# City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Finance
To:  City Council
From:  City Manager & Staff
Council Meeting Date:  August 1, 2022
Re: An Ordinance Adopting the LAGERS Rule of 80 for the City of Columbia

## Executive Summary

The City would like the Council to consider adding the rule of 80 to the current LAGERS retirement benefits for all employees.

## Discussion

In 2012, it was decided that the City would no longer participate in the LAGERS rule of 80 program. Under the rule of 80, employees are eligible for unreduced benefits at the time they reach their minimum service retirement age, or such time as their years of age plus years of LAGERS credited service equals 80.

As we continue to invest in our biggest asset, our employees, the rule of 80 is seen as a superior benefit at a nominal cost. Under the proposed plan, employee contributions will remain zero. The employer contribution rate for general employees would increase 1%, and the employer contribution rate for utility employees would increase 1.2%. Combined the total increase is estimated to be around $540,000 for FY23, while the accrued liability (the present value of fund obligations) is estimated to decrease approximately $7,000 for the plan.

By adopting the rule of 80, all employees who are currently participating in the LAGERS would gain this benefit. If adopted, benefits would begin on October 1, 2022

## Fiscal Impact

Short-Term Impact: An estimated $540,000 for FY23
Long-Term Impact: N/A

## Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:
Primary Impact: Organizational Excellence, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:
Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

| Legislative History | |
|---|---|
| Date | Action |
| 06/06/2022 | REP45-22 - LAGERS Supplemental Actuarial Valuation for the Rule of 80 |

| Suggested Council Action |
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Staff recommends adoption of the ordinance