



# DIVORCE & YOUR PENSION

*Division of Benefits*

**MOSERS**  
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM



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This brochure contains a summary of the provisions of Section 104.312 & 104.1051 of the Revised Statutes of Missouri (RSMo). The contents of this brochure should not be considered legal advice. This information does not amend or overrule any applicable statute or administrative rule. In the event of conflict, the applicable statute or administrative rule will prevail.



### 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 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](http://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

As a member of the Missouri State Employees' Retirement System (MOSERS), your pension plan sponsored by your employer, provides a benefit for you at the time of your retirement and is a defined benefit plan.

A defined benefit (DB) simply means your future pension payments have already been "defined" using a formula which includes your length of service and your final average pay. Your eligibility for retirement is determined by your age and years of service.

If you are vested (eligible for a benefit), your retirement benefit from MOSERS is considered "marital property." If you have been married at any time while an active member of MOSERS and are considering a divorce, your spouse may be legally entitled to receive a portion of your retirement benefit.

This brochure is designed to give the parties involved in a marriage dissolution a better understanding of how MOSERS pension benefits may be divided in a divorce proceeding.

The contents of this brochure should not be considered legal advice. Please consult your attorney regarding your legal rights during a divorce. For questions regarding your benefits or additional information, please contact a MOSERS benefit counselor at (573) 632-6100 or (800) 827-1063.

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### *A Note About Beneficiary Designations*

In the event of a divorce, you may wish to change your beneficiaries and/or passwords which allow you to make such changes.

You may change your beneficiaries at any time by logging in to **myMOSERS**. Complete the *Life Insurance Beneficiaries* form. If you are a member of MSEP 2011 or Judicial Plan 2011, you may also need to submit the *Contributions Beneficiary* form. If retired, review and, if necessary, update your beneficiary(ies) using the *Final Payment of Retirement/Survivor Benefits* form.

At all times, you should be aware of those who have access to your personal information or passwords, especially when going through a divorce or other life event. In these cases, it is important to routinely check the accuracy of your information from any institution that administers your retirement, insurance, credit, or any other financial benefits.



# Division of Pension Benefits

## Division of Benefits Order (DBO)

Missouri statutes permit the division of MOSERS retirement benefits in the event of a divorce. The law allows MOSERS to pay a portion of your pension benefit directly to your ex-spouse at the time you begin receiving payments from MOSERS. Before MOSERS can divide your benefit, a court of competent jurisdiction must issue a division of benefits order (DBO). The court may award your ex-spouse up to 50% of the benefit accrued during your marriage.

Please do not provide MOSERS with a "Qualified Domestic Relations Order" (QDRO). MOSERS is exempt from QDROs provided for by the 1984 Retirement Equity Act. For the most part, the 1974 Employee Retirement Income Security Act (ERISA), which was amended to provide for QDROs, relates only to private sector pension plans. Government pension plans like MOSERS are exempt from this provision of federal law.

**RSMo 104.312, 104.1051**

## DBO Alternative

There are two important details to remember when considering whether or not to use a DBO:

- No payment will be issued to your ex-spouse until you begin receiving retirement benefits from MOSERS. The benefit is payable until the death of the member or the ex-spouse, whichever comes first.
- The only way in which MOSERS is legally authorized to divide your benefit is by using a DBO.

However, as an alternative to the DBO, you may choose to divide the present value of your retirement benefit at the time of divorce as a part of the property division. If a present-value calculation is required, we recommend you contact a professional who specializes in this service.

There may be other alternative methods available. Please consult your attorney to decide which method of dividing your benefit is best.

## Already Divorced

Future retirement benefits may have been addressed in your divorce decree. Read through it and see. If you don't have a copy, you may be able to get one from the county where the divorce took place. You may contact a MOSERS benefit counselor to discuss the matter and how it applies in your specific situation.

## Leaving State Employment

- **Refund of Contributions** – Members of the Missouri State Employees' Plan 2011 (MSEP 2011)\* and the Judicial Plan 2011 contribute 4% of their pay, through payroll deduction, to the MOSERS trust fund. If your retirement benefit is subject to a DBO pursuant to section **104.1051** or section **476.521**, you will not be eligible to receive a refund of employee contributions.

*\* If you were first employed in a MOSERS benefit-eligible position on or after January 1, 2011, or elected a buyout and later returned to state employment, you are a member of MSEP 2011 or the Judicial Plan 2011.*

- **Cash Out Option** – Eligible vested members of MSEP who left state employment between October 1, 1984 and September 1, 2002, have the option of taking the present value of their future retirement benefit in a lump sum rather than a monthly benefit at retirement age pursuant to section **104.335.6**. If MOSERS has received a DBO prior to processing the cash out payment, your ex-spouse will receive a portion of the cash out payment accrued during the marriage.

## Joint & Survivor Divorce Pop-Up Option

If you get divorced after retirement, you may remove your ex-spouse as a survivor beneficiary on your MOSERS pension benefits and receive an adjusted annuity amount. This option is not available to members of the Judicial Plan or Judicial Plan 2011.

To remove your ex-spouse, you must obtain a divorce decree or amended divorce decree from a court of competent jurisdiction, which states:

- You, the member, retain sole possession of your MOSERS pension benefits (it either does not include any division of benefits or terminates an existing order), and
- Your ex-spouse is removed as the beneficiary entitled to survivor benefits based on your retirement election of a joint & survivor benefit payment option.

You must provide MOSERS with a certified copy of your divorce decree/amended divorce decree to adjust your benefits.

# Obtaining a DBO

## Recommended Steps to Obtaining an Acceptable DBO

- **Step 1** – Discuss divorce proceedings with your attorney. Ask about your rights and options regarding “marital property.”
- **Step 2** – Contact MOSERS
  - Members may call in and request a DBO estimate by speaking with a benefit counselor or complete and submit a *Division of Benefits Order – Request for Estimate* form available on our website.
  - All other parties must complete and submit a *Division of Benefits Order – Request for Estimate* form. This form can be used in lieu of requesting the court to issue a subpoena to MOSERS. For your convenience, this form is available online at [www.mosers.org](http://www.mosers.org).
- **Step 3** – MOSERS will prepare a DBO estimate and send it to you and/or the requesting party along with a blank DBO representing the court approved format to be used. Whether the blank DBO is completed or an attorney prepares a new DBO using the prepared format, it must be sent back to MOSERS for approval prior to the court date.
  - The DBO estimate will show the amount of benefits accrued during the time of marriage using creditable service, salary, and the benefit calculation formula applicable to the member. Any survivor reductions and early retirement deductions will be included for members already retired.
  - The benefit estimate will not show the present value of your retirement benefit. If a present value calculation is required, contact a professional who specializes in this service.
- **Step 4** – Have the approved DBO signed by the appropriate parties, including the judge.
- **Step 5** – Obtain a certified copy of the DBO from the circuit clerk and submit it to MOSERS. The DBO will not be processed until the certified copy is received by MOSERS. Benefit payments will not be paid retroactively.

Ex-Spouse Benefit Payment Rules

*Divorce Before Retirement*

- Service purchased during the marriage will also be included in calculating the ex-spouse benefit payment.
- All service accrued during your marriage will be used to calculate the amount eligible for the DBO. If your divorce occurs close to your retirement date, and you elect BackDROP, it is possible that some of the service an salary earned during your BackDROP period will be used in the calculation of your ex-spouse benefit.
- The ex-spouse and member benefit payments will be adjusted proportionately (reduced) if the member:
  - Elects early retirement, or
  - Elects a joint & survivor option at retirement and the ex-spouse is named as the beneficiary.
- The ex-spouse will not be eligible to receive the temporary benefit or any future formula increases.
- The ex-spouse is eligible to receive applicable COLAs.
- **Benefit payments under a DBO will not be paid retroactively.**

# Ex-Spouse Benefit Payments

## Calculation

With an approved DBO, your ex-spouse may receive up to 50% of the benefit accrued during your marriage. The benefit for service accrued before the marriage and after the date specified on the DBO cannot be divided.



The ex-spouse benefit payment will be calculated based on the formula of the plan to which you belong on the date of dissolution. If you are eligible for either MSEP or MSEP 2000, the ex-spouse benefit payment will be calculated using MSEP if you have not retired yet. If you are retired, the payment will be calculated using the plan chosen at retirement. If retired, COLAs accrued from the date of retirement will be divided accordingly.

### Example

#### Assumptions

Retirement plan .....	MSEP 2011 (general state employee)
Date of hire.....	October 15, 2012
Date of marriage .....	December 5, 2012
Date of dissolution .....	August 20, 2020
Average compensation at date of dissolution (based on highest 36 months of salary) .....	\$3,000
DBO awarded ex-spouse .....	50% of your benefit

#### Service Accrued During Marriage

<b>Date of Dissolution</b>	–	<b>Date of Marriage</b>	=	<b>Service Accrued During Marriage</b>
August 20, 2020	–	December 5, 2012	=	(7 Yrs., 8 Mths., 16 Days)

#### Benefit Calculation

<b>Average Compensation</b>	x	<b>Multiplier (1.7%)</b>	x	<b>Yrs./Mths. of Service</b>	=	<b>Benefit Eligible for Division</b>
\$3,000.00	x	.017	x	7.6667	=	\$391.00
<b>Benefit Eligible for Division</b>	x	<b>Percent Specified in DBO</b>	=	<b>Ex-Spouse Payment</b>		
\$391.00	x	.50	=	\$195.50		

See “Divorce After Retirement” on page 9 for information regarding the calculation of ex-spouse benefits as it relates to BackDROP if you get divorced **after** retirement.



## Receiving Payments

- **Divorce Before Retirement** – Ex-spouse payments will commence when you begin receiving benefits from MOSERS in accordance with the DBO. Upon your death or the death of your ex-spouse, the DBO will automatically terminate.
- **Divorce After Retirement** – The effective date of the division of your member benefit and payments to your ex-spouse is dependent on the date the certified DBO is received by MOSERS. The division of your member benefit and payments to your ex-spouse can begin as early as the first of the month following receipt of a certified DBO.

If you elected the BackDROP and you get divorced **after** retirement, service and salary credit earned between the BackDROP date and the annuity starting date will be excluded for purposes of calculating the division of benefits.

Upon the death of either party, the DBO will automatically terminate. If you are predeceased by your ex-spouse, your benefit will increase by the amount otherwise payable to your ex-spouse beginning the first of the month following your ex-spouse's death.

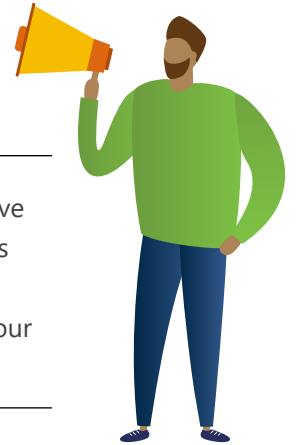
For information about the **Joint & Survivor Divorce Pop-Up Option** see page 6.

- **Survivor Benefits** – Survivor benefits are paid in accordance with the applicable statutes. If you elected a joint & survivor benefit payment option at retirement, survivor benefits will be paid to the spouse named on your *Retirement Election* form, regardless of your marital status, unless you utilize the **Joint & Survivor Divorce Pop-Up Option** (see page 6).

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As always, it is important you keep the information you have on file with MOSERS updated and make necessary changes (as allowed by law) regarding the beneficiary(ies) of your retirement contributions if you get married, divorced, or your spouse dies.

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# Summary

## Notable Details

- MOSERS will not automatically divide your retirement benefit in the event of divorce. The only way in which MOSERS is legally authorized to divide your benefit is through receipt of a certified DBO.
- In order to have your benefit divided, you must be vested (eligible for a benefit) on the date specified on the DBO.
- The division amount is negotiable at the time of divorce and can be any amount up to 50% of your benefit accrued during your marriage.
- You can obtain and submit a DBO to MOSERS after the divorce. Don't assume the DBO is automatically part of the divorce.
- There may be alternative methods available to divide the value of your retirement benefit. Ask your attorney about your rights and options.
- If you marry and divorce more than once, the court can authorize more than one DBO. Each DBO can divide only the benefit accrued during that marriage.
- The DBO will automatically terminate upon the death of either party.
- Your ex-spouse will not be eligible to receive the temporary benefit or any future formula increases.
- The BackDROP payment (if applicable) is not subject to a DBO.
- The ex-spouse and member benefit payments will be adjusted proportionately (reduced) if the member:
  - Elects early retirement, or
  - Elects a joint & survivor option at retirement and the ex-spouse is named as the beneficiary.
- Ex-spouse payments are eligible for cost-of-living adjustments (COLAs) based on the plan in which you receive a retirement benefit.
- No payment will be issued to your ex-spouse until you begin receiving retirement benefits from MOSERS.
- Members of MSEP 2011 or the Judicial Plan 2011 may not receive a refund of member contributions if their retirement benefits are subject to a DBO.



