

# RetireeNews

WE ARE HERE FOR YOUR BENEFIT

Spring 2014

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**2014 COLA Rate  
Determined**

*Real Retirements*  
**Alice Ward Makes  
Retirement  
A Family Affair**

*Board Election*  
**Nomination Packets  
Now Available**



MOSERS



# RetireeNews

Keeping You Informed of MOSERS Retirement Issues



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PO Box 209  
Jefferson City, MO 65102-0209

## BUILDING LOCATION

907 Wildwood Drive  
Jefferson City, MO

## OFFICE HOURS

7:30 a.m. - 4:30 p.m. • Monday - Friday

## PHONE

(573) 632-6100 • (800) 827-1063

## AUTOMATED PHONE OPTIONS

Current State Employees .....1  
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## FAX

(573) 632-6103

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7-1-1 (Voice) • (800) 735-2966 (TTY)

## EMAIL

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

## WEBSITE

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

Graphic Designer - Robyn Seale  
Writer/Editor - Jade Elwess



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This publication is designed using stock photography. The photographs chosen are for illustrative purposes only; they do not imply any particular attitudes, behaviors, or actions on the part of any person who appears in the photographs.

*In the news***2014 COLA Rate Determined**

The cost-of-living adjustment (COLA) for 2014 is 1.172%. This will be effective for MSEP retirees who have reached their original 65% COLA cap, or who were first hired on or after August 28th, 1997, and for members retired under MSEP 2000 regardless of date of hire (see *COLA Exceptions* on the sidebar for legislators and MSEP members who have not yet reached their COLA cap).

The purpose of a COLA for any type of pay or retirement benefit is to help you cope with inflation. COLAs help you maintain your purchasing power as inflation increases the cost of various items you buy.

According to Missouri state law, each January MOSERS must compare the average Consumer Price Index (CPI) for the calendar year just completed (2013) to the average CPI from the prior year (2012) to determine the percentage change between the two years. COLAs are based on 80% of the percentage increase in the average CPI from one year to the next.

In determining the CPI, the Federal Bureau of Labor Statistics calculates changes in the costs of a number of items each month. To learn more about the CPI, see the Bureau of Labor Statistics' answers to **Frequently Asked Questions (FAQs)** on their website ([www.bls.gov](http://www.bls.gov)). MOSERS has more information about the 2014 COLA in the **Retiree** section of our website, including historical information on the following topics:

- COLA amounts from 2000-2014
- How MOSERS Calculates COLAs
- 2014 COLA Calculation Memo
- When COLAs are Payable

We also have a brief video in our **Retiree Video Library** on MOSERS' website that explains how COLAs are determined.

***COLA Exceptions*****Legislators and MSEP Members Who Have Not Yet Reached Their COLA Cap**

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

If you retired under MSEP, and were hired before August 28, 1997, you will receive a minimum 4% COLA until accumulated COLAs reach 65% of your initial base benefit. This is called your COLA cap. Upon reaching the cap, your COLA will be calculated like other retirees and will range from 0% to 5% each year depending on the increase in the Consumer Price Index.

**APRIL***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.



Chris Rackers

## *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.

**Life Insurance in Retirement**

**How would a retiree qualify for life insurance? Did I miss something by taking an early retirement? Is it too late to enroll? What are the rules governing life insurance for retirees?**

In order to qualify for life insurance as a retiree, you must have been eligible for life insurance through MOSERS while actively employed. Then, regardless of whether you elect normal retirement (unreduced benefit) or early retirement (reduced benefit), as long as you retire within 60 days of leaving state employment, the state will continue to pay for \$5,000 of basic life insurance. Additionally, if you were enrolled in optional life insurance coverage on your last working day, you may continue some if not all of that coverage into retirement. You can find more information in the MOSERS *Basic & Optional Life Insurance* handbook on our website.



# Complex questions?

## *Simple answers.*

Get straight talk in your inbox about your benefits, rumors, and more.

Sign into the MOSERS' **Secure Site** and click on **Email Preferences**.

Simply opt-in to receive Rumor Central blog updates.



## *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.

**Retirement  
just might  
arrive sooner  
than you think!**

## Board Election

# Candidate Nominations Now Open

The nomination period for candidates interested in running for the retired member seat on the MOSERS Board of Trustees is now open. One retired member will be elected this August and begin serving a four-year term in January 2015. In our last two issues of *RetireeNews*, 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

- Retired member candidates must be retired on August 1st of the year of the election. Failure to be retired at that time will result in automatic disqualification.
- A retired member who becomes employed in a MOSERS benefit-eligible position while serving on the board will be considered to have resigned from the board. The board may appoint a retired member to serve the balance of the retiree'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 25 retired MOSERS members, including the name of the agency from which they retired.
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, Retired Member Board Seat*. Go online for a copy of this brochure 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, this candidate will represent you for the next four years. The next issue of *RetireeNews* will include information on the voting process.

\* In accordance with Section 104.450 RSMo

## Nomination Process 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*



*Check your calendars***2014 Coffee Break Seminars are Filling Up!**

MOSERS, in association with our Retiree Connection focus group, will continue hosting post-retirement Coffee Break seminars for the 2014 calendar year. The purpose of the Coffee Break seminars is to provide educational programs of interest to our retirees. The topics change every year and have been recommended by retirees. These Coffee Break seminars also allow us to reach out to our retirees, give retirees a chance to have face-to-face communication with MOSERS staff, and provide you with the opportunity to interact with other state retirees in your area. At the Coffee Break seminars, MOSERS staff provides a brief presentation on current events or information relating to the pension fund. To enroll, login to your secure **Member Homepage** and go to **Seminar Enrollment** or call (800) 827-1063, extension 6194. This calendar year's topics are:

- *MOSERS Update* presented by MOSERS.
- *Medicare 101* presented by Community Leaders Assisting the Insured of Missouri (CLAIM).
- *The Affordable Care Act and MCHCP* presented by the Missouri Consolidated Healthcare Plan (MCHCP).

Complimentary refreshments will be provided. Seating is limited, so reservations are necessary.

**Calendar Year 2014 Coffee Break Dates\***

Dates	City	Address
March 13 at 9:30 a.m.	Jefferson City	Community Room in the Capital Mall (J.C. Penney wing) 3600 Country Club Dr.
April 16 at 9:30 a.m.	Jefferson City	Community Room in the Capital Mall (J.C. Penney wing) 3600 Country Club Dr.
April 30 at 9:30 a.m.	Columbia	Missouri Employers Mutual 101 N. Keene St.
May 20 at 1:00 p.m.	Independence	Metropolitan Community College-Blue River Campus, Public Safety Institute Bldg. Room 150 20301 East 78 Highway
May 21 at 9:30 a.m.	Cameron	First Christian Church 318 N. Pine St.
June 17 at 1:00 p.m.	Springfield	Springfield Ozark Technical Community College, Lincoln Hall Bldg. Room 211 815 N. Sherman Ave. <i>(Parking in back of Lincoln Hall Bldg. or across the street from Lincoln Hall at Springfield Ozark Technical Community Main Bldg.)</i>
June 18 at 9:30 a.m.	Joplin	Wildcat Glades Conservation & Audubon Center 201 W. Riviera Dr.
August 5 at 9:30 a.m.	Cape Girardeau	Conservation Nature Center 2289 County Park Dr.
August 19 at 1:00 p.m.	Kirksville	Conservation Department 3500 S. Baltimore
September 9 at 1:00 p.m.	Richmond Heights	THE HEIGHTS - Richmond Heights Community Center 8001 Dale Ave.

*\*Note: 2014 dates listed are current as of this newsletter going to print, but you should go online or call MOSERS to get the most up-to-date information and to make sure the date you want is available.*

## *FYI* Pay Cards

In the Spring and Summer 2013 newsletters, we informed you about the new pay card option for receiving your retirement benefit from MOSERS. As a reminder, this option is for retirees who do not have a bank account and would prefer the debit card option over a paper check. If you have a bank account, we encourage you to sign up for direct deposit of your benefit payment. Direct deposit is a quick, secure, and convenient way to receive your benefit payment into your checking or savings account. Signing up is easy, too—simply log in to your secure **Member Homepage** on MOSERS' website. If your bank account or individual information changes, please update your information online or notify MOSERS at (800) 827-1063.



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## *Counselor Connection* Tax Tips and Your Retirement Benefit

*by Amber Kuttenkuler, Benefit Counselor*



As a retiree, you should start to consider how your taxes will change. The only taxes MOSERS will withhold from your pension benefit are federal and Missouri state taxes. You elected how you would like us to withhold these taxes when you completed a *Substitute W-4P* form at retirement. You may change your withholding amount through MOSERS' website 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.

Retirees will receive a *1099-R* tax form each January. An electronic version is also available online by logging into your secure **Member Homepage**.



## *Life Changes*

### **Financial Security for You and Your Spouse**

The death of a spouse can be one of the most difficult experiences of life. While we cannot take away the pain or sense of loss, MOSERS staff will be here to assist you and make the continuation of retirement income as seamless as possible.

In an effort to provide you and your spouse with helpful information so you know what to expect should one of you pass away, we include the following information:

#### **Monthly Retirement Payment**

If you die first, your regular benefit amount will be payable on the last working day of the month in which you die. Then, if you elected a joint and survivor option, your eligible spouse will receive a lifetime monthly survivor benefit beginning the month following your death. Your spouse should contact MOSERS. A benefit counselor will provide your spouse with an *Application for Survivor Benefits* which must be completed and submitted to MOSERS along with a copy of your death certificate and marriage certificate (if not already on file at MOSERS) for monthly survivor benefits to begin.

If your spouse dies first, you should notify MOSERS. You will continue to get a lifetime monthly benefit payment which will be increased to the Life Income Annuity amount (known as the "Pop-Up Provision") since a survivor benefit will no longer

be payable (unless you elected the 50% joint and survivor benefit under the MSEP closed plan in which case your benefit will not pop-up because that option did not require a reduction from the Life Income Annuity amount). You will be asked to submit a death certificate for your spouse. If you marry in the future, you will have the option of reelecting a joint and survivor benefit if you do so within one year from the date of marriage.

#### **Life Insurance**

If you retired within 60 days of leaving state employment, the state will continue to pay for \$5,000 of basic life insurance coverage for you. Your life insurance coverage and beneficiaries are listed on your annual benefit statement\* and can be found by logging on to your secure **Member Login** at [www.mosers.org](http://www.mosers.org). A benefit counselor will assist your spouse in submitting the life insurance claim.

If you have any questions, please contact a MOSERS benefit counselor at (800) 827-1063.

*\*Conservation and College & University retirees (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 former employer. Contact the human resources office of your former employer for more information on those benefits.*



PO Box 209  
Jefferson City MO 65102-0209

*RetireeNews 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.