

## SUMMARY OF PENSION BENEFIT PROVISIONS

### General State Employees

Benefit Provisions	MSEP	MSEP 2000
<b>Employee Contributions</b>	• None	• None
<b>Vesting</b> <i>Eligible for future pension</i>	• 5 years	• 5 years
<b>Service Purchases</b>	• 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
<b>Service Transfers</b> <i>See the Purchasing and Transferring Service Guide (by plan) on MOSERS website</i>	• May transfer qualifying service under 104.800, 105.691, or other provisions	• May transfer qualifying service under 104.1090, 105.691, or other provisions
<b>Early Retirement Eligibility</b> <i>Age and service required to receive a <b>reduced</b> retirement 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>
<b>Normal Retirement Eligibility</b> <i>Age and service required to receive an <b>unreduced</b> 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 <i>Age 50 if first became eligible prior to Aug. 28, 2003</i> <i>Inactive-vested members ineligible for “Rule of 80”</i>
<b>Base Benefit Formula</b> <i>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>
<b>Temporary Benefit Formula</b> <i>Stops at age 62</i>	• Not available	• .008 x FAP x Service <i>Available to members retiring under “Rule of 80”</i>
<b>BackDROP Option</b> <i>Lump-sum payment at retirement in addition to <b>reduced</b> 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 year beyond normal retirement eligibility to be eligible; elect BackDROP at retirement (if applicable)
<b>Benefit Payment Options</b> <i>Determines whether or not a benefit will be paid to anyone after member’s death</i>	• Life Income Annuity • <i>Unreduced</i> 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
<b>Optional Life Insurance</b> <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>
<b>Cost-of-Living Adjustment (COLA)</b> <i>Helps offset effects of inflation increasing the cost of goods and services</i>	• <b>Employed before Aug. 28, 1997</b> 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%) • <b>Employed on/after Aug. 28, 1997</b> 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%)
<b>In-Service COLA</b> <i>Service beyond age 65</i>	• Applicable COLA rate (if eligible)	• 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