

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT
THIRD QUARTER MEETING
September 15, 2015

The Joint Committee on Public Employee Retirement held its 3rd Quarter Meeting on Tuesday, September 15, 2015 at 2:00 pm in House Hearing Room 4. With a quorum being established, Representative Leara called the meeting to order. Joint Committee members in attendance were Senators Keaveny, Schaaf, Wallingford and Walsh and Representatives Anders, Bernskoetter, Leara, Pierson, Runions and Walker. Senators Chappelle-Nadal and Kehoe were not in attendance.

Representative Leara turned the meeting over to the Executive Director, Michael Ruff. The Director discussed the upcoming Governmental Accounting Standards Board (GASB) Statements 74 and 75, regarding postemployment benefits other than pensions (other postemployment benefits or OPEB), such as retiree healthcare. The basic change is that OPEB annual costs and long-term obligations will now be listed on the plans' and employers' balance sheets which will show an increase in the total liabilities for future benefits. Statement 74, which addresses financial reporting by plans that administer OPEB benefits, will become effective for fiscal years beginning after June 15, 2016. Provisions in Statement 75, which addresses accounting and financial reporting by governments or governmental units that provide OPEB are effective for fiscal years beginning after June 15, 2017. OPEB principally involves health care benefits, but may also include life insurance, disability, legal and other services that employers provide to their retired employees separate from a pension plan. A report was provided showing 50 pension plans that offer OPEB to retirees.

The Director gave an overview of pension bills that were passed during the 2015 Legislative Session. There were 5 pension related bills Truly Agreed To and Finally Passed. Four were vetoed by Governor Nixon. The vetoed bills were: HB 42, which included a MOSERS provision permitting the Missouri Charter Public School Commission employees to become state employees for retirement and healthcare benefit purposes; HB 326, which clarified education requirements for pension plan board members; HB 629, which included IRS compliance and non-spouse rollovers for Kansas City Police Retirement Plan and also required a member of the St. Louis Public School Retirement System and Kansas City Public School Retirement System boards be a charter school teacher or administrator; and HB 799, which included provisions for MOSERS in regards to judicial circuit employees. HB 515, which was signed by Governor Nixon, included St. Louis Police disability determination modifications; permits employees transferred from the City of St. Louis to the St. Louis City Police Department the ability to choose membership in either St. Louis Employees Retirement System or St. Louis Police Retirement System; and included the same internal revenue compliance and non-spouse rollover provisions for Kansas City Police that were in HB 629.



JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

THIRD QUARTER MEETING

September 15, 2015
(Continued)

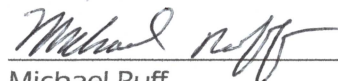
In August the Missouri State Auditor's office conducted an audit of the Missouri Local Government Employees' Retirement System (LAGERS). The overall performance of this entity was rated as **Good**, and a copy of the Citizens Summary was provided.

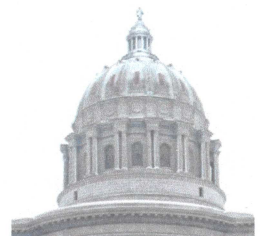
The Committee was provided with 2nd quarter plan reporting numbers for 2015. With 61 of 90 defined benefit plans reporting, it was noted that many plans are experiencing quarterly returns below that of plan assumptions.

The Director gave a summary of attendance at the annual conference of the Missouri Association of Public Employee Retirement Systems (MAPERS), held on July 15-17, 2015 at the Lake of the Ozarks. It was noted that the conference provided current information in regards to GASB changes, reminders in regards to ethics and the use of social media, and the keynote speaker's address on the "Science of Happiness". Committee members are always welcomed to attend this annual conference.

Information was provided to the members in regards to the City of Hannibal Police and Fire Retirement Plan ongoing efforts to increase funding in order to meet their pension obligations. The city is currently considering increasing the employee contribution rate. The director also noted the various changes that have been made to the plan in the last ten years to increase the plan's funding and make it more stable.

No further business being presented, the committee adjourned.


Michael Ruff
Executive Director



JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

3rd QUARTER MEETING
September 15, 2015
2:00 p.m.— House Hearing Room 4

AGENDA

Roll Call

Governmental Accounting Standards Board (GASB)
Statements No 74 & No 75—OPEB

Legislative Update

State Auditor's Office-LAGERS

Quarterly Reporting

MAPERS Conference Overview

City of Hannibal Police and Fire

Other Business



GASB In Focus

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

In June 2015, the GASB issued two final Statements detailing how state and local governments should account for and report postemployment benefits other than pensions (*other postemployment benefits* or *OPEB*), such as retiree health insurance.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses financial reporting by plans that administer OPEB benefits.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and financial reporting by governments that provide OPEB to their employees or employees of other governmental units.

The requirements set forth in these two Statements significantly change how governments calculate and report the annual costs and long-term obligations associated with OPEB.

The requirements are designed to equip government policy makers, citizen and taxpayer groups, municipal bond analysts, and others with information that more comprehensively portrays the governments' promises to provide OPEB.

What Are "Other Postemployment Benefits" (OPEB)?

Other postemployment benefits (OPEB) are benefits, other than pensions, that employers provide to their retired employees.

These benefits principally involve health care benefits, but also may include life insurance, disability, legal, and other services when those benefits are provided separately from a pension plan.

Why Did the GASB Undertake the OPEB Project?

The GASB periodically reviews its existing standards to determine whether they are effective in supporting accountability and providing decision-useful information for financial statement users.

In 2008, the GASB added a project to its technical agenda on postemployment benefit accounting and financial reporting after

conducting extensive research that suggested there were significant opportunities for improving the existing standards.

The first phase of that project focused on issues related to pensions that are administered through trusts that meet specified criteria, with the intent that any changes to the pension accounting and financial reporting approach subsequently would be considered in relation to OPEB.

The first phase of the postemployment benefit project concluded in June 2012, when the GASB approved new pension standards for state and local governments. The second phase of the postemployment benefit project—to consider issues related to OPEB—commenced in July 2012.

After extensive deliberation, the Board issued proposed OPEB standards for public comment in May 2014. The Board received more than 100 responses during the comment period.

Like the 2012 pension standards, the new OPEB Statements bring about fundamental changes in how OPEB is accounted for and reported. Similar to the changes made to the pension standards,

the changes in the OPEB standards provide a more comprehensive measure of the resources that will be needed to make good on the benefit promises that state and local governments have made. Together, the pension and OPEB standards represent a single, consistent approach to accounting for and reporting on all postemployment benefits.

What Types of OPEB Are Covered by the Statements?

The two basic types of OPEB that governments provide are *defined benefit* and *defined contribution*. The majority of OPEB is defined benefit, which specifies the benefits that employees will receive after their employment.

By contrast, defined contribution OPEB stipulates the amount that is required to be contributed to an active employee's account each year. The OPEB that the employee will receive under a defined contribution plan depends on the contributions to the employee's account, the actual earnings on investments of those contributions, and allocated forfeitures from former plan members' accounts less OPEB plan administrative costs.

What Are the Main Provisions of the Statements?

Statement 75 requires governments to report a liability on the face of the financial statements, representing their financial obligation for the defined benefit OPEB that they provide. For governments that provide OPEB through a defined benefit OPEB plan administered through a trust meeting specified criteria, this liability would be the *net OPEB liability*, which is the difference between the *total OPEB liability* (the part of the actuarial present value

of projected benefit payments that is attributed to past periods of service) and the OPEB plan's *fiduciary net position* (essentially, the amount available to make benefit payments). For governments that provide OPEB through a defined benefit OPEB plan *not* administered through a trust meeting specified criteria, the liability reported in the financial statements would be the total OPEB liability.

To report a net OPEB liability rather than the total pension liability, a government's OPEB have to be administered through a trust that meets all three of the following criteria:

- Contributions to the OPEB plan from the government and other entities, as well as earnings on those contributions, are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to the plan members.
- OPEB plan assets are protected from creditors.

Statement 75 also lays out significant changes to how a government should calculate its OPEB liability and annual OPEB expense. These changes include:

- For OPEB administered through a trust meeting the specified criteria, projected OPEB payments will be discounted to their present value using:
 - The long-term expected rate of return on OPEB plan assets to the extent that plan assets, if any, are expected to be available to make projected benefit payments and be invested using a strategy to achieve that return
 - A 20-year tax-exempt, high-quality general obligation

municipal bond yield or index rate to the extent that the conditions above are not met.

- For OPEB that is *not* administered through a trust meeting the specified criteria, projected OPEB payments will be discounted to their present value using the 20-year tax-exempt rate.
- Use of a single actuarial cost allocation method ("entry age actuarial cost method").
- Faster recognition of more components of OPEB expense than is currently required, which better reflects when the benefit cost is incurred.

The Statement also carries forward an option for OPEB plans with fewer than 100 plan members (active and inactive) to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability. This option is intended to help balance the costs and benefits related to the OPEB standards for small governments.

Statement 75 also requires governments in defined benefit OPEB plans to present more extensive note disclosures and required supplementary information. Governments will provide more detailed information about the assumptions employed in measuring the OPEB liability, especially with regard to the selection of the discount rate. Governments in single-employer and agent multiple-employer OPEB plans will disclose new information about the causes of increases and decreases in the OPEB liability, and will present a supporting schedule that tracks those

changes over the past 10 years. Governments will present another 10-year schedule comparing their required contributions to their OPEB plan with the contributions they actually made.

Statement 74 addresses separate financial reporting by defined benefit OPEB plans that are administered through trusts that meet the specified criteria. Statement 74 also addresses how assets that are accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through trusts meeting the specified criteria should be reported. Additionally, the Statement describes note disclosure requirements for defined contribution OPEB plans that are administered through trusts that meet the specified criteria.

What Makes OPEB a Liability?

GASB Concepts Statement No. 4, *Elements of Financial Statements*, defines a liability as a present obligation to sacrifice resources that a government has little or no discretion to avoid.

Historically, the pension benefits of employees in most state and local governments have been legally protected from being reduced or

eliminated after the fact. OPEB may not have the same protections if they are not a legal or contractual obligation of the government. Consequently, some governments may be able to change the benefits or employees' eligibility to receive benefits, or even stop providing benefits altogether, whenever they wish. These facts raise questions about whether OPEB is a liability that should be reported in the financial statements.

In establishing the definition of a liability, Concepts Statement 4 states that the term refers to a "social, legal, or moral requirement, such as a duty, contract, or promise that compels one to follow . . . a particular course of action." The possibility that a government could change or end the OPEB it has promised in the future does not change the fact that, as of the date of the financial statements, it had a present obligation to fulfill its promise to provide OPEB.

Does the GASB Require Governments to Fund OPEB?

No. The GASB establishes standards addressing accounting and financial reporting issues. How a government actually pays for OPEB is a policy decision made by government officials.

Governments have an obligation to pay OPEB based on the level of retirement benefits promised to employees in exchange for their service. The GASB's standards address how to measure the long-term liability and annual costs of OPEB *for the purpose of reporting them in the annual audited financial statements*. GASB standards are not required to be applied to how a government measures OPEB *for the purpose of determining how much to set aside to fund future OPEB payments*.

When Do the New OPEB Statements Take Effect?

The provisions in Statement 74 are effective for financial statements for fiscal years beginning after June 15, 2016. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

Statements 74 and 75 are available for download at no charge from the GASB website. Printed copies of the Statements will be available for purchase on July 15, 2015

For more information about OPEB, please visit the GASB's website at www.gasb.org.

Joint Committee on Public Employee Retirement
Retiree Health Care
For Plan Year 2013

Report Health
9/14/2015

Affton FPD Retirement Plan

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y
Subsidy percent: 100

Arnold Police Pension Plan

Retiree: Y
Spouse/Dependents: N
Other: Retiree pays premium = to COBRA premium

Bi-state Dev Agency Division 788, A.T.U.

Retiree: Y
Spouse/Dependents: Y
Other: 87% of pref prem or 85% for family cover
By Political Subdivision: Y
Subsidy percent: 87

Bi-state Development Agency Local 2 I.B.E.W.

Retiree: Y
Spouse/Dependents: Y
Other: 87% of pref prem & 85% for family cover
By Political Subdivision: Y
Subsidy percent: 87

Bi-state Division 788 Clerical Unit ATU

Retiree: Y
Spouse/Dependents: Y
Other: 87% pref premium or 85% family coverage
By Political Subdivision: Y
Subsidy percent: 87

Bi-state Salaried Employees

Retiree: Y
Spouse/Dependents: Y
Other: 88% of premium
By Political Subdivision: Y
Subsidy percent: 88

Columbia Firemens' Retirement Plan

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y

Columbia Police Retirement Plan

Retiree: Y
Spouse/Dependents: Y

Community FPD Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Act Funded: Y
Subsidy percent: 2.78

Creve Coeur Employees Retirement Plan

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y
Subsidy percent: 87.5

Creve Coeur FPD Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: To Medicare eligibility
By Political Subdivision: Y
Subsidy percent: 100

Eureka FPD Retirement Plan

Retiree: Y
Spouse/Dependents: N
By Political Subdivision: Y
Subsidy Flat: \$400 per Month

Ferguson Pension Plan

Retiree: Y
Spouse/Dependents: N
By Plan: Y
Subsidy Flat: \$Max = 150 per Month
Act Funded: Y

Florissant Valley FPD Retirement Plan

Retiree: Y
Spouse/Dependents: N
By Political Subdivision: Y
Subsidy percent: 100

Hannibal Police & Fire Retirement Plan

Retiree: Y
Spouse/Dependents: N
Other: Police = 3 yrs; Fire = 5 yrs; or until Medicare Eligible
By Political Subdivision: Y
Subsidy percent: 100

Hazelwood Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: Retiree responsible for entire premium

Joplin Police & Fire Pension Plan

Retiree: Y
Spouse/Dependents: N
Other: retiree pays 100% of active employee premium

Judicial Retirement System

Retiree: Y
Spouse/Dependents: Y
Other: Avg Subsidy = 61% - 2.5% x YOS with 65% max
By Political Subdivision: Y
Subsidy percent:

Joint Committee on Public Employee Retirement
Retiree Health Care
For Plan Year 2013

Report Health
9/14/2015

Kansas City Civilian Police Employees' Retirement System

Retiree: Y
Spouse/Dependents: Y
Other: Police Department provides access no subsidy

Kansas City Police Retirement System

Retiree: Y
Spouse/Dependents: Y
Other: Police Department provides access no subsidy

Kansas City Public School Retirement System

Retiree: Y
Spouse/Dependents: Y
Other: Retiree pays 100% of premium

KC Area Transportation Authority Salaried Employees Pension Plan

Retiree: Y
Spouse/Dependents: N
By Political Subdivision: Y
Subsidy percent: 90

KC Trans. Auth. Union Employees Pension Plan

Retiree: Y
Spouse/Dependents: N
By Political Subdivision: Y
Subsidy Flat: \$259.7 per Month

Ladue Non-uniformed Employees Retirement Plan

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y
Subsidy Flat: \$\$200-400 per Month

Ladue Police & Fire Pension Plan

Retiree: Y
Spouse/Dependents: Y
Other: To age 65
By Political Subdivision: Y
Subsidy Flat: \$200-\$400 per Month

LAGERS Staff Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: 2.5% x YOS - Max: 75%
By Political Subdivision: Y
Subsidy percent: 2.5
Act Funded: Y

Maplewood Police & Fire Retirement Fund

Retiree: Y
Spouse/Dependents: N
Other: Retirees pay 100% for coverage

Metro St. Louis Sewer Dist Employees Pension Plan

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y
Subsidy percent: 100

Metro West FPD Retirement Plan

Retiree: Y
Spouse/Dependents: N
Other: Paid until age 65
By Political Subdivision: Y
Subsidy Flat: \$500 per Month

Mid-County FPD Retirement Plan

Retiree: Y
Spouse/Dependents: N
Other: monthly allowance to pay for health insurance
By Political Subdivision: Y
Subsidy Flat: \$500 per Month
Act Funded: Y
Subsidy percent: 16.88

Missouri State Employees Retirement System

Retiree: Y
Spouse/Dependents: Y
Other: Employer Subsidizes 2.5% x YOS up to 65%
By Political Subdivision: Y
Subsidy percent:

MoDOT & Highway Patrol Employees' Retirement System

Retiree: Y
Spouse/Dependents: Y
Other: Average subsidy is 47.81% of premium
By Political Subdivision: Y

North Kansas City Hospital Retirement Plan

Retiree: Y
Spouse/Dependents: N
Other: Until age 65
By Political Subdivision: Y
Subsidy percent:

North Kansas City Policemen's & Firemen's Retirement Fund

Retiree: Y
Spouse/Dependents: Y
Other: No subsidy, effective 08/05/2011

Olivette Salaried Employees' Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: Retiree pays 100% of premium

Pattonville-Bridgeton FPD Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: to medicare eligibility
By Political Subdivision: Y
Subsidy percent: 100

Joint Committee on Public Employee Retirement
Retiree Health Care
For Plan Year 2013

Report Health
9/14/2015

Poplar Bluff Police & Fire Pension Plan

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y
Subsidy Flat: \$419 per Month

Raytown Policemen's Retirement Fund

Retiree: Y
Spouse/Dependents: Y
Other: Retiree pays 125% of active premium to medicare eligibility

Richmond Heights Police & Fire Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: Not Subsidized Retiree pays full cost - ceases at Medicare Elig

Rock Community FPD Retirement Plan

Retiree: Y
Spouse/Dependents: N
By Plan: Y
Subsidy Flat: \$5500 per Month

Sedalia Firemen's Retirement Fund

Retiree: Y
Spouse/Dependents: Y
Other: 100% Paid by Employee

Sedalia Police Retirement Fund

Retiree: Y
Spouse/Dependents: Y
Other: 100% Paid by employee

Sheriff's Retirement System

Retiree: Y
Spouse/Dependents: N
By Plan: Y
Subsidy Flat: \$304 per Month
Act Funded: Y

Springfield Police & Fire Retirement Fund

Retiree: Y
Spouse/Dependents: Y
By Political Subdivision: Y
Subsidy Flat: \$300 per Month

St. Joseph Policemen's Pension Fund

Retiree: Y
Spouse/Dependents: Y
Other: Retiree pays 100% of premium

St. Louis Police Retirement System

Retiree: Y
Spouse/Dependents: N
By Political Subdivision: Y
Subsidy Flat: \$6771 per

St. Louis Public School Retirement System

Retiree: Y
Spouse/Dependents: Y
By Plan: Y
Subsidy Flat: \$89.10 per Month

University City Non-uniformed Retirement Plan

Retiree: Y
Spouse/Dependents: Y
Other: At age 62 and 30 YOS, same subsidy as current employee
By Political Subdivision: Y
Subsidy percent: 15/25

University City Police & Fire Retirement Fund

Retiree: Y
Spouse/Dependents: Y
Other: At 62 and 30 YOS, same subsidy as current employee
By Political Subdivision: Y
Subsidy percent: 15/25

University of Mo Retirement, Disability & Death Benefit Plan

Retiree: Y
Spouse/Dependents: Y
Other: Flat dollar rate of 2500 per year
By Political Subdivision: Y
Subsidy Flat: \$2500 per
Act Funded: Y

Legislative Update from 2015 Session:

In the 2015 legislative session, the General Assembly truly agreed to and finally passed five pension-related bills:

1. HB 515 - Signed into law. St. Louis Police disability determination modifications. Permits employees transferred from the City of St. Louis to the St. Louis City Police Department to be choose membership in either St. Louis Employees Retirement System or St. Louis Police Retirement System. Kansas City Police - internal revenue compliance and non-spouse rollovers.

2. HB 42 - Vetoed. Omnibus education bill. One provision relating to MOSERS. Permitted employees of the Missouri Charter Public School Commission to be state employees for retirement and healthcare benefit purposes.

3. HB 326 - Vetoed. Clarified that education requirements for retirement system board members only applies to public defined benefit pension plans.

4. HB 629 - Vetoed. KC Police - internal revenue compliance and non-spouse rollovers. St. Louis PSRS & KC-PSRS - would have required that a member of the boards be a charter school teacher or administrator.

5. HB 799 - Vetoed. Judicial circuit bill. Judicial court employees, who are employees of a multi-county circuit that becomes a single-county circuit, will continue to be state employees and receive MOSERS-covered benefits.



Nicole R. Galloway, CPA
Missouri State Auditor

August 2015

CITIZENS SUMMARY

Findings in the audit of the Missouri Local Government Employees' Retirement System (LAGERS)

Gifts and Travel Expenses from Third Parties

The Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees. Without documentation, the acceptance of gifts and paid travel expenses is not transparent and cannot be monitored for compliance with the Board's ethics policy.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Joint Committee on Public Employee Retirement

Quarterly Reports

2015 Second Quarter

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
Afton FPD Retirement Plan	\$7,318,735	\$7,200,682	3.2% (Net)	10.7% (Net)	10.4% (Net)
Antonia FPD Pension Plan	\$1,972,099	\$1,956,745	2.18% (Net)	2.18% (Net)	2.18% (Net)
Arnold Police Pension Plan	\$10,410,616	\$10,406,250	2.76% (Net)	9.51% (Net)	9.1% (Net)
Black Jack FPD Retirement Plan	\$11,814,998	\$11,656,837	1% (Net)	1% (Net)	1% (Net)
Brentwood Police & Firemen's Retirement Fund	\$33,658,915	\$33,572,156	N/A% (Gross)	N/A% (Gross)	N/A% (Gross)
Bridgeton Employees Retirement Plan	\$26,713,289	\$26,068,351	-0.37% (Net)	8.47% (Net)	9.19% (Net)
Carthage Policemen's & Firemen's Pension Plan	\$6,609,744	\$6,509,925	6.31% (Net)	9.35% (Net)	8.59% (Net)
Cedar Hill Fire Protection District Length of Service Awards Program	\$111,152	\$112,177	N/A% (Net)	N/A% (Net)	N/A% (Net)
Clayton Non-uniformed Employee Pension Plan	\$15,125,856	\$15,076,165	6.41% (Gross)	12.25% (Gross)	12.17% (Gross)
Clayton Uniformed Employees Pension Plan	\$37,657,566	\$37,278,882	5.54% (Gross)	10.86% (Gross)	11.33% (Gross)
Columbia Police and Firemens' Retirement Plan	\$117,848,944	\$116,659,297	3.43% (Net)	8.84% (Net)	8.62% (Net)
Community FPD Retirement Plan	\$23,489,698	\$23,657,639	-1.34% (Net)	13.99% (Net)	10.92% (Net)
County Employees Retirement Fund	\$440,060,000	\$446,947,000	4.06% (Gross)	11.85% (Gross)	11.68% (Gross)
Creve Coeur Employees Retirement Plan	\$21,963,374	\$21,810,257	2.3% (Net)	10.7% (Net)	10.3% (Net)
Creve Coeur FPD Retirement Plan	\$10,560,977	\$10,349,822	n/a% (Gross)	n/a% (Gross)	n/a% (Gross)
Eureka FPD Retirement Plan	\$10,186,185	\$10,161,144	1% (Net)	1% (Net)	1% (Net)
Fenton FPD Retirement Plan	\$27,561,674	\$26,583,061	1.62% (Net)	9.94% (Net)	9.03% (Net)
Firefighter's Retirement Plan of the City of St. Louis	\$21,364,999	\$21,768,796	n/a% (Gross)	n/a% (Gross)	n/a% (Gross)
Florissant Employees Pension Plan	\$11,302,147	\$11,445,979	3.00% (Net)	5.60% (Net)	5.57% (Net)
Florissant Valley FPD Retirement Plan	\$24,411,832	\$24,033,678	n/a% (Net)	n/a% (Net)	n/a% (Net)
Glendale Pension Plan	\$5,278,808	\$5,266,719	2.2% (Gross)	N/A% (Gross)	N/A% (Gross)
Hannibal Police & Fire Retirement Plan	\$15,057,885	\$15,223,540	2.4% (Gross)	10.1% (Gross)	10.1% (Gross)
Hazelwood Retirement Plan	\$35,609,441	\$35,755,620	8.03% (Net)	19.08% (Net)	17.39% (Net)

Please be aware information provided in this report may contain unaudited data.

9/14/2015

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
High Ridge Fire Protection District Pension Plan	\$7,564,612	\$7,511,721	0.5% (Net)	8.9% (Net)	9.0% (Net)
Jackson County Employees Pension Plan	\$243,628,327	\$246,573,502	4.3% (Gross)	11.55% (Gross)	11.17% (Gross)
Jefferson City Firemen's Retirement System	\$17,569,788	\$17,039,939	0.82% (Net)	6.22% (Net)	8.43% (Net)
Kansas City Civilian Police Employees' Retirement System	\$122,159,000	\$122,410,000	2.36% (Gross)	8.56% (Gross)	8.66% (Gross)
Kansas City Employees' Retirement System	\$1,077,997,546	\$1,070,703,545	4.1% (Net)	11.4% (Net)	10.7% (Net)
Kansas City Police Retirement System	\$783,484,000	\$782,450,000	2.65% (Gross)	8.78% (Gross)	8.84% (Gross)
KC Area Transportation Authority Salaried Employees Pension Plan	\$15,770,393	\$16,021,604	4.37% (Gross)	10.90% (Gross)	10.93% (Gross)
KC Trans. Auth. Union Employees Pension Plan	\$44,250,599	\$44,016,073	2.58% (Net)	10.76% (Net)	10.59% (Net)
Ladue Non-uniformed Employees Retirement Plan	\$4,592,155	\$4,514,333	2.82% (Net)	9.76% (Net)	9.63% (Net)
Ladue Police & Fire Pension Plan	\$31,556,839	\$31,177,685	2.94% (Net)	9.81% (Net)	9.69% (Net)
LAGERS Staff Retirement Plan	\$9,273,243	\$9,179,327	0.19% (Net)	10.42% (Net)	10.03% (Net)
Little River Drainage Dist Retirement Plan	\$1,327,678	\$1,308,833	.94% (Net)	3.98% (Net)	3.36% (Net)
Local Government Employees Retirement System	\$6,325,467,908	\$6,356,832,833	2.16% (Net)	11.68% (Net)	12.18% (Net)
Maplewood Police & Fire Retirement Fund	\$14,473,169	\$14,277,278	3.95% (Gross)	11.32% (Gross)	12.18% (Gross)
Metro West FPD Retirement Plan	\$42,451,559	\$42,372,678	3.85% (Net)	8.47% (Net)	8.18% (Net)
Missouri Higher Education Loan Authority Pension Plan	\$37,470,828	\$37,661,534	3.05% (Net)	8.78% (Net)	n/a% (Net)
Missouri State Employees Retirement System	\$8,867,350,941	\$8,633,309,778	-2.6422% (Net)	8.5828% (Net)	9.6390% (Net)
North Kansas City Hospital Retirement Plan	\$247,479,622	\$250,086,958	3.95% (Net)	10.82% (Net)	11.00% (Net)
North Kansas City Policemen's & Firemen's Retirement Fund	\$48,485,769	\$48,522,058	3.4% (Gross)	10.9% (Gross)	11.2% (Gross)
Olivette Salaried Employees' Retirement Plan	\$19,750,585	\$19,662,870	4.9% (Net)	11.1% (Net)	11.6% (Net)
Overland Non-uniform Pension Fund	\$9,823,000	\$9,566,000	2.78% (Net)	10.31% (Net)	9.64% (Net)
Overland Police Retirement Fund	\$13,077,000	\$12,817,000	2.97% (Net)	10.64% (Net)	9.84% (Net)
Pattonville-Bridgeton FPD Retirement Plan	\$30,130,358	\$29,913,734	2.17% (Net)	14.73% (Net)	11.96% (Net)
Prosecuting Attorneys' Retirement System	\$37,498,869	\$37,362,332	1.31% (Net)	7.61% (Net)	7.59% (Net)
Public Education Employees' Retirement System	\$3,948,662,883	\$3,959,547,468	4.5% (Net)	11.1% (Net)	11.1% (Net)
Public School Retirement System	\$34,696,256,267	\$34,613,404,600	4.5% (Net)	11.2% (Net)	11.3% (Net)

Please be aware information provided in this report may contain unaudited data.

9/14/2015

<u>Plan Name</u>	<u>Beg. Market Value</u>	<u>End. Market Value</u>	<u>ROR 12 mos.</u>	<u>ROR 36 mos.</u>	<u>ROR 60 mos.</u>
Rock Community FPD Retirement Plan	\$13,942,191	\$14,103,430	3.20% (Net)	10.96% (Net)	10.91% (Net)
Rock Hill Police & Firemen's Pension Plan	\$2,085,649	\$2,023,670	1.38% (Net)	1.38% (Net)	1.38% (Net)
Saline Valley Fire Protection District Retirement Plan	\$2,279,786	\$2,267,154	0.9% (Net)	9.1% (Net)	8.6% (Net)
Sedalia Firemen's Retirement Fund	\$7,477,927	\$7,265,519	2.6% (Gross)	10.4% (Gross)	10.0% (Gross)
Sedalia Police Retirement Fund	\$3,262,556	\$3,311,585	-5.09% (Gross)	4.05% (Gross)	0% (Gross)
Sheriff's Retirement System	\$40,003,255	\$39,709,872	4.051% (Gross)	12.579% (Gross)	12.858% (Gross)
St. Louis County Employees Retirement Plan	\$617,312,490	\$622,630,039	5.33% (Gross)	12.40% (Gross)	12.19% (Gross)
St. Louis County Library Dist Empl Pension Plan	\$43,928,009	\$43,057,890	1.97% (Net)	8.62% (Net)	8.54% (Net)
St. Louis Employees Retirement System	\$790,344,386	\$787,767,449	2.63% (Gross)	9.51% (Gross)	11.02% (Gross)
St. Louis Firemen's Retirement System	\$492,947,640	\$486,058,897	2.01% (Gross)	11.83% (Gross)	12.13% (Gross)
St. Louis Police Retirement System	\$721,411,841	\$699,379,554	2.6% (Net)	9.5% (Net)	9% (Net)
St. Louis Public School Retirement System	\$926,024,522	\$908,113,942	3.1% (Net)	10.1% (Net)	10.3% (Net)
	<u>\$61,274,662,124</u>	<u>\$60,953,433,406</u>			

MADE in MISSOURI

MAPERS

July 15-17, 2015 | Tan-Tan-A Resort

MAPERS 2015 Conference Agenda

Wednesday, July 15, 2015 – Salon A

12:00 – 12:45 pm	Pension Speak 2015	Rob Rust, Icon Integration & Design (PSRS/PEERS, Retired)
12:45 – 1:30 pm	Fiduciary Responsibility & Pension Plan Administration	Bill Ackerman, Klausner, Kaufman, Jensen & Levinson
1:30 – 1:45 pm	<i>Afternoon Break</i>	<i>Registration Foyer</i>
1:45 – 2:30 pm	Asset Allocation	Brian Collett, LAGERS
2:30 – 3:15 pm	Reframing the Debate	Bob Wilson, LAGERS
3:15 – 4:00 pm	Practical Uses of Social Media to Engage Members	Jeff Kempker, LAGERS
4:00 – 4:45 pm	Capitol Report	Ronda Stegmann, MOSERS (formerly JCPER Executive Director)
5:30 – 7:00 pm	<i>Whole Hog Reception Attendees/Guests/Family (Name Tags Required) Salon B</i>	

Thursday, July 16, 2015 – Salon A

7:00 – 8:15 am	<i>Breakfast Buffet Attendees/ Guests/Family (Name Tag Required) Salon B</i>	
8:15 – 8:30 am	Opening Remarks	Tom Stoff, MAPERS Board President
8:30 – 9:30 am	Why Ethics? . . . Because Everyone Needs a Reminder!	Chad M. John, FBI Kansas City Division
9:30 – 10:30 am	Investing in a Low-Return World: Avoid Portfolio Paralysis	Timothy McCusker, FSA, CFA, CAIA, Chief Investment Officer, NEPC
10:30 – 10:45 am	<i>Morning Break</i>	<i>Registration Foyer</i>
10:45 – 11:45 am	Technology Security	Tom Adams, Sagitec Solutions LLC
11:45 – 11:50 am	Public Pension Achievement Award Presentation	
11:50 – 1:00 pm	<i>Taco Lunch Attendees/ Guests/Family (Name Tag Required) Salon B</i>	
1:00 – 2:00 pm	The Science of Happiness	Catherine Sanderson, Amherst College
2:00 – 3:00 pm	Investments – ETF's	Scott Williamson, BlackRock
3:00 – 3:15 pm	<i>Afternoon Break</i>	<i>Registration Foyer</i>
3:15 – 4:15 pm	Working with the Media 'Hands-on with an Expert'	Tripp Frohlichstein, MediaMasters, Inc.
4:15 – 4:45 pm	GASB	Ken Alberts, Gabriel, Roeder, Smith & Co.
5:30 – 7:00 pm	<i>Surf, Turf & Pasta Reception Attendees/Guests/Family (wName Tags) Salon B</i>	

Friday, July 17, 2015 – Salon A

7:00 – 8:15 am	<i>Breakfast Buffet Attendees/ Guests/Family (Name Tag Required) Salon B</i>	
8:15 – 9:15 am	Records Retention & Disaster Recovery	Nicole Hamler, PSRS & Nathan Troup, Missouri Secretary of State's Office
9:15 – 10:15 am	Member Communication Panel	Jeff Kempker, LAGERS; Carson Lepper, MOSERS; Rita Turley, CERF; and Susan Wood, PSRS
10:15 – 10:30 am	<i>Morning Break</i>	<i>Registration Foyer</i>
10:30 – 11:30 am	Benefits Panel	Mariel Hale, MPERS (Retired); Tami Jaegers, LAGERS; Sharon Blancett, KC Police Ret.; and Pam Palmquest, MOSERS
11:30 – 11:45 am	General Business Meeting	Tom Stoff, MAPERS Board President
11:45 – 12:30 pm	<i>Lunch On the Run Attendees/Guests/Family – Registration Foyer</i>	

Hannibal Police & Fire Retirement Plan					
Year Ending 6/30	Market Value	Actuarial Value	Liabilities	MV	AV
2014	15,099,000	15,099,000	26,310,000	57%	57%
2013	12,617,000	12,617,000	24,262,000	52%	52%
2012	11,413,000	11,413,000	22,258,000	49%	49%
2011	10,829,000	10,829,000	22,503,000	49%	49%
2010	9,216,000	9,216,000	23,143,000	41%	41%
2009	8,304,000	8,304,000	22,169,000	37%	37%
2008	9,954,000	9,954,000	21,379,000	47%	47%
2007	10,803,000	10,803,000	20,467,000	53%	53%
2006	9,891,000	9,891,000	18,334,000	54%	54%
2005	9,595,000	9,595,000	17,563,000	55%	55%
2004	9,262,000	9,262,000	16,156,000	57%	57%
1999	8,285,000	8,285,000	9,966,000	83%	83%
1996	6,062,000	6,062,000	8,825,000	69%	69%
Employer Contributions					
Year Ending 6/30	ARC	% of Payroll	Actual	% Contributed	
2015	984,663	29.10%	Not available	Not available	
2014	994,809	29.20%	1,214,217	122%	
2013	1,010,251	30.20%	1,212,249	102%	
2012	921,124	28.30%	1,152,165	125%	
2011	1,179,620	34.00%	1,101,663	93%	
2010	1,169,397	34.50%	935,435	80%	
2009	982,832	32.40%	803,459	81.75%	
2008	856,414	23.40%	678,725	79.25%	
2007	735,065	21.00%	704,405	95.83%	
2006	725,546	24.10%	686,932	94.68%	
2005	663,000	21.40%	672,291	101.40%	
2004	597,812	22.40%	540,928	90.48%	
2003	470,837	19.60%	544,074	115.55%	
2002	467,323	17.10%	535,086	114.50%	

Active Members: 73							
Benefit Recipients: 54							
Funding Stream:							
		\$0.1287 per \$1 sales tax revenue					
		Additional employer contribution					
		Employee contribution of 12% of pay (refunded at retirement for members hired before 7/1/05)					

City of Hannibal Police and Fire Information

Possible Increase of Employee Contribution Rate

The City Clerk for the City of Hannibal contacted the JCPER office earlier this summer to let the committee know that the City Council is discussing a possible increase in its employee contribution rate. The employee contribution rate is currently set at 12%. The City has discussed possibly increasing the employee contribution rate by one-half percent annually, beginning in July 2016 until it reaches 15% in July 2021. Draft language will need to be approved by the Police & Fire Board. If approved, it will be presented to the City Council for adoption. It could be adopted by late October.

Background information:

1. Public safety plan
2. 73 active members, 54 benefit recipients
3. Non-Social Security plan
4. Employee contribution rate at 12% (set in city ordinance)
5. City contributes the ARC plus tax revenue (\$.1287 per one dollar). Most recently, this amount was approximately 29% of annual covered payroll.

The plan is and has been underfunded. Most recently, it is 57% funded. Possible reasons for underfunded status include:

1. Poor investment returns in 2008-2009 (like many plans at that time.)
2. Not making the full ARC between 2006-2011.
3. Refunding of member contributions upon retirement for members hired before 7/1/05.

Several changes have been made to the plan in the last ten years:

1. Eliminating the refund of member contributions upon retirement for members hired on or after 7/1/05.
2. 2006 - modified the definition of "compensation" to include only base pay and excludes overtime pay, holiday pay, excess sick leave, clothing allowance.
3. Effective 7/1/07, changed the normal retirement age. For members hired prior to 7/1/07, normal retirement was 25 years of service. For members hired on or after 7/1/07, normal retirement is the later of either: the age at which the member completes 25 years of service or reaches age 55. This change likely has the effect of keeping active members in the plan, and contributing to the plan, for a longer period of time before receiving benefits.
4. Effective 7/1/07, changed the early retirement provision. For members hired on or after 7/1/07, a member must reach age 55 to be eligible. Members hired prior to 7/1/07 were eligible for early retirement after twenty years of service.
5. July 1, 2011 - Increased the employee contribution rate

from 9.5% of compensation to 12%. The 11.4% annual minimum city contribution was modified to provide that the city's contribution will not be reduced unless the plan is at least 80% funded.

Actuary notes - In the July 1, 2014 actuarial valuation the plan's actuary concluded the following:

"In recent years the city had been contributing less than the actuarial recommended contribution. The city has contributed more than the recommended contribution in the last three years. Asset gains have helped increase the funded status. The new policy, implemented in 2012, increasing employee contributions while not decreasing the city's contribution rate will also help the Plan in its recovery. However, any pattern of less than adequate funding could decrease the funded status of the Plan to a point from which it would be very difficult to recover."