

RetireeNews

Cover Story

A Tale of Two Retirees

Life Planning

Crash Course in Returning to Work after Retirement

Retirement & You

Public Pension Tax Deduction Changes for 2024

Special Insert

FY23 Summary Annual Report

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mosers.org/rumor-central



linkedin.com/company/mosers



youtube.com/MOSERSOnline

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 mosers.org and log in to [myMOSERS](https://myMOSERS.org).

Executive Director's Update

On September 21st, the MOSERS Board met for their third quarter meeting. As always, the main objective of Board meetings is to ensure the long-term sustainability of promised benefits. To that end, the top priority of this meeting was certifying the employer contribution rate for fiscal year 2025, which begins July 1, 2024, and ends June 30, 2025. The employer contribution rate is the percent of payroll that a MOSERS-covered employer contributes each pay period to properly fund the retirement plan.

Over the past few months, the Board and staff, along with the System's independent external actuary, have spent time discussing potential changes to the MOSERS Funding Policy. As you may recall, the Board has made significant changes to the funding policy over the last 5 years to help improve System funding in the long term. Nevertheless, the Board felt it was prudent to further evaluate this policy. As a conclusion to this work, at the meeting, the Board adopted a minimum contribution rate of 32%, which will be phased in over the next three fiscal years.

For fiscal year 2025, the minimum contribution rate will be 28.75%; and absent Board action, the fiscal year 2026 minimum rate will be 30.25%, and fiscal year 2027 will be 32%. All assumptions being met, implementation of the minimum contribution rate in fiscal year 2025 will result in an estimated \$35 million of additional employer contributions to the System.

At the meeting, we also spent significant time discussing the MOSERS investment portfolio. With the assistance of staff and the System's investment consultant, the Board is currently undertaking an asset/liability study. As part of this study, the Board will decide what, if any, changes need to be made to the MOSERS target asset allocation. The target allocation is responsible for nearly 90% of the investment return.

You may recall the Board set a new asset allocation at the beginning of 2019. The portfolio in place since that time has returned 7.31%, which is above the policy benchmark of 6.16%. This means staff is adding value, but more importantly, the return is above our long-term investment return assumption of 6.95%. While 4½ years is not a significant amount of time in the life of a retirement fund, we believe this is a positive. As long-term investors, MOSERS strives to maximize long-term investment returns by investing System assets at a prudent level of risk to meet projected benefit payment obligations over the long term.

These are very heavy topics, so I want to thank the Board and my staff for all of their hard work.

Abby Spieler, Executive Director of MOSERS

 **WE ARE
HERE
FOR YOUR
BENEFIT.**



Partnering with the Department of Corrections

MOSERS Executive Director Abby Spieler toured the Jefferson City Correctional Center (JCCC) in August. As part of MOSERS efforts to partner with the Dept of Corrections (DOC) on employee recruitment and retention, we are staffing 25 benefit fairs around the state this year. Director Spieler said it was inspiring to meet such dedicated and hardworking state employees who are doing tremendous work at JCCC.



Pictured are: JCCC Warden Doris Falkenrath, DOC Director Anne Precythe, MOSERS Executive Director Abby Spieler, and Deputy Warden Billy Dunbar.

Changes in Your Benefit Amount

The amount of your monthly pension benefit payment could change for a variety of reasons such as:

- A request from you to change the amount of state or federal taxes being withheld
- Changes in medical or life insurance premiums
- Cost of living adjustments (COLAs)
- The temporary benefit ending
- A change in your marital status

We will notify you whenever the amount of your benefit payment changes.



Divorce In Retirement

As of January 1, 2021, if you get divorced after retirement, you may utilize the Joint & Survivor Divorce Pop-Up option* to remove your ex-spouse as a survivor beneficiary on your MOSERS pension benefits and receive an adjusted annuity amount.

To do so, your ex-spouse must consent, and you must obtain a divorce decree or amended divorce decree from a court of competent jurisdiction, which states:

- 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.

See the *Divorce & Your Pension Benefit* brochure or contact us for more information

**The Joint & Survivor Divorce Pop-Up option is not available to members of the Judicial Plan or Judicial Plan 2011.*



Marriage in Retirement

If you were not married at the time of your retirement and you elected the Life Income Annuity benefit payment option, but later marry during retirement, you may elect a survivor benefit for your new spouse.

If you were married at retirement and elected a joint & survivor option, then your spouse passes away and you remarry, you may elect a survivor benefit for your new spouse.

You have **one year** from your date of marriage to elect a survivor benefit for your new spouse.

If you are unsure which benefit payment option you elected, you can find it on your *Annual Benefit Statement*, by logging in to **myMOSERS** (go to **Personal Information**, then **Benefit Information**), or by contacting a MOSERS benefit counselor.

Temporary Benefit

If you receive the temporary benefit, it will end when you reach the age of 62, regardless of when you apply for Social Security benefits. You will receive your final temporary benefit payment at the end of the month in which you turn age 62.



Taxes

Your pension benefit is subject to federal income tax and may be subject to state income tax. You may change the amount of your tax withholdings at any time. Log in to **myMOSERS** to complete the *Tax Withholding Authorization* and *IRS W-4P* forms.

Premiums

You may have premiums for MOSERS optional life insurance and Missouri Consolidated Health Care Plan medical, dental, and vision insurance withheld from your monthly benefit payment. If those premium amounts change, it will affect the amount of your monthly benefit payment.



COLAs

MOSERS provides annual cost-of-living adjustments (COLAs) to retired members (general state employees and judges) and their surviving beneficiaries. You will receive your COLA in the same month each year. See the COLA page on our website for more information.



Crash Course in Returning to Work after Retirement

Thinking about returning to work? It is important for you to know if your monthly pension benefit will be affected.

Termination and Reemployment 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.

QUICK TIPS

Reemployment

Non-Benefit-Eligible Position

Once retired, you may work for any employer (other than the state of Missouri or any MOSERS covered employer) and continue to receive your MOSERS monthly pension payment.

Upon meeting the termination and reemployment rules, you may return to work for the state of

Missouri 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.

Contracted employees working directly under a private firm are not typically classified as state employees. Such employment should not interfere with your ability to receive your MOSERS benefit, however, we recommend that you contact the employer to confirm

that anyone employed as such would not be considered a state employee.

Benefit-Eligible Position

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

Your monthly pension payment will stop.*

- Any life insurance you retained through MOSERS as a retiree will end. You may re-elect life insurance through SEBES within 31 days of employment without proving insurability.
- Depending on various factors (your plan, how long you work, etc.), you may or may not earn additional credited service during reemployment.
- 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. You also may retain life insurance up to the maximum amount allowable, if applicable.

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

[^]If you were receiving a temporary benefit with your initial pension payment, it will be payable only if you return to retirement status prior to age 62.

COLA Announcement Coming for 2024

Your annual cost-of-living adjustment, or COLA, is based on the Consumer Price Index (CPI). We will calculate the COLA in mid-January and post it to our website. Be sure to keep an eye out for it!

What is the CPI?

The U.S. Bureau of Labor Statistics calculates the CPI monthly. The CPI is used to measure the rate of inflation and to show larger economic trends annually. MOSERS must use the Consumer Price Index for All Urban Consumers (CPI-U) for our calculations as required by state law. This is the most comprehensive measure of inflation in consumer goods and services, including food, housing, and transportation. CPI calculations are based on information from average households across the country. The impact of inflation on you personally may be more or less than the national average.

How is it calculated?

The rate calculation is based on 80% of the percentage increase in the average CPI from one year to the next with a maximum increase of 5% (minimum 0%).*

Each year, MOSERS compares the average CPI for the calendar year just completed (2023) to the average CPI from the prior year (2022) to determine the percentage change between the two years. You will not receive a COLA less than zero. (In other words, MOSERS does not decrease benefit amounts based on the CPI calculation.)

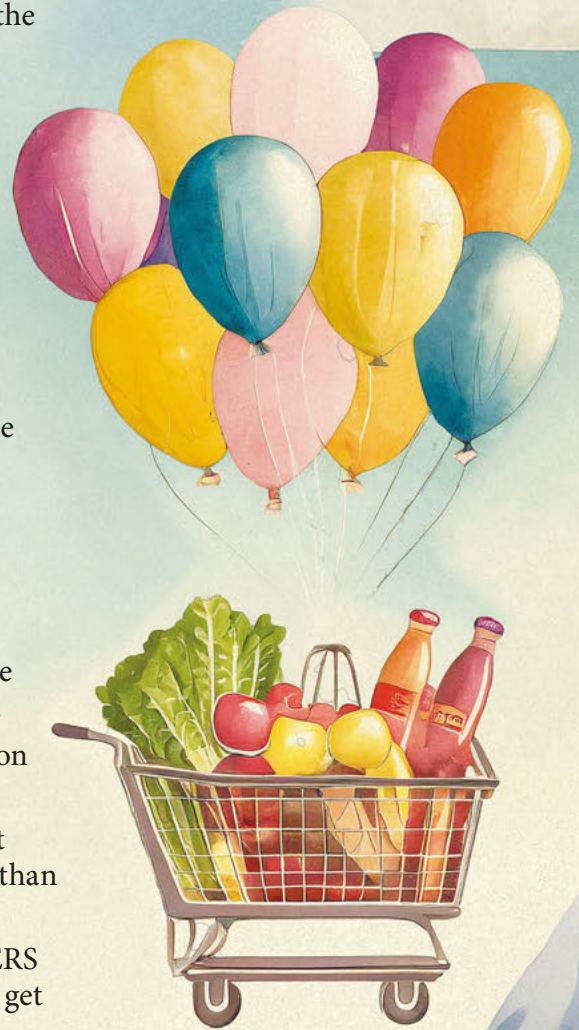
When are COLAs payable?

COLAs are payable on the anniversary of your retirement date except for:

- Retirees who converted from MSEP to MSEP 2000 during the conversion window in 2000 will have COLAs payable in July.
- Retirees who elected a BackDROP will have COLAs payable on the anniversary of their BackDROP date.
- Inactive-vested members of MSEP 2011 will receive their first COLA on the second anniversary of their retirement (rather than the first anniversary).

We will send you a notice that there is something in your MOSERS Document Express online mailbox during the month when you get your COLA.

** If you retired under MSEP, and were employed before August 28, 1997, your COLA may be different. See the COLA page on our website for more information.*



Reporting a Death to MOSERS

We understand this can be a difficult topic for our members and their loved ones, however, knowing the steps to take as a survivor is important for you and your beneficiaries. We encourage you to learn more and to contact us with any concerns or questions. Below is a simple overview of the initial steps to report a death. Please see the Death page on our website for more information.

Death of a MOSERS Retiree:

- Contact us as soon as possible when anyone receiving (or eligible for) a MOSERS benefit dies.
- MOSERS will send you a letter explaining any benefits available to you. If a retiree dies, the benefit payment option they elected at retirement will determine if we pay survivor benefits.
- You must complete and return the forms we send to you. MOSERS cannot pay benefits to survivors or beneficiaries without the required documents.
- If requested, submit a photocopy of the death certificate and an acceptable proof-of-age-and lawful presence document.
- If you want to use insurance proceeds to pay funeral expenses, speak with the funeral home first, and send us the assignment paperwork and an itemized statement of expenses.
- Remember to contact MO Deferred Comp and other benefit providers such as MCHCP, and Social Security, if applicable.

Death of Your Spouse

If you are a retired member who elected a joint & survivor benefit payment option, and your spouse dies first, you may be eligible for a pop-up of your monthly pension benefit. Please note, pop-ups are not automatic. You must provide MOSERS with a photocopy of your spouse's death certificate before your benefit will be adjusted. The effective date of the pop-up will be the first of the month following your spouse's date of death.

Contacting MOSERS

MOSERS benefit counselors are a valuable source for information regarding your benefits and are available to assist you on weekdays:
8:00 am - 12:00 p.m. and 1:00 p.m. - 4:30 p.m.

(800) 827-1063 toll-free

(573) 632-6100 in Jefferson City

(573) 632-6103 fax



A Tale of Two Retirees

In a previous edition of RetireeNews, we asked you to share your retirement stories. We received several submissions and hope to feature them all over time. This edition features the story of Leon Wahlbrink.

I have a friend I'll call C. We're the same age. He grew up in a small town in Iowa and I in Missouri. We're both the first of our family to get a college degree. We both raised families and were widowed. We both worked for corporations and were in business for ourselves. What we don't have in common is I worked for the State of Missouri and got a pension. C has no pension.

I didn't realize what a difference that made in our lives. A few years ago, it surfaced when I asked him if he'd be interested in going on a tour of New Zealand with me. C was interested but declined when interest rates dropped. It turns out that his retirement is based on certificates of deposit and with falling interest rates his income dropped.

C has taken an ultra-conservative approach with his investments because he is afraid he could outlive his income. I, on the other hand, secure in my knowledge that I certainly won't outlive my pension, invested in the market. I live comfortably on my pension and Social Security income, so anything I gain from my investments is gravy.

I've traveled through Europe, Central America, Africa, and China since I retired 20+ years ago. My investments have enabled that travel, and even with my required minimum distribution every year, I have a higher balance than when I retired. C's certificates of deposit have, at the very best, kept up with inflation. Without question, they have not grown. It doesn't matter how much C saved for his retirement, he was faced with the fact he could outlive his savings and took a much different approach to retirement than I did.

My point in sharing this is to express my appreciation of having a pension. It's not a lot, as I only worked 13 years for the state, but it has given me a freedom that anyone who doesn't have a pension should be envious of in their retirement.

Thank you, MOSERS!



Marvelous MOSERS Retirees

We know many of our retirees find new hobbies, travel, volunteer, find new passions, start businesses, and so much more in retirement. Now, we want to hear from you! Submit your retirement story and we will feature you in *RetireeNews*! You never know how your story may help or inspire other retired members.

How to Submit your Story:

1

Write a summary of your retirement story. Let us know what you have been doing in retirement. This is your time to shine! Let us know of any cool hobbies, volunteering, travel, family, etc. (500 words or less)

2

Don't forget to include any photos you would like to feature as well.

Send your story to us via email or mail!

3

- Email to: amandah@mosers.org
- Mail to:

RETIREE NEWS
MOSERS
PO BOX 209
JEFFERSON CITY MO 65102

Tax Information

It is almost that time of year again!

MOSERS will mail 1099-R forms to all retirees and beneficiaries by January 31, 2024. This form lists your 2023 pension benefit income from MOSERS. You will need this form to file your income tax return. The 1099-R provides the following information for the 2023 calendar year:

- Total gross distribution (the gross amount you received from MOSERS in 2023)
- Total taxable amount
- Taxes withheld

In addition to the required information above, MOSERS will list any medical, vision, and dental insurance premium deductions withheld from your pension benefit. Contact your insurance provider with any questions on these deductions.

Want it Online?

If you prefer an electronic copy of your 1099-R or if you find you need a replacement copy of it, simply log in to [myMOSERS](#) and you will find it listed under **Personal Information**. Your 1099-R form will be available for you to view or print after we have mailed them in late January.

Watch our website for updated information. If you have not already done so, we encourage you to log in to [myMOSERS](#). This will make accessing not only your 1099-R, but other forms and documents, quick and convenient when you need it.

Not sure how to log in? Watch our video, the [myMOSERS Tutorial](#) in our video gallery online. If you have any questions, contact us.

www.mosers.org

Form 1099-R <input type="checkbox"/> CORRECTED (if checked) <input type="checkbox"/> RE-ISSUE			OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city, state and ZIP code MO STATE EMPLOYEES RETIREMENT SYSTEM 907 WILDWOOD DRIVE JEFFERSON CITY, MO 65109 800-827-1063			2023 Form 1099-R		
PAYER'S federal identification number XXX-XX-1234			2a Taxable amount \$ 11,908.88		5 Service Purchase with After-tax Funds (excluded from taxable amount) \$.00
RECIPIENT'S identification number XXX-XX-1234			2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S name, street address (including apt. no.), city, state and ZIP code PENNY SAVER 114 RETIREMENT ST. JEFFERSON CITY, MO 65109			3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$ 1,800.00
10 Amt allocable to IRR within 5 yrs			6 Net unrealized appreciation in employer's securities \$		7 Distribution code(s) <input type="checkbox"/> IRA/SEP/SIMPLE <input type="checkbox"/>
11 1st year of desig. Roth Contrib.			8 Other \$ %		9a Your percentage of total distribution % 9b Remaining Service Purchase Paid \$.00
12 FATCA filing requirement			14 State tax withheld \$ 900.00		15 State/Payer's state no.
			17 Local tax withheld		16 State distribution \$
			18 Name of locality		19 Local distribution \$
			Health Ins Deductions \$		Dental Ins Deductions \$
			Vision Ins Deductions \$		

Copy B
Report this income on your federal tax return. If this form shows federal income tax withheld in Box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.

Department of the Treasury - Internal Revenue Service

- 1 Gross Distribution** - Amount paid to you by MOSERS
- 2a Taxable Amount** - Portion of your total benefit that should be considered taxable income
- 4 Federal Income Tax Withheld** - Amount of federal income tax withheld
- 5 Service Purchase with After-tax Funds** - Portion of service purchase excluded from taxable amount during the year – only applies to after-tax funds (Difference in Box 1 and Box 2a)
- 7 Distribution Code(s)** - Identifies the type of benefit being paid. See chart on page 2 of your 1099-R
- 9b Remaining Service Purchase Paid** - Remaining balance of what was paid in for any purchase of service to be applied in future years – decreases yearly by the amount in box 5
- 14 State Income Tax Withheld** - Amount of Missouri income tax withheld

Public Pension Tax Deduction Changes for 2024

If you are approaching retirement or if you are already a retiree, you should know that you may be able to deduct a portion of your public pension benefit on your Missouri tax return.

If you qualify, you may be exempt from paying some or all Missouri state income tax on income you receive from MOSERS. Effective starting with the 2024 tax year, the Missouri state income tax exemption for public pensions will not exclude anyone based on filing status or adjusted gross income. Please be aware that a state tax exemption does not affect the applicability of federal tax to your MOSERS pension benefits.

It is important to assess your tax situation each year. Did you know that life events such as marriage, divorce, or a change in dependents may impact the amount you wish to have withheld? You may change your withholding election at any time during the year by completing the *Tax Withholding Authorization* and *IRS W-4P* forms. The amount of withholdings you elect does not change your tax liability.

We recommend that you contact the Missouri Department of Revenue or a qualified tax advisor for additional information or answers to specific taxation or tax withholding questions. The information provided by MOSERS is not tax advice, and our staff cannot legally advise you on how to fill out tax forms.



A Message from ARMSE

The Active and Retired Missouri State Employees (ARMSE) association protects your retirement and medical insurance benefits.

- ARMSE is an independent, non-profit association formed more than 50 years ago to help monitor the retirement and medical benefits offered by MOSERS, MPERS, MCHCP, and the MoDOT and Patrol Medical Plan.
- ARMSE is a group of ordinary people – both active employees and retired employees. The governing board consists of volunteers who are retired state employees. This group helps YOU.
- ARMSE members come from a variety of political persuasions and different corners of the state – the commonality is that members are state employees and retirees who have earned retirement and medical benefits.
- ARMSE was first created to help secure many of the benefits you enjoy today. In the early days, the focus was on enhancing the benefit package to ensure the benefits offered were sufficient to provide a secure retirement for members. Today, the focus is on preserving your retirement and medical benefits.

Help us help YOU as ARMSE continues to protect the pensions and medical insurance we have earned! Your support is needed to be sure we can continue looking out for ourselves. You can join online at www.armse.org. Or, for a membership application, email us at: office@armse.org.



ARMSE

Active & Retired
Missouri State
Employees



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RetireeNews Newsletter



2024 Benefit Payment & Holiday Schedule

■ **Jan 1** New Year's Day
■ **Jan 15** MLK Jr. Day
■ **Jan 31** Payday 💰

■ **Feb 12** Lincoln's Birthday*
■ **Feb 19** President's Day
■ **Feb 29** Payday 💰

■ **Mar 29** Payday 💰

■ **Apr 30** Payday 💰

■ **May 8** Truman Day*
■ **May 27** Memorial Day
■ **May 31** Payday 💰

■ **June 19** Juneteenth
■ **June 28** Payday 💰

■ **July 4** Independence Day
■ **July 31** Payday 💰

■ **Aug 30** Payday 💰

■ **Sept 2** Labor Day
■ **Sept 30** Payday 💰

■ **Oct 14** Columbus Day*
■ **Oct 31** Payday 💰

■ **Nov 11** Veterans Day
■ **Nov 28** Thanksgiving Day
■ **Nov 29** Payday 💰

■ **Dec 25** Christmas Day
■ **Dec 31** Payday 💰

To Schedule an Appointment:

Call (800) 827-1063

8:00 a.m. - 12:00 p.m.

1:00 p.m. - 4:30 p.m.

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

www.mosers.org