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## ACQUIRING SERVICE CREDIT

*MSEP 2011 | Employees first hired on or after January 1, 2011*

This brochure briefly highlights the provisions for acquiring service credit for members of the MSEP 2011. The brochure is intended to provide you with examples of service credit you may be eligible to acquire and explains how to apply to receive credit for that period of service in MOSERS. Visit [www.mosers.org](http://www.mosers.org) for the most current version of this publication.

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*If there is a discrepancy between the information provided in this brochure and the law or policies which govern MOSERS, the law and policies will prevail. The statutes referenced in this brochure are from the Revised Statutes of Missouri (RSMo).*

## MOSERS' MISSION

MOSERS exists to advance the financial security of its members.

## HOW TO CONTACT MOSERS



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MOSERS benefit counselors are a valuable source for information and assistance regarding your benefits. They can explain the different plan provisions, provide you with a benefit estimate, and counsel you regarding your benefit options.

Our business hours are 7:30 a.m. to 4:30 p.m. Monday - Friday. Our call center hours are 8:00 a.m. to noon and 1:00 p.m. to 4:30 p.m. Monday - Friday.

### Website

[www.mosers.org](http://www.mosers.org)

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(800) 827-1063

### Fax

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## ACQUIRING SERVICE CREDIT

Your retirement benefit is based on a formula that takes into consideration the amount of service credit you have accumulated towards retirement. Members of MOSERS earn a day of service credit for each day of work in a benefit-eligible position. That is the most common way of accumulating service credit. However, there are other ways:

- You may be called to, or volunteer for, active-duty military service during state employment.
- You may have worked for some other public entity in the state of Missouri such as a local school district, city, or county.
- You may have previous state service that was forfeited or that has not yet been credited.

This brochure provides examples of these other types of service and explains how to find out if you can receive credit in MOSERS for your previous service. Generally speaking, you cannot receive credit for the same period of service under two different retirement systems, or receive credit for any period of service for which you already have credit in MOSERS. Some types of service may be added to your records free of charge, others may have to be purchased. It is in your best interest to explore your possibilities, as additional service may increase your benefit and/or enable you to retire sooner.

### When to Apply

Once you are a vested member of MOSERS, you may purchase eligible prior service credit. The purchase or transfer of service must be completed **prior to applying for retirement**. It is your responsibility to complete and submit the appropriate form or contact a MOSERS benefit counselor if you wish to receive credit for prior public service.

There are several good reasons why you should acquire prior service credit as soon as possible.

- Some of the service credit provisions have deadlines for applying. The laws are very specific. If you miss the deadline, you may not be eligible for the service credit at a later date.
- There is less likely to be a delay in receiving a benefit payment on time if you take the initiative to acquire service long before you apply for retirement. Generally speaking, you have up to two years to pay for purchased service (24 monthly payments). If you elect to transfer service from another retirement plan to MOSERS, it may take up to eight weeks to complete the transaction.

#### Benefit-Eligible Position:

A permanent position normally requiring the performance by the employee of duties during not less than 1,040 hours per year.

#### Summary of Changes to Annual Minimum Hour Requirement

<u>Date of Service</u>	<u>Minimum Hours/Year</u>
8/28/07 - Present .....	1,040 hours
10/1/84 - 8/27/07 .....	1,000 hours
Prior to 10/1/84 .....	1,500 hours

You must be “vested” prior to purchasing service credit. (105.691)

#### MSEP 2011 Vesting Requirements

General employees .....	5 years*
Legislators .....	3 biennial assemblies
Elected officials .....	4 years (1 term)

\*Effective 1/1/18, must be actively employed as of 1/1/18

Should you (or your beneficiary under a survivor benefit) die before receiving sufficient benefits to cover the cost of the service that you purchased, reimbursement of the amount paid for your service, less any retirement or survivor benefits received, will be made to a family member or your estate.

The eligibility requirements contained in the different provisions allowing you to acquire prior service credit are very specific. Please refer to the section of this brochure that applies to your type of prior service or contact a MOSERS benefit counselor.

- Waiting may cost you money. Some purchases have an interest component in the calculation, while others are based on the present value of your retirement benefit, which increases as you get closer to retirement.
- You must complete the purchase or transfer of service prior to applying for retirement benefits.

Likewise, there are several reasons why you may wish to delay purchasing service credit.

- If you are planning to use funds from savings (such as an IRA or your deferred compensation account) to make the purchase, and believe you can earn more on your savings than you will be charged in interest on the service purchase, a financial case can be made for delaying the purchase.
- In the event of a divorce, service purchased during the marriage will be included in calculating the potential ex-spouse benefit.

Before you decide to purchase additional service credit, we recommend you contact a qualified financial advisor to determine how the purchase will affect your overall financial plan.

### How to Pay for Purchases

Submission of the application does **not** obligate you to purchase prior service credit. It simply allows MOSERS to collect the information necessary to give you a cost.

You will have 30 days from the date of the quote to make an election to acquire the service credit. If you do not make an election during this period, the cost must be recalculated.

Along with the cost estimate, you will receive an election form.

If you decide to purchase your prior service credit, complete the election form and return it to MOSERS. Prior service credit may be purchased using **one or more** of the following payment methods:

- **Lump-Sum Payment:** You may make a single payment to MOSERS to cover the cost of acquiring the prior service credit.
- **Monthly Payments/Payroll Deductions:** You may elect to make monthly payments directly to MOSERS or have the payments deducted from your payroll check. If you elect this payment method, interest will be added to the purchase cost.
- **Rollover From Eligible Employer Plan or Traditional IRA:** You may use the funds from an eligible employer plan (including your MO Deferred Comp Plan) or IRA to purchase prior service credit. For more information, please request a *Tax-Free Rollover Certification* brochure. For your convenience, the brochure is available on our website and is sent with all cost estimates.
- **Combination of Lump-Sum and Monthly Payments:** Please note, if you make a partial lump-sum payment up front, we will need to recalculate the amount of your monthly payments to include the additional interest that is applied to the remaining balance.

### Using After-Tax Dollars to Purchase Service

When you retire, you will receive a 1099-R (similar to a W-2) each year for preparing your income tax return. If you purchase service with after-tax dollars, the “taxable amount” on the 1099-R will be less than the “gross distribution.” Since you already paid taxes on the money used for the purchase, only a portion of your total benefit during the calendar year will be considered taxable income. If you use rollover funds to purchase service, the taxable amount will not be reduced.

## ACTIVE-DUTY MILITARY SERVICE

### Automatic Credit (104.1021.5)

To qualify for automatic credit of active-duty military service performed after December 3, 1974, you must meet the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA). Your rights under USERRA are governed by a number of provisions of that federal law.

To be eligible for automatic military service credit, you must:

- Have been employed by the state immediately prior to entering the armed forces.
- Return to state employment within the timeframe specified by USERRA.
- Provide a copy of your military DD 214 or NGB 23 honorable discharge form or other pertinent documentation.
- Meet any other requirements under USERRA.

For more information regarding USERRA guidelines go to [www.dol.gov](http://www.dol.gov).

### How to Apply

If your active-duty military service qualifies for automatic credit, contact MOSERS to see what action is necessary.

Short duration active-duty military service such as two-week annual trainings in the reserve forces may qualify for service credit.

Active-duty military service performed after you leave state employment is not eligible for automatic credit.

If you do not have a copy of your DD 214 or NGB 23, you may obtain one by contacting the:

#### National Personnel Record Center

1 Archives Drive • St. Louis, MO 63138

Phone: (314) 801-0800

Fax: (314) 801-9195

Email: [MPR.center@nara.gov](mailto:MPR.center@nara.gov)

Web: [www.archives.gov/veterans/](http://www.archives.gov/veterans/)

If you resided in Missouri when you were discharged from the service, you may obtain a copy of your discharge form by calling the:

#### Missouri National Guard

2405 Logistics Road

Jefferson City, MO

Phone: (573) 638-9683 or 9890

Fax : (573) 638-9546

Web: [www.moguard.com](http://www.moguard.com)

## TRANSFER/PURCHASE OF SERVICE AT FULL ACTUARIAL COST (105.691)

In order to use this method, you must be vested in MOSERS. There are transfer and purchase provisions under this method; however, the amount of service that will be transferred is based on the actuarial cost of that service in MOSERS. **In other words, it will not be a day-for-day transfer.**

Prior public employment service credit may be:

- Purchased (you pay MOSERS for the service credit)
- Transferred (no cost to you; cost transferred from other retirement system)
- Combination purchase and transfer

### Transferring Service

If you are vested in one of the following plans, you can elect the transfer provision.

- **Public School Retirement System (PSRS) or Public Education Employees Retirement System (PEERS)**

PO Box 268 • Jefferson City, MO 65102

(573) 634-5290 • (800) 392-6848

[www.psr-peers.org](http://www.psr-peers.org)

- **Missouri Local Government Employees Retirement System (LAGERS)**

PO Box 1665 • Jefferson City, MO 65102

(573) 636-9455 • (800) 447-4334

[www.molagers.org](http://www.molagers.org)

- **Employees Retirement System of the City of St. Louis**

1114 Market Street, Suite 900 • St. Louis, MO 63101

(314) 622-3560

[www.stlouis-mo.gov/government/departments/employee-retirement](http://www.stlouis-mo.gov/government/departments/employee-retirement)

- **Police Retirement System of St. Louis**

2020 Market Street • St. Louis, MO 63103

(314) 241-0800

[www.stlouisprs.org](http://www.stlouisprs.org)

- **Kansas City Employees' Retirement System**

City Hall, 10th Floor, Rm. 1002

(816) 513-1928

[www.kcmo.gov/humanresources/retirement-information/](http://www.kcmo.gov/humanresources/retirement-information/)

Once your service has been verified, MOSERS will send an election form to you that will indicate how much service can be transferred to MOSERS and how much it will cost to purchase any remaining service.

### Purchasing Service

If you have additional service remaining after a transfer, you may use this provision to purchase additional credit for that time in MOSERS.

### How to Apply

For your convenience, the *Application to Purchase Other Missouri Public Service* is located in the back of the brochure and available online at

[www.mosers.org](http://www.mosers.org). Instructions for completing and submitting the application are on the form. If you have service from more than one employer, please complete a separate application for each.

MOSERS Service Purchase Calculator estimates the cost of buying up to 4 years of eligible service. Find it in the **Calculators** section of MOSERS' website.



### **MODOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM (MPERS) (104.1021.8)**

If you have service in MPERS, you may elect to receive credit for that service in MOSERS. This transfer also works in the other direction. In other words, if you become a member of MPERS, you could transfer MOSERS service to that system.

#### **How to Apply**

Simply notify MOSERS in writing. Include your name, Social Security number, and your dates of service under MPERS. We will verify your previous service with MPERS. MPERS will send MOSERS the equivalent amount of employer (state) contributions made for this service. You will receive a notice from MOSERS confirming the transfer when the process is complete. This is a free transfer of service; there is no cost to you.

If you have service in both MOSERS and MPERS and should happen to die before consolidating (transferring) your service, your survivor may elect to receive survivor benefits that are computed as if you elected to transfer service in order to receive the highest possible benefit. If there is no advantage in one system over the other, the benefit will be paid by the system you last accrued service under as a member.

### **STATE AGENCY SERVICE UNDER THE PUBLIC SCHOOL RETIREMENT SYSTEM (PSRS) (104.1021.7)**

If you have previous service with a state agency that was credited in PSRS/PEERS, you can elect to transfer that service to MOSERS. Some common examples of this type of service would be employment as an instructor at a regional state college or university, as a teacher in the Department of Corrections, or with the Department of Elementary and Secondary Education. In order to qualify for this transfer of service, you must withdraw or have already withdrawn any employee contributions you made to PSRS/PEERS.

#### **How to Apply**

Simply notify MOSERS in writing. Include your name, Social Security number, place of employment, and dates of service. We will work with PSRS/PEERS to verify your previous service. PSRS/PEERS will send MOSERS the equivalent amount of employer (state) contributions made for this service. You will receive a notice from MOSERS confirming the transfer when the process is complete. Transferring this service involves no cost to you.

## **CIRCUIT CLERK, DEPUTY CIRCUIT CLERK, DIVISION CLERK (104.1021.7)**

If you were actively employed in a MOSERS-covered position on or after August 28, 2000, you may receive credit in MOSERS for service rendered as a circuit clerk, deputy circuit clerk, or division clerk. The service must have been in a benefit-eligible position (at least 1,040 hours per year; 1,500 hours per year prior to October 1, 1984; 1,000 hours per year between October 1, 1984 and August 27, 2007). Also, you cannot be vested in a county or city retirement plan for this service.

### **How to Apply**

Simply contact a MOSERS benefit counselor to request a *County Paid Circuit Court Service Application*. Complete and submit the form. MOSERS will work with the Office of the State Courts Administrator to verify your service. You will receive a notice from MOSERS confirming the transfer when the process is complete. This is a free transfer of service; there is no cost to you.

#### **County-Paid Circuit Court Service (104.345.4)**

To receive credit for county-paid service, please call MOSERS to complete and submit a *County-Paid Circuit Court Service Application*.

## **JUVENILE COURT EMPLOYEE - INCLUDING JUVENILE OFFICERS AND DEPUTY JUVENILE OFFICERS (211.393)**

If you have previous service with a juvenile court, you may be eligible to receive credit for that time in MOSERS.

### **How to Apply**

To request an application for juvenile court employee service, contact a MOSERS benefit counselor at (800) 827-1063. You will receive an election form and verification form. Please follow the instructions on the forms very carefully. MOSERS will work with the Office of the State Courts Administrator to verify your service. The Office of the State Courts Administrator may be required to send MOSERS the equivalent amount of employer (state) contributions made for this service. You will receive a notice from MOSERS confirming the transfer when the process is complete. This is a free transfer of service; there is no cost to you.

## **STATE BOARD SERVICE (104.340.2)**

If you were formerly a full-time employee of a state board (unassigned or assigned by the Governor), you may be eligible to receive creditable service in MOSERS. If you become a member of MOSERS **within one year** of termination of employment with the board, you may receive **up to eight years** of creditable service if you meet both of the following conditions:

- You are not vested in a city or county retirement system.
- You have or attain one or more years of continuous service in a MOSERS-covered position.

### **How to Apply**

Simply notify MOSERS in writing. Include your name, Social Security number, and your dates of service. MOSERS will work with the other board to verify your previous service. You will receive a notice from MOSERS confirming the transfer when the process is complete. This is a free transfer of service; there is no cost to you.





# Application to Purchase Other Missouri Public Service

Please print. • See bottom of page for instructions.

## SECTION A - PERSONAL INFORMATION (MEMBER)

<b>Social Security Number or Member ID</b>	<b>Date of Birth</b>	
<hr/>		
<b>Name</b> (last/first/middle)		
<hr/>		
<b>Mailing Address</b> (PO or street/city/state/zip)		
<hr/>		
<b>Primary Phone</b> _____	<b>Alternate Phone</b> _____	<b>Alternate Phone</b> _____
<input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work	<input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work	<input type="checkbox"/> Cell <input type="checkbox"/> Home <input type="checkbox"/> Work
<hr/>		
<b>Email Address</b>		
<hr/>		

## SECTION B - PRIOR SERVICE INFORMATION

1. Was your prior service covered by a defined benefit retirement plan?       **Yes** (mail application to previous plan)       **No** (mail application to previous employer)
2. Was this elected county official service?       **Yes**       **No**

Enter the name and address of your previous retirement system or employer(s) and the corresponding dates you worked.

Name of Previous Retirement System or Employer (list employer if service is <b>not</b> covered by a retirement plan)	Employment Date(s) Start Date	Employment Date(s) End Date

## SECTION C - APPLICANT SIGNATURE

<b>Signature</b>	<b>Date</b>
<hr/>	

**SEND THIS APPLICATION TO THE RETIREMENT PLAN(S) LISTED IN SECTION B.  
 IF YOU WERE NOT A MEMBER OF A RETIREMENT PLAN, SEND THIS APPLICATION TO YOUR PREVIOUS EMPLOYER(S).**

### Member Instructions for completing the Application to Purchase Other Public Service

The *Application to Purchase Other Missouri Public Service* is to be completed by you and the previous retirement system from which you wish to purchase prior creditable service. If the service was not covered by a retirement system, please have your previous employer complete. This application must be signed by you and verified by an authorized representative for the retirement system/employer, dated, and delivered to MOSERS. Steps for completing this form are outlined below.

#### Member Instructions

1. Enter your personal information in Section A.
2. Provide prior service credit information in Section B.
  - Enter the name and address of your previous retirement system or employer(s) and the corresponding dates you worked.
3. Sign and date Section C.
4. Send the application to the retirement plan you were a member of during the listed dates. If you were not a member of a retirement plan, send the application to your previous employer(s).

**Benefit Eligible** - A permanent position that normally required the performance by the employee of duties during not less than 1,040 hours per calendar year; 1,500 hours per calendar year prior to October 1, 1984; 1,000 hours per calendar year between October 1, 1984 and August 27, 2007.

**SECTION D - EMPLOYER INFORMATION**

**Retirement Plan/Employer Name**

**Mailing Address** (PO or street/city/state/zip)

**Email Address**

**Phone Number**

**SECTION E - VERIFICATION OF SERVICE**

I certify that \_\_\_\_\_ rendered the following credit in this system.

1. Did the employee work full-time?  Yes  No
  2. Was the employee ever vested in a defined benefit retirement plan?  Yes  No
  3. Is this a contributory plan?  Yes  No
    - If **no**, did or will the member receive any lump sum payment, or other retirement benefit based on **employer contributions**?  Yes  No
    - If **yes**, did the employee receive a refund of **employer contributions**?  Yes  No
      - If **no**, amount of contributions left in the system \$ \_\_\_\_\_
    - If **yes**, did or will the member receive any lump sum payment, or other retirement benefit based on **employer contributions**?  Yes  No
- As of today, what is your actuarial liability for the below service credit? \$ \_\_\_\_\_

Enter the employee's start date(s) and end date(s) (month/day/year) for all full-time public employment. Please note any period of service when the employee was on leave without pay. If no records exist from which a certification can be made, please indicate this on the application before returning it to MOSERS.

	Period of Service	Period of Service	Period of Service	Period of Service
Service Credit <b>Start</b> Date (Month/Day/Year)				
Service Credit <b>End</b> Date (Month/Day/Year)				
Leave - No Pay <b>Start</b> Date (Month/Day/Year)				
Leave - No Pay <b>End</b> Date (Month/Day/Year)				
Years/Months of Credit Acquired				
Credit Forfeited	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Credit Vested	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Covered by Social Security Administration	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

**SECTION F - EMPLOYER SIGNATURE**

**Printed Name of Certifying Official**

**Title**

**Signature of Certifying Official**

**Date**

**Employer Instructions for completing the Application to Purchase Other Missouri Public Service**

This *Application to Purchase Other Missouri Public Service* has been completed by a previous employee wishing to purchase prior creditable service. An authorized representative for the retirement system/employer must complete the application to verify the employee's prior creditable service. Upon completion, please sign, date and send to MOSERS. Steps for completing this form are outlined below.

**Retirement System/Employer Instructions**

1. Complete employer information in Section D.
2. Verify previous service in Section E.
  - Retirement System - Complete this section using retirement or payroll records to verify the member's creditable service with your plan. If no records exist from which a certification can be made, please indicate this on the application before returning it to MOSERS.
  - Previous Employer - Enter the employee's start date(s) and end date(s) (month/day/year) for all full-time public employment. Please note any period of service when the employee was on leave without pay. If no records exist from which a certification can be made, please indicate this on the application before returning it to MOSERS.
3. Sign and date Section F.
4. Return completed form to MOSERS.
  - If you have any questions regarding the purchase of prior creditable service or how to complete this application, please contact MOSERS at (573) 632-6100 or (800) 827-1063.

*Visit MOSERS' website for the most current version of this publication.*

**Missouri State Employees' Retirement System**

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*Please contact MOSERS to obtain alternative formats of this publication.*