

Actuarial Section

Actuary's Certification Letter.....	105
Summary of Actuarial Assumptions.....	107
Summary of Member Data Included in Valuations.....	113
Active Members by Attained Age and Years of Service	114
Schedules of Active Member Valuation Data - Last Six Years	115
MSEP Retirees and Beneficiaries Added and Removed.....	116
Judicial Plan Retirees and Beneficiaries Added and Removed.....	120
Short-Term Solvency Test.....	122
Derivation of Experience Gain (Loss).....	123
<i>Summary of Plan Provisions</i>	
Comparison of Plans for General State Employees	124
Comparison of Plans for Legislators	126
Comparison of Plans for Elected Officials	128
Comparison of Plans for Judges.....	130
Comparison of Plans for Uniformed Members of the Water Patrol.....	132
Administrative Law Judges and Legal Advisors Plan	133
Life Insurance Plans	134
Long-Term Disability (LTD) Plans.....	135
Changes in Plan Provisions.....	135
Actuarial Present Values.....	136

ACTUARY'S CERTIFICATION LETTER



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October 29, 2012

The Board of Trustees
Missouri State Employees' Retirement System
907 Wildwood Drive
Jefferson City, Missouri 65102

Dear Board Members:

The basic financial objective of the Missouri State Employees' Retirement System (MOSERS) is to establish and receive contributions which:

- (1) when expressed in terms of percent of active member payroll will remain approximately level from generation to generation of Missouri citizens, and which
- (2) when combined with present assets and future investment returns will be sufficient to meet the present and future financial obligations of MOSERS.

In order to measure progress toward this fundamental objective, MOSERS and the Judges Retirement Plan (Judges) annual actuarial valuations are performed. The purposes of the valuations are to (i) measure present financial position, (ii) establish contribution rates that provide for the normal cost and level percent of payroll amortization of unfunded actuarial accrued liabilities over a reasonable period, and (iii) to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25. The latest completed actuarial valuations were based upon data and assumptions as of June 30, 2012 presented to the board in separate reports. These valuations indicate that the contribution rates for the fiscal year ending June 30, 2014, adopted by the board of trustees for the benefits scheduled to be in effect on and after July 1, 2012, meet the basic financial objective. These contribution rates are 16.98% of payroll for 51,332 general state employees, and 59.69% of payroll for 398 judges.

The actuarial valuations are based upon financial and participant data which is prepared by retirement system staff, assumptions regarding future rates of investment return, salary increases, and inflation, and assumptions regarding rates of retirement, turnover, death, and disability among MOSERS' members and their beneficiaries. The data is reviewed by us for internal and year-to-year consistency as well as general reasonableness prior to its use in the actuarial valuations. It is also summarized and tabulated for the purpose of analyzing trends.

We are not responsible for the accuracy or completeness of the data. The demographic assumptions were adopted by the board of trustees on June 20, 2012 based upon recommendations made in an experience study covering the period from 2007 to 2012. The economic assumptions were adopted by the board of trustees on July 19, 2012. The assumptions and methods used in this valuation, in our opinion, meet the parameters established by Governmental Accounting Standards Board Statement No. 25.

The benefit structure is outlined in this section of the annual report. We provided the information used in the supporting schedules in the *Actuarial Section* and the *Schedules of Funding Progress* in the *Financial Section*, as well as the employer contribution rates shown in the *Schedule of Employer Contributions* in the *Financial Section*.

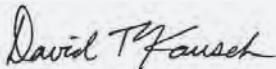
Based upon the valuation results, it is our opinion that the Missouri State Employees' Retirement System and the Judicial Plan continue to operate in accordance with actuarial principles of level percent of payroll financing. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the plans as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report should not be relied on for any purpose other than the purposes described. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

The undersigned actuaries are independent of the plan sponsor and members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



David T. Kausch, F.S.A., E.A., M.A.A.A
Senior Consultant & Actuary



Brad Lee Armstrong, A.S.A., E.A., M.A.A.A
Senior Consultant & Actuary

SUMMARY OF ACTUARIAL ASSUMPTIONS

Economic Assumptions

The investment return rate used in the valuations was 8% per year, compounded annually (net after investment expenses). This assumption is used to account for the fact that equal amounts of money payable at different points in time in the future do not have the same value presently.

Pay increase assumptions for individual active members are shown for sample ages on page 109-110. Part of the assumption for each age is for merit and/or seniority increase, and the other 3% recognizes wage inflation. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

The active member payroll is assumed to increase 3% annually, which is the portion of the individual pay increase assumptions attributable to wage inflation. The annual cost-of-living adjustment (COLA) is assumed to be 4%, on a compounded basis, when a minimum COLA of 4% is in effect. When no minimum COLA is in effect, price inflation is assumed to be 2.5% and the annual COLA is assumed to be 2% (80% of 2.5%), on a compounded basis.

Non-Economic Assumptions

The mortality table, for post-retirement mortality, used in evaluating allowances to be paid was the RP 2000 mortality table, projected to 2016 with Scale AA. Related values are shown on page 109. This assumption is used to measure the probabilities of each benefit payment being made after retirement. The pre-retirement mortality rates used were 100% of the post-retirement mortality rates for males and 80% of the post-retirement mortality for females. The mortality tables include a margin of 15% for men and 17% for women for mortality improvements based on the four year experience study from June 30, 2007 to June 30, 2011. The mortality assumption was first used in the June 30, 2012 valuation.

The probabilities of age and service retirement are shown on page 108 and 110. It was assumed that each member will be granted one half year (4 months for 2011 plan members) of service credit for unused leave upon retirement and military service purchases. The probabilities of withdrawal from service, disability and death-in-service are shown for sample ages on page 109-110. For disability retirement, impaired longevity was recognized by use of special mortality tables.

The entry age normal actuarial cost method of valuation was used in determining liabilities and normal cost. Each member's normal cost was based on the benefit provisions applicable to that member. The normal cost is projected to the applicable fiscal year. Differences in the past between assumed experience and actuarial experience ("actuarial gains and losses") become part of actuarial accrued liabilities. Unfunded actuarial accrued liabilities are amortized to produce payments (principal & interest), which are level percents of payroll contributions.

The amortization of the unfunded actuarial accrued liability is based on a 30-year amortization period, level percent of payroll amortization. The amortization is based on the projected unfunded actuarial accrued liability at the beginning of the fiscal year. This method was first used in the June 30, 2010 valuation.

Employer contribution dollars were assumed to be paid in equal installments throughout the employer's fiscal year.

Actuarial value of assets. Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased-in over a closed five-year period. Valuation assets are not permitted to deviate from the market value by more than 20%.

The data about persons now covered and about present assets were furnished by the system's administrative staff. Although examined for general reasonableness, the data was not audited by the actuary.

It is assumed that among active members 75% are married at retirement, 70% of those dying in active service are married, and men are three years older than their spouses for MSEP and four years older than their spouses for the Judicial Plan.

ACTUARIAL SECTION

The liabilities for active members hired on or after July 1, 2011 were based on MSEP 2011 benefits. The liabilities for active members hired on or after July 1, 2000 (April 26, 2005 for administrative law judges) were based on MSEP 2000 benefits. The liabilities for active members hired before July 1, 2000 for elected officials, general assembly, and uniformed water patrol were based on MSEP benefits. The liabilities for all other active members hired before July 1, 2000 were based on the assumption that members would elect MSEP 2000 prior to age 62 and MSEP on or after age 62.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (M.A.A.A.).

MSEP - Retirement Values - June 30, 2012

Sample Attained Ages	Present Value of \$1/Month the First Year (with 50% Joint & Survivor) Increasing 4.0%/2.0% Yearly				Present Value of \$1/Month the First Year Increasing 2.0% Yearly				Future Life Expectancy (Years)			
	Service		Disability		Service		Disability		Service		Disability	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
40	\$224.11	\$224.12	\$212.76	\$211.89	\$184.40	\$186.75	\$169.01	\$172.32	41.95	44.10	32.39	34.43
45	217.22	217.01	202.65	201.39	177.68	180.43	157.94	162.08	37.15	39.24	27.68	29.69
50	208.28	207.81	190.14	188.39	169.01	172.32	144.49	149.76	32.39	34.43	23.13	25.13
55	196.76	196.07	175.18	172.83	157.94	162.08	128.94	135.56	27.68	29.69	18.87	20.84
60	182.48	181.61	157.88	154.80	144.49	149.76	111.76	119.87	23.13	25.13	14.96	16.90
65	165.46	164.49	138.11	134.44	128.94	135.56	92.72	102.82	18.87	20.84	11.39	13.32
70	145.94	144.91	116.94	112.03	111.76	119.87	73.10	84.62	14.96	16.90	8.29	10.12
75	123.90	123.17	96.04	88.83	92.72	102.82	55.15	66.19	11.39	13.32	5.83	7.37
80	100.55	100.10	76.52	68.15	73.10	84.62	40.28	50.49	8.29	10.12	4.03	5.31
85	78.09	77.41	59.89	52.82	55.15	66.19	30.32	40.10	5.83	7.37	2.91	4.05

MSEP - Separations From Active Employment Before Service Retirement and Individual Pay Increase Assumptions - June 30, 2012

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions for an Individual Employee		
		Withdrawal		Death*		Disability		Merit and Seniority**	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0	23.0%	26.9%							
	1	18.0	20.5							
	2	15.0	15.4							
	3	13.0	12.5							
	4	11.0	10.9							
25	5+	13.0	13.3	0.03%	0.01%	0.17%	0.30%	2.9%	3.0%	5.9%
30		10.2	10.5	0.04	0.02	0.17	0.30	2.2	3.0	5.2
35		7.9	8.1	0.07	0.03	0.21	0.30	1.6	3.0	4.6
40		5.6	5.7	0.09	0.04	0.26	0.32	1.2	3.0	4.2
45		4.2	4.3	0.12	0.07	0.34	0.38	0.9	3.0	3.9
50		2.8	2.9	0.16	0.10	0.49	0.57	0.7	3.0	3.7
55		2.8	2.9	0.27	0.19	1.07	0.89	0.5	3.0	3.5
60		2.8	2.9	0.52	0.37	1.50	1.50	0.4	3.0	3.4
65		2.8	2.9	1.02	0.72	1.60	1.70	0.3	3.0	3.3
70		2.8	2.9	1.74	1.24	1.60	1.70	0.2	3.0	3.2

* 2% of the deaths in active service are assumed to be duty-related

** Does not apply to members of the General Assembly

SUMMARY OF ACTUARIAL ASSUMPTIONS

Elected Officials and Legislators - Separations From Active Employment Before Service Retirement and Individual Pay Increase Assumptions - June 30, 2012

Years of Service	Withdrawal		Years of Service	Withdrawal	
	Men/Women			Men/Women	
1	8.0%		5	12.0%	
2	8.0		6	12.0	
3	8.0		7	12.0	
4	8.0		8+	35.0	

MSEP - Percent of Eligible Active Members Retiring Next Year - June 30, 2012

Normal Retirement Pattern					Early Retirement Pattern		
Retirement Age	MSEP and MSEP 2000*			MSEP 2011**	Retirement Age	MSEP*	MSEP 2011**
	Percent Eligible			Percent Eligible		Percent Eligible	Percent Eligible
	1 st Year	2 nd Year	3 rd Year	Percent Eligible		Percent Eligible	Percent Eligible
48	22%						
49	22	10%					
50	22	10	21%				
51	22	10	21				
52	22	10	21				
53	22	10	18				
54	22	10	18				
55	22	12	26	45%			
56	22	12	25	45			
57	22	12	22	35	57	2.5%	
58	22	12	22	35	58	3.5	
59	22	12	20	30	59	3.5	
60	21	12	22	35	60	5	
61	20	12	20	25	61	6	
62	19	22	30	40	62	6	10%
63	15	18	25	30	63	6	10
64	15	20	17	20	64	6	10
65	20	20	27	30	65	6	50
66	22	20	26	25	66	6	50
67	15	25	22	20	67	6	
68	15	20	22	20	68	6	
69	15	20	22	20	69	6	
70	25	20	22	20	70	6	
71	25	20	22	20	71	6	
72	25	20	22	20	72	6	
73	25	20	22	20	73	6	
74	25	20	22	20	74	6	
75	50	50	22	50	75	6	
76	50	50	22	50	76	6	
77	75	75	22	75	77	6	
78	100	100	100	100	78	100	

* For Members Hired Prior to January 1, 2011

** For Members Hired On or After January 1, 2011

SUMMARY OF ACTUARIAL ASSUMPTIONS

Judicial Plan - Retirement Values - June 30, 2012

Sample Attained Ages	Present Value of \$1/Month the First Year (with 50% Joint & Survivor) Increasing 4.0%/2.0% Yearly				Present Value of \$1/Month the First Year Increasing 2.0% Yearly				Future Life Expectancy (Years)			
	Service		Disability		Service		Disability		Service		Disability	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
40	\$224.38	\$223.90	\$213.16	\$211.47	\$184.40	\$186.75	\$169.01	\$172.32	80.50	80.50	70.50	70.50
45	217.58	216.73	203.19	200.83	177.68	180.43	157.94	162.08	75.50	75.50	65.50	65.50
50	208.75	207.44	190.84	187.67	169.01	172.32	144.49	149.76	70.50	70.50	60.50	60.50
55	197.38	195.60	176.09	171.92	157.94	162.08	128.94	135.56	65.50	65.50	55.50	55.50
60	183.27	181.03	159.02	153.70	144.49	149.76	111.76	119.87	60.50	60.50	50.50	50.50
65	166.45	163.79	139.51	133.14	128.94	135.56	92.72	102.82	55.50	55.50	45.50	45.50
70	147.12	144.11	118.57	110.55	111.76	119.87	73.10	84.62	50.50	50.50	40.50	40.50
75	125.29	122.34	97.88	87.30	92.72	102.82	55.15	66.19	45.50	45.50	35.50	35.50
80	102.13	99.32	78.52	66.77	73.10	84.62	40.28	50.49	40.50	40.50	30.50	30.50
85	79.74	76.76	61.89	51.78	55.15	66.19	30.32	40.10	35.50	35.50	25.50	25.50

Judicial Plan - Percent of Eligible Active Members Retiring Next Year - June 30, 2012

Retirement Age	Normal Retirement Pattern				Early Retirement Pattern			
	Judicial Plan*		Judicial Plan 2011**		Retirement Age	Judicial Plan*		
	Percent Eligible		Percent Eligible			Percent Eligible		
	Men	Women	Men	Women		Men	Women	
55	15%	4%						
56	15	4						
57	15	4						
58	15	4						
59	5	4						
60	10	10						
61	5	10						
62	10	10	30%	35%	62	8%	4%	
63	10	10	20	20	63	8	4	
64	10	10	15	20	64	8	4	
65	15	23	30	50	65	8	4	
66	20	23	25	25	66	8	4	
67	20	23	20	25	67	8	4	
68	30	23	20	25	68	8	4	
69	30	23	30	50	69	8	4	
70	100	100	100	100	70	100	100	

* For Members Hired Prior to January 1, 2011

** For Members Hired On or After January 1, 2011

Judicial Plan - Separations From Active Employment Before Service Retirement and Individual Pay Increase Assumptions - June 30, 2012

Sample Ages	Percent of Active Members Separating Within the Next Year				Pay Increase Assumptions for an Individual Employee			Percent of Active Members Separating Within the Next Year		
	Death		Disability		Merit and Seniority	Base (Economy)	Increase Next Year	Withdrawal		
	Men	Women	Men	Woman				Service Index	Men	Women
25	0.03%	0.01%	0.01%	0.01%	2.2%	3.0%	5.2%	1	4.0%	4.0%
30	0.04	0.02	0.02	0.01	2.2	3.0	5.2	2	1.0	1.0
35	0.07	0.03	0.03	0.02	1.5	3.0	4.5	3	1.3	1.3
40	0.09	0.04	0.04	0.03	0.8	3.0	3.8	4	1.3	1.3
45	0.12	0.07	0.05	0.04	0.6	3.0	3.6	5	1.3	1.3
50	0.16	0.10	0.08	0.07	0.5	3.0	3.5	6-10	1.3	1.3
55	0.27	0.19	0.13	0.12	0.4	3.0	3.4	11-31	1.0	1.0
60	0.52	0.37	0.20	0.19	0.0	3.0	3.0			
65	1.02	0.72	0.20	0.19	0.0	3.0	3.0			

SUMMARY OF ACTUARIAL ASSUMPTIONS

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

*June 30, 2012***Pay Increase Timing**

Beginning of fiscal year.

Decrement Timing

Decrements of all types are assumed to occur mid-year.

Eligibility Testing

Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Benefit Service

Exact fractional service is used to determine the amount of the benefit payable.

Decrement Relativity

Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.

Decrement Operation

Disability and mortality decrements do not operate during the first five years of service. Disability and withdrawal do not operate during normal retirement eligibility.

Normal Form of Benefit

The assumed normal form of benefit is the straight life form for MSEP 2000 with 50% continuing to an eligible surviving spouse for MSEP. No adjustment has been made for post-retirement option election changes.

For judges, the assumed normal form of benefit is the straight life form, with 50% continuing to an eligible surviving spouse for members hired prior to January 1, 2011.

Other Liability Adjustments

MSEP 2000 benefits for active employees option elections were studied for MSEP 2000 retirees and the normal and early retirement alternate forms of payment assumption are slightly negatively subsidized. The actuarial accrued liability and normal cost have been adjusted by a factor of 0.99 for MSEP 2000 and MSEP 2011 retirements and by .995 for MSEP retirements based on the current rate of form of payment elections.

Pre-Retirement Survivor Benefits for Spouse of Terminated-Vested Member

Age	Male	Female
<30	2.15	1.85
30-39	1.46	1.34
40-49	1.16	1.12
>50	1.04	1.03

Incidence of Contributions

Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

MSEP 2000 Election

All regular state employees hired on or before June 30, 2000 are assumed to elect MSEP 2000 prior to age 62 and MSEP on or after age 62. Elected officials, General Assembly, and uniformed water patrol members hired before July 1, 2000 and administrative law judges hired before April 26, 2005 are assumed to elect MSEP at retirement.

Service Adjustment

It is assumed that each member will be granted one half year of service credit, 3 months for unused leave upon retirement and 3 months for military service purchases. For members hired on or after January 1, 2011 it is assumed that each member will be granted 4 months for unused leave.

Forfeitures

For those hired on or after January 1, 2011, 50% of state employees terminating at first vesting eligibility are assumed to take a refund and forfeit their deferred pension. This percentage decreases to 0% at first retirement eligibility.

For judges, vested members are assumed not to take a refund of member contributions and forfeit their benefit upon separation from service.

Data Adjustments

Active and retired member data was reported as of May 31, 2012. It was brought forward to June 30, 2012, by adding one month of service for all active members and the June COLA for certain retired members. It is expected that this procedure resulted in a slight overstatement of total liabilities as of June 30, 2012. Financial information continues to be reported as of June 30, 2012. This procedure was instituted to provide sufficient time for the board of trustees to certify the appropriate contribution rate prior to the October 1 statutory deadline. It is assumed for valuation purposes that there is no turnover among members and no new entrants during the month of June. New entrant assumed demographic patterns are based on the demographics of active members hired within the last five years.

Summary of Member Data Included in Valuations

Pension Trust Funds - June 30, 2012

Active Members

Valuation Group	Number	Payroll	Group Averages		
			Salary	Age (Yrs.)	Service (Yrs.)
MSEP					
Regular state employees	48,084	\$1,687,755,845	\$ 35,100	45.6	11.0
Elected officials	6	659,978	109,996	50.6	6.8
Legislative clerks	29	917,553	31,640	59.2	20.8
Legislators	197	7,087,518	35,977	51.3	4.5
Uniformed water patrol	16	935,899	58,494	39.6	14.3
Conservation department	1,419	58,295,925	41,082	44.2	13.8
School-term salaried employees	1,551	105,475,392	68,005	55.6	19.9
Administrative law judges	30	2,941,383	98,046	56.4	18.3
Total MSEP group	51,332	\$1,864,069,493	\$ 36,314	45.9	11.3
Judicial Plan	398	\$ 45,835,501	\$115,165	56.5	12.5

Retired Lives

Type of Benefit Payment	Number	Annual Benefits	Group Averages	
			Benefit	Age (Yrs.)
MSEP				
Retirement	33,124	\$514,639,941	\$15,537	69.2
Disability	8	29,712	3,714	60.8
Survivor of active member	1,474	14,594,888	9,902	61.6
Survivor of retired member	2,702	29,346,482	10,861	75.1
Total MSEP group	37,308	\$558,611,023	\$14,973	69.3
Judicial Plan	488	\$ 26,964,555	\$55,255	75.5

Others

Group	Terminated Vested	Leave of Absence	Long-Term Disability
MSEP	18,034	241	1,085
Judicial Plan	41	0	0

Active Members by Attained Age and Years of Service

June 30, 2012

MSEP

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
15-19	35							35	\$ 705,204
20-24	1,377	13						1,390	34,426,087
25-29	3,339	726	13					4,078	120,841,818
30-34	2,545	1,985	582	7				5,119	165,890,661
35-39	1,759	1,529	1,599	399	8			5,294	183,157,259
40-44	1,614	1,313	1,704	1,460	347	24		6,462	232,733,876
45-49	1,481	1,296	1,479	1,271	1,110	576	29	7,242	272,967,723
50-54	1,394	1,281	1,586	1,202	1,103	1,080	517	8,163	313,620,415
55-59	1,071	1,128	1,411	1,139	1,060	733	552	7,094	278,098,454
60	151	211	282	198	171	93	110	1,216	48,040,182
61	170	190	231	164	148	110	86	1,099	42,651,555
62	130	149	219	157	140	80	83	958	37,501,128
63	103	135	166	136	113	61	57	771	31,822,724
64	82	116	140	93	85	39	39	594	23,437,418
65	66	111	128	89	60	38	45	537	22,849,433
66	45	76	94	57	45	36	45	398	17,625,156
67	17	41	49	43	31	16	18	215	9,710,853
68	17	24	43	30	18	15	19	166	7,023,666
69	10	15	42	24	6	8	18	123	5,285,080
70 & Over	43	71	86	60	43	20	55	378	15,680,801
Totals	15,449	10,410	9,854	6,529	4,488	2,929	1,673	51,332	\$1,864,069,493

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Group Averages: Age - 45.9 years • Service - 11.3 years • Annual pay - \$36,314

Judicial Plan

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
35-39	5	4						9	\$ 984,296
40-44	11	10	2					23	2,578,732
45-49	21	16	11	1				49	5,628,732
50-54	15	13	20	11	3	1		63	7,245,736
55-59	14	18	18	23	9	6	3	91	10,470,584
60	2	6	3	5	3	2		21	2,444,394
61	2	3	11	7	1		1	25	2,842,842
62	1	6	4	1	1		1	14	1,605,554
63		1	6	7	2	5	2	23	2,656,556
64	1	5	5	4	2	3	1	21	2,426,706
65	2	2	6	5	2	1		18	2,120,845
66	1	3	4	2	1		1	12	1,420,176
67		2		1	3	3	3	12	1,446,738
68		1	3	2	2	2		10	1,115,896
69			3				1	4	470,818
70		1				2		3	376,896
Totals	75	91	96	69	29	25	13	398	\$45,835,501

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Group Averages: Age - 56.5 years • Service - 12.5 years • Annual pay - \$115,165

Schedules of Active Member Valuation Data

Six Years Ended June 30, 2012

MSEP

Schedule of Active Member Valuation Data				
Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
June 30, 2007	54,363	\$1,846,643,330	\$33,969	4.15%
June 30, 2008	54,542	1,916,527,398	35,139	3.44
June 30, 2009	55,057	2,002,402,087	36,370	3.50
June 30, 2010	53,478	1,945,095,321	36,372	0.01
June 30, 2011	51,660	1,875,569,816	36,306	(0.18)
June 30, 2012	51,332	1,864,069,493	36,314	.02

Judicial Plan

Schedule of Active Member Valuation Data				
Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
June 30, 2007	400	\$40,846,581	\$102,116	(0.09)%
June 30, 2008	401	44,542,530	111,079	8.78
June 30, 2009	397	45,505,512	114,623	3.19
June 30, 2010	402	46,112,730	114,708	0.07
June 30, 2011	399	45,888,020	115,008	0.26
June 30, 2012	398	45,835,501	115,165	0.14

Retirees and Beneficiaries Added and Removed

Six Years Ended June 30, 2012

MSEP

Fiscal Year Ended	Classification	Benefit Type	Added to Rolls	
			Number	Annual Allowances
June 30, 2007	General employees	Retirement	2,211	\$37,839,159
		Survivor of active	89	897,874
		Survivor of retired	213	2,630,107
		Disability	0	1,104
		Occupational disability	0	0
	Lincoln university - vested	Retirement	0	0
		Survivor of active	0	0
	Legislators	Retirement	19	303,741
		Survivor of active	1	8,157
		Survivor of retired	5	95,976
	Elected officials	Retirement	0	0
		Survivor of active	0	2,771
		Survivor of retired	0	1,178
	ALJs	Retirement	0	35,846
Survivor of active		0	0	
Survivor of retired		0	6,071	
June 30, 2008	General employees	Retirement	2,159	36,365,696
		Survivor of active	91	971,449
		Survivor of retired	234	2,715,274
		Disability	0	900
		Occupational disability	0	0
	Lincoln university - vested	Retirement	2	5,478
		Survivor of active	0	0
	Legislators	Retirement	9	147,136
		Survivor of active	0	4,489
		Survivor of retired	5	114,053
	Elected officials	Retirement	0	37,804
		Survivor of active	0	2,882
		Survivor of retired	0	1,225
	ALJs	Retirement	2	102,631
Survivor of active		0	0	
Survivor of retired		1	30,876	
June 30, 2009	General employees	Retirement	2,195	37,338,992
		Survivor of active	82	996,258
		Survivor of retired	251	3,077,466
		Disability	0	876
		Occupational disability	0	0
	Lincoln university - vested	Retirement	0	0
		Survivor of active	0	0
	Legislators	Retirement	21	746,414
		Survivor of active	0	5,137
		Survivor of retired	4	84,108
	Elected officials	Retirement	2	105,141
		Survivor of active	0	2,997
		Survivor of retired	0	1,274
	ALJs	Retirement	3	168,517
Survivor of active		0	0	
Survivor of retired		2	57,238	

Source of Data: MOSERS benefit payment database as of June 30, 2012.
 Other Actuarial Section information reported based on MOSERS data as of May 31, 2012.

Removed from Rolls		Rolls at End of Year			Percentage Increase (Decrease) in Annual Allowances	Average Annual Allowances	Percentage Increase (Decrease) in Average Annual Allowances
Number	Annual Allowances	Number	Annual Allowances				
740	\$8,391,528	25,293	\$371,145,149	8.62	\$14,674	2.30	
39	281,916	1,304	10,777,493	6.06	8,265	2.00	
106	810,074	2,021	18,489,454	10.92	9,149	5.05	
4	18,658	12	39,590	(30.72)	3,299	(7.64)	
0	0	0	0	0.00	0	0.00	
0	0	11	50,475	0.00	4,589	0.00	
0	0	1	2,624	0.00	2,624	0.00	
7	178,306	250	4,735,015	2.72	18,940	(2.21)	
0	0	14	150,712	5.72	10,765	(1.83)	
0	0	52	618,929	18.35	11,902	6.97	
0	0	12	477,190	0.00	39,766	0.00	
0	0	1	72,045	4.00	72,045	4.00	
0	0	1	30,618	4.00	30,618	4.00	
0	0	25	1,090,746	3.40	43,630	3.40	
0	0	0	0	0.00	0	0.00	
0	0	9	215,092	2.90	23,899	2.90	
853	9,745,552	26,599	397,765,293	7.17	14,954	1.91	
59	259,787	1,336	11,489,155	6.60	8,600	4.05	
137	916,500	2,118	20,288,228	9.73	9,579	4.70	
1	4,074	11	36,416	(8.02)	3,311	0.36	
0	0	0	0	0.00	0	0.00	
0	0	13	55,953	10.85	4,304	(6.21)	
0	0	1	2,624	0.00	2,624	0.00	
10	300,216	249	4,581,935	(3.23)	18,401	(2.85)	
0	0	14	155,201	2.98	11,086	2.98	
3	24,638	54	708,344	14.45	13,117	10.21	
0	0	12	514,994	7.92	42,916	7.92	
0	0	1	74,927	4.00	74,927	4.00	
0	0	1	31,843	4.00	31,843	4.00	
2	94,035	25	1,099,342	0.79	43,974	0.79	
0	0	0	0	0.00	0	0.00	
0	0	10	245,968	14.35	24,597	2.92	
852	9,903,887	27,942	425,200,398	6.90	15,217	1.76	
54	390,167	1,364	12,095,246	5.28	8,867	3.10	
110	827,564	2,259	22,538,130	11.09	9,977	4.15	
1	4,237	10	33,055	(9.23)	3,306	(0.15)	
0	0	0	0	0.00	0	0.00	
0	0	13	55,953	0.00	4,304	0.00	
0	0	1	2,624	0.00	2,624	0.00	
8	120,396	262	5,207,953	13.66	19,878	8.03	
1	14,128	13	146,210	(5.79)	11,247	1.45	
2	20,473	56	771,979	8.98	13,785	5.09	
0	0	14	620,135	20.42	44,295	3.21	
0	0	1	77,924	4.00	77,924	4.00	
0	0	1	33,117	4.00	33,117	4.00	
2	90,337	26	1,177,522	7.11	45,289	2.99	
0	0	0	0	0.00	0	0.00	
1	27,354	11	275,852	12.15	25,077	1.95	

Continued on pages 118-119

Continued from pages 116 - 117

Retirees and Beneficiaries Added and Removed

Six Years Ended June 30, 2012

MSEP

Fiscal Year Ended	Classification	Benefit Type	Added to Rolls	
			Number	Annual Allowances
June 30, 2010	General employees	Retirement	2,298	\$34,755,192
		Survivor of active	83	1,054,292
		Survivor of retired	246	3,080,424
		Disability	0	830
		Occupational disability	0	0
	Lincoln university - vested	Retirement	1	5,671
		Survivor of active	0	0
	Legislators	Retirement	12	201,562
		Survivor of active	0	3,975
	Elected officials	Survivor of retired	5	78,765
		Retirement	0	0
		Survivor of active	0	3,117
	ALJs	Survivor of retired	1	34,780
		Retirement	3	113,877
Survivor of active		0	0	
Survivor of retired		0	7,332	
June 30, 2011	General employees	Retirement	2,850	41,203,358
		Survivor of active	65	914,689
		Survivor of retired	298	3,059,195
		Disability	0	79
		Occupational disability	0	0
	Lincoln university - vested	Retirement	1	1,780
		Survivor of active	0	0
	Legislators	Retirement	41	601,171
		Survivor of active	0	2,903
	Elected officials	Survivor of retired	5	73,841
		Retirement	0	0
		Survivor of active	0	3,242
	ALJs	Survivor of retired	0	1,053
		Retirement	4	212,519
Survivor of active		0	0	
Survivor of retired		0	2,599	
June 30, 2012	General employees	Retirement	2,637	39,423,910
		Survivor of active	82	1,129,634
		Survivor of retired	282	3,665,503
		Disability	0	458
		Occupational disability	0	0
	Lincoln university - vested	Retirement	0	0
		Survivor of active	0	0
	Legislators	Retirement	13	229,979
		Survivor of active	0	3,531
	Elected officials	Survivor of retired	4	80,142
		Retirement	2	86,431
		Survivor of active	0	3,371
	ALJs	Survivor of retired	0	1,336
		Retirement	3	124,248
Survivor of active		1	25,592	
Survivor of retired		2	57,704	

Source of Data: MOSERS benefit payment database as of June 30, 2012.
 Other Actuarial Section information reported based on MOSERS data as of May 31, 2012.

Removed from Rolls		Rolls at End of Year			Percentage Increase (Decrease) in Annual Allowances	Average Annual Allowances	Percentage Increase (Decrease) in Average Annual Allowances
Number	Annual Allowances	Number	Annual Allowances				
833	\$9,979,318	29,407	\$449,976,272	5.83%	\$15,302	0.56%	
49	276,401	1,398	12,873,137	6.43	9,208	3.85	
117	1,078,265	2,388	24,540,289	8.88	10,277	3.01	
1	2,985	9	30,900	(6.52)	3,433	3.84	
0	0	0	0	0.00	0	0.00	
0	0	14	61,624	10.14	4,402	2.28	
0	0	1	2,624	0.00	2,624	0.00	
12	239,880	262	5,169,635	(0.74)	19,731	(0.74)	
1	16,709	12	133,476	(8.71)	11,123	(1.10)	
0	0	61	850,744	10.20	13,947	1.18	
1	66,911	13	553,224	(10.79)	42,556	(3.93)	
0	0	1	81,041	4.00	81,041	4.00	
0	0	2	67,897	105.02	33,949	2.51	
1	46,794	28	1,244,605	5.70	44,450	(1.85)	
0	0	0	0	0.00	0	0.00	
0	0	11	283,184	2.66	25,744	2.66	
892	10,670,476	31,365	480,509,154	6.79	15,320	0.12	
46	261,503	1,417	13,526,323	5.07	9,546	3.67	
176	1,670,990	2,510	25,928,494	5.66	10,330	0.52	
1	1,732	8	29,247	(5.35)	3,656	6.50	
0	0	0	0	0.00	0	0.00	
0	0	15	63,404	2.89	4,227	(3.98)	
0	0	1	2,624	0.00	2,624	0.00	
10	185,635	293	5,585,171	8.04	19,062	(3.39)	
1	19,612	11	116,767	(12.52)	10,615	(4.57)	
2	16,628	64	907,957	6.73	14,187	1.72	
0	0	13	553,224	0.00	42,556	0.00	
0	0	1	84,283	4.00	84,283	4.00	
0	0	2	68,950	1.55	34,475	1.55	
0	0	32	1,457,124	17.08	45,535	2.44	
0	0	0	0	0.00	0	0.00	
1	27,724	10	258,059	(8.87)	25,806	0.24	
895	11,116,063	33,107	508,817,001	5.89	15,369	0.32	
34	197,452	1,465	14,458,505	6.89	9,869	3.38	
158	1,416,283	2,634	28,177,714	8.67	10,698	3.56	
0	0	8	29,705	1.57	3,713	1.56	
0	0	0	0	0.00	0	0.00	
2	11,032	13	52,372	(17.40)	4,029	(4.68)	
0	0	1	2,624	0.00	2,624	0.00	
8	139,545	298	5,675,605	1.62	19,046	(0.08)	
0	0	11	120,298	3.02	10,936	3.02	
3	52,550	65	935,549	3.04	14,393	1.45	
0	0	15	639,655	15.62	42,644	0.21	
0	0	1	87,654	4.00	87,654	4.00	
0	0	2	70,286	1.94	35,143	1.94	
3	158,072	32	1,423,300	(2.32)	44,478	(2.32)	
0	0	1	25,592	0.00	25,592	0.00	
0	0	12	315,763	22.36	26,314	1.97	

Retirees and Beneficiaries Added and Removed

Six Years Ended June 30, 2012

Judicial Plan

Fiscal Year Ended	Benefit Type	Added to Rolls		Removed from Rolls	
		Number	Annual Allowances	Number	Annual Allowances
June 30, 2007	Retirement	47	\$2,802,873	15	\$967,969
	Survivor of active	1	64,452	2	40,742
	Survivor of retired	13	526,008	4	91,948
	Disability	0	0	1	54,000
June 30, 2008	Retirement	21	1,554,013	17	946,602
	Survivor of active	0	31,650	4	53,658
	Survivor of retired	11	387,194	8	181,387
	Disability	0	0	0	0
June 30, 2009	Retirement	30	1,922,615	15	957,943
	Survivor of active	1	59,484	0	0
	Survivor of retired	9	418,266	2	61,344
	Disability	0	0	0	0
June 30, 2010	Retirement	12	1,137,305	13	750,021
	Survivor of active	0	32,700	2	32,399
	Survivor of retired	11	436,312	5	130,920
	Disability	0	0	0	0
June 30, 2011	Retirement	36	2,501,248	9	563,214
	Survivor of active	0	14,893	1	35,792
	Survivor of retired	4	167,535	9	206,465
	Disability	0	0	0	0
June 30, 2012	Retirement	18	1,490,554	14	1,074,572
	Survivor of active	0	22,717	0	0
	Survivor of retired	8	371,622	6	218,310
	Disability	0	0	0	0

Source of Data: MOSERS benefit payment database as of June 30, 2012.
Other Actuarial Section information reported based on MOSERS data as of May 31, 2012.

Rolls at End of Year		Percentage Increase (Decrease) in Annual Allowances	Average Annual Allowances	Percentage Increase (Decrease) in Average Annual Allowances
Number	Annual Allowances			
307	\$18,052,462	11.31%	\$58,803	(0.29)%
40	1,018,949	2.38	25,474	4.94
93	2,577,100	20.25	27,711	8.62
0	0	(100.00)	0	(100.00)
311	18,659,873	3.36	60,000	2.04
36	996,941	(2.16)	27,693	8.71
96	2,782,907	7.99	28,989	4.61
0	0	0.00	0	0.00
326	19,624,545	5.17	60,198	0.33
37	1,056,425	5.97	28,552	3.10
103	3,139,829	12.83	30,484	5.16
0	0	0.00	0	0.00
325	20,011,829	1.97	61,575	2.29
35	1,056,726	0.03	30,192	5.74
109	3,445,221	9.73	31,608	3.69
0	0	0.00	0	0.00
352	21,949,863	9.68	62,358	1.27
34	1,035,827	(1.98)	30,466	0.91
104	3,406,291	(1.13)	32,753	3.62
0	0	0.00	0	0.00
356	22,365,845	1.90	62,825	0.75
34	1,058,544	2.19	31,134	2.19
106	3,559,603	4.50	33,581	2.53
0	0	0.00	0	0.00

Short-Term Solvency Test

Ten Years Ended June 30, 2012

MSEP

Fiscal Year	Actuarial Accrued Liabilities for				Percentage of Actuarial Liabilities Covered by Actuarial Value of Assets Available for		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)	Actuarial Value of Assets Available for Benefits	(1)	(2)	(3)
2003	\$ 0	\$3,016,029,050	\$3,646,262,356	\$6,057,329,072	100.0%	100.0%	83.4%
2004	0	3,405,053,804	3,824,957,124	6,118,214,495	100.0	100.0	70.9
2005	0	3,629,506,014	3,948,522,003	6,435,344,102	100.0	100.0	71.1
2006	0	3,876,349,145	4,136,856,269	6,836,567,188	100.0	100.0	71.6
2007	0	4,208,621,537	4,291,807,104	7,377,289,283	100.0	100.0	73.8
2008	0	4,408,682,437	4,719,665,033	7,838,495,768	100.0	100.0	72.7
2009	0	4,737,859,976	4,756,946,739	7,876,079,342	100.0	100.0	66.0
2010	0	5,012,677,769	4,840,477,676	7,923,377,393	100.0	100.0	60.1
2011	67,126	5,357,794,617	4,765,682,300	8,022,481,408	100.0	100.0	55.9
2012	706,422	5,748,985,566	5,043,959,589	7,897,167,203	100.0	100.0	42.6

ALJLAP*

Fiscal Year	Actuarial Accrued Liabilities for				Percentage of Actuarial Liabilities Covered by Actuarial Value of Assets Available for		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)	Actuarial Value of Assets Available for Benefits	(1)	(2)	(3)
2003	\$0	\$9,709,096	\$10,237,391	\$15,626,461	100.0%	100.0%	57.8%
2004	0	9,188,086	11,196,127	16,238,804	100.0	100.0	63.0

* Assets and liabilities transferred to the MSEP during fiscal year 2005

Judicial Plan

Fiscal Year	Actuarial Accrued Liabilities for				Percentage of Actuarial Liabilities Covered by Actuarial Value of Assets Available for		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)	Actuarial Value of Assets Available for Benefits	(1)	(2)	(3)
2003	\$ 0	\$157,923,805	\$109,126,052	\$ 34,566,516	100.0%	21.9%	0.0%
2004	0	162,539,486	117,857,978	39,120,142	100.0	24.1	0.0
2005	0	168,703,822	123,600,064	44,223,509	100.0	26.2	0.0
2006	0	171,677,032	137,325,720	51,652,867	100.0	30.1	0.0
2007	0	199,489,503	127,176,870	61,903,516	100.0	31.0	0.0
2008	0	216,369,879	138,426,574	73,194,379	100.0	33.8	0.0
2009	0	231,505,591	137,601,250	81,337,881	100.0	35.1	0.0
2010	0	236,113,077	145,899,696	88,976,738	100.0	37.7	0.0
2011	284	251,532,354	141,951,951	98,398,628	100.0	39.1	0.0
2012	795	258,642,149	154,689,594	102,266,706	100.0	39.5	0.0

Derivation of Experience Gain (Loss)

Year Ended June 30, 2012

MSEP

Actual experience will never coincide exactly with assumed experience (except by coincidence). Gains and losses may offset each other over a period of years, but sizeable year-to-year variations from assumed experience are common. Detail on the derivation of the experience gain (loss) is shown below.

	\$ Millions	Valuation Date June 30	Actuarial Gain (Loss) As a % of Beginning Accrued Liabilities
(1) Unfunded actuarial accrued liability (UAAL) at beginning of year	\$2,101.1	2003	(6.4)
(2) Normal cost from last valuation	159.2	2004	(6.0)
(3) Actual employer contributions	273.9	2005	(3.4)
(4) Interest accrual: (1)x.085+[(2)-(3)]x(.085/2)	173.7	2006	(0.1)
(5) Expected UAAL before changes: (1)+(2)-(3)+(4)	2,160.1	2007	1.0
(6) Change from any changes in benefits, assumptions, or methods	259.1	2008	0.1
(7) Expected UAAL after changes: (5)+(6)	2,419.2	2009	(5.2)
(8) Actual UAAL at end of year	2,896.5	2010	(4.0)
(9) Gain (loss) (7)-(8)	(477.3)	2011	(2.4)
(10) Gain (loss) as a percent of actuarial accrued liabilities at start of year (\$10,124)	(4.7)%	2012	(4.7)

Judicial Plan

The actuarial gains or losses realized in the operation of the retirement system provide an experience test. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the actuarial gain (loss) is shown below, along with a year-by-year comparative schedule.

	\$ Millions	Valuation Date June 30	Actuarial Gain (Loss) As a % of Beginning Accrued Liabilities
(1) Unfunded actuarial accrued liability (UAAL) at beginning of year	\$295.1	2003	(1.6)
(2) Employer normal cost middle of year	8.7	2004	(1.0)
(3) Employer contributions	26.3	2005	(0.1)
(4) Interest		2006	(1.1)
a. on (1)	25.1	2007	(0.6)
b. on (2)	0.3	2008	(3.0)
c. on (3)	1.1	2009	(1.8)
d. total [a+b-c]	24.3	2010	(1.1)
(5) Expected UAAL end of year before changes	301.8	2011	(0.4)
(6) Change in UAAL end of year		2012	(0.6)
a. amendments	0.0		
b. assumptions	7.0		
c. methods	0.0		
d. total	7.0		
(7) Expected UAAL after changes: (5)+(6d.)	308.7		
(8) Actual UAAL at end of year	311.1		
(9) Gain (loss) (7)-(8)	(2.3)		
(10) Gain (loss) as a percent of actuarial accrued liabilities at start of year (\$393.5)	(0.6)%		

Comparison of Plans for General State Employees

June 30, 2012

MSEP • MSEP 2000 • MSEP 2011

Benefit Provisions	MSEP
Membership eligibility	<ul style="list-style-type: none"> Members who work in a permanent position normally requiring at least 1,040 hours of work a year.
Vesting	<ul style="list-style-type: none"> 5 years
Base benefit formula	<ul style="list-style-type: none"> .016 x FAP x service <i>In the past, formula increases have been passed along to MSEP retirees.</i>
Temporary benefit formula	<ul style="list-style-type: none"> Not available
Benefit payment options	<ul style="list-style-type: none"> Life income annuity Unreduced joint & 50% survivor Joint & 100% survivor Life income with 60 guaranteed payments Life income with 120 guaranteed payments
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> If hired before August 28, 1997, will receive 4-5% each year until reaching the 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the CPI (0-5%). If hired on or after August 28, 1997, annual COLA will be based on 80% of the percentage increase in the CPI (0-5%).
Normal retirement eligibility	<ul style="list-style-type: none"> Age 65 and active with 4 years of service Age 65 with 5 years of service Age 60 with 15 years of service “Rule of 80”- at least age 48 with age and service equaling 80 or more Age 50 if first became eligible prior to August 28, 2003
Early retirement eligibility	<ul style="list-style-type: none"> Age 55 with 10 years of service <i>Base benefit will be reduced ½ of 1% (.005) for each month member’s age is younger than normal retirement.</i>
Death before retirement	<ul style="list-style-type: none"> Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member’s life income annuity paid to eligible children. Duty-related death (<i>no minimum service requirement</i>). <ul style="list-style-type: none"> Survivor benefit to eligible spouse or children no less than 50% of average compensation.
In-service COLA	<ul style="list-style-type: none"> COLA given for service beyond age 65. COLA provisions are determined by employment date.
BackDROP	<ul style="list-style-type: none"> Must work at least two years beyond normal retirement eligibility to be eligible for BackDROP.
Service purchases	<ul style="list-style-type: none"> 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.
Service transfers	<ul style="list-style-type: none"> May transfer state service to other positions covered by MOSERS under 104.800.
Member contributions	<ul style="list-style-type: none"> None

MSEP 2000	MSEP 2011
<ul style="list-style-type: none"> Members hired for the first time on or after July 1, 2000, in a permanent position normally requiring at least 1,040 hours of work a year. Members who left state employment prior to becoming vested and returned to work on or after July 1, 2000, in a permanent position normally requiring at least 1,040 hours of work a year. 	<ul style="list-style-type: none"> Members hired for the first time on or after January 1, 2011, in a permanent position normally requiring at least 1,040 hours of work a year.
<ul style="list-style-type: none"> 5 years 	<ul style="list-style-type: none"> 10 years
<ul style="list-style-type: none"> .017 x FAP x service <i>Future formula increases, if any, will not be passed along to retirees.</i> 	<ul style="list-style-type: none"> .017 x FAP x service <i>Future formula increases, if any, will not be passed along to retirees.</i>
<ul style="list-style-type: none"> .008 x FAP x service <i>Available to those who retire under the "Rule of 80."</i> 	<ul style="list-style-type: none"> .008 x FAP x service <i>Available to those who retire under the "Rule of 90."</i>
<ul style="list-style-type: none"> Life income annuity Joint & 50% survivor Joint & 100% survivor Life income with 120 guaranteed payments Life income with 180 guaranteed payments Based on 80% of the percentage increase in the CPI (0-5%). 	<ul style="list-style-type: none"> Life income annuity Joint & 50% survivor Joint & 100% survivor Life income with 120 guaranteed payments Life income with 180 guaranteed payments Based on 80% of the percentage increase in the CPI (0-5%).
<ul style="list-style-type: none"> Age 62 with 5 years of service "Rule of 80" - at least age 48 with age and service equaling 80 or more Age 50 if first became eligible prior to August 28, 2003 	<ul style="list-style-type: none"> Age 67 with 10 years of service "Rule of 90" - at least age 55 with age and service equaling 90 or more <i>Terminated-vested members not eligible for "Rule of 90."</i>
<ul style="list-style-type: none"> Age 57 with 5 years of service <i>Base benefit will be reduced ½ of 1% (.005) for each month member's age is younger than normal retirement.</i> 	<ul style="list-style-type: none"> Age 62 with 10 years of service; base benefit will be reduced ½ of 1% (.005) for each month member's age is younger than normal retirement. <i>Terminated-vested members are not eligible.</i>
<ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. Survivor benefit to eligible spouse or children no less than 50% of average compensation (no service requirement). 	<ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. Survivor benefit to eligible spouse or children no less than 50% of average compensation (no service requirement).
<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Not available
<ul style="list-style-type: none"> Must work at least two years beyond normal retirement eligibility to be eligible for BackDROP. 	<ul style="list-style-type: none"> Not available
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> May purchase qualifying public sector service at full actuarial cost.
<ul style="list-style-type: none"> May transfer service under 104.1090 from other systems with written agreements to transfer required funds. 	<ul style="list-style-type: none"> Not available
<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> 4% of pay

Comparison of Plans for Legislators

June 30, 2012

MSEP • MSEP 2000 • MSEP 2011

Benefit Provisions	MSEP
Membership eligibility	<ul style="list-style-type: none"> Elected to the General Assembly
Vesting	<ul style="list-style-type: none"> 3 full-biennial assemblies (6 years)
Base benefit formula	<ul style="list-style-type: none"> Biennial assemblies x \$150 <p><i>In the past, formula increases have been passed along to MSEP retirees.</i></p>
Temporary benefit formula	<ul style="list-style-type: none"> Not available
Benefit payment options	<ul style="list-style-type: none"> Life income annuity Unreduced joint & 50% survivor Joint & 100% survivor Life income with 60 guaranteed payments Life income with 120 guaranteed payments
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> If sworn in before August 28, 1997, will receive 4-5% each year until reaching 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the CPI (0-5%). If sworn in on or after August 28, 1997, COLA will be based on 80% of the percentage increase in the CPI (0-5%).
Normal retirement eligibility	<ul style="list-style-type: none"> Age 55 with 3 full-biennial assemblies or “Rule of 80” - at least age 48 with age and service equaling 80 or more
Early retirement eligibility	<ul style="list-style-type: none"> Not available
Death before retirement	<ul style="list-style-type: none"> Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member’s life income annuity paid to eligible children. Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse or children no less than 50% of the rate of compensation.
In-service COLA	<ul style="list-style-type: none"> COLA given for service beyond age 65. COLA provisions are determined by employment date.
BackDROP	<ul style="list-style-type: none"> Not available
Service purchases	<ul style="list-style-type: none"> 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.
Service transfers	<ul style="list-style-type: none"> May transfer state service to other positions covered by MOSERS under 104.800.
Member contributions	<ul style="list-style-type: none"> None

MSEP 2000	MSEP 2011
<ul style="list-style-type: none"> • Elected to the General Assembly on or after July 1, 2000 • 3 full-biennial assemblies (6 years) • (Active legislator’s pay ÷ 24) x service <i>Capped at 100% of pay; future formula increases, if any, will not be passed along to retirees.</i> • Not available • Life income annuity • Joint & 50% survivor • Joint & 100% survivor • Life income with 120 guaranteed payments • Life income with 180 guaranteed payments • Benefit adjustment based on increase in pay for an active member of the general assembly. 	<ul style="list-style-type: none"> • Elected to the General Assembly on or after January 1, 2011 • 3 full-biennial assemblies (6 years) • (Active legislator’s pay ÷ 24) x service <i>Capped at 100% of pay; future formula increases, if any, will not be passed along to retirees.</i> • Not available • Life income annuity • Joint & 50% survivor • Joint & 100% survivor • Life income with 120 guaranteed payments • Life income with 180 guaranteed payments • Benefit adjustment based on increase in pay for an active member of the general assembly.
<ul style="list-style-type: none"> • Age 55 with 3 full-biennial assemblies or • “Rule of 80” - at least age 50 with age and service equaling 80 or more • Not available 	<ul style="list-style-type: none"> • Age 62 with 3 full-biennial assemblies or • “Rule of 90” - at least age 55 with age and service equaling 90 or more • Not available
<ul style="list-style-type: none"> • Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member’s life income annuity paid to eligible children. • Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse or children no less than 50% of rate of compensation. • Not available 	<ul style="list-style-type: none"> • Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member’s life income annuity paid to eligible children. • Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse or children no less than 50% of rate of compensation. • Not available
<ul style="list-style-type: none"> • Not available 	<ul style="list-style-type: none"> • Not available
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • May purchase qualifying public sector service at full actuarial cost.
<ul style="list-style-type: none"> • May transfer service under 104.1090 from other systems with written agreements to transfer required funds. 	<ul style="list-style-type: none"> • Not available
<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • 4% of pay

Comparison of Plans for Statewide Elected Officials

June 30, 2012

MSEP • MSEP 2000 • MSEP 2011

Benefit Provisions	MSEP
Membership eligibility	<ul style="list-style-type: none"> Elected to state office
Vesting	<ul style="list-style-type: none"> 4 years (1 term)
Base benefit formula	<ul style="list-style-type: none"> Less than 12 years of service FAP x .016 x service 12 or more years of service Monthly statutory compensation x .50 <i>In the past, formula increases have been passed along to MSEP retirees.</i>
Temporary benefit formula	<ul style="list-style-type: none"> Not available
Benefit payment options	<ul style="list-style-type: none"> Life income annuity <i>Unreduced</i> joint & 50% survivor Joint & 100% survivor Life income with 60 guaranteed payments Life income with 120 guaranteed payments
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> Less than 12 years of service <ul style="list-style-type: none"> Statewide elected officials sworn in before August 28, 1997 will receive 4-5% each year until they reach 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the CPI (0-5%). Statewide elected officials sworn in between August 28, 1997 and June 30, 2000, will receive a COLA equal to 80% of percentage increase in the CPI (0-5%). 12 or more years of service Statewide elected officials with 12 or more years of service will receive a COLA based on increases in statutory compensation for the highest position held.
Normal retirement eligibility	<ul style="list-style-type: none"> Age 60 with 15 years of service or "Rule of 80" - at least age 50 with age and service equaling 80 or more
Early retirement eligibility	<ul style="list-style-type: none"> Age 55 with 10 years of service
Death before retirement	<ul style="list-style-type: none"> Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse or children no less than 50% of current pay.
In-service COLA	<ul style="list-style-type: none"> COLA provisions determined by amount of service relative to 12 years and date of employment.
BackDROP	<ul style="list-style-type: none"> Not available
Service purchases	<ul style="list-style-type: none"> 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.
Service transfers	<ul style="list-style-type: none"> May transfer state service to other positions covered by MOSERS under 104.800.
Member contributions	<ul style="list-style-type: none"> None

MSEP 2000	MSEP 2011
<ul style="list-style-type: none"> • Elected to state office on or after July 1, 2000 • 4 years (1 term) • (Active elected official's pay ÷ 24) x service <i>Capped at 12 years of service or 50% of pay; future formula increases, if any, will not be passed along to retirees.</i> 	<ul style="list-style-type: none"> • Elected to state office on or after January 1, 2011 • 4 years (1 term) • (Active elected official's pay ÷ 24) x service <i>Capped at 12 years of service or 50% of pay; future formula increases, if any, will not be passed along to retirees.</i>
<ul style="list-style-type: none"> • Not available • Life income annuity • Joint & 50% survivor • Joint & 100% survivor • Life income with 120 guaranteed payments • Life income with 180 guaranteed payments 	<ul style="list-style-type: none"> • Not available • Life income annuity • Joint & 50% survivor • Joint & 100% survivor • Life income with 120 guaranteed payments • Life income with 180 guaranteed payments
<ul style="list-style-type: none"> • Benefit adjustment based on increase in pay for an active statewide elected official. 	<ul style="list-style-type: none"> • Benefit adjustment based on increase in pay for an active statewide elected official.
<ul style="list-style-type: none"> • Age 55 with 4 years of service or "Rule of 80" - at least age 50 with age and service equaling 80 or more 	<ul style="list-style-type: none"> • Age 62 with 4 years of service or "Rule of 90" - at least age 55 with age and service equaling 90 or more
<ul style="list-style-type: none"> • Not available • Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. • Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse or children no less than 50% of current pay. 	<ul style="list-style-type: none"> • Not available • Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. • Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> – Survivor benefit to eligible spouse or children no less than 50% of current pay.
<ul style="list-style-type: none"> • Not available 	<ul style="list-style-type: none"> • Not available
<ul style="list-style-type: none"> • Not available • 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. 	<ul style="list-style-type: none"> • Not available • May purchase qualifying public sector service at full actuarial cost.
<ul style="list-style-type: none"> • May transfer service under 104.1090 from other systems with written agreements to transfer required funds. 	<ul style="list-style-type: none"> • Not available
<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • 4% of pay

Comparison of Plans for Judges

June 30, 2012

Judicial Plan • Judicial Plan 2011

Benefit Provisions	Judicial Plan
Membership eligibility	<ul style="list-style-type: none"> • Must be a judge or commissioner of the supreme court or the court of appeals, a judge of the circuit court, probate court, magistrate court, court of common pleas, court of criminal corrections, a justice of the peace, or a commissioner or deputy commissioner of the circuit court appointed after February 29, 1972; a commissioner of the juvenile division of the circuit court appointed pursuant to Section 211.023, RSMo; a commissioner of the drug court pursuant to Section 478.466, RSMo; or a commissioner of the family court.
Vesting	<ul style="list-style-type: none"> • Immediate
Base benefit formula	<ul style="list-style-type: none"> • Monthly pay x .50 = monthly base benefit
Temporary benefit formula	<ul style="list-style-type: none"> • Not available
Benefit payment options	<ul style="list-style-type: none"> • Life income annuity • Automatic <i>unreduced</i> joint and 50% survivor option <i>If married at least two continuous years immediately preceding judges death.</i>
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> • If hired before August 28, 1997, will receive 4-5% each year until reaching 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the CPI (0-5%) • If hired on or after August 28, 1997, based on 80% of the percentage increase in the CPI (0-5%).
Normal retirement eligibility	<ul style="list-style-type: none"> • Age 62 with 12 years service • Age 60 with 15 years service • Age 55 with 20 years service
Reduced retirement eligibility	<ul style="list-style-type: none"> • Age 60 if less than 15 years service • Age 62 if less than 12 years service
Death before retirement	<ul style="list-style-type: none"> • Non duty-related death <ul style="list-style-type: none"> – Survivor benefit to eligible spouse equal to 50% of the benefit the member would have received based on service to age 70. • Duty-related death <ul style="list-style-type: none"> – Survivor benefit to eligible spouse equal to 50% of the member’s annuity at the time of death.
In-service cola <i>Service beyond age 65</i>	<ul style="list-style-type: none"> • Judges who are at least age 60 and work beyond the date first eligible for unreduced benefits will receive COLAs for each year worked beyond normal retirement eligibility. COLA provisions are determined by date of employment.
BackDROP	<ul style="list-style-type: none"> • Not available
Service purchases	<ul style="list-style-type: none"> • 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.
Service transfers	<ul style="list-style-type: none"> • May transfer state service to other positions covered by MOSERS under 104.800.
Member contributions	<ul style="list-style-type: none"> • None

Judicial Plan 2011

- Must be a judge or commissioner of the supreme court or the court of appeals, a judge of the circuit court, probate court, magistrate court, court of common pleas, court of criminal corrections, a justice of the peace, or a commissioner or deputy commissioner of the circuit court; a commissioner of the juvenile division of the circuit court appointed pursuant to Section 211.023, RSMo; a commissioner of the drug court pursuant to Section 478.466, RSMo; or a commissioner of the family court appointed or elected a judge for the first time on or after January 1, 2011.
- Immediate
- Monthly pay x .50 = monthly base benefit
- Not available
- Life income annuity
- Joint & 50% survivor
- Joint & 100% survivor
- Life income with 120 guaranteed payments
- Life income with 180 guaranteed payments
- Based on 80% of the percentage increase in the CPI (0-5%)
- Age 67 with 12 years service
- Age 62 with 20 years service
- Age 67 if less than 12 years service
- Age 62 if less than 20 years service
- Non duty-related death
 - Survivor benefit to eligible spouse equal to 50% of the benefit the member would have received based on service to age 70.
- Duty-related death
 - Survivor benefit to eligible spouse equal to 50% of the member's annuity at the time of death.
- Not available
- Not available
- May purchase qualifying public sector service at full actuarial cost.
- May transfer state service to other positions covered by MOSERS under 104.800.
- 4% of pay

Comparison of Plans for Uniformed Members of the Water Patrol

June 30, 2012

MSEP • MSEP 2000

Benefit Provisions	MSEP	MSEP 2000
Membership eligibility	<ul style="list-style-type: none"> Members who work in a permanent position normally requiring at least 1,040 hours of work a year. 	<ul style="list-style-type: none"> Members hired for the first time on or after July 1, 2000, in a permanent position normally requiring at least 1,040 hours of work a year. Members who left state employment prior to becoming vested and returned to work on or after July 1, 2000, in a permanent position normally requiring at least 1,040 hours of work a year.
Vesting	<ul style="list-style-type: none"> 5 years of service 	<ul style="list-style-type: none"> 5 years of service
Base benefit formula	<ul style="list-style-type: none"> 1.6% x FAP x service increased by 33.3% 	<ul style="list-style-type: none"> 1.7% x FAP x service
Temporary benefit formula	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> 0.8% x FAP x service <i>(must retire under "Rule of 80")</i>
Benefit payment options	<ul style="list-style-type: none"> Life income annuity <i>Unreduced</i> joint and 50% survivor Joint & 100% survivor 120 Or 180 guaranteed payments 	<ul style="list-style-type: none"> Life income annuity Joint & 50% survivor Joint & 100% survivor 120 Or 180 guaranteed payments
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> If hired before August 28, 1997, will receive 4-5% each year until reaching 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the CPI (0-5%). If hired on or after August 28, 1997, based on 80% of the percentage increase in the CPI (0-5%). 	<ul style="list-style-type: none"> Based on 80% of the percentage increase in the CPI (0-5%).
Normal retirement eligibility	<ul style="list-style-type: none"> Age 55 and active with 4 years of service Age 55 with 5 years of service "Rule of 80" - minimum age 48 	<ul style="list-style-type: none"> Age 62 with 5 years of service "Rule of 80" - minimum age 48
Early retirement eligibility	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Age 57 with 10 years of service
Death before retirement	<ul style="list-style-type: none"> Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse or children no less than 50% of current pay. 	<ul style="list-style-type: none"> Non duty-related death (<i>vested members</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse calculated using the joint & 100% survivor option or 80% of the member's life income annuity paid to eligible children. Duty-related death (<i>no minimum service requirement</i>) <ul style="list-style-type: none"> Survivor benefit to eligible spouse or children no less than 50% of current pay.
In-service COLA	<ul style="list-style-type: none"> COLA given for service beyond age 65. COLA provisions are determined by employment date. 	<ul style="list-style-type: none"> Not available
BackDROP	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Not available
Service purchases	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> May purchase qualifying public sector service at full actuarial cost.
Service transfers	<ul style="list-style-type: none"> May transfer state service to other positions covered by MOSERS under 104.800. 	<ul style="list-style-type: none"> Not available
Member contributions	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

SUMMARY OF PLAN PROVISIONS

Administrative Law Judges and Legal Advisors Plan

June 30, 2012

Benefit Provisions	Requirements
Membership eligibility	<ul style="list-style-type: none"> Administrative law judge or legal advisor in the Division of Workers' Compensation, a member or legal counsel of the Labor and Industrial Relations Commission, chairperson of the State Board of Mediation, or an administrative hearing commissioner hired prior to April 26, 2005.
Vesting	<ul style="list-style-type: none"> Immediate
Base benefit formula	<ul style="list-style-type: none"> Normal retirement eligibility 50% of the average highest 12 consecutive months of salary
Temporary benefit formula	<ul style="list-style-type: none"> Not available
Benefit payment options	<ul style="list-style-type: none"> Life income annuity (if unmarried) Automatic <i>unreduced</i> joint and 50% survivor option <ul style="list-style-type: none"> If married on date of termination and two continuous years immediately preceding judges death.
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> If hired before August 28, 1997, will receive 4-5% each year until reaching 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the CPI. If hired on or after August 28, 1997, based on 80% of the percentage increase in the CPI (0-5%).
Normal retirement eligibility	<ul style="list-style-type: none"> Age 62 with 12 years of service Age 60 with 15 years of service Age 55 with 20 years of service
Reduced retirement eligibility	<ul style="list-style-type: none"> Age 65 with less than 12 years of service with reduced benefit, based upon years of service relative to 12 years.
Death before retirement	<ul style="list-style-type: none"> Non duty-related death <ul style="list-style-type: none"> Survivor benefit to eligible spouse equal to 50% of the benefit the member would have received based on service relative to 12 years. Duty-related death <ul style="list-style-type: none"> Survivor benefit to eligible spouse equal to 50% of the member's annuity at the time of death.
In-service COLA	<ul style="list-style-type: none"> Not available
BackDROP	<ul style="list-style-type: none"> Not available
Service purchases	<ul style="list-style-type: none"> 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.
Service transfers	<ul style="list-style-type: none"> May transfer state service to other positions covered by MOSERS under 104.800.
Member contributions	<ul style="list-style-type: none"> None

* All new administrative law judges and legal advisors hired on or after April 26, 2005, who were not previously covered by a retirement system under Chapter 287, RSMo, participate in the MSEF, which is covered under Chapter 104, RSMo.

Life Insurance Plans

June 30, 2012

MOSERS administers basic and optional term life insurance plans for eligible state employees and retirees.

Active Members*

Plan Provision	Requirement
<ul style="list-style-type: none"> Basic life insurance - An amount equal to one times annual salary (with a minimum of \$15,000) while actively employed. 	<ul style="list-style-type: none"> Actively employed in an eligible state position resulting in membership in MOSERS.
<ul style="list-style-type: none"> Duty-related death benefit - Duty-related death benefit equivalent to two times the annual salary the member was earning at the time of death in addition to the basic life insurance amount of one times annual salary. 	<ul style="list-style-type: none"> Actively employed in an eligible state position resulting in membership in MOSERS.
<ul style="list-style-type: none"> Optional life insurance - Additional life insurance may be purchased in a flat amount in multiples of \$10,000 not to exceed the maximum (lesser of six times annual salary or \$800,000). Spouse coverage may be purchased in multiples of \$10,000 up to a maximum of \$100,000; however, the amount of spouse coverage cannot exceed the amount of optional life insurance coverage the member has purchased. Coverage for children is available in a flat amount of \$10,000 per child. 	<ul style="list-style-type: none"> Actively employed in an eligible state position resulting in membership in MOSERS.

* Terminating employees may convert coverage up to the amount they had as an active employee at individual rates.

Retired Members

Plan Provision	Requirement
<ul style="list-style-type: none"> Basic life insurance at retirement - \$5,000 basic life insurance during retirement. 	<ul style="list-style-type: none"> Must retire directly from active employment.
<ul style="list-style-type: none"> Optional life insurance at retirement (MSEP) - An employee may retain up to the lesser of \$60,000 or the amount of optional life insurance coverage held at the time of retirement at the group rate and may convert any remaining basic and optional life insurance at individual rates. 	<ul style="list-style-type: none"> Must retire directly from active employment.
<ul style="list-style-type: none"> Optional life insurance at retirement (MSEP 2000) - Under “Rule of 80”, an employee may retain the current amount of coverage prior to retirement until age 62 at which time coverage is reduced to \$60,000, and may convert any remaining basic and optional life insurance at individual rates. Coverage for spouse ends at member’s retirement and may be converted at individual rates. 	<ul style="list-style-type: none"> Must retire directly from active employment.
<ul style="list-style-type: none"> Optional life insurance at retirement (MSEP 2011) - Under “Rule of 90”, an employee may retain the current amount of coverage prior to retirement until age 62 at which time coverage is reduced to \$60,000, and may convert any remaining basic and optional life insurance at individual rates. Coverage for spouse ends at member’s retirement and may be converted at individual rates. 	<ul style="list-style-type: none"> Must retire directly from active employment.

SUMMARY OF PLAN PROVISIONS

Long-Term Disability (LTD) Plans

June 30, 2012

MOSERS administers the LTD Plan for eligible state employees who become disabled during active employment.

Active Members

Classification	Requirement
<ul style="list-style-type: none"> • General state employees, legislators, and elected state officials - Members of MOSERS in a position normally requiring 1,040 hours of work a year are covered under the LTD plan, unless they work for a state agency which has its own LTD plan. 	<ul style="list-style-type: none"> • Eligible participants receive 60% of their compensation minus primary social security, workers' compensation, and employer provided income. Benefits commence after 90 days of disability or after sick leave expires, whichever occurs last. LTD benefits cease upon the earliest of (i) when disability ends, (ii) when the member is first eligible for normal retirement benefits or is receiving early retirement benefits, (iii) when the member returns to work, or (iv) upon a member's death.
<ul style="list-style-type: none"> • Water patrol 	<ul style="list-style-type: none"> • Uniformed members who are eligible for statutory occupational disability receive benefits equal to 50% of compensation with no offset for social security at the time of disability. For nonoccupational disabilities, eligible participants receive the same benefit as general employees.
<ul style="list-style-type: none"> • Judges 	<ul style="list-style-type: none"> • In addition to the disability benefits provided to general employees, judges also receive benefits under the state constitution. Participants receive 50% of salary until the current term expires.

Changes in Plan Provisions

On July 10, 2012, Senate Bill 625 was signed into law and contained provisions relating to the transfer of service and assets between MOSERS and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) and also changed the interest rate used in calculating employee refunds.

Transfers of Service and Assets between MOSERS and MPERS

Prior to August 28, 2011, service transfers between MOSERS and MPERS involved only transfers of service credit – that is, the receiving system took on the liabilities for any transferred service without receiving the accompanying assets. After August 28, 2011, transfers of service credit also included the transfer of assets. The provision is necessary cleanup that will address service credit transferred before and after August 28, 2011. Specifically, this provision will exclude the asset transfer requirement for any service transfer that occurred prior to August 28, 2011, when the asset transfer requirement in section 104.603 became effective. If any assets were transferred after August 28, 2011, for service that was transferred prior to the date, the system that received the asset transfer would be required to return the assets transferred to the sending system. These changes are necessary because prior to August 28, 2011, no assets were required to be transferred. The intention of the provision enacted on August 28, 2011, was that it would apply only to prospective transfers after that date.

Interest Rate Used in Calculating Employee Refunds

The legislation also includes provisions that change the interest rate used in calculating employee refunds from 4% to the investment rate that is published by the U.S. Department of Treasury, or any successor agency, for 52-week treasury bills for the relevant auction that is nearest to the to the preceding July first, or a successor treasury bill investment rate approved by the board if the 52-week treasury bill is no longer issued. In addition, the legislation clarified that such interest credits would cease upon retirement or death. Lastly, the bill clarified that refunds due a beneficiary upon the member death would include interest credited thereon.

Actuarial Present Values

June 30, 2012

MSEP

Actuarial Present Value June 30, 2012 for	Actuarial Present Value	Portion Covered by Future Normal Cost Contributions	Actuarial Accrued Liabilities
Active members			
Service retirement benefits based on services rendered before and likely to be rendered after valuation date	\$4,723,202,252	\$657,426,610	\$ 4,065,775,642
Disability benefits likely to be paid to present active members who become totally and permanently disabled	139,757,505	86,609,170	53,148,335
Survivor benefits likely to be paid to widows and children of present active members who die before retiring	93,690,228	21,815,025	71,875,203
Separation benefits likely to be paid to present active members	422,810,397	199,410,351	223,400,046
Refunds likely to be paid to present active members	13,763,945	13,057,523	706,422
Active member totals	\$5,393,224,327	\$978,318,679	4,414,905,648
Members on leave of absence & LTD			
Service retirement benefits based on service rendered before the valuation date			130,424,203
Terminated-vested members			
Service retirement benefits based on service rendered before the valuation date			498,910,658
Retired lives			
BackDROP installment payments incurred, but not yet paid			5,748,985,566
Total actuarial accrued liability			425,502
Actuarial value of assets			10,793,651,577
Unfunded actuarial accrued liability			7,897,167,203
Funded Ratio			\$ 2,896,484,374
			73.2%

Judicial Plan

Actuarial Present Value June 30, 2012 for	Actuarial Present Value	Portion Covered by Future Normal Cost Contributions	Actuarial Accrued Liabilities
Active members			
Service retirement benefits based on services rendered before and likely to be rendered after valuation date	\$192,213,158	\$51,794,147	\$140,419,011
Disability benefits likely to be paid to present active members who become totally and permanently disabled	805,789	849,646	(43,857)
Survivor benefits likely to be paid to widows and children of present active members who die before retiring	4,175,393	2,199,954	1,975,439
Refunds likely to be paid to present active members	26,741	25,946	795
Active member totals	\$197,221,081	\$54,869,693	142,351,388
Retired lives			
Terminated-vested members			258,642,149
Total actuarial accrued liability			12,339,001
Actuarial value of assets			413,332,538
Unfunded actuarial accrued liability			102,266,706
Funded Ratio			\$311,065,832
			24.7%