

ADMINISTRATIVE LAW JUDGES & LEGAL ADVISORS'

Pension Benefits

MOSERS
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

ADMINISTRATIVE LAW JUDGES & LEGAL ADVISORS

Pension Benefits

This handbook contains a general summary of the benefit provisions administered for administrative law judges and legal advisors, **employed prior to April 26, 2005**, by the Missouri State Employees' Retirement System (MOSERS). It is intended to give you a general idea of your benefits and acquaint you with the Administrative Law Judges and Legal Advisors' Plan (ALJLAP). The benefits described apply to actively employed members of the ALJLAP on the date this handbook was issued, unless otherwise stated. If there is any difference between the information provided in this handbook and the law or policies which govern the ALJLAP, the law and policies will prevail. The statutes referenced in this handbook are from the Revised Statutes of Missouri (RSMo).



We Are Here to Help

Benefit counselors are a valuable source of information regarding your benefits and are available to assist you.



Schedule an Appointment

Speak with a benefit counselor by phone or to make an appointment to visit our office. *Our phones tend to be least busy between 8:00 am and 9:00 am.*



Call Center Hours

Monday–Friday
8:00 am–12:00 pm
1:00 pm–4:30 pm



Contact Us

Toll Free: (800) 827-1063
In Jefferson City: (573) 632-6100
Fax: (573) 632-6103



Visit Us

907 Wildwood Dr
Jefferson City, MO



Mailing Address

PO Box 209
Jefferson City, MO 65102-0209



Website

www.mosers.org

Log in to **myMOSERS** to access your personal information, submit forms, and more.

Connect with Us on Social Media

Be sure to follow us on social media. It's a great way to stay informed and learn about your MOSERS' benefits. Invite your coworkers to join us too!



Overview

The Administrative Law Judges and Legal Advisors' Plan (ALJLAP) was established on August 13, 1984. The ALJLAP is a closed plan and available only to members who were employed or participated in the plan prior to April 26, 2005.

Administrative law judges or legal advisors employed for the first time on or after April 26, 2005 are participants in either the MSEP, MSEP 2000, or MSEP 2011, depending on the date they initially became a state employee.

To be eligible to participate in the ALJLAP, you must be serving in one of the following positions:

- Administrative Law Judge of the Division of Workers' Compensation (employed on or after August 13, 1984)
- Legal Advisor of the Division of Workers' Compensation (employed on or after August 13, 1984)
- Chairperson of the State Board of Mediation (employed on or after August 31, 1987)
- Member of the Labor and Industrial Relations Commission of Missouri (employed on or after June 16, 1987)
- Attorney or legal counsel appointed or employed by the Labor and Industrial Relations Commission (employed on or after August 28, 1994)
- Administrative Hearing Commissioner assigned to the Office of Administration (pursuant to Section 621.015, RSMo)

Chapter 287 RSMo contains the ALJLAP provisions.

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Easily locate information by topic or review definitions of the terminology used by referring to the [glossary](#) and [index](#) in the back of this handbook.

If you are viewing a PDF of this handbook, use the links provided in blue to quickly locate relevant or additional information about a topic. Click on any topic in the table of contents to go directly to that page.



Summary of Plan Benefits

The ALJLAP is a closed plan and will no longer be available to employees employed for the first time as an administrative law judge or legal advisor on or after April 26, 2005, or who have not previously participated in the ALJLAP. Please consult the *General Employees' Retirement Handbook* for information about your benefits if hired after this date.

Retirement Plan

- **Defined Benefit**
A lifetime monthly pension benefit (once you meet retirement eligibility and complete the retirement process).
- **Cost-of-Living Adjustment (COLA)**
If employed before August 28, 1997, you will receive at least 4% each year until you reach the 65% cap. After you have reached your COLA cap, the rate is based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next with an annual maximum of 5% (minimum 0%). *If first employed on or after August 28, 1997,* the rate is based on 80% of the percentage increase in the average CPI from one year to the next with an annual maximum of 5% (minimum 0%).
- **Vesting Period**
Automatically vested on the day you became a member of the ALJLAP.
- **Normal Retirement Eligibility**
Age 62 with at least 12 years of credited service; age 60 with at least 15 years of service; or age 55 with at least 20 years of service.
- **Prorated Retirement Eligibility**
Age 65 with less than 12 years credited service.

Other Benefits

- **Long-term Disability (LTD) Insurance**
Partial income replacement in the event you become disabled, which helps to bridge the gap from your date of disability to your recovery or retirement (see the [Long-Term Disability Handbook](#)).
- **Basic Life Insurance**
Equal to one times your annual salary (\$15,000 minimum) at no cost to you. Your employer pays the monthly premiums for basic coverage (see the [Basic & Optional Life Insurance Handbook](#)).
- **Optional Life Insurance**
You may purchase additional coverage for yourself, spouse, and dependent child(ren) at group rates (see the [Basic & Optional Life Insurance Handbook](#)).

Deferred Compensation

The MO Deferred Comp Plan is a retirement savings plan for state of Missouri employees. It's designed to help you save and invest money for your future. The money you save, alongside your defined benefit pension from MOSERS and Social Security benefit, will make up your income in retirement.

The state of Missouri will match your contributions dollar-for-dollar, if you contribute at least \$25 a month to your MO Deferred Comp account, up to a maximum of \$75 each month. The matching incentive is funded by the state of Missouri and subject to approval of the state's annual budget. College and university employees are not eligible.

Visit modeferredcomp.org for additional information

About MOSERS

MOSERS is a single-employer, public employee retirement plan administered in accordance with Chapter 104 of the *Revised Statutes of Missouri (RSMo)*. As a retiree, the benefits you receive are considered a "public pension" for tax reporting purposes.

Defined Benefit Plan

MOSERS operates as a tax-qualified "defined benefit" plan under Section 401(a) of the Internal Revenue Code. A defined benefit (DB) plan is one that requires a member to be vested (work a set number of years in a benefit-eligible position) and provides a set benefit (based on salary) for life once a member meets the age and service requirements for retirement and completes the retirement process. In other words, the "benefit" is "defined" by the law.

A DB plan can be either contributory or noncontributory. The ALJLAP is a noncontributory plan.

Acting as an administrative agent, we oversee the following pension plans, as well as life insurance, and long-term disability insurance benefits for most state employees.

- Missouri State Employees' Plan (MSEP)
 - General State Employees
 - Legislators
 - Elected State Officials
- Missouri State Employees' Plan 2000 (MSEP 2000)
 - General State Employees (including MSEP 2011 members)
 - Legislators (including MSEP 2011 members)
 - Elected State Officials (including MSEP 2011 members)
- Judicial Plan/Judicial Plan 2011
- Administrative Law Judges and Legal Advisors' Plan (ALJLAP)

The Board of Trustees

Members

The MOSERS **Board of Trustees** consists of 11 members who are responsible for establishing and maintaining Board policies, procedures, and objectives for all aspects of the System's operations.

Board members include:

- Two active members of MOSERS elected by the active and inactive-vested members
- One retiree elected by the retired members of MOSERS
- Two members of the Senate appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives appointed by the Speaker of the House
- Two members appointed by the Governor
- The State Treasurer
- The Commissioner of Administration

Responsibilities

- To select and employ a qualified advisor (an actuary) regarding funding of the System
- To arrange annual audits of MOSERS' records and accounts
- To administer MOSERS' retirement plans according to the *Revised Statutes of Missouri*
- To approve the MOSERS budget
- To make an ongoing educational commitment to learn more about investments, benefits, and insurance while serving on the Board

- To act as investment fiduciaries when administering MOSERS' assets
- To provide (or contract) life insurance and long-term disability insurance benefits for eligible state employees
- To approve and certify the employer retirement contribution rate

Each September, our **Board of Trustees** establishes an employer contribution rate for the next fiscal year. The contribution rate, which is set as a percentage of payroll, is actuarially calculated to cover the System's benefit obligations and administrative costs for the coming fiscal year and into the future. When the System's actuary calculates the contribution rate, it is based on a number of factors including the current level of benefits, how many members are in the plan, current and expected future pay levels, the age and average life expectancy of members, expected earnings on investments, and the Plan's unfunded liability.

System Administration

Record Confidentiality

MOSERS is required to provide, upon written request, the following information with regard to any present or future benefit recipient who is receiving or may be eligible to receive a benefit in the future under any benefit program administered by MOSERS: the benefit recipient's name, eligibility to receive a benefit, dates when a benefit was or will be payable, and current or estimated future benefit amount.

MOSERS will keep all other member records confidential unless:

- The benefit recipient consents in writing to the release of the information
- The information is requested by the benefit recipient's legal representative
- The information is requested pursuant to a subpoena or other legal process as provided by law including, but not limited to, Sections 104.312 or 104.1051, RSMo
- Disclosure is made by MOSERS for a purpose that is compatible with the purpose for which it was collected

You should be aware that when you apply for retirement, it is possible that your employer will become aware that you have applied. This is simply a function of the ongoing flow of information between MOSERS and employers in connection with personnel management and the processing of retirement applications.

Member Identification Numbers

To help protect you against identity theft, we assign each member an member identification number (Member ID). Your Member ID and Social Security number have been cross-referenced in our computer system so we can identify you using either number, which helps us quickly identify you in our computer system as well as efficiently maintain our records and internal processes.

- Your Member ID will be used on correspondence (except tax documents) instead of your Social Security number. Your Social Security number is required on any tax-related forms used to complete your income tax return (such as a 1099-R).

- While not required, you may use your Member ID when you call or write MOSERS. We can identify you in our system by either Member ID or Social Security number.
- Only after your identity has been authenticated, will we provide your Member ID over the phone.
- Your Member ID cannot be changed.
- Use your Member ID only with MOSERS-related correspondence. Other benefit administrators ([MCHCP](#), [MO Deferred Comp](#), etc.) do not have a record of this number.

Board Appeals

Members, beneficiaries, survivors, retirees, judges, administrative law judges and employers may request review by the MOSERS [Board of Trustees](#) of an administrative decision made by the executive director, or his/her designee, concerning eligibility for and/or the amount of benefits, service, contributions, refunds, and membership.

The request for review must be in writing and addressed to the executive director or the [Board of Trustees](#). The request must state what decision the Board is being asked to review and what action the Board is being asked to take. The request must be made within 60 days after the administrative decision has been mailed or otherwise communicated to the party making the request for review.

The review will be held at the next regularly scheduled Board meeting that is at least 30 days after the date on which the request for review is received, unless another date is mutually agreed to by the parties. The party requesting review (the appellant) will be notified in writing of the date on which the Board will conduct the review.

Forfeiture/Disqualification of Retirement Benefits

You (and your beneficiary) will forfeit all rights to retirement benefits as described below if you have been: removed from office by impeachment or for misconduct; disbarred from the practice of law; or convicted of a felony on or after August 28, 2014 under state law (or a substantially similar offense provided under federal law) involving stealing or receiving stolen money, property, or service valued at \$5000 or more, forgery, counterfeiting, bribery of a public servant, or acceding to corruption, in connection with your duties as an administrative law judge or legal advisor. (This forfeiture applies only to pension benefits accrued on or after August 28, 2014.). The System shall not pay an annuity to any survivor or beneficiary who is charged with the intentional killing of a member, retiree or survivor without legal excuse or justification. A survivor or beneficiary who is convicted of such charge shall no longer be entitled to receive an annuity. If the survivor or beneficiary is not convicted of such charge, the Board shall resume annuity payments and shall pay the survivor or beneficiary any annuity payments that were suspended pending resolution of such charge.

Annual Financial Report

[MOSERS' Annual Comprehensive Financial Report](#) (ACFR) is designed and published to comply with both Missouri State law and the Government Finance Officers Association's disclosure guidelines applicable to public employee retirement plans.

We will send you a [MOSERS Summary Annual Financial Report](#) each December. The full ACFR is available upon request. Both publications are also available on our website.

Retirement Planning

There is one point on which most people agree — retirement should be a time of financial security — a reward for a lifetime of hard work. Your continued participation in MOSERS is an important part of ensuring a successful financial future, but not the only part you will need to consider.

Three-Legged Stool

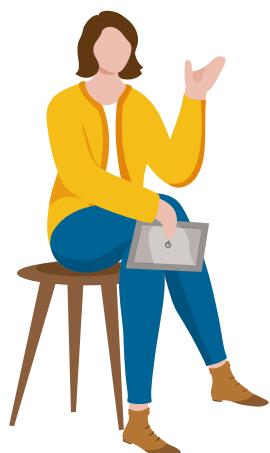
Financial professionals often refer to sources of retirement income as the “three-legged stool.” The goal of the three-legged stool is to achieve a reasonable level of replacement income that will support your financial needs during retirement.

When you retire from state employment, the legs are made up of your MOSERS pension benefit, Social Security, and your personal savings and investments. By familiarizing yourself with your future estimated MOSERS and Social Security benefits, you will be better able to determine how much you will need in personal savings and investments to achieve your desired standard of living during retirement.

Financial planners stress the importance of personal savings and investments and recommend the use of tax-favored savings vehicles (such as MO Deferred Comp) to accumulate personal savings. Visit MO Deferred Comp at www.modeferrredcomp.org for more information.

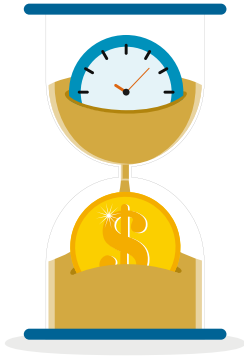
While You Are Working

- Review your *MOSERS Annual Benefit Statement*. Report any discrepancies to us as soon as possible.
- Purchase, if cost effective for you, any eligible prior service as soon as possible (i.e. time worked in a full-time position for a city, county, public school or other political subdivision in Missouri).
- Evaluate your personal finances periodically as they relate to meeting your financial needs at retirement.
- Read the handbooks and correspondence regarding your benefits. Contact one of our benefit counselors with any questions you have regarding your pension benefits.
- Visit our website to stay updated on the latest news and log in to [myMOSERS](#) to update your personal information, such as address, email, or beneficiaries.
- Start investing for retirement and contribute to [MO Deferred Comp](#). This long-term, tax-sheltered savings plan is a good way to supplement your MOSERS pension and Social Security income. There are different options to choose from once you start your contributions through payroll deduction. Choose to invest in a Missouri Target Date Fund, which automatically adjusts your asset allocation during employment and through retirement, or enroll in the self-directed brokerage account for a more hands-on approach.
- Check out our online [comparison calculator](#) to help you compare the value of different retirement options over time.



The goal of the three-legged stool is to achieve a reasonable level of replacement income to support your financial needs during retirement.

1. MOSERS Pension Benefit
 2. Social Security
 3. Personal Savings and Investments
-



To be “vested” means you are eligible for a future pension benefit once you meet the age and service requirements. As an administrative judge or legal advisor you are automatically “vested” on the day you become a member of the ALJLAP.

How Your Benefit Adds Up

Let’s take a look at the big picture. What is the value of your defined-benefit pension? This example provides an estimate of a pension benefit paid over a 15-year period. The following assumptions are used for illustrative purposes only:

Salary.....	\$8,000.00
Annual COLA.....	4% (until COLA Cap)*
Annual COLA.....	2% (80% of the percentage increase in the average CPI, after COLA cap)
Length of Retirement.....	15 years

Benefit Formula

$$\$8,000 \times .50 = \$4,000 \text{ Monthly Base Benefit}$$

Year			COLA		Monthly Benefit	Annual Benefit
1	\$4,000.00				\$4,000.00	\$48,000.00
2	\$4,000.00	x	1.04	=	\$4,160.00	\$49,920.00
3	\$4,160.00	x	1.04	=	\$4,326.40	\$51,916.80
4	\$4,326.40	x	1.04	=	\$4,499.46	\$53,993.52
5	\$4,499.46	x	1.04	=	\$4,679.44	\$56,153.28
6	\$4,679.44	x	1.04	=	\$4,866.62	\$58,399.44
7	\$4,866.62	x	1.04	=	\$5,061.28	\$60,735.36
8	\$5,061.28	x	1.04	=	\$5,263.73	\$63,164.76
9	\$5,263.73	x	1.04	=	\$5,474.28	\$65,691.36
10	\$5,474.28	x	1.04	=	\$5,693.25	\$68,319.00
11	\$5,693.25	x	1.04	=	\$5,920.98	\$71,051.76
12	\$5,920.98	x	1.04	=	\$6,157.82	\$73,893.84
13	\$6,157.82	x	1.04	=	\$6,404.13	\$76,849.56
14	\$6,404.13	x	1.04	=	\$6,600.00	\$79,200.00
15	\$6,600.00	x	1.02	=	\$6,732.00	\$80,784.00
Estimated Total Pension Benefit						\$958,072.68

* This COLA applies if you were employed before August 28, 1997. In this example, the 65% COLA cap is reached in the 14th year. Future COLAs are based on 80% of the percentage increase in the average CPI from one year to the next with an annual maximum of 5% (minimum 0%).

If employed on or after August 8, 1997, see COLAs on page 15.

Career & Life Events That May Affect Pension Benefits

Divorce

If you have been married at any time while you were employed in a position covered by the ALJLAP and are considering a divorce, your spouse may be legally entitled to a portion of your pension benefit. By law, your ex-spouse may receive up to 50% of your benefit accrued during all or part of the marriage. See our brochure, *[Divorce and Your Pension](#)*, for more details.

Disability

The possibility of becoming incapacitated is an important issue because you never know if or when it will happen. You can decide in advance who will be responsible for managing your ALJLAP benefits by designating an agent.

Any employee, beneficiary, or retiree may designate an agent with regard to the application for receipt of an annuity or any other benefits from the ALJLAP. Complete the *Designation of Agent* form, available by logging in to [myMOSERS](#), to name an agent and a successor agent. We will recognize your agent first regarding the distribution of your benefits upon receipt of a physician's statement notifying MOSERS in writing that you are disabled or incapacitated. The *Designation of Agent* form allows you to choose an agent who can make benefit decisions for you if you become disabled or incapacitated. This form does not give your agent broad powers (control over your other financial affairs) like those usually found in a

durable power of attorney. If you are interested in giving your agent broad powers, please consult with an attorney who can advise and help you prepare a durable power of attorney.

MOSERS is not liable with regard to any payment made in good faith.

Leaving State Employment

When you leave state employment, your human resources representative will notify us of your termination indicating your last day of service. The amount of service you have earned determines when you are eligible for pension benefits. In general, the retirement laws in effect on the date you leave state employment determine both your eligibility for a benefit and the provisions used to calculate your benefit.

We will send you a letter approximately 45 days after we receive notice of your termination. This letter will indicate your option(s) for receiving a retirement benefit, an estimate of your benefit amount, and the date you are eligible to begin receiving benefits.

It is important that you keep your address current. Please call, write, or go online to notify us if your name, phone number(s), mailing address or email address changes. We will send you a retirement packet approximately 120 days prior to your normal retirement date.



Contact MOSERS or log in to [myMOSERS](#) to do the following:

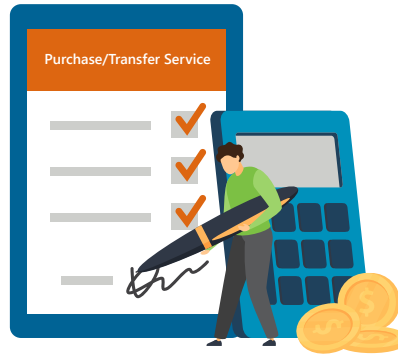
- Change your address or email
- Inform us of a family status change (marriage, divorce, death of spouse)
- Change your direct deposit
- Change your life insurance beneficiary

Military Service

Automatic Military Service Credit

If you are called to, or volunteer for, active military duty, the Uniformed Services Employment and Reemployment Rights Act (**USERRA**) protects your employment and benefit rights, provided you meet the eligibility requirements. When you return from military leave, you may be eligible to receive credit in the ALJLAP for your active-duty military service. This service will be used in determining the amount of, and your eligibility for, a pension benefit. To be eligible for automatic military service credit, you must:

- Have been employed by the state immediately prior to entering the armed forces
- Return to state employment within the time frame specified by **USERRA**.
 - **1-30 Days:** Report for work by the beginning of the first regularly scheduled work day that falls eight hours after you return home.
 - **31-180 Days:** Submit an application for reemployment no later than 14 days after completion of military service.
 - **180+ Days:** Submit an application for reemployment no later than 90 days after completion of military service.
 - **Service Connected Injury or Illness:** The reporting and application deadlines listed above will be extended up to two years if you are hospitalized or convalescing because of a service connected injury or illness.
- Provide a copy of your honorable discharge and your military *DD 214* form or other pertinent documentation.
- Meet any other requirements under **USERRA**.



Certain provisions allow you to purchase, or transfer several types of service under the ALJLAP. The purchase or transfer of service may increase the amount of your pension benefit and, in some cases, you may become eligible to retire at an earlier date.

Purchasing Prior Military Service Credit

You may purchase up to four years of active-duty military service credit performed prior to becoming a member of MOSERS. This includes active-duty military training.

If you elect to purchase your active-duty military service, you must purchase all that you served (total months and days) up to a maximum of four years, prior to applying for retirement. In connection with such a purchase, MOSERS requires that you submit a copy (not the original) of your military *DD 214* or *NGB 23 Discharge* form, which verifies the following:

- Your service was active duty
- Your service was in an eligible branch of the U.S. Armed Forces or reserve components (Army, Air Force, Navy, Marine Corps, Coast Guard, Army National Guard, or Air National Guard)
- Your dates of service
- You were honorably discharged

To obtain copies of your *DD 214* or *NGB 23* form, contact:

National Personnel Record Center

1 Archives Dr.
St. Louis, MO 63138
Phone: (314) 801-0800

Fax: (314) 801-9195

www.archives.gov/veterans

MO National Guard

(if MO listed as home of record at discharge)
2405 Logistics Rd.
Jefferson City, MO 65101

Phone: (573) 638-9890
or (573) 638-9683

Fax: (573) 638-9546

www.moguard.ngb.mil

Prior Service Credit

Transfer or Purchase Public Employment Service

You may receive credit for your full-time, nonfederal public employment within the state of Missouri. Depending on certain criteria, this service may be purchased, transferred, or a combination purchase and transfer.

To be eligible to transfer your service from another retirement plan to MOSERS:

- Your prior employment must be covered by another retirement system and you must be vested in that system.
- There must be an agreement between MOSERS and the other retirement system.

You may be eligible to purchase service if:

- You are not vested or elect to withdraw from the other retirement system
- There is no agreement between the two systems
- Your prior employment was not covered by a retirement system
- You have service remaining after you transfer eligible service

RSMo: 105.691

You cannot receive credit for the same period of service under two retirement systems. If you purchase or transfer service credit, you must forfeit all rights to benefits for that same period of service under the other retirement system.

If you elect to purchase credit for your full-time, nonfederal public employment at a reduced rate (under Section 104.344, RSMo), you must purchase all that you have up to four years. To be eligible, you cannot be vested in another retirement plan for the same period of service.

You must complete any purchase or transfer of service prior to applying for retirement. If you are interested in purchasing or transferring service, please contact a MOSERS benefit counselor for an application.

Transfer of Service

- You may make a one-time transfer of up to eight years of creditable service to or from the following retirement systems:
 - Missouri State Employees' Plan (MSEP)
 - Administrative Law Judges and Legal Advisors' Plan (ALJLAP)
 - MoDOT and Patrol Employees' Retirement System (MPERS)
 - Prosecuting Attorneys and Circuit Attorneys' Retirement System (PACARS)

This one-time transfer between retirement plans must be completed prior to your date of retirement. If you elect to transfer service, you will forfeit any remaining service of that type and all rights to benefits under the retirement plan based on that service. For more information on transferring service, please contact a MOSERS benefit counselor.

RSMo: 104.800

- Members of the Labor and Industrial Relations Commission, administrative hearing commissioners, members of the State Board of Mediation, and attorneys or legal counsel appointed or employed under Section 286.070 RSMo, may be eligible to transfer service credit earned as a result of prior service in any retirement plan administered by MOSERS to the ALJLAP. To be eligible for the transfer, you must have less than 12 years of service as an administrative law judge or legal advisor or both. If you elect to transfer this service, you will forfeit all rights to benefits under the retirement plan from which the service was transferred. Administrative hearing commissioners assigned to the office of administration must serve a majority of a term (at least three years) in order to qualify for benefits.

RSMo: 287.815.3

- The chairman of the State Board of Mediation and the members of the Labor and Industrial Relations Commission who have served in the general assembly, but have less than 12 years of ALJLAP service, to receive two full years of creditable service in the ALJLAP for each full or partial biennial assembly served or purchased. In order to receive this credit, the member must waive in writing all rights to any retirement benefit from MSEP or MSEP 2000.

RSMo: 287.815.1

Ready to Retire

Normal Retirement

As an administrative law judge or legal advisor, you are automatically "vested" on the day you become a member of the ALJLAP. The amount of service you earn determines when you will be eligible for a benefit and the amount of your pension benefit. In general, the retirement laws in effect on the date you leave state employment determine your eligibility for a benefit and the provisions used to calculate your benefit.

Eligibility Requirements

Your normal retirement date is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement when you are no longer serving as an administrative law judge or legal advisor and meet at least one of the following age and service requirements:

- Age 62 with at least 12 years of service.
- Age 60 with at least 15 years of service.
- Age 55 with at least 20 years of service.

Base Benefit Formula

At the time you apply for retirement, we will calculate your base benefit by using a formula that takes into account the following factors:

- **Salary** – The highest salary you received as a member of the ALJLAP
- **Multiplier** – The multiplier is established by the legislature and is currently 50% (.50)

$$\begin{array}{r} \text{Salary} \\ \times \quad \text{Multiplier (.50)} \\ \hline = \quad \text{Monthly Base Benefit} \end{array}$$

Example of Base Benefit Calculation

As with any formula, it is sometimes helpful to provide an example to see how the calculation works. This example uses the following assumptions:

$$\begin{array}{r} \text{Salary:\$8,000.00} \\ \text{Multiplier50\% or .50} \\ \hline \begin{array}{r} \text{Salary} \quad \quad \quad \$8,000 \\ \times \quad \text{Multiplier} \quad \quad (.50) \\ \hline = \quad \text{Monthly Base Benefit} \quad \$4,000 \end{array} \end{array}$$

Retiring with Less Than 12 Years of Service

You are eligible for reduced pension benefits if you are at least age 65 with less than 12 years of service. If you elect to retire with less than 12 years of service, your base benefit will be prorated (reduced) according to your actual service.

Reduction Factor Formula

The reduction factor is based on your actual service divided by 144 months (12 years).

$$\begin{array}{r} \text{Actual Service} \\ \div \quad 144 \text{ Months} \\ \hline = \quad \text{Reduction Factor} \end{array}$$

Example of Early Retirement Benefit Calculation

This example uses the following assumptions:

$$\begin{array}{r} \text{Age at Retirement: 65 Years} \\ \text{Salary\$8,000} \\ \text{Actual Service10 Years (120 Mos)} \\ \hline \begin{array}{r} \text{Actual Service} \quad \quad 120 \\ \div \quad \text{Months} \quad \quad 144 \\ \hline = \quad \text{Reduction Factor} \quad 0.83333 \end{array} \end{array}$$

Base Benefit Calculation

$$\begin{array}{r} \text{Reduction Factor} \quad 0.83333 \\ \times \quad \text{Salary} \quad \quad \$8,000 \\ \times \quad \text{Multiplier} \quad \quad (.50) \\ \hline = \quad \text{Base Benefit} \quad \$3,333.32 \end{array}$$

Under the Internal Revenue Code, pension plans such as MOSERS must limit retirement benefits and compensation used to determine retirement benefits. The limits are indexed to increase in increments of \$5,000 depending on the rate of inflation (and amendments to the law).

Applying for Retirement

We recommend that you apply for retirement 45-90 days prior to your date of retirement. The payment of benefits is not automatic and cannot be paid retroactively.

Before benefit payments can begin, you must leave employment, meet the age and service requirement for retirement, and complete the application process by completing the *Retirement Application* and submitting it to us. In addition to the retirement application, complete the following forms (if applicable):

- *Direct Deposit Authorization*
- *Tax Withholding Authorization and IRS W4-P form*
- *Designation of Agent*
- *Retain/Change Optional Life Insurance*
- *Retain/Terminate Dependent Child Life Insurance*
- *Designate/Change of Beneficiaries-Basic & Optional Life Insurance*
- *Authorization to Release Information*

You can complete these forms and the retirement process online at [myMOSERS](#).

Estimates from our website or from staff must be verified, meet all legal requirements, and if necessary, be corrected before any payments can be made. Corrections could change the amount of the service and benefits you receive or even your eligibility to receive a benefit.

Acceptable Proof-of-Age and Lawful Presence Documents

To establish your eligibility for retirement, you must submit an acceptable proof-of-age and lawful presence document with your

retirement application.

You can upload a scan of a document* by logging in to [myMOSERS](#). Submit **one** of the following documents:

- U.S. Birth Certificate (certified with embossed or raised seal issued by state or local government)

OR a photocopy of one of the following:

- Valid Missouri Driver's License or Missouri Nondriver ID
- U.S. Passport (current or expired)
- U.S. Certificate of Citizenship
- U.S. Certificate of Naturalization
- U.S. Certificate of Birth Abroad

* Except Birth Certificate

Benefit Payment Details

Direct Deposit of Your Benefit Payment

MOSERS will issue your monthly benefit payment as a direct deposit into your checking or savings account on the **last working day** of each month. When you apply for retirement (or survivor) benefits, you must complete and submit a *Direct Deposit Authorization* form. We cannot issue your payments until you have submitted this completed form.

Benefit Payment Deductions

If applicable, we can withhold the following deductions from your monthly benefit payment:

- Missouri and federal income tax as specified on your [Tax Withholding Authorization and IRS W4-P](#) form. (Without this form, we are required to withhold federal taxes as if you elected a "single" filing status.)
- MOSERS optional life insurance premium

- Aflac insurance premium
- Missouri Consolidated Health Care Plan premium
- Miscellaneous deductions such as vision and dental insurance and Missouri State Employees Charitable Campaign ([MSECC](#)) contributions

Protection of Benefits

Your benefits from MOSERS are not subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim, except with regard to the collection of child support or maintenance, payment made to a former spouse pursuant to a division of benefits order, or an IRS levy. Also, your benefit may not be transferred or assigned. However, you may authorize a deduction from your retirement benefit for premiums due for any state-sponsored life or medical insurance, Missouri income taxes, federal income taxes, and Missouri State Employees Charitable Campaign ([MSECC](#)) contributions.

Correcting a Benefit Error

The executive director of MOSERS is in charge of all records of the retirement system. If, due to an error, you receive more or less than the benefit to which you are entitled, the error, when discovered, will be corrected and your benefit will be adjusted accordingly.

If errors in your records are due to fraud, the perpetrator(s) of the fraud will be subject to a fine or imprisonment.

Ready to Retire Checklist

It's never too early to start planning for retirement. Our benefit counselors are available to assist you along the way. The checklist below provides a general timetable for retirement preparation.

12 Months Prior to Retirement

- ☐ Contact one of our benefit counselors for an estimate of your pension benefit. Provide us with your spouse's date of birth and the amount of any prior service credit you plan to purchase or transfer (if applicable). You can also generate your own benefit estimate on our website by logging in to **myMOSERS**.
- ☐ Review your MOSERS *Annual Benefit Statement* and report any discrepancies as soon as possible.
- ☐ Review your retirement handbook. Contact one of our benefit counselors with questions you have regarding your pension benefits.
- ☐ Contact your Social Security office for an estimate of your Social Security benefit.
 - **Social Security Windfall Elimination Provision (for non-Social Security covered service)** - Generally speaking, the non-Social Security service that would be eligible for credit in MOSERS is not affected by the windfall elimination provision. However, if any service you are considering for purchase is not covered by Social Security, you should contact a Social Security office to discuss what implications such a purchase would have on your future Social Security benefit.
- ☐ Check with **MO Deferred Comp** regarding your distribution options at retirement (if applicable).

Six Months Prior to Retirement

- ☐ Discuss your benefit estimate and the different benefit payment options with your family and financial advisor.
- ☐ Prepare a retirement budget. Compare your retirement expenses against your ALJLAP benefit, Social Security, and any other retirement income, such as savings, that will be available to you.
- ☐ Contact the Missouri Consolidated Health Care Plan (**MCHCP**) or your medical benefit administrator regarding your medical coverage at retirement, and get estimates of premium costs.
- ☐ Obtain a copy of an acceptable proof-of-age and lawful presence document (see list on page 13) for yourself and your spouse (if applicable). If married, you must also provide MOSERS with a copy of your marriage certificate.
- ☐ Keep us informed. If your name, phone number(s), email, or address changes, please call, write, or go online to notify us.

One Month Prior to Retirement

- ☐ Log in to **myMOSERS** and complete your *Retirement Application* and related forms. Please submit your retirement application at least 30 days, but not more than 90 days prior to the month your retirement benefit is to begin.
- ☐ Make sure you have completed and submitted the required applications to continue your life insurance (if applicable).
- ☐ Go online (www.mchcp.org) or obtain the required form(s) to retain your medical coverage from your human resources representative or **MCHCP** (if applicable).
- ☐ Notify your department human resources office regarding your intentions to retire. Find out when you should submit a letter of resignation.
- ☐ Contact your local Social Security office to file for benefits if you are eligible and wish to do so.
- ☐ Check with **MO Deferred Comp** regarding your distribution options at retirement (if applicable).
- ☐ Review your estate/will information and life insurance beneficiary designations (if applicable).

Before receiving a benefit payment from MOSERS, IRS rules require a “bona fide termination” of your employment. If you do not properly terminate employment, you will not be eligible to retire and receive benefits. See Working After Retirement on page 15.

After Retirement

Cost-of-Living Adjustments (COLA)

After retirement, you will receive an annual COLA (0-5%) for your lifetime on the anniversary date of your retirement. For example, if you begin receiving retirement benefits on May 1, your first COLA will be paid with your May 31 benefit the following year and each May thereafter.

The ALJLAP provides an annual COLA to eligible retired members, surviving spouses, beneficiaries, or surviving children younger than age 21.

COLA Rate

- **Employed for the First Time Before August 28, 1997** - The COLA rate will be equal to 80% of the percentage increase in the average CPI from one year to the next, but will not be less than 4% or more than 5% of the monthly benefit payable prior to the increase, until the total increases equal 65% of your initial benefit (COLA cap).

After you reach 65% in accumulated COLAs, you will continue to receive a COLA each year for your lifetime. The COLA rate will be equal to 80% of the percentage increase in the average CPI from one year to the next with an annual maximum of 5% (minimum 0%).

- **Employed for the First Time On or After August 28, 1997** - You will be eligible to receive a COLA (0-5%) each year for your lifetime. The annual COLA will be equal to 80% of the percentage increase in the average CPI from one year to the next with an annual maximum of 5% (minimum 0%).

Working After Retirement

Once you retire with MOSERS, you might think about returning to work. It is important for you to know if your monthly pension benefit will be affected. If you do not properly terminate pre-retirement employment, you will not be eligible to retire and receive benefits.

Termination and Reemployment

Before receiving a benefit payment from MOSERS, IRS rules require a "bona fide termination" of your employment. For purposes of [MOSERS Board Rules](#), a "bona fide termination" occurs when:

- You have completely severed employment;
- You have not entered into a prearranged agreement (written or oral), prior to retirement, with the State of Missouri or any [MOSERS-covered employer](#) for subsequent employment on any basis (full-time, part-time, or other); and
- You are not subsequently employed with the State of Missouri or any [MOSERS-covered employer](#) on any basis (full-time, part-time, or other) within 30 days after your employment with your prior employer has ended.

For more information see [FAQs on Separation of Service](#).

Based on current law, if you are receiving an ALJLAP benefit and later become reemployed in a position covered by another MOSERS plan (such as a general state employee, legislator, or elected official), upon meeting separation-of-service rules, you may return to work in a MOSERS or MPERS benefit-eligible position and your monthly ALJLAP benefit will not be affected.

Law Practice After Retirement

If you are receiving retirement benefits under the ALJLAP, you cannot practice law or do law business unless you comply with the following:

- If you are younger than the age of 76, you may practice law if you make yourself available to serve as appointed defense counsel for indigent persons who may be charged with a violation of any of the criminal laws of Missouri. The appointment cannot exceed six cases involving prosecution for a felony per calendar year. Although you cannot receive any compensation for the appointment, you may be reimbursed for actual and necessary out-of-pocket expenses from funds appropriated for the support of public defender activities. The supreme court may excuse you from serving as appointed defense counsel upon showing a physical or mental condition that would preclude the service.
- If you are age 76 or older, you may practice law without making yourself available to serve as appointed defense counsel.

[RSMo: 476.510, 476.565](#)

Death & Your Pension Benefit

Survivor Benefits

Death Before Retirement (Active)

If you die while serving as an administrative law judge or legal advisor, MOSERS will pay a survivor benefit to your eligible spouse or child(ren). Although survivor benefit payments can begin the month following your date of death, they are not automatic. Each eligible benefit recipient must submit an *Application for Survivor Benefits* with the required proof-of-age and lawful presence documentation.

To be eligible, your surviving spouse must be married to you for a minimum of two consecutive years immediately prior to your date of death and also on your last day of employment as an administrative law judge. The monthly benefit for your spouse will be 50% of your retirement benefit and payable for the remainder of your spouse's life.

If there is no eligible spouse, a total of 50% of your monthly benefit will be paid to your natural or legally adopted child(ren) younger than age 21. If there is more than one eligible child, the benefit will be divided equally among them. The survivor benefit for each child will stop when the eligible child becomes age 21 (unless a child is totally disabled).

This benefit is paid regardless of your length of service, except where the period of service could not have been 12 years because of a voluntary or mandatory retirement provision. In that instance, the benefit will be prorated.

Death Before Retirement (Inactive)

If you die after leaving state employment, but prior to retirement, your eligible spouse (or children) may receive a monthly survivor benefit if you have completed at least 12 years of service. If you have not completed 12 years of service, there is no survivor benefit payable to anyone.

Death After Retirement

Under the ALJLAP, you will receive a pension benefit for your lifetime. Upon your death, your eligible surviving spouse or child(ren) will receive a monthly survivor benefit equal to 50% of your monthly pension benefit. To be eligible, your surviving spouse must have been married to you for a minimum of two consecutive years immediately prior to the date of your death and on your last day of employment as an administrative law judge or legal advisor. If there is no eligible surviving spouse or your spouse dies while receiving a survivor benefit, a total of 50% of your monthly benefit will be paid to your child(ren) younger than age 21. We will divide the benefits equally among your eligible children and will stop them at the end of the month in which the youngest eligible child reaches age 21. If the child is totally disabled, we will continue paying the benefit for his or her lifetime.

Survivor benefits are not automatic. When we are notified of your death, a benefit counselor will send your spouse, child(ren), or the person who contacts us a letter and the *Application for Survivor Benefits* (if applicable). Your spouse/beneficiary must apply for survivor benefits, which will start the day following your date of death.

Final Benefit Payment

We may prorate your final monthly benefit payment based on your date of death. We will pay it at the end of the month in which you die. If you receive your benefit by direct deposit and the account remains open, we can deposit your final payment in your account as usual.

You have the option of designating a beneficiary to receive the final payment from the ALJLAP. If a beneficiary has not been designated, we will pay the final payment in the following eligibility order to you:

- Surviving spouse (to whom you were married at the time of death)
- Surviving children or their descendants (divided equally)
- Surviving parents (divided equally)
- Surviving brothers and sisters, or their descendants (divided equally)

If there are no eligible family members, we will pay your final benefit payment as otherwise permitted by law.

Notification of Death

Notify MOSERS of a member's death as soon as reasonably possible. Timely notification helps us pay any benefits that may be due more quickly. Contact us at:

Missouri State Employees' Retirement System

907 Wildwood Drive, PO Box 209
Jefferson City, MO 65102

Phone: (573) 632-6100 · (800) 827-1063

www.mosers.org

Noteworthy Communications

Your Annual Benefit Statement

As a retiree, you will continue to receive information each year, on the anniversary month of your retirement.

RetireeNews

MOSERS publishes a newsletter, *RetireeNews*, for members who are retired. You may elect to be notified by email when *RetireeNews* is posted to the MOSERS website or have paper copies mailed to you. To check your selection, log in to [myMOSERS](#).

Summary Annual Financial Report

The *Summary Annual Financial Report* is on our website and available each year in the fall/winter issue of our newsletters.

Website and Online Resources

To better serve you, our website (www.mosers.org) is available 24 hours a day, seven days a week, 365 days a year. In addition to accessing your personal information at [myMOSERS](#), you can search our website for valuable benefit information and find a variety of online resources including:

- [Comparison Calculator](#)
 - Prior to retirement, compare the dollar value of different benefit payment options over time.
- [News](#)
- [Online Library](#)
 - Informational materials including handbooks, brochures, forms etc.
- Other benefit provider links on MOSERS' homepage
- [Online video gallery](#)
- [Death Information](#)

Social Media

- **Facebook and Twitter**
We use various social media platforms to communicate and connect with our members. Stay informed. Like us on Facebook and follow us on Twitter today!
 - www.facebook.com/MOSERSRetirement
 - www.twitter.com/MOSERSJC
- **YouTube**
We produce and post a variety of informational videos on YouTube.
 - www.youtube.com/user/MOSERSOnline
- **Rumor Central**
Our *Rumor Central blog* is designed to provide online answers to rumors circulating regarding retirement, life insurance and long-term disability. Sign up to receive an email about recent posts. You can search for a particular topic in the archive or submit a question or rumor that you have heard and we will post it anonymously with the answer.

Legislation Information

- MOSERS Legislative Updates
 - www.mosers.org/legislation
- House and Senate Joint Bill Tracking
 - www.house.mo.gov/LegislationSP.aspx
- Joint Committee on Public Employee Retirement
 - www.jcper.org
- Missouri Revised Statutes
 - www.revisor.mo.gov
 - Links to *Statutes That Apply to MOSERS* can be found on our website at www.mosers.org

Glossary

Terms

When these words or terms are used, they have the following meanings unless the context clearly indicates a different meaning is intended.

A

Actuary

An expert who analyzes risks and computes rates according to probabilities, which are based on known experiences. An actuary is experienced in retirement plan financing and is either a member of the American Academy of Actuaries or is enrolled under the Employee Retirement Income Security Act of 1974.

Administrative Law Judge

Any person appointed pursuant to Section 287.610 or Section 621.015, RSMo, or any person who hereafter may have by law all the powers now vested by law in administrative law judges appointed under the provisions of the workers' compensation law.

Annuity

Income payable for the lifetime of the retired member in equal monthly payments.

Annuity Starting Date

The first day of a calendar month when a member begins to receive retirement benefits. Before this date, a member must have a bona fide termination of state employment, meet retirement eligibility criteria, and complete the retirement process (Retirement Application for Judges, Administrative Law Judges and Legal Advisors). The payment date for each month's benefit is the last working day of the month.

B

Base Benefit

The amount a member is entitled to receive at retirement before reductions for early retirement.

Beneficiary

Any person or entity entitled to or designated by a member or retiree who may be legally entitled to receive benefits.

C

Cost-of-Living Adjustment (COLA)

According to Missouri state law, each January, MOSERS must compare the average CPI for the calendar year just completed to the average CPI from the prior year to determine the percentage change between the two years. The MOSERS COLA rate for any year is based on 80% of the percentage increase in the average CPI from one year to the next.

Consumer Price Index (CPI)

The CPI-U is the Consumer Price Index for all urban consumers for the United States, or its successor index, as approved by the Board, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. The CPI is used by MOSERS to determine the annual cost-of-living adjustment (COLA) for benefit recipients.

Credited Service

The sum of an administrative law judge or legal advisor's years and full months of service earned and any creditable prior service. Creditable service is recognized in determining eligibility for a benefit.

Credited Prior Service

Service accrued before becoming a member of the ALJLAP which was purchased or transferred pursuant to the provisions of Sections 104.344, 104.800, 105.691, and 476.524, RSMo. Depending on your date of hire, this service may include active-duty military service, full-time, nonfederal public employment, and up to eight years of prior service accrued in any plan administered by MOSERS or the MoDOT and Patrol Employees' Retirement System (MPERS), and the Prosecuting Attorneys and Circuit Attorneys' Retirement System (PACARS).

L**Legal Advisor**

Any person appointed or employed pursuant to Sections 287.600, 287.615, or 287.616, RSMo to serve in the capacity as a legal advisor or an associate administrative law judge.

Any person appointed pursuant to Sections 286.010 or 295.030, RSMo.

Any attorney or legal counsel appointed or employed pursuant to Section 286.070, RSMo.

R**Retirement Date**

The day an administrative law judge or legal advisor begins to receive retirement benefits. Before this date, a participant must leave state employment, meet retirement eligibility criteria, and apply for benefits by completing an application for retirement. The payment date for each month's benefit is the last working day of the month.

S**Salary**

The total annual compensation paid for personal services as an administrative law judge or legal advisor, or both, of the division of workers' compensation by the state or any of its political subdivisions.

T**Terminated-Vested**

No longer employed, but entitled to a retirement benefit once both the age and service requirements for retirement eligibility are met.

Termination Date

Your last day of work in a MOSERS benefit-eligible position, as reported by your employing department.

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