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## Retirement Guide

### *Members Applying for MOSERS Retirement Benefits MSEP, MSEP 2000, and MSEP 2011*

This guide provides a summary of the process to apply for your defined benefit pension payments with the Missouri State Employees' Retirement System (MOSERS). Apply online by logging in to your **Member Homepage** on the MOSERS website or by contacting a benefit counselor for a personalized *Retirement Application*.

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

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## ■ RETIREMENT GUIDE ■

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The purpose of this retirement guide is to give you a basic understanding of the steps you need to take to receive your pension benefit from MOSERS and to help you make informed decisions along the way. Look to the RetireMints sidebar feature for tips and hints designed to make your retirement experience as pleasant and stress free as possible.

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- **Retire Online** — The easiest and most convenient way to apply for retirement is online. Complete both steps in the two-step retirement process all at once or leave and come back later.

**If you choose not to retire online, you may request a personalized *Retirement Application* from a benefit counselor.**

- **Other Benefit Providers** — MOSERS is not the only administrator you need to contact. As a state employee, your comprehensive benefit package is administered by various providers. Contact information for those providers is included in the back of this guide. Also see the *Destination Retirement* brochure on MOSERS' website for a helpful roadmap to navigate the retirement process.
- **Questions/Appointments** — If you have questions regarding your MOSERS retirement benefits or need assistance completing or submitting forms, call (800) 827-1063 or (573) 632-6100 and a benefit counselor will be happy to assist you. To make an appointment to personally speak with a benefit counselor at our office, call the number above to schedule a time.

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### SMART START CHECKLIST

Get a smart start on Step 1 of the retirement process by having the following information readily available before you begin:

- MOSERS Online ID and password for applying online.
- Anticipated date you plan to retire (always the 1st day of the month).
- Personal email address you will use after your retirement (not work email).
- Spouse's Social Security number, date of birth, and date of marriage (if applicable).
- Account number, American Banker's Association (ABA) routing number, and contact information of your financial institution for direct deposit of your monthly retirement benefit.
- Withholding amounts from your benefit for federal and Missouri state taxes.
- Life insurance beneficiary(ies) information including name, relationship, address, date of birth, and Social Security number.
- Designated agent(s) information including name, phone number, and mailing address (form is optional).
- Information including name, relationship, phone number, and email address of person(s) or organization(s) to whom MOSERS can release information about your benefits (form is optional).

## ■ TWO-STEP RETIREMENT PROCESS ■

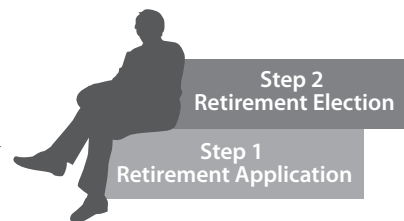
The retirement process consists of two steps and involves completing several important forms. This process allows MOSERS to provide you with pertinent information needed to make informed decisions regarding your pension benefit payments. Whether you apply online or on paper, this guide will assist you in completing all the necessary forms.



- **The Payment of Benefits is not Automatic** — You must complete the two-step retirement process before your benefit payments can begin.
- **Retirement Process Due Dates** — Specific due dates are required for submission of your *Retirement Application* and *Retirement Election Form* (see chart below).
- **Record Keeping** — When you complete the retirement process online, you will have the option to print or save your information after it is submitted to MOSERS. If you choose not to apply online, please make copies of the completed forms for your records.
- **Purchase/Transfer of Service** — You must complete the purchase or transfer of service **prior to applying for retirement**.
- **Payments** — Benefits will begin on your actual date of retirement going forward and payments will be made on the last working day of each month.
- **Notify Your Employer** — If you are actively employed with a state agency when you apply for retirement, remember to check with your human resources office and follow your employer's termination process which is separate from applying for benefits with MOSERS.

### STEP 1 APPLYING FOR RETIREMENT

- **Complete and submit a *Retirement Application***. Your retirement application must be submitted to MOSERS according to the due date coinciding with your date of retirement (see chart below).
- The ideal time to complete and submit any additional forms is 45 to 120 days prior to your date of retirement.



### STEP 2 RETIREMENT ELECTION

- **Complete and submit a *Retirement Election Form***. On this form, you will elect a retirement plan (if applicable), whether or not to receive the BackDROP\* (if eligible), and a benefit payment option (required). If electing the BackDROP, please complete the *BackDROP Distribution Form*. These forms must be received by MOSERS prior to your date of retirement (see chart below).

#### Retirement Process Due Dates

Retirement Date <i>Always the first day of the month</i>	Step 1 <i>Retirement Application Due</i>	Step 2 <i>Retirement Election Form Due</i>
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

*\*BackDROP is available only to general state employees who are members of MSEP or MSEP 2000 and who work at least two years beyond normal retirement eligibility.*

## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Complete & Submit Your Retirement Application



- **Retirement Eligibility** — Before payments can begin, you must meet the age and service eligibility criteria, leave state employment, and apply for benefits.
- **Retirement Date** — The retirement date you provide on your *Retirement Application* will be the first day of the month you will begin receiving retirement benefits.
- **Upload Documents** — While you are logged in, remember that you can upload scanned documents, such as proof-of-age and lawful presence, to MOSERS. Look for **Online Documents**, click **Document Upload** and follow the instructions. Use this feature any time you need to get a document to MOSERS quickly.
- **Handbooks** — For your convenience, the retirement handbooks for MSEP/MSEP 2000 and for MSEP 2011 are available online and include detailed information regarding the benefit provisions administered by MOSERS.
- **Contact Information** — It is important that MOSERS maintain your current contact information. If moving, or changing your name, phone or email address, easily update your information by logging in to your **Member Homepage**.

### RETIREMENT APPLICATION

Once you've discussed your options with a financial advisor, spouse or significant other and made your decisions, the easiest and most convenient way to apply for retirement is online. Simply log in to your Member Homepage using your MOSERS Online ID and password, then select **Retire Online** from the menu. The *Retirement Application* is required for all retirees and begins Step 1 of the two-step retirement process. MOSERS uses the information collected about you (and your spouse, if applicable) to generate a personalized *Retirement Election Form* and benefit estimate which will be immediately available electronically on your **Member Homepage** if you apply online (or delivered to you by mail if you apply on paper).

### Retirement Application Deadlines

- Your *Retirement Application* will become null and void if you do not complete the two-step retirement process within 90 days of your stated date of retirement.
- If you do not submit your *Retirement Application* or *Retirement Election Form* on time, your benefit payment/retirement date may be delayed.
- If you submit a *Retirement Application* and then decide not to retire, please send MOSERS a written notice with your signature or an email to rescind your application.

### Proof-of-Age and Lawful Presence

- You must submit **one** proof-of-age and lawful presence document **for yourself** and one **for your spouse (if applicable)** with your application (unless you apply online and indicate that you have a valid Missouri Driver's License or Missouri Identification Card).

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

OR, a photocopy of one of the following:

**Valid Missouri Driver's License or Missouri Nondriver ID**

**U.S. Passport** (valid or expired)

**U.S. Certificate of Citizenship**

**U.S. Certificate of Naturalization**

**U.S. Certificate of Birth Abroad**

IF MARRIED, submit a legible copy of:

**Spouse's proof-of-age and lawful presence document** (see above)

**Marriage certificate**

## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Authorize Direct Deposit of Your Monthly Pension Benefit Payment

#### DIRECT DEPOSIT AUTHORIZATION

The standard method of receiving your monthly benefit from MOSERS is direct deposit. The *Direct Deposit Authorization* form allows MOSERS to transfer your benefit payment electronically into 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. The direct deposit election you made while actively employed does not apply to your MOSERS benefit. You must complete a **new** form when applying for retirement benefits.

#### Direct Deposit Advantages

MOSERS encourages direct deposit for several reasons:

- **Security** - Reduces the risk of loss, theft, or forgery of paper benefit checks. Using direct deposit can help protect you against identify theft.
- **Convenience** - Gives you timely and uninterrupted deposits when you are away from home.
- **Trouble-Free** - Eliminates inconveniences such as standing in line or traveling to your financial institution.
- **Worry-Free** - Relieves the anxiety associated with the uncertainty of mail delivery service, due to all types of inclement weather, natural disasters, etc.

#### Payment Notifications

You will receive notification containing detailed payment information the first month you receive a benefit payment. Afterwards, notification will be sent to you only if the amount of your benefit payment changes. Generally, the amount changes for one of the following reasons: a cost-of-living adjustment (COLA), changes to insurance premiums, tax withholding, or other deductions.

#### Making Changes to Your Direct Deposit Account

If you change accounts at the same financial institution or transfer your benefit payment to a different financial institution, you must complete and submit a new *Direct Deposit Authorization* form.

Keep in mind that if your direct deposit account is closed too soon, the financial institution will return your direct deposit to MOSERS, causing your benefit payment to be delayed. Therefore, keep your initial direct deposit account open until the end of the month after making a change.



- **Financial Information** — If you choose not to complete your *Direct Deposit Authorization* form online, please include a voided check or deposit slip.
- **Multiple Accounts** — A separate *Direct Deposit Authorization* form is required if you receive more than one type of benefit payment from MOSERS and want payments deposited into separate accounts.
- **Signature** — A signature is required on a paper copy of the *Direct Deposit Authorization* form if any of the following apply:
  - The member or benefit recipient does not apply online.
  - The form is to be completed and submitted by an authorized agent under Section 104.1093, RSMo, or an authorized agent under a durable power of attorney or conservatorship.
    - If completed and submitted by an agent under a durable power of attorney, certified copy of the durable power of attorney (unless on file with MOSERS) must be attached.
    - If completed and submitted by a court appointed conservator, a certified copy of the conservatorship (unless on file with MOSERS) must be attached. Certified copies will be returned after verification.

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## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Withhold Taxes From Your Retirement Benefit

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- **Start Date** — The start date is the first day of the month you wish tax withholding to begin; it cannot be retroactive.
- **Federal Tax Withholding** — If you do not choose a federal tax withholding option on the *Substitute W-4P* form, MOSERS is required to withhold federal taxes as if you elected married with three allowances.
- **States Other Than Missouri** — MOSERS will not withhold taxes for any state other than Missouri. We recommend you contact the appropriate state and local tax authorities to determine the taxability of your MOSERS benefit.
- **Tax Resources** — For more information or questions about the taxability of your benefits:
  - Consult your tax professional or accountant.
  - Contact the Missouri Department of Revenue or visit their website at [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax).
  - Contact the IRS or visit their website at [www.irs.gov](http://www.irs.gov).
  - Visit [www.mosers.org](http://www.mosers.org) for access to our **Federal Tax Calculator**.

#### **TAX WITHHOLDING AUTHORIZATION (SUBSTITUTE W-4P) *Withholding Certificate for MOSERS Benefit Payments***

Your pension benefits are subject to federal income tax and Missouri state income tax if you reside in Missouri. The federal and Missouri State tax withholding elections you made while actively employed do not apply to your MOSERS benefit. You must complete a **new** tax withholding form (*Substitute W-4P*) when applying for retirement benefits.

#### **Missouri Income Tax**

You may be exempt from paying Missouri state taxes on your pension depending on your Missouri adjusted gross income. Beginning in the tax year 2012, married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct the greater of \$6,000 or 100% of their public pension benefit, to the extent the amounts are included in their federal adjusted gross income. The total public pension exemption is limited to the maximum Social Security benefit of each spouse. Search for “pension exemption” on [www.dor.mo.gov](http://www.dor.mo.gov) for additional information.

#### **Federal Tax**

Your retirement benefits are subject to federal income tax. If you do not pay enough tax during the year, you may have to pay a penalty. The two methods of paying federal tax are listed below:

- **Withholding** - MOSERS will withhold taxes from your monthly benefit payment in accordance with your *Substitute W-4P* form. The amount withheld is paid to the IRS in your name. If you have too much withheld during the year, MOSERS cannot refund the overpayment. Any overpayment must be recovered from the IRS as a result of filing your annual tax return.
- **Estimated Tax Payments** - If you decline to have tax withheld or do not pay enough tax through withholding, you may have to make estimated tax payments. If you receive other income, such as dividends, interest, capital gains, rent, and royalties, you may also have to make estimated tax payments on that income.

#### **Reevaluate Your Tax Withholdings**

You should assess your tax situation each year. Life events such as marriage, death of a spouse, divorce, or change in dependents may impact the amount you wish to have withheld. You may change your withholding election at any time during the year by logging in to complete the *Substitute W-4P* form online. The amount of withholdings you elect does not change your tax liability.



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## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Name & Update Your Life Insurance Beneficiaries

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#### DESIGNATION/CHANGE OF BENEFICIARIES (IF APPLICABLE)

##### **Basic & Optional Life Insurance**

Your life insurance coverage amounts are payable to your named beneficiary(ies) if you die while insured. The *Designation/Change of Beneficiaries* form allows you to name one or more beneficiaries (primary and contingent) to receive the proceeds from your life insurance. This form must be submitted online (signed by you and dated if applying by paper) and received by MOSERS during your lifetime.

**Life Insurance Eligibility** — MOSERS administers life insurance for most, but not all, state employees. You will **not** complete this form if you are an employee of the Missouri Department of Conservation, a public college or university (except State Technical College of Missouri and Lincoln University), or if you are a terminated-vested state employee.

##### **Designating a Beneficiary**

Be sure your instructions are clear and that you provide as much information as possible for your primary and contingent beneficiary designations (you may have more than one). You may also name a trust, corporation/organization/charity, or estate as your beneficiary(ies). **You must indicate the amount (percent/fraction) for each beneficiary designation.** Examples of beneficiary designations can be found with the form.

##### **Designation of Minor Children**

If a minor (a person under the age of 18, except an emancipated minor) or estate is your beneficiary, it may be necessary to have a conservator or a legal representative appointed before any death benefit can be paid. This could mean legal expenses for the beneficiary and delay in the payment of insurance. Please take this into consideration when naming your beneficiary. As an alternative, you may wish to set up a trust to receive your assets upon your death. A trust is a legal arrangement through which a trustee manages the assets for your beneficiary(ies). If you would like to set up a trust, please contact an attorney.

##### **Payment of Benefit Without Beneficiary Designation**

If you do not designate a beneficiary or if no designated beneficiary is living, your life insurance benefit will be paid in the following order to you:

1. Surviving spouse
2. Surviving children, divided equally
3. Surviving parents, divided equally
4. Surviving brothers and sisters, divided equally
5. Estate



- **Effective Date** — Your designation will become effective on the date the form is received at MOSERS.
- **Claims** — After MOSERS is notified of your death, a letter will be sent to your beneficiary describing the claims procedure. Your beneficiary must send MOSERS a **certified copy** of your death certificate to use in processing the insurance claim.
- **Keep Your Beneficiary Designations Updated** — It is important to periodically review and update your beneficiary designations. You may make changes as often as you wish, but it is your responsibility to keep your designations up to date. If your beneficiary dies or you get divorced, you may want to consider completing a new form. Life insurance proceeds will be paid according to your last designation (**regardless of your marital status**). Finally, you should inform your beneficiaries of their designation so they are aware that they may become entitled to a benefit.
- **Life Insurance Handbook** — MOSERS' *Basic & Optional Life Insurance* handbook is available online for your convenience and includes detailed information regarding major provisions of your life insurance benefits.



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## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Terminate, Retain, or Decrease Optional Life Insurance

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- **Insurance Details** — MOSERS provides “term” insurance, which has no cash or loan value. Your beneficiaries will not receive a benefit payment if your coverage through the state has been terminated or if you cease to pay the required premium.
- **Basic Life Insurance** — If you retire within 60 days of leaving state employment, the state will continue to provide \$5,000 in basic life insurance at no cost to you. Coverage is automatic; no forms are required.
- **Coverage** — You may reduce or terminate, but cannot increase, your optional life coverage amount after retirement. If you terminate your optional life insurance coverage, it cannot be reinstated at a later date.
- **Premiums** — Your premium may be adjusted every January based on your age and the amount of optional life insurance coverage you elected.
- **Waiver of Premiums** — If you were approved for waiver of premiums before July 1, 2005, the waiver will continue after retirement. If you were approved for a waiver of premiums on or after July 1, 2005, you may continue coverage if you pay the premiums. The coverage amount will be based on the limits in effect on the date you became disabled.

#### **RETAIN/CHANGE OPTIONAL LIFE INSURANCE (IF APPLICABLE)**

The *Retain/Change Optional Life Insurance* form is made available to current MOSERS retirees as well as active members applying for retirement. If you wish to terminate, retain, or decrease your optional life insurance coverage you **must** complete this form.

#### **Continuing Optional Life Insurance Coverage at Retirement**

When you retire within 60 days of leaving state employment, you may elect to continue purchasing any amount of coverage from \$1,000 up to a maximum of \$60,000 (in increments of \$500). However, the amount of coverage you carry into retirement cannot exceed the amount you carried while actively employed. At retirement, your premium will depend on your age and the amount of coverage you have selected and will be deducted from your monthly retirement benefit.

- **MSEP 2000/MSEP 2011: General Employees With Optional Life Coverage Greater Than \$60,000** — If you retire under the “Rule of 80” (MSEP 2000), or the “Rule of 90” (MSEP 2011), you may retain all of your optional life insurance coverage until age 62. At age 62, your coverage will automatically reduce to a maximum of \$60,000.

Subject to the terms of the group policy, there are two options available to continue your MOSERS life insurance coverage when normally your coverage would end or be reduced. You have 60 days from the end of the month in which you leave state employment to make an election to retain group term life insurance or convert it from a group to an individual whole life insurance policy. To learn more, see MOSERS’ *Basic & Optional Life Insurance* handbook online, or contact Standard Insurance Company at (844) 505-6026.

#### **Spouse Coverage at Retirement**

The optional life insurance coverage on your spouse cannot be continued into retirement. You may have two options available to continue your spouse coverage with Standard Insurance Company. You have 60 days from the end of the month in which you leave state employment to make an election to port group term life insurance or convert your spouse’s coverage from a group to an individual whole life insurance policy. For more information, contact Standard Insurance Company at (844) 505-6026.

#### **Continuing Coverage for Dependent Children**

If you wish to retain life insurance coverage in retirement for your dependent child(ren) younger than age 26 or disabled, you must complete the *Retain/Terminate Dependent Child Life Insurance* form prior to the payment of your first retirement benefit. Child coverage is \$10,000 per child with a monthly premium of \$2.00, regardless of the number of children insured. Premiums will be deducted from your retirement benefit.

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## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Authorize Release of Personal Information

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#### **AUTHORIZATION TO RELEASE INFORMATION (OPTIONAL)**

All member documents and personal information is strictly confidential and will not be shared with others without your authorization. The *Authorization to Release Information* form allows MOSERS to release specific information authorized by you to another person or organization. This form must be submitted online (signed by you and dated if applying by paper) and received by MOSERS to be effective.

- MOSERS recommends that you complete and submit this form, but it is optional. Complete the form *only if you wish to authorize* MOSERS to release any of your personal information to another person or organization.

#### **Common Reasons Members Use This Form**

- **Another Person Takes Care of Your Financial Matters** - Some members prefer to have a spouse, other family member, advisor, or some other trusted person assume the responsibility for getting information from MOSERS about their benefits either because that person is well versed in such matters or because it is simply easier for that person to understand or get the information in person, over the phone, or via email.
- **Housing** - If you move, your new housing provider may require proof of your income.
- **Military Leave or Other Extended Absence** - If you will be away from home for an extended period of time, you may wish to authorize another trusted person to be able to get information from MOSERS on your behalf.
- **Change in Marital Status** - If you previously completed an *Authorization to Release Information* form and later get married, divorced, remarried, or have another life event, you may want to consider completing and submitting a new form.



- **Authorization to Release Information form** — This form is optional and can be completed, amended, or revoked at any time, but it must be completed online or in writing.
- **Authorization Section** — It is important to let MOSERS know what information we can release and the effective date. The appropriate boxes on the paper form must be checked so please carefully review before submitting. Returning an incomplete form to you could cause a delay.
- **Records Confidentiality** — MOSERS is required to provide, upon written request, the following information with regard to benefits: 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. See also your MOSERS *Retirement Handbook* regarding confidentiality of your member records.

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## ■ STEP 1 - APPLYING FOR RETIREMENT ■

### Safeguard Your MOSERS Benefits by Designating an Agent

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- **Authority to Designate** — 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.
- **MOSERS Benefits Only** — The *Designation of Agent* form **does not** give your agent broad powers like those usually found in a durable power of attorney.
- **Durable Power of Attorney** — If you are interested in giving your agent broad powers, please consult with an attorney who can advise and help you prepare a durable power of attorney.
- **Liability** — MOSERS is **not liable** with regard to any payment made in good faith to your agent.

#### **DESIGNATION OF AGENT (OPTIONAL)**

MOSERS must pay benefits to the individual who has legal responsibility for your financial matters. The *Designation of Agent* form allows you to choose who will be responsible for managing your MOSERS benefits if you become incapacitated.

- MOSERS recommends that you complete and submit this form, but it is optional. Complete the form **only if you elect** to designate an agent to apply for or receive benefits on your behalf.

#### **Naming an Agent and Successor Agent**

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 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).

#### **Benefit Decisions Without a Designated Agent**

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 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

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## ■ STEP 2 - RETIREMENT ELECTIONS ■

### Complete & Submit Your Retirement Election Form

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Now that you have completed Step 1 of the retirement process and MOSERS has received your *Retirement Application* and any initial forms you submitted when applying for retirement, you are ready to proceed to Step 2. This step involves completing and submitting your *Retirement Election Form* online. Here you will make decisions regarding your retirement plan (if applicable), the BackDROP (if eligible), and your payment options.

#### RETIREMENT ELECTIONS

Please review your benefit estimate(s) and read over your personalized *Retirement Election Form* carefully. The elections you choose are **irrevocable** and cannot be changed after your first benefit payment has been mailed or electronically transferred by MOSERS (even in the event of divorce).

##### 1. Choose a Retirement Plan (if applicable)

The date on which you were first employed in a MOSERS benefit-eligible position determines which plan or plans you are eligible for and **whether or not you will elect a plan** on your *Retirement Election* form.

In general, the Missouri State Employees' Plan (MSEP) is the existing retirement plan for members employed before July 1, 2000. At retirement, vested members of the MSEP may elect MSEP or the Missouri State Employees' Plan 2000 (MSEP 2000). Members employed on or after July 1, 2000 but before January 1, 2011 are in the MSEP 2000. Members who are first employed in a MOSERS benefit-eligible position on or after January 1, 2011 are members of the MSEP 2011. See page 14 and 15 for a summary of pension benefit provisions by plan.

##### 2. Make a Decision Regarding the BackDROP Option (if eligible)

The BackDROP option provides a way for you to receive a lump-sum payment at retirement in addition to your ongoing monthly benefit. If you are eligible for BackDROP (you worked in a MOSERS benefit-eligible position **at least two years** beyond your normal retirement date), details of this payment option will be provided on your benefit estimate and it will be listed on your *Retirement Election Form*. If you decide to elect the BackDROP, do the following:

- **Choose a BackDROP Period** — The BackDROP period is the length of time between your BackDROP date and your actual retirement date. You may select a BackDROP period (in one-year increments) ranging from one year to the total amount of time worked after normal retirement eligibility (maximum of five years).
- **Complete the *BackDROP Distribution Form*** — This form must be completed and submitted to MOSERS before your BackDROP distribution can be processed. You will elect to receive your distribution in one of the following ways:



- **Plan Election** — Members of the MSEP may elect the MSEP 2000 at retirement.
- **BackDROP Decisions** — You are not required to take any action related to the BackDROP until you retire and you are not required to elect the BackDROP, regardless of how long you work beyond normal retirement eligibility.
- **BackDROP Distribution** — The BackDROP payment is taxable income. MOSERS recommends you contact a tax consultant or financial advisor before electing a payment method. For a detailed explanation of the payment methods and tax consequences, please review the *Special Tax Notice* brochure, available on our website or by contacting a benefit counselor.
- **Eligibility** — BackDROP is available only to general state employees who are members of MSEP or MSEP 2000 and who work at least two years beyond normal retirement eligibility.

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## ■ STEP 2 - RETIREMENT ELECTIONS ■

### Complete & Submit Your Retirement Election Form

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- **The BackDROP Impacts Your Monthly Benefit Amount** — You will receive a lump-sum payment equal to 90% of the Life Income Annuity amount you would have received during the BackDROP period. This includes any temporary benefit (which stops at age 62) and cost-of-living adjustments (COLAs). If you elect the BackDROP, the monthly benefit payable on your actual retirement date is based on the benefit you would have received had you left employment and retired on an earlier date.
- If you die **prior** to your retirement date, your *Retirement Application* and any subsequent elections, such as the BackDROP, become null and void. Your survivor (if applicable) will not receive the BackDROP lump sum. Any survivor benefits will be calculated using total credited service.
- **Death & Your BackDROP Payment** — If you die **after** your retirement date (and elected the BackDROP) but before receiving the distribution, it will be paid to your spouse (whom you were married to at the time of your death). If no spouse exists, payment will be made to the beneficiary designated on your *Retirement Election Form*. If no beneficiary exists, payment will be made as otherwise permitted by law.

- Rollover to a qualified retirement account (such as MO Deferred Comp) or an IRA.
- Receive a cash distribution payable in either one lump-sum payment at retirement or three annual installments (one with your first monthly benefit payment and one each of the following two years thereafter).
- Directly roll over a percentage of your eligible distribution to a qualified retirement account (such as with MO Deferred Comp) or an IRA and receive the remainder in a lump-sum cash payment.

*Note: If you choose to roll over any portion of your distribution to an account other than with MO Deferred Comp, the BackDROP Distribution form must be signed by an authorized official from your financial institution or employer plan. This form will be sent to you and your BackDROP will not be processed until it is completed and returned to MOSERS.*

### 3. Choose a Benefit Payment Option

You must elect a benefit payment option on your *Retirement Election Form*. This election determines if a benefit will potentially be paid to anyone after your death. Regardless of the payment option you elect, you will receive a benefit payment each month for your lifetime. The table on the following page shows the payment options available for all plans.

*Note: If you are married and elect a benefit payment option other than a joint & survivor option, your spouse must consent. MOSERS will send you the form for your spouse to sign.*

## ■ STEP 2 - RETIREMENT ELECTIONS ■

### Complete & Submit Your Retirement Election Form

#### BENEFIT PAYMENT OPTIONS

##### LIFE INCOME ANNUITY

###### Life Income Annuity (All Plans)

- Your retirement benefit **WILL NOT** be reduced for the purpose of providing a survivor benefit.
- No ongoing monthly survivor benefits will be paid to anyone after your death.
- You must name a beneficiary to receive your final benefit payment.

##### JOINT & 50% SURVIVOR

###### Joint & 50% Survivor (All Plans)

- **MSEP** — Your retirement benefit **WILL NOT** be reduced to provide a lifetime survivor benefit for your spouse.
- **MSEP 2000/MSEP 2011** — 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 for members of the MSEP 2000 and MSEP 2011*).
- Survivor benefits will be paid to the spouse named on your *Retirement Application* (or *Designation of New Spouse as Beneficiary for Retirement Benefits* form), regardless of your marital status at the time of death.

##### JOINT & 100% SURVIVOR

###### Joint & 100% Survivor (All Plans)

- 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 for members of the MSEP 2000 and MSEP 2011*).
- Survivor benefits will be paid to the spouse named on your *Retirement Application* (or *Designation of New Spouse as Beneficiary for Retirement Benefits* form), regardless of your marital status at the time of death.

##### LIFE INCOME WITH GUARANTEED PAYMENTS

###### Life Income with 60 Guaranteed Payments (MSEP)

###### Life Income with 120 Guaranteed Payments (All Plans)

###### Life Income with 180 Guaranteed Payments (MSEP 2000/MSEP 2011)

- Your retirement benefit **WILL BE** reduced for your lifetime.
- You must name a beneficiary or beneficiaries (person(s), trust, corporation, organization, charity, or your estate) to receive your final benefit payment from MOSERS and any remaining guaranteed payments (excluding any temporary benefit).
- No survivor payments will be paid if you have received all payments in the guaranteed period (other than the final payment).



- **Lifetime Benefit Payments** — You will receive a monthly benefit payment for your lifetime regardless of the payment option you elect.
- **Payment Option Decisions** — The benefit payment option you elect on your *Retirement Election Form* is permanent once your first pension benefit payment has been mailed or electronically transferred by MOSERS. There are only two circumstances under which you may re-elect your benefit payment option (see your MOSERS *Retirement Handbook* for detailed information).
  - You are single at retirement, elect the life income annuity option, and later marry.
  - You are married at retirement, elect a joint & survivor option, your spouse dies, and you later remarry (“Pop-Down” provision).
- **Pop-Up Provision** — If you elect a joint & survivor option and your spouse precedes you in death, your benefit will revert (pop-up) to the life income annuity amount effective the first of the month following your spouse’s date of death. The pop-up is not automatic. You must notify MOSERS and provide a copy of the death certificate before your benefit can be adjusted.

## SUMMARY OF PENSION BENEFIT PROVISIONS

### General State Employees

Benefit Provisions	MSEP First employed in a MOSERS benefit-eligible position prior to July 1, 2000 and vested in MSEP*	MSEP 2000 First employed in a MOSERS benefit-eligible position on or after July 1, 2000 but prior to January 1, 2011
<b>Member Contributions</b>	• None	• None
<b>Vesting</b> <i>Eligible for future pension</i>	• 5 years	• 5 years
<b>Service Purchases</b>	• May purchase up to 4 years of active-duty military service or qualifying public sector service at subsidized rate; may also purchase public sector service at full actuarial cost	• May purchase up to 4 years of active-duty military service or qualifying public sector service at subsidized rate; may also purchase public sector service at full actuarial cost
<b>Service Transfers</b>	• May transfer state service to other positions covered by MOSERS under 104.800	• May transfer service under 104.1090 from other systems with written agreements to transfer required funds
<b>Early Retirement Eligibility</b> <i>Age and service required to receive a reduced retirement benefit</i>	• Age 55 + 10 years of service <i>Base benefit reduced ½ of 1% (.005) for each month age is younger than normal retirement</i>	• Age 57 + 5 years of service <i>Base benefit reduced ½ of 1% (.005) for each month age is younger than normal retirement</i>
<b>Normal Retirement Eligibility</b> <i>Age and service required to receive an unreduced pension benefit</i>	• Age 65 + 5 years of service • Age 60 + 15 years of service • “Rule of 80” – (at least age 48) Age + years of service = 80 or more <i>Age 50 if first became eligible prior to Aug. 28, 2003</i>	• Age 62 + 5 years of service • “Rule of 80” – (at least age 48) Age + years of service = 80 or more <i>Age 50 if first became eligible prior to Aug. 28, 2003</i> <i>Terminated-vested members ineligible for “Rule of 80”</i>
<b>Base Benefit Formula</b> <i>Payable for life</i>	• .016 x FAP x Service <i>Future formula increases, if any, may be passed along to retirees</i>	• .017 x FAP x Service <i>Future formula increases, if any, will not be passed along to retirees</i>
<b>Temporary Benefit Formula</b> <i>Stops at age 62</i>	• Not available	• .008 x FAP x Service <i>Available to members retiring under “Rule of 80”</i>
<b>BackDROP Option</b> <i>Lump-sum payment at retirement in addition to reduced monthly pension</i>	• Must work at least 2 years beyond normal retirement eligibility to be eligible; elect BackDROP at retirement (if applicable)	• Must work at least 2 year beyond normal retirement eligibility to be eligible; elect BackDROP at retirement (if applicable)
<b>Benefit Payment Options</b> <i>Determines whether or not a benefit will be paid to anyone after member’s death</i>	• Life Income Annuity • Unreduced Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 60 Guaranteed Payments • Life Income with 120 Guaranteed Payments	• Life Income Annuity • Joint & 50% Survivor • Joint & 100% Survivor • Life Income with 20 Guaranteed Payments • Life Income with 180 Guaranteed Payments
<b>Optional Life Insurance</b> <i>Coverage at retirement (if eligible); cannot exceed coverage amount while actively employed</i>	• Maximum of \$60,000	• Maximum of \$60,000 <i>Members retiring under “Rule of 80” may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i>
<b>Cost-of-Living Adjustment (COLA)</b> <i>Helps offset effects of inflation increasing the cost of goods and services</i>	• <b>Employed before Aug. 28, 1997</b> Receive 4-5% each year until reaching 65% COLA cap. After reaching cap, the rate is based on 80% of the percentage increase in the average CPI (0-5%) • <b>Employed on/after Aug. 28, 1997</b> Based on 80% of the percentage increase in the average CPI (0-5%)	• Based on 80% of the percentage increase in the average CPI (0-5%)
<b>In-Service COLA</b> <i>Service beyond age 65</i>	• Applicable COLA rate (if eligible)	• Not available



## SUMMARY OF PENSION BENEFIT PROVISIONS

### General State Employees

Benefit Provisions	MSEP 2011 First employed in a MOSERS benefit-eligible position on or after January 1, 2011
Member Contributions	<ul style="list-style-type: none"> <li>• 4% of pay</li> </ul>
Vesting <i>Eligible for future pension</i>	<ul style="list-style-type: none"> <li>• 5 years</li> </ul>
Service Purchases	<ul style="list-style-type: none"> <li>• May purchase qualifying public sector service at full actuarial cost</li> </ul>
Service Transfers	<ul style="list-style-type: none"> <li>• Not available</li> </ul>
Early Retirement Eligibility <i>Age and service required to receive a reduced retirement benefit</i>	<ul style="list-style-type: none"> <li>• Age 62 + 5 years of service at time of termination</li> <li>• <i>Base benefit reduced ½ of 1% (.005) for each month age is younger than normal retirement</i></li> <li>• <i>Terminated-vested members ineligible</i></li> </ul>
Normal Retirement Eligibility <i>Age and service required to receive an unreduced pension benefit</i>	<ul style="list-style-type: none"> <li>• Age 67 + 5 years of service</li> <li>• “Rule of 90” – (at least age 55)</li> <li>• Age + years of service = 90 or more at time of termination</li> <li>• <i>Terminated-vested members ineligible for “Rule of 90”</i></li> </ul>
Base Benefit Formula <i>Payable for life</i>	<ul style="list-style-type: none"> <li>• .017 x FAP x Service</li> <li>• <i>Future formula increases, if any, will not be passed along to retirees</i></li> </ul>
Temporary Benefit Formula <i>Stops at age 62</i>	<ul style="list-style-type: none"> <li>• .008 x FAP x Service</li> <li>• <i>Available members retiring under “Rule of 90”</i></li> </ul>
BackDROP Option <i>Lump-sum payment at retirement in addition to reduced monthly pension</i>	<ul style="list-style-type: none"> <li>• Not available</li> </ul>
Benefit Payment Options <i>Determines whether or not a benefit will be paid to anyone after member’s death</i>	<ul style="list-style-type: none"> <li>• Life Income Annuity</li> <li>• Joint &amp; 50% Survivor</li> <li>• Joint &amp; 100% Survivor</li> <li>• Life Income with 120 Guaranteed Payments</li> <li>• Life Income with 180 Guaranteed Payments</li> </ul>
Optional Life Insurance <i>Coverage at retirement (if eligible); cannot exceed coverage amount while actively employed</i>	<ul style="list-style-type: none"> <li>• Maximum of \$60,000</li> <li>• <i>Members retiring under “Rule of 90” may retain coverage beyond \$60,000 until age 62; at age 62, coverage will reduce to \$60,000</i></li> </ul>
Cost-of-Living Adjustment (COLA) <i>Helps offset effects of inflation increasing the cost of goods and services</i>	<ul style="list-style-type: none"> <li>• Based on 80% of the percentage increase in the average CPI (0-5%)</li> </ul>
In-Service COLA <i>Service beyond age 65</i>	<ul style="list-style-type: none"> <li>• Not available</li> </ul>

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## ■ CONTACT INFORMATION ■

### MOSERS & Your Other State/Federal Sponsored Benefits

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#### Missouri State Employees' Retirement System

PO Box 209 • Jefferson City, MO 65102-0209

**Phone:** (573) 632-6100 • (800) 827-1063

**Fax:** (573) 632-6103

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

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



#### Missouri Consolidated Health Care Plan

PO Box 104355 • Jefferson City, MO 65110-4355

**Phone:** (573) 751-0771 • (800) 487-0771

**Fax:** (866) 346-8785

**Secure Messaging:** [my.MCHCP.org](http://my.MCHCP.org) (Login Required)

**Web:** [www.mchcp.org](http://www.mchcp.org)



#### Missouri State Employees' Cafeteria Plan (Central Bank/ASI)

PO Box 858 • Columbia, MO 65205-0858

**Phone:** (573) 442-3035 • (800) 659-3035

**Claims Fax:** (877) 879-9038

**Email:** [asi@asiflex.com](mailto:asi@asiflex.com)

**Web:** [www.mocafe.com](http://www.mocafe.com)



#### MO Deferred Comp Plan

3349 American Avenue, Suite A • Jefferson City, MO 65109

**Phone:** (573) 893-1053 • (800) 392-0925

**Fax:** (573) 893-1059

**Web:** [www.modeferredcomp.org](http://www.modeferredcomp.org)



#### Missouri Voluntary Life Insurance Commission (MoVLIC)

McDaniel Hazley Group, Inc. (MHG)

1100 Main Street, Suite 1850 • Kansas City, MO 64105

**Phone:** (866) 668-5421 • (866) 891-4149

**Fax:** (816) 531-7503

**Email:** [dmeyer@mhgmovlic.org](mailto:dmeyer@mhgmovlic.org)

**Web:** [www.mhgmovlic.org](http://www.mhgmovlic.org)



#### Social Security Administration

**Phone:** (800) 772-1213

**Web:** [www.socialsecurity.gov](http://www.socialsecurity.gov)

**Missouri State Employees' Retirement System**

PO Box 209, Jefferson City, MO 65102-0209

*Visit us at 907 Wildwood Drive, Jefferson City, MO*

Phone: (573) 632-6100 • (800) 827-1063 | Fax: (573) 632-6103

Relay MO: 711 (Voice) • (800) 735-2966 (TTY)

Website: [www.mosers.org](http://www.mosers.org) | Email: [mosers@mosers.org](mailto:mosers@mosers.org)

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