



GENERAL EMPLOYEES' RETIREMENT HANDBOOK

MSEP • MSEP 2000 • MSEP 2011

MOSERS
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

GENERAL EMPLOYEES' RETIREMENT HANDBOOK

MSEP • MSEP 2000 • MSEP 2011

This member handbook is a summary of the defined benefit pension plan provisions for general state employees administered by the Missouri State Employees' Retirement System (MOSERS).

The benefits described apply to actively employed general state employee members of the Missouri State Employees' Plan (MSEP), the Missouri State Employees' Plan 2000 (MSEP 2000), or the Missouri State Employees' Plan 2011 (MSEP 2011) on the date this handbook was issued.

The handbook is intended to give you a general idea of your pension benefits and acquaint you with your plan provisions. If there is any difference between the information provided in this handbook and the laws or policies that govern MOSERS, the laws and policies 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

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Jefferson City, MO



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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

As a state employee, you are automatically enrolled in MOSERS. The provisions that apply to you are dependent upon your date of employment as a general state employee in a MOSERS benefit-eligible position.

The provisions outlined in this handbook apply to all general employees unless followed by an orange (●) dark blue (▲) or light blue (■) symbol, which indicates the provision is specific to only one group. For your reference, we have provided the key below:

Plan Key

- **MSEP** – First employed in a MOSERS benefit-eligible position prior to July 1, 2000, and vested in MSEP.
- ▲ **MSEP 2000** – First employed in a MOSERS benefit-eligible position on or after July 1, 2000, but prior to, OR first employed prior to July 1, 2000, but left prior to becoming vested then returned to employment after July 1, 2000.
- **MSEP 2011** – First employed in a MOSERS benefit-eligible position on or after January 1, 2011, or elected a buyout and returned to state employment.

A **Summary of Plan Benefits** for all general employees is also available for reference on page 4.

You are automatically a member of MOSERS when you begin state employment.

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Review definitions of the terminology used and easily locate information by topic 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 additional information about a topic. Click on any topic in the table of contents to go directly to that page.



Summary of Plan Benefits

Comparison of General Employee Plans

Benefit Provisions	MSEP	MSEP 2000	MSEP 2011
Employee Contributions	• None	• None	• 4% of pay
Vesting <i>Eligible for future pension</i>	• 5 years	• 5 years	• 5 years
Service Purchases	• May purchase up to 4 years of active-duty military service or qualifying public sector service at subsidized rate; may also purchase public sector service at full actuarial cost	• May purchase up to 4 years of active-duty military service or qualifying public sector service at subsidized rate; may also purchase public sector service at full actuarial cost	• May purchase qualifying public sector service at full actuarial cost
Service Transfers <i>See the Purchasing and Transferring Service Guide (by plan) on MOSERS' website</i>	• May transfer qualifying service under 104.800, 105.691, RSMo , or other provisions	• May transfer qualifying service under 104.1090, 105.691, RSMo , or other provisions	• May transfer qualifying service under 105.691, RSMo , or other provisions
Early Retirement Eligibility <i>Age and service required to receive a reduced pension benefit</i>	• Age 55 + 10 years of service <i>Base benefit reduced ½ of 1% (.005) for each month age is younger than normal retirement</i>	• Age 57 + 5 years of service <i>Base benefit reduced ½ of 1% (.005) for each month age is younger than normal retirement</i>	• Age 62 + 5 years of service at time of termination <i>Base benefit reduced ½ of 1% (.005) for each month age is younger than normal retirement</i>
Normal Retirement Eligibility <i>Age and service required to receive an unreduced pension benefit</i>	• Age 65 + 5 years of service or • Age 60 + 15 years of service or • "Rule of 80" – (at least age 48) Age + years of service = 80 or more <i>Age 50 if first became eligible prior to Aug. 28, 2003</i>	• Age 62 + 5 years of service or • "Rule of 80" – (at least age 48) Age + years of service = 80 or more at the time of termination <i>Age 50 if first became eligible prior to Aug. 28, 2003</i>	• Age 67 + 5 years of service or • "Rule of 90" – (at least age 55) Age + years of service = 90 or more at time of termination
Base Benefit Formula <i>Monthly benefit payable for life</i>	• .016 x FAP x Service <i>Future formula increases, if any, may be passed along to retirees</i>	• .017 x FAP x Service <i>Future formula increases, if any, will not be passed along to retirees</i>	• .017 x FAP x Service <i>Future formula increases, if any, will not be passed along to retirees</i>
Temporary Benefit Formula <i>Stops at age 62</i>	• Not available	• .008 x FAP x Service <i>Available to members retiring under "Rule of 80"</i>	• .008 x FAP x Service <i>Available to members retiring under "Rule of 90"</i>
BackDROP Option <i>Lump-sum payment at retirement in addition to reduced monthly pension</i>	• Must work at least 2 years beyond normal retirement eligibility to be eligible; elect BackDROP at retirement (if applicable)	• Must work at least 2 years beyond normal retirement eligibility to be eligible; elect BackDROP at retirement (if applicable)	• Not available
Benefit Payment Options <i>Determines whether or not a benefit will be paid to anyone after member's death</i>	• Life Income Annuity • Unreduced Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 60 Guaranteed Payments • Life Income with 120 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments
Optional Life Insurance <i>Coverage at retirement (if eligible); cannot exceed coverage amount while actively employed</i>	• Maximum of \$60,000	• Maximum of \$60,000 <i>Members retiring under "Rule of 80" may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>	• Maximum of \$60,000 <i>Members retiring under "Rule of 90" may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>
Cost-of-Living Adjustment (COLA) <i>Helps offset effects of inflation increasing the cost of goods and services</i>	• Employed before Aug. 28, 1997 Receive 4-5% each year until reaching 65% COLA cap. After reaching cap, the rate is based on 80% of the percentage increase in the average CPI (0-5%) • Employed on/after Aug. 28, 1997 Based on 80% of the percentage increase in the average CPI (0-5%)	• Based on 80% of the percentage increase in the average CPI (0-5%)	• Based on 80% of the percentage increase in the average CPI (0-5%)
In-Service COLA <i>Service beyond age 65</i>	• Applicable COLA rate (if eligible)	• Not available	• Not available

● First employed in a MOSERS benefit-eligible position prior to July 1, 2000, and vested in MSEP.

▲ First employed in a MOSERS benefit-eligible position on or after July 1, 2000, but prior to January 1, 2011, OR first employed prior to July 1, 2000, but left prior to becoming vested then returned to employment after July 1, 2000.

■ First employed in a MOSERS benefit-eligible position on or after January 1, 2011, or returned to state employment after electing the buyout option.

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. In other words, the "benefit" is "defined" by the law.

A DB plan can be either contributory or noncontributory. MSEP and MSEP 2000 are noncontributory DB plans. MSEP 2011 is a contributory DB 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
 - Statewide Elected Officials
- Missouri State Employees' Plan 2000 (MSEP 2000)
 - General State Employees (including MSEP 2011 members)
 - Legislators (including MSEP 2011 members)
 - Statewide Elected 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

Board member responsibilities include:

- Selecting and employing a qualified advisor (an actuary) regarding funding of the System.
- Arranging annual audits of MOSERS' records and accounts.
- Administering MOSERS' retirement plans according to state and federal law.
- Approving the MOSERS budget.
- Making an ongoing educational commitment to learn more about investments, benefits, and insurance while serving on the Board.
- Acting as investment fiduciaries when administering MOSERS' assets.
- Providing (or contracting) life insurance and long-term disability insurance benefits for eligible state employees.
- Approving and certifying the employer contribution rate.

Each September, our **Board of Trustees** establishes an employer contribution rate for the next fiscal year. The contribution rate, which is currently 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 plans, current and expected future pay levels, the age and average life expectancy of members, expected earnings on investments, and the plans' unfunded liability.

System Administration

Record Confidentiality

MOSERS is required to provide, upon written request, the following information with regard to anyone 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, **104.312** or **104.1051, RSMo**, or
- Disclosure of information is made by MOSERS for a purpose that is compatible with the purpose for which the information 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 a member identification number (Member ID) when you begin working in a MOSERS benefit-eligible position. Your Member ID and Social Security number have been cross-referenced in our computer system so we can identify you using either number and it 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 such as **MCHCP** do not have a record of this number.

Your Member ID is different than your MOSERS Online ID. Log in to **myMOSERS** to create your own Online ID so you can access your personal benefit information.

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 pension benefits accrued on or after August 28, 2014, if you were convicted on or after August 28, 2014, of a felony under state law (or a substantially similar offense provided under federal law) involving stealing or receiving stolen money, property, or service valued at \$5,000 or more, forgery, counterfeiting, bribery of a public servant, or acceding to corruption, in connection with your employment duties.

105.669, RSMo

The System will 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 will no longer be entitled to receive an annuity.

If the survivor or beneficiary is not convicted of such charge, MOSERS will resume annuity payments and will pay the survivor or beneficiary any annuity payments that were suspended pending resolution of such charge.

104.490 & 104.1060, RSMo

Annual Financial Report

MOSERS' Annual Comprehensive Financial Report 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, and the ***Annual Comprehensive Financial Report*** is available upon request. Both publications are also available on our website.



In addition to your retirement benefits, MOSERS also provides basic and optional life insurance and long-term disability (LTD) insurance.* Information about these benefits can be found in the **Basic & Optional Life Insurance** and **Long-Term Disability Insurance** handbooks.

* *MOSERS life insurance benefits are not available to employees of the Department of Conservation or state universities (except State Technical College of Missouri and Lincoln University).*

MOSERS long-term disability benefits are not available to employees of state universities (except State Technical College of Missouri and Lincoln University).

Retirement Planning

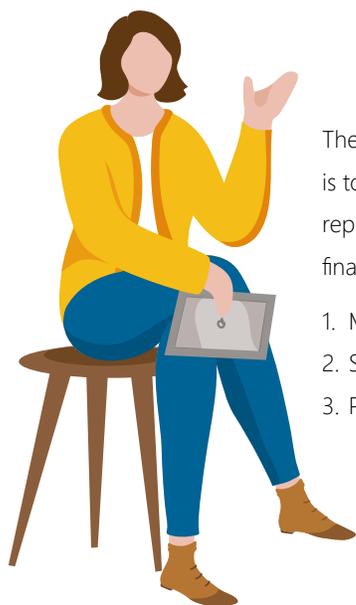
There is one point on which most people agree — retirement should be a time of financial security — a reward for a lifetime of hard work. Your continued participation in MOSERS is an important part of ensuring a secure financial future, but not the only part you will need to consider.

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 to 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 for more information at www.moderredcomp.org.



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

While You Are Working

- Review your *MOSERS Annual Benefit Statement*. Report any discrepancies to us as soon as possible.
 - Your MOSERS retirement benefit is calculated using your service, salary, and a multiplier. If you work in both a full-time and a part-time position (in another state agency), be sure to tell the HR office in both agencies. It could increase your future pension benefit.
- 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.

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. This 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.

There are different options to choose from once you start your monthly contributions through payroll deduction. 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.

^{*} New permanent full-time and part-time employees employed on or after July 1, 2012, are automatically enrolled at 1% contribution each pay period. This excludes rehires, university, and previous temporary or seasonal non-benefit eligible employees.

MO Deferred Comp Catch-up Provisions

There are IRS provisions that allow you to contribute extra money to your MO Deferred Comp account (but they can't be used at the same time):

- **Age 50 and Over Catch-up Provision** - If you are age 50 or over, you may make additional catch-up contributions.
- **Age 60 to 63 Catch-up Provision** - Federal tax law (SECURE 2.0) allows employees age 60 to 63 to save even more for retirement with a higher catch-up contribution.
- **Pre-Retirement Catch-up Provision** - This provision may be used in one or more of the three calendar years before reaching "normal retirement age."

Contributions will be automatically deducted from your paycheck before taxes are taken out. You must also decide how your contribution will be allocated among your choices of investment options.

To find out if you are eligible or to obtain information on the available investment options, call (800) 392-0925 or visit www.moderredcomp.org. For more information on contribution limits visit the [IRS website](#).

Employee Contributions

Contributing to the Retirement System - MSEP 2011 ■

As a member of MSEP 2011, you are required to contribute 4% of your pay to the retirement system, which will earn interest while you are working. The state of Missouri will pay the contributions through payroll deduction so it will not be considered taxable income. You do not have the option to receive the contribution amounts directly instead of having them paid by your employer to the retirement system. Your employee contributions to MOSERS are not available for loans or partial emergency withdrawals.

Interest is compounded annually on June 30 based on the balance in your account as of the previous July 1. Interest is calculated using the 52-week treasury bill rate. Interest credits will stop upon termination of your employment if you are not vested. If you terminate your employment and are vested, interest credits will stop when you retire or die.

104.1091.8 (5), RSMo

Please see the [Employee Contributions](#) brochure for more information.

Benefit Eligibility and Vesting

Generally speaking, an employee must work in a position normally requiring at least 1,040 hours per year to qualify for MOSERS benefits. The minimum requirement may vary depending on the dates of your service. It is the responsibility of the employer, not MOSERS, to determine if a position is eligible for MOSERS benefits. See the definition of "Employee" in state law to help determine if a position is benefit eligible.

104.010.1 (21) & 104.1003.1 (13), RSMo

In order to qualify for a pension benefit, you must have at least five years of credited service. Once you meet that requirement, you are "vested." Credited service refers primarily to the length of time you have been working in a MOSERS-covered position. You will earn one day of service for each day you work in a benefit-eligible position. Your total credited service (active and prior) is one of the factors used in the formula to calculate the amount of your retirement benefit. In other words, the more credited service you have, the higher your monthly benefit amount. When MOSERS calculates your active service, we use your beginning and ending dates of employment to determine your exact service (years, months, and days).

How Your Benefit Adds Up

What is the value of your defined benefit pension? This example provides an estimate of a pension benefit paid over a 20-year period. The following assumptions are used for illustrative purposes only:

Plan.....MSEP 2000
 Age at Retirement.....57 Years
 Credited Service.....33 Years
 Final Average Pay:.....\$3,000
 Annual COLA:.....1.5%
 (80% of the percentage increase in the average CPI)
 Benefit Payment Option.....Life Income Annuity
 Total Monthly Benefit.....\$2,475
 (\$1,683 Base Benefit + \$792 Temporary Benefit)

Year	Monthly Benefit	Temporary Benefit	Annual Benefit
1	\$1,683.00	+ \$792.00	x 12 = \$29,700.00
2	1,708.25	+ 803.88	= 30,145.56
3	1,733.87	+ 815.94	= 30,597.72
4	1,759.88	+ 828.18	= 31,056.72
5	1,786.28	+ 840.60	= 31,522.56
6	1,813.07	+ 853.21	= 31,995.36
7	1,840.27		= 22,083.24
8	1,867.87		= 22,414.44
9	1,895.89		= 22,750.68
10	1,924.33		= 23,091.96
11	1,953.19		= 23,438.28
12	1,982.49		= 23,789.88
13	2,012.23		= 24,146.76
14	2,042.41		= 24,508.92
15	2,073.05		= 24,876.60
16	2,104.15		= 25,249.80
17	2,135.71		= 25,628.52
18	2,167.75		= 26,013.00
19	2,200.27		= 26,403.24
20	2,233.27		= 26,799.24
Estimated Total Pension Benefit			\$526,212.50

In this example, the **temporary benefit** and any COLAs earned on that amount end at age 62.

If you are a member of MSEP, you are not eligible for the temporary benefit; however, the value of your benefit increases similarly minus the temporary benefit.

Career & Life Events That May Affect Pension Benefits

Divorce

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 a portion of your pension benefit. By law, your ex-spouse may receive up to 50% of your benefit accrued during the marriage. See our brochure, [Divorce and Your Pension](#), for more details.

Leaving State Employment

In general, your benefits will be based on the laws in effect on the day you leave state employment.

Non-Vested Members

If you leave state employment and are not vested (less than 5 years of service), you will forfeit your accrued service credit and all rights to benefits from the System.

If you return to work in a MOSERS-covered position, your forfeited service will be restored and combined with your new service when you meet the following conditions:

- **MSEP** ● | **MSEP 2000** ▲
 - Must work continuously for one year in a MOSERS benefit-eligible position.
- **MSEP 2011** ■
 - Must work continuously for one year in a MOSERS benefit-eligible position and return any refunded contributions plus interest.

Vested Members

- **MSEP** ● | **MSEP 2000** ▲
 - If you leave state employment and are vested (five or more years of service), you will be eligible for future retirement benefits.
- **MSEP 2011** ■
 - If you leave state employment, are vested (five or more years of service), **and leave your employee contributions with the System**, you will be eligible for future retirement benefits.

If you are vested and leave state employment, we will send a notice approximately 60 days after we receive notice of your termination from your employer. This notice will indicate the estimated date you will be eligible to begin receiving benefits and an estimate of your benefit amount.

If you return to state employment in a benefit-eligible position, you will start accruing additional service at the date of reemployment.

You are not required to elect early retirement; however, approximately 120 days prior to the date you are eligible, MOSERS will send you a notice. If you do not elect early retirement, we will send another notice approximately 120 days prior to your normal retirement eligibility date.

If you leave state employment, please contact MOSERS whenever your name, telephone number, email, or mailing address changes.



Contribution Refunds

Requesting a Refund - MSEP 2011 ■

- If you leave employment from a MOSERS-covered position, you may request a refund of your employee contributions, including any credited interest.
 - You may not receive a refund after you become eligible for normal retirement.
 - If you are married at the time you request a refund, MOSERS will not process the request without consent from your spouse. You are not eligible to receive a refund if your pension benefit is subject to a division of benefits order.

104.1051, RSMo

- By taking a refund, you forfeit all your credited service and future rights to receive benefits from the System. You are not eligible for a refund while receiving long-term disability benefits.
- A refund distribution will not be processed until you complete and return to MOSERS the *Member Request for Refund of Contributions* form. Missouri law requires MOSERS to pay your refund within an administratively reasonable period but **no sooner than 90 days** from the date your state employment ended. The refund will include all contributions you paid to MOSERS plus any credited interest, less applicable mandatory federal taxes.
- The refund of contributions becomes irrevocable on the day that MOSERS issues payment.
- Any refund not directly rolled over to an Individual Retirement Account (IRA) or qualified retirement plan will be reported as taxable income in the year of payment. MOSERS is not liable for any taxes incurred by you as a result of this distribution.
- If you later become employed in a MOSERS-covered position and work continuously for at least one year, the credited service previously forfeited will be restored if you return to the System the amount previously refunded plus interest at a rate established by the MOSERS Board.
- If you die after submitting a *Request for Refund of Contributions* form, but before receiving the distribution, no distribution will be made if you have a surviving spouse and that spouse is eligible for a survivor benefit based on your death. Otherwise, payment will be made to the beneficiary designated on your *Contribution Beneficiary* form. If no beneficiary is living, payment will be made as otherwise permitted by law.

Disability

Designation of Agent

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 MOSERS benefits by designating an agent.

Any employee, beneficiary, or retiree may designate an agent to manage their MOSERS benefits. Complete the *Designation of Agent* form by logging in to **myMOSERS** to name an agent and a successor agent. 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 (such as 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, you may wish to consult with an attorney who can advise and help you prepare a durable power of attorney.

Upon receipt of a physician's statement notifying MOSERS in writing that you are disabled or incapacitated, we will recognize your designated agent regarding the distribution of your benefits. MOSERS is not liable with regard to any payment made in good faith.

104.1093, RSMo

Long-Term Disability (LTD) Plan

If you face a lengthy illness or suffer from an accident that leaves you unable to work for an extended period, LTD insurance may provide partial income replacement. This benefit also includes a program that may assist in making workplace changes so you can avoid going or staying on LTD.

If approved for LTD, your monthly disability benefit can replace up to 60% of your pre-disability earnings less any deductible income. LTD benefits and the accrual of your service credit will continue until you recover, begin receiving early retirement benefits from MOSERS, or when you become eligible for normal retirement. For more information regarding your LTD benefits, please refer to MOSERS' *Long-Term Disability Insurance* handbook.

Leaves of Absence

A leave of absence may affect your MOSERS benefits. It is important for your employer to notify MOSERS of any valid leave of absence in order for you to receive correct salary and service credit. An approved leave of absence does not guarantee that you will receive credited service for the period of time on leave. The following table provides information on the types of leave available and how each impacts your MOSERS benefits.

Leaves of Absence - Impact on MOSERS Benefits

Types of Leave	Impact on Retirement	Impact on Basic Life Insurance, Optional Life Insurance,** & Long-Term Disability (LTD)
Member - Self		
Medical or FMLA	<ul style="list-style-type: none"> Service credit and salary credit up to one year*** 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to one year
Workers' Compensation	<ul style="list-style-type: none"> Service credit and salary credit while receiving workers' compensation benefits 	<ul style="list-style-type: none"> Employer pays basic life insurance and LTD premiums Member pays premiums to retain optional life coverage
Layoff	<ul style="list-style-type: none"> No service credit or salary credit while in layoff status*** 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to one year
Military	<ul style="list-style-type: none"> Service credit and salary credit for active-duty service after submission of a valid DD-214 form, which indicates honorable discharge, when Uniformed Services Employment and Reemployment Rights Act (USERRA) requirements are met 	<ul style="list-style-type: none"> Member pays premiums to continue basic and optional life insurance coverage for the duration of deployment Member pays premiums to continue LTD coverage for up to one year
Domestic and Sexual Violence Leave	<ul style="list-style-type: none"> Service credit and salary credit up to 2 weeks 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to 2 weeks (if employee misses an entire pay period)
Other (non-illness)	<ul style="list-style-type: none"> No service credit or salary credit*** 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to one year
Member - Family		
FMLA	<ul style="list-style-type: none"> Up to 12 weeks of service credit No salary credit 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to one year
Domestic and Sexual Violence Leave	<ul style="list-style-type: none"> Service credit and salary credit up to 2 weeks 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to 2 weeks (if employee misses an entire pay period)
Member - Household		
Domestic and Sexual Violence Leave	<ul style="list-style-type: none"> Service credit and salary credit up to 2 weeks 	<ul style="list-style-type: none"> Member pays premiums to continue all coverage for up to 2 weeks (if employee misses an entire pay period)

* A member must keep basic life insurance in order to keep child coverage during a leave of absence.

** A member must keep their optional life insurance in order to keep spouse coverage during a leave of absence. If a member cancels optional life insurance coverage while on a leave of absence, the same level of coverage will be reinstated automatically when they return to work in a benefit-eligible position.

*** If a member does not return to work within one year, membership status in MOSERS will be changed to "terminated" and a break in service will occur. If a non-vested member returns to service after a break in service, the member must be continuously employed for one year before their prior service is reinstated.

Purchasing or Transferring Prior Service Credit

Certain provisions allow you to purchase or transfer service. 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, or both.

The following guides, available on our website, provide additional information on the types of service you may be eligible to purchase or transfer. You may also [contact a benefit counselor](#).

- [Purchasing and Transferring Service Guide for MSEP \(Closed Plan\) Members](#)
- [Purchasing and Transferring Service Guide for MSEP 2000 Members](#)
- [Purchasing and Transferring Service Guide for MSEP 2011 Members](#)

If you decide to purchase or transfer service, it is important to keep in mind the following:

- You should purchase or transfer service credit as soon as possible.
- You must be vested to acquire prior service credit.
- You must **apply** to purchase or transfer any previous service credit to MOSERS; it is not automatic.
- Your purchase or transfer of service must be complete before you apply for retirement. Payments must be complete in two years or less.
- Generally speaking, you cannot receive credit from more than one retirement plan for the same period of service or employment.

Buyout

Senate Bill 62, passed in 2017, provided the MOSERS Board of Trustees with the authority to establish a one-time buyout program for terminated-vested members. If you received a lump-sum payment under this program, you forfeited all creditable service and future rights to receive retirement annuity and long-term disability benefits relative to that service. Additionally, if you elected a buyout of your pension benefits and return to state employment, you will be considered a new employee and a member of MSEP 2011.

104.1092, RSMo

Military Service Credit

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 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** for the corresponding length of active-duty service:
 - **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**.

Purchasing Prior Military Service Credit -**MSEP ● | MSEP 2000 ▲**

As a member of MSEP or MSEP 2000, you have the option to purchase up to four years of service credit for active-duty military service you 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.

104.1021.6 & 104.340.4, RSMo

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

Ready to Retire

Your eligibility for retirement depends on the amount of credited service you have acquired and your age. 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.

Normal Retirement

Eligibility Requirements

Your normal annuity starting date is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements for your plan:

- **MSEP** ●
 - Age 65 with 5 years of service, or
 - Age 60 with 15 years of service, or
 - At least age 48 with age and service equaling 80 or more (Rule of 80)
- **MSEP 2000** ▲
 - Age 62 with at least 5 years of service, or
 - At least age 48 with age and service equaling 80 or more (Rule of 80)
- **MSEP 2011** ■
 - Age 67 with at least 5 years of service, or
 - At least age 55 with age and service equaling 90 or more (Rule of 90)

Early Retirement

Eligibility Requirements

You will be eligible for early retirement when you meet age and service requirements for your plan:

- **MSEP** ●
 - Age 55 with 10 years of service
- **MSEP 2000** ▲
 - Age 57 with at least 5 years of service
- **MSEP 2011** ■
 - Age 62 with at least 5 years of service prior to leaving state employment

If you elect early retirement, your base benefit will be reduced by one-half of one percent (.005) for each month your age is younger than your normal retirement age.

Calculating Your Pension Benefit

Monthly Base Benefit

Your “base benefit” is the amount you are entitled to receive at retirement before any reductions for:

- Early retirement
- Joint & survivor options
- Guaranteed payment options
- Ex-spouse payments
(according to a division of benefits order)

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

- **Final Average Pay** – The average of your highest 36 consecutive months of compensation.
- **Credited Service** – Your years and months of credited service (including unused sick leave, if applicable).*
- **Multiplier** – A number, established by the legislature.
 - **MSEP** ● – The multiplier is 1.6% (.016).
Future formula increases, if any, may be passed along to retirees.
 - **MSEP 2000** ▲ – The multiplier is 1.7% (.017).
Future formula increases, if any, will not be passed along to retirees.
 - **MSEP 2011** ■ – The multiplier is 1.7% (.017).
Future formula increases, if any, will not be passed along to retirees.

104.1091.12, RSMo

* MSEP | MSEP 2011 - Members who work until reaching early retirement or normal retirement eligibility can receive credit for unused sick leave.

MSEP 2000 - Vested members can receive credit for unused sick leave.

Minimum Base Benefit

A minimum benefit ensures that no member eligible for retirement receives less than a certain amount. The minimum base benefit amount is used only when it is greater than the amount determined by the base benefit formula. Eligibility requirements differ for MSEP and MSEP 2000.

- **MSEP ●** – You must be immediately eligible for early or normal retirement when you leave state employment.
- **MSEP 2000 ▲** – You need not be immediately eligible for retirement when you leave state employment.

If you are entitled to a minimum base benefit, your monthly benefit will be \$15 times each full year of credited service.

Temporary Benefit

The temporary benefit is designed to provide you with supplemental income until you reach age 62. To receive the temporary benefit, you must retire under one of the following rules:

- **MSEP 2000 ▲**
 - "Rule of 80" – At least age 48 with age and service equaling 80 or more.
- **MSEP 2011 ■**
 - "Rule of 90" – At least age 55 with age and service equaling 90 or more.

The multiplier for the temporary benefit is 0.8% (.008).

The temporary benefit and any COLAs earned on that amount end when you reach age 62. Although the temporary benefit ends at age 62, you are not required to apply for early Social Security retirement benefits.

The temporary benefit is not considered in determining potential benefits for your survivors. If you die while receiving the temporary benefit, any survivor benefits will be determined by the base benefit amount and the benefit payment option you elected.

Non-Social Security Covered Service

Benefits for non-Social Security covered service will be computed using a benefit multiplier.

- **MSEP ●** – Benefits for non-Social Security covered service will be computed using 2.1%
104.342.7 (1), RSMo
- **MSEP 2000 ▲ | MSEP 2011 ■** – Benefits for non-Social Security covered service will be computed using 2.5%
104.1024.5, RSMo

Uniformed Members of the Water Patrol

Eligibility Requirements

MSEP ● – If you are a uniformed member of the Water Patrol, you will be eligible for normal retirement if you meet at least one of the following age and service requirements:

- Age 55 or older with at least 5 years of service, or
- At least age 48 with age and service equaling 80 or more (Rule of 80).

Base Benefit Formula

- The formula used to calculate your retirement benefit differs from other employees. The amount of the base benefit is increased by one-third.
- The multiplier for MSEP is 1.6% or (.016)

Final Average Pay	\$3,000
x Years & Full Months Credit Service	33
x Multiplier	(.016)
= Base Benefit	\$1,584.00

Monthly Base Benefit	\$1,584.00
x Formula Increase	1.3333
= Monthly Base Benefit	\$2,111.95

Occupational Disability Benefits

If you are a uniformed member of the Water Patrol and sustain an injury or illness as a result of performing your duties as a Water Patrol officer, you are eligible for occupational disability benefits. To qualify for occupational disability, you must be found by the MOSERS Board of Trustees to be completely and permanently incapable of holding any position of gainful employment. Your occupational disability benefit will be equal to 50% of your compensation when the injury or illness occurred.

Retirement Calculations

Normal Retirement	Normal Retirement Assumptions	
	Final Average Pay.....	\$3,000
	Years & Full Months Credited Service.....	33 Years
	MSEP ●	
	Base Benefit Formula	
	• The multiplier is 1.6% or (.016)	
	Final Average Pay	\$3,000
	x Years & Full Months Credit Service	33
	x Multiplier	.016
	= <u>Monthly Base Benefit</u>	<u>\$1,584</u>
• The temporary benefit is not available to members of MSEP.		
MSEP 2000 ▲ MSEP 2011 ■		
Base Benefit Formula		
• The multiplier is 1.7% or (.017)		
Final Average Pay	\$3,000	
x Years & Full Months Credit Service	33	
x Multiplier	.017	
= <u>Monthly Base Benefit</u>	<u>\$1,683</u>	
Temporary Benefit Formula		
• The multiplier for the temporary benefit is 0.8% or (.008).		
• The temporary benefit and any COLAs earned on this amount end at age 62.		
Final Average Pay	\$3,000	
x Years & Full Months Credit Service	33	
x Multiplier	.008	
= <u>Monthly Temporary Benefit</u>	<u>\$792</u>	
Monthly Base Benefit	\$1,683	
+ Monthly Temporary Benefit	\$792	
= <u>Monthly Benefit</u>	<u>\$2,475</u>	

Early Retirement	Early Retirement Assumptions	
	Final Average Pay.....	\$3,000
	Years & Full Months Credited Service.....	30.5 Years
	Months Retiring Early.....	30 Months
	MSEP ● MSEP 2000 ▲ MSEP 2011 ■	
	Reduction Factor Formula	
	• Your base benefit will be reduced by one-half of one percent (.005) for each month your age is younger than your normal retirement age.	
	1 Percent	1
	- (30 Months Early x .005)	.15
	= <u>Early Retirement Factor</u>	<u>.85 of Base Benefit</u>
Base Benefit Formula		
Final Average Pay	\$3,000	
x Years & Full Months Credit Service	30.5	
x Multiplier*	.017	
= <u>Monthly Base Benefit</u>	<u>\$1,555.50</u>	
Monthly Base Benefit	\$1,555.50	
x Early Retirement Factor	.85	
= <u>Early Retirement Benefit</u>	<u>\$1,322.18</u>	

* Multiplier for MSEP is 1.6% (.016)

Applying for Retirement

The payment of benefits is not automatic. Before benefit payments can begin, you must meet the age and service eligibility criteria, apply for benefits, and leave state employment. This includes completing the two-step retirement process and completing several important forms. The process allows MOSERS to provide you with pertinent information you need to make informed decisions regarding your benefits.

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 your vested status, the amount of service and benefits you receive, or even your eligibility to receive a benefit.

Two-Step Retirement Process

For your convenience, you may apply for retirement online at www.mosers.org. Simply log in to **myMOSERS** using your Online ID and password. You will be guided through the two-step retirement process.

Step 1

Complete and submit a *Retirement Application*. Your application must be submitted to MOSERS according to the due date coinciding with your date of retirement (see the [Retirement Timeline](#) on page 19).

- The ideal time to complete and submit any additional forms is 90 days prior to your retirement date.
- Complete and submit the following forms:
 - *Direct Deposit Authorization* (required)
 - *Tax Withholding Authorization and IRS W-4P* (required)
 - *Designation/Change of Beneficiaries* (if applicable)*
 - *Retain/Change Optional Life Insurance* (if applicable)
 - *Retain/Terminate Dependent Child Life Insurance* (if applicable)
 - *Designation of Agent* (optional)
 - *Authorization to Release Information* (optional)

* You may submit form at any time by logging in to myMOSERS.

Step 2

- Complete your *Retirement Election Form* and submit it to MOSERS according to the due date coinciding with your date of retirement (see page 19).
 - Elect a retirement plan (if applicable).
 - Elect whether or not to receive BackDROP (if eligible).^{*} If electing BackDROP, complete the *BackDROP Distribution Form*.
 - Elect a benefit payment option (required).

* *BackDROP is available only to general state employees who are members of MSEP or MSEP 2000 and who work at least two years beyond normal retirement eligibility.*

Acceptable Proof-of-Age and Lawful Presence Documents

To establish your eligibility for retirement, you must submit one proof-of-age and lawful presence document for yourself and one for your spouse (if applicable) with your application (unless you apply online and indicate that you have a valid Missouri Driver's License or Missouri Nondriver ID).^{**} You can upload the required document(s) by logging in to **myMOSERS**.

Submit **one** of the following documents:

- Original U.S. Birth Certificate (with embossed, 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 (valid or expired)
- U.S. Certificate of Citizenship
- U.S. Certificate of Naturalization
- U.S. Certificate of Birth Abroad

If married, also submit a legible copy of:

- Spouse's proof-of-age and lawful presence document (see above)
- Marriage Certificate

** We can accept a scanned image of a document except a birth certificate.

The easiest and most convenient way to apply for retirement is online at **myMOSERS**. If you choose not to apply online, **contact a benefit counselor** to request a *Retirement Application* and for further instructions.

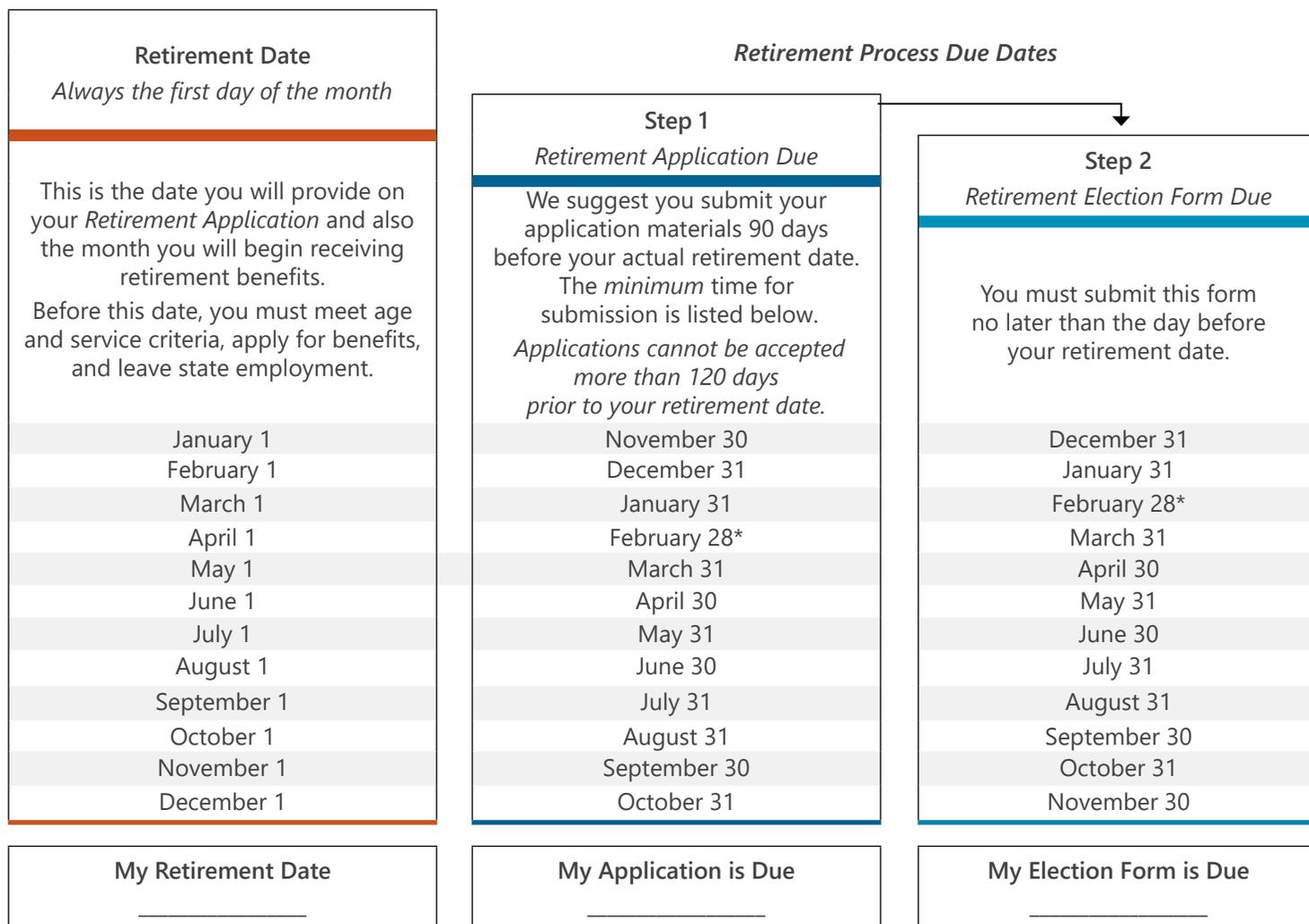
Don't forget to notify your employer's human resources office regarding your intentions to retire.

For more information, see the [Ready to Retire Checklist](#) on page 27.

Retire Online

Retirement Timeline

When applying for retirement, you must meet the specific due dates for your *Retirement Application* (Step 1) and *Retirement Election Form* (Step 2), as listed in the chart below. Start early. You can begin your application as early as 120 days prior to your retirement date.



* February 29 during a leap year.

Termination Date

Your last day of work as a MOSERS benefit-eligible employee, as reported by your employer. It must be prior to your retirement date (at least one day). You will work directly with your employer to terminate your employment.

Retirement Date and Termination Date are NOT the same.

Normal Retirement Eligibility Date

The date on which you first become eligible for MOSERS retirement with normal (unreduced) pension benefits.

Retirement Date

Your retirement date is the first of the month in which you receive your first retirement payment.

Benefit Payment Date

The last working weekday of the month for each month in which you are retired. See the [Benefit Payment and Holiday Schedule](#) for specific dates.

Benefit Payment Options

You must elect a benefit payment option on your *Retirement Election Form*. This election determines whether a benefit will potentially be paid to anyone after your death. **Regardless of the payment option you elect, you will receive a monthly benefit payment for your lifetime.**

- **Life Income Annuity**

- Your pension benefit **WILL NOT be reduced** for the purpose of providing a survivor benefit.
- No ongoing monthly survivor benefits will be paid to anyone after your death.
- You must name a beneficiary to receive your final benefit payment.
- If married, your spouse must give consent by signing your *Retirement Election Form*.

- **Joint & 50% Survivor Option**

- **MSEP ●** - Your pension benefit **WILL NOT be reduced** for the purpose of providing a survivor benefit.
- **MSEP 2000 ▲ | MSEP 2011 ■** - Your pension benefit **WILL be reduced** for the purpose of providing a survivor benefit.
- Your eligible spouse will receive 50% of the benefit amount you were receiving at the time of your death (*excluding any temporary benefit for members of MSEP 2000 and MSEP 2011*).
- Survivor benefits will be paid to your spouse, as named on your *Retirement Application* (or *Designation of New Spouse as Beneficiary for Retirement Benefits* form), regardless of your marital status at the time of your death.

- **Joint & 100% Survivor Option**

- Your pension benefit **WILL be reduced** to provide a lifetime survivor benefit for your spouse.
- Your eligible spouse will receive 100% of the benefit amount you were receiving at the time of your death (*excluding any temporary benefit for members of MSEP 2000 and MSEP 2011*).
- Survivor benefits will be paid to your spouse, as named on your *Retirement Application* (or *Designation of New Spouse as Beneficiary for Retirement Benefits* form), regardless of your marital status at the time of your death.

- Life Income With Guaranteed Payments
 - Your pension benefit **WILL be reduced** and payable to you for life.
 - A certain number of payments are guaranteed from your retirement date. The guarantee starts on your retirement date (not date of death), and extends for the term you elect.
 - » **MSEP ●** - Life Income with 60 or 120 Guaranteed Payments.
 - » **MSEP 2000 ▲ | MSEP 2011 ■** - Life Income with 120 or 180 Guaranteed Payments.
 - You must name a beneficiary or beneficiaries (person, trust, corporation, organization, charity, or your estate) to receive your final benefit payment from MOSERS and any remaining guaranteed payments.
 - No survivor payments (other than the final payment) will be paid if you have received all payments in the guaranteed period.

The Benefit Payment Option You Elect is Irrevocable

The benefit payment option you elect is irrevocable once your first pension benefit payment has been issued by MOSERS. There are two circumstances under which you may re-elect your benefit payment option.

- You are single at retirement, elect the life income annuity option, and later marry.
- You are married at retirement, elect a joint & survivor option, your spouse dies, and you later remarry.

You must apply to add your new spouse within one year from the date of marriage.

If you are married at retirement, elect a joint & survivor option and get divorced, see the joint & survivor divorce pop-up option under [Marriage and Divorce After Retirement](#) on page 30.

Benefit Payment Option Adjustment Factors

Benefit payment options require your pension benefit to be reduced in order to provide a survivor benefit after you die. The following summary will help you determine the adjustment factor used in calculating your pension benefit. If you would like an estimate of your monthly pension benefit, [contact a benefit counselor](#) or generate your own by logging in to [myMOSERS](#).

• **Joint & 50% Survivor**

– **MSEP** ●

» There is no reduction for the Joint & 50% survivor option.

– **MSEP 2000** ▲ | **MSEP 2011** ■

» If your spouse is **younger** than you:
Factor at retirement age - (Age Difference x .003)

» If your spouse is **older** than you:
Factor at retirement age + (Age Difference x .003)

The adjustment factor cannot exceed 95% for MSEP 2000 or 94.25% for MSEP 2011.

• **Joint & 100% Survivor**

– **MSEP** ●

» The adjustment factor for the Joint & 100% survivor option is .93% +/- (Age Difference x .003)

– **MSEP 2000** ▲ | **MSEP 2011** ■

» If your spouse is **younger** than you:
Factor at retirement age - (Age Difference x .005)

» If your spouse is **older** than you:
Factor at retirement age + (Age Difference x .005)

The adjustment factor cannot exceed 90% for MSEP 2000 or 87.75% for MSEP 2011.

• **Life Income Annuity with 60 Guaranteed Payments**

– **MSEP** ● - Adjustment factor = .97 (97%)

• **Life Income Annuity with 120 Guaranteed Payments**

– **MSEP** ● - Adjustment factor = .91 (91%)

– **MSEP 2000** ▲ - Adjustment factor = .95 (95%)

– **MSEP 2011** ■ - Adjustment factor = .93 (93%)

• **Life Income Annuity with 180 Guaranteed Payments**

– **MSEP 2000** ▲ - Adjustment factor = .90 (90%)

– **MSEP 2011** ■ - Adjustment factor = .86 (86%)

Starting Adjustment Factors* for MSEP 2000 ▲

Member's Age at Retirement	Joint & 50% Survivor Starting Factor	Joint & 100% Survivor Starting Factor
48	94.2%	88.6%
49	93.9	88.2
50	93.6	87.8
51	93.3	87.4
52	93.0	87.0
53	92.7	86.6
54	92.4	86.2
55	92.1	85.8
56	91.8	85.4
57	91.5	85.0
58	91.2	84.6
59	90.9	84.2
60	90.6	83.8
61	90.3	83.4
62+	90.0	83.0

Starting Adjustment Factors* for MSEP 2011 ■

Member's Age at Retirement	Joint & 50% Survivor Starting Factor	Joint & 100% Survivor Starting Factor
55	92.1%	85.8%
56	91.8	85.4
57	91.5	85.0
58	91.2	84.6
59	90.9	84.2
60	90.6	83.8
61	90.3	83.4
62	90.0	83.0
63	89.7	82.6
64	89.4	82.2
65	89.1	81.8
66	88.8	81.4
67	88.5	81.0

* The starting adjustment factors, as shown in the tables above, come from the actuary and are predetermined by each Plan.

Adjustment Factor Calculations

Normal Retirement Examples	Assumptions	Assumptions
	Retiree's Age 59 Years, 9 Months Spouse's Age 64 Years, 1 Month Spouse's Age Difference 4 Years, 4 Months Older** Benefit Payment Option Joint & 100% Survivor Starting Factor 84.2% (.842)	Retiree's Age 55 Years Spouse's Age 58 Years Spouse Age Difference 3 Years Benefit Payment Option Joint & 100% Survivor Starting Factor 85.8% (.858)
	MSEP 2000 ▲ Adjustment Factor Calculation	MSEP 2011 ■ Adjustment Factor Calculation
	Starting Factor842 + (4 Years Age Difference x .005)020 = <u>Adjustment Factor</u> <u>.862</u>	Starting Factor858 + (3 Years Age Difference x .005)015 = <u>Adjustment Factor</u> <u>.873</u>
Adjusted Base Benefit Calculation	Adjusted Base Benefit Calculation	
Monthly Benefit \$1,540.69 x <u>Adjustment Factor</u>862 = <u>Adjustment Factor</u> <u>\$1,328.07</u>	Monthly Benefit \$867 x <u>Adjustment Factor</u>873 = <u>Adjustment Factor</u> <u>\$756.89</u>	

* Calculated using full-years difference

BackDROP Payment Option

Eligibility

MSEP ● | MSEP 2000 ▲

Members of MSEP and MSEP 2000 may be eligible to elect the Deferred Retirement Option Provision (BackDROP) at retirement. This option provides a way for you to receive a lump-sum payment at retirement in addition to your monthly benefit payment. Your monthly benefit will likely be less if you elect BackDROP.

If you elect BackDROP, you will begin receiving your monthly benefit payment at the end of the month when you actually retire. Your monthly benefit payment will be based on the benefit you would have received had you left employment and retired on the BackDROP date (the first day of your BackDROP period). In addition to your ongoing monthly payment, you will receive a one-time lump-sum payment equal to 90% of the Life Income Annuity amount that you would have received had you been retired during the BackDROP period.

BackDROP Date

You may select the BackDROP date used to calculate your pension benefit, and it must meet both of the following requirements:

- It must be on or after the date you were first eligible for normal (unreduced) retirement benefits, and
- It must be within the five-year period immediately prior to your actual retirement date.

If you are generating your own benefit estimate online and would like to see your BackDROP options, you must enter an anticipated retirement date that is at least two years past your first normal retirement eligibility date.

BackDROP Period

The BackDROP period is the length of time between your BackDROP date and your actual retirement date. You may select a BackDROP period in one-year increments or up to a total time worked (if less than five years), ranging from one year to a maximum of five years.

Applying for BackDROP

You are not required to take any action related to BackDROP until you retire. Simply keep working in a benefit-eligible position for at least two more years past your normal retirement eligibility date. You are also not required to elect BackDROP, regardless of how long you work beyond normal retirement eligibility.

If eligible, your benefit estimate(s) will include details about BackDROP, and during the retirement process, we will provide all the necessary forms to apply.

Monthly Pension Benefit

If you elect BackDROP, we will calculate your monthly benefit using your final average pay (FAP) and creditable service as of your BackDROP date. We will not include any salary or service earned during the BackDROP period when calculating your monthly pension benefit. However, we will include COLAs and any temporary benefit you would have received during the BackDROP period. Unused sick leave credit accrued during the BackDROP period is also included.

If you do not elect BackDROP, we will calculate your monthly pension benefit using your FAP and creditable service as of your actual retirement date.

Lump-Sum Distribution Payment & Tax Implications

Your lump sum will be calculated based on 90% of what you would have received in benefits had you been retired during the BackDROP period. The lump-sum calculation uses your FAP and credited service as of your BackDROP date and may include temporary benefit payments for MSEP 2000 retirees.

If you are divorced and elect BackDROP, your ex-spouse is not eligible for a portion of your BackDROP lump sum.

If you die prior to your retirement date, your *Retirement Application* and any subsequent elections, such as BackDROP, become null and void. This means your survivor (if applicable) will not receive the BackDROP lump sum. Any survivor benefits will be calculated using total credited service.

You must elect to receive your lump-sum payment distribution from among the following options:

- **Cash Option** - Elect to receive the entire amount in a lump-sum payment.
- **Rollover Option** - Roll over the entire amount of your refund to a qualified retirement plan.
- **Combination Cash & Rollover Option** - Roll over a specified amount to a qualified retirement plan and receive the remaining amount as a lump-sum payment.

We will issue your BackDROP payment (cash or rollover) on the last working day of the month in which you retire, along with your first monthly pension benefit payment.

The BackDROP distribution is considered taxable income for the year in which you receive the payment, unless you roll it over to a traditional IRA or another eligible employer plan.

- MOSERS is required to withhold 20% of the taxable portion of a cash distribution for federal income tax.
- If you receive a cash payment before you reach age 59½ and do not roll it over, you may also have to pay a 10% additional income tax penalty for early distributions.
- The additional 10% tax penalty may not apply if you will be at least age 55 in the year that you separate from service or under certain other conditions.
- If you roll over your distribution, you will not have to pay tax until you receive payments, and the 10% early distribution penalty will not apply if those payments are made after you are age 59½ or if an exception applies.
- You are responsible for any state income taxes that apply.
- If you are age 73 or older, we must pay a required minimum distribution from the balance before completing a rollover.
- See the [Special Tax Notice](#) on our website for exceptions and details on eligible rollover distributions from MOSERS. You may wish to contact a tax consultant or financial advisor before electing a payment method.

BackDROP Estimate

The following example illustrates how four key elements (credited service, final average pay, total monthly benefit, and the lump-sum payment) will vary based on your BackDROP election. The example reflects the benefit for a member electing the Life Income Annuity benefit payment option in MSEP 2000 and assumes a 1.5% COLA for each year of BackDROP. If a joint & survivor option or guaranteed payment option is chosen, the monthly benefit will be reduced accordingly.

BackDROP Period	Credited Service	Final Average Pay	Total Monthly Benefit	Lump-Sum Payment
1-Year	32 years	\$2,533.14	\$1,398.70	\$14,882.72
2-Years	31 years	\$2,516.33	\$1,366.19	\$28,858.79
3-Years	30 years	\$2,492.63*	\$1329.30	\$46,116.32
4-Years	29 years	\$2,486.46*	\$1301.04	\$64,604.63
5-Years	28 years	\$2,363.66*	\$1212.06	\$78,055.27

* Assumes retiree is age 64 with a five-year BackDROP. Three years of the BackDROP include the temporary benefit.

BackDROP Calculations

BackDROP Monthly Pension Benefit & Distribution	Assumptions		
	MSEP 2000 ▲		
	Benefit Payment Option		Life Income Annuity
	BackDROP Period		3 Years
	Current Annual COLA Rate		1.5
	<i>(80% of the percentage increase in the average CPI)</i>		
	Monthly Pension Benefit		
	Base Benefit with BackDROP*		
	Final Average Pay	\$2,492.63	
	x Years & Full Months Credit Service	30	
x Multiplier	.017		
= Monthly Base Benefit*	\$1,271.24		
Monthly Temporary Benefit (until age 62)			
Final Average Pay	\$2,492.63		
x Years & Full Months Credit Service	30		
x Multiplier	.008		
= Monthly Temporary Benefit	\$598.23		
Total Monthly Benefit (until age 62)			
Monthly Base Benefit	\$1,271.24		
+ Monthly Temporary Benefit	\$598.23		
= Total Monthly Benefit	\$1,869.47		
BackDROP Distribution			
	Benefit		
BackDROP Period	Monthly	Annual	
1 Year	\$1,869.47	\$20,040.72	
2 Year	1,290.31	15,483.72	
3 Year	1,309.66	15,715.92	
Total Benefits**		\$51,240.36	
Lump-Sum Payment			
Total Benefits		\$51,240.36	
- Distribution Percentage		.90	
= Lump-Sum Payment		\$46,116.32	
Tax Withholding for Cash Payment			
Lump-Sum Payment		\$46,116.32	
- Tax Withholding (20%)		\$9,223.26	
= Lump-Sum Payment After Taxes		\$36,893.06	

* Does not include any service credit or pay (including pay increases, overtime, etc.) during BackDROP period.

** Example includes 8 months of temporary benefit, COLAs, impact of purchased/transferred outside service credit, and any other applicable benefit increases.

Benefit Payment Details

Termination and Reemployment Rules

IMPORTANT! You could lose and be required to repay retirement benefits if you return to work without understanding and following these rules.

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. Reemployment in any capacity includes, but is not limited to, employment in a benefit-eligible, non-benefit-eligible, part-time, or temporary position with an employer; or as a contract employee, leased employee, or as an independent contractor for an employer. "Employer" means the state of Missouri or any other MOSERS employer covered by Chapters 104, 287, or 476, RSMo.

Please note that if you do not have a bona fide termination, your retirement will be null and void, meaning you will not receive your pension payments.

For more information, see the **FAQs – Termination and Reemployment** at www.mosers.org.

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 W-4P** forms. (Without these forms, we are required to withhold federal taxes as if you are claiming 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, federal criminal fines or restitution, or an IRS levy. Also, your benefit may not be transferred or assigned.

Correcting a Benefit Error

The executive director of MOSERS is in charge of all records of the 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 may be subject to prosecution and punishment including 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

- Attend a **Ready to Retire** session, if you have not already, to learn about the retirement process. Log in to **myMOSERS** to register online.
- Contact a benefit counselor** 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 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 a benefit estimate.
- Check with **MO Deferred Comp** regarding your distribution options at retirement (if applicable).

Six Months Prior to Retirement

- Discuss your benefit estimate and, if applicable, the different benefit payment options available with your family and financial advisor.
- Prepare a retirement budget. Compare your retirement expenses against your MOSERS 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 insurance 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 18) 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 phone number(s), email, or address changes, please call, write, or go online to notify us.

Three Months Prior to Retirement

- Log in to **myMOSERS** and complete your retirement application and related forms. You can submit your retirement application as early as 120 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 insurance coverage from your human resources representative or **MCHCP** (if applicable).
- Notify your employer's human resources office regarding your intention to retire. Find out when you should submit a letter of resignation and make arrangements to have any annual leave and comp time paid out.
- 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).

After Retirement

Cost-of-Living Adjustments (COLAs)

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 in May of this year, your first COLA would be paid with your May 31 benefit next year and each May thereafter.

If you are a member of MSEP or MSEP 2000 and elect BackDROP, your annual COLA will be payable in the month coinciding with your BackDROP date.

Your plan provides an annual COLA to you or your eligible surviving spouse, beneficiaries, or surviving children younger than age 21.

COLA Rate

- **MSEP** ●
 - **Employed Before August 28, 1997**
You will receive 4-5% each year until reaching the 65% 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 on or After August 28, 1997**
You will 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%).

104.415, RSMo

- **MSEP 2000** ▲ | **MSEP 2011** ■
 - You will 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%).
- If you are an inactive-vested member of MSEP 2011, who terminated employment prior to becoming eligible for early retirement, you will receive your first COLA on the second anniversary of your retirement (rather than the first anniversary).

104.1045.1, RSMo

104.1091.12 (7), RSMo

In-Service COLAs

- **MSEP** ●
 - There is a special COLA provision for members first employed prior to July 1, 2000, who continue working beyond age 65. Upon retirement, your monthly benefit will be increased by the annual COLA between your 65th birthday and your termination date, if you are actively employed by the state on your 65th birthday.

104.374.3, RSMo

-
- The Consumer Price Index (CPI) is the CPI 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.
 - 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 increase between the two years. Except for certain members of MSEP, 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.
-

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.

Reemployment and Your Benefit Payment

Upon meeting the [Termination and Reemployment Rules](#) outlined on page 26, you may return to work and continue receiving your monthly pension payment, as long as your position is not a MOSERS or MoDOT and Patrol Employees' Retirement System (MPERS) benefit-eligible position.*

It is the responsibility of the employer, not MOSERS, to determine whether a position is eligible for MOSERS benefits. If a position is benefit eligible, then any person employed in that position is eligible for benefits.

See the definition of "Employee" in the MOSERS statutes to help determine whether a position is benefit eligible. Generally speaking, an employee must work in a position normally requiring at least 1,040 hours per year to qualify for MOSERS benefits.

104.1003, RSMo

104.380 & 104.1039, RSMo

* An exception to this rule is that you may return to state employment as a Missouri state legislator or statewide elected official and continue receiving your pension benefit based on your prior MOSERS service.

For purposes of administering MOSERS benefits, employment as a legislator or statewide elected official includes being elected to or appointed as a member of the Missouri House of Representatives, the Missouri Senate, or as Governor, Lt. Governor, Attorney General, State Auditor, Secretary of State, or Treasurer of the state of Missouri.

If you return to work for the state of Missouri in a MOSERS or MPERS benefit-eligible position:

- Your monthly pension payment and any COLAs will stop for any month during which you are actively employed in that position.**
- You will accrue additional service credit for periods of employment after you have worked continuously for one year.
 - **MSEP ●** - If reemployed in a MOSERS benefit-eligible position, you will earn additional service credit and pension benefits from MOSERS.

If reemployed for a period greater than 5 years in an MPERS benefit-eligible position, you will earn additional service credit and pension benefits from MPERS.
 - **MSEP 2000 ▲ | MSEP 2011 ■** - If reemployed in a MOSERS or MPERS benefit-eligible position, you will earn additional service credit from the system that covers your position.
- If you are a member of MSEP 2011, the balance of your account contributions will be frozen, and you will begin making contributions to a second account for your new position. If you work less than a year, you will be due a refund.
- When you return to retirement status, your monthly pension payment will equal the amount you were receiving when you returned to work plus any additional benefit you may have earned during reemployment.***

104.1003, RSMo

** Effective August 28, 2023, a retiree serving as a legislator or statewide elected official will not have their pension payment or any applicable COLAs stopped.

*** If you were receiving the temporary benefit, it will be payable only if you return to retirement status prior to age 62.



You may work as much as you want for any employer other than the state of Missouri and receive a retirement benefit from MOSERS at the same time.

Marriage and Divorce After Retirement

Marriage After Retirement

When you retire and elect a benefit payment option, there are two conditions under which you may reelect your benefit payment option:

- **Single, then Marry After Retirement** – If you are single at retirement (not eligible to elect a joint & survivor option) and elect the Life Income Annuity option, you may change your benefit payment option if you later marry. You will have one year from your date of marriage to elect one of the joint & survivor options and name your spouse as the beneficiary.
- **Remarriage After Spouse's Death** – If you elect one of the joint & survivor options on your retirement application and your spouse dies, this provision will allow you to provide a survivor benefit for your new spouse if you remarry. You will have one year from your date of marriage to reelect one of the joint & survivor options and name your new spouse as the beneficiary.

Joint & Survivor Divorce Pop-Up Option

As of January 1, 2021, if you divorce after retirement, you may remove your ex-spouse as a survivor beneficiary on your MOSERS pension benefits and receive an adjusted annuity amount.

To do so, you must obtain a divorce decree or amended divorce decree from a court of competent jurisdiction, stating:

- You, the member, retain sole possession of your MOSERS pension benefits (it either terminates or does not include any division of benefits 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.

Death of Your Spouse After Retirement

If you are married, you have the option at retirement to elect the **Joint & 50% Survivor option or the Joint & 100% Survivor option**. If your spouse precedes you in death, your benefit will revert (pop-up) to the Life Income Annuity amount. The effective date of the pop-up will be the first of the month following your spouse's date of death. The pop-up is not automatic. You must provide MOSERS with a copy of your spouse's death certificate before your benefit will be adjusted.

Divorce, before or after retirement, may have a significant impact on your retirement. Please review the **Divorce and Your Pension Benefit** brochure for more information.



Death & Your Pension Benefit

Survivor Benefits

When MOSERS is notified of your death, we 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.

A person may receive benefits as a surviving spouse of only one deceased member under the provisions of section 104.604, RSMo. The benefit election shall be made by the surviving spouse.

Death Before Retirement (Non-Duty-Related)

If you die after you are vested, a survivor benefit will be paid to your eligible spouse or child(ren). Although survivor benefit payments can begin the first of 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 on your date of death. The monthly benefit for your spouse will be based on the base benefit you have accrued as of your date of death and calculated according to the Joint & 100% Survivor Option. The survivor benefit will be payable for the remainder of your spouse's life.

If there is no eligible spouse, a total of 80% of your monthly base benefit will be paid to your child(ren) who are 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 child becomes age 21 (unless a child has been found to be totally incapacitated by a court of competent jurisdiction).

104.420.2, 104.1030.7, RSMo

MSEP 2011 ■ - Inactive-vested members: If you die after leaving state employment but prior to early or normal retirement eligibility age, monthly pension benefits will be payable to your eligible survivor(s) when you would have reached normal retirement eligibility.

104.1091.12 (6), RSMo

Death Before Retirement (Duty-Related)

If you die while actively employed and your death is determined to be duty-related, your eligible spouse or child(ren) will receive a survivor benefit equal to the non-duty-related death before retirement benefit, but in no event will the benefit amount be less than 50% of your average monthly pay. In the event of a duty-related death, there is no minimum service requirement.

Final Benefit Payment

At the end of the month in which you die, your final monthly retirement benefit payment will be deposited into the bank account on file. If that payment is returned to MOSERS, it will instead be paid to your designated final payment beneficiary.

If a beneficiary has not been designated, or the person listed is no longer living, the final payment will be paid in the following order to you:

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

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

If you elected survivor benefits, those payments can begin the month following your death.

Notification of Death

Notify MOSERS of a member's death as soon as reasonably possible. Timely notification helps us to 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
(573) 632-6100 · (800) 827-1063

www.mosers.org

Noteworthy Communications

Your Annual Benefit Statement

As a retiree, you will continue to receive information about your benefits 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** to review or change your preferences.

Summary Annual Financial Report

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

Website and Online Resources

To better serve you, the MOSERS website is available (www.mosers.org) 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.
- **Ready to Retire** web page
- **News**
- **Online Library**
 - Located in the banner at the top of the homepage, the online library includes informational materials, including handbooks, brochures, forms, etc. You can search the library by category or document name.
- **Benefit Provider Links**
 - To link to other benefit providers online, click on their logo located at the bottom of MOSERS' homepage.

- **Online Video Gallery**

We produce and post a variety of informational videos. Scroll to the bottom of the homepage to locate the link to the online video gallery or go directly to our **YouTube page**. Watch a short video for a quick introduction to or refresher of your benefits.

- **Death Information**

Social Media

- **Facebook and LinkedIn**

We use social media platforms to communicate and connect with our members. Stay informed.

facebook.com/MOSERSRetirement

linkedin.com/company/MOSERS

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

Definitions

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.

Annual Benefit Statement

Your annual benefit statement (for active state employees) is a summary of your benefits as a MOSERS member.

The value of the benefits you receive as a state employee (pension, medical insurance, life and long-term disability insurance, employer contributions to Social Security, etc.) plus the value of time off (annual leave, sick leave, and holidays) represents a significant part of your total compensation. We send these statements to active employees every year in the spring and they include an estimate of your MOSERS retirement benefits as well as life insurance coverage and contribution beneficiaries (if applicable).

Annuity

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

B

Base Benefit

The amount you are entitled to receive at retirement before reductions for early retirement or survivor benefit payment options.

Beneficiary

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

Bona Fide Termination

For purposes of MOSERS Board Rules, a "bona fide termination" occurs when: i) you have completely severed employment; ii) 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 iii) 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.

Reemployment in any capacity includes, but is not limited to, employment in a benefit-eligible, non-benefit-eligible, part-time, or temporary position with an employer; or as a contract employee, leased employee, or as an independent contractor for an employer. "Employer" means the state of Missouri or any other MOSERS employer covered by Chapters 104, 287, or 476, RSMo. (See [MOSERS-covered employer](#)).

C

Consumer Price Index (CPI)

MOSERS uses the CPI-U, 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-U is used by MOSERS to determine, in January of each year, the annual cost-of-living adjustment (COLA) for benefit recipients. Except for certain members of MSEP, the COLA is based on 80% of the percentage increase of the average consumer price index for the preceding calendar year over the consumer price index for the calendar year immediately prior to that, and is payable during the calendar year in which the determination is made.

Credited Service

The sum of your years and full months of service that you have earned, plus any credited prior service you transferred to MOSERS or purchased. Credited service also includes any applicable credit for unused sick leave (in increments of 168 hours). Unused sick leave may not be counted toward retirement eligibility. Credited service is one part of the formula used to calculate the amount of your monthly pension benefit.

Credited Prior Service

Service you accrued before becoming a member of MOSERS that you purchased or transferred. Depending on your date of hire, this service may include active-duty military service and/or full-time nonfederal public employment rendered in Missouri.

E**Employee (Benefit-Eligible Position)**

Any person who is employed by a department and is paid a salary or wage by a department or agency of the executive, legislative, or judicial branch of the state of Missouri in a position normally requiring the performance of duties during at least one thousand forty (1,040) hours per year. The term "employee" shall not include any patient or inmate in any state, charitable, penal, or correctional institution, or any person who is employed in a position that is covered by a state-sponsored defined benefit retirement plan not created by Chapter 104, RSMo.

Employee Contributions

When MOSERS was established in 1957, all employees contributed 4% of pay. Beginning in 1972, employees no longer made contributions. The 4% contributions resumed in 2011 with the creation of MSEP 2011 and the Judicial Plan 2011. Employee contributions are one of the three funding sources for MOSERS: investment earnings, employer contributions, and employee contributions.

Employer

The agencies and individuals responsible for assisting in administering MOSERS benefits and determining which positions are benefit-eligible. Employer responsibilities include submitting salary and service data to MOSERS, and making employer contributions to help fund the pension plan.

F**Final Average Pay (FAP)**

The average of your highest 36 full consecutive months of pay before you leave state employment. For most employees, it is their last three years of employment, but not always. We will look at your entire pay history and find your highest 36 full consecutive months of pay and use that in calculating your MOSERS defined benefit pension payments.

I**Inactive-Vested**

Refers to a member who is no longer working in a MOSERS benefit-eligible position but who is entitled to a future pension benefit once they also meet the age requirement for retirement eligibility.

P**Pay**

- All salary and wages payable to an employee for personal services performed for a departments, or agency of the executive, legislative, or judicial branch of the state of Missouri, excluding:
 - Any amounts paid after an employee's employment is terminated, unless the payment is made as a final installment of salary or wages at the same rate as in effect immediately prior to termination of employment, in accordance with a state payroll system adopted on or after January 1, 2000.
 - Any amounts paid upon termination of employment for unused annual leave or unused sick leave.
 - Salary in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, and other applicable federal laws or regulations.
- All salary and wages that would have been payable to an employee on workers' compensation leave of absence during the period the employee is receiving a weekly workers' compensation benefit, as reported and verified by the employing department.
- All salary and wages that would have been payable to an employee on a valid leave of absence due to employee illness, as reported and verified by the employing department.

R**Retirement Date or Annuity Starting Date**

The first day of the calendar month in which you begin receiving your pension benefit payment. Before this date, you must leave state employment, meet retirement eligibility criteria, and complete the retirement process (application and election form). Submit your retirement application as early as 120 days prior to the month your pension benefit is to begin. We will issue your pension benefit payment to you each month on the last working day of the month.

S**Survivor**

Generally speaking as it relates to your MOSERS benefits, your survivor is your spouse, child, or other designated recipient whom you have named to receive benefits based on your service after you die or someone who, based on your service, is legally entitled to benefits after you die.

T**Termination Date**

Your last day of work as a MOSERS benefit-eligible employee, as reported by your employer. It must be prior to your retirement date (at least one day).

Temporary Benefit

The temporary benefit is based on a provision in state law for general state employees in MSEP 2000 and MSEP 2011. If you retire under the "Rule of 80" (MSEP 2000) or the "Rule of 90" (MSEP 2011), in addition to your base benefit, the temporary benefit provides you with an additional benefit until age 62. The formula for the temporary benefit is: Final Average Pay (FAP) x .008 (Multiplier) x Credited Service = Temporary Benefit. At age 62, the temporary benefit ends but your base benefit continues.

V**Vested**

Eligible for a future pension benefit once you meet the age requirement for retirement eligibility.

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