

1. What is the Judicial Buyout?

Recent legislation established a voluntary pension buyout for active judges in the Judicial Plan to make an election to receive a one-time lump-sum payment of their vested deferred retirement annuity under the MSEP, MSEP 2000, or MSEP 2011 (collectively referred to as MSEP hereafter) administered by MOSERS. This one-time lump-sum payment is in lieu of receiving a retirement annuity relative to the vested MSEP benefit. Governor Parson signed the authorizing legislation, HB 1467, into law on July 13, 2020.

Active members of the Judicial Plan may elect to receive a one-time lump-sum payment equal to sixty percent of the present value of the member's deferred MSEP annuity.

2. Does taking the one-time lump-sum payment for my prior MSEP service have any impact on my Judicial Plan benefits?

No.

3. Who is eligible for the Judicial Buyout?

To be eligible for the Judicial Buyout, you must be employed as an active judge in a position covered by MOSERS and eligible for normal retirement relative to the vested MSEP benefit or at least 59½ years of age. Additionally, you must not be disqualified for any of the reasons listed in the response to question 4 (*What are the conditions that would disqualify me for the Judicial Buyout?*).

Currently, active Judicial Plan members who have a vested MSEP benefit are unable to draw the MSEP benefit while serving in a position covered by the Judicial Plan. This law does not change that but, rather, provides an active judge a one-time lump-sum alternative.

4. What are the conditions that would disqualify me for the Judicial Buyout?

You will be disqualified for the Judicial Buyout if:

- You leave employment as an active judge in a position covered by MOSERS before completing the application or prior to MOSERS issuing your payment.
- You have received a retirement annuity payment from MOSERS relative to the MSEP, MSEP 2000, or MSEP 2011 service that you wish to buy out. (If payment has not yet begun, you may rescind your application for MSEP annuity payments in order to elect the buyout.)
- You are subject to a Division of Benefit Order (DBO) issued by a court under sections 104.312 or 104.1051, RSMo, during a divorce proceeding, relative to the service you wish to buy out.
- During the verification process, MOSERS determines you are not eligible based on Board Rule 2-21 or 3-19 or state statutes.

5. How will MOSERS calculate the lump-sum amount?

The one-time lump-sum buyout amount will be 60% of the present value of your future MSEP normal retirement annuity. The present value is the amount required, as of the date of the estimate, to fund your future normal retirement monthly benefit payments.

Factors include your credited service, final average pay, and various plan provisions that apply to you.

Assumptions include cost-of-living adjustments, life expectancy (using unisex mortality tables), and MOSERS' expected rate of return on investments (currently assumed to be 6.95% annually).

6. When is the application deadline?

MOSERS must receive your completed application (including notarized signature by spouse, and signed rollover agreement from your financial institution other than with MO Deferred Comp, if either/both are applicable) within 30 days from the date of the estimate.

If MOSERS does not receive the completed application within 30 days, you may request a new estimate and application.

If your application is incomplete or if it has been determined that you are not eligible for the buyout, we will notify you.

We will send you a confirmation letter once we have received your completed application.

7. If I lose my application, can I get a new one?

Yes. Call us at (800) 239-5150 or (573) 644-1200 or email buyout@mosers.org to request a replacement copy.

8. Why is spousal consent required?

Your MOSERS retirement benefit is "marital property." If you elect the buyout, your spouse must sign your application indicating that they are waiving/giving up their potential survivor benefit and that they agree with your decision.

9. What are the taxes on the buyout?

You may take the lump-sum buyout payment as a cash payment, as a rollover to a qualified retirement plan, or as a combination cash and rollover distribution.

- Any distribution not directly rolled over to a qualified retirement plan will be reported as taxable income in the year of payment. MOSERS is required to withhold 20% of the taxable portion of a cash distribution for federal income tax.
- We will not withhold state taxes but you may have to pay state or local taxes if you take the buyout as a cash payment.
- If you are younger than age 59½, an additional 10% early distribution federal tax penalty may apply.

We encourage you to read the [Special Tax Notice](#) on our website and speak to a tax professional before making a decision.

10. How do I roll over my payment?

You may roll over your lump-sum payment to your MO Deferred Comp account if you have one. If not, you may set one up. If you are unsure if you have an account, contact MO Deferred Comp at (800) 392-0925.

You may roll over your payment to either an IRA or eligible employer plan (a 401(a), 401(k), 403(a), 403(b), or 457(b) that will accept the rollover). For information about rolling over your payment, see the [Guide to Rollovers for Your Judicial Buyout Distribution](#).

11. Can money be taken from my buyout payment for child support?

Yes, if you owe past-due child support, up to 50% (or more, if penalties apply) of your lump-sum buyout payment may be subject to a lien for past-due child support.

12. Who do I contact with questions about child support?

Please direct any questions regarding child support to the Department of Social Services, Family Support Division, Child Support Program. The contact for this matter is Steven Kissinger, Child Support Liaison, (573) 751-3427.

13. What can I do if I apply for the buyout but then change my mind?

You may cancel your application and election to participate in the Judicial Buyout if you do so in writing and MOSERS receives the cancellation before your payment has been issued. Once MOSERS has issued payment, your decision is irrevocable.

14. When will I get my payment?

Once we have received your completed application, we will issue payment within the next 30 days.

15. If I take the buyout, can I return to regular state employment?

Yes. However, if you elect the Judicial Buyout and receive the buyout payment, the following apply with respect to the MSEP service covered by the buyout payment:

- You will forfeit your future MSEP Benefit retirement annuity, your MSEP service with MOSERS (including eligibility to transfer service between MOSERS and the MoDOT & Patrol Retirement System (MPERS), and all future rights to receive MSEP retirement annuity benefits from MOSERS.
- You will not be eligible to receive any long-term disability benefits from MOSERS.
- Your spouse and dependents, if any, will not be eligible for any potential MSEP survivor benefits from MOSERS.

If you subsequently become an employee in a position covered by MOSERS* and do not have other MSEP or MSEP 2000 service, you will be considered a new employee under the Missouri State Employee Plan 2011 (MSEP 2011) with no prior service and you will not have the option to purchase the prior service that you forfeited in obtaining the buyout payment. You will be required to contribute 4% of pay toward your future MSEP 2011 pension benefits. You will have to meet the vesting requirements under MSEP 2011 in order to qualify for a new pension benefit.

* For example, by becoming a general state employee, or by being elected to the General Assembly or as a statewide elected official, i.e., State Auditor, Secretary of State, State Treasurer, Attorney General, Lt. Governor, Governor

16. When can I begin taking my MSEP benefit if I don't take the buyout?

If you do not elect the Judicial Buyout, you may apply for your MSEP benefit upon eligibility and when you are no longer actively employed as a judge. At that time, MOSERS will provide you with information on how to complete the retirement process so that your monthly annuity payments can begin.