

43rd Comprehensive Annual Financial Report

For the Fiscal Year: July 1, 2010 - June 30, 2011



Missouri Local Government Employees Retirement System

LAGERS

Forty-Third Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011

Keith E. Hughes, CEBS
Executive Secretary

Melissa Rackers, CPA, RPA
Chief Accountant



Missouri Local Government
Employees Retirement System
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Administrative Organization

Administrative Organization – Board

The board operates with the assistance of five committees, appointed by the chairperson: administrative, disability, investment, legislative, and governance.

Administrative Committee

Arby Todd*
Robert Ashcroft
Nancy Yendes

Disability Committee

Nancy Yendes*
Frank Buck
Barry Hovis

Investment Committee

Robert Ashcroft*
Arby Todd
Paul Thomson

Legislative Committee

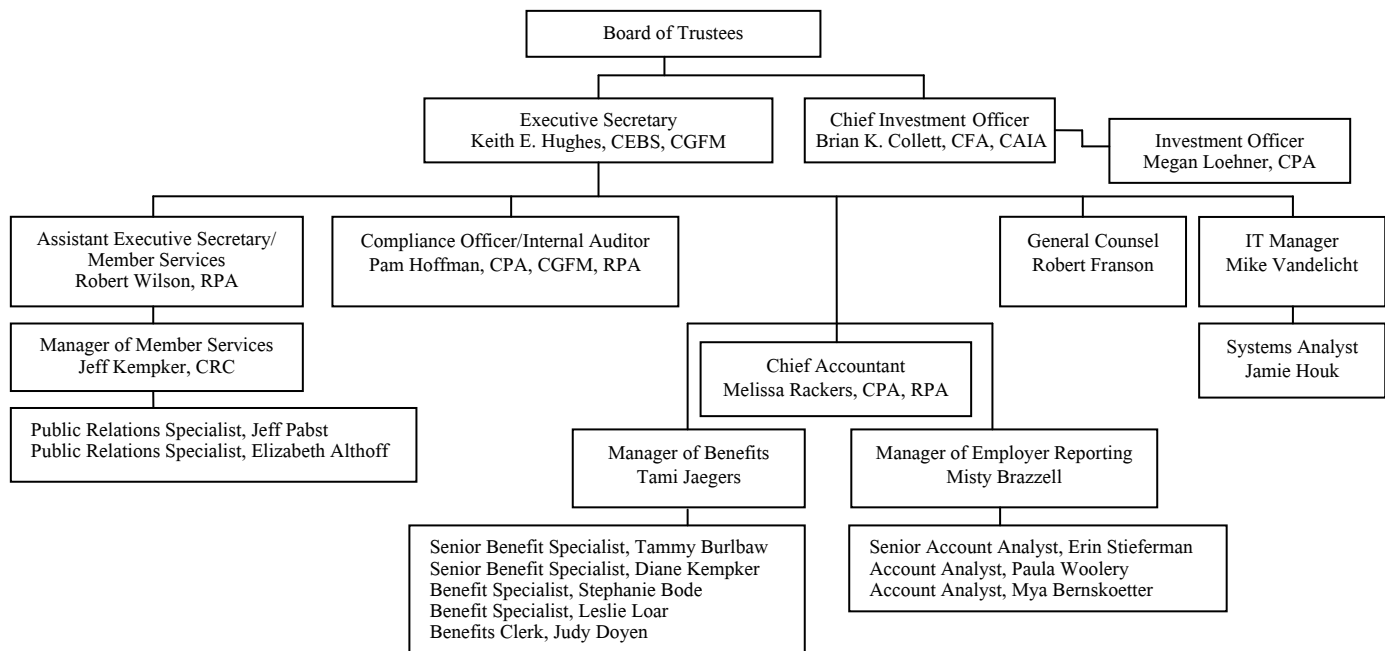
Barry Hovis*
Nancy Yendes
Paul Thomson
Richard Franklin

Governance Committee

Frank Buck*
Arby Todd
Paul Thomson
Richard Franklin

*Committee Chairperson

Administrative Organization – Staff



Consulting Services

Actuary

Gabriel, Roeder, Smith & Co.
Mita D. Drazilov
Judith A. Kermans
Southfield, MI

Auditor

Williams Keepers, LLC
Certified Public Accountants
Michael J. Oldelehr, CPA
Jefferson City, MO

Medical Advisors

P.A. Boyer, M.D.
Andrew Matera, M.D.
Janie Vale, M.D.

Data Processing

Quality Computer Systems, Inc.
Cathy Young
Columbia, MO

Legal Counsel

Armstrong Teasdale, LLP
Attorneys at Law
Sherry Doctorian
Jefferson City, MO

Legal Counsel

Husch Blackwell, LLP
Attorneys at Law
Robert Hess II
Jefferson City, MO

For a list of investment professionals, see page 29.

Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Missouri Local Government
Employees Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

PPCC Achievement Award



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2010***

Presented to

***Missouri Local Government Employees
Retirement System***

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

Letter of Transmittal



Keith E. Hughes, CEBS, CGFM
Executive Secretary



Missouri Local Government Employees Retirement System

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www.molagers.org

Keith E. Hughes, CEBS, Executive Secretary

September 30, 2011

The Board of Trustees
Missouri Local Government
Employees Retirement System
Jefferson City, Missouri 65102

The Annual Report of the Missouri Local Government Employees Retirement System (LAGERS) for the fiscal year ended June 30, 2011, is submitted herewith. The management of LAGERS is responsible for the compilation and accuracy of the financial, investment, actuarial and statistical information contained in this report. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, rests with the management of the system. I trust that you and the members of the system will find this annual report helpful in understanding your public employee retirement system – a system which continues to maintain a strong and positive financial future.

The LAGERS system was established in 1967 consisting of 10 employers and has subsequently expanded to include 610 political subdivisions of the state. A listing of the current employers begins on page 50.

ACCOUNTING SYSTEMS AND REPORTS

The report was prepared to conform with the principles of governmental accounting and reporting as put forth by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the LAGERS system for its comprehensive annual financial report for the fiscal year ended June 30, 2010. LAGERS has received this prestigious award for its annual report in each of the last thirty-three years.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. We believe this report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

The Financial section of the report contains the independent auditors' letter, management's discussion and analysis, the financial statements, notes and other required supplementary information. Management's discussion and analysis provides a narrative introduction and overview of the financial statements and should be read in conjunction with those statements.

Transactions of the LAGERS system are reported on the accrual basis of accounting. The management of the system is charged with maintaining a sound system of internal controls. The objectives of such a system are to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use and they are recorded properly to permit the preparation of financial statements. Even though there are inherent limitations in any system of internal controls, the management of LAGERS makes every effort to ensure that through systematic reporting and internal reviews, errors or fraud are quickly detected and corrected.

REVENUES

The collection of employer and employee contributions, as well as income from investments, provide the reserves needed to finance retirement benefits. Contributions and investment income for fiscal year 2011 total \$1,018,062,777. This amount includes realized and unrealized gains/losses. Contributions rates continue to increase due to past investment performance. Reserves have increased considerably as a result of increased investment performance in the 2011 fiscal year.

EXPENSES

The principle purpose for which LAGERS was created was to provide retirement annuities, survivor benefits, and total and permanent disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments as designated by the plan, refund of contributions to terminated employees, and the cost of administering the system. Expenses for fiscal year 2011 totaled \$178,144,364, an increase of 9.5% over fiscal year 2010 expenses. The increase in expenses resulted primarily from monthly payments to the additional number of retirees.

INVESTMENTS

The investments of LAGERS system are governed primarily by an investment authority known as the "prudent person rule". The prudent person rule establishes a standard for all fiduciaries, which includes anyone that has authority with respect to the fund. The prudent person standard states that fiduciaries shall discharge their duties solely in the interest of the fund participants and beneficiaries and with the degree of diligence, care, and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position. By permitting further diversification of investments within a fund, the prudent person standard may enable a fund to reduce overall risk and increase return. A summary of the asset allocation can be found on page 24 of this report.

The prudent person rule permits the fund to establish an investment policy based upon certain investment criteria and allows for the delegation of investment authority to professional investment advisors. The statement of investment policy outlines the responsibility for the investment of the fund and the degree of risk that is seemed appropriate for the fund. Investment advisors are to execute the investment policy in accordance with the statutory authority, the Board policy and their respective guidelines, but are to use full discretion within the policy and guidelines. For fiscal year 2011, investments provided a 23.2% rate of return. The LAGERS annualized rate of return over the last five years was 5.8% and 6.3% over the last ten years.

FUNDING

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The LAGERS funding objective is to meet long term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, the larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. At June 30, 2011 the system has a funded status of 81.6%. The advantage of a well funded plan is that the participants can

look at assets that are committed to the payment of benefits. A detailed discussion of funding is provided in the Actuarial Section of this report.

PROFESSIONAL SERVICES

Professional consultants are appointed by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of LAGERS. An opinion from the certified public accountant and the actuary are included in this report. The consultants appointed by the Board are listed on page 3 of this report.

ACKNOWLEDGMENTS

The compilation of this report reflects the combined effort of the LAGERS staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship of the funds of the system.

The report is being mailed to all employer members of the system. They form the link between LAGERS and its membership. Their cooperation contributes significantly to the success of LAGERS. We trust the employers and their employees find this report informative.

On behalf of the Board of Trustees, I would like to take this opportunity to express my gratitude to the staff, the advisors, and the many people who have worked so diligently to assure the successful operation of the system.

Respectfully submitted,



Keith E. Hughes, CEBS, CGFM
Executive Secretary

Chairperson's Report



Arby Todd
Chairperson
Member Trustee
Term Expires 12-31-2013



Missouri Local Government Employees Retirement System

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www.molagers.org

Keith E. Hughes, CEBS, Executive Secretary

September 30, 2011

To all LAGERS members:

As Chairperson of the Board of Trustees of the Missouri Local Government Employees Retirement System, I am pleased to present the 2011 Comprehensive Annual Financial Report. This report provides a detailed analysis of the financial and actuarial status of your retirement system.

The investment markets for the one year-ending June 2011 were very rewarding to LAGERS, with a return of 23.2%. The five-year return through June 2011 was 5.8%, in spite of the deep economic recession of 2008 and 2009. These exceptional returns soundly beat the LAGERS Custom Benchmark and place LAGERS in the top decile for the five-year period. The Board continues to diversify the portfolio into alternative asset classes providing stability to the LAGERS portfolio.

LAGERS continues to present a strong 81.6% funded ratio. The system completed a five year actuarial experience study in 2011 that resulted in refinement of three major actuarial assumptions: 7.25% investment return, 3.5% wage inflation, and lengthening of male mortality. The net impact of all changes was to decrease the funded ratio, though strong investment experience more than offset those decreases.

This year resulted in a number of changes to the LAGERS Board. Victor Gragg and Bob West chose not to run for the LAGERS Board and retired after serving 12 years and 6 years respectively, on the Board. Their experience and contributions will be sorely missed. I am pleased to report that these trustees have been replaced by Paul Thomson and Barry Hovis, and they are making great contributions to the Board. In addition, Governor Nixon appointed Dick Franklin, of Independence, as the citizen trustee to the Board. The seriousness with which the LAGERS Board takes on their oversight role is admirable and is one of the primary reasons LAGERS is one of the most sound public pension plans in the country.

After serving as Executive Secretary for 32 years, and 36 years of total employment with the system, Bill Schwartz retired at the end of 2010. The system will be forever indebted to Bill for his leadership and system growth over those years. I am pleased to report that Keith Hughes was named as the new Executive Secretary. Keith has 23 years experience with LAGERS and 25 years of Missouri retirement experience.

Finally, I appreciate the opportunity of serving on the LAGERS Board and as your Chairperson. Thank you for your continued interest and support. Be assured that LAGERS will maintain the financial integrity of the system in these volatile financial times.

Respectfully,



Arby Todd, Chairperson
LAGERS Board of Trustees

Board of Trustees



J. Robert Ashcroft
Vice Chairperson
Employer Trustee
Platte County
Term Expires 12-31-2013



Frank Buck
Employer Trustee
DeKalb County
Term Expires 12-31-2012



Richard Franklin
Citizen Trustee
City of Independence
Term Expires 12-31-2011



Barry Hovis
Member Trustee
City of Cape Girardeau
Term Expires 12-31-2014



Paul Thomson
Employer Trustee
Mid-Continent Library
Term Expires 12-31-2014



Nancy Yendes
Member Trustee
City of Springfield
Term Expires 12-31-2012

Independent Auditors' Report



2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

The Board of Trustees
Missouri Local Government
Employees Retirement System
Jefferson City, Missouri 65102

We have audited the accompanying statement of plan net assets of the Missouri Local Government Employees Retirement System (the System) as of June 30, 2011, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Missouri Local Government Employees Retirement System at June 30, 2011, and the changes in plan net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 11 and 12 and the schedules of funding progress and employer contributions on pages 20 and 21 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The required supplementary information is the responsibility of management of the System. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information, for the year ended June 30, 2011. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the System. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory, investment, actuarial and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Williams-Keepers LLC
September 30, 2011

American Institute of Certified Public Accountants
Missouri Society of Certified Public Accountants
PKF North American Network

Superior service. Creative solutions. Exceptional clients.

Management's Discussion and Analysis

Management is pleased to present this overview and analysis of the financial activities of the Missouri Local Government Employees Retirement System (LAGERS) for the year ended June 30, 2011. We encourage readers to consider the information presented in conjunction with the Letter of Transmittal on page 6 of this report, the financial statements, required supplementary information, and supplementary information.

Required Financial Statements

LAGERS, an agent multiple-employer public employee retirement system, prepares its financial statements on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Government Accounting Standards Board. The Statement of Plan Net Assets indicates the net assets available to pay future benefits and provides a snapshot at a particular point in time. The Statement of Changes in Plan Net Assets provides a view of the current year's additions and deductions from net assets. The Notes to the Financial Statements are necessary for a full understanding of the financial statements. The Required Supplementary Information and related disclosures present the historical funding status of LAGERS.

Financial Analysis of LAGERS

The funding ratio (actuarial value of assets divided by the actuarial accrued liability) is computed on the last day of February each year in conjunction with the annual valuation of the system. Below are the most recent results:

<u>2011</u>	<u>2010</u>	<u>2009</u>
81.6%	81.0%	80.0%

This ratio gives an indication of how well LAGERS' funding objective is being met. The 2011 change in the funding ratio is largely attributable to the investment markets of the past 24 months. LAGERS actuary uses a five-year smoothed market-related value to determine the actuarial value of assets. The smoothing prevents extreme volatility in employer contribution rates due to short-term fluctuations in the investment markets such as fiscal year 2011.

Management's Discussion and Analysis

continued

Comparative Financial Statements

Statement of Plan Net Assets

LAGERS provides retirement, death, and disability benefits to employees of participating political subdivisions. The following table is a summary of LAGERS Plan Net Assets (in millions) as of June 30.

<u>Assets</u>	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Cash	\$ 4	\$ 1	300%
Receivables	22	21	5
Investments	4,996	4,138	21
Capital Assets	8	5	60
Total Assets	\$ 5,030	\$ 4,165	21
<u>Liabilities</u>	495	470	5
Total Plan Net Assets	\$ 4,535	\$ 3,695	23

This table presents a \$840 million increase in net assets. The increase in investments reflects the positive investment market's of all asset classes this past year which resulted in a 23.2% annualized return. As a pension fund, LAGERS must retain a long-term investment horizon and the table below presents the returns for such time frames.

	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Annualized Returns	5.0%	5.8%	6.3%

Statement of Changes in Plan Net Assets

<u>Additions</u>	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Member contributions	\$ 12	\$ 11	9%
Employer contributions	154	138	12
Net investment income	852	492	73
Total additions	\$ 1,018	\$ 641	59
<u>Deductions</u>			
Benefit payments	\$ 171	\$ 158	8
Refunds	2	2	0
Administrative expenses	5	3	67
Total deductions	\$ 178	\$ 163	9
Changes in net assets available for benefits	\$ 840	\$ 478	76

Additions to fund benefits are accumulated through contributions and investment income. Employer contributions were steady from fiscal year 2010 to 2011. LAGERS net investment gain reflects the investment markets for fiscal year 2011. Benefit payments continue to escalate as LAGERS fulfills its mission of providing retirement benefits to the membership. This amount will continue to escalate as the demographics of the LAGERS population continues to mature.

Statement of Plan Net Assets

June 30, 2011

Assets

Cash		\$	3,751,485
Receivables:			
Member	\$	944,932	
Employer		12,304,599	
Accrued interest and dividends		<u>9,154,695</u>	
Total receivables			22,404,226
Investments at fair value:			
Short-term investments	\$	31,066,758	
Government bonds		552,790,349	
Corporate bonds		45,875,825	
International bonds		157,509,635	
Mortgage and asset-backed securities		224,393,936	
Domestic stocks		1,562,595,080	
International stocks		1,008,207,416	
Alternative investments		<u>930,334,264</u>	
Total investments			\$ 4,512,773,263
Invested securities lending collateral			483,455,702
Capital assets, net of accumulated depreciation of \$1,198,953			<u>8,168,697</u>
Total assets			\$ 5,030,553,373

Liabilities

Accounts payable and accrued expenses	\$	11,838,719	
Collateral for securities on loan		<u>483,455,702</u>	
Total liabilities			\$ <u>495,294,421</u>
Net assets held in trust for pension benefits			\$ <u><u>4,535,258,952</u></u>

See accompanying notes to financial statements.

Statement of Changes in Plan Net Assets

Year Ended June 30, 2011

	Reserves					
	Total	Member	Employer	Benefit	Casualty	Income (Expense)
Additions:						
Contributions:						
Member	\$ 11,603,205	\$ 11,603,205	—	—	—	—
Employer	154,244,689	—	\$ 147,588,351	—	\$ 6,656,338	—
Total contributions	\$ 165,847,894	\$ 11,603,205	\$ 147,588,351	—	\$ 6,656,338	—
Investment income:						
Interest income	\$ 19,330,597	—	—	—	—	\$ 19,330,597
Dividend income	47,946,493	—	—	—	—	47,946,493
Other income	10,270,328	—	—	—	—	10,270,328
Net appreciation in fair value of investments	816,343,317	—	—	—	—	816,343,317
Total investment income	\$ 893,890,735	—	—	—	—	\$ 893,890,735
Less investment expenses	45,477,619	—	—	—	—	45,477,619
Net investment income	\$ 848,413,116	—	—	—	—	\$ 848,413,116
Securities lending income	\$ 4,466,463	—	—	—	—	\$ 4,466,463
Less securities lending expenses:						
Borrower rebates	227,569	—	—	—	—	227,569
Management fees	437,110	—	—	—	—	437,110
Net securities lending expenses	\$ 664,679	—	—	—	—	\$ 664,679
Net securities lending income	\$ 3,801,784	—	—	—	—	\$ 3,801,784
Net additions	\$ 1,018,062,794	\$ 11,603,205	\$ 147,588,351	—	\$ 6,656,338	\$ 852,214,900
Deductions:						
Benefits Paid:						
Annuity benefits	\$ 171,494,586	—	\$ 2,035,796	\$ 169,458,790	—	—
Refunds	1,704,094	\$ 1,704,094	—	—	—	—
Total benefits paid	\$ 173,198,680	\$ 1,704,094	\$ 2,035,796	\$ 169,458,790	—	—
Administrative expenses	\$ 4,945,684	—	—	—	—	\$ 4,945,684
Total deductions	\$ 178,144,364	\$ 1,704,094	\$ 2,035,796	\$ 169,458,790	—	\$ 4,945,684
Other changes in reserves:						
Annuities awarded	—	\$ (6,513,136)	\$ (196,474,119)	\$ 207,250,506	\$ (4,329,907)	\$ 66,656
Earnings allocated	—	397,404	195,932,011	132,232,307	2,030,470	(330,592,192)
Total other changes in reserves	—	\$ (6,115,732)	\$ (542,108)	\$ 339,482,813	\$ (2,299,437)	\$ (330,525,536)
Net increase	\$ 839,918,430	\$ 3,783,379	\$ 145,010,447	\$ 170,024,023	\$ 4,356,901	\$ 516,743,680
Net assets held in trust for pension benefits at June 30, 2010						
	\$ 3,695,340,522	\$ 97,468,692	\$1,949,062,337	\$1,350,987,144	\$ 26,154,136	\$ 271,668,213
Net assets held in trust for pension benefits at June 30, 2011						
	\$ 4,535,258,952	\$ 101,252,071	\$2,094,072,784	\$1,521,011,167	\$ 30,511,037	\$ 788,411,893

Notes to Financial Statements

Year Ended June 30, 2011

(1) Plan Description

The Missouri Local Government Employees Retirement System (LAGERS) was established in 1967 and is administered in accordance with RSMo. 70.600-70.755. LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the state of Missouri. Responsibility for the operation and administration of the plan is vested in the LAGERS Board of Trustees which is elected by the membership. At June 30, 2011, there were 610 participating political subdivisions in the system. Any political subdivision in Missouri may elect to have its full-time general, police and fire employees covered by LAGERS. At June 30, 2011, LAGERS membership consisted of the following:

	General	Police	Fire	Total
Retirees and beneficiaries currently receiving benefits:	13,203	2,649	835	16,687
Terminated employees entitled to benefits but not yet receiving them:	735	129	23	887
Active employees:	<u>25,423</u>	<u>5,773</u>	<u>2,045</u>	<u>33,241</u>
Total	<u>39,361</u>	<u>8,551</u>	<u>2,903</u>	<u>50,815</u>

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

If the political subdivision participates under the contributory plan, each member contributes 4% of gross salary. If an employee leaves covered employment or dies before attaining 5 years of credited service, accumulated employee contributions are refunded to the employee or designated beneficiary. Each participating employer is required by statute to contribute the remaining amounts necessary to finance the coverage of its own employees. Benefit and contribution provisions are fixed by state statute and may be amended only by action of the state legislature.

Schedule of Funded Status: (in thousands)

Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Funded Ratio
2-28-11	\$3,945,086	\$4,837,423	81.6%
Valuation Date	Unfunded Accrued Liability (UAL)	Annual Covered Payroll	UAL as a % of Covered Payroll
2-28-11	\$892,337	\$1,350,647	66.1%

Multi-year trend information regarding whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits can be found in the required supplementary information following the Notes to the Financial Statements. Additional information as of the June 30, 2011 actuarial valuation follows:

Valuation date	2-28-11
Actuarial cost method	Individual entry-age
Amortization method	Closed for all periods in excess of 15, upon attainment of 15 years liabilities are amortized over an open 15-year period by level percent of payroll contributions
Remaining amortization period	Varies between 15 and 30 years, by employer
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	3.5% - 8.6%
*Includes inflation component of	3.5%
Cost-of-living adjustment	Contingent upon investment return, with a maximum of the lower of 4% or cumulative CPI since retirement

The actuarial assumptions used for valuation purposes were updated as result of the 5 year Experience Study.

(2) Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting:

The financial statements were prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period in which the contributions are due and for which employee services have been rendered. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires LAGERS to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

Notes to Financial Statements

continued

Reporting Entity:

The accompanying financial statements include only the accounts of the LAGERS retirement system pursuant to RSMo 70.605.18 which requires an audit to be performed by a certified public accountant. RSMo 70.605.21 provides the LAGERS Board of Trustees with the authority to govern its own proceedings and administer the LAGERS retirement system. The LAGERS Board of Trustees established retirement and postemployment healthcare plans (Notes (5) and (6)), for its employees who administer the LAGERS retirement system. Such plans are not considered to be part of the reporting entity and thus are not included in the accompanying financial statements.

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Bonds and stocks traded on a national or international exchange are valued at the reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Fair values for alternative investments in timberland represent net asset value estimates provided by the general partner's administrators or portfolio managers and are compared to independent appraisals. The fair value of private equity alternative investments that do not have an established market are determined based upon the values of the underlying companies as determined by the general partner.

Capital Assets:

The office building, equipment and fixtures, which are presented at cost, are depreciated on the straight-line method over the estimated useful lives of the related assets, which have an original cost of \$500 or greater. The estimated useful lives are as follows: building - 25 years, furniture - 8 years, and equipment - 3 years.

(3) Cash, Investments and Securities Lending

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, LAGERS deposits may not be returned. The deposits are held in one financial institution with a balance of up to \$250,000 insured by the Federal Deposit Insurance Corporation (FDIC). Effective July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act provides unlimited insurance coverage for these deposits through December 31, 2012, at which time the covered amount returns to \$250,000. Prior to July 21, 2010, LAGERS mitigated custodial credit risk for deposits by requiring the bank to pledge securities in an amount over the FDIC insured amount at least equal in market value to 100% of the aggregate amount of the deposits. These securities are required to be delivered to a third party institution mutually agreed upon by the bank and LAGERS.

Investment Policies:

The Missouri Revised Statutes prescribe the "prudent person rule" as LAGERS investment authority. The rule requires LAGERS to make investments with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims. Within the "prudent person" framework, the Board of Trustees adopts investment guidelines for LAGERS investment managers that are included within the respective management agreements. The Investment Section contains a summary of these guidelines.

Investment Summary:

The following table presents the summary of LAGERS investments by type at June 30, 2011.

Short-term investments	\$ 31,066,758
Government bonds	552,790,349
Corporate bonds	45,875,825
Mortgages & asset backed securities	224,393,936
International bonds	157,509,635
Domestic stocks	1,562,595,080
International stocks	1,008,207,416
Alternative investments	930,334,264
Total	<u>\$4,512,773,263</u>

Custodial Credit Risk for Investments:

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, LAGERS will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. As of June 30, 2011, investments in the amount of \$3,893,014 were uninsured and unregistered, with securities held by the counter party or by its trust department or agent but not in LAGERS name.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. External investment management firms manage the fixed income portfolio. LAGERS investment guidelines require diversified portfolios with no single issue being greater than 5% of the portfolio, except for obligations of the U.S. government or its agencies. As of June 30, 2011, no single issue exceeded 5% of the portfolio, excluding U.S. government securities.

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to LAGERS. At June 30, 2011, 47% of the fixed income portfolio represents obligations that are not guaranteed by the U.S. government. Below is a list of fixed income credit qualities.

Quality Rating

U.S. governments	\$ 154,960,698
AAA	547,901,465
AA	74,155,651
A	32,491,064
BBB	36,967,840
BB	35,795,846
B	12,150,019
Not rated	86,147,162
Total Credit Risk Debt	<u>\$ 980,569,745</u>

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt instrument's exposure to a change in interest rates and the related sensitivity of market price to parallel shifts in the yield curve. It uses the present value of cash flows, weighted for those cash flows as a percentage of the instruments' full price. LAGERS benchmarks for the fixed income portfolio include the Barclay's U.S. Aggregate Bond Index, Barclay's Global Bond Index, and the Treasury Inflation-Protected Index. At June 30, 2011, the effective duration for the fixed income benchmark portfolio was 5.8 years, whereas, the LAGERS fixed income portfolio had an effective duration of 6.6 years.

<u>Investment</u>	<u>Fair Value</u>	<u>Effective Duration Rate</u>
Government bonds	\$ 710,299,984	8.3 years
Corporate bonds	45,875,825	3.8 years
Mortgage & asset-backed securities	224,393,936	2.2 years
Total	<u>\$980,569,745</u>	

Foreign Currency Risk:

The international portfolio is constructed on the principles of diversification, quality, value and growth. Risk of loss arises from changes in currency exchange rates. LAGERS external managers may or may not hedge the portfolio's foreign currency exposures with currency forward contracts depending upon their views on a specific foreign currency relative to the U.S. dollar. Currency trading may not be used for speculative purposes. LAGERS exposure to foreign currency risk is as follows:

Foreign Equities

Australian dollar	\$ 32,024,753
Brazilian real	9,599,937
British pound sterling	99,468,040
Canadian dollar	25,953,749
Danish krone	9,487,054
Euro	138,678,355
Hong Kong dollar	84,632,138
Hungarian forint	654,776
Indonesian rupiah	1,907,816
Japanese yen	95,490,957
Malaysian ringgit	2,811,083
Mexican peso	3,376,547
Norwegian krone	12,565,665
Singapore dollar	7,505,216
South African rand	6,199,836
South Korean won	19,785,789
Swedish krona	10,455,743
Swiss franc	41,299,487
Thai baht	3,495,617
United States dollar	1,780,996,746
Total Foreign Equities	<u>\$2,386,389,304</u>

Foreign Fixed Income

Australian dollar	\$ 6,434,122
Brazilian real	(266,263)
British pound sterling	52,098,907

Canadian dollar	11,961,411
Chinese yuan renminbi	6,202,690
Danish krone	786,178
Euro	94,501,342
Hong Kong dollar	(536,514)
Hungarian forint	15,856
Indian rupee	1,750,524
Indonesian rupiah	859,042
Japanese yen	39,971,454
Malaysian ringgit	529,634
Mexican peso	711,690
New Zealand dollar	307,254
Norwegian krone	322,372
Philippine peso	1,256,230
Polish zloty	293,837
Singapore dollar	1,437,503
South African rand	420,795
South Korean won	4,092,542
Swedish krona	7,758,817
Swiss franc	1,314,466
Taiwan dollar	857,458
Thai baht	299,514
United States dollar	942,020,935
Total Fixed Income	<u>\$ 1,175,401,796</u>
Total Foreign Currency	<u>\$ 3,561,791,100</u>

Derivatives:

LAGERS investment managers may enter into derivative transactions as permitted by their guidelines. A derivative financial instrument is an investment whose value depends on the values of one or more underlying assets, financial indexes, or commodity prices. These investments include futures contracts, swap contracts, options contracts, and forward foreign currency exchange. LAGERS investment managers may buy and sell futures, forwards and option contracts and enter into swap transactions to hedge against currency fluctuations. The notional value related to these derivative instruments are generally not recorded on the financial statements; however, the amounts for the exposure on these instruments are recorded. The notional/market value for the various contracts in the portfolio as of June 30, 2011 of \$377,848,117 is recorded in investments on the Statement of Plan Net Assets. The change in fair value for the year ended June 30, 2011 of \$150,430,846 is recorded in investment income on the Statement of Changes in Plan Net Assets.

Derivative financial instruments involve in various degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. LAGERS investment managers seek to control credit risk through counterparty credit evaluations and approvals, counterparty credit limits and exposure monitoring procedures. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become

Notes to Financial Statements

continued

more costly to settle. The market risk is controlled by imposing strict limits as to the types, amounts and degree of risk that investment managers may take. LAGERS anticipates that the counter parties will be able to satisfy their obligations under the contract.

	<u>Notional/MV</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Futures	\$ 377,038,435	\$ 227,416,048	\$ 149,622,387
Options	(225,370)	(46,202)	(179,168)
Swaps	1,350,047	410,393	939,654
Other	(314,995)	(362,968)	47,973

Securities Lending Program:

LAGERS participates in a securities lending program administered by Northern Trust Company (the custodian) in accordance with the provisions of RSMo. 70.745. Brokers who borrow the securities provide collateral usually in the form of cash, valued at 102 percent and 105 percent for domestic and international securities, respectively. There are no restrictions on the amount of securities that can be lent at one time.

LAGERS or the borrower can terminate any security loan on demand. Though any loaned security can be sold and reclaimed at any time from the borrower, the weighted average loan life of overall loans was 160 days as of June 30, 2011. Cash collateral is invested in a custom collateral account through Northern Trust Company with a weighted average life of 31 days. LAGERS cannot pledge or sell non-cash collateral unless the borrower defaults. The following table represents the balances relating to the securities lending transactions (in thousands) at June 30, 2011.

Securities Cash:

	<u>Underlying Securities</u>	<u>Securities Collateral Value</u>	<u>Cash Collateral Value</u>
<u>Securities Lent</u>			
U.S. government & agency securities	\$206,486	\$ -0-	\$211,418
International bonds	18,144	11,043	8,331
U.S. corporate bonds	11,213	-0-	11,435
U.S. equities	210,500	4,514	209,909
Global equities	143,787	111,979	42,365
Total	<u>\$590,130</u>	<u>\$127,536</u>	<u>\$483,458</u>

The lending agent provides indemnification if the borrowers fail to return the underlying securities (and if the collateral is inadequate to replace the securities lent) or fails to pay income distributions. There were no violations of legal or contractual provisions and no borrower or lending agent default losses to the security lending agent. LAGERS had no credit risk as a result of its securities lending program as the collateral held exceeded the market value of securities lent.

(4) Contributions

(a) Each participating unit of local government is obligated by state law to make all required contributions to the plan based upon an annual actuarial valuation.

(b) LAGERS is a pension plan covering substantially all employees of participating units of local government in the state. Each participating unit of government is obligated by state law to make all required contributions to the plan. The required contributions are actuarially determined using the individual entry-age actuarial cost method. There are no long-term contracts for contributions to the plan. All liabilities are amortized over a period of 30 years or less, with a minimum amortization period of 15 years. Administrative costs of LAGERS are financed through investment earnings of the system.

(c) Employee contributions are determined at the election of the governing body of the local subdivision. Should the governing body elect to participate in the contributory plan, all employees shall contribute 4 percent of gross salary. The governing body may elect to participate in the non-contributory plan which would result in no employee contributions.

(d) The state statutes require LAGERS to maintain five separate reserves which are funded and described below:

Member Reserve Fund — The fund in which member contributions and interest credits are accumulated, and from which transfers are made for retirements and refunds, as applicable. The balance at June 30, 2011 was \$101,252,071.

Employer Reserve Fund — The fund in which employer contributions and interest credits are accumulated, and from which transfers are made to pay applicable benefits. The balance at June 30, 2011 was \$2,094,072,784.

Benefit Reserve Fund — The fund from which all retirement, disability and survivor benefits are paid. At the time of retirement, this fund receives the necessary transfers to pay such benefits. All retired individuals and the assets of this fund become the sole responsibility of the LAGERS Board of Trustees and result in no further liabilities to the previous employers. The balance at June 30, 2011 was \$1,521,011,167.

Casualty Reserve Fund — The fund in which the employer contributions and interest credits are accumulated and from which transfers are made to pay for members retired as a result of disability. The balance at June 30, 2011 was \$30,511,037.

Income-Expense Reserve Fund — The fund which accumulates the investment income and pays the administrative expenses of the system. This fund provides for the transfer of investment credits to the other reserves of the system. The balance at June 30, 2011 was \$788,411,893.

(5) Staff Retirement Plan

Plan Description:

The LAGERS Staff Retirement Plan is a single-employer defined benefit pension plan administered by the LAGERS Board of Trustees. The plan provides retirement, death and disability benefits to LAGERS employees and beneficiaries. The plan document is controlled by the LAGERS Board of Trustees. The LAGERS Board

of Trustees issues a publicly available audited financial report that includes financial statements and required supplementary information for the Staff Retirement Plan.

Funding Policy:

The contribution requirements of the plan members and the employer are governed by the plan document, which may be amended by the LAGERS Board of Trustees. Plan members do not contribute toward the retirement plan. The employer is required to contribute an actuarially determined rate; the current rate is 20.98 percent of annual covered payroll.

Funded Status and Funding Progress:

For 2011, 2010, and 2009, the employer’s respective annual pension cost was \$313,687, \$222,160 and \$195,439 for the Staff Retirement Plan and was equal to the required and actual contributions. For 2011, an additional employer contribution of \$1,250,000 was made by the Board of Trustees to improve the plan funding. As of June 30, 2011, the plan was 84% funded. The actuarial accrued liability for benefits was \$6,716,653 and the actuarial value of assets was \$5,641,227, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,075,426. The covered payroll (annual payroll of active employees covered by the plan) was \$1,453,875, and the ratio of the UAAL to the covered payroll was 74%. A schedule of funding progress can be found on page 21.

Actuarial Methods and Assumptions:

The annual required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.25 percent investment rate of return and (b) projected salary increase ranging from 3.5 to 6.8 percent per year. Both (a) and (b) include an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009 was 15 years.

(6) Staff Postemployment Healthcare Supplement

Plan Description:

The LAGERS Staff Retiree Healthcare Supplement (LSRHS) is a single-employer defined benefit healthcare supplement administered by LAGERS. LSRHS provides a healthcare subsidy to eligible staff retirees, spouse and minor children. The supplement does not provide access to retiree health coverage but will pay for a portion of a retiree’s health premium (subsidy) based upon coverage that the retiree is able to obtain through the open market. To be eligible for the subsidy a retiree must have at least 10 years of service credit and retire from active status. The subsidy is equal to 2.5% x years of credited service (maximum 30 years) x healthcare premium. Under no circumstances can the healthcare premium exceed the premium that LAGERS would pay for an active member of the same age participating in the LAGERS Staff healthcare supplement. The LAGERS Board of Trustees issues a publicly available audited financial report that includes financial statements and required supplementary information for the Staff Retiree Healthcare Supplement.

Funding Policy:

The contribution requirements are established and may be amended

by the LAGERS Board of Trustees. The required contribution is based upon the most recent actuarial valuation dated June 30, 2010. For fiscal year 2011, the Board contributed \$112,830 to the plan, including \$57,163 for current normal cost and \$55,667 to fund the current unfunded accrued liability. LAGERS staff make no contributions to the plan.

Annual OPEB and Net OPEB Obligation:

The LAGERS postemployment benefit (OPEB) cost is calculated based on the annual actuarially determined required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following shows the components of the LAGERS OPEB cost for the year:

Annual required contribution	\$112,830
Contributions made	(112,830)
Net OPEB obligation - June 30, 2011	\$ 0

LAGERS contributed 100% of the annual required contribution in 2011.

Funded Status and Funding Progress:

As of June 30, 2010, the plan was 22% funded. The actuarial accrued liability for benefits was \$1,183,221 and the actuarial value of assets was \$257,176, resulting in an unfunded actuarial accrued liability (UAAL) of \$926,045. The covered payroll (annual payroll of active employees covered by the plan) was \$1,553,466, and the ratio of the UAAL to the covered payroll was 60%. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress can be found on page 21.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The June 30, 2010 actuarial valuation was calculated using the entry age actuarial cost method. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 4 percent after ten years. Both rates include a 4 percent inflation assumption. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll over a period of 30 years on a closed basis.

Required Supplementary Information

LAGERS Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Accrued Liability (UAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAL as a % of Covered Payroll</u>
2-28-06	\$ 3,224,173,714	\$ 3,383,152,937	\$ 158,979,223	95.3%	\$ 1,082,349,535	14.7%
2-28-07	3,557,389,198	3,700,813,660	143,424,462	96.1	1,146,094,426	12.5
2-29-08	3,957,068,611	4,058,828,886	101,760,275	97.5	1,222,745,363	8.3
2-28-09	3,330,662,923	4,161,775,258	831,112,335	80.0	1,285,952,041	64.6
2-28-10	3,592,225,739	4,432,331,886	840,106,147	81.0	1,331,226,335	63.1
2-28-11	3,945,085,880	4,837,423,311	892,337,431	81.6	1,350,646,560	66.1

The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations. Additional information as of the latest actuarial valuation follows:

Valuation date2-28-11

Actuarial cost method Individual entry-age

Amortization method..... Closed for all periods in excess of 15, upon attainment of 15 years liabilities are amortized over an open 15-year period by level percent of payroll contribution

Remaining amortization periodVaries between 15 and 30 years, by employer

Asset valuation method.....5-year smoothed market

Actuarial assumptions:

Investment rate of return* 7.25%

Projected salary increases*3.5% - 8.6%

*Includes inflation component of 3.5%

Cost-of-living adjustmentContingent upon investment return, with a maximum of the lower of 4% or cumulative CPI since retirement

The actuarial assumptions used for valuation purposes were updated as result of the 5 year Experience Study

LAGERS Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2006	\$ 115,550,424	100 %
2007	128,938,636	100
2008	130,007,191	100
2009	132,715,295	100
2010	137,849,763	100
2011	154,244,689	100

Missouri Local
Government
Employees
Retirement System

LAGERS Staff Retirement Plan**Schedule of Funding Progress**

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Accrued Liability (UAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAL as a % of Covered Payroll</u>
6-30-09	\$ 4,024,969	\$ 5,531,160	\$ 1,506,191	72.8%	\$ 1,380,333	109.1%
6-30-10	4,288,417	5,927,701	1,639,284	72.3	1,553,466	105.5
6-30-11	5,641,227	6,716,653	1,075,426	84.0	1,453,875	61.0

Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 195,439	100%
2010	222,160	100
2011	1,563,687	499

LAGERS Staff Post Employment Healthcare Plan**Schedule of Funding Progress**

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Accrued Liability (UAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAL as a % of Covered Payroll</u>
6-30-08	\$ 74,027	\$ 712,820	\$ 638,793	10.4%	\$ 1,102,248	57.8%
6-30-10	257,176	1,183,221	926,045	21.7	1,553,466	59.6

Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 94,300	100%
2010	92,500	100
2011	112,830	100

Operating Expenses

Administrative Expenses

Year Ended June 30, 2011

Personnel Services:

Staff salaries	\$ 1,323,111	
Social Security	108,654	
Staff retirement plan	1,539,211	
OPEB	112,830	
Insurance	310,598	
Total Personnel Services		\$ 3,394,404

Professional Services:

Actuarial services	\$ 446,602	
Data processing	170,017	
Audit	43,500	
General counsel	57,853	
Medical advisors	43,755	
Board governance	38,306	
Consultants	61,285	
Total Professional Services		861,318

Communications:

Public information	\$ 46,956	
Printing	36,114	
Telephone	34,029	
Postage	44,110	
Meetings and travel	96,881	
Total Communications		258,090

Miscellaneous:

Utilities	\$ 56,161	
Insurance premiums	70,841	
Equipment maintenance	42,084	
Office supplies	57,208	
Building maintenance	45,454	
Depreciation	160,124	
Total Miscellaneous		431,872

Total Administrative Expenses		\$ <u>4,945,684</u>
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Investment Expenses

Year Ended June 30, 2011

Investment Manager Fees:

Equity managers	\$ 11,847,020	
Fixed income managers	20,856,339	
Alternative managers	11,379,174	
Total Investment Manager Fees		\$ 44,082,533

Other Investment Expenses:

Investment custodial services	\$ 888,886	
Internal investment expenses	506,200	
Total Other Investment expenses		1,395,086

Total Investment Expenses		\$ <u>45,477,619</u>
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Total Securities Lending Management Fees & Rebates		\$ <u>437,110</u>
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Chief Investment Officer's Report



Missouri Local Government Employees Retirement System

701 West Main, P.O. Box 1665, Jefferson City, Missouri 65102
 Telephone (573) 636-9455 • 800-447-4334 • FAX (573) 636-9671

www.molagers.org

Keith E. Hughes, CEBS, Executive Secretary

September 30, 2011

Dear LAGERS Members:

The summer of 2011 will go down in the history books for flooding, tornados, earthquakes and the breathtaking swings in the equity markets. Before addressing LAGERS' fiscal year as a whole, I would like to address the recent swings that took place in the market during the summer. In retrospect, July, 2011 was just a moderate swing with the S&P 500 index down -2.0%; however, August plummeted with the S&P 500 index down -5.4%, resulting in the total return on the S&P 500 index down -7.4% for the two months. Although this sounds frightening, be assured that the diversification of LAGERS' portfolio smoothed out the plunge in the equity markets. The LAGERS' portfolio had a -3.5% return for July and August, and we have ten more months in the new fiscal year for the portfolio to recover.

Now let's focus on the entirety of the fiscal year ending June 30, 2011, when the market continued its recovery. The US stock market, represented by the S&P 500 index returned 30.7% for the year. The US real estate market, represented by S&P US REIT index returned 34.0%. The international market, represented by MSCI EAFE index returned 30.9%, and the US bond market, represented by Barclays US Aggregate Bond index moved back toward normal with a return of 3.9%. I believe the market pendulum swung back from the lows of 2009, and hope there will be more normal return patterns going forward.

The LAGERS' investment portfolio fully participated in the recovery across all three major asset classes: stocks, bonds and alternatives. The key to LAGERS' returns, as can be seen in the "rainbow" of asset types in the pie chart below, is the sheer numbers that are within these major asset classes. The pie chart shows each of the different asset types we hold in the portfolio.



The true diversification of the LAGERS' portfolio moved the total assets up to \$4.5 billion ending June 30, 2011. The return on these assets was 23.2% net of fees for fiscal year 2011, placing LAGERS in the top third among other public funds for the year. This well diversified portfolio had a:

- 5.0% return for three years,
- 5.8% return for five years,
- 6.3% return for ten years and,
- 8.1% return for fifteen years.

For the periods of one, three, five, ten, and fifteen years, the portfolio has exceeded the policy benchmark returns. For the long-term of ten years, the excess return is 1.2% net of fees. These returns were calculated by our custodian, Northern Trust, using time-weighted rates of return.

The long-term success of LAGERS' portfolio will be determined by our risk-aware asset allocation, which is continually being analyzed and fine-tuned. For example, this year the LAGERS' Board and Investment Staff conducted an Asset Liability Study and concluded there was a need to lower the System's assumed rate of return to 7.25%. Current allocations among asset classes are based on short-and long-term goals, liability needs, and market conditions. Please have every confidence that the prudent investment strategy that LAGERS continues to use will assure that long-term obligations to members and retirees are met.

Sincerely,

Brian K. Collett

Brian K. Collett, CFA, CAIA
 Chief Investment Officer



Brian K. Collett,
CFA, CAIA
 Chief Investment Officer

Asset Allocation

Asset Class by Holdings	June 30, 2011		June 30, 2010	
	% of Total Market Value	Market Value	% of Total Market Value	Market Value
Fixed Income:				
Governments	15.3 %	\$ 693,817,653	18.2 %	\$ 673,024,504
Corporates	3.0	136,898,444	3.3	121,019,744
Mortgage Backs & Asset Backs	7.2	324,683,312	7.3	267,285,451
Short-term Investments	2.0	91,343,088	3.5	128,434,775
Fixed Income	27.6 %	\$ 1,246,742,497	32.3 %	\$ 1,189,764,474
Stocks:				
Domestic:				
Large-Cap ¹	19.3 %	\$ 874,889,835	15.5 %	\$ 573,780,230
Mid-Cap ²	5.1	228,817,341	9.1	333,627,429
Small-Cap ³	5.4	242,277,185	4.6	167,719,964
Global	24.4	1,103,774,125	22.5	828,620,618
Stocks	54.2 %	\$ 2,449,758,486	51.7 %	\$ 1,903,748,241
Alternative Investments:	18.2 %	\$ 825,426,976	16.0 %	\$ 589,031,173
Total Assets	100.0 %	\$ 4,521,927,959	100.0 %	\$ 3,682,543,887

1. Companies with market capitalization above \$20.0 billion

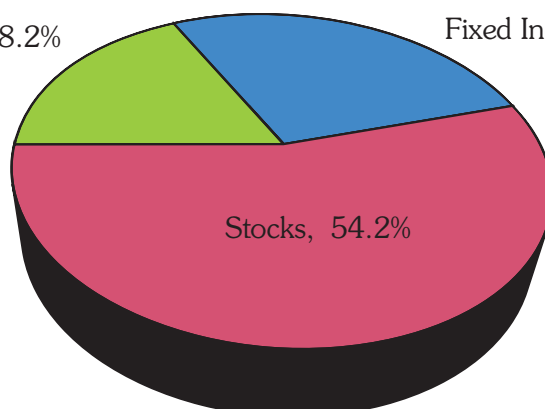
2. Companies with market capitalization between \$3.0 billion and \$20.0 billion

3. Companies with market capitalization below \$3.0 billion

ASSET ALLOCATION-ASSET CLASS

as of June 30, 2011

Alternative Investments, 18.2% Fixed Income, 27.6%



Investment Policy

Investment Policy

The LAGERS Board of Trustees, operating within the “prudent person” framework, has adopted a Statement of Investment Policy and Objectives for the investment managers and others who serve in a fiduciary capacity to the fund. A summary of that policy follows. For a complete copy of the investment policy, please contact the LAGERS office.

Investment Goals

The goal of the fund shall be to achieve a total real rate of return of at least 3 percent per annum over the Consumer Price Index as measured over a market cycle. As this is a long-term projection and investments are subject to short term volatility, the main investment review focus of the Trustees and investment staff will be towards the Total Fund, and each money manager will be judged on performance relative to asset class and benchmark relative performance over a full market cycle. Each manager is expected to maintain a consistent philosophy and style, perform well versus others utilizing the same style and add incremental value after costs.

The Trustees have established the following asset-mix guidelines for the Pension Fund:

Asset Class	Pension Fund Guidelines
Equity Investments	53.5%
Fixed-Income Investments	24.5%
Alternative Asset Investments	22.0%

The Pension Fund’s total return should exceed the total return of an index composed as follows:

53.5%	MSCI All Country World Index (non-hedged)
16.5%	Barclays US Aggregate Bond Index
5.5%	Barclays Global Bond Index
2.5%	Treasury Inflation-Protected Securities Index
10.0%	Consumer Price Index (CPI) +4.0%
10.0%	Consumer Price Index (CPI) +5.0%
2.0%	Dow Jones AIG Commodity Index

The time period for this objective is one market cycle (usually 3-5 years).

General Fixed Income Portfolio Guidelines

Diversification

The diversification of the fixed income securities held in the portfolio among sectors and issuers is the responsibility of the investment manager. No single company’s securities shall represent more than 5% of the portfolio at the time of purchase, unless otherwise allowed within individual managers’ investment guidelines. (This does not apply to obligations of the U.S. Government or its agencies.)

Portfolio Quality

Fixed income securities shall not be rated less than investment grade by a nationally recognized rating agency unless otherwise specified for a specific manager.

If specific managers are given international flexibility, the same quality restrictions apply unless otherwise specified for a specific manager.

Money market instruments shall have a minimum quality rating comparable to an A bond rating and commercial paper shall be rated A1/P1/F1 or D1 unless held in a diversified short-term commingled fund.

Performance Objectives

Primary emphasis is to be placed on relative rates of return. Over a market cycle (usually 3-5 years), the following are the performance expectations for the portfolio:

The total return of the portfolio should rank above median performance in a universe of managed fixed-income portfolios.

The total return of the fixed income composite should exceed the return of the Barclays U.S. Aggregate Bond Index.

The goal of the fixed income portfolio shall be to achieve a total annualized real rate of return of at least 2% over the Consumer Price Index as measured over a market cycle.

General Equity Portfolio Guidelines

Diversification

The diversification of the equity securities held in the portfolio among sectors and issuers is the responsibility of the investment manager. No single company’s securities shall represent more than 5% of the portfolio at the time of purchase, unless otherwise allowed within individual managers’ investment guidelines.

Style Adherence

The most important feature any individual manager brings to a multi-manager portfolio is style adherence. Quarterly, fundamental portfolio characteristics and style benchmark comparisons will be monitored for adherence to a manager’s identified style.

Performance Objectives

Primary emphasis is to be placed on relative rates of return. Over a market cycle (usually 3-5 years), the following are the performance expectations for each portfolio:

The total return of each portfolio should rank above median performance in a universe of equity managers of comparable mandate or style.

The total return of the domestic equity composite should exceed the total return of the Russell 3000 Index, and rank above median in a universe of equity style peers.

The total return of the international equity composite should exceed the total return of the MSCI All Country World Index ex U.S. (non-hedged) and rank above median in a universe of equity style peers.

The total return of the global equity composite should exceed the total return of the MSCI All Country World Index (non-hedged) and rank above median in a universe of equity and style peers.

The total return of the combined domestic, international, and global equity composites should exceed the total return of a weighted index consisting of the MSCI All Country World Index (non-hedged).

The goal of the equity portfolio shall be to achieve a total annualized real rate of return of at least 5% over the Consumer Price Index as measured over a market cycle.

Allowable Options Program

An investment manager may purchase or sell both call and put options on common stock held in the System's portfolio and on stock indexes, subject to Board approval of guidelines submitted by each investment manager, which outline the procedures the manager will follow in hedging the System's portfolio.

Alternative Asset Guidelines

Eligible Holdings

The portfolio will be invested exclusively in Alternative Assets, as described in the "Permissible Investments" section.

Diversification of Alternatives

The diversification of the Alternatives held in the portfolio is the responsibility of the investment manager.

Performance Objectives of Alternatives

Primary emphasis is to be placed on relative rates of return. Over a cycle (usually 3-5 years), the following are the performance expectations for the portfolio:

The total return of the portfolio should rank above median performance in a universe of managed Alternatives portfolios.

The goal of the Alternatives portfolio shall be to achieve a total annualized real rate of return of at least 5% over the Consumer Price Index as measured over a market cycle.

Securities Lending Guidelines

The custodian may lend any eligible securities, such as U.S. and non-U.S. equities, corporate bonds and U.S. and non-U.S. government securities. The custodian shall have full discretion over the selection of borrowers and shall continually review credit worthiness of potential borrowers through adequate analysis of all material provided to them.

All loans shall be fully collateralized with cash, government securities or irrevocable bank letters of credit. Collateralization of such loans shall be 102% domestic/105% international of the market value of the loaned securities plus accrued income for U.S. and non-U.S. loans, respectively. Such collateralization procedures should be marked-to-market daily.

Investment Results

Periods Ending June 30, 2011

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Total Portfolio:				
LAGERS ¹	23.2 %	5.0 %	5.8 %	6.3 %
LAGERS Custom Index	20.0 %	2.7 %	4.6 %	5.1 %
Actuarial Assumed Rate of Return	7.5 %	7.5 %	7.5 %	7.5 %
Median Public Fund	22.4 %	3.8 %	4.7 %	5.9 %
Consumer Price Index (CPI)	3.6 %	1.0 %	2.2 %	2.4 %
Fixed Income Portfolio:				
LAGERS	9.4 %	10.1 %	9.7 %	7.9 %
Barclay's US Aggregate Index	3.9 %	6.5 %	6.5 %	5.7 %
Domestic Stock Portfolio:				
LAGERS	36.6 %	4.8 %	4.4 %	4.7 %
Russell 3000 Index	32.4 %	4.0 %	3.4 %	3.4 %
Standard & Poor's 500 Index	30.7 %	3.3 %	2.9 %	2.7 %
Global Stock Portfolio:				
LAGERS	33.2 %	2.9 %	0.3 %	8.2 %
MSCI's All Country World Index	30.8 %	1.5 %	3.7 %	5.3 %
Alternative Portfolio:				
LAGERS Alternative Portfolio	12.5 %	0.3 %	7.1 %	4.9 %
Consumer Price Index (CPI) +4.00%	7.7 %	5.1 %	6.2 %	6.4 %

¹: Performance is net of manager fees.

Note: Performance calculations were prepared using time-weighted rates of return.

Largest Holdings

Largest Bond Holdings (By Market Value)

June 30, 2011

	Par	Bonds	Market Value
1)	\$ 144,002,000	US Treas Bds Stripped Prin Pmt 11-15-2027Reg	\$ 71,161,324
2)	66,000,000	United States Treas Bds 4.25% Due 05-15-2039 Reg	64,741,908
3)	42,010,000	United States Treas Bds 4.75% Due 02-15-2037 Reg	44,944,146
4)	93,500,000	United States Treas Bd Stripped Prin Pmt 02-15-2037	28,578,556
5)	5,300,00	UK(Govt Of) 2.5% I/L Stk 26/07/16 Gbp	28,122,717
6)	75,737,000	United States Treas Bds Stripped Prin Pmt 05/15/2038	21,665,781
7)	9,900,000	Buoni Poliennali Del Tes Bds 2.1% 15/09/2016	14,604,221
8)	6,000,000	UK(Govt Of) 1.25% I/L Stk 22/11/17 Gbp	12,887,137
9)	10,500,000	Australia(Cmnwlth) 3% Idx/Lkd Bds 20/09/25 Aud	12,514,152
10)	8,480,000	United States Treas Bds 2.125 2-15-2041	9,460,211

Largest Stock Holdings (By Market Value)

June 30, 2011

	Shares	Stock	Market Value
1)	96,374	Apple	\$ 32,349,861
2)	276,461	Chevron	28,431,249
3)	667,091	AT&T.....	20,953,328
4)	507,464	JP Morgan Chase.....	20,775,576
5)	107,860	IBM.....	18,503,383
6)	966,378	General Electric.....	18,225,889
7)	832,473	Pfizer.....	17,148,944
8)	159,328	Caterpillar	16,962,059
9)	317,008	Unitedhealth Group.....	16,351,273
10)	14,867,040	China St Constr Comstk.....	15,055,714

Note: A complete list of holdings is available upon request.

Schedule of Advisors

Investment Advisors

EQUITY

Aronson+Johnson+Ortiz
Philadelphia, Pennsylvania

Brandywine Global Investment
Management, LLC
Philadelphia, Pennsylvania

Dimensional Fund Advisors
Austin, Texas

Hansberger Global Investors
Fort Lauderdale, Florida

INTECH Investment Management
West Palm Beach, Florida

INVESCO Capital Management
Atlanta, Georgia

Jennison Associates
New York, New York

Lord Abbett & Company
Jersey City, New Jersey

PanAgora Asset Management
Boston, Massachusetts

Seizert Capital Partners
Birmingham, Michigan

Systematic Financial Management
Teaneck, New Jersey

Turner Investment Partners
Berwyn, Pennsylvania

Wells Capital Management
Menomonee Falls, Wisconsin

FIXED INCOME

BlackRock
San Francisco, California

Bridgewater Associates
Westport, Connecticut

CBRE Capital Partners
New York, New York

Hoisington Investment Management
Austin, Texas

Pacific Investment Management Co.
Newport Beach, California

Pyramis Global Advisors
Smithfield, Rhode Island

ALTERNATIVE

Alchemy Partners
London, England

Avenue Capital Group
New York, New York

Blue Vista Capital Management
Chicago, Illinois

Brentwood Associates
Los Angeles, California

Bush O'Donnell Capital
St. Louis, Missouri

Catterton Partners
Greenwich, Connecticut

CBRE Capital Partners
New York, New York

CBRE Investors
Los Angeles, California

Cowen Healthcare Royalty Partners
Stamford, Connecticut

Crow Holdings
Dallas, Texas

EIG Global Energy Partners
Washington D.C.

Fireside Financial
Edwardsville, Illinois

Garrison Investment Group
New York, New York

Global Infrastructure Partners
New York, New York

Invesco Capital Management
Atlanta, Georgia

Pacific Investment Management Co.
Newport Beach, California

Portfolio Advisors
Darien, Connecticut

RFE Investment Partners
New Canaan, Connecticut

RMK Timberland Group
Atlanta, Georgia

Taconic Capital Partners
New York, New York

Tailwind Capital
New York, New York

Waddell & Reed
Overland Park, Kansas

Winton Capital
London, England

CUSTODIAN

Northern Trust Company
Chicago, Illinois

Missouri Local
Government
Employees
Retirement System

Schedule of Advisor Fees

	Fair Value of Assets at 6-30-11	Fees Paid
Investment Advisors:		
Alchemy Partners	\$ 4,429,267	\$ 265,075
Aronson+Johnson+Ortiz	145,731,330	71,698
Avenue Capital Group	56,460,251	1,642,860
BlackRock	143,205,037	3,863,954
Blue Vista Capital Management	16,808,762	373,720
Brandywine Asset Management Global Investment	146,264,212	493,156
Brentwood Associates	29,824,790	645,208
Bridgewater Associates	191,282,099	9,239,041
Bush O'Donnell Capital.....	8,360,345	589,846
Catterton Partners	36,959,737	429,156
CBRE Capital Partners.....	99,279,569	2,736,742
CBRE Investors	28,984,208	739,271
Cowen Healthcare Royalty Partners	18,682,759	1,272,603
Crow Holdings.....	11,773,499	472,310
Dimensional Fund Advisors	146,442,918	897,645
EIG Energy Partners	28,079,638	1,448,959
Fireside Financial	31,630,182	450,000
Garrison Investment Group.....	2,017,824	-
Global Infrastructure Partners.....	47,300,000	3,853,558
Hansberger Global Investors	276,582,672	497,940
Hoisington Investment Management	245,731,823	380,000
INTECH Investment Management.....	168,813,239	-
Invesco Capital Management.....	155,998,546	1,033,666
Jennison Associates	131,964,083	-
Lord Abbett & Co.....	113,648,279	352,901
Northern Trust Company	80,414,245	-
Pacific Investment Management Company	412,882,207	5,759,213
PanAgora Asset Management.....	318,774,107	1,359,348
PA Secondary.....	15,561,721	134,341
Pyramis Global Advisors	199,047,137	377,218
RFE Investment Partners	21,708,003	(361,194)
RMK Timberland Group.....	188,007,146	1,120,636
Seizert Capital Partners.....	100,791,636	178,822
Systematic Financial Management	249,196,210	662,722
Taconic	30,709,597	605,062
Tailwind	31,923,001	1,201,368
Turner Investment Partners	264,951,346	428,025
Waddell & Reed.....	38,673,119	195,249
Wells Capital Management	230,089,219	635,892
Winton Capital.....	43,789,500	36,522
Total	<u>\$ 4,512,773,263</u>	<u>\$ 44,082,533</u>
Other Investment Payments:		
Northern Trust Company, Custody		\$ 888,886
Internal Investment Expenses.....		506,200
Total		<u>\$ 1,395,086</u>
Other Expenses:		
Northern Trust Company, Securities Lending.....		<u>\$ 437,110</u>

Brokerage Schedules

Schedule of Domestic Brokerage Commissions

<u>Broker Name</u>	<u>Shares</u>	<u>Commissions</u>	<u>Per Share</u>
Goldman Sachs	42,992,966	\$ 885,945	\$.02
Northern Trust	16,119,444	140,019	.01
Broadcort Capital	3,867,552	122,308	.03
Barclays Capital	3,062,898	96,447	.03
Liquidnet	4,615,577	94,959	.02
Credit Suisse	4,709,848	87,383	.02
Deutsche Bank	2,709,657	72,181	.03
BNY	1,505,150	60,006	.04
Jefferies & Co	2,508,185	57,415	.02
Robert Baird & Co	1,282,733	47,534	.04
UBS Warburg	1,880,941	40,774	.02
Investment Technology Group	2,526,735	49,734	.02
National Financial Services	921,000	34,055	.04
Cantor Fitzgerald	1,009,560	32,452	.03
Bear Stearns	1,243,328	32,416	.03
Bloomberg	1,633,735	31,825	.02
Capital Institutional Services	1,091,000	29,842	.03
Weeden & Co	1,442,745	29,132	.02
Merrill Lynch	1,417,979	26,688	.02
RBC Dain Rauscher	1,006,891	26,674	.03
Rosenblatt Securities	1,398,800	24,984	.02
Pershing	1,030,620	23,928	.02
Morgan Stanley	954,708	23,799	.02
Lynch Jones & Ryan	1,446,964	23,145	.02
Guzman & Company	1,057,200	21,955	.02
Calyon Securities	932,800	18,916	.02
Knight Securities	849,340	18,601	.02
Raymond James	405,480	15,495	.04
Stifel Nicolaus	433,859	14,705	.03
Pacific Crest	347,960	13,854	.04
Citigroup	536,023	13,541	.03
Instinet	622,900	12,694	.02
Union Bank	576,748	12,176	.02
Cowen	303,225	12,044	.04
Jones Associates	512,331	11,356	.02
William O'Neil	252,400	10,096	.04
All other brokerage firms (10,000 or less)	5,769,113	198,442	.03
Total	114,979,395	\$ 2,467,520	\$.02

Schedule of International Brokerage Commissions

Broker Name	Shares	Dollar Volume	Commissions	Basis Points
Pershing	47,030,595	\$ 216,887,769	\$ 108,683	5.0
Barclays	12,473,611	121,987,222	63,573	5.2
Nomura	14,589,027	117,336,011	51,058	4.4
Goldman Sachs	5,946,912	65,311,813	47,671	7.3
CSFB	3,403,319	31,733,540	39,362	12.4
Jefferies & Co	4,339,756	176,372,379	36,994	2.1
Merrill Lynch	2,592,669	64,464,449	35,814	5.6
Investment Technology Group	2,766,683	56,676,676	33,876	6.0
Standard Chartered Bank	20,786,733	15,287,468	32,333	21.1
Sanford Bernstein	3,828,137	54,755,332	29,026	5.3
Societe Generale	788,045	16,952,856	26,783	15.8
Morgan Stanley	1,932,135	23,366,437	20,410	8.7
Credit Agricole Securities	16,044,000	7,791,870	18,200	23.4
Cheuvreux De Virieu	2,243,396	32,126,989	17,480	5.4
Deutsche Bank	685,586	8,892,778	14,763	16.6
Daiwa Securities	1,598,950	7,487,587	11,995	16.0
Lippo Securities	2,439,000	4,610,340	10,994	23.8
All other brokerage firms (10,000 or less)	8,938,860	122,145,352	99,385	8.1
Total	152,427,414	\$1,144,186,868	\$ 698,400	6.1

Actuary's Certification Letter

GRS

Gabriel Roeder Smith & Company
Consultants & Actuaries

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September 30, 2011

The Board of Trustees
Missouri Local Government
Employees Retirement System
Jefferson City, Missouri 65102

The fundamental financial objective of LAGERS is to establish and receive contributions which:

- when expressed as percents of active member payroll, will remain approximately level from generation to generation of local citizens, and
- when combined with present assets and future investment return will be sufficient to meet the financial obligations of LAGERS to present and future retirees and beneficiaries.

To test how well the fundamental objective is being achieved, annual actuarial valuations are made. These valuations adjust employer contribution rates, up or down as the case may be, for differences in the past year between assumed financial experiences and actual financial experiences. In addition, these valuations determine the reserve strength of each employer group.

Using data as of February 28, 2011, separate actuarial valuations were made for 995 employer groups. The data was reviewed in the aggregate by the actuary for internal and year to year consistency and reasonableness prior to use in the actuarial valuation process. It was also summarized and tabulated in order to analyze trends. Summary information about the resulting new employer contribution rates is shown in the Comprehensive Annual Financial Report.

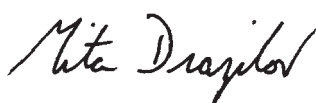
Assumptions concerning future experience are needed for computing employer contribution rates. As time passes and actual experience develops, assumed and actual experience is compared. From time to time one or more of the assumptions about the future are changed by the Board after consulting with the actuary. The last major changes were in economic assumptions and non-economic assumptions, and these were first used in the 2011 valuations. The assumptions comply with the requirements of Statement No. 25 of the Governmental Accounting Standards Board.

The current benefit structure is outlined in the actuarial section of the Comprehensive Annual Financial Report. We provided the information used in the supporting schedules in the actuarial section and the Schedule of Funding Progress in the financial section, as well as the employer contribution rates that were the basis for the annual required contributions shown in the Schedule of Employer Contributions in the financial section.

On the basis of the 2011 valuations, it is our opinion that LAGERS continues in sound condition in accordance with actuarial principles of level cost financing.

The actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Mita D. Drazilov, ASA, MAAA



Judith A. Kermans, EA, MAAA

MDD:JAK:rmg

Summary of Actuarial Assumptions

1. The investment return rate used in making the valuations was 7.25% per year, compounded annually. This rate of return is not the assumed real rate of return. The real rate of return is the portion of total investment return which is more than the wage inflation rate. Considering wage inflation recognition of 3.5%, the 7.25% investment return rate translates to an assumed real rate of return of 3.75%. Adopted 2011.
2. The mortality table used to evaluate mortality among active members was 75% of the RP-2000 Combined Healthy Table. It was assumed that 50% of pre-retirement deaths would be duty related. Adopted 2011.
3. The mortality table used in evaluating allowances to be paid was 105% of the 1994 Group Annuity Mortality (GAM) Table projected to 2000, set back 0 year for men and 0 years for women. The disability post-retirement rates were equal to the standard rates set forward 10 years. Adopted 2011.
4. The probabilities of withdrawal from service, together with individual pay increase assumptions, are shown in Schedule 1. Adopted 2011.
5. The probabilities of retirement with an age and service allowance are shown in Schedule 2. Adopted 2011.
6. Total active member payroll is assumed to increase 3.5% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation. In effect, this assumes no change in the number of active members per employer. Adopted 2011.
7. An individual entry-age normal cost method of valuation was used in determining age and service allowance normal costs and the allocation of actuarial present values between service rendered before and after the valuation date. Actuarial gains and losses reduce or increase the unfunded liability and are amortized over the remaining amortization period. Adopted 1987.
8. Present assets (cash and investments at 2-28-11) are valued using smoothing techniques of market value over a five-year period. Funding value is not permitted to deviate from market value by more than 20%. Adopted 2003.
9. The data about persons now covered and about present assets were furnished by the system's administrative staff. Although examined for general reasonableness, the data was not audited by the actuary.
10. The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (M.A.A.A.).

SCHEDULE 1

Withdrawal From Active Employment Before Age & Service Retirement and Individual Pay Increase Assumptions

Sample Ages	Years of Service	Percent of Active Members Separating Within Next Year				Percent Increase In Individual's Pay During Next Year [#]
		General Members		Police	Fire	
		Men	Women			
All	0	18.0%	21.0%	18.0%	8.0%	
	1	16.0	20.0	17.0	7.0	
	2	14.0	16.0	16.0	6.0	
	3	11.0	13.0	13.0	6.0	
	4	9.0	12.0	12.0	5.0	
25	5 & Over	7.5	10.7	10.1	5.0	6.8%
30		6.5	9.4	8.0	4.0	6.0
35		5.1	7.2	6.1	2.8	5.5
40		3.8	5.5	4.7	2.2	5.0
45		3.0	4.2	3.6	1.8	4.5
50		2.4	3.4	1.8	1.0	4.1
55		1.8	2.5	1.0	0.5	3.9
60		1.0	1.2	0.0	0.0	3.8
65		0.0	0.0	0.0	0.0	3.5

*Pay increase rates for fire employees differ slightly.

[#]Individual pay increase rates relate to all years of service.

Summary of Actuarial Assumptions

continued

SCHEDULE 2

Percent of Eligible Active Members Retiring Within Next Year Without Rule of 80 Eligibility

Retirement Ages	General Members		Retirement Ages	Police*	Fire*
	Men	Women			
55	2.5%	3.0%	50	3.0%	2.5%
56	2.5	3.0	51	3.0	2.5
57	2.5	3.0	52	3.0	2.5
58	2.5	3.0	53	3.0	2.5
59	2.5	3.0	54	3.0	2.5
60	10.0	10.0	55	10.0	15.0
61	10.0	10.0	56	10.0	15.0
62	25.0	15.0	57	10.0	10.0
63	25.0	15.0	58	10.0	15.0
64	20.0	15.0	59	10.0	15.0
65	25.0	20.0	60	10.0	20.0
66	25.0	25.0	61	10.0	10.0
67	20.0	20.0	62	25.0	30.0
68	20.0	20.0	63	20.0	30.0
69	20.0	15.0	64	20.0	25.0
70	100.0	100.0	65	100.0	100.0

Percent of Eligible Active Members Retiring Within Next Year With Rule of 80 Eligibility

Retirement Ages	Men	Women	Police	Fire
50	15.0%	15.0%	25.0%	25.0%
51	15.0	15.0	25.0	15.0
52	15.0	15.0	15.0	15.0
53	15.0	15.0	15.0	15.0
54	15.0	15.0	15.0	15.0
55	15.0	15.0	15.0	15.0
56	15.0	15.0	15.0	15.0
57	15.0	15.0	15.0	15.0
58	15.0	15.0	15.0	15.0
59	15.0	15.0	15.0	20.0
60	15.0	15.0	15.0	30.0
61	15.0	15.0	25.0	30.0
62	30.0	15.0	30.0	45.0
63	30.0	15.0	30.0	45.0
64	30.0	20.0	30.0	45.0
65	30.0	25.0	100.0	100.0
66	30.0	25.0		
67	30.0	25.0		
68	30.0	25.0		
69	30.0	25.0		
70	100.0	100.0		

*First 5 years of retirement only apply to early retirement.

Actuarial Valuation Data

Participating Employers and Active Members

Valuation Date	Number of		Active Members				Inflation Increase % (CPI)
	Participating Employers	Valuation Groups	Number	Annual Payroll	Average Pay	% Increase	
2-28-06	527	865	29,940	\$1,082,349,535	\$36,151	2.6%	3.6%
2-28-07	546	893	30,521	1,146,094,426	37,551	3.9	2.4
2-29-08	563	920	31,187	1,222,745,363	39,207	4.4	4.0
2-28-09	578	945	32,291	1,285,952,041	39,824	1.6	(1.4)
2-28-10	597	971	32,975	1,331,226,335	40,371	1.4	1.1
2-28-11	608	995	32,851	1,350,646,560	41,114	1.8	2.1

Retirant and Beneficiary Data

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase in Annual Allowances	Average Annual Allowances
	No.	Annual Allowances*	No.	Annual Allowances	No.	Annual Allowances		
2-28-06	976	12,115,168	421	2,810,718	11,787	97,259,442	10.6	8,251
2-28-07	1,060	13,753,477	441	3,750,959	12,406	107,261,960	10.3	8,646
2-29-08	1,259	15,530,468	496	3,952,480	13,169	118,839,948	10.8	9,024
2-28-09	1,227	16,525,323	490	4,025,037	13,906	131,340,234	10.5	9,445
2-28-10	1,197	12,647,092	481	4,595,332	14,622	139,391,994	6.1	9,533
2-28-11	1,399	16,372,009	529	4,939,905	15,492	150,824,098	8.2	9,736

*Includes post-retirement adjustments.

Each employer participating in the system is financially responsible for its own liabilities. Accordingly, the aggregate numbers presented on this and the following page are indicative only of the overall condition of the system and are not indicative of the status of any one employer.

Actuarial Valuation Data

continued

Short Condition Test

The LAGERS funding objective is to meet long term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the system are level in concept and soundly executed, the system will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long-term test.

A short condition test is one means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with: (1) active member contributions on deposit; (2) the obligations for future benefits to present retired lives; (3) the obligations for service already rendered by active members. In a system that has been following the discipline of level percent of payroll financing, the obligations for active member contributions on deposit (obligation 1) and the obligations for future benefits to present retired lives (obligation 2) will be fully covered by present assets (except in rare circumstances). In addition, the obligations for service already rendered by active members (obligation 3) will be at least partially covered by the remainder of present assets. Generally, if the system has been using level cost financing, the funded portion of obligation 3 will increase over time.

The schedule below illustrates the history of obligation 3 of the system and is indicative of the LAGERS policy of following the discipline of level percent of payroll financing.

Valuation Date	Entry Age Accrued Liability For			Actuarial Value of Assets	Portion of Accrued Liability Covered by Assets		
	(1) Active Member Contributions	(2) Retirants and Beneficiaries*	(3) Active Members (Employer Financed Portion)		(1)	(2)	(3)
2-28-06	\$ 75,835,009	\$ 1,199,273,243	\$ 2,108,044,685	\$ 3,224,173,714	100%	100%	92%
2-28-07	80,282,208	1,327,231,970	2,293,299,482	3,557,389,198	100	100	94
2-29-08	83,469,819	1,508,613,771	2,466,745,296	3,957,068,611	100	100	96
2-28-09	86,881,969	1,473,463,652	2,601,429,637	3,330,662,923	100	100	68
2-28-10	92,054,693	1,562,886,567	2,777,390,626	3,592,225,739	100	100	70
2-28-11	98,127,911	1,737,107,211	3,002,188,189	3,945,085,880	100	100	70

*Includes reserve for future benefit increases.

Employer Contribution Rate Changes

Annual actuarial valuations are conducted by the system to determine employer contribution rates for the ensuing fiscal year of the employer. As of February 28, 2011, there were 995 separate contribution rates determined for the 608 participating political subdivisions in the system. Of these new employer contribution rates, 724 were increases over the previous year and 230 were decreases from the previous year's rate. A six year comparative schedule of contribution rate adjustments is shown below:

Valuation Date	Decreases	Increases	Unchanged	Total*
2-28-06	640	198	27	865
2-28-07	536	239	118	893
2-29-08	577	233	110	920
2-28-09	71	820	54	945
2-28-10	201	707	63	971
2-28-11	230	724	41	995

* There are thirty groups presently without active members for which dollar contribution rates were computed. They are not included in the totals.

Employer Contribution Rates

Life Benefit Programs

	Number of Valuation Groups								Totals*
	Contributory Groups				Non-Contributory Groups				
	Under 2.00%	2.00- 4.99%	5.00- 7.99%	Over 8.00%	Under 4.00%	4.00- 6.99%	7.00- 9.99%	Over 10.00%	
Benefit Program L-1									
General	5	27	25	18	9	14	29	15	142
Police	4	13	10	3	8	8	10	3	59
Fire	0	1	5	2	1	0	5	3	17
Total:	9	41	40	23	18	22	44	21	218
Benefit Program L-3									
General	3	9	13	16	9	5	13	24	91
Police	2	6	6	1	6	1	2	13	37
Fire	0	0	2	2	0	1	0	4	9
Total:	5	15	21	19	14	7	15	41	137
Benefit Program L-6									
General	1	0	2	32	2	1	0	61	99
Police	2	3	2	13	3	0	1	29	53
Fire	1	0	0	4	0	0	0	9	14
Total:	4	3	4	49	5	1	1	99	166
Benefit Program L-7									
General	3	3	17	21	4	6	31	61	146
Police	2	4	9	5	6	8	12	28	74
Fire	0	0	1	3	1	3	5	4	17
Total:	5	7	27	29	11	17	48	93	237
Benefit Program L-9									
General	1	3	2	2	1	0	3	12	24
Police	0	0	1	0	1	2	3	6	13
Fire	0	0	0	0	2	0	0	2	4
Total:	1	3	3	2	4	2	6	20	41
Benefit Program L-11									
General	0	0	0	0	0	0	0	1	1
Police	0	0	0	1	0	0	0	1	2
Fire	0	0	0	1	0	0	0	4	5
Total:	0	0	0	2	0	0	0	6	8
Benefit Program L-12									
General	0	0	0	2	1	2	1	17	23
Police	0	0	0	1	1	2	2	8	14
Fire	0	0	0	1	1	0	0	4	6
Total:	0	0	0	4	3	4	3	29	43
Totals*	24	69	95	128	55	53	117	309	850

* There are thirty groups presently without active members for which dollar contribution rates were computed. They are not included in the totals.

Employer Contribution Rates

continued

Life and Temporary Benefit Programs

	Number of Valuation Groups								Totals*
	Contributory Groups				Non-Contributory Groups				
	Under 2.00%	2.00- 4.99%	5.00- 7.99%	Over 8.00%	Under 4.00%	4.00- 6.99%	7.00- 9.99%	Over 10.00%	
Benefit Program LT-4(65)									
General	0	0	0	2	0	0	1	1	4
Police	0	0	0	0	0	0	0	1	1
Fire	0	0	0	0	0	0	0	1	1
Total:	0	0	0	2	0	0	1	3	6
Benefit Program LT-5(62)									
General	0	0	0	0	0	1	2	1	4
Police	0	0	0	0	0	0	2	1	3
Fire	0	0	0	0	0	0	1	0	1
Total:	0	0	0	0	0	1	5	2	8
Benefit Program LT-5(65)									
General	0	0	2	1	0	0	5	1	9
Police	0	0	1	1	1	2	1	0	6
Fire	0	0	1	2	1	0	1	1	6
Total:	0	0	4	4	2	2	7	2	21
Benefit Program LT-8(62)									
General	0	0	0	1	0	1	1	2	5
Police	0	0	0	0	0	0	1	1	2
Fire	0	0	0	0	0	0	1	2	3
Total:	0	0	0	1	0	1	3	5	10
Benefit Program LT-8(65)									
General	0	1	3	2	0	0	7	17	30
Police	1	1	1	0	1	1	3	11	19
Fire	0	0	0	0	1	1	0	8	10
Total:	1	2	4	2	2	2	10	36	59
Benefit Program LT-10(65)									
General	0	0	0	2	1	0	0	9	12
Police	0	0	0	0	0	1	0	3	4
Fire	0	0	0	0	0	0	0	2	2
Total:	0	0	0	2	1	1	0	14	18
Benefit Program LT-14(65)									
General	0	0	0	2	0	0	1	10	13
Police	0	1	0	1	1	0	1	3	7
Fire	0	0	0	0	0	0	0	3	3
Total:	0	1	0	3	1	0	2	16	23
Totals*	1	3	8	14	6	7	28	78	145

* There are thirty groups presently without active members for which dollar contribution rates were computed. They are not included in the totals.

Schedule of Gains & Losses

in Accrued Liabilities for the Year Ended February 28, 2011

Type of Activity	Gain or (Loss) For Year Ended 2/28/2011
<p>Age & Service Retirements. If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pays, a loss.</p>	\$ (1,509,098)
<p>Death-in-Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.</p>	689,290
<p>Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.</p>	40,688,282
<p>Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.</p>	53,837,554
<p>Investment Income. If there is greater investment return on assets than assumed, there is a gain. If less return, a loss.</p>	92,211,049
<p>Retiree, Beneficiary and Deferred Activity. Includes members living longer than expected, COLA increases different than expected, etc.</p>	18,155,559
<p>Benefit Reserve Fund. Release of reserve for future experience.</p>	0
<p>Other. Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.</p>	(22,423,155)
<p>Gain (or Loss) During Year From Experience</p>	\$ 181,649,481

Summary of Plan Provisions

PURPOSE

The Missouri Local Government Employees Retirement System (LAGERS) is a body corporate created and governed by the State of Missouri to provide retirement, survivors and disability benefits to the state's local government employees in the most efficient and economical manner possible. As such, LAGERS is a non-profit entity which has the responsibility of administering the law in accordance with the expressed intent of the General Assembly and bears a fiduciary obligation to the State of Missouri, the taxpayers and the public employees who are its beneficiaries.

This summary of LAGERS plan provisions is included for informational purposes only. System eligibility requirements and benefits provisions are determined pursuant to Chapter 70, RSMo. and LAGERS Administrative Rules, 16 CSR 20. Accordingly, members, retirees, beneficiaries, and participating political subdivisions are urged to contact LAGERS before making any decisions related to matters included in the following summary.

ADMINISTRATION

The statutes provide that the administration of LAGERS be vested in a seven member Board of Trustees. Three of these trustees are "Member Trustees" who must be participating members of the system. Three members of the Board are "Employer Trustees" who must be members of the governing body of a member subdivision, but who do not personally participate in LAGERS. The statutes which govern LAGERS require that an Annual Meeting be held in the last calendar quarter of each year. Each participating political subdivision is to conduct a secret ballot election allowing each member in that subdivision to vote to elect a "member" delegate to the Annual Meeting. The governing body may then select one of their own, or another person acting in their behalf, to serve as "employer" delegate for the subdivision. All Member and Employer Trustees are elected by their respective delegates at the LAGERS Annual Meeting. The remaining Board member is a "Citizen Trustee" appointed by the governor, who can be neither a member nor employer. A complete listing of the current Board of Trustees is included on page 9.

The management of LAGERS is vested in an Executive Secretary who is appointed by the Board and serves at their pleasure. The Executive Secretary acts as advisor to the Board on all matters pertaining to the system and, with the approval of the Board, contracts for professional services and employs the remaining staff needed to operate the system. A listing of the LAGERS staff and advisors is included on page 3.

NORMAL RETIREMENT

A member may retire with an age and service allowance after completing: 1.) at least 5 years of credited service, and 2.) attaining his minimum service retirement age. This minimum service retirement age is 60 for general members and 55 for law enforcement or fire personnel.

A participating LAGERS subdivision may, by a majority vote of the governing body, select an alternate unreduced retirement for employees whose age and service total 80 or more. This provision also requires 5 years of credited service.

FINAL AVERAGE SALARY

Final average salary is the average of a member's monthly pay during the period of 60 consecutive months of credited service producing

the highest monthly average, which is contained within the 120 consecutive months of credited service immediately preceding retirement. For most members, this is the last 5 years of employment. A participating LAGERS subdivision may, by majority vote of the governing body, elect to have their future retirees' benefits calculated using a 36 month final average salary period.

CREDITED SERVICE

Credited service is a combination of the prior service a member accrued prior to his employer joining LAGERS and the membership service he accrues after that date. Because LAGERS is a state-wide retirement system with hundreds of member subdivisions, credited service can be a combination of service with several employers.

AGE AND SERVICE ALLOWANCE

This is the normal retirement benefit and is payable monthly for the lifetime of a member. It equals a specified percent of a member's final average salary multiplied by his number of years of credited service. Each employer elects the percent applicable to his members from ten available programs: L-1 (1% for life); L-3 (1.25% for life); LT-4(65) (1% for life, 1% to age 65); LT-5(65) (1.25% for life, .75% to age 65); L-6 (2% for life); L-7 (1.5% for life); LT-8(65) (1.5% for life, .5% to age 65); L-12 (1.75% for life); LT-14(65) (1.75% for life, .25% to age 65); and L-11 (2.5% for life – non-OASDI coverage only). All LT programs denoted LT(62) extend temporary benefits to age 62, rather than age 65. These benefit programs can be changed by majority vote of the subdivision's governing body, but not more often than biennially.

EARLY RETIREMENT

A member in service may retire with an early retirement benefit after completing: 1.) at least 5 years of credited service, and 2.) attaining age 55 if a general member or age 50 for a law enforcement or fire member. The early retirement benefit is computed in the same manner as an age and service allowance but reduced by ½ of 1% for each month the retiree is younger than his minimum service retirement age.

DEFERRED RETIREMENT

If a member leaves LAGERS covered employment before attaining his early retirement age, but after completing 5 or more years of service, he becomes eligible for a deferred allowance; provided he lives to his early retirement age and does not withdraw his accumulated contributions, if applicable. Deferred members with less than 10 years of credited service and greater than 10 years until their minimum service retirement age may be eligible for a lump-sum payment. Any deferred benefit paid prior to the member attaining his minimum service retirement age will be reduced ½ of 1% for each month the retiree is younger than his minimum service retirement age.

NON-DUTY DISABILITY BENEFIT

A member with 5 or more years of credited service who becomes totally and permanently disabled from performing his job from other than duty connected causes is eligible for a non-duty disability benefit computed in the same manner as an age and service allowance, based upon his service and salary to time of disability.

DUTY DISABILITY BENEFIT

A member who becomes totally and permanently disabled from performing his job from a duty related injury or disease is eligible for a duty disability benefit computed in the same manner as an age and service allowance, but based upon the years of service the member would have completed had he continued in LAGERS covered employment to age 60. Continuing medical examinations are required to confirm the disability once per year for the first 5 years and once every 3 years thereafter until reaching the minimum service retirement age.

SURVIVORS BENEFIT, NON-DUTY DEATH

Upon the death of a member who had completed at least 5 years of credited service, his eligible surviving dependents receive the following benefits: 1.) the surviving spouse receives an allowance equal to the Option A allowance (joint and 75% survivor benefits) computed upon the deceased member's service and salary to time of death. If no spouse benefit is payable, the dependent children under age 18 (23 if they are full-time students) each receive an equal share of 60% of an age and service allowance computed upon the deceased member's service and salary to time of death.

SURVIVORS BENEFIT, DUTY DEATH

If a member's death was the natural and proximate result of a personal injury or disease arising out of and in the course of his actual performance of duty as an employee, the spouse is eligible for a duty death benefit computed in the same manner as an age and service allowance, but based upon the years of service the member would have completed had he continued in LAGERS covered employment to age 60. The surviving spouse receives an allowance equal to the Option A allowance (joint and 75% survivor benefits). If no spouse benefit is payable, the dependent children under age 18 (23 if they are full-time students) each receive an equal share of 60% of the life allowance computed for the deceased.

POST RETIREMENT ADJUSTMENT

All retired members are eligible for an annual post retirement adjustment beginning the October first twelve months after the effective date of their allowance. The adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year. The Board of Trustees determines annually the amount of the post retirement adjustment subject to the 4% maximum or the increase in the Consumer Price Index.

OPTIONAL FORMS OF PAYMENT

When a LAGERS member makes application for retirement, his benefits are calculated in several optional forms and he selects the one that best fits his retirement needs. This election of an optional form of payment is made immediately prior to the receipt of the first benefit check and once the election is made, it is irrevocable. The options are as follows:

LIFE OPTION: This is the largest payment available to a retirant. Upon the death of the retirant monthly payments cease. If the member has not withdrawn at least his accumulated contributions before death, a refund of the balance of his account is made to his beneficiary of record.

OPTION A: This is a continuing spouse option which allows the retirant to receive less (85% if spouse age is the same) of the Life Option with the provision that the surviving spouse will receive 75% of the member's benefit for the remainder of his or her lifetime.

OPTION B: This option is also a continuing spouse option similar to Option A except the percentages are slightly changed. Under Option B, the retirant would receive a higher benefit (90% of the Life Option if spouse is the same age) with the surviving spouse receiving 50% of the member's benefit for the remainder of his or her lifetime.

OPTION C: The final of the four options is referred to as a "ten-year certain" option. As with the other options, the benefit (95% of the Life Option) is payable for the lifetime of the member but with an added provision that the system will make at least 120 monthly payments. If the employee lives over 10 years after retirement, monthly payments will cease upon his death.

PARTIAL LUMP SUM FEATURE (PLUS): This feature provides the option to elect a partial lump sum distribution of the monthly retirement benefit, coupled with a reduced future monthly benefit. The lump sum distribution would be equal to 24 monthly payments of the life allowance amount (does not include any temporary allowance payable under a Life and Temporary plan) at time of retirement. The lump sum payment would result in a reduction (approximately 16 percent) of the retiree's future monthly benefit adjusted for age. All the current options (Life, Option A, Option B and Option C) still apply and may be elected with or without the partial lump sum feature.

MEMBER CONTRIBUTIONS

Political subdivisions may participate in LAGERS under either a contributory or non-contributory plan. If the subdivision participates under the contributory plan, each member contributes 4% of his gross salary, beginning after he has completed sufficient employment for 6 months of credited service. If a member leaves LAGERS covered employment before an allowance is payable upon his behalf, his accumulated contributions are refunded to him. If he dies prior to accruing 5 or more years of credited service, his accumulated contributions are refunded to his designated beneficiary(s) unless a duty-related death benefit is payable. If the subdivision participates under the non-contributory plan, the employing political subdivision pays the entire cost, while the members make no contributions.

Local governments participating in LAGERS are permitted, if the governing body elects, to grant refunds of members' contributions after two years of participation in the system under the non-contributory option. The cost of this option would be borne by the governmental unit.

EMPLOYER CONTRIBUTIONS

The statutes require each employer to contribute the remaining amounts above that contributed by their members to finance the benefits that political subdivision has promised their employees through their participation in LAGERS. These employer contributions are determined annually by the system's retained actuary and are based upon level-percent-of-payroll funding principles so that the contribution rates do not have to increase over decades of time. A chart showing the employer contribution rates for all LAGERS employers is included on pages 37-38 of this report.

Statistical Summary

The objectives of the statistical section are to provide additional historical perspective, context, and relevant details to assist readers in using information in the financial statements, notes to the financial statements, and required supplementary information in order to understand and assess LAGERS' overall financial condition.

The schedules beginning on page 44 show financial trend information about the change in LAGERS' assets for the past 10 years. These schedules provide detailed information about the trends of key sources of asset additions and deductions, which assist in providing a context framing how LAGERS' financial position has changed over time. The financial trend schedules presented are:

- Change in Net Assets
- Interest Credits to Reserve Accounts

The schedules beginning on page 46 show demographic and economic information. This information is designed to assist in understanding the environment in which LAGERS operates. The demographic and economic information and the operating information presented include:

- Retired Member Data
- Benefit Expenses by Type
- Average Monthly Benefit Payments
- Participants by Classification
- Participating Political Subdivisions

Change in Net Assets

	2011	2010	2009	2008	2007
Additions:					
Member contributions	\$ 11,603,205	\$ 10,563,158	\$ 8,132,046	\$ 7,974,093	\$ 7,588,622
Employer contributions	154,244,689	137,849,763	132,715,295	130,007,191	128,938,636
Net investment income	<u>852,214,883</u>	<u>492,574,492</u>	<u>(731,386,113)</u>	<u>(113,434,235)</u>	<u>602,801,435</u>
Total additions to plan net assets	\$ <u>1,018,062,777</u>	\$ <u>640,987,413</u>	\$ <u>(590,538,772)</u>	\$ <u>24,547,049</u>	\$ <u>739,328,693</u>
Deductions:					
Benefits	\$ 171,494,586	\$ 157,702,725	\$ 149,048,361	\$ 138,069,554	\$ 121,741,881
Refunds	1,704,094	1,563,179	2,793,448	2,550,466	1,718,953
Administrative expenses	<u>4,945,684</u>	<u>3,415,311</u>	<u>3,402,017</u>	<u>3,167,541</u>	<u>2,711,067</u>
Total deductions from plan net assets	\$ <u>178,144,364</u>	\$ <u>162,681,215</u>	\$ <u>155,243,826</u>	\$ <u>143,787,561</u>	\$ <u>126,171,901</u>
Change in net assets	\$ <u>839,918,413</u>	\$ <u>478,306,198</u>	\$ <u>(745,782,598)</u>	\$ <u>(119,240,512)</u>	\$ <u>613,156,792</u>
Additions:	2006	2005	2004	2003	2002
Member contributions	\$ 7,189,700	\$ 8,298,846	\$ 7,786,865	\$ 7,265,502	\$ 6,584,052
Employer contributions	115,550,424	104,282,742	94,205,597	84,574,502	85,712,344
Net investment income	<u>273,849,051</u>	<u>342,286,798</u>	<u>395,664,373</u>	<u>39,384,943</u>	<u>(122,127,213)</u>
Total additions to plan net assets	\$ <u>396,589,175</u>	\$ <u>454,868,386</u>	\$ <u>497,656,835</u>	\$ <u>131,224,947</u>	\$ <u>(29,830,817)</u>
Deductions:					
Benefits	\$ 111,023,777	\$ 100,540,484	\$ 87,054,856	\$ 73,193,238	\$ 65,506,362
Refunds	2,289,098	3,967,389	3,361,153	2,186,992	1,730,345
Administrative expenses	<u>2,759,577</u>	<u>2,466,270</u>	<u>2,750,653</u>	<u>2,176,278</u>	<u>1,936,418</u>
Total deductions from plan net assets	\$ <u>116,072,452</u>	\$ <u>106,974,143</u>	\$ <u>93,166,662</u>	\$ <u>77,556,508</u>	\$ <u>69,173,125</u>
Change in net assets	\$ <u>280,516,723</u>	\$ <u>347,894,243</u>	\$ <u>404,490,173</u>	\$ <u>53,668,439</u>	\$ <u>(99,003,942)</u>

Interest Credits to Reserve Accounts

A retirement system acquires and invests assets as the result of following the financial objective of level contribution rates. The Board of Trustees of LAGERS has the responsibility for seeing that the assets are invested effectively and within the limits imposed by law. The Board retains professional money managers to assist in the investment process and reviews their activities throughout the year. The Board retains other professional firms to provide measurements of investment performance and their reports are also reviewed regularly.

The investment process continues to be volatile because of major disturbances in the economic environment.

Following is a table showing investment credits to the various reserves of the system for the last 10 years.

Rates of Investment Return Allocated to LAGERS Reserve Accounts

Investment Credits as a Percent of Fund Balance

Year Ended June 30	Casualty Reserve	Benefit Reserve	Member Reserve	Employer Reserve	Inflation Percent (CPI)
	(A)	(B)	(C)	(D)	
2011	7.5%	9.8%	0.5%	10.2%	3.6%
2010	7.5	5.4	4.0	5.4	1.1
2009	7.5	(9.1)	4.0	(9.7)	(1.4)
2008	7.5	7.5	4.0	7.7	5.0
2007	7.5	9.4	4.0	9.6	2.7
2006	7.5	15.3	4.0	15.9	4.3
2005	7.5	7.5	4.0	7.7	2.5
2004	7.5	11.4	4.0	11.8	3.2
2003	7.5	(5.4)	4.0	(5.9)	2.1
2002	7.5	(15.6)	4.0	0.0	1.1

- (A) Casualty Reserve assets are for the non-accrued service portion of disability benefits to future retired lives. The investment percent is the rate set for actuarial purposes.
- (B) Benefit Reserve assets are for benefits to present retired lives. The investment credit is the remainder of net investment return after crediting the Casualty Reserve assets. This revised allocation of investment credits is intended to provide the resources for additional benefit increases after retirement.
- (C) Member Deposit assets are the contributions of present members. The investment percent, set by the Board, affects amounts payable to members who request a refund. The percent does not affect the monthly benefit of a retiring member.
- (D) Employer Reserve assets are for benefits to future retired lives including the accrued service portion of disability benefits. The investment credit is the remainder of the net investment return after crediting the Casualty Reserve assets, followed by a further adjustment for the investment credit to the Member Deposit assets. The Employer Reserve is responsible for covering liability increases resulting from inflation losses. The percentages shown include net realized capital gains on sale of investments.

Retired Member Data

Amount of Monthly Benefit	Employee Classification			*Type of Retirement								*Option Selected			
	General	Police	Fire	#40	#60	#71	#72	#73	#81	#82	#83	Life	Opt. A	Opt. B	Opt. C
DEFERRED	735	129	23	887											
\$ 1 - \$ 100	981	285	40		91	23	28	23	538	460	143	598	399	125	184
\$ 101 - \$ 200	1,781	382	30		148	15	57	29	1,097	644	203	1061	643	171	318
\$ 201 - \$ 300	1,495	270	35		97	22	65	33	974	433	176	911	482	173	234
\$ 301 - \$ 400	1,096	232	35		73	15	59	34	774	280	128	675	359	160	169
\$ 401 - \$ 500	937	186	35		59	25	51	34	652	234	103	585	299	131	143
\$ 501 - \$ 600	774	146	42		38	29	43	17	555	190	90	475	246	123	118
\$ 601 - \$ 700	632	134	33		33	13	43	14	521	115	60	401	195	106	97
\$ 701 - \$ 800	565	100	33		26	21	28	6	464	109	44	339	179	96	84
\$ 801 - \$ 900	465	71	34		22	32	28	8	363	93	24	271	145	97	57
\$ 901 - \$ 1000	420	64	33		10	27	24	3	341	77	35	253	129	95	40
\$1001 - \$ 1100	402	69	25		10	36	23	4	330	60	33	239	125	86	46
\$1101 - \$ 1200	317	55	26		11	25	15	4	274	51	18	184	110	61	43
\$1201 - \$ 1300	288	44	33		4	28	21	2	255	36	19	179	77	80	29
\$1301 - \$ 1400	261	31	38		7	27	11	3	219	48	15	138	95	61	36
\$1401 - \$ 1500	223	45	25		9	15	10	0	213	32	14	131	83	50	29
\$1501 - \$ 1600	195	39	23		4	16	8	1	190	28	10	118	61	53	25
\$1601 - \$ 1700	183	42	20		4	19	9	0	186	18	9	106	64	49	26
\$1701 - \$ 1800	148	30	24		3	16	3	0	153	18	9	89	55	40	18
\$1801 - \$ 1900	148	33	26		2	21	5	1	160	18	0	105	58	35	9
\$1901 - \$ 2000	104	23	18		2	8	5	0	114	12	4	58	46	28	13
OVER \$ 2000	1053	239	204		9	75	14	1	1264	116	17	725	348	317	106
SUBTOTALS	13,203	2,649	835	887	662	508	550	217	9,637	3,072	1,154	7,641	4,198	2,137	1,824
TOTALS	16,687			16,687								15,800			

*See Summary of Plan Provisions for description of retirement and benefit options.

#40—Deferred Retirement

#73—Survivor Payment-Disability Retirement

#60—Deceased & Monthly Benefit Payable

#81—Normal Retirement

#71—Duty Disability Retirement

#82—Early Retirement

#72—Non-Duty Disability Retirement

#83—Survivor Payment-Normal Retirement

Benefit Expenses by Type

Benefit Expenses by Type:	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Normal benefits	\$163,723,382	\$150,404,024	\$142,028,574	\$131,786,647	\$116,146,782
Survivor benefits	<u>7,771,204</u>	<u>7,298,701</u>	<u>7,019,787</u>	<u>6,282,907</u>	<u>5,595,099</u>
Total benefits	<u>\$171,494,586</u>	<u>\$157,702,725</u>	<u>\$149,048,361</u>	<u>\$138,069,554</u>	<u>\$121,741,881</u>
Total refunds	<u>\$ 1,704,094</u>	<u>\$ 1,563,179</u>	<u>\$ 2,793,448</u>	<u>\$ 2,550,466</u>	<u>\$ 1,718,953</u>

Benefit Expenses by Type:	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Normal benefits	\$106,002,170	\$ 93,500,004	\$ 82,837,171	\$ 69,461,738	\$ 62,209,449
Survivor benefits	<u>5,021,607</u>	<u>7,040,480</u>	<u>4,217,685</u>	<u>3,731,500</u>	<u>3,296,913</u>
Total benefits	<u>\$111,023,777</u>	<u>\$ 100,540,484</u>	<u>\$ 87,054,856</u>	<u>\$ 73,193,238</u>	<u>\$ 65,506,362</u>
Total refunds	<u>\$ 2,289,098</u>	<u>\$ 3,967,389</u>	<u>\$ 3,361,153</u>	<u>\$ 2,186,992</u>	<u>\$ 1,730,345</u>

Average Monthly Benefit Payments

RETIREMENT EFFECTIVE DATES	YEARS OF CREDITED SERVICE BY CATEGORY					
	For Fiscal Years Ended June 30:	5-10	10-15	15-20	20-25	25-30
2011 Average Monthly Benefit	\$ 319	\$ 587	\$ 938	\$ 1,327	\$ 1,649	\$ 2,532
Average Final Average Salary.....	3,094	3,221	3,592	4,000	3,952	4,670
Number of Active Retirants.....	402	221	171	164	117	170
2010 Average Monthly Benefit	\$ 271	\$ 495	\$ 809	\$ 1,245	\$ 1,927	\$ 2,469
Average Final Average Salary.....	2,819	3,197	3,274	3,744	4,436	4,546
Number of Active Retirants.....	382	215	137	139	121	149
2009 Average Monthly Benefit	\$ 246	\$ 505	\$ 726	\$ 1,238	\$ 1,706	\$ 2,226
Average Final Average Salary.....	2,819	2,894	3,094	3,868	3,985	4,430
Number of Active Retirants.....	413	188	121	119	115	135
2008 Average Monthly Benefit	\$ 245	\$ 537	\$ 851	\$ 1,187	\$ 1,714	\$ 2,379
Average Final Average Salary.....	2,582	3,030	3,159	3,479	3,852	4,398
Number of Active Retirants.....	390	165	149	124	121	131
2007 Average Monthly Benefit	\$ 257	\$ 506	\$ 852	\$ 1,135	\$ 1,783	\$ 2,320
Average Final Average Salary.....	2,595	2,713	3,169	3,295	3,977	4,162
Number of Active Retirants.....	296	199	122	126	103	97
2006 Average Monthly Benefit	\$ 273	\$ 581	\$ 883	\$ 1,275	\$ 2,101	\$ 2,352
Average Final Average Salary.....	2,543	2,792	3,105	3,411	4,300	4,101
Number of Active Retirants.....	292	114	111	122	109	104
2005 Average Monthly Benefit	\$ 228	\$ 535	\$ 867	\$ 1,153	\$ 1,930	\$ 2,453
Average Final Average Salary.....	2,425	2,715	2,970	3,128	4,118	4,117
Number of Active Retirants.....	297	152	123	112	102	87
2004 Average Monthly Benefit	\$ 246	\$ 527	\$ 806	\$ 1,396	\$ 1,923	\$ 2,827
Average Final Average Salary.....	2,233	2,529	2,881	3,509	3,890	4,258
Number of Active Retirants.....	305	119	99	87	108	95
2003 Average Monthly Benefit	\$ 239	\$ 571	\$ 905	\$ 1,430	\$ 2,055	\$ 2,466
Average Final Average Salary.....	2,525	2,392	2,798	3,225	3,675	3,600
Number of Active Retirants.....	251	114	99	108	77	104
2002 Average Monthly Benefit	\$ 287	\$ 530	\$ 778	\$ 1,286	\$ 1,897	\$ 2,489
Average Final Average Salary.....	2,048	2,361	2,431	2,957	3,491	3,733
Number of Active Retirants.....	202	117	102	113	73	89
From July 1, 2001 through June 30, 2011						
Average Monthly Benefit.....	\$ 262	\$ 535	\$ 845	\$ 1,264	\$ 1,858	\$ 2,446
Average Final Average Salary	2,616	2,845	3,091	3,490	3,996	4,259
Number of Active Retirants	3,230	1,604	1,234	1,214	1,046	1,161

Participants by Classification

POLITICAL SUBDIVISIONS

<u>Year</u>	<u>Cities</u>	<u>Counties</u>	<u>Health Agencies</u>	<u>Special Districts</u>	<u>Water Districts</u>	<u>Road Districts</u>	<u>Fire Districts</u>	<u>Emergency Services</u>	<u>Libraries</u>	<u>Total</u>
2011	281	60	60	43	39	26	30	32	39	610
2010	278	60	58	59	41	27	25	14	40	602
2009	274	60	58	52	40	27	25	14	40	590
2008	267	60	56	146	N/A	N/A	N/A	N/A	40	569
2007	263	60	56	134	N/A	N/A	N/A	N/A	40	553
2006	254	60	56	122	N/A	N/A	N/A	N/A	39	531
2005	250	60	53	117	N/A	N/A	N/A	N/A	37	517
2004	249	60	51	110	N/A	N/A	N/A	N/A	36	506
2003	243	60	50	105	N/A	N/A	N/A	N/A	35	493
2002	236	60	50	102	N/A	N/A	N/A	N/A	34	482

Numbers reported as "N/A" were previously reported under Special Districts.

EMPLOYEE MEMBERS

<u>Year</u>	<u>Cities</u>	<u>Counties</u>	<u>Health Agencies</u>	<u>Special Districts</u>	<u>Water Districts</u>	<u>Road Districts</u>	<u>Fire Districts</u>	<u>Emergency Services</u>	<u>Libraries</u>	<u>Total</u>
2011	18,148	8,637	1,852	2,269	211	86	572	544	922	33,241
2010	18,016	8,742	1,866	2,375	209	87	491	310	936	33,032
2009	17,911	8,684	1,913	2,307	206	84	471	324	931	32,831
2008	17,134	8,538	1,776	3,073	N/A	N/A	N/A	N/A	903	31,424
2007	16,762	8,289	1,813	2,857	N/A	N/A	N/A	N/A	886	30,607
2006	18,918	9,620	1,879	2,851	N/A	N/A	N/A	N/A	904	34,172
2005	18,722	9,282	1,625	2,743	N/A	N/A	N/A	N/A	885	33,257
2004	18,327	9,278	1,546	2,547	N/A	N/A	N/A	N/A	870	32,568
2003	17,746	8,878	1,485	2,323	N/A	N/A	N/A	N/A	848	31,280
2002	17,266	8,623	1,473	2,365	N/A	N/A	N/A	N/A	777	30,504

Numbers reported as "N/A" were previously reported under Special Districts.

Participating Political Subdivisions

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Advance (9)	L-1	no	5	no	no	10-2005
Airport Drive (1)	L-7	no	3	no	no	05-2000
Albany (16)	L-7	yes	3	yes	no	07-1989
Anderson (7)	L-3	no	5	yes	no	06-1990
Annapolis (2)	L-7	no	3	yes	no	07-2001
Arnold (78)	L-6	yes	3	no	no	01-1984
Ash Grove (7)	L-7	no	3	yes	no	04-1972
Ashland (12)	L-7	no	5	yes	no	06-1970
Aurora (49)	L-7	no	3	no	yes	07-1972
Auxvasse (4)	L-7	yes	5	no	no	01-1994
Ava (48)	LT-8(65)	yes	3	no	no	09-1997
Ballwin (89)	L-3	no	3	no	yes	11-1969
Belle (6)	L-7	no	5	yes	no	05-1987
Bellefontaine Neighbors (62)	L-6	no	3	no	no	07-1968
Bellflower (2)	L-6	no	3	yes	no	08-1990
Belton (197)	L-9	no	3	no	yes	02-1974
Belridge (16)	L-1	no	5	yes	no	02-2002
Berkeley (56)	LT-10(65)	yes	3	no	no	07-1968
Bernie (20)	L-3	no	3	no	no	08-1978
Bethany (36)	L-6	no	5	yes	no	01-1976
Beverly Hills (5)	L-1	no	5	yes	no	07-1991
Bevier (4)	L-1	no	5	yes	no	07-1999
Bland (1)	L-1	yes	5	no	no	09-1994
Bloomfield (11)	L-1	no	5	no	no	10-2001
Blue Springs (245)	L-7	no	3	no	yes	09-1973
Bolivar (74)	L-7	no	3	yes	no	02-1973
Boonville (76)	L-9	no	3	no	yes	05-1971
Bourbon (10)	L-1	no	3	no	no	01-2000
Bowling Green (21)	L-7	no	5	no	yes	01-1979
Branson (221)	L-6	yes	3	yes	no	01-1978
Braymer (3)	LT-8(62)	no	3	yes	no	12-1970
Brentwood (74)	L-7	no	3	no	yes	04-1969
Brookfield (41)	L-3	no	5	no	no	02-1989
Buckner (13)	LT-5(62)	no	3	no	no	10-1987
Buffalo (23)	L-7	yes	3	yes	no	01-1974
Butler (53)	LT-5(65)	no	3	yes	no	06-1993
Cabool (30)	L-12	no	3	no	yes	10-1969
Camdenton (42)	L-1	no	3	no	no	07-2008
Cameron (64)	L-6	no	3	no	no	07-1968
Campbell (20)	L-1	no	5	yes	no	02-2005
Canton (12)	L-7	no	3	no	yes	07-1979
Cape Girardeau (357)	LT-8(65)	no	3	no	yes	02-1973
Carl Junction (28)	L-7	no	5	yes	no	06-1971
Carthage (56)	L-7	no	3	no	no	07-1982

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Caruthersville (44)	L-1	no	5	no	yes	01-1979
Cassville (25)	L-1	no	5	yes	no	02-2010
Centralia (31)	L-7	no	5	no	yes	07-1972
Charleston (30)	L-1	no	5	no	no	05-1980
Chillicothe (73)	L-12	no	3	no	yes	05-1978
Clarksville (4)	L-3	no	5	no	no	10-1974
Claycomo (28)	L-12	no	5	no	no	04-2007
Cleveland (2)	L-1	no	5	yes	no	04-2007
Clever (7)	L-1	yes	5	yes	no	07-1998
Clinton (70)	L-7	no	5	no	yes	02-1972
Columbia (949)	L-6	yes	3	no	yes	02-1969
Concordia (19)	L-12	yes	3	yes	no	05-1978
Cool Valley (10)	L-7	no	5	no	no	07-1972
Cottleville (16)	L-3	no	5	yes	no	06-2010
Crestwood (84)	L-7	no	3	no	yes	07-1968
Crocker (8)	L-1	no	5	no	no	09-1988
Crystal City (54)	L-9	no	5	no	yes	04-1970
Cuba (41)	L-6	yes	3	no	yes	04-1971
Dardenne Prairie (6)	L-7	yes	5	no	no	11-2006
De Soto (47)	L-7	no	5	no	no	01-1983
Dellwood (23)	L-12	no	3	no	no	01-1975
Dexter (63)	L-6	yes	3	no	no	08-1973
Dixon (15)	L-7	no	5	yes	no	12-2000
Doniphan (21)	L-7	no	5	yes	no	01-1993
Drexel (3)	L-7	no	5	no	no	06-1998
El Dorado Springs (47)	L-6	no	3	no	yes	07-1975
Eldon (45)	L-1	no	5	yes	no	05-2005
Ellington (7)	L-1	no	5	yes	no	07-2009
Ellisville (51)	L-7	no	3	no	no	08-1971
Elsberry (6)	L-3	yes	5	no	no	01-1998
Eminence (2)	L-3	no	5	no	yes	09-1996
Eureka (61)	L-6	yes	3	no	no	11-1973
Excelsior Springs (111)	L-7	no	5	no	yes	12-1972
Fair Grove (8)	L-1	no	5	yes	no	09-2005
Farmington (122)	LT-8(65)	yes	3	no	no	02-1969
Fayette (27)	L-7	yes	5	no	yes	07-1970
Fenton (42)	LT-8(65)	no	3	no	yes	01-1971
*Festus (102)	L-12	no	5	no	yes	04-1968
Forstell (10)	L-3	no	3	no	no	10-2003
Forsyth (18)	L-7	no	5	no	yes	07-1985
Fredericktown (40)	LT-8(65)	yes	5	yes	no	05-1968
Frontenac (52)	LT-8(65)	no	3	no	yes	08-1972
Fulton (183)	L-7	yes	5	no	yes	08-1968
Gainesville (3)	L-1	no	5	yes	no	12-1984

Participating Political Subdivisions

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Garden City (8)	L-1	no	5	yes	no	04-1993
Gerald (9)	L-1	no	3	yes	no	04-2003
Gideon (6)	L-3	yes	5	yes	no	10-1970
Gladstone (181)	L-6	yes	3	yes	no	09-1968
Glasgow (8)	L-3	no	5	no	no	10-1974
Glendale (8)	LT-8(62)	no	5	no	yes	02-1971
Gower (5)	L-1	no	5	yes	no	1-2010
Grain Valley (54)	L-7	no	5	no	no	01-1999
Grandview (174)	LT-5(65)	no	3	no	no	07-1971
Grant City (7)	L-1	no	5	yes	no	05-1999
Green City (4)	L-1	no	5	no	yes	04-1988
Hale (2)	L-7	no	3	no	no	06-1998
Hannibal (73)	LT-14(65)	yes	5	no	yes	11-1969
Hardin (4)	L-1	no	3	yes	no	02-1997
Harrisonville (117)	LT-14(65)	no	3	no	no	08-1972
Hartville (4)	L-7	no	3	yes	no	07-2001
Hayti (29)	L-3	no	5	yes	no	01-1994
Henrietta (1)	L-1	no	3	yes	no	02-2009
Hermann (36)	L-1	no	3	no	no	09-1980
Higginsville (70)	LT-10(65)	yes	3	no	yes	08-1970
Hillsboro (13)	L-7	no	5	no	no	07-1980
Holden (10)	L-9	no	5	no	no	04-1974
Hollister (37)	L-6	yes	3	yes	no	05-1998
Holts Summit (21)	L-1	no	5	no	no	01-1998
Houston (30)	L-6	yes	3	no	yes	05-1971
Humansville (5)	L-1	yes	5	yes	no	06-2006
Huntsville (12)	L-1	no	5	no	no	05-2001
Independence (1,075)	LT-6	no	3	yes	no	11-1968
Ironton (11)	L-1	no	5	no	no	10-2008
* Jackson (118)	LT-8(62)	no	3	no	yes	04-1968
Jefferson City (408)	L-6	yes	3	no	yes	01-1970
Jennings (67)	L-12	no	3	no	no	09-1968
Jonesburg (4)	L-1	no	3	no	no	01-1997
Joplin (287)	LT-14(65)	no	5	no	no	01-1973
Kearney (31)	L-7	no	3	no	no	04-1992
Kennett (64)	L-7	no	3	no	yes	07-1968
Kimberling City (17)	LT-8(65)	no	3	no	no	03-1994
Kingdom City (2)	L-1	no	5	no	no	04-2011
Kirksville (137)	L-7	no	5	no	yes	01-1977
Knob Noster (20)	LT-4(65)	yes	5	no	no	02-1999
La Grange (18)	L-12	no	3	no	yes	02-1977
La Plata (12)	L-3	no	5	no	yes	11-1972
Lake Lotawana (13)	L-1	yes	5	no	no	08-2002
Lake Ozark (33)	L-1	no	5	no	no	05-2000

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Lake Saint Louis (85)	LT-8(65)	yes	3	no	yes	11-1985
Lake Winnebago (13)	L-1	no	3	yes	no	04-1999
Lamar (62)	L-3	no	5	no	no	09-1998
Lathrop (8)	L-3	no	5	no	no	07-1996
Lawson (8)	L-1	no	5	no	no	08-2000
Lebanon (152)	L-7	no	5	no	no	11-1984
Lee's Summit (625)	L-6	no	5	no	yes	04-1970
Liberty (200)	LT-5(65)	no	5	no	yes	07-1970
Licking (11)	L-12	no	3	no	no	01-1985
Linn (8)	L-1	no	5	no	no	05-2003
Lockwood (7)	L-9	no	3	no	no	04-1968
Louisiana (32)	L-3	no	5	no	no	07-1968
Macon (91)	LT-8(65)	yes	3	no	no	06-1968
Malden (58)	L-6	no	5	yes	no	07-1976
Mansfield (15)	L-1	no	3	yes	no	04-2003
Maplewood (76)	L-6	no	3	yes	no	04-1970
Marceline (26)	L-6	no	5	yes	no	04-1981
Marionville (6)	L-7	no	3	yes	no	12-1988
Marshall (200)	L-12	no	5	no	no	04-1971
Marshfield (39)	L-6	no	5	yes	no	01-1990
Maryland Heights (196)	L-6	no	5	no	no	01-2004
Maryville (75)	L-9	no	3	no	no	01-1973
Matthews (6)	L-1	yes	5	no	no	08-2006
Memphis (23)	L-6	yes	3	yes	no	01-1972
Mercer (2)	L-3	no	3	yes	no	06-1988
Merriam Woods (4)	L-1	no	5	yes	no	11-2006
*Mexico (84)	L-6	yes	3	no	no	04-1968
Milan (14)	L-1	no	3	no	yes	01-1987
Miner (20)	L-6	yes	3	no	no	03-1995
Moberly (127)	LT-8(65)	yes	3	no	yes	08-1968
Moline Acres (21)	LT-5(65)	no	5	no	no	04-1974
Monett (118)	LT-10(65)	yes	3	no	yes	03-1978
Montgomery City (21)	L-1	no	3	no	no	03-1971
Mound City (7)	L-6	no	3	yes	no	04-1971
Mount Vernon (33)	L-7	yes	5	no	yes	09-1972
Mountain Grove (47)	LT-8(62)	no	5	no	no	07-1987
Mountain View (42)	L-7	no	5	no	yes	07-1989
Neosho (84)	LT-8(65)	yes	3	no	yes	07-1971
Nevada (74)	LT-8(65)	yes	5	no	no	11-1968
New Madrid (25)	L-6	no	3	no	no	08-1968
Nixa (113)	L-6	no	5	yes	no	01-1990
Norborne (5)	L-3	no	5	yes	no	09-1969
Normandy (30)	L-7	no	5	no	no	06-1969
North Kansas City (106)	L-6	yes	3	no	no	11-1969

Participating Political Subdivisions

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Northwoods (36)	L-6	no	5	no	no	07-1972
O'Fallon (376)	LT-8(65)	no	5	no	yes	02-1975
Oak Grove (44)	L-7	no	3	no	no	08-1969
Oakland (0)	LT-8(65)	no	5	no	no	04-2004
Oakview (7)	L-1	no	5	yes	no	05-2009
Odessa (42)	L-7	no	3	no	yes	07-1975
Osceola (7)	L-1	no	3	yes	no	09-2001
Owensville (19)	L-9	yes	5	no	no	05-1972
Ozark (97)	L-7	no	3	no	yes	07-1990
Pacific (44)	L-6	yes	5	no	yes	04-1987
Pagedale (22)	L-3	no	5	no	no	03-1972
Palmyra (34)	LT-14(65)	yes	3	no	no	04-1968
Paris (12)	L-7	no	3	no	no	02-1969
Parkville (33)	L-1	no	5	yes	no	08-2009
Pattonsburg (2)	L-1	no	5	yes	no	06-1975
Peculiar (24)	LT-14(65)	yes	3	no	yes	10-1986
Perry (8)	L-6	no	3	yes	no	01-1971
Perryville (100)	L-6	no	3	no	yes	03-1969
Piedmont (22)	LT-5(62)	yes	3	no	yes	08-1974
Pilot Knob (3)	L-7	no	3	yes	no	06-1992
Pine Lawn (14)	L-1	no	5	no	no	07-1970
Platte City (32)	L-3	no	5	yes	no	05-1987
Plattsburg (18)	L-3	no	5	no	yes	02-1972
Pleasant Hill (41)	L-6	yes	3	no	yes	05-1978
Poplar Bluff (267)	LT-8(65)	no	5	no	yes	02-1971
Portageville (35)	L-3	no	5	no	no	09-1996
Potosi (31)	L-7	no	3	no	yes	04-1973
Princeton (10)	L-6	no	5	yes	no	01-1973
Puxico (5)	L-3	no	5	yes	no	07-2007
Ravenwood (1)	L-1	no	3	yes	no	11-2000
Raymore (90)	L-7	no	3	no	no	01-1990
Raytown (101)	LT-5(65)	no	5	no	no	07-2003
Republic (113)	L-1	no	3	yes	no	03-2009
Richland (19)	L-1	no	5	no	yes	07-1988
Richmond (45)	L-3	no	3	no	no	12-1990
Richmond Heights (80)	L-6	no	3	yes	no	05-1968
Riverside (69)	L-6	no	5	no	no	01-1997
Riverview (14)	L-3	no	5	yes	no	08-1989
Rock Hill (31)	L-3	no	5	no	no	04-1968
Rolla (198)	LT-14(65)	yes	3	no	yes	01-1969
Russellville (2)	L-1	no	3	no	no	05-1999
Salem (54)	L-6	yes	3	yes	no	12-1984
Savannah (22)	L-9	no	5	no	yes	07-1976
Scott City (27)	L-7	no	5	yes	no	01-1993

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Sedalia (178)	L-6	no	3	no	yes	08-1972
Seneca (13)	L-3	no	3	no	no	05-1975
Seymour (18)	L-9	no	3	no	no	04-1996
Shelbina (28)	L-6	yes	3	yes	no	11-1969
Shelbyville (2)	L-1	no	5	yes	no	12-2006
Sheldon (2)	LT-4(65)	yes	3	yes	no	01-2008
*Shrewsbury (53)	LT-5(62)	no	3	no	yes	04-1968
*Sikeston (120)	LT-8(65)	no	3	no	yes	04-1968
Slater (19)	L-7	no	5	no	no	02-1969
Smithville (40)	L-1	no	3	yes	no	01-2004
Sparta (4)	L-7	no	3	no	no	07-2007
Springfield (1,205)	L-6	no	3	no	no	06-1968
St. Ann (85)	L-6	yes	3	yes	no	06-1968
*St. Charles (428)	LT-8(65)	yes	3	no	yes	04-1968
St. Clair (33)	L-6	no	5	no	yes	05-1980
St. James (43)	L-6	no	3	yes	no	06-1974
St. John (42)	L-7	no	5	no	yes	03-1970
St. Joseph (520)	L-3	no	3	no	no	04-1970
St. Mary (4)	L-1	no	5	yes	no	11-2007
St. Peters (383)	L-6	yes	3	yes	no	01-1976
St. Robert (90)	L-7	no	3	yes	no	04-1983
Ste. Genevieve (23)	LT-8(65)	no	5	yes	no	10-1984
Steelville (18)	L-7	no	3	no	no	03-1997
Stockton (8)	L-1	no	5	yes	no	10-1988
Strafford (15)	L-1	no	3	no	no	02-2009
Sugar Creek (63)	LT-5(65)	no	3	no	yes	05-1968
Sullivan (55)	L-6	yes	3	no	yes	03-1972
Sunrise Beach (5)	L-3	no	3	no	no	06-2005
Sunset Hills (65)	L-7	no	3	no	yes	10-1972
Sweet Springs (11)	L-1	yes	5	no	yes	04-1973
Thayer (26)	L-1	no	5	yes	no	01-1997
Tipton (11)	LT-5(65)	yes	3	yes	no	04-1981
Town & Country (42)	LT-14(65)	no	3	yes	no	02-2007
Trenton (39)	L-6	no	5	no	yes	05-1979
Troy (51)	L-3	no	5	no	no	08-2008
Twin Oaks (3)	L-7	no	3	yes	no	01-2007
Union (65)	L-6	no	3	no	yes	01-1974
Unionville (19)	LT-14(65)	yes	5	yes	no	10-1982
Valley Park (20)	L-9	no	5	yes	no	11-1972
Van Buren (6)	L-1	no	5	no	no	01-2003
Vandalia (28)	L-1	no	5	no	no	05-1988
Vienna (4)	L-1	no	5	no	no	09-2002
Vinita Park (21)	L-6	no	3	no	no	08-1971
Warrensburg (117)	L-7	no	5	no	yes	07-1968

Participating Political Subdivisions

Cities: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Warsaw (26)	L-3	no	5	no	no	05-1999
Washington (121)	LT-10(65)	yes	3	no	no	01-1971
Waverly (3)	L-3	no	5	yes	no	10-1986
Waynesville (40)	LT-14(65)	no	3	no	yes	09-1985
Webb City (94)	L-7	no	3	no	no	03-1975
Wellston (25)	L-1	no	5	no	no	07-1971
Wentzville (170)	L-7	no	5	no	no	02-1973
West Plains (187)	LT-10(65)	yes	3	no	no	02-1973
Weston (14)	L-1	no	5	yes	no	07-1997
Willard (30)	L-3	no	5	yes	no	04-2004
Willow Springs (30)	L-7	no	5	no	no	06-1993
Winchester (3)	LT-5(62)	no	5	no	no	10-1982
Windsor (11)	L-9	no	3	yes	no	08-1973
Winfield (4)	L-1	no	5	yes	no	05-2003
Wood Heights (1)	L-3	no	3	yes	no	01-1999
Woodson Terrace (30)	L-7	no	5	no	yes	12-1969
Counties: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Adair County (87)	L-7	no	5	no	yes	03-1977
Andrew County (58)	L-6	no	3	no	no	03-1976
Atchison County (47)	L-1	no	3	no	no	01-1974
Audrain County (78)	L-7	no	3	no	no	04-1968
Buchanan County (242)	L-6	no	5	no	yes	06-1971
Butler County (125)	L-6	yes	3	no	yes	04-1968
Caldwell County (64)	L-1	no	5	yes	no	01-1984
Callaway County (146)	L-7	no	5	no	yes	01-1977
Camden County (280)	L-6	yes	5	no	yes	02-1969
Cape Girardeau County (166)	L-6	no	3	no	yes	01-1985
Cass County (204)	L-1	no	3	no	yes	01-1991
Chariton County (36)	L-7	no	3	yes	no	01-1988
Christian County (181)	L-9	no	3	no	yes	03-1989
Clark County (41)	L-1	no	5	yes	no	01-1980
Clay County (518)	L-9	no	3	no	yes	11-1975
Clinton County (62)	L-3	no	5	yes	no	01-1986
*Cole County (289)	L-7	no	5	no	yes	04-1968
DeKalb County (29)	L-3	no	3	no	no	12-1983
Dunklin County (77)	L-7	no	3	yes	no	01-1969
Franklin County (305)	L-6	yes	3	no	yes	01-1970
Gasconade County (49)	L-7	no	5	no	yes	01-1974
Greene County (678)	L-7	no	3	no	yes	01-1972
Holt County (32)	L-3	no	3	yes	no	01-1974
Howard County (47)	L-1	no	5	no	no	06-1976

† See Summary of Plan Provisions for benefit program description.

* Charter Member

Counties: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Howell County (93)	L-6	yes	5	no	yes	01-1974
Iron County (45)	L-7	no	5	yes	no	01-1970
Jasper County (300)	L-9	no	3	no	yes	01-1983
Jefferson County (598)	L-12	no	3	no	yes	03-1969
Lafayette County (96)	L-7	no	3	yes	no	01-1970
Lawrence County (88)	L-7	no	3	yes	no	01-1973
Lewis County (42)	LT-8(65)	no	3	no	yes	11-1974
Livingston County (40)	L-3	no	3	no	yes	12-1988
Macon County (54)	L-3	no	5	yes	no	01-1990
Marion County (88)	L-12	no	3	no	yes	02-1972
Miller County (91)	L-6	no	5	yes	no	01-1976
Mississippi County (66)	L-7	no	5	yes	no	02-1973
Monroe County (34)	L-7	no	3	no	no	02-1980
Montgomery County (83)	LT-8(65)	no	3	yes	no	02-1973
*New Madrid County (75)	L-6	yes	5	no	yes	04-1968
Nodaway County (53)	L-3	no	5	yes	no	07-1973
*Pemiscot County (98)	L-7	no	3	no	yes	04-1968
Perry County (79)	L-7	no	3	no	yes	05-1968
Pettis County (110)	L-12	no	3	no	no	10-1971
Phelps County (138)	L-6	yes	3	yes	no	01-1969
Pike County (73)	L-6	yes	3	yes	no	12-1971
Platte County (255)	L-7	no	3	no	no	01-1974
Ralls County (40)	L-7	no	5	no	yes	01-1973
Randolph County (82)	L-9	no	3	yes	no	04-1969
Ray County (87)	L-7	no	3	no	no	04-1969
Scott County (92)	L-7	no	3	no	yes	05-1969
Shannon County (57)	L-1	no	5	yes	no	02-1978
St. Charles County (980)	LT-8(65)	no	3	no	yes	08-1973
St. Clair County (78)	L-3	no	5	yes	no	07-1979
St. Francois County (179)	L-6	no	3	yes	no	10-1969
Ste. Genevieve County (99)	L-7	no	3	yes	no	05-1970
Stoddard County (67)	L-7	no	5	no	no	01-1969
Taney County (290)	L-7	no	5	no	yes	08-1985
Texas County (61)	L-9	yes	3	no	yes	09-1975
Vernon County (57)	L-3	no	3	no	yes	01-1969
Wright County (59)	L-12	yes	3	no	no	12-1981
Health Agencies: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Adair County Health Department (18)	L-6	no	5	yes	no	07-1981
Andrew County Health Department (6)	L-1	no	3	yes	no	01-2011
Bates County Health Center (7)	L-3	no	5	no	no	08-1992
Butler County Health Department (37)	L-1	no	5	no	yes	08-1968

Participating Political Subdivisions

Health Agencies: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Caldwell County Health Department (6)	LT-8(65)	no	5	yes	no	03-1987
Cape Girardeau Co. Health Dept. (32)	L-7	no	3	no	yes	01-1987
Carter County Health Center (11)	L-1	no	5	no	no	06-1978
Chariton County Health Department (5)	L-1	yes	5	yes	no	05-2006
Clark County Health Department (7)	L-6	no	3	no	yes	01-1981
Clay County Health Department (70)	L-9	no	3	no	yes	06-2005
Clinton County Health Department (6)	L-3	no	5	yes	no	01-1986
Dallas County Health Department (7)	L-1	no	5	no	no	01-1991
Daviess County Health Department (7)	L-1	no	3	yes	no	07-2003
Dent County Health Center (7)	L-3	no	3	yes	no	02-1991
Douglas County Health Department (11)	L-1	no	3	yes	no	06-2010
Dunklin County Health Department (11)	LT-10(65)	no	3	yes	no	02-1969
Gasconade Co. Health Department (5)	L-1	no	5	no	yes	04-1981
Grundy County Nursing Home (99)	L-1	no	5	no	no	07-2005
Henry County Health Department (11)	L-1	yes	3	yes	no	01-2009
Iron County Health Department (9)	L-3	yes	5	yes	no	03-1973
Jefferson County Health Department (53)	L-7	yes	3	no	no	10-1987
Laclede County Health Center (10)	L-3	no	5	yes	no	08-1991
Lafayette Co. Health Department (10)	LT-8(65)	no	3	no	no	01-1982
Lewis County Health Department (10)	L-3	no	3	no	yes	05-1974
Lincoln County Health Department (21)	L-7	no	3	yes	no	01-2002
Linn County Health Department (9)	L-7	no	3	yes	no	05-1993
Livingston Co. Health Department (8)	L-3	yes	3	yes	no	12-1988
Macon County Health Department (9)	L-7	yes	5	no	no	08-1974
Madison County Health Department (11)	L-1	no	5	yes	no	03-1998
Madison Memorial Hospital (205)	L-3	no	5	no	no	10-1972
Marion County Health Department (19)	L-9	no	3	yes	no	02-1972
Miller County Health Department (11)	L-3	no	5	no	no	01-2001
Mississippi County Health Dept. (12)	L-1	no	5	no	yes	07-1977
Moniteau County Health Center (5)	L-3	no	5	no	no	11-1990
Monroe County Health Department (10)	L-7	no	5	no	no	04-1981
Montgomery Co. Health Department (8)	L-3	no	3	yes	no	01-1988
Nevada City Hospital (273)	L-3	no	5	no	yes	09-1970
Nevada City Nursing Home (70)	L-3	no	5	no	yes	10-1978
New Madrid County Health Department (12)	L-6	yes	5	no	yes	06-1968
Pemiscot County Health Department (9)	L-7	yes	3	no	yes	10-1968
Pemiscot County Memorial Hospital (408)	L-7	yes	3	yes	no	02-1981
Pettis County Health Center (20)	L-9	no	3	yes	no	01-1987
Pike County Health Department (23)	L-9	yes	3	yes	no	01-2002
Platte County Health Center (32)	L-7	no	3	no	no	01-1986
Polk County Health Center (13)	L-1	no	3	yes	no	02-1991
Pulaski County Health Department (17)	L-6	yes	3	no	yes	01-1979
Putnam County Health Department (5)	L-7	yes	3	no	no	03-1995
Ralls County Health Department (12)	L-12	no	3	no	yes	04-1973

† See Summary of Plan Provisions for benefit program description.

* Charter Member

Health Agencies: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Randolph County Health Department (40)	L-7	no	5	yes	no	04-1981
Ray County Health Department (7)	L-6	yes	3	yes	no	01-1988
Saline County Health Department (12)	L-1	no	3	yes	no	03-2005
Scott County Health Department (17)	L-7	no	3	no	yes	10-1970
St. Clair County Health Department (13)	L-1	no	5	no	no	01-1981
St. Francois Co. Health Department (28)	L-7	yes	3	yes	no	01-1983
Sullivan County Health Department (8)	LT-8(65)	no	3	no	no	04-1995
Texas County Health Department (10)	L-7	no	5	no	yes	07-1987
Vernon County Health Department (6)	L-7	no	3	no	yes	05-1987
Washington County Health Dept. (11)	L-3	no	3	no	no	01-1991
Wayne County Health Center (10)	L-3	yes	3	no	no	05-1996
Webster County Health Department (13)	L-1	no	5	yes	no	07-1999
Special Districts: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Adair County SB40 for DD (13)	L-7	no	5	no	no	10-2010
Audrain Handicapped Services (73)	L-12	no	5	no	no	04-1996
Boone Co. Group Homes (105)	L-12	no	3	yes	no	07-2004
Booneslick Regional Planning Comm. (17)	L-3	yes	5	yes	no	07-2006
Bootheel Regional Planning Comm. (5)	LT-4(65)	yes	5	yes	no	01-2005
Callaway Co. Special Services (26)	L-6	yes	3	no	no	07-1996
Camden Co. SB40 (4)	L-1	no	3	no	no	01-2008
Carthage Utilities (65)	L-7	no	3	no	no	07-1982
Chariton Co. Sheltered Workshop (2)	L-1	no	5	yes	no	02-2000
Chillicothe Township (3)	L-7	no	3	yes	no	08-1995
Chillicothe Utilities (51)	L-12	no	3	no	yes	05-1978
Daviess/DeKalb Co. Regional Jail (28)	L-7	no	3	yes	no	11-2007
Gasconade Co. SB40 (1)	L-1	no	5	no	no	07-2001
Greene Co. SB40 (59)	L-6	no	3	no	no	01-2001
Green Hills Regional Planning Comm. (10)	L-1	no	3	yes	no	02-2011
Hannibal Public Works (62)	LT-14(65)	yes	5	no	yes	11-1969
Harry Truman Coor. Council (7)	L-7	no	3	no	no	07-2005
Independance Township (3)	L-1	no	3	no	no	07-2006
Jasper Co. Sheltered Facilities (26)	L-7	no	3	no	no	01-2001
Kennett Utilities (63)	L-7	yes	3	no	yes	07-1968
Liberty Township (15)	LT-8(65)	yes	3	no	no	06-1995
Madison Co. Council for DD (25)	L-3	no	5	no	no	04-1998
Mid-Mo Regional Planning Comm. (5)	L-7	no	5	yes	no	09-2007
MO Joint Municipal Elec. Util. Comm. (21)	L-6	no	3	no	no	01-1990
Moniteau Co. SB40 (16)	L-1	no	5	no	no	02-2009
Montgomery Co. SB40 (14)	L-7	no	5	no	no	08-2001
Northeast MO Regional Planning Comm. (8)	L-1	no	5	yes	no	10-2004
Pike Co. Senate Bill 40 (41)	LT-14(65)	yes	3	no	no	10-1998
Pike Creek Common Sewer District (2)	L-1	no	3	yes	no	08-2009
Progressive Community Services (104)	L-12	no	3	no	no	04-2000
Rock Creek Public Sewer (12)	L-6	yes	3	no	no	03-2000
Rolla Municipal Utilities (55)	L-6	no	3	no	yes	01-1969

Participating Political Subdivisions

Special Districts: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Salisbury Township (2)	L-1	no	3	yes	no	04-1989
Sedalia Water Department (23)	L-6	no	3	no	yes	08-1972
Sikeston Utilities (147)	LT-8(65)	no	3	no	yes	04-1968
South Central Ozark Council (5)	L-6	no	3	yes	no	11-2005
Southeast MO Regional Planning Comm. (10)	L-7	no	5	no	no	01-2005
Springfield Utilities (964)	L-6	no	3	no	yes	06-1968
St. Charles County DDR (31)	L-7	no	3	no	no	03-1996
St. Francois County Joint Comm. (23)	L-1	no	3	yes	no	06-2007
St. Francois County DD (32)	L-1	no	5	yes	no	07-2005
St. Louis MR/DD Resources (52)	L-3	no	5	no	no	05-1996
Trenton Municipal Utilities (37)	L-6	no	5	no	yes	05-1979

Water Districts: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Adair Co. Water District #1 (6)	L-3	no	3	no	yes	01-1992
Audrain Co. Water District #2 (1)	L-7	yes	3	no	no	01-2008
Boone Co. Water District #4 (6)	L-7	no	3	no	no	08-1984
Boone Co. Water District #10 (3)	L-3	no	5	yes	no	01-1998
Butler Co. Water District #1 (8)	L-6	no	3	yes	no	07-1995
Butler Co. Water District #3 (4)	L-7	yes	3	yes	no	03-1995
Callaway Co. Water District #1 (7)	L-11	no	3	no	no	01-1994
Callaway Co. Water District #2 (13)	L-12	yes	3	no	yes	02-1985
Camden Co. Water District #4 (9)	L-1	no	3	no	no	01-2007
Carroll Co. Water District #1 (4)	L-1	no	3	yes	no	06-2008
Clarence Cannon Wholesale Water (4)	L-7	no	5	no	no	10-2004
Clark Co. Water District #1 (5)	L-3	no	3	no	no	07-2000
Clay Co. Water District #2 (5)	L-3	no	3	yes	no	12-1984
Cole Co. Water District #2 (6)	L-6	no	5	no	no	02-1974
Cole Co. Water District #4 (3)	L-7	no	5	no	no	02-2001
Daviess Co. Water District #1 (3)	L-3	no	5	no	no	06-2000
Greene Co. Water District #5 (0)	L-6	no	3	yes	no	08-1991
Harrison Co. Water District #2 (4)	LT-10(65)	no	3	no	no	08-1998
Jackson Co. Water District #1 (16)	L-6	no	3	no	yes	03-1969
Jasper Co. Water District #1 (4)	L-3	no	5	yes	no	01-2002
Jefferson Co. Water District #1 (12)	L-6	no	5	yes	no	04-1972
Jefferson Co. Water District #2 (18)	L-6	no	5	yes	no	01-1983
Jefferson Co. Water District #5 (6)	L-7	no	3	no	no	01-1987
Jefferson Co. Water District #6 (6)	L-3	no	3	yes	no	09-1997
Jefferson Co. Water District #7 (6)	L-12	no	3	no	yes	06-1975
Jefferson Co. Water District #10 (4)	L-3	no	5	yes	no	02-1989
Jefferson Co. Water District #12 (4)	L-1	no	5	no	no	06-2000
Lewis Co. Water District #1 (1)	L-9	no	5	yes	no	09-1997

† See Summary of Plan Provisions for benefit program description.
* Charter Member

Water Districts: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Linn-Livingston Co. Water District #3 (3)	L-1	no	3	yes	no	08-1999
Livingston Co. Water District #2 (3)	L-1	no	5	no	no	09-2007
Livingston Co. Water District #3 (2)	L-7	no	3	yes	no	05-1991
Macon Co. Water District #1 (7)	LT-8(65)	yes	5	no	no	11-1990
Madison Co. Water District #1 (2)	L-7	no	3	no	no	07-2002
Monroe Co. Water District #2 (5)	L-3	no	5	no	no	02-2008
Nodaway Co. Water District #1 (4)	L-1	no	5	no	no	08-2001
North Central MO Water Comm. (4)	L-1	no	3	no	no	06-2007
Platte Co. Water District #4 (4)	L-7	no	5	no	no	07-2003
Putnam Co. Water District #1 (4)	L-1	no	3	yes	no	02-2001
Stoddard Co. Water District #1 (3)	L-1	no	5	yes	no	07-2009
Wayne & Butler Co. Water District #4 (2)	L-7	yes	5	yes	no	06-2009
Road Districts: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Cameron Special Road District (2)	L-7	yes	5	no	no	11-2000
Cape Special Road District (11)	L-6	no	5	no	yes	09-1981
Carl Junction Special Road District (1)	L-1	no	5	yes	no	04-2001
Carthage Special Road District (6)	L-3	no	3	yes	no	05-2000
El Dorado Springs Spec. Road District (1)	L-1	no	5	no	no	04-1982
Farley Special Road District (2)	L-3	yes	3	no	no	07-1999
Festus Special Road District (6)	L-6	no	3	no	yes	02-1969
Higginsville Special Road District (2)	L-7	no	3	yes	no	05-1970
Horseshoe Bend Spec. Road Dist. #1 (11)	L-1	no	5	yes	no	05-2008
Hudson Township Spec. Road District (2)	LT-10(65)	no	5	no	no	04-1990
LaPlata Township Special Road Dist. (1)	L-1	no	5	yes	no	10-1991
Lexington Special Road District (2)	L-1	no	5	yes	no	06-2000
Marshall Special Road District (2)	L-1	no	3	yes	no	09-1998
Milan Special Road District (0)	L-1	yes	3	no	yes	01-1991
Moberly Special Road District (6)	L-3	no	5	yes	no	01-2001
Neosho Special Road District (7)	LT-10(65)	no	3	no	no	04-1997
Odessa Special Road District (4)	L-7	no	3	no	no	09-1999
Osceola Special Road District (1)	L-1	no	5	yes	no	03-2002
Platte City Special Road District (4)	L-6	no	5	no	no	01-1998
Plattsburg Special Road District (2)	L-3	no	3	yes	no	02-1991
Richmond Special Road District (2)	L-9	no	5	yes	no	03-2001
Slater Special Road District (2)	L-7	yes	3	no	no	11-2006
Ste. Genevieve Spec. Road Dist. A (2)	L-3	no	3	yes	no	07-1990
Union Special Road District (1)	L-7	no	5	yes	no	09-1978
Washington Special Road District (1)	L-3	yes	3	no	no	05-1974
Webb City Special Road District (2)	L-7	no	3	no	no	01-1996
Weston Special Road District (4)	L-3	no	5	yes	no	07-1997

Participating Political Subdivisions

Fire Districts: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Butler County Fire Protection District (5)	LT-5(65)	no	3	yes	no	11-1994
Central Jackson Co. Fire District #5 (130)	L-6	no	3	no	yes	09-1973
Fort Osage Fire Protection District (27)	L-9	no	3	no	yes	04-1983
Hillsboro Fire Protection Dist (10)	L-3	no	5	yes	no	02-2011
Johnson County Fire Prot. District (1)	L-7	yes	5	no	no	05-2006
Kearney Fire & Rescue (22)	L-7	yes	3	no	no	01-1997
Lawson Fire & Rescue (9)	L-1	no	5	yes	no	05-2008
Little Dixie Fire Protection District (2)	L-1	yes	3	no	no	01-2003
Lotawana Fire Protection District 3 (7)	L-1	yes	3	no	no	01-2009
Mid-County Fire Protection District (8)	L-1	no	5	yes	no	05-2010
Nixa Fire Protection District (33)	L-3	no	3	no	no	01-2005
Odessa Fire & Rescue Protection District (3)	L-6	no	5	no	no	01-2010
Osage Fire Protection District (30)	L-6	no	5	no	no	07-2006
Ozark Fire Protection District (20)	L-1	no	5	no	no	02-2009
Pleasant Hill Fire Prot. District (14)	L-1	no	3	no	no	11-2008
Prairie Township Fire District (12)	L-1	no	3	no	no	01-2009
Raytown Fire Protection District (40)	LT-8(62)	yes	5	no	no	09-1992
Redings Mill Fire Prot. District (12)	L-3	no	5	yes	no	01-2007
Rocky Mount Fire Prot. District (5)	L-1	no	5	yes	no	08-2007
Savannah Fire Protection District (2)	L-1	yes	5	yes	no	06-2006
Smithville Fire Protection District (9)	L-7	no	5	no	no	04-2004
Sni Valley Fire Protection District (21)	L-11	no	3	no	no	07-1986
South Metro Fire Protection District (50)	L-11	no	3	no	no	11-1981
Southern Platte Fire Protections District (39)	LT-5(65)	no	5	yes	no	08-2010
St. James Fire Protection District (1)	L-12	no	3	yes	no	05-2007
Strafford Fire Protection District (17)	L-1	no	5	yes	no	10-2009
Union Fire Protection District (11)	LT-14(65)	no	5	no	no	11-2006
Waynesville Fire Protection District (14)	L-1	no	3	no	no	07-2008
West Peculiar Fire Prot. District (11)	LT-4(65)	no	5	no	no	09-2006
Western Taney Co. Fire Prot. Dist. (7)	L-3	no	5	yes	no	07-1993

Emergency Services: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Adair County Ambulance District (18)	L-7	no	5	yes	no	02-2009
Audrain Ambulance District (14)	L-6	yes	5	no	no	03-2010
Audrain County Emergency Services (11)	L-7	yes	5	no	no	01-2011
Barton County Ambulance District (9)	L-1	yes	5	no	no	10-1998
Big River Ambulance District (14)	L-1	no	5	yes	no	01-2011
Callaway Co. Ambulance District (28)	L-9	yes	3	no	no	01-1996
Cameron Ambulance District (9)	L-3	yes	5	yes	no	01-2010
Chariton Co. E-911 (7)	L-1	no	3	yes	no	05-2004
Christian Co. Emergency Services (20)	L-6	no	3	no	no	04-2011
Daviess Co. Ambulance District (3)	LT-10(65)	no	3	yes	no	07-2000
Gasconade Co. 911 (10)	L-1	no	5	no	no	07-2003
Hermann Area Ambulance District (9)	L-1	no	5	no	no	10-2009
Howell Co. 911 (7)	L-6	yes	5	no	no	03-2009
Jefferson Co. 911 (26)	L-7	yes	3	no	no	01-2009
Johnson Co. Ambulance District (23)	L-7	yes	5	yes	no	01-2004
Lewis Co. E-911 (6)	L-1	no	5	no	no	03-2003
Lincoln Co. Ambulance District (37)	LT-8(65)	no	3	no	no	02-1990
Linn County Ambulance District (17)	L-1	no	5	yes	no	01-2010
Marion County E-911 (11)	LT-5(65)	no	5	no	no	01-1997
Montgomery Co. Ambulance District (12)	L-6	yes	5	yes	no	04-1994
Pulaski Co. 911 (12)	L-1	no	3	no	no	03-2008
Ralls County 911 (10)	L-1	no	5	no	no	06-2001
Randolph Co. Ambulance District (21)	L-3	no	5	no	no	01-2008
Ray County Ambulance District (10)	L-1	no	3	yes	no	04-1997
South Scott Co. Ambulance District (17)	L-1	yes	5	no	no	07-2000
St. Francois Co. Ambulance District (60)	L-7	yes	5	yes	no	01-2009
Stoddard Co. Ambulance District (25)	L-7	yes	3	yes	no	07-2001
Stone Co. Emergency Services (12)	L-7	no	3	yes	no	04-2002
Sullivan Co. E-911 (6)	L-1	no	5	yes	no	04-2009
Taney Co. Ambulance District (60)	LT-8(65)	yes	3	yes	no	09-1987
Tri-County Ambulance District (5)	L-3	no	5	no	no	02-1996
Webster County E-911 (15)	LT-8(65)	no	5	yes	no	04-2006

Participating Political Subdivisions

Libraries: (Employee Members)	Benefit Program†	Rule of 80	Final Average Salary Period	Employee Contrib.	Non-Contrib. Refund	Membership Date
Adair County Public Library (4)	L-1	no	5	no	no	01-1992
Brookfield Carnegie Library (3)	L-1	no	3	no	no	06-1989
Camden County Library (14)	L-7	no	3	no	no	01-1978
Carthage Public Library (6)	L-1	no	5	yes	no	08-2001
Cass County Public Library (37)	L-3	no	5	no	no	05-1988
Cedar County Library (2)	L-3	no	3	yes	no	03-1997
Christian County Library (7)	L-6	no	5	no	no	06-1969
Ferguson Municipal Library (4)	L-1	no	5	yes	no	07-1969
Henry County Library (8)	L-1	no	5	no	no	01-2006
Hickory County Library (1)	L-1	no	3	yes	no	03-1997
Jefferson County Public Library (33)	L-3	no	3	yes	no	01-1992
Lebanon-Laclede Library (9)	L-9	no	5	no	no	01-2000
Little Dixie Regional Libraries (12)	L-7	no	5	no	no	06-1996
Livingston County Library (7)	L-1	no	5	no	no	02-2006
Maryville Public Library (2)	L-7	yes	5	no	no	12-2000
Mexico-Audrain County Library (8)	L-3	no	5	no	no	08-1984
*Mid-Continent Public Library (437)	L-6	yes	3	no	yes	04-1968
Mississippi County Library (5)	L-6	yes	3	yes	no	02-1969
Missouri River Regional Library (35)	L-7	no	3	no	no	01-2003
Neosho/Newton County Library (5)	L-3	yes	5	no	no	01-2005
Nevada Public Library (2)	L-6	no	3	no	no	04-1969
New Madrid County Library (4)	L-7	no	3	yes	no	04-1968
Polk County Library (3)	L-1	no	3	no	no	04-1997
Pulaski County Library (5)	L-3	no	5	no	no	01-2000
Ray County Library (3)	LT-10(65)	no	5	no	no	07-1970
Riverside Regional Library (15)	L-12	no	3	no	no	08-1968
Rock Hill Library (1)	L-3	no	5	yes	no	01-1989
Rolla Public Library (2)	L-6	no	3	yes	no	05-1989
Rolling Hills Consolidated Library (17)	L-1	no	5	no	no	07-2003
Salem Public Library (2)	L-7	no	3	yes	no	07-1993
Scenic Regional Library (18)	L-6	no	5	yes	no	01-1971
Sedalia Public Library (6)	L-6	no	3	no	no	07-1987
Springfield-Greene County Library (96)	L-7	no	3	no	yes	07-1969
St. Charles City-County Library (65)	L-7	no	3	no	yes	08-1973
Stone County Library (3)	L-1	no	5	yes	no	02-1970
Texas County Library (2)	L-3	no	5	yes	no	08-1982
Trails Regional Library (31)	L-7	no	3	no	no	10-1970
Webster County Library (6)	L-3	yes	3	no	no	01-2007
Wright County Library (2)	L-1	no	5	no	no	05-1982

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