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# LEGISLATORS' AND STATEWIDE ELECTED OFFICIALS' RETIREMENT HANDBOOK

*MSEP • MSEP 2000 • MSEP 2011 | Members meeting employment and vesting criteria*

This member handbook is a summary of the defined benefit pension plan provisions administered by the Missouri State Employees' Retirement System (MOSERS). The handbook is intended to give you a general idea of your pension benefits and acquaint you with your plan provisions.

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*Statewide elected officials and legislators who began working for the state of Missouri in a benefit-eligible position for the first time on or after January 1, 2011 are members of the Missouri State Employees' Plan 2000 (MSEP 2000) but are subject to changes made in accordance with HB 1, as truly agreed and finally passed during the 2010 Special Session of the Missouri General Assembly. For purposes of clarity, the retirement plan provisions for active members of the General Assembly and statewide elected officials who began working for the state of Missouri in a benefit-eligible position for the first time on or after January 1, 2011, are referred to throughout this handbook as MSEP 2011. If there is any difference between the information provided in this handbook and the law or policies which govern MOSERS, the law and policies will prevail.*



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**Note:** Certain sections of this handbook include some information that applies only to legislators or only to statewide elected officials. Except where noted, other information applies to both. Differences between provisions in the Missouri State Employees' Plan (MSEP), Missouri State Employees' Plan 2000 (MSEP 2000), and Missouri State Employees' Plan 2011 (MSEP 2011) are also noted.

<b>Legislators</b>	<b>Statewide Elected Officials</b>
Pages 18-21 are specific to you.	Pages 22-26 are specific to you.

## 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)

### Email

[mosers@mosers.org](mailto:mosers@mosers.org)

### Telephone

(573) 632-6100  
(800) 827-1063

### Mailing Address

PO Box 209  
Jefferson City, MO 65102-0209

### Fax

(573) 632-6103

### Office Location

907 Wildwood Drive  
Jefferson City, MO

### Social Media





## When You Begin State Employment

### WHAT IS MOSERS?

MOSERS is a single-employer, public employee retirement plan administered in accordance with Chapter 104 of the Revised Statutes of Missouri (RSMo).

MOSERS operates as a tax-qualified “defined benefit” plan under Section 401(a) of the Internal Revenue Code. A defined benefit (DB) plan is one that requires a member<sup>①</sup> to be vested (work a set number of years in a benefit-eligible position<sup>①</sup>) and provides a set benefit (based on salary and credited service<sup>①</sup>) for life once a member meets the age and service requirements for retirement. In other words, the “benefit” is “defined” by the law.

A DB plan can be either contributory or noncontributory. MSEP and MSEP 2000 are noncontributory DB plans. MSEP 2011 is a contributory DB plan.

Acting as an administrative agent, MOSERS oversees four separate and distinct plans, which provide retirement, life insurance, and long-term disability benefits to different classifications of employees. The plans administered by MOSERS are:

- **Missouri State Employees’ Plan (MSEP)**
  - General State Employees
  - Legislators
  - Elected State Officials
- **Missouri State Employees’ Plan 2000 (MSEP 2000)**
  - General State Employees (including MSEP 2011 members)
  - Legislators (including MSEP 2011 members)
  - Elected State Officials (including MSEP 2011 members)
- **Judicial Plan/Judicial Plan 2011**
- **Administrative Law Judges and Legal Advisors’ Plan (ALJLAP)**

MOSERS administers the following benefits for most state employees:

- Retirement
- Life Insurance
- Long-term Disability Insurance

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Each September, MOSERS’ Board of Trustees establishes an employer contribution rate for the next fiscal year. The contribution rate, which is set as a percentage of payroll, is actuarially calculated to cover the system’s benefit obligations and administrative costs for the coming fiscal year and into the future. When the system’s actuary<sup>①</sup> calculates the contribution rate, it is based on a number of factors including the current level of benefits, how many members are in the plan, current and expected future pay levels, the age and average life expectancy of members, expected earnings on investments, and the plan’s unfunded liability.

State law requires all public employee retirement systems in Missouri to publish comprehensive annual financial reports. MOSERS’ annual report is designed to comply with both Missouri State law and the Government Finance Officers Association’s disclosure guidelines applicable to public employee retirement plans. A *Summary Annual Financial Report* is provided to you each December, and a *Comprehensive Annual Financial Report (CAFR)* is available to you upon request. Both publications are available on our website.

## THE BOARD OF TRUSTEES

Responsibility for the operation and administration of MOSERS is vested in an 11-member board of trustees.

- Two active members of MOSERS elected by the active and terminated-vested<sup>①</sup> members
- One retiree elected by the retired members of MOSERS
- Two members of the Senate appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives appointed by the Speaker of the House
- Two members appointed by the Governor
- The State Treasurer
- The Commissioner of Administration

The board is responsible for establishing and maintaining board policies, procedures, and objectives for all aspects of the retirement system's operations. The day-to-day management of MOSERS is delegated to the executive director who is hired by the board. The executive director acts as advisor to the board on all matters pertaining to the system and, with the approval of the board, contracts for professional services and employs the remaining staff needed to operate the system.

### Responsibilities of the Board of Trustees

- To select and employ a qualified advisor (an actuary) regarding funding of the system
- To arrange annual audits of MOSERS' records and accounts
- To approve and certify the employer retirement contribution rate
- To administer MOSERS retirement plans according to the *Revised Statutes of Missouri*
- To approve the MOSERS budget
- To make an ongoing educational commitment to learn more about investments, benefits, and insurance while serving on the board
- To act as investment fiduciaries when administering MOSERS' assets
- To provide (or contract) life insurance and long-term disability benefits for eligible state employees

## SYSTEM ADMINISTRATION

### Confidentiality of Your Records

MOSERS will provide the requestor with the following information with regard to any present or future benefit recipient who is receiving or may be eligible to receive a benefit in the future under any benefit program administered by MOSERS: the benefit recipient's name, eligibility to receive a benefit, dates when a benefit was or will be payable, and current or estimated future benefit amount.

All other member records shall be kept confidential unless:

- The benefit recipient consents in writing to the release of the information
- The information is requested by the benefit recipient's legal representative
- The information is requested pursuant to a subpoena or other legal process as provided by law including, but not limited to, Sections 104.312 or 104.1051, RSMo
- Disclosure is made by MOSERS for a purpose that is compatible with the purpose for which it was collected

You should be aware that when you apply for retirement it is entirely possible that your employer will become aware that you have applied. This is simply a function of the ongoing flow of information between MOSERS and employers in connection with personnel management and the processing of retirement applications.



## MOSERS Member ID

Member IDs are our way of helping protect you against identity theft. The ID will help us quickly identify you in our computer system in order to efficiently maintain our records and internal processes. Your Member ID and Social Security number have been cross-referenced in our computer system so we can identify you using either number.

- Your Member ID will be used on correspondence instead of your Social Security number; however, we will use your Social Security number as required on tax-related forms used to complete your income tax return (such as a 1099-R).
- You may use your Member ID when you call or write MOSERS; however, you are not required to do so. We can identify you in our system by either member ID or Social Security number.
- Your Member ID will be given out over the phone only after your identity has been authenticated.
- Unlike passwords, your Member ID cannot be changed.
- Your Member ID should only be used in conjunction with MOSERS related correspondence. Other administrators (MCHCP, MO Deferred Comp Plan, etc.) do not have a record of this number.

## Appeals to the Board of Trustees

Members, beneficiaries, survivors, retirees, judges, administrative law judges, and employers may request review by the Board of Trustees of the Missouri State Employees' Retirement System (MOSERS) of decisions by the executive director of MOSERS, or his/her designee, concerning eligibility for and/or the amount of benefits, service, contributions, refunds, and membership.

The request for review must be stated in writing and addressed to the executive director or the board of trustees. The request must state what decision the board of trustees is being asked to review and what action the board of trustees is being asked to take. The request must be made within sixty (60) days after the administrative decision has been mailed or otherwise communicated to the party making the request for review.

The review will be held at the next regularly scheduled board meeting that is at least thirty (30) days after the date on which the request for review is received unless another date is mutually agreed to by the parties. The party requesting review (the appellant) will be notified in writing of the date on which the board of trustees will conduct the review.

## Forfeiture/Disqualification of Retirement Benefits

You (and your beneficiary) will forfeit all rights to retirement benefits as described below if you are:

- Removed from office by impeachment or for misconduct.
- Convicted of a felony which occurred while in office.
- Convicted of a felony on or after August 28, 1999 if committed in connection with your official duties. (This forfeiture applies only to retirement benefits accrued on or after August 28, 1999.)
- Convicted of a felony on or after August 28, 2014 under state law (or a substantially similar offense provided under federal law) involving stealing or receiving stolen money, property, or service valued at \$5000 or more, forgery, counterfeiting, bribery of a public servant, or acceding to corruption, in connection with your official duties. (This forfeiture applies only to retirement benefits accrued on or after August 28, 2014.)

The system shall not pay an annuity to any survivor or beneficiary who is charged with the intentional killing of a member, retiree or survivor without legal excuse or justification. A survivor or beneficiary who is convicted of such charge shall no longer be entitled to receive an annuity. If the survivor or beneficiary is not convicted of such charge, the board shall resume annuity payments and shall pay the survivor or beneficiary any annuity payments that were suspended pending resolution of such charge.

## Membership Requirements

You are automatically enrolled in MOSERS when you take office.



## RESOURCES FOR BENEFIT INFORMATION

Benefit information is available to you in the following ways:

- **Website** ([www.mosers.org](http://www.mosers.org))
  - As of September 3, 2016, all MOSERS members wishing to log in to their MOSERS Member Homepage must create an Online ID. Your Online ID will replace the use of your Social Security number/Member ID for logging in and is a more secure practice. Click on the blue **Member Login** button at the top of our website main page and we will guide you through the process. You will only need to create an Online ID once, then, any time you log in, you will simply use your Online ID and MOSERS password. This is a unique ID you will create especially for your MOSERS login, so if you have created one for MCHCP or MO Deferred Comp, you will still need to set one up for the MOSERS website.
  - Get organized and reduce paper. Sign up for email delivery of MOSERS publications. This includes your *Annual Benefit Statement*, which is a summary of your service, beneficiaries, and benefits.
- **Rumor Central: Straight Talk About Your Benefits Blog** – Sign up for email notifications to keep you in the loop regarding straight talk about MOSERS benefits.
- **Handbooks and Brochures** - All of MOSERS' handbooks and brochures are online. View them on our website or print them out and read them at your convenience.
- **PensionsPlus Newsletter** - As an active state employee, you will receive an electronic *PensionsPlus* newsletter. Every time a new issue is published, a notification will be sent directly to your inbox. View previous issues in our online archive to read more about your benefits, online safety, and savings strategies.
- **Annual Benefit Statement** - Once a year, you will receive a summary of your benefits, service, and contributions (if applicable). This can be viewed online in Document Express from your **Member Homepage** at your convenience.
- **Benefit Counselors** - Our benefit counselors are available by email, in person, and by phone during business hours.
- **Web Video Library** - MOSERS' online video library features videos designed to give you a brief overview of specific topics.
- **State Statutes** - The laws that govern MOSERS are found primarily in chapters 104 and 105 of the *Revised Statutes of the State of Missouri*.

### Online Resources

- MOSERS  
[www.mosers.org](http://www.mosers.org)
- Social Security Administration  
[www.ssa.gov](http://www.ssa.gov)
- MO Deferred Comp Plan  
[www.moderredcomp.org](http://www.moderredcomp.org)



## Throughout Your Career

### PLANNING AHEAD FOR YOUR RETIREMENT

Financial professionals often refer to sources of retirement income as the “three-legged stool.” The goal of the three-legged stool is to achieve a reasonable level of replacement income that will support your financial needs during retirement.

When you retire from state employment, the legs are made up of your MOSERS defined benefit pension, Social Security, and your personal savings and investments. By familiarizing yourself with your future estimated MOSERS and Social Security benefits, you will be better able to determine how much you will need in personal savings and investments to achieve your desired standard of living during retirement.

Financial planners stress the importance of personal savings and investments and recommend the use of tax-favored savings vehicles (such as the MO Deferred Comp Plan) to accumulate personal savings. Visit the deferred comp website at [www.modeferrredcomp.org](http://www.modeferrredcomp.org) for more information about the plan.

There is one point on which most people agree—retirement should be a time of financial security—a reward for a lifetime of hard work. Your continued participation in MOSERS is an important part of ensuring a successful financial future, but not the only part you will need to consider.

### While You Are Working

- Review your MOSERS *Annual Benefit Statement*. Report any discrepancies to MOSERS as soon as possible.
- Purchase, if cost effective for you, any eligible credited prior service<sup>①</sup> as soon as possible (i.e. active-duty military service, or time worked in a full-time position for a city, county, public school or other political subdivision in Missouri).
- Evaluate your personal finances periodically as they relate to meeting your financial needs at retirement.
- Read the handbooks and correspondence regarding your benefits. Contact a MOSERS benefit counselor with any questions you have regarding your pension benefits.
- Visit our website to stay updated on the latest news and to update any personal information, such as address, email, and beneficiaries.
- Start investing for retirement and contribute to the MO Deferred Comp Plan.\* This long-term, tax-sheltered savings plan is a good way to supplement your MOSERS pension and Social Security income. There are different options to choose from once you start your monthly contributions through payroll deduction. Choose to invest in a Missouri Target Date Fund, which automatically adjusts your asset allocation during employment and through retirement, or enroll in the Self-Directed Brokerage Account for a more hands-on approach.
- Check out MOSERS' financial calculators for mortgage loans, car loans, and paying off credit card debt. From MOSERS' website, click on **Members**, then **Calculators**, then **Financial Calculators**.

\* *New permanent full-time and part-time employees hired on or after July 1, 2012, are automatically enrolled at a 1% contribution each pay period. This excludes rehires, university and previous temporary or seasonal non-benefit eligible employees.*

## THE IMPORTANCE OF VESTING

To be “vested” means you are eligible for a pension benefit once you meet the age and service requirements. You must meet the vesting requirement for your retirement plan.

### Legislators

The vesting requirement for legislators in MSEP, MSEP 2000, and MSEP 2011 is 3 full biennial assemblies (6 years).

### Statewide Elected Officials

The vesting requirement for statewide elected officials in MSEP, MSEP 2000, and MSEP 2011 is 4 years (1 term).

## THE IMPORTANCE OF SERVICE CREDIT

Credited service refers primarily to the length of time you have been working in a MOSERS-covered position. You will earn one day of service for each day you work in a benefit-eligible position.

Your total credited service (active and prior) is one of the factors used in the formula to calculate the amount of your pension benefit. In other words, the more credited service you have, the higher your monthly benefit amount. Therefore, you may want to investigate the possibility of obtaining credit for any prior service. **In the MSEP 2000 and the MSEP 2011, you must be vested before you may purchase or transfer any type of prior service credit.**

- Additional service credit purchased or transferred under the MSEP 2000 and MSEP 2011 will be added to the service in the category of the **first** position held as a member of the system.
  - **Example:** If you served as a legislator prior to serving as a statewide elected official, any service credit you purchase or transfer will be added to your legislator service.
- Service credit earned as a general state employee, legislator, or statewide elected official must remain in the plan where it was earned. It **cannot** be transferred.
  - **Example:** If you have four years of service as a statewide elected official (vested) and two years of service as a legislator (not vested), your service as a legislator cannot be transferred to statewide elected official service.
- Total service credit as a general state employee, legislator, or statewide elected official will be summed for purposes of determining benefit eligibility under each plan. However you must be vested (eligible for a benefit) in at least one plan.
  - **Example:** If you worked one year as a general state employee under MSEP 2000 (not vested) and served four years as a statewide elected official under MSEP 2000 (vested), you would have a total of five years service. With five years total service, you will be eligible for a general employee retirement benefit at age 62. With five years total service, you will be eligible for a statewide elected official retirement benefit at age 55. You will receive two retirement benefits; one based on your actual general state employee service and one based on your actual statewide elected official service.

## LIFE EVENTS

### Divorce and Your MOSERS Benefit

If you have been married at any time while an active member of MOSERS and are considering a divorce, your spouse may be legally entitled to a portion of your retirement benefit. By law, your ex-spouse may receive up to 50% of your benefit accrued during all or part of the marriage.

Your retirement benefit from MOSERS may be marital property. See our brochure, *Divorce and Your Retirement Benefit*, for more details.

If you are married and request a refund of contributions (MSEP 2011 only), your request will not be processed without consent from your spouse. You are not eligible to request a refund if your retirement benefit is subject to a division of benefits order pursuant to section 104.1051, RSMo.

### Survivor Benefits When You Die

#### *Death Before Retirement (Non-Duty-Related)*

If you die after you are vested, a survivor benefit will be paid to your eligible spouse or child(ren). Although survivor benefit payments can begin the first of the month following your date of death, they are not automatic. Each eligible benefit recipient must submit an *Application for Survivor Benefits* with the required proof-of-age and lawful presence documentation.

If you die prior to your retirement date, the retirement application and any subsequent elections will become null and void.

To be eligible, your surviving spouse must be married to you on your date of death. The monthly benefit for your spouse will be based on the base benefit you have accrued as of your date of death and calculated according to the Joint & 100% Survivor Option. The survivor benefit will be payable for the remainder of your spouse's life.

If there is no eligible spouse, a total of 80% of your monthly base benefit will be paid to your natural or legally adopted child(ren) who are younger than age 21. If there is more than one eligible child, the benefit will be divided equally among them. The survivor benefit for each child will stop when the child becomes age 21 (unless a child is totally disabled).

#### *Death Before Retirement (Duty-Related)*

If you die while actively employed and your death is determined to be duty-related, your eligible spouse or child(ren) will receive a survivor benefit equal to the non-duty-related death before retirement benefit, but in no event will the benefit amount be less than 50% of your average monthly pay. In the event of a duty-related death, there is no minimum service requirement.

### If You Become Disabled or Incapacitated

If you become disabled or incapacitated (no longer able to handle your own affairs), MOSERS must pay benefits to the individual who has legal responsibility for your financial matters. The possibility of becoming incapacitated is an important issue because you never know if or when it will happen. You can decide in advance who will be responsible for managing your MOSERS benefits by designating an agent.

The *Designation of Agent* form relates only to your MOSERS benefits and becomes effective when MOSERS receives a written statement from a physician notifying us you are incapacitated.

Any employee, beneficiary, or retiree may designate an agent with regard to the application for receipt of an annuity or any other benefits from MOSERS. Complete the *Designation of Agent* form to name an agent and a successor agent. MOSERS will recognize your agent first regarding the distribution of your benefits upon receipt of a physician's statement notifying MOSERS in writing that you are disabled or incapacitated. If your agent cannot or will not perform these duties, MOSERS will look to your successor agent for instructions (if one has been named).

The *Designation of Agent* form allows you to choose an agent who can make decisions for you about your MOSERS benefits if you become disabled or incapacitated. This form does not give your agent broad powers (control over your other financial affairs) like those usually found in a durable power of attorney. If you are interested in giving your agent broad powers, please consult with an attorney who can advise and help you prepare a durable power of attorney.

If you become disabled or incapacitated and have not designated an agent to make decisions regarding your MOSERS benefits, one of the following persons may act as an agent upon submission of a written statement from your physician regarding your disability or incapacity and the completion of a family member affidavit (available by contacting MOSERS). The powers of an agent will be granted, in the following order, to your:

- Spouse
- Child
- Parent
- Brother or sister
- Niece, nephew, or grandchild

MOSERS is not liable with regard to any payment made in good faith to your agent.



## Approaching Retirement

### APPROACHING RETIREMENT CHECKLIST

#### Three to Five Years From Retirement

- Contact a MOSERS benefit counselor for an estimate of your retirement benefit.
- Review your MOSERS *Annual Benefit Statement*. Report any discrepancies to MOSERS as soon as possible.
- Review your retirement handbook. Contact a MOSERS benefit counselor with any questions you have regarding your retirement benefits.
- Contact your Social Security office for an estimate of your social security benefit.
  - **Social Security Windfall Elimination Provision (for non-Social Security covered service)** - Generally speaking, the non-Social Security service that would be eligible for credit in MOSERS is not affected by the windfall elimination provision. However, if the service you are considering to purchase is not covered by Social Security, you should contact a Social Security office to discuss what implications this purchase would have on your future Social Security benefit.
- Check MO Deferred Comp regarding your distribution options at retirement (if applicable).

#### Six Months From Retirement

- Discuss your benefit estimate and the different benefit payment options with your family and financial advisor.
- Prepare a retirement budget. Compare your retirement expenses against your MOSERS pension benefit, Social Security, and any other retirement income such as savings that will be available to you.
- Contact the Missouri Consolidated Health Care Plan (MCHCP) or your medical benefit administrator regarding your medical coverage at retirement.
- Obtain a copy of an acceptable proof-of-age and lawful presence document (see list on page 29) for yourself and your spouse (if applicable). If married, you must also provide MOSERS with a copy of your marriage certificate.
- It is important to keep MOSERS informed about your current mailing and email address. Please call, write, or go online to notify MOSERS if your email or mailing address changes.

Your total credited service is one of the factors used in the formula to calculate the amount of your retirement benefit.

Please notify MOSERS if your email or mailing address will change when you leave state employment.



## ACQUIRING ADDITIONAL SERVICE CREDIT

In addition to your service as a legislator or statewide elected official, you may have other service that may also be counted toward your MOSERS retirement benefit. By combining your service, you may increase the amount of your pension benefit and, in some cases, become eligible to retire at an earlier date. In MSEP 2000 and MSEP 2011, you must be vested to be eligible to purchase credited prior service.

### Automatic Military Service Credit (All Members of MSEP, MSEP 2000 and MSEP 2011)

If you are called to, or volunteer for, active military duty, the Uniformed Services Employment and Reemployment Rights Act (USERRA) protects your employment and benefit rights, provided you meet the eligibility requirements.

When you return from military leave, you may be eligible to receive credit in MOSERS for your active-duty military service. This service will be used in determining the amount of, and your eligibility for, a retirement benefit. 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 time frame specified by USERRA.
  - **1-30 Days:** Report for work by the beginning of the first regularly scheduled work day that falls 8 hours after you return home.
  - **31-180 Days:** Submit an application for reemployment no later than 14 days after completion of military service.
  - **180+ Days:** Submit an application for reemployment no later than 90 days after completion of military service.
  - **Service Connected Injury or Illness:** The reporting and application deadlines listed above will be extended up to 2 years if you are hospitalized or convalescing because of a service connected injury or illness.
- Provide a copy of your honorable discharge and your military DD 214 form or other pertinent documentation.
- Meet any other requirements under USERRA.

Go to [www.dol.gov](http://www.dol.gov) for additional information on USERRA.

### Purchasing Prior Military Service Credit (Members of MSEP and MSEP 2000)

#### *Active Military Service and Active Military Training (104.1021)*

You may purchase up to four years of active-duty military service credit performed prior to becoming a member of MOSERS. This includes active-duty military training.

If you elect to purchase your active-duty military service, you must purchase all that you served (total months and days) up to a maximum of four years. In connection with such a purchase, MOSERS requires that you submit a copy (not the original) of your military *DD 214* or *NGB 23 Discharge* form, which verifies the following:

- Your service was active-duty
- Your service was in an eligible branch of the U.S. Armed Forces or reserve components (Army, Air Force, Navy, Marine Corps, Coast Guard, Army National Guard, or Air National Guard)
- Your dates of service
- You were honorably discharged

If you elect to purchase your military service, you must purchase all that you have (months and days) up to a total of four years, prior to applying for retirement.

Copies of your DD 214 or NGB 23, may be obtained by contacting:

#### National Personnel Record Center

1 Archives Dr. • St. Louis, MO 63138

Ph: (314) 801-0800 / FAX: (314) 801-9195

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

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

#### MO National Guard

(if MO listed as home of record at discharge)

2405 Logistics Rd.

Jefferson City, MO 65101

(573) 638-9683 or 9890 • Fax: (573) 638-9546

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

## Public Employment Service (Members of MSEP, MSEP 2000 and MSEP 2011)

Under the provisions of Section 105.691, RSMo, you may receive credit for your full-time, nonfederal public employment within the state of Missouri. Depending on certain criteria, this service may be purchased, transferred, or a combination purchase/transfer.

To be eligible to **transfer** your service from another retirement plan to MOSERS:

- Your prior employment must be covered by another retirement system and you must be vested in that system.
- There must be an agreement between MOSERS and the other retirement system.

You may be eligible to **purchase** service if:

- You are not vested or elect to withdraw from the other retirement system
- There is no agreement between the two systems
- Your prior employment was not covered by a retirement system
- You have service remaining after you transfer eligible service

You cannot receive credit for the same period of service under two retirement systems. If you purchase or transfer service credit, you must forfeit all rights to benefits for that same period of service under the other retirement system.

**You must complete any purchase/transfer of service prior to applying for retirement.** If you are interested in purchasing or transferring service, please go online to MOSERS' website ([www.mosers.org](http://www.mosers.org)) or contact a MOSERS benefit counselor for an application and an *Acquiring Service Credit* brochure.

## Transfer of Service (Members of MSEP)

You may be able to increase your retirement benefit by transferring service. Section 104.800, RSMo allows you to make a one-time transfer of **up to eight years** of creditable service to or from the following retirement systems:

- Missouri State Employees' Plan (MSEP)
- Missouri State Employees' Plan 2000 (MSEP 2000)/Missouri State Employees' Plan 2011 (MSEP 2011)
- Judicial Plan/Judicial Plan 2011
- Administrative Law Judges and Legal Advisors' Plan (ALJLAP)
- MoDOT and Patrol Employees' Retirement System (MPERS)
- Prosecuting Attorneys' and Circuit Attorneys' Retirement System (PACARS)

This one-time transfer between retirement plans must be completed prior to your date of retirement. If you elect to transfer service, you will forfeit any remaining service of that type and all rights to benefits under the retirement plan based on that service. For more information on transferring service, please contact a MOSERS benefit counselor.

## SERVICE CREDIT WHILE ON A LEAVE OF ABSENCE

It is important to remember that an approved leave of absence does not guarantee that you will receive credited service for the period of time on leave. Not all leaves of absence qualify for credited service. You will, however, continue to accrue service if your employing agency approves one of the following types of leave:

- Leave of absence due to illness or injury for yourself (up to 12 months)
- Leave of absence for military service or training
- Leave of absence eligible under the Family and Medical Leave Act of 1993 (FMLA)

### MSEP and MSEP 2000

If eligible, members may purchase subsidized military and other full-time, nonfederal public employment.

### MSEP 2011

No subsidized service purchase. Members may purchase eligible service at full actuarial cost.

## MEMBER CONTRIBUTIONS (MSEP 2011)

If you were employed in a benefit-eligible position by the state of Missouri for the first time on or after January 1, 2011, you are required to contribute 4% of pay to the retirement system, which will earn interest while you are working. The state of Missouri will pick up and pay the contributions through payroll deduction so it will not be considered taxable income. You do not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the retirement system.

Please see the *Member Contributions* brochure on our website for more information.

Interest will be credited annually on June 30 based on the value in the account as of July 1 of the immediately preceding year. Effective June 30, 2014, interest is calculated using the 52-week treasury bill rate. Interest credits will stop upon termination of your employment if you are not vested. Otherwise, interest credits will stop at your retirement.

### Refunds

- If you terminate employment from a MOSERS-covered position, you may request a refund of your contributions including credited interest.
- If you are married at the time you request a refund, the request will not be processed without consent from your spouse. You are not eligible to request a refund if your retirement benefit is subject to a division of benefit order pursuant to section 104.1051, RSMo.
- Refunds will be paid **after 90 days** from your date of termination from MOSERS covered employment, or the request, whichever is later, and will include all contributions you paid to MOSERS plus credited interest less applicable mandatory federal taxes.
- Please allow 60 days for MOSERS to process your refund request after the 90-day waiting period is complete.
- You may not request a refund after you become eligible for normal retirement.
- **By receiving a refund, you forfeit all your credited service and future rights to receive benefits from the system. You will not be eligible to receive any long-term disability benefits; if receiving long-term disability benefits you are not eligible for a refund.**
- If you later become employed in a MOSERS-covered position and work continuously for at least one year, the credited service previously forfeited will be restored if you return to the system the amount previously refunded plus interest at a rate established by the MOSERS board.
- A refund distribution will not be processed until the *Request for Refund of Contributions* form is completed and submitted to MOSERS.
- Any refund not directly rolled over to an IRA or qualified retirement plan will be reported as taxable income in the year of payment. MOSERS is not liable for any taxes incurred by you as a result of this distribution.
- If you should die after submitting a *Request for Refund of Contributions* form, but before receiving the distribution, no distribution will be made if you have a surviving spouse and that spouse is eligible for a survivor benefit based on your death. Otherwise, payment will be made to the beneficiary designated on your *Contribution Beneficiary* form. If no beneficiary is living, payment will be made as otherwise permitted by law.
- The refund of contributions becomes irrevocable on the day that MOSERS mails or electronically transfers payment.

No part of your contributions to the retirement system is available for loans or partial emergency withdrawals.



## Which Plan Am I In?

### PLAN INFORMATION AND ELIGIBILITY

The date on which you were first hired in a MOSERS benefit-eligible position will determine your membership in the MSEP, MSEP 2000, or MSEP 2011. Read below for more information about each plan, including eligibility dates.

- **MSEP**

- You are a member of the Missouri State Employees' Plan (MSEP) if you were first employed in a MOSERS benefit-eligible position prior to July 1, 2000 and you are vested\* in MSEP. Once you meet service and age requirements, at retirement you will have the option to choose to retire under MSEP or MSEP 2000. MSEP is a "closed" plan.

- **MSEP 2000**

- You are a member of the Missouri State Employees' Plan 2000 (MSEP 2000) if you began work in a MOSERS benefit-eligible position on or after July 1, 2000 but prior to January 1, 2011.

or

- You are a member of the Missouri State Employees' Plan 2000 (MSEP 2000) if you were first employed in a MOSERS benefit-eligible position prior to July 1, 2000, but left employment before becoming vested and returned to work in a benefit-eligible position any time after July 1, 2000.

- **MSEP 2011**

- You are a member of the Missouri State Employees' Plan 2011 (MSEP 2011) if you were first employed in a MOSERS benefit-eligible position on or after January 1, 2011.

\*To be "vested" means you are eligible for a retirement benefit once you meet the age and service requirements.

- The vesting requirement for members of the legislature is three full biennial assemblies (6 years).
- The vesting requirement for statewide elected officials is four years (1 term).

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The information on **pages 18-21** applies to members of the **Missouri Legislature**.

The information on **pages 22-26** applies to **statewide elected officials**.

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## SUMMARY OF PENSION BENEFIT PROVISIONS - LEGISLATORS

<b>Benefit Provisions</b>	<b>MSEP</b> First employed in a MOSERS benefit-eligible position prior to July 1, 2000 and vested in MSEP	<b>MSEP 2000</b> First employed in a MOSERS benefit-eligible position on or after July 1, 2000 but prior to January 1, 2011*	<b>MSEP 2011</b> First employed in a MOSERS benefit-eligible position on or after January 1, 2011
<b>Member Contributions</b>	• None	• None	• 4% of pay
<b>Vesting</b> <i>Eligible for future pension</i>	• 3 biennial assemblies (6 years)	• 3 biennial assemblies (6 years)	• 3 biennial assemblies (6 years)
<b>Service Purchases</b>	• 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	• 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	• May purchase qualifying public sector service at full actuarial cost
<b>Service Transfers</b>	• May transfer state service to other positions covered by MOSERS under 104.800	• May transfer service under 104.1090 from other systems with written agreements to transfer required funds	• Not available
<b>Retirement Eligibility</b> <i>Age and service required to receive an unreduced pension benefit</i>	• Age 55 + 3 full-biennial assemblies or • “Rule of 80” – (at least age 48) Age + years of service = 80 or more	• Age 55 + 3 full-biennial assemblies or • “Rule of 80” – (at least age 50) Age + years of service = 80 or more <i>Terminated-vested members ineligible for “Rule of 80”</i>	• Age 62 + 3 full-biennial assemblies or • “Rule of 90” – (at least age 55) Age + years of service = 90 or more at time of termination <i>Terminated-vested members ineligible for “Rule of 90”</i>
<b>Base Benefit Formula</b> <i>Payable for life</i>	• Biennial Assemblies x \$150 <i>Future formula increases, if any, may be passed along to retirees</i>	• (Active Pay ÷ 24) x Service <i>Capped at 100% of pay; future formula increases, if any, will not be passed along to retirees</i>	• (Active Pay ÷ 24) x Service <i>Capped at 100% of pay; future formula increases, if any, will not be passed along to retirees</i>
<b>Benefit Payment Options</b> <i>Determines whether or not a benefit will be paid to anyone after member’s death</i>	• Life Income Annuity • <i>Unreduced</i> Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 60 Guaranteed Payments • Life Income with 120 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments
<b>Optional Life Insurance</b> <i>Coverage at retirement (if eligible); cannot exceed coverage amount while actively employed</i>	• Maximum of \$60,000	• Maximum of \$60,000 <i>Members retiring under “Rule of 80” may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>	• Maximum of \$60,000 <i>Members retiring under “Rule of 90” may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>
<b>Cost-of-Living Adjustment (COLA)</b> <i>Helps offset effects of inflation increasing the cost of goods and services</i>	• <b>Sworn in before Aug. 28, 1997</b> Receive 4-5% each year until reaching 65% COLA cap. After reaching cap, the rate is based on 80% of the percentage increase in the average CPI (0-5%) • <b>Sworn in on/after Aug. 28, 1997</b> Based on 80% of the percentage increase in the average CPI (0-5%)	• Benefit adjustment based on increase in pay for an active member	• Benefit adjustment based on increase in pay for an active member
<b>In-Service COLA</b> <i>Service beyond age 65</i>	• Applicable COLA rate (if eligible)	• Not available	• Not available

\* OR first employed prior to July 1, 2000 but left prior to becoming vested then returned to employment after July 1, 2000

## NORMAL RETIREMENT

As a legislator, your eligibility for retirement depends on the amount of credited service you have acquired and your age. In general, the retirement laws in effect on the date you leave state employment determine your eligibility for a benefit and the provisions used to calculate your benefit.

### Eligibility Requirements (MSEP)

Your normal annuity starting date<sup>①</sup> is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements:

- Age 55 with at least 3 full biennial assemblies, or
- At least age 48 with age and service equaling 80 or more (Rule of 80)

### Base Benefit Formula

At the time you apply for retirement, your base benefit<sup>①</sup> is calculated using this formula:

- The number of full biennial assemblies multiplied by \$150

#### *Example of Base Benefit Calculation*

Number of Full Biennial Assemblies	x	\$150	=	Base Benefit
8 Full Biennial Assemblies	x	\$150	=	\$1,200.00

### Eligibility Requirements (MSEP 2000/MSEP 2011)

Your normal annuity starting date<sup>①</sup> is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements:

#### *MSEP 2000*

- Age 55 with at least 3 full biennial assemblies, or
- At least age 50 with age and service equaling 80 or more (Rule of 80), must include at least 3 full biennial assemblies

#### *MSEP 2011*

- Age 62 with at least 3 full biennial assemblies, or
- At least age 55 with age and service equaling 90 or more (Rule of 90), must include at least 3 full biennial assemblies

### Base Benefit Formula

At the time you apply for retirement, your base benefit<sup>①</sup> is calculated using a formula that takes into account the following factors:

- **1/24 of Active Legislator's Pay** - One twenty-fourth of the monthly pay for a senator or representative on the annuity starting date. Future formula increases, if any, will not automatically be passed along to retirees.
- **Credited Service** - Your years and full months of credited service

$$(\text{Active Legislator's Monthly Pay} \div 24) \times \text{Years \& Full Months of Credited Service} = \text{Base Benefit}$$

#### *Example of Base Benefit Formula*

For this example, the following assumptions have been made:

Active Legislator's Pay.....	\$2,992.92
Service.....	16 Years (8 full biennial assemblies)

$$(\text{Active Legislator's Monthly Pay} \div 24) \times \text{Years \& Full Months of Credited Service} = \text{Base Benefit}$$

$$\$2,992.92 \div 24 \quad \times \quad 16 \quad = \quad \$1,995.28$$



**COST-OF-LIVING ADJUSTMENTS (COLA)****COLA Summary (MSEP)**

If you are a legislator who took office prior to July 1, 2000, after retirement you will receive an annual COLA for your lifetime on the anniversary date of your retirement. For example, if you begin receiving retirement benefits on December 1, 2020, your first COLA will be payable on your December 2021 benefit payment and each December thereafter.

The annual COLA will be equal to 80% of the percentage increase in the average CPI from one year to the next. If you began serving before August 28, 1997 and elect the MSEP at retirement, your annual COLA will be at least 4% until the total increases equal 65% of your initial benefit (COLA cap). By law, the annual COLA cannot exceed 5%.

***Legislators Sworn in Before August 28, 1997***

- Prior to COLA Cap (65% of initial benefit):
  - Minimum COLA - 4%
  - Maximum COLA - 5%
- After COLA Cap:
  - Minimum COLA - 0%
  - Maximum COLA - 5%

**CPI**

The “Consumer Price Index (CPI<sup>®</sup>)” is the CPI for all urban consumers for the United States, or its successor index, as approved by the board, as such index is defined and officially reported by the United States Department of Labor, or its successor agency.

***Legislators Sworn in On or After August 28, 1997***

- Minimum COLA - 0%
- Maximum COLA - 5%
- COLA Cap - n/a

**MSEP, MSEP 2000, & MSEP 2011**

Survivor benefit recipients are eligible for COLAs.

**In-service COLAs (MSEP)**

There is a special COLA provision for members first employed prior to July 1, 2000 who continue working beyond age 65. Upon retirement, your monthly benefit will be increased by the annual COLA between your 65th birthday and your termination date if you are actively employed by the state on your 65th birthday.

**COLA Summary (MSEP 2000 and MSEP 2011)**

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

**COLA Waiver (All Plans)**

If you choose, you may waive your COLA; however, federal law forbids you from waiving your COLA once you are older than age 70½. In addition, if you decide to waive the COLA, the waiver is final for that year’s adjustment.

## EXAMPLE OF HOW YOUR BENEFIT ADDS UP

Let's take a look at the big picture. What is the value of your retirement benefit? This example provides an estimate of a retirement benefit paid over a 25-year period. The following assumptions are used for illustrative purposes:

- Credited service ..... 16 years
- Active legislator's pay..... \$2,992.92
- COLA ..... 3% every 3 years
- Benefit payment option ..... Life Income Annuity
- Length of retirement.....25 years
- Retirement plan ..... MSEP 2000

$(\$2,992.92 \div 24) \times 16 = \$1,995.28$  Base Benefit

Under the Internal Revenue Code, pension plans such as MOSERS must limit retirement benefits and compensation used to determine retirement benefits. The limits are indexed to increase in increments of \$5,000 depending on the rate of inflation (and amendments to the law).

In the MSEP 2000, your monthly benefit is capped at 100% of an active legislator's monthly pay. In this example, the monthly base benefit cannot exceed \$2,992.92. However, service that has been purchased or transferred is not subject to the pay cap (i.e. active military service or prior governmental service).

Your total credited service (active and prior) is one of the factors used in the formula to calculate the amount of your retirement benefit. The more service you have, the higher your benefit.

Year	Base Benefit	3% COLA		Monthly Benefit	Annual Benefit
1	\$1,995.28			x 12 =	\$23,943.36
2	1,995.28			x 12 =	23,943.36
3	1,995.28	+ 59.86 =	2,055.14	x 12 =	24,661.68
4	2,055.14		2,055.14	x 12 =	24,661.68
5	2,055.14		2,055.14	x 12 =	24,661.68
6	2,055.14	+ 61.65 =	2,116.79	x 12 =	25,401.48
7	2,116.79		2,116.79	x 12 =	25,401.48
8	2,116.79		2,116.79	x 12 =	25,401.48
9	2,116.79	+ 63.50 =	2,180.29	x 12 =	26,163.48
10	2,180.29		2,180.29	x 12 =	26,163.48
11	2,180.29		2,180.29	x 12 =	26,163.48
12	2,180.29	+ 65.41 =	2,245.70	x 12 =	26,948.40
13	2,245.70		2,245.70	x 12 =	26,948.40
14	2,245.70		2,245.70	x 12 =	26,948.40
15	2,245.70	+ 67.37 =	2,313.07	x 12 =	27,756.84
16	2,313.07		2,313.07	x 12 =	27,756.84
17	2,313.07		2,313.07	x 12 =	27,756.84
18	2,313.07	+ 69.39 =	2,382.46	x 12 =	28,589.52
19	2,382.46		2,382.46	x 12 =	28,589.52
20	2,382.46		2,382.46	x 12 =	28,589.52
21	2,382.46	+ 71.47 =	2,453.93	x 12 =	29,447.16
22	2,453.93		2,453.93	x 12 =	29,447.16
23	2,453.93		2,453.93	x 12 =	29,447.16
24	2,453.93	+ 73.62 =	2,527.55	x 12 =	30,330.60
25	2,527.55		2,527.55	x 12 =	<u>30,330.60</u>
<b>Estimated Total Retirement Benefit</b>					<b>\$675,453.60</b>

- Since we cannot predict the pay increases of an active member of the general assembly, this example assumed 3% every 3 years.
- After you retire, your benefit will be adjusted according to the percentage increase in pay for an active member of the general assembly. Survivors are also eligible for these increases.

**SUMMARY OF PENSION BENEFIT PROVISIONS - STATEWIDE ELECTED OFFICIALS**

<b>Benefit Provisions</b>	<b>MSEP</b> First employed in a MOSERS benefit-eligible position prior to July 1, 2000 and vested in MSEP	<b>MSEP 2000</b> First employed in a MOSERS benefit-eligible position on or after July 1, 2000 but prior to January 1, 2011*	<b>MSEP 2011</b> First employed in a MOSERS benefit-eligible position on or after January 1, 2011
<b>Member Contributions</b>	• None	• None	• 4% of pay
<b>Vesting</b> <i>Eligible for future pension</i>	• 4 years (1 term)	• 4 years (1 term)	• 4 years (1 term)
<b>Service Purchases</b>	• 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	• 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	• May purchase qualifying public sector service at full actuarial cost.
<b>Service Transfers</b>	• May transfer state service to other positions covered by MOSERS under 104.800	• May transfer service under 104.1090 from other systems with written agreements to transfer required funds	• Not available
<b>Early Retirement Eligibility</b> <i>Age and service required to receive a reduced retirement benefit</i>	• Age 55 + 10 years of service	• Not available	• Not available
<b>Normal Retirement Eligibility</b> <i>Age and service required to receive an unreduced pension benefit</i>	• Age 60 + 15 years of service or • “Rule of 80” – (at least age 50) Age + years of service = 80 or more	• Age 55 + 4 years of service or • “Rule of 80” – (at least age 50) Age + years service = 80 or more <i>Terminated-vested members ineligible for “Rule of 80”</i>	• Age 62 + 4 years of service or • “Rule of 90” – (at least age 55) Age + years of service = 90 or more at time of termination <i>Terminated-vested members ineligible for “Rule of 90”</i>
<b>Base Benefit Formula</b> <i>Payable for life</i>	• <b>Less than 12 years of service</b> FAP x .016 x Service • <b>12+ years of service</b> Monthly Statutory Comp. x .50 <i>Future formula increases, if any, may be passed along to retirees</i>	• (Active Pay ÷ 24) x Service <i>Capped at 12 years of service or 50% of pay</i> <i>Future formula increases, if any, will not be passed along to retirees</i>	• (Active Pay ÷ 24) x Service <i>Capped at 12 years of service or 50% of pay</i> <i>Future formula increases, if any, will not be passed along to retirees</i>
<b>Benefit Payment Options</b> <i>Determines whether or not a benefit will be paid to anyone after member’s death</i>	• Life Income Annuity • <i>Unreduced</i> Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 60 Guaranteed Payments • Life Income with 120 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments
<b>Optional Life Insurance</b> <i>Coverage at retirement (if eligible); cannot exceed coverage amount while actively employed</i>	• Maximum of \$60,000	• Maximum of \$60,000 <i>Members retiring under “Rule of 80,” may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>	• Maximum of \$60,000 <i>Members retiring under “Rule of 90,” may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>
<b>Cost-of-Living Adjustment (COLA)</b> <i>Helps offset effects of inflation increasing the cost of goods and services</i>	• <b>Sworn in before Aug. 28, 1997</b> Receive 4-5% each year until reaching 65% COLA cap. After reaching cap, rate is based on 80% of the change in the CPI (0-5%) • <b>Sworn in on/after Aug. 28, 1997</b> Based on 80% of the percentage increase in the average CPI (0-5%) • <b>12+ years of service</b> In addition to applicable COLA above, benefit will be recalculated for increases in statutory compensation for highest position held.	• Benefit adjustment based on increase in pay for an active member	• Benefit adjustment based on increase in pay for an active member
<b>In-Service COLA</b> <i>Service beyond age 65</i>	• Applicable COLA rate (if eligible)	• Not available	• Not available

\* OR first employed prior to July 1, 2000 but left prior to becoming vested then returned to employment after July 1, 2000

## NORMAL RETIREMENT

As a statewide elected official, your eligibility for retirement depends on the amount of credited service you have acquired and your age. In general, the retirement laws in effect on the date you leave state employment determine your eligibility for a benefit and the provisions used to calculate your benefit.

### Eligibility Requirements (MSEP)

Your normal annuity starting date<sup>®</sup> is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements:

- Age 65 with at least one four-year term, or
- Age 60 with at least 15 years of service, or
- "Rule of 80" - at least age 50 with age and service equalling 80 or more.

### Base Benefit Formula (based on the amount of service relative to 12 years)

At the time you apply for retirement, your base benefit<sup>®</sup> is based on the amount of service relative to 12 years. In the past, formula increases have been passed along to retirees.

"Base benefit" is the amount you are entitled to receive at retirement before any reductions for:

- Early retirement
- Joint & survivor options
- Guaranteed payment options
- Ex-spouse payments (according to a division of benefits order)

#### *Example of Base Benefit Formulas*

##### Less Than 12 Years of Service

For this example, the following assumptions have been made.

Final Average Pay.....	\$9,000
Multiplier .....	1.6% (.016)
Credited Service.....	8 Years

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.016)	=	Monthly Base Benefit
\$9,000.00	x	8	x	.016	=	\$1,152

##### More Than 12 Years of Service

For this example, the following assumptions have been made.

Monthly Statutory Compensation .....	Current Statutory Compensation For The Highest Position You Held
Multiplier .....	50% (.50)

Monthly Statutory Compensation	x	Multiplier	=	Monthly Base Benefit
\$9,000	x	.50	=	\$4,500.00

### Eligibility Requirements (MSEP 2000/ MSEP 2011)

Your normal annuity starting date<sup>®</sup> is the date at which you may retire with an unreduced benefit. You will be eligible for normal retirement if you meet at least one of the following age and service requirements:

#### *MSEP 2000*

- Age 55 with at least four years of service (one term), or
- At least age 50 with age and service equaling 80 or more (Rule of 80), must include at least one term

#### *MSEP 2011*

- Age 62 with at least four years of service (one term), or
- At least age 55 with age and service equaling 90 or more (Rule of 90), must include at least one term

### Base Benefit Formula

At the time you apply for retirement, your base benefit is calculated using a formula that takes into account the following factors:

- **1/24 of Active Statewide Elected Official's Pay** - of the current monthly salary of an active statewide elected official in the highest position you held. Future formula increases, if any, will **not** automatically be passed along to retirees.
- **Credited Service** - Your years and full months of credited service.
  - The monthly base benefit is capped at 12 years of service or 50% of an active statewide elected official's pay in the highest position held.

$$\begin{array}{rcccl} \text{(Active Statewide Elected Official's} & & \text{Years \& Full Months} & & \\ \text{Monthly Pay} \div 24) & \times & \text{of Credited Service} & = & \text{Base Benefit} \end{array}$$

#### *Example of Base Benefit Calculation*

For this example, the following assumptions have been made:

Active Statewide Elected Official's Pay ..... \$9,000  
 Service ..... 8 Years

$$\begin{array}{rcccl} \text{(Active Statewide Elected Official's} & & \text{Years \& Full Months} & & \\ \text{Monthly Pay} \div 24) & \times & \text{of Credited Service} & = & \text{Base Benefit} \\ \\ \mathbf{\$9,000.00} \div 24 & \times & \mathbf{8} & = & \mathbf{\$3,000} \end{array}$$

## EARLY RETIREMENT (MSEP)

### Eligibility Requirements

You are eligible for early retirement (reduced benefits) in the MSEP if you are:

- Age 55 with at least 10 years of service

Early retirement is not available in the MSEP 2000 or MSEP 2011 for statewide elected officials.

### Base Benefit Formula

When you elect early retirement, your base benefit is reduced by one-half of one percent (.005) for each month your age at retirement is younger than your normal retirement age. The formula for calculating the early retirement reduction factor is:

$$1 - (\text{Months Early} \times .005) = \text{Early Retirement Factor}$$

#### *Example of Early Retirement Benefit Formula*

For this example, the following assumptions have been made.

Final Average Pay.....	\$9,000
Credited Service.....	10 Years
Multiplier .....	1.6% (.016)
Normal Retirement Age.....	65
Early Retirement Age.....	62
Months Retiring Early .....	36

#### Early Retirement Reduction Factor Calculation

$$1 - (36 \text{ Months Early} \times .005) = \text{Early Retirement Factor}$$

$$1 - (.18) = .82 \text{ (82\% of Base Benefit)}$$

#### Early Retirement Base Benefit Calculation

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.016)	=	Monthly Base Benefit
\$9,000.00	x	10	x	.016	=	\$1,440
Monthly Base Benefit	x	Early Retirement Factor	=	Early Retirement Benefit		
\$1,440	x	.82	=	\$1,180.80		



## COST-OF-LIVING ADJUSTMENTS (COLA)

### COLA Summary (MSEP)

If you are a statewide elected official who took office prior to July 1, 2000, your COLA is determined by the amount of creditable service you have relative to 12 years.

#### *Less Than 12 Years of Service*

After retirement, you will receive an annual COLA increase for each year in which there is an increase in the Consumer Price Index (CPI). The annual COLA will be paid on the anniversary date of your retirement. For example, if you begin receiving retirement benefits on December 1, 2020, your first COLA increase will be payable on your December 2021 benefit payment and each December thereafter.

The annual COLA rate will be equal to 80% of the percentage increase in the average CPI from one year to the next (0-5%). If you began serving before August 28, 1997 and elect the MSEP at retirement, your annual COLA rate will be at least 4% until the total increases equal 65% of your initial benefit (COLA cap). By law, the annual COLA cannot exceed 5%.

#### Sworn in Before August 28, 1997

- Prior to COLA Cap (65% of initial benefit):
  - Minimum COLA - 4%
  - Maximum COLA - 5%
- After COLA Cap:
  - Minimum COLA - 0%
  - Maximum COLA - 5%

#### CPI

The “Consumer Price Index (CPI)”<sup>①</sup> is the CPI for all urban consumers for the United States, or its successor index, as approved by the board, as such index is defined and officially reported by the United States Department of Labor, or its successor agency.

#### Sworn in on or After August 28, 1997

- Minimum COLA - 0%
- Maximum COLA - 5%
- COLA Cap - N/A

#### MSEP, MSEP 2000, & MSEP 2011

Survivor benefit recipients are eligible for COLAs.

#### *12 or More Years of Service*

In addition to the applicable COLA listed above, statewide elected officials with 12 or more years of service will have their benefit recalculated with each increase in statutory compensation for the highest position held. No other COLA is provided.

### In-service COLAs (MSEP)

There is a special COLA provision for members first employed prior to July 1, 2000 who continue working beyond age 65. Upon retirement, your monthly benefit will be increased by the annual COLA between your 65th birthday and your termination date if you are actively employed by the state on your 65th birthday.

### COLA Summary (MSEP 2000 and MSEP 2011)

If you are a statewide elected official who took office on or after July 1, 2000, your benefit will be adjusted according to the percentage increase in pay for an active elected state official in the highest position you held. No other COLAs will be provided.

### COLA Waiver (All Plans)

If you choose, you may waive your COLA; however, federal law forbids you from waiving your COLA once you are older than age 70½. In addition, if you decide to waive the COLA, the waiver is final for that year’s adjustment.



## Ready to Retire

### READY TO RETIRE CHECKLIST

It's never too early to start planning for retirement. MOSERS benefit counselors are available to assist you along the way. The checklist below provides a general timetable for retirement preparation.

The purchase of prior service must be completed before applying for retirement.

#### Three Months From Retirement

- Log in to your MOSERS Member Homepage and click on **Retire Online** to complete your *Retirement Application for General Employees, Legislators and Elected Officials* and related forms. Applying for retirement is a two-step process. Your retirement application **must be received at MOSERS according to the due date coinciding with your date of retirement.** (For example, if you plan to retire May 1, MOSERS must receive your application no later than March 31.) See chart on page 28.
- Go online or obtain the required form(s) to retain your medical coverage from your human resources representative or MCHCP (if applicable).
- Notify your department human resources office regarding your intentions to retire. Find out when you should submit a letter of resignation.
- Contact your local Social Security office to file for benefits if you are eligible and wish to.
- Check with MO Deferred Comp regarding your distribution options at retirement (if applicable).

Members must retire directly (within 60 days) from active employment to qualify for retirement under the "Rule of 80" (MSEP 2000), or "Rule of 90" (MSEP 2011).

#### One Month From Retirement

- Complete and submit the *Retirement Election* form to MOSERS prior to your date of retirement. (For example, if your retirement date is May 1, your election form must be received at MOSERS no later than April 30.) If you do not submit the election form by the required date, your benefit payment will be delayed. See chart on page 28.
- Make sure you have completed and submitted the required applications to continue your life insurance (if applicable).
- Follow-up with your medical insurance provider if you plan to continue your medical coverage during retirement.
- Follow-up with Social Security if you applied for benefits and have not received an acknowledgment.
- Review your estate/will information and life insurance beneficiary designations (if applicable).
- Follow-up with MO Deferred Comp (if necessary).

**Retirement Date** - The first day of the calendar month when you begin to receive retirement benefits. The payment date for each month's benefit is the last working day of the month.

**Termination Date**<sup>①</sup> - Your last day of work in a MOSERS benefit-eligible position, as reported by your employing department.

## APPLYING FOR RETIREMENT

We recommend that you apply for retirement 45-90 days prior to your date of retirement. The payment of pension benefits is not automatic. You must complete the two-step retirement process before your pension benefit payments can begin. Estimates provided to you through the MOSERS website or from staff must be verified, meet all legal requirements, and if necessary, be corrected before any payments can be made. Corrections could change the amount of the service and benefits you receive or even your eligibility to receive a pension benefit.

In addition to the retirement application, all forms for retirement may be completed and submitted online by logging in to your **Member Homepage**.

### Two-Step Retirement Process

The application process consists of two steps. This allows MOSERS to provide you with individualized information needed to make informed decisions regarding your pension benefit payments.

**Step 1. The Application Step.** Complete and submit a *Retirement Application for General Employees, Legislators and Elected Officials*. Step 1 may be completed online by using the **Member Login** at [www.mosers.org](http://www.mosers.org) and clicking on **Retire Online**. Applying online is easy and processing is efficient. Your retirement application must be dated and received by MOSERS according to the due date listed on the chart below coinciding with your date of retirement. MOSERS will use this information to prepare an individualized *Retirement Election* form and a benefit estimate.

If you submit a retirement application and then decide not to retire, please send MOSERS a written notice to rescind your application. Your application will become null and void if you do not complete the two-step process within 90 days of your date of retirement.

**Step 2. The Election Step.** Complete and submit the *Retirement Election* form (sent to you after MOSERS receives your retirement application). On the election form, you will choose a benefit payment option. The election form must be received by MOSERS prior to your date of retirement.

The chart below provides document deadlines for each possible date of retirement. If you do not submit these documents by the deadline, your pension benefit will be delayed.

Two-Step Retirement Process ( <i>Date Forms are Due at MOSERS</i> )		
Date of Retirement	Retirement Application Due	Election Form Due
January 1	November 30	December 31
February 1	December 31	January 31
March 1	January 31	February 28
April 1	February 28	March 31
May 1	March 31	April 30
June 1	April 30	May 31
July 1	May 31	June 30
August 1	June 30	July 31
September 1	July 31	August 31
October 1	August 31	September 30
November 1	September 30	October 31
December 1	October 31	November 30

## Acceptable Proof-of-Age and Lawful Presence Documents

To establish your eligibility for retirement, you must submit an acceptable proof-of-age and lawful presence document with your retirement application. Please submit **one** of the following documents:

- Original U.S. Birth Certificate (certified with embossed or raised seal issued by state or local government)

OR a photocopy of **one** of the following:

- Valid Missouri Driver's License or Missouri Nondriver ID
- U.S. Passport (valid or expired)
- U.S. Certificate of Citizenship
- U.S. Certificate of Naturalization
- U.S. Certificate of Birth Abroad

If you are married and plan to elect a joint & survivor benefit payment option, please submit your spouse's proof-of-age and lawful presence document and a photocopy of your marriage certificate with your retirement application. MOSERS cannot complete the verification of your retirement benefit without these documents.

For information about benefit payment options if you marry after retirement see page 34.

## BENEFIT PAYMENT OPTIONS

You must elect a benefit payment option on your *Retirement Election* form. This election determines if a benefit will be paid to anyone after your death. Your payment option **cannot** be changed (even in the event of divorce) after the first pension benefit payment has been mailed or electronically transferred by MOSERS. Regardless of the payment option you elect, you will receive a benefit payment each month for your lifetime.

	MSEP		MSEP 2000/MSEP 2011	
	Retiree Benefit	Survivor Benefit	Retiree Benefit	Survivor Benefit
<b>Life Income Annuity</b>	• No Reduction	• No Survivor Benefits	• No Reduction	• No Survivor Benefits
<b>Joint &amp; 50% Survivor</b>	• No Reduction	• Eligible spouse receives 50% of your benefit for the remainder of his or her lifetime	• Reduced (based on your age and spouse's age)	• Eligible spouse receives 50% of your base benefit for the remainder of his or her lifetime
<b>Joint &amp; 100% Survivor</b>	• Reduced (based on your age and spouse's age)	• Eligible spouse receives 100% of your benefit for the remainder of his or her lifetime	• Reduced (based on your age and spouse's age)	• Eligible spouse receives 100% of your base benefit for the remainder of his or her lifetime
<b>Life Income with 60 Guaranteed Payments</b>	• Reduced by 3%	• Beneficiary* receives your final payment & <b>remaining</b> of 60 guaranteed payments	• Not Available	• Not Available
<b>Life Income with 120 Guaranteed Payments</b>	• Reduced by 9%	• Beneficiary* receives your final payment & <b>remaining</b> of 120 guaranteed payments	• MSEP 2000 - Reduced by 5% • MSEP 2011 - Reduced by 7%	• Beneficiary* receives your final payment & <b>remaining</b> of 120 guaranteed payments
<b>Life Income with 180 Guaranteed Payments</b>	• Not Available	• Not Available	• MSEP 2000 - Reduced by 10% • MSEP 2011 - Reduced by 14%	• Beneficiary* receives your final payment & <b>remaining</b> of 180 guaranteed payments

\*The beneficiary for guaranteed payments can be any person, charity, or trust.

### Benefit Payment Option Adjustment Factors

Benefit payment options require your pension benefit to be reduced in order to provide a survivor benefit after you die. The following summary will help you determine the adjustment factor used in calculating your pension benefit. If you would like an estimate of your monthly pension benefit, please contact a MOSERS benefit counselor.

#### Joint & 50% Survivor Option (MSEP 2000)

If your spouse is <b>younger</b> than you	
Factor at retirement age - (Age Difference x .003)	
If your spouse is <b>older</b> than you	
Factor at retirement age + (Age Difference x .003)	
<i>(The adjustment factor cannot exceed 95% for MSEP 2000; 94.25% for MSEP 2011.)</i>	
<b>Starting Factor Used to Determine Adjustment Factor</b>	
Member's Age at Retirement	Starting Factor
50	93.6%
51	93.3
52	MSEP 2000 93.0
53	92.7
54	92.4
55	92.1
56	91.8
57	91.5
58	MSEP 2000 91.2
59	& MSEP 2011 90.9
60	90.6
61	90.3
62	90.0
63	89.7
64	MSEP 2011 89.4
65	89.1
66	88.8
67	88.5

#### Joint & 100% Survivor Option\* (MSEP 2000)

If your spouse is <b>younger</b> than you	
Factor at retirement age - (Age Difference x .005)	
If your spouse is <b>older</b> than you	
Factor at retirement age + (Age Difference x .005)	
<i>(The adjustment factor cannot exceed 90% for MSEP 2000; 87.75% for MSEP 2011.)</i>	
<b>Starting Factor Used to Determine Adjustment Factor</b>	
Member's Age at Retirement	Starting Factor
50	87.8%
51	87.4
52	MSEP 2000 87.0
53	86.6
54	86.2
55	85.8
56	85.4
57	85.0
58	MSEP 2000 84.6
59	& MSEP 2011 84.2
60	83.8
61	83.4
62	83.0
63	82.6
64	MSEP 2011 82.2
65	81.8
66	81.4
67	81.0

\* In MSEP the adjustment factor is .93 +/- (age difference x .003). The maximum factor is .96

Benefit Payment Option	Adjustment Factor
Life Income with 60 Guaranteed Payments MSEP	.97 (97%)
Life Income with 120 Guaranteed Payments MSEP	.91 (91%)
Life Income with 120 Guaranteed Payments MSEP 2000	.95 (95%)
Life Income with 120 Guaranteed Payments MSEP 2011	.93 (93%)
Life Income with 180 Guaranteed Payments MSEP 2000	.90 (90%)
Life Income with 180 Guaranteed Payments MSEP 2011	.86 (86%)

**Example of Benefit Payment Option Adjustment Factor**

For this example, the following assumptions have been made:

Retiree's Age .....	55 Years
Spouse's Age .....	58 Years (3 years/8 months older)
Benefit Payment Option .....	Joint & 100% Survivor Option
Starting Factor (See table on page 30) .....	85.8% (.858)

Adjustment Factor Calculation

Factor at retirement age	+	(3 Years Age Difference x .005)	=	Adjustment Factor
.858	+	.015	=	.873

Adjusted Base Benefit Calculation

Base Benefit	x	Adjustment Factor	=	Adjusted Base Benefit
\$867.00	x	.873	=	\$756.89

**BENEFIT PAYMENT DETAILS**

**Direct Deposit of Your Benefit Payment**

The standard form of payment for receiving your monthly pension benefit will be direct deposit. By using direct deposit your benefit payment will automatically be deposited in your checking or savings account on the **last working day** of each month. Direct deposit is the safest, fastest, and most convenient way to receive your monthly benefit payment. When you apply for retirement (or survivor) benefits, please complete and submit a *Direct Deposit Authorization* form. If you have an existing pay card (other than a Social Security pay card), MOSERS can transmit your monthly benefit payment to that card. Complete the *Direct Deposit Authorization* form with your card information.

Benefit payments are made the last working day of each month. Before the payments can begin, you must complete the two-step retirement process and leave state employment.

**Deductions From Your Benefit Payment**

If applicable, the following deductions may be withheld from your monthly benefit payment:

- Missouri income tax as specified on your W-4P
- Federal income tax as specified on your W-4P (Without this form, we are required to withhold federal taxes as if you are married claiming three exemptions.)
- MOSERS optional life insurance premium
- Aflac insurance premium
- Missouri Consolidated Health Care Plan (MCHCP) premium
- Miscellaneous deductions such as vision & dental insurance and Missouri State Employees Charitable Campaign (MSECC) contributions



### **Final Benefit Payment From MOSERS**

Your final monthly benefit payment will be paid at the end of the month in which you die. If you elected to receive your benefit by direct deposit and the account remains open, your final payment can be deposited in your account as usual. If you receive your benefit by paper check, your final check will be issued to the appropriate party.

You have the option of designating a beneficiary to receive the final payment from MOSERS. If a beneficiary has not been designated, the final payment will be paid in the following order to your:

- Surviving spouse (to whom you were married at the time of death)
- Surviving children, divided equally
- Surviving parents, divided equally
- Surviving brothers and sisters, divided equally

If there are no eligible family members, your final benefit payment will be paid as otherwise permitted by law.

### **Waiving Your Benefit**

You may waive your monthly retirement benefit for a period of time. However, federal law forbids the waiver of your benefit once you are older than age 70½ and retired. If you decide to waive your benefit and reinstate it later, the amounts waived are forfeited.

### **Protection of Benefits**

Your benefits from MOSERS are not subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim, except with regard to the collection of child support or maintenance, payment made to a former spouse pursuant to a division of benefits order, or an IRS levy. Also, your benefit may not be transferred or assigned. However, you may authorize a deduction from your retirement benefit for premiums due for any state-sponsored life or medical insurance, Missouri income taxes, federal income taxes, and Missouri State Employees Charitable Campaign (MSECC) contributions.

### **Correcting a Benefit Error**

The executive director of MOSERS is in charge of all records of the retirement system. If, due to an error, you receive more or less than the benefit to which you are entitled, the error, when discovered, will be corrected and your benefit will be adjusted accordingly.

If errors in your records are due to fraud, the perpetrator(s) of the fraud will be subject to a fine or imprisonment.



## After Retirement

### HOW REEMPLOYMENT AFFECTS YOUR BENEFIT PAYMENT

If you retire and later return to work for the state, in a benefit-eligible position covered by MOSERS, your pension benefit will be stopped. **Your employer determines if you are working in a benefit-eligible position.**

#### Benefit-Eligible Position

A benefit-eligible position is one that is permanent and normally requires the performance of duties during not less than 1,040 hours per year. If you return to work for the state of Missouri in a benefit-eligible position:

- Your monthly pension benefit from MOSERS stops for **any** month during which you are actively employed in that position. For example, if you return to work on July 27, your benefit payment will stop. You will not receive a benefit payment for July or any subsequent months while employed in a benefit-eligible position.
- You will accrue additional service credit for periods of reemployment after you have worked continuously for one year.
- If you are a member of MSEP 2011, the balance of your account contributions will be frozen, and you will begin making contributions to a second account for the new position. If you work less than a year, you will be due a refund.

When you retire again, your benefit will be equal to the monthly benefit you were receiving when you originally retired **plus** an additional monthly benefit for the service earned during reemployment periods of one year or more.

#### Non-Benefit-Eligible Position

Working for the state in a position that is not deemed benefit-eligible has no impact on your eligibility to continue receiving a pension benefit. You may work in that position and receive a pension benefit from MOSERS.

#### Reemployed by MPERS

If you become employed in a position covered by the MoDOT and Patrol Employees' Retirement System (MPERS), your MOSERS benefit will be stopped until you retire again.

MSEP 2000 and MSEP 2011 retirees **will** receive additional service credit and monthly retirement benefits from MPERS for periods of service greater than one year while reemployed under MPERS.

For more information see the **Reemployment** section under the **Retirees** section of our website.

You may work for the state in a non-benefit-eligible position or work as much as you want for any other employer other than the state and receive a pension benefit from MOSERS at the same time.

## DEATH AND YOUR RETIREMENT BENEFIT

### Death After Retirement

When you die, survivor benefits will be paid according to the benefit payment option you elected on your *Retirement Election* form, regardless of your marital status. When MOSERS is notified of your death, a benefit counselor will send your spouse, child(ren), or the person who contacts us a letter and the *Application for Survivor Benefits* (if applicable). Your spouse/beneficiary must apply for survivor benefits, which can start the first of the month following your date of death.

### Who Receives Your Final Benefit Payment From MOSERS?

You are entitled to a full benefit payment for the month in which you die. You have the option of designating a beneficiary to receive your final payment from MOSERS. Your final benefit payment from MOSERS should **not** be confused with potential survivor benefits (see page 29).

### Death of Your Spouse

If you elect the Joint & 50% Survivor option or the Joint & 100% Survivor option, which reduces your monthly benefit (exception: there is no reduction for the Joint and 50% Survivor Option in MSEP) and your spouse precedes you in death, your benefit will revert (pop-up) to the Life Income Annuity amount. The effective date of the pop-up will be the first of the month following your spouse's date of death. The pop-up is not automatic. You must provide MOSERS with a copy of your spouse's death certificate before your benefit will be adjusted.

The effective date of the new spouse designation will be the first of the month following the date MOSERS receives the designation form.

## MARRIAGE AFTER RETIREMENT

When you retire and elect a benefit payment option, there are two circumstances under which you may reelect your benefit payment option:

- If you are single at retirement (not eligible to elect a joint & survivor option) and elect the Life Income Annuity Option, you may change your benefit payment option if you later marry. You will have one year from your date of marriage to reelect one of the joint & survivor options and name your spouse as the beneficiary.
- If you elect one of the joint & survivor options on your *Retirement Election* form and your spouse dies, this provision will allow you to provide a survivor benefit for your new spouse if you remarry. You will have one year from your date of marriage to reelect one of the joint & survivor options and name your new spouse as the beneficiary.

## POST-RETIREMENT RESOURCES

- *RetireeNews* - To keep you up to speed, you will receive a newsletter in retirement.
- **Benefit Statements** - On the anniversary of your retirement, you'll get your *Annual Benefit Statement*, available online to view, save, or print.
- **Retiree Connection** - This group of representatives from each area of the state meets at MOSERS to discuss issues and concerns affecting MOSERS retirees. Find out who your area representative is on the **Retiree Connection** page on our website.
- **Coffee Break Seminars** - Attend a **free** post-retirement Coffee Break seminar in your area. These seminars allow MOSERS to discuss issues with retirees and keep them informed on different topics.

## WHEN SHOULD I CONTACT MOSERS?

Contact MOSERS if you want to do the following:

- Provide a change of address or email
- Inform us of a family status change (marriage, divorce, death of spouse)
- Change/stop direct deposit
- Change life insurance beneficiary
- Change tax deductions
- Apply for retirement
- Release your information to a family member or designate an agent/provide a power of attorney

Are you a survivor of a MOSERS benefit recipient?

Get more information and see what steps you should take in the Survivors Section of MOSERS' website.



## Glossary

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### Definition of Terms

When these words or terms are used, they have the following meanings unless the context clearly indicates a different meaning is intended.

### A

**Actuary** - An expert who analyzes risks and computes rates according to probabilities, which are based on known experiences. An actuary is experienced in retirement plan financing and is either a member of the American Academy of Actuaries or is enrolled under the Employee Retirement Income Security Act of 1974.

**Annuity** - Income payable for the lifetime of the retired member in equal monthly payments.

**Annuity Starting Date** - The first day of a calendar month when a member begins to receive retirement benefits. Before this date, a member must leave state employment, meet retirement eligibility criteria and all legal requirements, and complete the two-step retirement process (application and election form). The payment date for each month's benefit is the last working day of the month.

### B

**Base Benefit** - The amount a member is entitled to receive at retirement before reductions for early retirement or survivor options.

**Beneficiary** - Any person or entity entitled to or designated by a member or retiree who may be legally entitled to receive benefits.

**Benefit-Eligible Position** - A benefit-eligible position is one that is permanent and normally requires the performance of duties during not less than 1,040 hours per year.

### C

**Consumer Price Index (CPI)** - The CPI-U is the Consumer Price Index for all urban consumers for the United States, or its successor index, as approved by the board, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. The CPI is used by MOSERS to determine the annual cost-of-living adjustment (COLA) for benefit recipients.

**Credited Service** - The sum of a member's years and full months of service earned and any credited prior service. Credited service is recognized in determining the amount of the benefit.

**Credited Prior Service** - Service accrued before becoming a member of MOSERS which was purchased or transferred pursuant to the provisions of Sections 104.344, 104.800, 105.691, and 476.524, RSMo. Depending on your date of hire, this service may include active duty military service, full-time, nonfederal public employment, and up to eight years of prior service accrued in any plan administered by MOSERS or the MoDOT and Patrol Employees' Retirement System (MPERS).

## D

**Department** - Any department or agency of the executive, legislative, or judicial branch of the state of Missouri receiving state appropriations, including allocated funds from the federal government, but not including any body corporate or politic unless its employees are eligible for retirement coverage from a system under Chapter 104, RSMo, as otherwise provided by law.

## E

**Employee (Benefit-Eligible)** - Any person who is employed by a department and is paid a salary or wage by a department in a position normally requiring the performance of duties during **at least** one thousand forty (1,040) hours per year. The term “employee” shall **not** include any patient or inmate in any state, charitable, penal, or correctional institution, or any person who is employed by a department in a position that is covered by a state-sponsored defined benefit retirement plan not created by Chapter 104.RSMo.

## F

**Final Average Pay** - The average pay for a member’s highest 36 full consecutive months of service before leaving employment.

## M

**Member** – In general, a person is covered by the provisions of the plan indicated if they meet the following conditions and all other legal requirements.

- (MSEP)
  - **Legislator:** A person who first started serving as a legislator prior to July 1, 2000 and was vested as a legislator in MSEP (served 3 full biennial assemblies/6 years).
  - **Statewide Elected Official:** A person who first started serving as a statewide elected official prior to July 1, 2000 and was vested as a statewide elected official in MSEP (served 1 term/4 years).
- (MSEP 2000)
  - **Legislator:** A person who first started serving as a legislator on or after July 1, 2000 but prior to January 1, 2011, or a legislator covered by the MSEP on July 1, 2000 who elected the MSEP 2000 at retirement.
  - **Statewide Elected Official:** A person who first started serving as a statewide elected official on or after July 1, 2000 but prior to January 1, 2011, or a statewide elected official covered by the MSEP on July 1, 2000 who elected the MSEP 2000 at retirement.
- (MSEP 2011)
  - **Legislator:** A person who first started serving as a legislator on or after January 1, 2011.
  - **Statewide Elected Official:** A person who first started serving as a statewide elected official on or after January 1, 2011.

## P

### Pay

1. All salary and wages payable to an employee for personal services performed for a department, excluding:
  - a. Any amounts paid after an employee's employment is terminated, unless the payment is made as a final installment of salary or wages at the same rate as in effect immediately prior to termination of employment in accordance with a state payroll system adopted on or after January 1, 2000.
  - b. Any amounts paid upon termination of employment for unused annual leave or unused sick leave.
  - c. Pay in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986 as amended and other applicable federal laws or regulations.
2. All salary and wages, which would have been payable to an employee on workers' compensation leave of absence during the period the employee is receiving a weekly workers' compensation benefit, as reported and verified by the employing department.
3. All salary and wages, which would have been payable to an employee on a medical leave due to employee illness, as reported and verified by the employing department.

## R

**Retirement Date** - The first day of the calendar month when you begin to receive retirement benefits. (The payment date for each month's benefit is the last working day of the month.)

## T

**Terminated-Vested** - No longer employed in a MOSERS benefit-eligible position, but entitled to a retirement benefit once both the age and service requirements for retirement eligibility are met.

**Termination Date** - Your last day of work in a MOSERS benefit-eligible position, as reported by your employing department.

## V

**Vested** - Eligible for a retirement benefit once you meet the age and service requirements.





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

**Missouri State Employees' Retirement System**

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