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For Immediate Release

City of Kirkwood Moves to Change Pension Plans

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Kirkwood, Missouri: The Kirkwood City Council voted at its December 21, 2017, meeting to begin the process of moving all employees from a defined contribution (401-k style) retirement plan to a defined-benefit pension plan. Specifically, employees would move to participation in the Missouri Local Government Employees Retirement System, also known as LAGERS.

This change is subject to voter approval of Proposition R on April 3. If approved, Prop R will repeal a 1987 amendment to the City's Charter that made the City's defined contribution plan the "sole and only plan" for police and fire employees. If approved, LAGERS would become the police officers' and firefighters' sole pension program, since sworn public safety employees in Kirkwood do not participate in Social Security. All civilian employees would also move to LAGERS.

Defined-benefit pension plans are the most common retirement plans for public sector employees. Currently, only a few municipalities in St. Louis County do not offer a defined-benefit pension plan. The cities of Webster Groves and Creve Coeur both recently moved to LAGERS participation. LAGERS has more than 700 public-sector member groups, serving more than 40,000 employees.

Kirkwood's City Council believes this change will enable the City to both attract and retain high-quality staff in what is a highly competitive environment, particularly when it comes to recruiting public safety employees.

LAGERS member cities are legally obligated to fund the benefit level they choose, which makes LAGERS exceptionally stable, as compared to pension systems that do not have this requirement. Employees would contribute 4 percent towards their retirement benefit, with the City paying actuarially determined amounts for civilian, police, and fire employees.

The proposed ballot language for the April 3 municipal election to amend the City's Charter is as follows:

PROPOSITION R

Shall Section 5.3 of the Kirkwood Charter be repealed to allow employees of the police and fire departments to participate in the Missouri Local Government Employees Retirement System

(LAGERS), with the continuation of the property tax already in place for the sole purpose of funding police and fire pension benefits?

Yes

No

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