

A photograph of a person walking away from the camera on a dirt path through a forest. The trees are tall and thin, with some showing autumn foliage in shades of orange and yellow. The ground is covered in fallen leaves. The lighting is soft, suggesting a misty or early morning atmosphere.

EXPERIENCE

Retirement

Missouri State Employees' Retirement System
SUMMARY ANNUAL REPORT TO MEMBERS
Fiscal Year Ended June 30, 2024

Message from the Executive Director



Abby Spieler
Executive Director

MISSION

MOSERS exists to advance the financial security of its members.

VISION

We endeavor to:

Exceed customer expectations

Educate stakeholders

Ensure sound investment practices

Encourage responsible funding of the plan through a commitment to *Excellence. Always.*

VALUES

Quality • Respect • Integrity
Openness • Accountability

It is my pleasure to present the MOSERS *Summary Annual Report to Members*, which provides a brief overview of our financial condition as of June 30, 2024. During fiscal year 2024, the Board and staff worked extensively and collaboratively on solutions to ensure the fiscal sustainability of MOSERS for current and future members. I would like to thank our trustees and staff for their dedication and commitment.

The MOSERS investment portfolio generated a time-weighted return of 6.6%, net of fees, for fiscal year 2024. The total fund returned 0.8% more than would have been expected through passive investing in the benchmarks, adding approximately \$74 million in value to the MOSERS portfolio.

To allow for more predictable and stable contribution rates, MOSERS' funding is based upon the actuarial value of assets, which smooths asset gains and losses over a five-year period. As of June 30, 2024, the Missouri State Employees' Plan (MSEP) was 55.3% pre-funded and the Judicial Plan was 31.0% pre-funded on an actuarial basis. The MSEP reflected a decrease compared to the June 30, 2023, funded status of 57.6%. The Judicial Plan reflected a decrease from the June 30, 2023, funded status of 31.7%.

This year's summary annual report theme, "Experience Retirement," reflects MOSERS dedication to make every member experience personal and unique, from date-of-hire to retirement. Our experienced staff is devoted to ensuring the long-term sustainability of the System. We understand that MOSERS is entrusted to manage valuable resources on behalf of our members and are committed to keeping their benefits secure, both now and in the future. The MOSERS staff will continue working diligently for our members, the Board, and all our stakeholders. It is our honor to serve this great state and its citizens.

Respectfully submitted,

Abby Spieler
Executive Director

This *Summary Annual Report to Members* is derived from the information contained in MOSERS' *Annual Comprehensive Financial Report (ACFR)* but does not include all funds administered by MOSERS or certain other information required for conformity with Generally Accepted Accounting Principles (GAAP). MOSERS' financial statements are produced in conformity with GAAP. View the full annual report on our website at www.mosers.org. To request an alternative format, please contact MOSERS at (573) 632-6100 or (800) 827-1063. MOSERS is an equal opportunity employer.

Message From the Board Chairwoman

Dear Members:

On behalf of the MOSERS Board of Trustees, I am pleased to present the MOSERS *Summary Annual Report to Members* for the fiscal year ended June 30, 2024. This report is one of MOSERS' finest examples of collaboration and an organization-wide team effort.

During the year ended June 30, 2024, the Board of Trustees continued its work on behalf of the MOSERS membership. The MOSERS Board of Trustees met 20 times in fiscal year 2024. The Board and MOSERS staff continued to work on key initiatives over the last fiscal year, some of which included:

- Completion of two additional initiatives on the formal MOSERS fiscal year 2023-2025 strategic plan. The remaining four initiatives are scheduled for completion in fiscal year 2025.
- Exceeded our policy benchmark return expectations, as set by the Board, by 0.8%, resulting in more than \$74 million of value added to the fund this fiscal year versus the policy portfolio.
- Expansion of education and outreach to active members.
- Numerous steps to strengthen the System relative to investments: conducted an asset-liability study, approved a new investment policy portfolio, implemented a new funding policy strategy, updated the Governance Manual and Investment Policy Statement.
- Significant progress toward the implementation of a new pension administration system which will bring a new and improved **myMOSERS** member portal in 2025.

During my tenure as Board chairwoman, I have witnessed the substantial amount of time and service our trustees have dedicated to MOSERS. I am proud to lead this fine group of fiduciaries in acting in the best interest of our members. As we look to fiscal year 2025, the Board in conjunction with staff, will continue to further our core mission of advancing the financial security of our members.

I wish to express my appreciation to you, our members, for your commitment and service to this great state and its citizens. I am honored to serve as one of your representatives on the MOSERS Board.

If you ever have any questions, please contact us at MOSERS, P.O. Box 209, Jefferson City, MO 65102, call us at (800) 827-1063, or visit our website at www.mosers.org.

Sincerely,

Crystal Wessing, Chairwoman
Board of Trustees



Crystal Wessing
Board Chairwoman

As we look to fiscal year 2025, the Board in conjunction with staff, will continue to further our core mission of advancing the financial security of our members.

Financial Highlights

Fiscal Year 2024

\$712 Million
Employer Contributions

\$61 Million
Employee Contributions

\$1 Billion
Benefit Payments

\$1,164
Average Base Monthly
Benefit Amount for
New FY24 MSEP Retirees

56,205
Retirees & Beneficiaries

\$9 Billion
Net Trust Fund Assets

Net Position

The *Summary Comparative Statements of Fiduciary Net Position* report the pension plan's financial position as of the end of the current and prior fiscal year.

Summary Comparative Statements of Fiduciary Net Position (As of June 30, 2024 and 2023)

	As of June 30, 2024	As of June 30, 2023
Assets		
Administrative operating cash and equivalents	\$ 16,374,267	\$ 14,176,248
Receivables	682,177,634	801,745,263
Investments	12,303,351,397	12,207,445,578
Capital assets, net of accumulated depreciation	16,728,940	15,148,833
Total assets	13,018,632,238	13,038,515,922
Deferred outflow of resources	1,008,133	1,078,184
Liabilities		
Administrative and other payables	18,426,077	16,049,335
Investment related payables and obligations	3,993,980,968	4,263,787,195
MOSERS investment portfolio liability (MIP)	3,838,147	3,632,433
Net OPEB liability	5,574,870	5,635,287
Total liabilities	4,021,820,062	4,289,104,250
Deferred inflow of resources	2,185,471	2,256,993
Net positions restricted for fiduciary activities	\$ 8,995,634,838	\$ 8,748,232,863

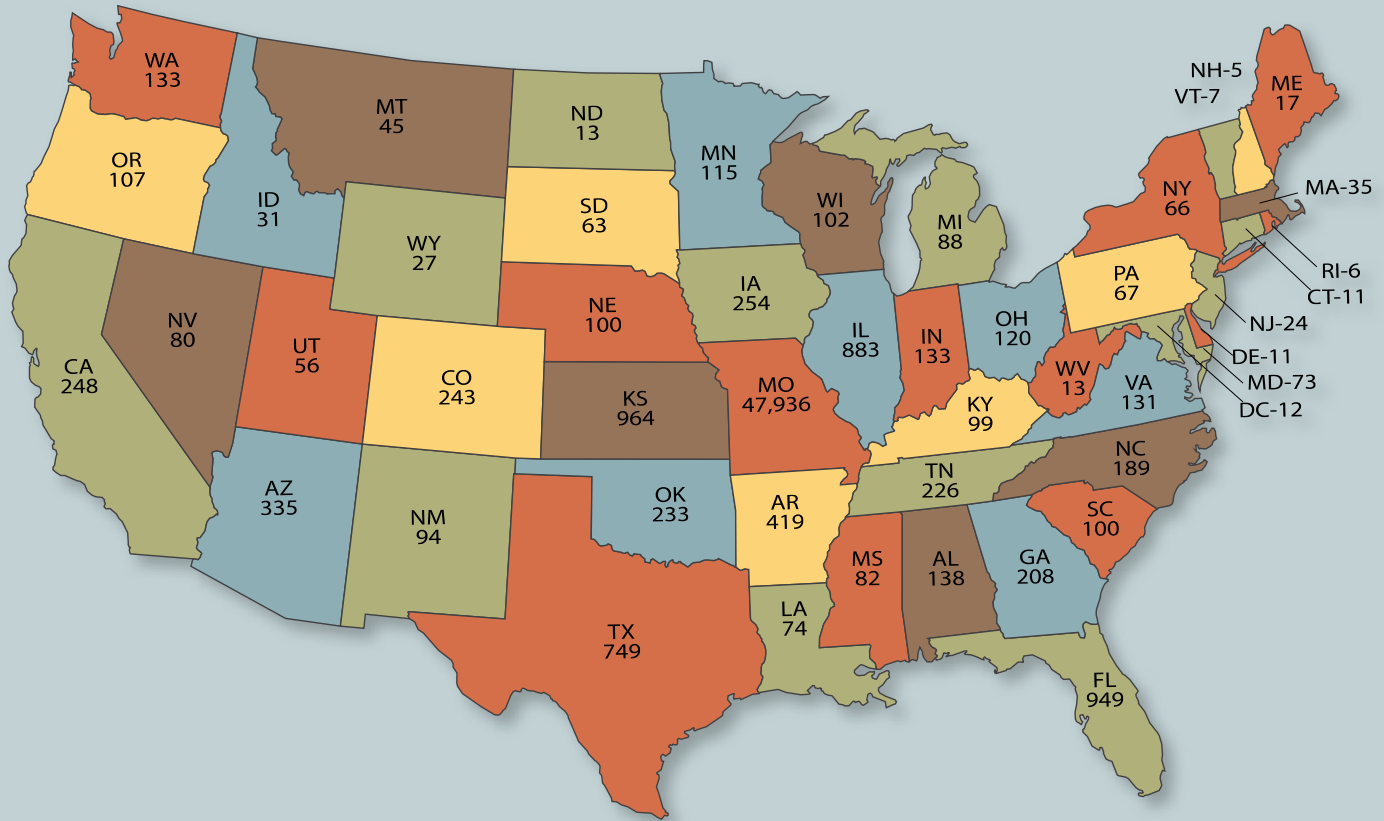
The *Summary Comparative Statements of Changes in Fiduciary Net Position* report MOSERS' contributions, benefit expenses, investment income and expenses.

Summary Comparative Statements of Changes in Fiduciary Net Position (Fiscal Years Ended June 30, 2024 and 2023)

	Year Ended June 30, 2024	Year Ended June 30, 2023
Additions		
Contributions and premiums*	\$ 811,296,711	\$1,206,881,008
Net investment income	569,520,077	181,851,788
Miscellaneous income	481,148	480,766
Total additions	1,381,297,936	1,389,213,562
Deductions		
Benefit payments	1,070,147,669	1,024,251,130
Premium disbursements	34,574,075	31,737,102
Service transfers and refunds	16,708,833	12,425,868
Administrative expenses	12,465,384	11,555,745
Total deductions	1,133,895,961	1,079,969,845
Net increase	247,401,975	309,243,717
Net position beginning of year	8,748,232,863	8,438,989,146
Net position restricted for fiduciary activities	\$ 8,995,634,838	\$ 8,748,232,863

* Includes employee and employer contributions, purchases of service credit, and incoming service transfers.

Benefit Recipients by Location



- | | | | |
|--------------------|------------------|----------------------------|------------------|
| 24 Alaska | 1 Costa Rica | 3 Italy | 1 Spain |
| 13 Hawaii | 1 Czech Republic | 1 Latvia | 1 Sweden |
| 3 Army Post Office | 1 Ecuador | 1 Mexico | 1 Switzerland |
| 1 Argentina | 2 Guam | 1 Marshall Islands | 2 Thailand |
| 2 Australia | 1 Germany | 1 Northern Mariana Islands | 4 United Kingdom |
| 1 Belgium | 1 Hong Kong | 2 Puerto Rico | 5 Virgin Islands |
| 14 Canada | 1 Israel | 2 Philippines | |

Member Data

June 30, 2024	MSEP*	Judicial Plan**
Active Members		
Average age	44.8	54.4
Average years of service	9.8	9.6
Average annual salary	\$55,318	\$162,518
Retired Members & Beneficiaries		
Average age	71.9	76.8
Average annual benefit	\$17,750	\$79,169

* Includes MSEP, MSEP 2000, and MSEP 2011 members.
 ** Includes Judicial Plan and Judicial Plan 2011 members.

MSEP Members Retired During Fiscal Year 2024

Years Credited Service	Average Monthly Benefit	Average Final Average Salary	Number of Retirees
<5	\$ 330	\$ 5,898	9
5-10	318	2,875	514
11-15	599	3,201	352
16-20	973	3,615	314
21-25	1,470	4,100	389
26-30	1,999	4,551	424
31+	2,550	4,883	165
New Total F24 Retirees*	1,164	3,748	2,167

* Includes MSEP, MSEP 2000, and MSEP 2011 members, but does not include Judicial Plan and Judicial Plan 2011 members.

Investments

Investment Growth

It takes a long time to grow defined benefit pension assets. MOSERS' first investment transaction occurred in 1957, when a single outside advisor placed \$100,000 in a 90-day Treasury Bill on behalf of participants. It took nearly 30 years for the System's investments to reach the \$1 billion mark. As reflected in the graph (top right), the investment portfolio as of June 30, 2024, was \$9 billion.

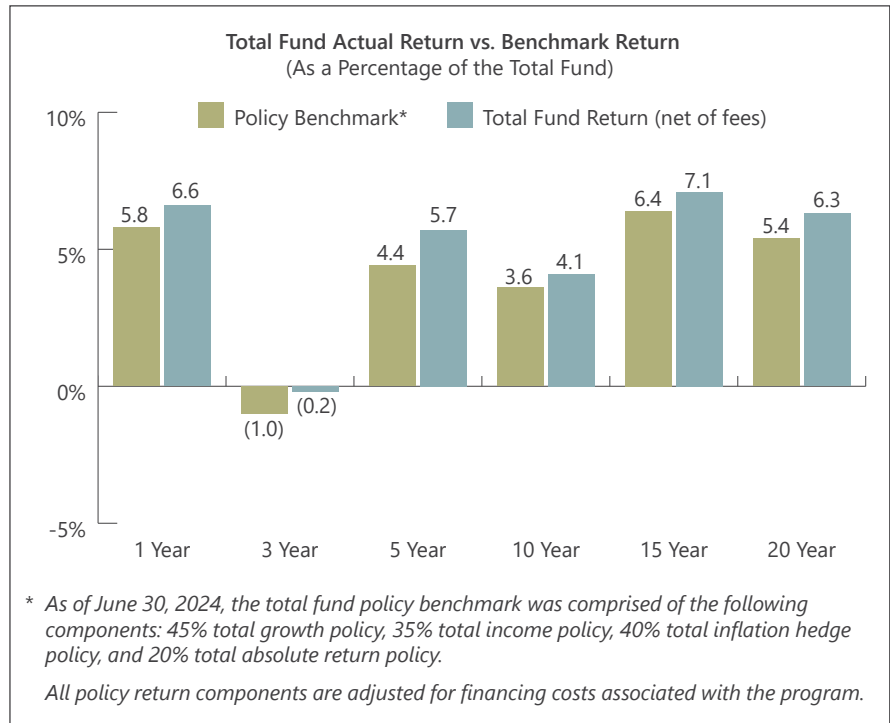
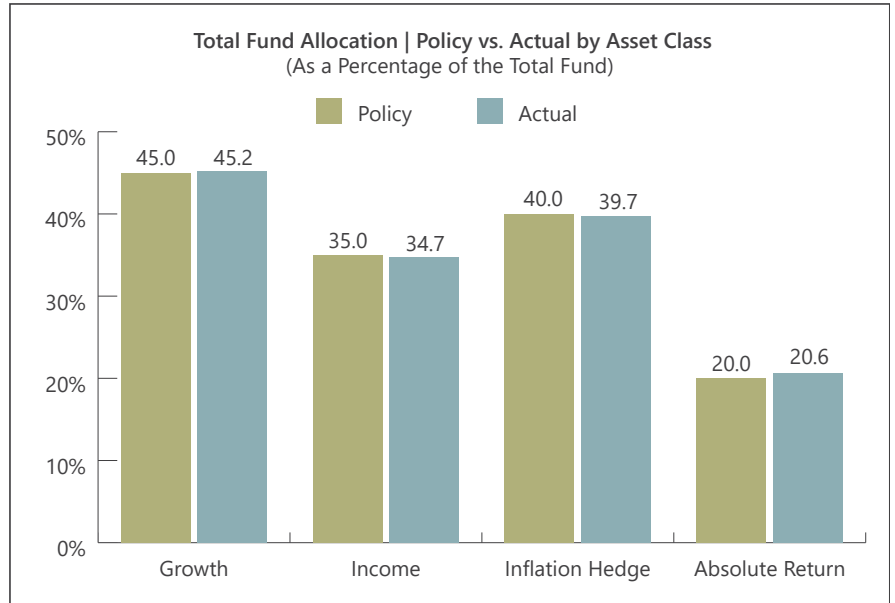
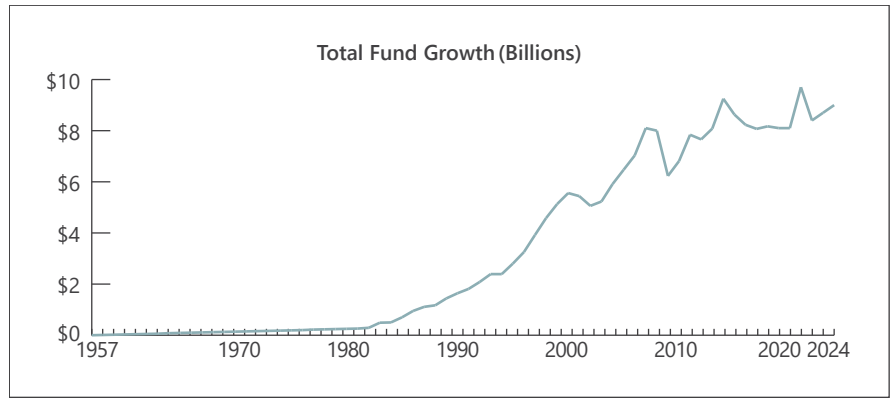
Fund Allocation & Risk

Market volatility is what investors traditionally consider to be the risk of investing. To protect against this risk, our investment portfolio is diversified across numerous asset classes and investment strategies.

The percentage of the total investment portfolio by specific asset class as of June 30, 2024, is reflected in the graph (middle right). The asset allocation is built on the belief that diversification is critical in achieving consistent, long-term, risk-adjusted investment returns.

Investment Performance vs. Benchmark Return

The policy benchmark provides a point of comparison when assessing the investment performance of the total fund. By comparing the policy benchmark return to the total fund return, we can determine how the MOSERS staff performed on a comparative basis over a given time period. Value is added when the total fund return exceeds the policy benchmark return. The policy benchmark also provides guidance for staff as well as other stakeholders of the fund through establishment of concrete investment goals. Additionally, the policy benchmark establishes the Board's long-term view regarding investments, which puts into perspective any reaction, or over-reaction, to short-term market conditions. Returns for the total fund verses these benchmarks are displayed in the corresponding graph (lower right).



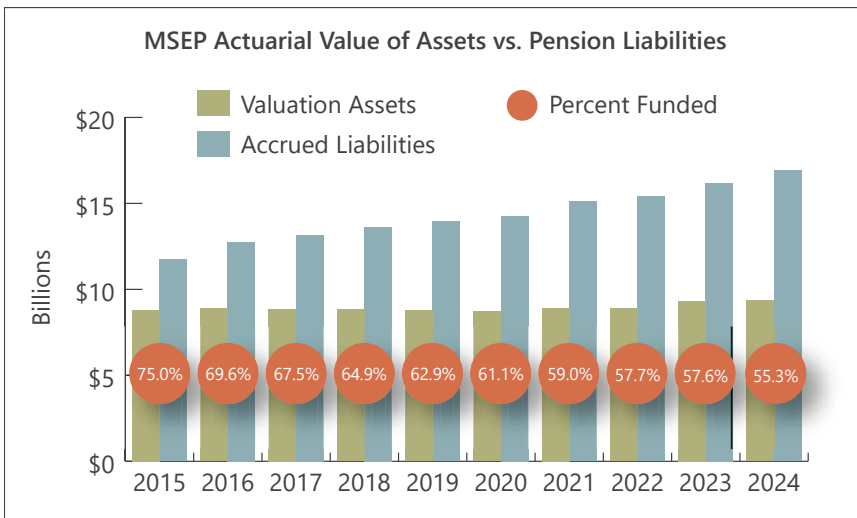
MSEP Retirement Funding

Funded Status

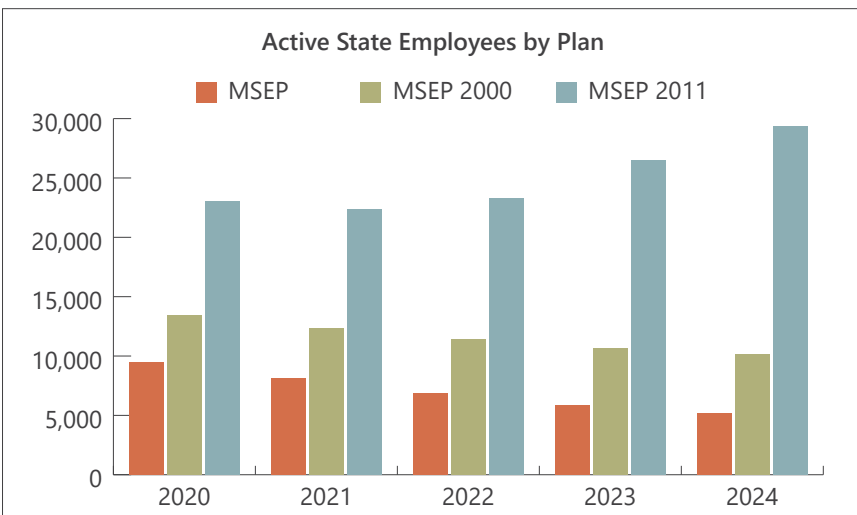
In order to help ensure your benefits are properly funded, MOSERS contracts with an outside actuarial firm to perform an annual actuarial valuation, which determines the funded status of the plans at year-end and the contribution rates needed to adequately fund the System in the future. The percentages shown in the bar graph indicate the extent to which the System was funded as of a given year-end.

Employers contribute the actuarially determined contribution that, when combined with current assets and expected future investment returns, will be sufficient to meet the current and future assumed financial obligations of the System.

Through a history of reasonable benefit levels, mandatory participation, actuarially determined employer contributions, and professionally managed investments, MOSERS benefits continue to be secure.

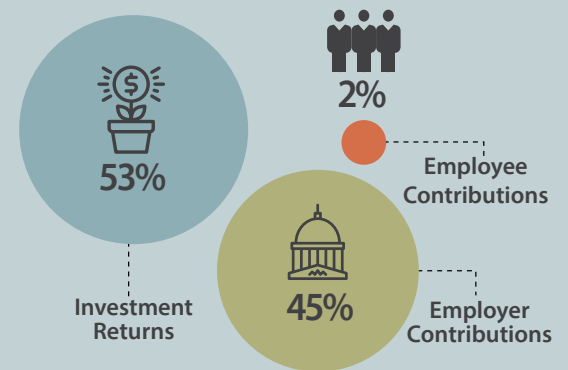


Pension reform in 2010, known as MSEP 2011, works to stabilize plan funding, retains the defined benefit structure, and provides sustainability for future generations. As of June 30, 2024, approximately 66% of active employees are in MSEP 2011.



Plan Revenue

MOSERS is an advance-funded retirement system. Unlike “pay-as-you-go” plans, employer and employee contributions plus investment earnings are accumulated and professionally managed during employees’ careers, and paid out over their retirement years. Over the long term, the largest contributor to accumulated plan assets is investment earnings, which accounts for 53% of the assets in the MOSERS Trust Fund.



A few key components used to calculate the employer contribution rate and the plan's funded ratio are the assumed rate of return on investments and demographic assumptions about MOSERS’ membership base. These inputs are set using realistic expectations in order to appropriately fund the plan over time.

Awards



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to MOSERS for its Popular Annual Financial Report for fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. MOSERS has received this award for 28 consecutive years (fiscal years ended 1995 through 2023). We believe our current report continues to conform to the Popular Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another Award.

Want to Know More?



Visit us online at www.mosers.org
or email us at mosers@mosers.org



In an effort to provide information more quickly about actions taken by the MOSERS Board of Trustees, look for "A Moment with MOSERS" video updates in your email or online.



Benefit counselors are a valuable source for information regarding your benefits. Call to speak with a benefit counselor or to make an appointment.

Office Hours

Monday - Friday
8:00 a.m. - 12:00 p.m.
1:00 p.m. - 4:30 p.m.

Phone

(573) 632-6100
(800) 827-1063

Mailing Address

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Jefferson City, MO 65102-0209
Visit us at 907 Wildwood Drive

Board of Trustees

as of June 30, 2024

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- Jenny Jacobs - Vice Chair
- Senator Rusty Black
- Representative Dirk Deaton
- Gary Findlay
- Joe Keifer
- Treasurer Vivek Malek
- Representative Don Mayhew
- Gary Metzger
- Senator John Rizzo
- Commissioner Ken Zellers

Executive Staff

- Abby Spieler
Executive Director
- Cindy Dixon
Chief Operating Officer
- TJ Carlson
Chief Investment Officer

