

Pensions Plus

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Spring 2014

Noteworthy News

**Making Sense of Your
Annual Benefit Statement**

Real Retirees

**Alice Ward Makes Retirement
A Family Affair**

Important Board Elections

**MOSERS Board Election
Nomination Packets Available**

The MOSERS logo features the word "MOSERS" in a serif font, with a stylized sunburst or fan-like graphic above the letter "O".

PensionsPlus

Your Guide to Retirement, Life Insurance, & Long-Term Disability



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Annual Benefit Statements

Keep Track of Your Future

As a benefit-eligible state employee, your total compensation is much more than the dollars you receive in your paycheck. The cost of the benefits you receive (retirement, health care, life and long-term disability insurance, employer contributions to social security, etc.) plus the value of time off (annual leave, sick leave, and holidays) represent a significant part of your total compensation.

Each spring, MOSERS distributes annual benefit statements. The statement provides a summary of your pay and benefits and is a tool that should be helpful as you make decisions today and plan for tomorrow. Last year, the format of these statements was revised and improved to provide you with a more comprehensive summary of your total compensation and to help you better estimate the income you will have in retirement. This personalized information should help you decide things like:

- Are you saving enough for retirement in your State of Missouri Deferred Compensation account?
- Should you make any changes to your cafeteria plan or health or life insurance coverage the next time you have the opportunity?*
- When will you be financially ready to retire?

Your income in retirement may come from several different sources such as:

- Your MOSERS defined benefit pension plan
- Social security retirement benefits
- Part-time or full-time re-employment
- Savings and investment income (from individual accounts such as the State of Missouri Deferred Compensation Plan)

In 2014, your annual benefit statement will help you see your current deferred compensation savings (if you contribute) and how much income that savings may produce for you in retirement based on your current savings rate and your savings rate if you increased your contributions.

You will also be able to access your annual benefit statement from your Document Express mailbox through your secure **Member Homepage** on MOSERS' website. You will receive an email from MOSERS letting you know it has been posted and will be available for you to print or save, as you wish. If you have opted to receive your correspondence from MOSERS through the mail, your statement will be sent to your home address in March or April.

MOSERS exists to advance the financial security of our members. We hope you find your *2014 Annual Benefit Statement* to be an effective tool in this effort.

**Conservation and College & University Employees (except Lincoln University and Linn State Technical College) – Some of your benefits (such as health care and life insurance coverage, among others) are provided by your employer so no information on these benefits will appear in your Annual Benefit Statement. Contact your human resources office for more information on those benefits.*



Spring Cleaning

Check Your Beneficiaries

Spring is a good time to “clean up” your life insurance beneficiary designations and make sure they are current! Check the beneficiaries listed on your *Annual Benefit Statement*. Or, log in to the secure **Member Homepage** on MOSERS' website and click on **Personal Information** and then **Life Insurance** from the menu at the top. Your beneficiary information will be displayed below your current life insurance coverage amount. You may change your designation while you are logged in or by completing and submitting the *Designation/Change of Beneficiaries (Basic & Optional Life)* form, available online.

Contingent Beneficiaries

A contingent beneficiary refers to the alternative beneficiary who will receive your life insurance proceeds in the event your primary beneficiary does not survive you. While MOSERS does keep a record of the contingent beneficiary you submit to us, a contingent beneficiary will only be listed on your *Annual Benefit Statement* if you submitted that beneficiary designation online.



Looking for Straight Talk About Your Benefits? Straight Talk Has Moved!

MOSERS' Straight Talk has been merged with our **Rumor Central Blog** at: <http://mosersrc.blogspot.com/>. You can continue to find our *Friday Top Five*, Rumor Central questions, and *Straight Talk* blog posts there. Here are a couple of samples from our current blog posts.

Financial Security Peace of Mind

Chris Rackers was our manager of investment policy and communication until her retirement from MOSERS in March 2014.

No matter how young or old you are, you never know what life will bring, what opportunities will become available, what challenges you will face, or what decisions you will make along the path of life.

In 1977, as a young woman looking for employment and upon the advice of an older friend, I took several state merit exams. Shortly after, several official looking letters arrived with my scores on those examinations. One interview later, I was hired by a state agency. At that time, I was excited about one thing - I had a job with the promise of a monthly paycheck. That was all I knew of state government and as a young person, it was enough. My goal was simple - perform well on the job and look for opportunities for advancement. Retirement was definitely not on my mind.

Read the rest on our **Rumor Central** blog.

Also look for a 3-part series called Putting the Pieces Together

Getting ready for retirement often means collecting pieces of information from multiple agencies so that you can begin to envision your life after state employment. Although MOSERS no longer administers health insurance for state employees (and hasn't since 1994), we understand that navigating the system is sometimes frustrating.

Part 1: Gathering estimates for your health care premium

Part 2: Where will your monthly income come from?

Part 3: What can you do right now?

Read all three parts of the series at our **Rumor Central** blog.



Seminar Registration Essentials

Our 2014 PreRetirement Planning seminar schedule is online and registration is open. Many sessions are already filling up, so register now if you plan to attend a session this year. Your registration process will go faster if you enroll online, and you can also see how many spaces are left in your area. To make registration easier for you, here are some handy tips:

» Registration Requires a MOSERS Password

To register online, you must first have a MOSERS password. Whether you haven't yet registered or you forgot your password, you can get one online right away. Simply find the secure **Member Login** box on our website, and underneath the login, click on **Register for a Password** if you don't have a MOSERS password, or **Forgot Your Password** if you need to change it. You will be taken through a few questions to verify your identity first.

» Being Prepared Saves Time

For your security, you will be automatically timed out of the registration process after 15 minutes of inactivity. This protects your information in case you are using a public computer. To save time, have your information ready when you begin.

» Confirmation Information

You will receive a confirmation in the mail or by **Document Express** as a reminder of your specific date and location. This is just one reason why it is important to keep MOSERS informed of your current email and mailing address. If you do not receive a confirmation by email the next day or by mail within one week, call MOSERS to verify that you are registered.

» Register Early to Reserve Your Spot

The PreRetirement seminars fill up fast, especially in Jefferson City. If you are planning to retire and would like to ensure you get a spot, register early.

» Registering a Guest

Bringing a guest? Guests who are state employees must complete their own registration form to receive a personalized benefit estimate.

» Estimate Your Retirement Date

Estimated retirement date: MOSERS will calculate the first eligibility date for your personal benefit estimate if you leave this field blank.

» Provide us With Your Spouse's Birthdate

If you are married and wish to compare all the benefit payment options available to you, please provide your spouse's date of birth. The amount of the reduction in your benefit for a joint and survivor option will be based on your age and the difference between your age and your spouse's age.

Real Retirees

Alice Ward Makes Retirement a Family Affair

When it comes to being ready for retirement, there are financial, emotional, and logistical considerations. Some people are hesitant about this major life change, and others count the days until it arrives. MOSERS retiree, Alice Ward, was so excited about her retirement that she made it into a family affair to mark the milestone. Here's how she describes that day:

"...my son, my daughter and five of my six grandchildren, and I appeared at MOSERS' door on Monday, December 23, the beginning of their 2013 Christmas vacation from school. That was also the day we all sat down with a very pleasant and knowledgeable MOSERS benefit counselor, in her office as I proceeded to apply for my retirement benefits. (I think that was the first time I ever noticed that my family could all be together and, at the same time, so quiet, too.) I asked my kids and grandkids if they would like to accompany me that day because it was the first opportunity I had ever had to include them in an event that would start the ball rolling toward a day when I, Mom/Grandma, would no longer have to go to work. It was really a good feeling, too, since I had started working so many years ago, in 1971. My son was just two years old when I started working. My daughter had never had an opportunity to know what it was like to have a stay-at-home mom, and my grandchildren have also never known me to be a grandmother who could be there for them, because of the job, when it really would have helped them a lot. So, it was a most memorable day and one we won't forget."

We thought Alice's joyful celebration of retirement was so positive that others would want to hear her story. We interviewed her about the process and her thoughts about retirement, both before and after.

What agency did you retire from and what was your position?

I worked at Southeast Missouri Mental Health Center in Farmington. I was the clinical director's assistant for the past 15 years.

How long did you work there?

I worked there for 23 years, 2 1/2 months, from November 19, 1990, through January 31, 2014.

Did you work for any other state agencies?

Prior to November 1990, I taught in Missouri public schools, on both secondary and elementary levels. I also taught in a small, private, elementary Catholic school for several years.

What was the main reason you decided to retire in December 2013?

I want to spend time with my two adult children as well as my six grandchildren, ages 10 through 19.

What did you like best about your job?

Contact with people everywhere, both children and adults.

How did you feel about your decision before completing the process?

A little unsure, but I knew that I would have to retire in order to find more time for my family, children, and my grandchildren.

What was the retirement process like for you—did you get help by phone, in person and/or on the website? Did you attend a PreRetirement Planning seminar prior to retirement?

I attended two retirement seminars during the last five years I was working full-time and also talked to benefit counselors over the phone during the whole process. I also read a lot of the information provided at the MOSERS website.

What advice would you give other people thinking about retirement? Is there anything you wish you had known or done differently?

My best suggestion would be to attend at least one or two retirement seminars, maybe even do a "mock retirement." It can be somewhat complicated, but not so much so if you apply for retirement at least three months in advance of your actual retirement date. You will find that you need to provide vital information on your retirement plans to as many as five, maybe more, state organizations, and at least two federal, i.e., your employer, MOSERS, MCHCP, Deferred Compensation, ASIFlex, UMR (health insurance), Medicare, and social security. These are all organizations that I needed to contact, as well as include in my retirement plans/notifications, and work with during the weeks/months prior to my official date of retirement.



Alice Ward (center) and her family at MOSERS.

How did you learn about purchasing prior state service?

Well, I was listening to a fellow employee at lunch one day in November 2013, as he was talking about a purchase of prior years of state service that he had recently completed. That's when I realized that I might be eligible to do the same thing. So, I contacted a MOSERS benefit counselor who explained the whole process to me and provided me with the MOSERS application needed to process my request. I filled out my part of the application and forwarded it on to Public School Retirement System (PSRS) for verification. PSRS promptly made the verification and forwarded it back to MOSERS. Soon afterward, I received notification from MOSERS of my eligibility, along with details regarding the cost and a description of the final steps in the process.

However, had I been aware of this opportunity sooner, or right after I accepted Department of Mental Health employment, it might have been a lot easier for me financially. I highly recommend that information regarding purchase of eligible prior service be made a part of the retirement seminars, and

also to new employees as soon as possible. For those who are interested, putting it off only makes the purchase more expensive, due to the interest charged.

If I were a new Missouri state employee, I would attend a MOSERS retirement seminar as soon as possible and learn about all the many opportunities, possibilities, and advantages of planning for retirement. Start early! Time flies when you're busy working and maybe raising a family. Retirement just might arrive sooner than you think!

What are your retirement plans?

My plans for retirement include spending more time with my children and grandchildren (all ten), as well as my siblings and my mother, who is now almost 88 years old. I also plan to continue working a couple of days a week in order to supplement my retiree income/benefits, and to help me keep my state and Medicare Part B insurance. Both are necessary, and both come with much higher premiums than what I had been paying for my medical insurance as a full-time active state employee.

Is there anything else you would like to add?

Thank you, Jade Elwess, the MOSERS benefit counselors, the MCHCP Staff, Deferred Comp, MO Department of Mental Health, MO Department of Elementary & Secondary Education, and MO PSRS staff. Forty years is a long time, but I'm not done just yet! I still have a lot of good years left which I'd like to put to very good use.

If you are like Alice and have prior public service, see *Tips on Purchasing Service* on page 8.



Fast Facts

Tips on Purchasing Service

- You must be vested with MOSERS to acquire eligible prior service credit.
- The purchase or transfer of service must be completed prior to applying for retirement.
- It's a good idea to discuss your options with a benefit counselor early on so you know your options.
- The types of service you may purchase or transfer are different, depending on which plan you belong to. There are separate brochures explaining the options available to members of the MSEP/MSEP 2000 and the MSEP 2011.
- Some types of service may be added to your records free of charge, others may have to be purchased. It is in your best interest to explore your possibilities, as additional service may increase your benefit and/or enable you to retire sooner.
- Waiting may cost you money. The cost of purchasing service increases as you get closer to retirement.
- There is a service purchase calculator on our website to calculate the cost of buying up to 4 years of active-duty military service or non-vested public employment service within the State of Missouri. (Neither are available in the MSEP 2011.)
- The *Tax-Free Rollover Brochure* has information on rolling over funds from a qualified plan (such as the State of Missouri Deferred Compensation Plan) to purchase or transfer service credit.



Mark Your Calendars

Communications Preferences Survey

If you have an email address on file, you may receive our annual communications preference survey in April to get your feedback on the various tools MOSERS uses to communicate information. Please let us know how we can continue to improve our methods and which ones you find the most useful. Thank you in advance for your participation.

Counselor Connection

Tax Tips and Your Retirement Benefit

by Amber Kuttenkuler, Benefit Counselor



As you near retirement, you may start to consider how your taxes will change once you retire. The only taxes MOSERS will withhold from your pension benefit are federal and Missouri state taxes. You will elect how you would like us to withhold these taxes by completing our *Substitute W-4P* form (available online) when you apply for retirement. You may change your withholding amount at any time.

When determining how much to withhold for federal taxes, you should review the **Federal Tax Calculator** available on our website. This calculator is based on the federal tax tables and can give you an idea of what your federal withholding will be based on your marital status and number of allowances. There is a helpful video in MOSERS' online **Video Library** that explains federal tax deductions and your MOSERS benefit.

For your state tax withholding, you may qualify for the Public Pension Exemption. In order to be eligible for the full pension exemption, your Missouri gross adjusted income must fall within certain income limitations. For further details regarding the Public Pension Exemption, please review the Department of Revenue's website (<http://dor.mo.gov/personal/ptc/pension.php>) or contact a qualified tax advisor. Also remember that if you become a resident of another state after you retire, you will not need to have Missouri state taxes withheld from your benefit.

Once you retire, you will receive a *1099-R* tax form each January. An electronic version will also be available online by logging into your secure **Member Homepage**. Remember, MOSERS only provides a *1099-R* for payments made by MOSERS. To obtain a copy of your *W-2* form, you will need to log into the **Employee Self Service** (ESS) portal or contact your human resources department.

Know they'll be taken care of through basic life and long-term disability insurance at no cost to you.

As a MOSERS benefit-eligible state employee*, you automatically receive basic life and long-term disability insurance at no cost to you. See the handbooks at www.mosers.org for more information.

**Conservation and College & University Employees (except Lincoln University and Linn State Technical College) – Some of your benefits (such as health care and life insurance coverage, among others) are provided by your employer. Contact your human resources office for more information on those benefits.*

BECAUSE TEACHING THE GRANDKIDS TO COOK IS
ONE FOR THE SCRAPBOOK,
BUT STEWING OVER RETIREMENT PAPERWORK IS NOT.



Applying for retirement is fast and easy with MOSERS' Retire Online process. It only takes 30 minutes* to fill out your retirement paperwork. What do you plan on doing in the next 30 minutes?

**The process should take 30 minutes straight through with the appropriate information at hand.*



Your time is better spent with MOSERS' **Retire Online**

Board Election

Candidate Nominations Now Open

The nomination period for candidates interested in running for the active member seats on the MOSERS Board of Trustees is now open. Two active members will be elected this August and begin serving a four-year term in January 2015. In our last two issues of *PensionsPlus*, we familiarized you with the responsibilities of the board and outlined personal qualifications necessary to be an effective board member. To recap:

Qualifications for Board Candidates

- Active member candidates must be currently employed in a MOSERS-covered position on August 1st of the year of the election. Failure to be employed at that time will result in an automatic disqualification.
- A board member representing active members who terminates employment while serving on the board will be considered to have resigned from the board. The board may appoint an active member to serve the balance of the board member's term.*
- It will be automatic grounds for disqualification if it is determined that a candidate knowingly submitted false information in the election process.

The Nomination Process

Now we will focus on the nomination process for active members interested in being a candidate.

1. **Declaration:** This form declares your interest in being a board candidate. By providing the required personal information and past board or commission experience, you are expressing your interest in being a member of the MOSERS board.
2. **Signatures:** This form requires you to obtain the signatures of at least 100 active MOSERS members, including their work phone number and the name of their employing agency.
3. **Background and Qualifications:** This form requests biographical information, including your qualifications for a position on the board of trustees. It must not exceed 300 words and should include information you believe to be relevant to your candidacy for election.

The forms, together with all pertinent information and guidelines, can be found in our brochure titled *Board Member Candidate Information, Active Member Board Seat*. For a copy of this brochure, visit the **Board Election** page on our website or contact MOSERS at (800) 827-1063.

Even if you are not interested in running for a seat on the board, it is important that you take an active role in the voting process. Remember, these two candidates will represent you for the next four years. The next issue of *PensionsPlus* will include information on the voting process.

** In accordance with Section 104.450 RSMo*

Nomination Timeline

- **March 2014**
Nomination petitions available
- **June 30, 2014**
Deadline to return (postmark) nomination petitions to MOSERS by mail
- **July 16, 2014**
Nomination results available

Where to Find Your Packet

1. *Go to the* **MOSERS Website**
2. *Click on* **About MOSERS**
3. *Click on* **Board of Trustees**
4. *Click on* **Board Election**

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PensionsPlus Newsletter

■ Retirement & You



Here for Your Benefit
Information Technology & Systems Development

Information technology is responsible for establishing and maintaining the automated systems that support MOSERS' daily operations. MOSERS takes full advantage of technology to automate and integrate almost every aspect of the business. Staff in this section:

- Provides computer and technical design support for MOSERS' data processing activities.
- Is responsible for the document imaging system, network, unified communication system and personal computers.
- Is responsible for developing and maintaining the automated systems that are used to administer the plan.
- Is jointly responsible for MOSERS' website, along with the Performance Excellence & Public Relations section.