Contents

BOARD CORNER

3 February Meeting
At the February Board meeting, trustees elected officers, and received investments and legislative updates.

NEOTWORTHY NEWS

4 Rumor Central
Our popular blog is back and better than ever! Separate fact from fiction and stay in the know.

5 COLA Rates
Helping you maintain your purchasing power is an important benefit of your pension.

SECURE Act
Changes were passed to IRS rules and the Required Minimum Distribution age.

6 Member Profile
Get a better understanding of active and retired Missouri employees with this new publication.

LIFE PLANNING

8 Social Security Numbers
Learn tips to keep your Social Security number locked down and out of the hands of identity thieves.

9 Marriage after Retirement
Did you get married after you retired? There is important information you should know about your benefit.

9 Coffee Break Update
Recent recommendations have encouraged us to cancel our Coffee Break seminars.

RETIEMENT & YOU

10 Where are Retirees?
Nearly 90% of retirees live in Missouri, but what about those who live outside the US?

12 Benefit Payment Schedule
Want to know when your benefit payment will be? Hang this on your fridge for a nice reminder!

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Make sure you receive your important benefit information now and in the future. Verify or update your mailing address, email, and phone number while logged in. Go to www.mosers.org and click on myMOSERS. Under Personal Information, click on Email Options to change your preferences.
An Update from the Executive Director
February 2020 Board Meeting Update

The MOSERS Board of Trustees met for their quarterly meeting on February 20, 2020. In order to get information to you as quickly as possible, we have posted a short video online and included a meeting summary below.

The first order of business was the election of officers. Crystal Wessing was re-elected as Board Chairwoman and Gary Metzger was re-elected as Vice Chairman. Congratulations to Crystal and Gary and thank you for your continuing leadership!

Next, the Board received a quarterly update on MOSERS’ investment program. As I’ve mentioned in previous updates, the Board adopted a new investment portfolio in 2018, which is being implemented over a 3-year period beginning in 2019. It was reported that we are right on track with 34% of the portfolio transitioned.

While MOSERS is a long-term investor focusing on long-term investment performance, the Board did receive good news about our investment earnings. Our one-year return was 16.62% for calendar year 2019!

The Board received an annual update of the defined contribution plans that we administer. This update was presented by Cindy Rehmeier, our manager of Defined Contribution Plans, which includes the College & University Retirement Plan (CURP) and MO Deferred Comp. We are happy to report that more than 80% of state employees now participate in MO Deferred Comp and they have combined assets of $2.3 Billion. That is good news!

With the halfway mark of the current legislative session just around the corner, I provided an update on legislative proposals and appropriations bills that we are tracking. You too, can follow any bills that might impact MOSERS on our Legislation page. Each week we post an updated legislative status report for your information.

As we prepared to close the meeting, we provided Board members with MOSERS Economic Impact reports. Between salaries for active members and pension benefits for retirees, state employees have a steady, positive economic impact. In FY19, MOSERS distributed more than $800 million in retirement and survivor benefits. Nearly all of that money remains in Missouri, going toward things like basic goods and services in our local communities.

We also provided Board members with the latest member profile. I encourage you to check out the FY2019 MOSERS Member Profile on our website. It contains a wealth of information on active and newly retired state employees.

Last, but certainly not least, I am happy to report that immediately following the February Board meeting, I announced that Shannon Davidson has accepted the position of MOSERS Chief Investment Officer on a permanent basis. Shannon has served as interim CIO since December. He has been with MOSERS for more than 23 years. The Board members and I have full confidence in him and his leadership of our investment team.

In this life, we only have so many moments, please know that we appreciate you spending THIS moment with us. Have a great day and a very happy spring time!
Separate Fact from Fiction  
**Rumor Central is Back!**  
Our Rumor Central blog was on a brief hiatus during the latter part of 2019 while we updated and reconfigured it for our new website, but it is back now! Rumors seem to circulate each year and they become particularly prominent during the legislative session. We are happy to address any rumors you are hearing on our website through Rumor Central. Submitting your question about a topic on Rumor Central is a great way for you to stay in the know and to separate fact from fiction.

**Are you hearing rumors about your MOSERS benefits changing?**

- **Will my pay increase change my BackDROP amount?**
- **Is my MOSERS retirement benefit exempt from state taxes?**
- **Is there legislation that will change my retirement benefits?**

**Here are a few points to remember:**

The provisions of MOSERS pension benefits are based on state law. That means for a change to occur, the legislature must introduce a bill and pass it. The Governor has until mid-July to either sign or veto a bill passed by the legislature. Bills signed by the Governor generally go into effect on August 28. If the Governor does not sign or veto the bill, the bill automatically goes into effect on August 28, however, an emergency clause could cause the bill to go into effect on an earlier date. The regular legislative session runs from January to May of each year. The 2020 legislative session ends on May 15, 2020.

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If you are NOT already subscribed, you can sign up now. Log in to myMOSERS. Under Personal Information, choose Email Options and check Rumor Central to automatically receive email updates when we publish new information. We will continue to send updates to those who have received them in the past – no need to re-subscribe.

If you are hearing rumors about benefits other than your MOSERS retirement, life insurance or long-term disability benefits, please contact that benefit provider directly for information.

If you hear a rumor, validating it or disputing it by following the points above may relieve the anxiety that is often associated with the rumor mill – and make you a retirement rock star!

*To Track Specific Proposed Legislation*  
Visit our Legislation page. You can track any Missouri General Assembly legislation on the House and Senate Joint Bill Tracking website, find information affecting public employee retirement plans at the Joint Committee on Public Employee Retirement website, and follow our weekly tracking sheet of bills affecting MOSERS. Once the session has ended, we will update our Legislation webpage with a summary of any bills that passed affecting your MOSERS benefits.
New Required Minimum Distribution Rule
SECURE Act Change

The Setting Every Community Up for Retirement Enhancement (SECURE) Act, which went into effect on January 1, 2020, made an important change to the Internal Revenue Service (IRS) Required Minimum Distribution (RMD) rule. The age at which you must start taking RMDs from a retirement account has changed from 70½ to 72. This applies to people who reach age 70½ after December 31, 2019. To further clarify, if you reached age 70½ prior to December 31, 2019, you must take your first RMD by April 1, 2020. If you reach age 70½ on or after January 1, 2020, you must take your first RMD by April 1 of the year after you reach age 72.

Who does this affect?

You must begin taking required minimum distributions at age 72 according to IRS rules:

**IF you are:**
- A MOSERS retired or “separated from service” member or
- A surviving spouse of a member

**AND:**
- You maintain a retirement savings account with MO Deferred Comp or
- You will receive or have already rolled over a lump-sum payment (such as from BackDROP or a refund of employee contributions) to a qualified retirement plan

Coping with Inflation
2020 COLA Rate Determined

The cost-of-living adjustment (COLA) for 2020 is 1.450%. This applies to:

- All retired members of MSEP 2000 and MSEP 2011
- MSEP retirees who have reached their 65% COLA cap
- MSEP retirees first employed on or after August 28, 1997

See information below for legislators and MSEP members who have not yet reached their COLA cap.

The purpose of a COLA for any type of pay or retirement benefit is to help you cope with inflation. COLAs help you maintain your purchasing power as inflation increases the cost of various items you buy.

According to Missouri state law, each January, MOSERS must compare the average Consumer Price Index (CPI) for the calendar year just completed (2019) to the average CPI from the prior year (2018) to determine the percentage change between the two years. For general state employees, COLAs are based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next. The maximum increase is 5% (minimum 0%).

We have more information about the COLAs in the Retiree section of our website, including historical information.

**COLA exceptions for legislators and MSEP members who have not yet reached their COLA cap:**

If you are a retired legislator who took office after July 1, 2000, your benefit will be adjusted according to the percentage increase in pay for an active member of the general assembly. No other COLAs will be provided.

If you retired under MSEP, and were employed before August 28, 1997, you will receive a minimum 4% COLA until accumulated COLAs reach 65% of your initial base benefit. This is called your COLA cap. Upon reaching the cap, your COLA will be calculated like other retirees and will range from 0% to 5% each year depending on the increase in the Consumer Price Index.

See more information and historical data at mosers.org/retirees/cost-of-living-adjustments
MOSERS is pleased to provide a Member Profile Report that presents a summary of our 2019 member data. This information is intended to give users a better understanding of average state employees working in or newly retired from active service. Additionally, this report offers a side-by-side comparison of FY19 member data with data from FY15 and FY17.

### Active and Retired Member Data
#### FY 2019 MOSERS Member Profile

The average salary of active members in FY19 was **$39,044**, and the average service was **10.63 years**.

The average service for newly retired members (from active service) was **23.59 years**.

As of June 30, 2019, **24.09%** of active members have or will be eligible for retirement between FY19 and FY23.

Nearly 90% of the retirement benefits that we pay go to Missouri residents, which has a significant and consistent positive economic impact for both our state and local communities.

### Did You Know?

### Retiree Data

#### Average FAP* Annualized

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY17</th>
<th>FY19</th>
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<tbody>
<tr>
<td>Value</td>
<td>$38,717</td>
<td>$40,716</td>
<td>$40,836</td>
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</table>

#### Average Annual Benefit

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY17</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$18,446</td>
<td>$19,216</td>
<td>$18,914</td>
</tr>
</tbody>
</table>
As of June 30, 2019, 47.35% of active state employees are members of the MSEP 2011, which means they contribute 4% of pay toward their future retirement benefits.

The number of active state employees has decreased by 8.8% over the past ten years. Service and salary data such as this is important because MOSERS uses the following three-part formula to calculate retirement benefits: \( \text{FAP} \times \text{Multiplier} \times \text{Credited Service} = \text{Monthly Benefit} \).

You can find more information in the Member Profile.

*This is the average of all new retirees’ final average pay (FAP). FAP is defined as the average of the employee’s highest 36 full consecutive months of compensation. It is one part of the three-part formula used for calculating retirement benefits: \( \text{FAP} \times \text{Multiplier} \times \text{Credited Service} = \text{Monthly Benefit} \).

The FY19 Member Profile does not include data on employees of colleges & universities, local payroll agencies, legislators, statewide elected officials, judges, administrative law judges & legal advisors, highway and transportation members, University of MO rehab members, or members of the MoDOT & Patrol Employees’ Retirement System (MPERS).
With, or without coverage of March Madness this year, protecting your final four is more important than ever! The first five figures of your Social Security number signify when and where your card was issued. The last four digits are entirely random and need the utmost protection. Consider these digits, the highest scoring teams in your bracket. Keeping these teams secure is essential to your success! This applies to your SSN final four digits as well.

Here are a few tips to help guard your final four!

1. **Don’t Carry It** – If your purse or wallet is stolen with your Social Security card inside, scammers will have immediate access to your personal information, essentially handing the opposing teams your playbook!

2. **Keep it to yourself** – This may seem like an obvious solution, but expert scammers are aware of ways to trick even the most aware individuals! There are not many organizations that have a legal right to your SSN. It is always safe to question and check the legitimacy of a business, email, website, or phone call that may be claiming to need your personal information. Don’t hesitate to ask someone why they need it or how it will be used. Next time you’re asked to show your winning bracket, you will know to keep it to yourself!

3. **Change Your PIN** – Due to scammers’ abilities to easily access your first five digits, it is extremely important that you guard your final four at all cost. **Never use your last four as a PIN.** It may seem like a convenient way to remember your information, but keep in mind, if it’s easy for you to remember, than it’s easy for scammers to steal! Teams are constantly changing plays to keep their opponents on their toes. By creating unique and arbitrary PINs you are doing the same to evade the detection of scammers.

4. **React Quickly** – If your identity has been stolen, placing an immediate security freeze on your file by contacting the three prominent credit rating agencies will prevent identity thieves who have obtained your information from getting loans in your name. This action is not permanent and can be removed once your SSN is secure again.

Life Events
Marriage after Retirement
Did you get married during your retirement years? Congratulations!

When you retired, you elected a benefit payment option. There are certain circumstances under which you may reelect your benefit payment option. For example, if you were single at retirement (not eligible to elect a joint & survivor option) and elected the Life Income Annuity option, you may change your benefit payment option now that you have married.

It is important to note that you will have one year from your date of marriage to reelect one of the joint & survivor options and name your spouse as the beneficiary.

If you elected one of the joint & survivor options on your Retirement Election form 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.

All 2020 Coffee Break Seminars are Cancelled
In accordance with the CDC’s recommendations released in March regarding large gatherings, we have cancelled all of the 2020 Coffee Break seminars for retired MOSERS members. We will notify all who are registered. If you are interested in attending a Coffee Break seminar in 2021, please watch our website for updates. We appreciate your patience during this time as we continue to navigate this pandemic.
Missouri is home to nearly 90% of MOSERS retirees and their dependents. There are a few who have ventured far and wide across oceans and plains to where they now call home. We reached out to members living internationally and asked them a few questions.

This article features Patricia Mackenzie. From 1984 until 1994, Patricia worked for what was then, Southwest Missouri State University, in administrative support. She is now living in the beautiful Australian state of Tasmania.

Recently Moved?
Packing up and planning ahead! If you have recently moved or are planning a move, it’s important to provide us with your new mailing address so you can receive essential information regarding your benefits! Log in to myMOSERS to update your information today!

What do you miss most about living in Missouri?
Patricia:
- The southern Missouri spring. As the days gradually lengthened and grew warmer, the pure riot of colour from flowers and trees was breathtaking.
- The sky. The cloud patterns that form in the middle of a large continent are not seen elsewhere.
- The landscape in general. The lushness of the vegetation, the abundance of water everywhere, and the gently rolling hills of the Ozarks all live in my memory. (And I can still enjoy them via a FB group I’ve joined, ‘Love my Ozarks.’)

What drew you to move to Australia?
Patricia: I’d met my husband at a conference for international educators in San Francisco. We began to email (this was in 1993, when email was in its infancy), and fell in love through our written words. I came here so we could see if there was any future for us. We married six months later. I became a widow in 2010.
Breathe in the Island Air!
Did you know that Tasmania has some of the cleanest air in the world? Due to the island's distant location from other landmasses in the southern ocean, it lacks pollution. It is monitored by the Cape Grim Baseline Air Pollution Station on the northwestern tip on the Cape Grim Peninsula.

How is the Weather Down Under?
In Tasmania, the warmest months are December to March with an average of about 75 degrees Fahrenheit. Short heatwaves are common from the Australian desert in the summers. However, with Antarctica as their other neighbor, the island can receive cold air masses across the state most of the year. Similar to Missouri, it sounds as though you should always pack sunglasses, shorts, mittens, and a raincoat!

*Information via TasmanianExpeditions.com and discoverTasmania.com*

What do you love most about where you live now?
Patricia:
- **The landscape.** Tasmania is one of the most beautiful places I have ever seen.
- **The remoteness and relative emptiness.** I live on the southern coast of Tasmania, next stop south is Antarctica (1,200 miles away). East or west, the only other landfall is southern South America. One-third of Tasmania is wilderness, and the population of this island (roughly the size of West Virginia) is around 500,000. It is peaceful and quiet here, and feels safe.
- **The clean environment.** Relatively speaking, we have the cleanest water and air of anywhere on Earth that’s inhabited by humans. This also leads to our producers growing (or gathering) some of the best meat, seafood, fruit and vegetables I’ve ever eaten.
- **Universal health care.** A system where health care is accessible to all and prescription drugs are affordable makes a definite difference to the quality of life for everyone. I personally wouldn’t be alive without it, as it removed the stress from paying for medical care when I needed to focus on healing (in my case, from cancer).
Benefit Payment & Holiday Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 1</td>
<td>New Year’s Day</td>
</tr>
<tr>
<td>Jan 20</td>
<td>MLK Jr. Day</td>
</tr>
<tr>
<td>Jan 31</td>
<td>Payday @</td>
</tr>
<tr>
<td>Feb 12</td>
<td>Lincoln’s Birthday*</td>
</tr>
<tr>
<td>Feb 17</td>
<td>President’s Day</td>
</tr>
<tr>
<td>Feb 28</td>
<td>Payday @</td>
</tr>
<tr>
<td>Mar 31</td>
<td>Payday @</td>
</tr>
<tr>
<td>Apr 30</td>
<td>Payday @</td>
</tr>
<tr>
<td>May 8</td>
<td>Truman Day*</td>
</tr>
<tr>
<td>May 25</td>
<td>Memorial Day</td>
</tr>
<tr>
<td>May 29</td>
<td>Payday @</td>
</tr>
<tr>
<td>June 30</td>
<td>Payday @</td>
</tr>
<tr>
<td>July 3</td>
<td>Independence Day</td>
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<tr>
<td>July 31</td>
<td>Payday @</td>
</tr>
<tr>
<td>Aug 31</td>
<td>Payday @</td>
</tr>
<tr>
<td>Sept 7</td>
<td>Labor Day</td>
</tr>
<tr>
<td>Sept 30</td>
<td>Payday @</td>
</tr>
<tr>
<td>Oct 12</td>
<td>Columbus Day*</td>
</tr>
<tr>
<td>Oct 30</td>
<td>Payday @</td>
</tr>
<tr>
<td>Nov 11</td>
<td>Veteran’s Day</td>
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<tr>
<td>Nov 26</td>
<td>Thanksgiving Day</td>
</tr>
<tr>
<td>Nov 30</td>
<td>Payday @</td>
</tr>
<tr>
<td>Dec 25</td>
<td>Christmas Day</td>
</tr>
<tr>
<td>Dec 31</td>
<td>Payday @</td>
</tr>
</tbody>
</table>

* MOSERS will be closed on all of the above holidays with the exception of Lincoln’s Birthday, Truman Day and Columbus Day.

To Schedule an Appointment:
Call (800) 827-1063
8:00 a.m. - 12:00 p.m.
1:00 p.m. - 4:30 p.m.

www.mosers.org