



Retirement

General Employees' Retirement Handbook
MSEP 2011

Retirement

General Employees' Retirement Handbook

MSEP 2011 / Employees first employed on or after January 1, 2011

This member handbook is a general summary of the benefit provisions administered by the Missouri State Employees' Retirement System (MOSERS). This handbook is intended to give you a general idea of your benefits and acquaint you with the Missouri State Employees' Plan 2011 (MSEP 2011).

Notice: The information provided in this handbook applies to **MSEP 2011 members who are actively employed in a MOSERS benefit-eligible position on or after January 1, 2018**. If you are/were an MSEP 2011 member who terminated employment prior to January 1, 2018, contact a MOSERS benefit counselor for information about your benefits.

General state employees 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). However, for purposes of clarity, the retirement plan provisions for such employees 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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Regional college or university employees (except Lincoln University and State Technical College of Missouri): Please contact your payroll/personnel office with questions about your life insurance and long-term disability benefits.

Department of Conservation employees: Please contact your payroll/personnel office regarding life insurance benefits.



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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

Email

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^① to be vested (work a set number of years in a benefit-eligible position^①) and it provides a set benefit (based on salary and credited service^①) 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 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 insurance 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, the 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^① 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. Board members include:

- Two active members of MOSERS elected by the active and terminated-vested^① 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
 - e State Treasurer
 - e 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 is required to provide, upon written request, 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.

- MOSERS will use your Member ID on all correspondence (except tax documents) instead of your Social Security number. We are required to include your Social Security number on any 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 is only available on correspondence from MOSERS. It will not be given out over the phone.
- Unlike passwords or PIN numbers, your Member ID cannot be changed.
- Your Member ID should only be used in conjunction with MOSERS-related correspondence. Other benefit 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 accrued on or after August 28, 2014 if you have been convicted on or after August 28, 2014 of a felony under state law (or a substantially similar offense provided under federal law) involving stealing or receiving stolen money, property, or service valued at \$5,000 or more, forgery, counterfeiting, bribery of a public servant, or acceding to corruption, in connection with your duties as a state employee. However, if you are such a member of the MSEP 2011, you may still request from MOSERS a refund of your member contributions including interest credited to your account.

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.

UNDERSTANDING YOUR PLAN

Highlights of the MSEP 2011

- **Defined Benefit** – A lifetime monthly retirement benefit (once you meet retirement eligibility and retire under a MOSERS defined benefit plan) based on your final average pay^① and credited service.
- **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.
- **Contributions**^① – MSEP 2011 members are required to contribute 4% of pay^① to the retirement system.
- **Vesting Period** – 5 years*
- **Early Retirement** – At least age 62 with 5 years* of credited service at the time of termination. Base benefit^① will be reduced by ½ of 1% (.005) for each month your age is younger than normal retirement age.
- **Normal Retirement Eligibility** – At least age 67 and 5 years* of credited service or at least age 55 with sum of age and credited service equaling at least 90 at the time of termination.
- **Temporary Benefit** – Designed to provide you with a supplemental income until age 62 if you elect normal retirement prior to age 62.
- **Cost-of-Living Adjustments (COLAs)** – You will receive a COLA (0-5%) on your retirement benefit each year on the anniversary of your retirement. COLAs are based on 80% of the percentage increase in the average CPI from one year to the next.^①
 - **Effective January 1, 2018:** New terminated-vested MSEP 2011 members will not receive a COLA until the second anniversary of their retirement.

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Other Benefits Administered by MOSERS

- **Long-Term Disability (LTD) Insurance** – Partial income replacement in the event you become disabled, helping to bridge the gap from your date of disability to your recovery or retirement (see the *LTD Handbook*).
- **Basic Life Insurance** – Equal to one times your annual salary (\$15,000 minimum) at no cost to you. Your employer pays the monthly premiums for basic coverage (see the *Life Insurance Handbook*).
- **Optional Life Insurance** – You may purchase additional coverage for yourself, spouse and dependent child(ren) at group rates (see the *Life Insurance Handbook*).

Membership Requirements

As a state employee,^① you are automatically enrolled in MOSERS. General state employees employed for the first time on or after January 1, 2011 in a benefit-eligible position participate in the MSEP 2011. Your employer determines if the position in which you are working is benefit-eligible.

*Members must be actively employed on or after January 1, 2018 (effective January 1, 2018)

RESOURCES FOR BENEFIT INFORMATION

Benefit information is available to you in the following ways:

- **Website** (*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 **Member Login** button and we will guide you through the process.
 - If you have a valid email address on file at MOSERS, you are automatically signed up for email delivery of MOSERS publications. This includes your *Annual Benefit Statement*, a summary of your service, beneficiaries and benefits.
- **Rumor Central: Straight Talk About Your Benefits Blog** – Sign up for email updates to keep you in the loop regarding straight talk about MOSERS benefits.
- **Handbooks and Brochures** – All of MOSERS' handbooks and brochures are online and available from benefit counselors. 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 electronic *PensionsPlus* newsletters. Every time a new issue is published, a notification will be sent directly to your inbox. View previous issues online to read more about your benefits, online safety, and savings strategies.
- **Annual Benefit Statement** – Once a year, you will receive a summary of your service, pay, and contributions. 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 (by appointment) and by phone.
- **Web Video Library** – MOSERS' online video library features 2- to 5-minute 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
- Social Security Administration
www.ssa.gov
- MO Deferred Comp Plan
www.modeferrredcomp.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 benefit, 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 for more information.

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.

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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^① as soon as possible (i.e. time worked in a full-time nonfederal public service 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 retirement benefits.
- Visit our website to stay updated on the latest news and to update any personal information, such as address, email, or 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 retirement 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.
- Utilize financial calculators for mortgage loans, car loans, and paying off credit card debt on MOSERS’ website.

Your MOSERS retirement benefit is calculated using your service, salary and a multiplier. If you work in both a full-time and a part-time position (in another state agency), be sure to tell the HR office in both agencies about it. It could increase your future retirement benefit.

* *New permanent full-time and part-time employees employed 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

In order to qualify for a retirement benefit in the MSEP 2011, you must have at least five years of credited service. Once you meet that requirement, you are “vested.”^① Credited service refers primarily to the length of time you have been working in a MOSERS-covered position. As a member of the MSEP 2011, 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 retirement benefit. In other words, the more credited service you have, the higher your monthly benefit amount.

How Your Benefit Adds Up

Let’s take a look at the big picture. What is the value of your defined-benefit pension? This example provides an estimate of a retirement benefit paid over a 20-year period. The following assumptions are for illustrative purposes:

Age at retirement	55 years
Credited service	35 years
Final average pay	\$2,500
Annual COLA rate	2% (80% of the percentage increase in the average CPI)
Benefit payment option	Life Income Annuity
Length of retirement.....	20 years
Retirement plan.....	MSEP 2011
$\$2,500 \times 35 \times .017 = \$1,487.50$ Base Benefit	\$1,487.50
$\$2,500 \times 35 \times .008 = \700 Temporary Benefit	+ 700.00
Monthly Retirement Benefit	\$2,187.50

Year	Monthly Benefit		Temporary Benefit				Annual Benefit
1	\$1,487.50	+	\$700.00	x	12	=	\$26,250.00
2	1,517.25	+	714.00				26,775.00
3	1,547.60	+	728.28				27,310.56
4	1,578.55	+	742.85				27,856.80
5	1,610.12	+	757.71				28,413.96
6	1,642.32	+	772.86				28,982.16
7	1,675.17	+	788.32				29,561.88
8	1,708.67						20,504.04
9	1,742.84						20,914.08
10	1,777.70						21,332.40
11	1,813.25						21,759.00
12	1,849.52						22,194.24
13	1,886.51						22,638.12
14	1,924.24						23,090.88
15	1,962.72						23,552.64
16	2,001.97						24,023.64
17	2,042.01						24,504.12
18	2,082.85						24,994.20
19	2,124.51						25,494.12
20	2,167.00						26,004.00
Estimated Total Retirement Benefit							\$496,155.84

(In this example, the temporary benefit and any COLAs earned on that amount end at age 62.)

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 MOSERS Benefit*, for more details.

If you are married and request a refund of contributions, 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 benefit order pursuant to section 104.1051.

Survivor Benefits When You Die

Death Before Retirement (Non-Duty-Related)

If you die with at least five years of credited service, 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.

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 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).

Effective January 1, 2018 for MSEP 2011 terminated-vested members: If you die *after leaving state employment but prior to normal retirement eligibility age*, monthly pension benefits will be payable to your eligible survivor(s) when you would have reached normal retirement eligibility.

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 die prior to your retirement date,^① your retirement application and any subsequent elections will become null and void.

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.

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 interested in giving your agent broad powers, consult with an attorney who can advise and help you prepare a durable power of attorney.

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

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:

1. Spouse
2. Child
3. Parent
4. Brother or Sister
5. Niece, Nephew, or Grandchild

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

If You Leave State Employment

If You Have Less Than Five Years of Service

If you leave state employment with less than five years of service, you will forfeit your accrued service credit and all rights to benefits from the system. If you return to work in a MOSERS-covered position, your forfeited service will be restored and combined with your new service after you work continuously for one year in a MOSERS benefit-eligible position and return any refunded contributions plus interest.

If you leave state employment, contact MOSERS if your name, email, phone number or mailing address changes.

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If You Have Five or More Years of Service

If you leave state employment with five or more years of service, you will be vested and eligible for future retirement benefits. In general, your benefits will be based on the laws in effect on the day you leave state employment.

You will receive a notice from MOSERS approximately 60 days after we receive notice of your termination from your employer. This notice will indicate the estimated date you will be eligible to begin receiving benefits and an estimate of your benefit amount. If you return to state employment in a benefit-eligible position, you will start accruing additional service at the date of reemployment.

• “O sets” for MSEP 2011 Terminated-Vested Members (Effective January 1, 2018)

A “terminated-vested” member is someone who has left state employment but earned enough credited service to be eligible for a future retirement benefit when they reach normal retirement eligibility. Legislation, passed in 2017 (SB 62), reduced the vesting period from 10 years to 5 years, effective January 1, 2018 for MSEP 2011 members actively employed on or after January 1, 2018. These “o sets” in this legislation (ensure the vesting change does not increase plan liability and cost to the employer) affect terminated-vested members of MSEP 2011:

- Such members will receive their first cost-of-living-adjustment (COLA) on the 2nd anniversary of their retirement (rather than the 1st anniversary).
- If such a member dies prior to reaching retirement eligibility, survivor benefits will be payable to their eligible survivor(s) when the member would have reached normal retirement eligibility (rather than immediately following death).
- Such members will get no service credit for unused sick leave.



Approaching Retirement

APPROACHING RETIREMENT CHECKLIST

Three to Five Years From Retirement

- Attend a MOSERS PreRetirement Planning Seminar.
- Generate your own estimate on our website. Log in to your **Member Homepage** and choose **Estimates** then **Estimate Your Retirement Benefit**. Enter your unused sick leave, your spouse's date of birth, and the amount of prior service credit you plan to purchase or transfer (if applicable). Or, you can 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 for purchase is not covered by Social Security, you should contact a Social Security office to discuss what implications such a purchase would have on your future Social Security benefit.
- Check the state's deferred comp plan regarding your distribution options at retirement (if applicable).

When you are within five years of retirement, you should attend a PreRetirement Seminar. It is a great way to learn what to expect during the retirement process. Information is available on our website.

Unused sick leave cannot be used in determining your eligibility for retirement benefits.

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

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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 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, and get estimates of premium costs.
- Obtain a copy of an acceptable proof-of-age and lawful presence document (see list on page 23) 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 contact information. Please call, write, or go online to notify MOSERS if your name, phone number, email, or address changes.

ACQUIRING ADDITIONAL SERVICE CREDIT

The following provisions allow you to combine certain types of prior nonfederal public work with your MOSERS service. By combining your service, you may increase the amount of your retirement benefit and, in some cases, become eligible to retire at an earlier date. In MSEP 2011, you must be vested to be eligible to purchase credited prior service.

- **Section 104.345.4, RSMo** – transfer of service as a circuit clerk, deputy circuit clerk or division clerk
- **Section 104.372.4, RSMo** – transfer of service with a state agency under the Public School Retirement System (PSRS)
- **Section 104.1021.8, RSMo** – transfer of service from the MoDOT and Highway Patrol Employees' Retirement System (MPERS)
- **Section 105.691, RSMo** – transfer or purchase of service at full actuarial cost of eligible prior public service
- **Section 211.393, RSMo** – transfer of service as a juvenile court employee (including juvenile and deputy juvenile officers)

See the *MSEP 2011 Acquiring Service Credit* brochure on our website or contact a benefit counselor for more information and to see if you are eligible for any of the purchase or transfer of service provisions.

Automatic Military Service Credit

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.

Go to www.dol.gov for additional information on USERRA.

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

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)

HOW YOUR MOSERS BENEFITS ARE AFFECTED BY A JOB STATUS CHANGE

The table below provides information regarding your MOSERS benefits and how they would be affected in the event your job status with the state should change.

Types of Leave	Effects on MOSERS Benefits
Approved Leave of Absence	<ul style="list-style-type: none"> It is important that your employer notifies MOSERS of any approved leave of absence in order for you to receive service and salary credit that you are entitled to. Basic life, optional life, and long-term disability (LTD) coverage may be retained for up to one year by paying the premiums. If you are on a leave of absence and on direct bill, you must retain basic life coverage in order to keep child coverage and you must retain optional life insurance coverage in order to keep spouse coverage. If you cancel your optional life insurance coverage while on a leave of absence, the same level of coverage will be reinstated automatically when you return to work in a benefit-eligible position.
Medical Leave for Member	<ul style="list-style-type: none"> Up to one year of credited service can be accrued for retirement. Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for up to one year by paying the premiums.
Workers' Compensation	<ul style="list-style-type: none"> Up to one year of credited service can be accrued for retirement. If you are receiving workers' compensation benefits, your basic life insurance premiums will be paid by your agency. If you are not receiving workers' compensation benefits, you can keep basic and optional life insurance coverage for up to one year by paying the premiums. Long-term disability (LTD) insurance will be paid by the agency if you are receiving workers' compensation benefits. Otherwise, you can keep LTD insurance coverage for up to one year by paying the premiums.
Family Leave for Family Member <i>(as of 8/28/02)</i>	<ul style="list-style-type: none"> You can earn up to 12 weeks of service credit. Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for up to one year by paying the premiums.
Layoff	<ul style="list-style-type: none"> You do not earn credited service while laid off. Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for up to one year by paying the premiums. If you have not returned to work by the end of the one year layoff period, MOSERS will automatically terminate the leave of absence and any life or LTD coverage still in effect.
Military Leave	<ul style="list-style-type: none"> When you return to work and submit a valid DD 214 indicating an honorable discharge, you can earn credited service for active duty. Basic and optional life insurance coverage may be continued for the duration of deployment by paying the premiums. Long-term disability (LTD) coverage may be continued for up to one year by paying the premiums.
Leave (Other)	<ul style="list-style-type: none"> You do not earn credited service. Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for up to one year by paying the premiums.
Leaving State Employment	<ul style="list-style-type: none"> Service accrual of service credit stops when you leave state employment. If you are vested (<i>effective 1/1/18</i>: 5 years of service for general state employees) and later return to work in a benefit-eligible position, your prior service will be immediately reinstated upon reemployment. If you are not vested and later return to work in a benefit-eligible position, you must be continuously employed for one year and return any refunded contributions plus interest before any prior service is reinstated. Within 60 days of leaving state employment, you may elect to buy "portable" group life insurance coverage or "convert" your coverage to an individual policy with Standard Insurance Company. See MOSERS' <i>Life Insurance Handbook</i> for more information. Disability coverage stops the day you leave state employment.

Note: If eligible, you will have the option to pay your life insurance and LTD premiums through electronic bill pay. Premiums will be automatically deducted from your bank account.

MEMBER CONTRIBUTIONS

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.

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

In accordance with Section 104.1091.8(5) *Revised Statutes of Missouri*, the interest rate to be credited on your contributions will be based on the 52-week U.S. Treasury Bill rate for the Treasury bill auctioned nearest July 1 of the preceding year. Each year that you are still employed on June 30, your interest will be credited on June 30 and applied in mid-July to your balance of any accumulated contributions and any previously credited interest. You must have been employed on June 30 of the previous year in order to be credited any interest on your contributions. Interest credits will stop upon termination of your employment if you are not vested. If you terminate your employment and are vested, interest credits will stop at your retirement or death.

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 benefits order pursuant to section 104.1051.
- Refunds will be processed **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.



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 credited prior service must be completed before applying for retirement.

Three Months From Retirement

- Read our handy *Retirement Guide* that is an overview of the two-step retirement process. This guide is available online in our Members section under **Ready to Retire?**
- Log in to your Member Homepage and click on **Retire Online** to complete your *Retirement Application* 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 22.
- Read the *Destination Retirement* brochure (available online) to help you navigate the various benefit providers you may need to contact at retirement (such as medical insurance, deferred comp, and Social Security), including a checklist of forms, contact information, and maps to each location.
- Go online (www.mchcp.org) or obtain the required form(s) to retain your medical coverage from your human resources representative or MCHCP (if applicable).
- Notify your department personnel office regarding your intentions to retire. Find out when you should submit a letter of resignation.
- Contact your local Social Security office to apply for benefits if you are eligible and wish to do so.
- Check with MO Deferred Comp regarding your distribution options at retirement (if applicable).

One Month From Retirement

- Complete and submit the *Retirement Election* form online prior to your date of retirement. (For example, if your retirement date is March 1, your election form must be received at MOSERS no later than February 28.) If you do not submit the election form by the required date, your benefit payment will be delayed. See chart on page 22.
- Prepare proof-of-age and lawful presence documents to submit with your retirement application (see p. 23). You can upload a scan of a document* from your **Member Homepage**. Click **Online Documents** and then **Document Upload**.
- Make sure you have completed and submitted the required applications to continue your life insurance (if applicable).
- Review your estate/will information and life insurance beneficiary designations (if applicable).
- Follow-up with MO Deferred Comp (if necessary).

Retirement Date^① - 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^① - Your last day of work in a MOSERS benefit-eligible position, as reported by your employing department.

*Except Birth Certificate

NORMAL RETIREMENT

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.

You may work for the state in a non-benefit-eligible position and receive a retirement benefit from MOSERS at the same time.

Eligibility Requirements

Your normal annuity starting date^① 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 67 or older with at least 5 years of service

Once you are vested, you may leave state employment and receive your monthly MOSERS retirement benefits in the future once you reach age 67 (provided you didn't take a refund of your contributions).

- "Rule of 90" – at least age 55 with the sum of your age and service equaling 90 or more prior to leaving state employment

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:

- **Final Average Pay** - the average of your highest 36 consecutive months of compensation.
- **Credited Service** - Your years and months of credited service including unused sick leave (if applicable).

If you retire directly from active state employment, you will receive one month of credited service, for purposes of calculating the amount of your benefit, for every 168 hours (21 days) of your unused sick leave reported to MOSERS by your last employer.

- **Multiplier** - the multiplier is established by the legislature and is currently 1.7% (.017).

"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)

$$\begin{array}{ccccccc} \text{Final} & & \text{Years \& Full Months} & & \text{Multiplier} & & \text{Monthly} \\ \text{Average Pay} & \times & \text{of Credited Service} & \times & (.017) & = & \text{Base Benefit} \end{array}$$

Example of Base Benefit Formula

For this example, the following assumptions have been made. (The same assumptions will be used in later examples, unless otherwise noted.)

Final Average Pay..... \$2,000
 Credited Service..... 25 Years 6 Months
 Multiplier1.7% (.017)

$$\begin{array}{ccccccc} \text{Final} & & \text{Years \& Full Months} & & \text{Multiplier} & & \text{Monthly} \\ \text{Average Pay} & \times & \text{of Credited Service} & \times & (.017) & = & \text{Base Benefit} \\ \$2,000.00 & \times & 25.5 & \times & .017 & = & \$867.00 \end{array}$$

Minimum Base Benefit

A minimum benefit ensures that no member eligible for retirement will receive less than a certain amount. The minimum base benefit amount is used only when it is greater than the amount determined by the base benefit formula. If you are entitled to a minimum base benefit, you will receive \$15 for each full year of credited service.

Example of Minimum Base Benefit

Years of Credited Service	x	\$15 Per Year	=	Minimum Base Benefit
25 Years	x	\$15 Per Year	=	\$375 Minimum Base Benefit

Temporary Benefit Formula

To receive the temporary benefit, you must retire under the “Rule of 90.” The temporary benefit is designed to provide you with supplemental income until you reach age 62. The formula for calculating the temporary benefit is:

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.008)	=	Monthly Temporary Benefit
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Example of Temporary Benefit Formula

For this example, the following assumptions have been made:

Final Average Pay.....	\$2,000
Credited Service.....	25 Years 6 Months
Multiplier0.8% (0.008)

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.008)	=	Monthly Temporary Benefit
\$2,000.00	x	25.5	x	.008	=	\$408.00

The temporary benefit is not considered in determining potential benefits for your survivors. If you die while receiving the temporary benefit, any survivor benefits will be determined by the base benefit amount and the option elected.

Non-Social Security Covered Service

Pursuant to Section 104.1024, RSMo, benefits for non-Social Security covered service will be computed using a benefit multiplier of 2.5%.

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).

EARLY RETIREMENT

Eligibility Requirements

You are eligible for early retirement (reduced benefits) if you meet both of the following requirements:

- You attain the age of 62 prior to leaving state employment
- You have at least 5 years of credited service

If you elect early retirement, your base benefit will be reduced .5% for each month your age at retirement is younger than your normal retirement age.

For example, if you worked in a MOSERS benefit-eligible position from age 57 until age 62 (5 years) and then left state employment, you may apply and begin receiving early (reduced) MOSERS retirement benefits immediately, 6 months later, 3 years later, or at any point prior to when you attain the age of 67. If you wait until age 67 to receive your MOSERS retirement benefits, it will be normal retirement and your benefits will not be reduced.

Early Retirement Reduction Factor

If 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:

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

Example of Early Retirement Benefit Formula

For this example, the following assumptions have been made:

Age at Retirement	64 Years 6 Months
Final Average Pay	\$2,000
Credited Service.....	15 Years
Age Eligible for Normal Retirement.....	67 Years
Months Retiring Early.....	30 Months

Early Retirement Reduction Factor Calculation

$$1 - (30 \text{ Months Early} \times .005) = \text{Early Retirement Factor}$$

$$1 - (.15) = \mathbf{.85 \text{ (85\% of Base Benefit)}}$$

Base Benefit Calculation for Early Retirement

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.017)	=	Monthly Base Benefit
\$2,000.00	x	15	x	.017	=	\$510
Monthly Base Benefit	x	Early Retirement Factor	=	Early Retirement Benefit		
\$510.00	x	.85	=	\$433.50		

APPLYING FOR RETIREMENT

We recommend that you apply for retirement 45-90 days prior to your date of retirement. The payment of benefits is not automatic. You must complete the two-step retirement process before your 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 benefit.

Two-Step Retirement Process

The two-step process allows MOSERS to provide you with individualized information needed to make informed decisions regarding your retirement.

Step 1. The Application Step. Complete and submit a retirement application. Step 1 may be completed online by logging in to your MOSERS Member Homepage 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 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 online. 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 retirement benefit will be delayed.

Two-Step Retirement Process (Date Forms are Due at MOSERS)		
Date of Retirement	Retirement Application Due (Step 1)	Election Form Due (Step 2)
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

In addition to the retirement application, complete the following forms (if applicable) during **Step 1** of the retirement process:

- *Direct Deposit Authorization*
- *Substitute W-4P (Tax Withholding)*
- *Designation of Agent (optional)*
- *Retain/Change Optional Life Insurance*
- *Retain/Terminate Dependent Child Life Insurance*
- *Designate/Change of Beneficiaries-Basic & Optional Life Insurance*
- *Authorization to Release Information (optional)*

All of these forms may be completed and submitted online by logging in to your Member Homepage.

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 (current or expired)
- U.S. Certificate of Citizenship
- U.S. Certificate of Naturalization
- U.S. Certificate of Birth Abroad

For information about benefit payment options if you marry after retirement, see page 29.

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. To upload proof documents online, log in to your **Member Homepage**. At the top menu, under **Online Documents**, select **Document Upload**. Or, as part of the online retirement process, after the retirement application is complete, look for the **Document Upload** link on the left side under the progress bar.

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 retirement 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. The payment options available under the MSEP 2011 include:

Life Income Annuity	<ul style="list-style-type: none"> • Your retirement benefit will not be reduced for the purpose of providing a survivor benefit. • No monthly survivor benefits will be paid to anyone after your death; however you must name a beneficiary on your <i>Retirement Election</i> form to receive your final benefit payment from MOSERS.
Joint & 50% Survivor	<ul style="list-style-type: none"> • Your retirement benefit will be reduced to provide a lifetime survivor benefit for your spouse. • Your eligible spouse will receive 50% of the benefit amount you are receiving at the time of your death (excluding any temporary benefit). • Survivor benefits will be paid to the spouse named on your <i>Retirement Application for General Employees</i> (or <i>Designation of New Spouse for Survivor Option</i> form), regardless of your marital status.
Joint & 100% Survivor	<ul style="list-style-type: none"> • Your retirement benefit will be reduced to provide a lifetime survivor benefit for your spouse. • Your eligible spouse will receive 100% of the benefit amount you are receiving at the time of your death (excluding any temporary benefit). • Survivor benefits will be paid to the spouse named on your <i>Retirement Application for General Employees</i> (or <i>Designation of New Spouse for Survivor Option</i> form), regardless of your marital status.
Life Income With 120 Guaranteed Payments	<ul style="list-style-type: none"> • Your retirement benefit will be reduced. You must name a beneficiary (can be anyone) to receive your final benefit payment from MOSERS and any remaining guaranteed payments (excluding any temporary benefit). The guarantee starts on the effective date of retirement, not your death, and extends for the term you elect.
Life Income With 180 Guaranteed Payments	<ul style="list-style-type: none"> • Your retirement benefit will be reduced. You must name a beneficiary (can be anyone) to receive your final benefit payment from MOSERS and any remaining guaranteed payments (excluding any temporary benefit). The guarantee starts on the effective date of retirement, not your death, and extends for the term you elect.

Benefit Payment Option Adjustment Factors

Benefit payment options require your retirement 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 retirement benefit. If you would like an estimate of your monthly retirement benefit, please contact a MOSERS benefit counselor or select **Estimates**, then **Estimate Your Retirement Benefit** on your **Member Homepage**.

Age difference is the number of full years your spouse is older or younger than you.

Joint & 50% Survivor Option

Starting Factor Used to Determine Adjustment Factor

<u>If your spouse is younger than you</u> Factor at retirement age - (Age Difference x .003)	Member's Age at Retirement	Starting Factor
<u>If your spouse is older than you</u> Factor at retirement age + (Age Difference x .003) (<i>the adjustment factor cannot exceed 94.25%.</i>)	55	92.1%
	56	91.8
	57	91.5
	58	91.2
	59	90.9
	60	90.6
	61	90.3
	62	90.0
	63	89.7
	64	89.4
	65	89.1
	66	88.8
	67	88.5

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Joint & 100% Survivor Option

Starting Factor Used to Determine Adjustment Factor

<u>If your spouse is younger than you</u> Factor at retirement age - (Age Difference x .005)	Member's Age at Retirement	Starting Factor
<u>If your spouse is older than you</u> Factor at retirement age + (Age Difference x .005) (<i>the adjustment factor cannot exceed 87.75%.</i>)	55	85.8%
	56	85.4
	57	85.0
	58	84.6
	59	84.2
	60	83.8
	61	83.4
	62	83.0
	63	82.6
	64	82.2
	65	81.8
	66	81.4
	67	81.0

Life Income With 120 Guaranteed Payments	Adjustment factor = .93 (93%)
Life Income With 180 Guaranteed Payments	Adjustment factor = .86 (86%)

Beneficiaries, when you elect a life income with guaranteed payment option, may be a person, charity or trust.

Example of Benefit Payment Option Adjustment Factor

For this example, the following assumptions have been made:

Retiree's Age55 Years
 Spouse's Age 58 Years (3 years/8 months older)
 Benefit Payment Option.....Joint & 100% Survivor Option
 Starting Factor (See table on page 24).....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 retirement benefit is 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.

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 (Tax Withholding form)
- 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
- Accident insurance premium
- Missouri Consolidated Health Care Plan (MCHCP) premium
- Department of Conservation's health and life insurance premium(s)
- 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.

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)

Regardless of the benefit payment option you elect, you will receive a benefit for your lifetime.

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.

Benefits are paid from your actual date of retirement going forward; they cannot be paid retroactively.

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

COST-OF-LIVING ADJUSTMENT (COLA)

After retirement, you will receive an annual COLA (0-5%) for your lifetime on the anniversary date of your retirement. For example, if you begin receiving retirement benefits on May 1, 2021, your first COLA will be payable with your May 31, 2022 benefit payment and each May thereafter.

MOSERS provides an annual COLA to eligible retired members, surviving spouses, beneficiaries, and surviving children younger than age 21. The annual COLA will be equal to 80% of the percentage increase in the average Consumer Price Index (CPI)[®] from one year to the next with an annual maximum at 5% (minimum 0%).

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 increase.

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 retirement 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 retirement 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 retirement benefit 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.
- 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.

- The Consumer Price Index (CPI) 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.

- According to Missouri state law, each January, MOSERS must compare the average CPI for the calendar year just completed to the average CPI from the prior year to determine the percentage change between the two years.

The MOSERS COLA rate for any year is based on 80% of the percentage increase in the average CPI from one year to the next.

- After you retire, you will receive a COLA (0-5%) each year for the rest of your life. Survivor benefits are also eligible for annual COLAs.
- COLAs are applied every year on the anniversary of your retirement.

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 retirement benefit. You may work in that position and receive a retirement benefit from MOSERS.

You may work as much as you want for any employer other than the state of Missouri and receive a retirement benefit from MOSERS at the same time.

Reemployment 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 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, visit our website.

DEATH AND YOUR RETIREMENT BENEFIT

Death After Retirement

When you die, survivor benefits will be paid according to the benefit payment option you elect 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 will start the first of the month following your date of death.

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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 23).

Death of Your Spouse

If you elect the Joint & 50% Survivor option or the Joint & 100% Survivor option 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.

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.

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.

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

POST RETIREMENT RESOURCES

- *RetireeNews* – To keep you up to speed, you will receive newsletters in retirement.
- **Benefit Statements** – On the anniversary of your retirement, you will 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 Breaks** – 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.
- **Social Media:** Follow MOSERS on Facebook and Twitter. Subscribe to our Rumor Central Blog to get email updates.

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WHEN SHOULD I CONTACT MOSERS?

Contact us 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
- Enroll in a seminar
- Change life insurance beneficiary
- Change tax deductions
- Apply for retirement
- Release your information to a family member
- Designate an agent/provide a power of attorney

Many of these tasks can also be done online by logging in to your Member Homepage.



Glossary

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 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.

Contribution – The Missouri State Employees' Plan 2011 (MSEP 2011) and the Judicial Plan 2011 are contributory defined benefit plans. As a member, 4% of your gross pay is contributed, by payroll deduction, to the MOSERS trust fund. If you are vested and terminate state employment, MOSERS will continue to pay interest until you either withdraw the funds or become eligible for normal retirement from the system.

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 Section 105.691, RSMo. Depending on your date of hire, this service may include full-time, nonfederal public employment, or 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) – For purposes of the MSEP 2011, 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 (MSEP 2011) – A person who first became a benefit-eligible general state employee on or after January 1, 2011 and continues to be an employee.

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 – To be “vested” means you are eligible for a retirement benefit once you meet the age and service requirements.

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Relay Missouri numbers are 711 (Voice) or (800) 735-2966 (TTY).

MOSERS is an equal opportunity employer.

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

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