2-21 – Judicial Buyout

PURPOSE: This rule sets forth the procedures for an active judge to make a one-time election to receive a lump sum buyout of the member’s deferred normal retirement annuity in the closed plan or year 2000 plan (the “Judicial Buyout”), in accordance with section 104.1089, RSMo.

Eligibility

1. Except as otherwise provided under this rule, a member that is employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo., may elect to participate in the Judicial Buyout, if at the time the system receives a complete application by the member, such member:
   a. is eligible for a deferred normal retirement annuity from MOSERS under Chapter 104, RSMo.; and
   b. relative to such deferred normal retirement annuity has reached normal retirement age and would otherwise be eligible to receive such normal retirement annuity from MOSERS under Chapter 104, RSMo., but for active employment as a judge, or is at least age 59 ½.

2. Notwithstanding section 1 of this board rule, a member may not participate in the Judicial Buyout if the member:
   a. is subject to a Division of Benefit Order (“DBO”) issued by a court under sections 104.312 or 104.1051, RSMo, and the system has received notice of the DBO before the system issues the buyout payment;
   b. is married at the time of the election to participate in the Judicial Buyout unless the member’s spouse consents in writing to the election;
   c. dies and the system receives timely notice of the member’s death before the system issues the buyout payment;
   d. is not employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo, and the system has received timely notice of such termination before the system issues the buyout payment; or
   e. has received an annuity payment under Chapter 104, RSMo., based on the closed plan service or year 2000 plan service.

3. A member may rescind an application in writing, via email or paper, made under section 1 of this board rule if MOSERS receives such rescission before the system issues the buyout payment.

Payment Calculation

4. The buyout payment made under the Judicial Buyout shall be equal to 60% of the present value of the member’s deferred normal retirement annuity as determined under this board rule.
5. The discount rate used to calculate the present value of the member’s deferred normal retirement annuity shall be equal to the assumed investment rate of return adopted by the Board for the fiscal year in which the written estimate is dated (the “Assumed Rate of Return”).

6. For members of the closed plan employed before August 28, 1997, the assumption for the cost of living adjustments used to calculate the present value of the member’s deferred normal retirement annuity shall be 4.00% compounded until the 65% cap is reached, then equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life. For members of the closed plan employed on or after August 28, 1997 or members of the year 2000 plan, the assumption for cost of living adjustments used to calculate the present value of the member’s deferred normal retirement annuity shall be equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life.

7. Present value of the deferred normal retirement annuity will be determined using the Assumed Rate of Return and the mortality assumption adopted by the Board for the fiscal year in which the written estimate is dated. The mortality rates will be unisex using a 50% male/50% female blend of rates.

8. The system’s actuary shall determine the present value of the member’s deferred normal retirement annuity based on the date of the written estimate.

9. For any member who is covered by the closed plan and is eligible to elect coverage under the year 2000 plan, the member shall be deemed to have elected coverage in the plan that results in the greater buyout payment for the member.

10. Upon request, the system shall provide each member who is eligible or may be eligible to participate in the Judicial Buyout with a disclosure that includes:
   a. an estimate of the amount of the projected buyout payment under the Judicial Buyout and an estimate of the monthly amount of the member’s projected normal retirement annuity if the buyout is not elected; and
   b. a description of the actuarial assumptions used in the calculation of the present value of the member’s deferred normal retirement annuity under the Judicial Buyout.

**Payment**

11. The Judicial Buyout payment will be made to the eligible member within 30 calendar days of receipt of the complete application by the system.
3-19 – Judicial Buyout

PURPOSE: This rule sets forth the procedures for an active judge to make a one-time election to receive a lump sum buyout of the member’s deferred normal retirement annuity in the closed plan or year 2000 plan (the “Judicial Buyout”), in accordance with section 104.1089, RSMo.

Eligibility

1. Except as otherwise provided under this rule, a member that is employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo., may elect to participate in the Judicial Buyout, if at the time the system receives a complete application by the member, such member:
   a. is eligible for a deferred normal retirement annuity from MOSERS under Chapter 104, RSMo.; and
   b. relative to such deferred normal retirement annuity has reached normal retirement age and would otherwise be eligible to receive such normal retirement annuity from MOSERS under Chapter 104, RSMo., but for active employment as a judge, or is at least age 59 ½.

2. Notwithstanding section 1 of this board rule, a member may not participate in the Judicial Buyout if the member:
   a. is subject to a Division of Benefit Order (“DBO”) issued by a court under sections 104.312 or 104.1051, RSMo, and the system has received notice of the DBO before the system issues the buyout payment;
   b. is married at the time of the election to participate in the Judicial Buyout unless the member’s spouse consents in writing to the election;
   c. dies and the system receives timely notice of the member’s death before the system issues the buyout payment;
   d. is not employed as an active judge in a position covered by a retirement plan administered under Chapter 476, RSMo, and the system has received timely notice of such termination before the system issues the buyout payment; or
   e. has received an annuity payment under Chapter 104, RSMo., based on the closed plan service or year 2000 plan service.

3. A member may rescind an application in writing, via email or paper, made under section 1 of this board rule if MOSERS receives such rescission before the system issues the buyout payment.

Payment Calculation

4. The buyout payment made under the Judicial Buyout shall be equal to 60% of the present value of the member’s deferred normal retirement annuity as determined under this board rule.
5. The discount rate used to calculate the present value of the member’s deferred normal retirement annuity shall be equal to the assumed investment rate of return adopted by the Board for the fiscal year in which the written estimate is dated (the “Assumed Rate of Return”).

6. For members of the closed plan employed before August 28, 1997, the assumption for the cost of living adjustments used to calculate the present value of the member’s deferred normal retirement annuity shall be 4.00% compounded until the 65% cap is reached, then equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life. For members of the closed plan employed on or after August 28, 1997 or members of the year 2000 plan, the assumption for cost of living adjustments used to calculate the present value of the member’s deferred normal retirement annuity shall be equal to the assumed cost-of-living adjustment adopted by the Board for the fiscal year in which the written estimate is dated, compounded for life.

7. Present value of the deferred normal retirement annuity will be determined using the Assumed Rate of Return and the mortality assumption adopted by the Board for the fiscal year in which the written estimate is dated. The mortality rates will be unisex using a 50% male/50% female blend of rates.

8. The system’s actuary shall determine the present value of the member’s deferred normal retirement annuity based on the date of the written estimate.

9. For any member who is covered by the closed plan and is eligible to elect coverage under the year 2000 plan, the member shall be deemed to have elected coverage in the plan that results in the greater buyout payment for the member.

10. Upon request, the system shall provide each member who is eligible or may be eligible to participate in the Judicial Buyout with a disclosure that includes:

   a. an estimate of the amount of the projected buyout payment under the Judicial Buyout and an estimate of the monthly amount of the member’s projected normal retirement annuity if the buyout is not elected; and

   b. a description of the actuarial assumptions used in the calculation of the present value of the member’s deferred normal retirement annuity under the Judicial Buyout.

Payment

11. The Judicial Buyout payment will be made to the eligible member within 30 calendar days of receipt of the complete application by the system.