105.683. Any plan, other than a plan created under sections 169.010 to 169.141 or sections 169.600 to 169.715, whose actuary determines that the plan has a funded ratio below sixty percent and the political subdivision has failed to make one hundred percent of the actuarially required contribution payment for five successive plan years with a descending funded ratio for five successive plan years **[**after August 28, 2007**]**, shall be deemed delinquent in the contribution payment and such delinquency in the contribution payment shall constitute a first lien on the funds of the political subdivision, and the board as defined under section 105.660 is authorized to compel payment by application for a writ of mandamus; and in addition, such delinquency in the contribution payment shall be certified by the board to the state treasurer and director of the department of revenue. Until such delinquency in the contribution payment, together with regular interest, is satisfied, the state treasurer and director of the department of revenue shall withhold twenty-five percent of the certified contribution deficiency from the total moneys due the political subdivision from the state.

(L. 2007 S.B. 406)

Benefit increases prohibited, when--amortization of unfunded actuarial accrued liabilities--accelerated contribution schedule required, when.

105.684. 1. Notwithstanding any law to the contrary, no plan shall adopt or implement any additional benefit increase, supplement, enhancement, lump sum benefit payments to participants, or cost-of-living adjustment beyond current plan provisions in effect prior to August 28, 2007**, which would increase the plan's actuarial accrued liability when valued by an actuary using the same methods and assumptions as used in the most recent periodic valuation**, unless the plan's actuary determines that the funded ratio of the most recent periodic actuarial valuation and prior to such adoption or implementation is at least eighty percent and will not be less than seventy-five percent after such adoption or implementation. **Methods and assumptions used in valuing such proposed change may be modified if the nature of change is such that alternative assumptions are clearly warranted.**

2. The unfunded actuarial accrued liabilities associated with benefit changes described in this section shall be amortized over a period not to exceed twenty years for purposes of determining the contributions associated with the adoption or implementation of any such benefit increase, supplement, or enhancement.

3. Any plan with a funded ratio below sixty percent shall have the actuary prepare an accelerated contribution schedule based on a descending amortization period for inclusion in the actuarial valuation.

4. Nothing in this section shall apply to any plan established under chapter 70 or chapter 476.

(L. 2007 S.B. 406)

105.692. All retirement plans defined under section 105.660, shall develop a procurement action plan for utilization of minority and women money managers, brokers and investment counselors. Such retirement systems shall report their progress annually to the joint committee on public employee retirement and the governor's minority advocacy commission.

October 18, 2013

Honorable Mike Leara
Chairman, Joint Committee on Public Employee Retirement
MO House of Representatives
201 West Capitol Avenue
Room 313-2
Jefferson City MO 65101

Representative Leara:

I am writing to request your approval for an appointment to the NCSL Standing Committees. NCSL Staff Chair, Tom Wright, Chief of Staff to the Speaker, Alaska, has nominated the following staff as officers of the Committees:

- **Ronda Stegmann** as Staff Vice Chair of the Budgets and Revenue Committee

The term of office begins immediately and will run through the NCSL Legislative Summit in August 2014. As an officer of the Committee, we hope that she will attend as many of the Committee meetings as possible. Here is a list of the meeting dates and locations:

- Fall Forum, December 4-6, 2013, Washington, DC
- Legislative Summit, August 19-22, 2014, Minneapolis, Minnesota

Committee officers are responsible for travel expenses associated with attending these meetings as well as for paying the registration fee for the meeting.

When you have approved the appointment of Ms. Stegmann to serve as a Standing Committee officer, NCSL committee staff will contact her to ask for acceptance of the appointment.

Thank you for considering this appointment(s); I hope it meets with your approval. Please let me know if you have any questions.

Sincerely,

Joshua Ewing
Policy Specialist, Health Program
Liaison to the Missouri General Assembly

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