



**Retirement**

**Retirement**

**Retirement**

General Employees' Retirement Handbook  
MSEP | MSEP 2000

**Retirement**

**Retirement**

---

## **General Employees' Retirement Handbook**

### *MSEP & MSEP 2000 | Members first employed before January 1, 2011*

This member handbook is a general summary of the benefit provisions administered by the Missouri State Employees' Retirement System (MOSERS). The handbook is intended to give you a general idea of your benefits and acquaint you with the Missouri State Employees' Plan (MSEP) and the Missouri State Employees' Plan 2000 (MSEP 2000).

---

*Regional college or university employees (except Lincoln University and State Technical College of Missouri): Please contact your payroll/personnel office with questions about your life insurance and long-term disability benefits.*

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

*If there is any difference between the information provided in this handbook and the law or policies which govern MOSERS, the law and policies will prevail.*



## TABLE OF CONTENTS

### When You Begin State Employment

What is MOSERS?.....	5
The Board of Trustees .....	6
Responsibilities of the Board of Trustees .....	6
System Administration .....	6
Confidentiality of Your Records .....	6
MOSERS Member ID .....	7
Appeals to the Board of Trustees.....	7
Forfeiture/Disqualification of Retirement Benefits.....	7
Understanding Your Plan .....	8
Highlights of the MSEP and the MSEP 2000 .....	8
'Other Benefits Administered by MOSERS.....	8
Membership Requirements.....	8
Summary of Pension Benefit Provisions .....	9
Resources for Benefit Information.....	10



### Throughout Your Career

Planning Ahead for Your Retirement.....	11
While You Are Working .....	11
The Importance of Vesting .....	12
How Your Benefit Adds Up .....	12
Life Events .....	13
Divorce and Your MOSERS Benefit.....	13
Survivor Benefits When You Die .....	13
If You Become Disabled or Incapacitated .....	13
If You Leave State Employment.....	14



### Approaching Retirement

Approaching Retirement Checklist.....	15
Service Credit.....	16
Purchase or Transfer of Prior Service Credit.....	16
Active Military Service and Active Military Training.....	16
Unused Sick Leave .....	17
How Your MOSERS Benefits are Affected by a Job Status Change.....	18



### Ready to Retire?

Ready to Retire Checklist .....	19
Normal Retirement .....	20
Eligibility Requirements .....	20
Base Benefit Formula.....	20
Minimum Base Benefit.....	21
Temporary Benefit.....	21
Non-Social Security Covered Service.....	21

<b>Normal Retirement for Uniformed Members of the Water Patrol (MSEP Only)</b>	22
Base Benefit Formula	22
Occupational Disability Benefits	22
<b>Early (Reduced) Retirement</b>	23
Eligibility Requirements	23
Early Retirement Reduction Factor	23
<b>Applying for Retirement</b>	24
Two-Step Retirement Process	24
Acceptable Proof-of-Age and Lawful Presence Documents	25
<b>Benefit Payment Options</b>	25
Benefit Payment Option Adjustment Factors	26
<b>BackDROP Payment Option</b>	27
Eligibility Requirements	27
BackDROP Date	27
BackDROP Period	28
Monthly Pension Benefit	28
Distribution Options	28
Calculating a BackDROP Benefit	29
BackDROP Estimate	30
<b>Benefit Payment Details</b>	31
Direct Deposit of Your Benefit Payment	31
Deductions From Your Benefit Payment	31
Final Benefit Payment From MOSERS	31
Waiving Your Benefit	31
Protection of Benefits	32
Correcting a Benefit Error	32

## After Retirement

<b>Cost-of-Living Adjustment (COLA)</b>	33
<b>How Reemployment Affects Your Benefit Payment</b>	34
Benefit-Eligible Position	34
Non-Benefit-Eligible Position	34
Reemployment by MPERS	34
<b>Death and Your Retirement Benefit</b>	34
Death After Retirement	34
Your Final Benefit Payment From MOSERS	34
Death of Your Spouse	35
<b>Marriage After Retirement</b>	35
<b>Post-Retirement Resources</b>	35
<b>When Should I Contact MOSERS?</b>	35

## Glossary

❶ This symbol after a word means the term is defined in the Glossary	
Definition of Terms	36

## MOSERS' Mission

MOSERS exists to advance the financial security of its members.

## How To Contact MOSERS



4

MOSERS benefit counselors are a valuable source for information and assistance regarding your benefits. They can explain the different plan provisions, provide you with a benefit estimate, and counsel you regarding your benefit options.

Our business hours are 7:30 a.m. to 4:30 p.m. Monday - Friday. Our call center hours are 8:00 a.m. to noon and 1:00 p.m. to 4:30 p.m. Monday - Friday.

### Website

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

### Telephone

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

### Fax

(573) 632-6103

### Email

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

### Mailing Address

PO Box 209  
Jefferson City, MO 65102-0209

### Office Location

907 Wildwood Drive  
Jefferson City, MO

### Social Media





## When You Begin State Employment

### WHAT IS MOSERS?

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

MOSERS operates as a tax-qualified “defined benefit” plan under Section 401(a) of the Internal Revenue Code. A defined benefit (DB) plan is one that requires a member<sup>①</sup> to be vested (work a set number of years in a benefit-eligible position<sup>①</sup>) and it provides a set benefit (based on salary and credited service<sup>①</sup>) for life once a member meets the age and service requirements for retirement. In other words, the “benefit” is “defined” by the law. A DB plan can be either contributory or noncontributory. MSEP and MSEP 2000 are noncontributory defined benefit plans.

Acting as an administrative agent, MOSERS oversees retirement, life insurance, and long-term disability insurance benefits for most state employees. MOSERS administers the following retirement plans:

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

MOSERS administers the following benefits for most state employees:

- Retirement
- Life Insurance
- Long-Term Disability Insurance

5

You do not contribute toward your retirement benefit if you began employment prior to 1/1/2011. Your retirement benefits are financed solely by state contributions and investment earnings on those contributions. Each September, the MOSERS Board of Trustees establishes a contribution rate for the next fiscal year. The contribution rate, which is set as a percentage of payroll, is actuarially calculated to cover the system’s benefit obligations and administrative costs for the coming fiscal year and into the future. When the system’s actuary<sup>①</sup> calculates the contribution rate, it is based on a number of factors including the current level of benefits, how many members are in the plan, current and expected future pay levels, the age and average life expectancy of members, expected earnings on investments, and the plan’s unfunded liability.

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



## THE BOARD OF TRUSTEES

Responsibility for the operation and administration of MOSERS is vested in an 11-member Board of Trustees. Board members include:

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

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

### Responsibilities of the Board of Trustees

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

## SYSTEM ADMINISTRATION

### Confidentiality of Your Records

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

All other member records shall be kept confidential unless:

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

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

## **MOSERS Member ID**

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

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

## **Appeals to the Board of Trustees**

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

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

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

## **Forfeiture/Disqualification of Retirement Benefits**

You (and your beneficiary) will forfeit all rights to retirement benefits accrued on or after August 28, 2014 if you have been convicted on or after August 28, 2014 of a felony under state law (or a substantially similar offense provided under federal law) involving stealing or receiving stolen money, property, or service valued at \$5,000 or more, forgery, counterfeiting, bribery of a public servant, or acceding to corruption, in connection with your duties as a state employee.

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



## UNDERSTANDING YOUR PLAN

### Highlights of the MSEP and the MSEP 2000

- **Defined Benefit** – A lifetime monthly retirement benefit (once you meet retirement eligibility) based on your final average pay<sup>①</sup> and credited service.
- **Benefit-Eligible Position** – Generally speaking, for a position to be eligible for MOSERS benefits, it must normally require 1,040 hours of work per year.
- **Vesting Period** – five years.
- **Retirement Eligibility** – Retirement laws in effect on the date you leave state employment determine your retirement eligibility.

#### MSEP

- **Normal Retirement Eligibility** – Age 65 with 5 years of service, age 60 with 15 years of service, or at least age 48 with the sum of your age and credited service equaling 80 or more ("Rule of 80").
- **Early Retirement Eligibility** – Age 55 with 10 years of credited service.

#### MSEP 2000

- **Normal Retirement Eligibility** – Age 62 with at least 5 years of service, or at least age 48 with the sum of your age and credited service equaling 80 or more ("Rule of 80").
- **Early Retirement Eligibility** – Age 57 with 5 years credited service.

8

- **Temporary Benefit** – Designed to provide you with a supplemental income until age 62 if you elect normal retirement prior to age 62 (available to members of MSEP 2000 only).
- **Cost-of-Living Adjustments (COLAs)** – You will receive a COLA (0-5%) on your retirement benefit each year on the anniversary of your retirement. COLAs are based on 80% of the percentage increase in the average CPI<sup>①</sup> from one year to the next.

### Other Benefits Administered by MOSERS

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

### Membership Requirements

As a state employee,<sup>①</sup> you are automatically enrolled in MOSERS. The date on which you were first employed in a MOSERS benefit-eligible position (determined by your employer) will determine your membership in the MSEP or MSEP 2000.

- **MSEP** – You were first employed prior to July 1, 2000, and vested in the MSEP.
- **MSEP 2000** – You were first employed prior to July 1, 2000, but left employment before becoming vested and returned to work in a benefit-eligible position any time after July 1, 2000, or you were first employed on or after July 1, 2000, but prior to January 1, 2011.

Members of the MSEP may elect the MSEP 2000 at retirement.

A comparison of the MSEP and MSEP 2000 benefit provisions can be found on the following page.

## SUMMARY OF PENSION BENEFIT PROVISIONS

### General State Employees

Benefit Provisions	MSEP	MSEP 2000
Member Contributions	• None	• None
Vesting <i>Eligible for future pension</i>	• 5 years	• 5 years
Service Purchases	• 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
Service Transfers	• 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
Early Retirement Eligibility <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>
Normal Retirement Eligibility <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>Inactive-vested members ineligible for “Rule of 80”</i>
Base Benefit Formula <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>
Temporary Benefit Formula <i>Stops at age 62</i>	• Not available	• .008 x FAP x Service <i>Available to members retiring under “Rule of 80”</i>
BackDROP Option <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)
Benefit Payment Options <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 120 Guaranteed Payments • Life Income with 180 Guaranteed Payments
Optional Life Insurance <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>
Cost-of-Living Adjustment (COLA) <i>Helps offset effects of inflation increasing the cost of goods and services</i>	• Employed before Aug. 28, 1997 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%) • Employed on/after Aug. 28, 1997 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%)
In-Service COLA <i>Service beyond age 65</i>	• Applicable COLA rate (if eligible)	• Not available

- First employed in a MOSERS benefit-eligible position prior to July 1, 2000 and vested in MSEP
- First employed in a MOSERS benefit-eligible position on or after July 1, 2000, but prior to January 1, 2011, OR first employed prior to July 1, 2000, but left prior to becoming vested then returned to employment after July 1, 2000

## RESOURCES FOR BENEFIT INFORMATION

Benefit information is available to you in the following ways:

- **Website** ([www.mosers.org](http://www.mosers.org))
  - Log in to MOSERS' website with your Online ID. Your Online ID is one that you create and will replace the use of your Social Security number/Member ID for logging in and is a more secure practice.
  - Get organized and reduce paper. Sign up for email delivery of MOSERS publications. This includes your *Annual Benefit Statement*, a summary of your service, beneficiaries and benefits.
  - **Rumor Central Blog** – Sign up for online updates to keep you in the loop regarding your MOSERS benefits.
- **Publications** – All of MOSERS' handbooks and brochures are online and available from benefit counselors. View them on our website or print them out and read them at your convenience.
- **PensionsPlus Newsletter** – As an active state employee, you will receive electronic *PensionsPlus* newsletters. Every time a new issue is published, a notification will be sent directly to your inbox.
- **Annual Benefit Statement** – Once a year, you will receive a summary of your service, pay, and benefits. This can be viewed online in your Document Express online mailbox at your convenience.
- **Benefit Counselors** – Our counselors are available by email, in person, and by phone. Call MOSERS to schedule an individual appointment.
- **Web Video Library** – MOSERS' online video library features videos designed to give you a brief overview of specific topics.
- **State Statutes** – The laws that govern MOSERS are found primarily in Chapters 104 and 105 of the *Revised Statutes of the State of Missouri*.

### Online Resources

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



## Throughout Your Career

### PLANNING AHEAD FOR YOUR RETIREMENT

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

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

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

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

### While You Are Working

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

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

## THE IMPORTANCE OF VESTING

In order to qualify for a pension benefit in the MSEP or MSEP 2000, you must have at least five years of credited service. Once you meet that requirement, you are “vested.”<sup>①</sup> Credited service refers primarily to the length of time you have been working in a MOSERS-covered position. As a member of the MSEP or MSEP 2000, you will earn one day of service for each day you work in a benefit-eligible position. Your total credited service (active and prior) is one of the factors used in the formula to calculate the amount of your retirement benefit. In other words, the more credited service you have, the higher your monthly benefit amount.

### How Your Benefit Adds Up

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

Age at retirement .....	55 years
Credited service .....	30.25 years
Final average pay .....	\$2,996.00
Annual COLA rate .....	2% (80% of the percentage increase in the average CPI)
Benefit payment option .....	Life Income Annuity
Length of retirement.....	25 years
Retirement plan.....	MSEP 2000

$\$2,996.00 \times 30.25 \times .017 = \$1,540.69$ (Base Benefit)	\$1,540.69
$\$2,996.00 \times 30.25 \times .008 = \$725.03$ (Temporary Benefit)	+ 725.03
<b>Monthly Pension Benefit</b>	<b>\$2,265.72</b>

Year	Monthly Benefit		Temporary Benefit				Annual Benefit
1	\$1,540.69	+	\$725.03	x	12	=	\$27,188.64
2	1,571.50	+	739.53				27,732.36
3	1,602.93	+	754.32				28,287.00
4	1,634.99	+	769.41				28,852.80
5	1,667.69	+	784.80				29,429.88
6	1,701.04	+	800.50				30,018.48
7	1,735.06	+	816.51				30,618.84
8	1,769.76						21,237.12
9	1,805.16						21,661.92
10	1,841.26						22,095.12
11	1,878.09						22,537.08
12	1,915.65						22,987.80
13	1,953.96						23,447.52
14	1,993.04						23,916.48
15	2,032.90						24,394.80
16	2,073.56						24,882.72
17	2,115.03						25,380.36
18	2,157.33						25,887.96
19	2,200.48						26,405.76
20	2,244.49						26,933.88
21	2,289.38						27,472.56
22	2,335.17						28,022.04
23	2,381.87						28,582.44
24	2,429.51						29,154.12
25	2,478.10						29,737.20

<b>Estimated Total Pension Benefit</b>	<b>\$656,864.88</b>
--	---------------------

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

## LIFE EVENTS

### Divorce and Your MOSERS Benefit

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

Your pension benefit from MOSERS may be marital property. Check out our brochure *Divorce and Your MOSERS Benefit* for more details.

### Survivor Benefits When You Die

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

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

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

If there is no eligible spouse, a survivor benefit may be paid to your natural or legally adopted child(ren) who are younger than age 21. This benefit is dependent on the law in effect at the time of your termination. If there is more than one eligible child, the benefit will be divided equally among them. The survivor benefit for each child will stop upon age 21 (unless a child is totally disabled and you terminated service with the state on or after August 28, 2001).

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

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

If you die prior to your retirement date,<sup>①</sup> the retirement application and any subsequent elections (such as BackDROP) will become null and void.

### If You Become Disabled or Incapacitated

You never know if or when you may become disabled or incapacitated (no longer able to handle your own affairs). You can however, decide in advance who will be responsible for managing your MOSERS benefits by designating an agent.

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

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

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



## If You Leave State Employment

### *If You Have Less Than Five Years of Service*

If you leave state employment with less than five years of service, you will forfeit your accrued service credit and all rights to benefits from the system. If you return to work in a MOSERS-covered position, your forfeited service will be restored and combined with your new service after you have completed 12 continuous months of benefit-eligible employment.

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

### *If You Have Five or More Years of Service*

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

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

MOSERS will send you a notice approximately 120 days prior to the date you are eligible for early retirement. You are not required to elect early retirement. If you do not elect early retirement, MOSERS will send you a notice approximately 120 days prior to your normal retirement eligibility date.

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



## Approaching Retirement

### APPROACHING RETIREMENT CHECKLIST

#### Three to Five Years From Retirement

- ☐ Attend a MOSERS PreRetirement Planning Seminar.
- ☐ Generate your own estimate on our website. Log in to MOSERS' website and choose **Estimates** then **Estimate Your Retirement Benefit**. Enter your unused sick leave, your spouse's date of birth, and the amount of prior service credit you plan to purchase or transfer (if applicable). Or, you can contact a MOSERS benefit counselor for an estimate of your retirement benefit.
- ☐ Review your *Annual Benefit Statement*. Report any discrepancies to the benefit provider as soon as possible.
- ☐ Review your retirement handbook. Contact a MOSERS benefit counselor with any questions you have regarding your pension benefits.
- ☐ Contact your Social Security office for an estimate of your Social Security benefit.
  - **Social Security Windfall Elimination Provision (for non-Social Security covered service)** -- Generally speaking, the non-Social Security service that would be eligible for credit in MOSERS is not affected by the windfall elimination provision. However, if the service you are considering for purchase is not covered by Social Security, you should contact a Social Security office to discuss what implications such a purchase would have on your future Social Security benefit.
- ☐ Check the state's deferred comp plan regarding your distribution options at retirement (if applicable).

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

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

#### Six Months From Retirement

- ☐ Discuss your benefit estimate and the different benefit payment options with your family and financial advisor.
- ☐ Prepare a retirement budget. Compare your retirement expenses against your MOSERS benefit, Social Security, and any other retirement income such as savings that will be available to you.
- ☐ Contact the Missouri Consolidated Health Care Plan (MCHCP) or your medical benefit administrator, regarding your medical coverage at retirement and get estimates of premium costs.
- ☐ Obtain a copy of an acceptable proof-of-age and lawful presence document (see list on page 25) for yourself and your spouse (if applicable). If married and electing a survivor option, you must also provide MOSERS with a copy of your marriage certificate.
- ☐ It is important to keep MOSERS informed about your contact information. Please call, write, or go online to notify MOSERS if your name, phone number, email, or address changes.

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

## SERVICE CREDIT

### Purchase or Transfer Prior Service Credit

Under the MSEP 2000, you must be “vested” to be eligible to purchase or transfer prior service credit. There are provisions that allow you to combine certain types of prior government work with your MOSERS service. By combining your service, you may increase the amount of your pension benefit and, in some cases, become eligible to retire at an earlier date.

Some prior service credit must be purchased and some may be acquired at no cost to you. If you have any of the following prior service, contact a MOSERS benefit counselor to learn how you may receive credit:

- Full-time, nonfederal, public service rendered in Missouri (city, county, public school, or other political subdivision)
- Juvenile court employee service in a multicounty circuit
- Prosecuting attorney service
- Assistant prosecuting attorney service
- Court clerk service (circuit clerk, deputy clerk, or division clerk)
- Service earned under the Lincoln University Retirement System
- Service earned under the Public School and Education Employee Retirement System (PSRS/PEERS)
- Service earned under the MoDOT and Patrol Employees' Retirement System (MPERS)
- Service earned under the Local Government Employees Retirement System (LAGERS)
- Service earned under the University of Missouri Retirement Plan
- Full-time state service prior to September 1, 1957, the date MOSERS was established

Additional service credit is granted only when specific conditions have been met. You cannot receive credit for the same period of service under more than one retirement system. If you obtain credit in MOSERS for prior service, you must forfeit all rights to benefits under the other retirement system. **You must complete the purchase or transfer of service prior to applying for retirement.**

### Active Military Service and Active Military Training

#### *Purchase Prior Military Service Credit*

You may purchase active-duty military service credit performed prior to when you most recently worked in a MOSERS benefit-eligible position. This includes active-duty military training.

If you elect to purchase your active-duty military service, you must purchase all that you served (total months and days) up to a maximum of four years. In connection with such a purchase, MOSERS requires that you submit a copy (not the original) of your military DD214 or NGB 23 discharge form, which verifies the following:

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

A *MSEP/MSEP 2000 Acquiring Service Credit* brochure is available on our website.

Section 104.1090, RSMo, allows members of the MSEP 2000, who have been employed in a MOSERS-covered position for at least 10 years, to receive credit for vested service from another public retirement system in Missouri (under certain circumstances).

If you elect to purchase credit for your full-time, nonfederal, public employment at a reduced rate (under Section 104.344, RSMo), you must purchase all that you have up to four years. You must be actively employed, vested with MOSERS, and not vested in another retirement plan for the same period of service to be eligible.

### *Receive Automatic Military Service Credit*

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

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

When you return from military leave, you may be eligible to receive credit in MOSERS for your active-duty military service. This service will be used in determining the amount of and your eligibility for a retirement benefit. To be eligible for automatic military service credit, you must:

- Have been employed by the state immediately prior to entering the armed forces
- Return to state employment within the time frame specified by USERRA
  - **1-30 Days:** Report for work by the beginning of the first regularly scheduled work day that falls eight hours after you return home
  - **31-180 Days:** Submit an application for reemployment no later than 14 days after completion of military service
  - **180+ Days:** Submit an application for reemployment no later than 90 days after completion of military service
  - **Service-Connected Injury or Illness:** The reporting and application deadlines listed above will be extended up to two years if you are hospitalized or convalescing because of a service-connected injury or illness.
- Provide a copy of your honorable discharge and your military DD 214 form or other pertinent documentation
- Meet any other requirements under USERRA

### **Unused Sick Leave**

If you are vested when you leave state employment, you will receive one month of credited service for every 168 hours (21 days) of unused sick leave reported to MOSERS by your employer. **Unused sick leave cannot be used to determine your eligibility for a retirement benefit, but can be used in calculating the amount of your retirement benefit.**

#### **MSEP**

To receive credit for your unused sick leave, you must be eligible for normal or early retirement when you leave state employment.

### **SERVICE CREDIT WHILE ON A LEAVE OF ABSENCE**

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

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

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

## HOW YOUR MOSERS BENEFITS ARE AFFECTED BY A JOB STATUS CHANGE

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

Types of Leave	Effects on MOSERS Benefits
Approved Leave of Absence	<ul style="list-style-type: none"> <li>It is important that your employer notifies MOSERS of any approved leave of absence in order for you to receive full service and salary credit that you are entitled to.</li> <li>Basic life, optional life, and long-term disability (LTD) coverage may be retained for <b>up to one year</b> by paying the premiums.</li> <li>If you are on a leave of absence and on direct bill, you must retain basic life coverage in order to keep child coverage and you must retain optional life insurance coverage in order to keep spouse coverage.</li> <li>If you cancel your optional life insurance coverage while on a leave of absence, the same level of coverage will be reinstated automatically when you return to work in a benefit-eligible position.</li> </ul>
Medical Leave for Member	<ul style="list-style-type: none"> <li><b>Up to one year</b> of credited service can be accrued for retirement.</li> <li>Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for <b>up to one year</b> by paying the premiums.</li> </ul>
Workers' Compensation	<ul style="list-style-type: none"> <li><b>Up to one year</b> of credited service can be accrued for retirement.</li> <li>If you are receiving workers' compensation benefits, your basic life insurance premiums will be paid by your agency. If you are <b>not</b> receiving workers' compensation benefits, you can keep basic and optional life insurance coverage for <b>up to one year</b> by paying the premiums.</li> <li>Long-term disability (LTD) insurance will be paid by the agency if you are receiving workers' compensation benefits. Otherwise, you can keep LTD insurance coverage for <b>up to one year</b> by paying the premiums.</li> </ul>
Family Leave for Family Member (as of 8/28/02)	<ul style="list-style-type: none"> <li>You can earn <b>up to 12 weeks</b> of service credit.</li> <li>Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for <b>up to one year</b> by paying the premiums.</li> </ul>
Layoff	<ul style="list-style-type: none"> <li>You do <b>not</b> earn credited service while laid off.</li> <li>Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for <b>up to one year</b> by paying the premiums.</li> <li>If you have not returned to work by the end of the one year layoff period, MOSERS will automatically terminate the leave of absence and any life or LTD coverage still in effect.</li> </ul>
Military Leave	<ul style="list-style-type: none"> <li>When you return to work and submit a valid DD214 indicating an honorable discharge, you can earn credited service <b>for active duty</b> if you meet the guidelines under USERRA (see p. 17).</li> <li>Basic and optional life insurance coverage may be continued for <b>the duration of deployment</b> by paying the premiums.</li> <li>Long-term disability (LTD) coverage may be continued for <b>up to one year</b> by paying the premiums.</li> </ul>
Leave (Other)	<ul style="list-style-type: none"> <li>You do <b>not</b> earn credited service.</li> <li>Basic life, optional life, and long-term disability (LTD) insurance coverage may be continued for <b>up to one year</b> by paying the premiums.</li> </ul>
Leaving State Employment	<ul style="list-style-type: none"> <li>The accrual of service credit stops when you leave state employment.</li> <li>If you are <b>vested</b> (5 years of service for general state employees) and later return to work in a benefit-eligible position, your prior service will be immediately reinstated upon reemployment.</li> <li>If you are <b>not vested</b> and later return to work in a benefit-eligible position, you must be continuously employed for <b>one year</b> before any prior service is reinstated.</li> <li>Within 60 days of leaving state employment, you may elect to buy "portable" group life insurance coverage <b>or</b> "convert" your coverage to an individual policy with Standard Insurance Company. See MOSERS' <i>Life Insurance Handbook</i> for more information.</li> <li>Disability coverage stops the day you leave state employment.</li> </ul>

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



## Ready to Retire?

### READY TO RETIRE CHECKLIST

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

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

#### Three Months From Retirement

- ☐ When you retire online, read our handy *Retirement Guide* that is an overview of the two-step retirement process. This guide is available online under **Ready to Retire**.
- ☐ Log in to MOSERS' website and click on **Retire Online** to complete the two-step retirement process. The *Retirement Guide* leads you through each of the forms. Applying for retirement is a two-step process. **Your retirement application must be received at MOSERS according to the due date coinciding with your date of retirement.** (For example, if you plan to retire May 1, MOSERS must receive your application no later than March 31.) See chart on page 24.
- ☐ Read the *Destination Retirement* checklist (available online) to help you navigate the various benefit providers you may need to contact at retirement (such as medical insurance, deferred comp, and Social Security), including a checklist of forms, contact information, and maps to each location.
- ☐ Go online ([www.mchcp.org](http://www.mchcp.org)) or obtain the required form(s) to retain your medical coverage from your human resources representative or MCHCP (if applicable).
- ☐ Notify your department personnel office regarding your intentions to retire. Find out when you should submit a letter of resignation.
- ☐ Contact your local Social Security office to file for benefits if you are eligible and wish to do so.
- ☐ Check with MO Deferred Comp regarding your distribution options at retirement (if applicable).

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

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

#### One Month From Retirement

- ☐ Complete and submit the *Retirement Election* form (or submit online) to MOSERS prior to your date of retirement. (For example, if your retirement date is May 1, your election form must be received at MOSERS no later than April 30.) If you do not submit the election form by the required date, your benefit payment will be delayed. See chart on page 24.
- ☐ Make sure you have completed and submitted the required applications to continue your life insurance (if applicable).
- ☐ Review your estate/will information and life insurance beneficiary designations (if applicable).
- ☐ Prepare proof-of-age and lawful presence documents to submit with your retirement application (see p. 25). While you are logged in to our website, you may upload a scan of a document (except a birth certificate). Click **Online Documents** and then **Document Upload**.



## NORMAL RETIREMENT

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

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

### Eligibility Requirements

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

- **MSEP**
  - Age 65 with 5 years of service
  - Age 60 with 15 years of service
  - "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more
- **MSEP 2000**
  - Age 62 with at least 5 years of service
  - "Rule of 80" – at least age 48 with the sum of your age and service equaling 80 or more

You can "age" into the "Rule of 80" if you leave state employment belonging to the MSEP as an active employee, no matter which plan you choose at retirement. "Aging" into the "Rule of 80" happens because you continue to attain age but acquire no more service. However, in the MSEP 2000, you may not "age" into the "Rule of 80."

20

### Base Benefit Formula\*

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

- **Final Average Pay** – The average of your highest 36 consecutive months of compensation
- **Credited Service** – Your years and months of credited service including unused sick leave (if applicable)
- **Multiplier** – The multiplier is established by the legislature.
  - **MSEP** – The multiplier is 1.6% (.016). Future formula increases, if any, **may be** passed along to retirees.
  - **MSEP 2000** – The multiplier is 1.7% (.017). Future formula increases, if any, **will not be** passed along to retirees.

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier %	=	Monthly Base Benefit
----------------------	---	--	---	-----------------	---	-------------------------

#### Example of Base Benefit Formula

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

Final Average Pay .....	\$2,996.00
Credited Service .....	30 Years 3 Months
MSEP 2000 Multiplier .....	1.7% (.017)

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.017)	=	Monthly Base Benefit
<b>\$2,996.00</b>	<b>x</b>	<b>30.25</b>	<b>x</b>	<b>.017</b>	<b>=</b>	<b>\$1,540.69</b>

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

## Minimum Base Benefit

A minimum base benefit ensures that no member eligible for retirement will receive less than a certain amount. The minimum base benefit amount is used only when it is greater than the amount determined by the base benefit formula. If you are entitled to a minimum base benefit, you will receive \$15 for each full year of credited service. Eligibility requirements differ for the MSEP and MSEP 2000.

- **MSEP** - You must be immediately eligible for early or normal retirement when you leave state employment.
- **MSEP 2000** - You do not need to be immediately eligible for retirement when you leave state employment.

### *Example of Minimum Base Benefit Formula*

$$\begin{array}{rclclcl} \text{Years of Credited Service} & \times & \$15 \text{ Per Year} & = & \text{Minimum Base Benefit} \\ 30 \text{ Years} & \times & \$15 \text{ Per Year} & = & \$450.00 \text{ Minimum Base Benefit} \end{array}$$

## Temporary Benefit

To receive the temporary benefit, you must retire from the MSEP 2000 under the “Rule of 80.” The temporary benefit is designed to provide you with supplemental income until you reach age 62. The formula for calculating the temporary benefit is:

$$\begin{array}{rclclcl} \text{Final} & & \text{Years \& Full Months} & & \text{Multiplier} & & \text{Monthly} \\ \text{Average Pay} & \times & \text{of Credited Service} & \times & (.008) & = & \text{Temporary Benefit} \end{array}$$

### *Example of Temporary Benefit Formula*

For this example, the following assumptions have been made:

Final Average Pay ..... \$2,996.00  
Credited Service..... 30 Years 3 Months  
Multiplier ..... 0.8% (0.008)

$$\begin{array}{rclclcl} \text{Final} & & \text{Years \& Full Months} & & \text{Multiplier} & & \text{Monthly} \\ \text{Average Pay} & \times & \text{of Credited Service} & \times & (.008) & = & \text{Temporary Benefit} \\ \$2,996.00 & \times & 30.25 & \times & .008 & = & \$725.03 \end{array}$$

The temporary benefit and any COLAs earned on that amount end when you reach age 62. Although the temporary benefit ends at age 62, you are not required to apply for Social Security retirement benefits.

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

## Non-Social Security Covered Service

Benefits for non-Social Security covered service will be computed using a benefit multipliers.

- **MSEP** - Benefits for non-Social Security covered service will be computed using 2.1% (Section 104.342, RSMo).
- **MSEP 2000** - Benefits for non-Social Security covered service will be computed using 2.5% (Section 104.1024, RSMo).

**NORMAL RETIREMENT FOR UNIFORMED MEMBERS OF THE WATER PATROL — MSEP ONLY**

If you are a uniformed member of the water patrol, you will be eligible to receive normal retirement benefits if you meet at least one of the following age and service requirements:

- Age 55 or older with at least 5 years of service
- “Rule of 80” - at least age 48 with the sum of your age and service equaling 80 or more

**Base Benefit Formula**

As a uniformed member of the water patrol, the formula used to calculate your retirement benefit differs from other employees. Your base benefit amount is increased by one-third.

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

***Example of Base Benefit Formula for Uniformed Members of the Water Patrol***

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

Final Average Pay..... \$2,996.00  
 Credited Service..... 30 Years 3 Months  
 MSEP Multiplier..... 1.6% (.016)

$$\begin{array}{ccccccc} \text{Final} & & \text{Years \& Full Months} & & \text{Multiplier} & & \text{Monthly} \\ \text{Average Pay} & \times & \text{of Credited Service} & \times & (.016) & = & \text{Base Benefit} \\ \$2,996.00 & \times & 30.25 & \times & .016 & = & \$1,450.06 \\ \\ \text{Monthly Base Benefit} & \times & \text{Formula Increase} & = & & & \text{Base Benefit} \\ \$1,450.06 & \times & 1.3333 & = & & & \$1,933.36 \end{array}$$

**Occupational Disability Benefits**

If you are a uniformed member of the water patrol and sustain an injury or illness as a result of performing your duties as a water patrol officer, you are eligible for occupational disability benefits. To qualify for occupational disability, you must be found by the MOSERS Board of Trustees to be completely and permanently incapable of holding any position of gainful employment. Your occupational disability benefit will be equal to 50% of your compensation when the injury or illness occurred. The benefit is not offset by Social Security disability benefits.

## EARLY (REDUCED) RETIREMENT

### Eligibility Requirements

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

- MSEP
  - Age 55 with 10 years of service
- MSEP 2000
  - Age 57 with 5 years of service

### Early Retirement Reduction Factor

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

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

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

For this example, the following assumptions have been made:

Age at Retirement ..... 59 Years 6 Months  
 Final Average Pay ..... \$2,996.00  
 Credited Service..... 15 Years  
 Age Eligible for Normal Retirement.....62 Years  
 Months Retiring Early ..... 30 Months

#### Early Retirement Reduction Factor Calculation

$$\begin{array}{rclcl} 1 & - & (30 \text{ Months Early} \times .005) & = & \text{Early Retirement Factor} \\ 1 & - & (.15) & = & .85 \text{ (85\% of Base Benefit)} \end{array}$$

#### Base Benefit Calculation for Early Retirement

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.017)	=	Monthly Base Benefit
\$2,996.00	x	15	x	.017	=	\$763.98
Monthly Base Benefit	x	Early Retirement Factor	=	Early Retirement Benefit		
\$763.98	x	.85	=	\$649.38		

## APPLYING FOR RETIREMENT

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

### Two-Step Retirement Process

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

#### Step 1. The Application Step. Complete and submit a retirement application.

Step 1 may be completed online by logging in to MOSERS' website and clicking on **Retire Online**. Applying online is easy and processing is efficient. Your retirement application must be dated and received by MOSERS according to the due date listed on the chart below coinciding with your date of retirement. MOSERS will use this information to prepare an individualized benefit estimate. If you submit a retirement application and then decide not to retire, please send MOSERS a written notice to rescind your application. Your application will become null and void if you do not complete the two-step process within 90 days of your date of retirement.

#### Step 2. The Election Step. This step involves completing and submitting your *Retirement Election* Form. Here you will make decisions regarding your retirement plan (if applicable), the BackDROP (if eligible), and your payment options. The election form must be received by MOSERS prior to your date of retirement.

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

Two-Step Retirement Process (Date Forms are Due at MOSERS)		
Date of Retirement	Retirement Application Due (Step 1)	Election Form Due (Step 2)
January 1	November 30	December 31
February 1	December 31	January 31
March 1	January 31	February 28
April 1	February 28	March 31
May 1	March 31	April 30
June 1	April 30	May 31
July 1	May 31	June 30
August 1	June 30	July 31
September 1	July 31	August 31
October 1	August 31	September 30
November 1	September 30	October 31
December 1	October 31	November 30

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

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

Log in to MOSERS' website to complete and submit these forms online.

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

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

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

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

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

If you are married and plan to elect a joint & survivor benefit payment option, please submit your spouse's proof-of-age and lawful presence document and a photocopy of your marriage certificate with your *Retirement Application*. MOSERS cannot complete the verification of your retirement benefit without these documents. To upload proof documents online, log in to MOSERS' website. At the top menu, under **Online Documents**, select **Document Upload**. Or, as part of the online retirement process, after the retirement application is complete, look for the **Document Upload** link on the left side under the progress bar.

## BENEFIT PAYMENT OPTIONS

You must elect a benefit payment option on your *Retirement Election* form. This election determines if a benefit will be paid to anyone after your death. Your payment option **cannot** be changed (even in the event of divorce) after the first retirement benefit payment has been mailed or electronically transferred by MOSERS. Regardless of the option you elect, you will receive a benefit payment each month for your lifetime. MSEP 2000 payment options include:

### MSEP Payment Options

- Life Income Annuity
- Unreduced Joint & 50% Survivor
- Joint & 100% Survivor
- 60 Guaranteed Payments
- 120 Guaranteed Payments

*For Information about benefit payment options if you marry after retirement, see page 35.*

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



## Benefit Payment Option Adjustment Factors

Benefit payment options require your pension benefit to be reduced in order to provide a survivor benefit after you die. The following summary will help you determine the adjustment factor used in calculating your retirement benefit. If you would like an estimate of your monthly retirement benefit, please contact a MOSERS benefit counselor or log in to MOSERS' website and select **Estimates**, then **Estimate Your Retirement Benefit**.

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

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

If your spouse is **younger** than you  
Factor at retirement age - (Age Difference x .003)

If your spouse is **older** than you  
Factor at retirement age + (Age Difference x .003)  
(The adjustment factor cannot exceed 95%.)

#### Starting Factor Used to Determine Adjustment Factor

Member's Age at Retirement	Starting Factor
48	94.2%
49	93.9%
50	93.6%
51	93.3%
52	93.0%
53	92.7%
54	92.4%
55	92.1%
56	91.8%
57	91.5%
58	91.2%
59	90.9%
60	90.6%
61	90.3%
62+	90.0%

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

If your spouse is **younger** than you  
Factor at retirement age - (Age Difference x .005)

If your spouse is **older** than you  
Factor at retirement age + (Age Difference x .005)  
(The adjustment factor cannot exceed 90%.)

#### Starting Factor Used to Determine Adjustment Factor

Member's Age at Retirement	Starting Factor
48	88.6%
49	88.2%
50	87.8%
51	87.4%
52	87.0%
53	86.6%
54	86.2%
55	85.8%
56	85.4%
57	85.0%
58	84.6%
59	84.2%
60	83.8%
61	83.4%
62+	83.0%

\* In MSEP there is no reduction for the Joint & 50% Survivor Option.

\*\* In MSEP the adjustment factor for the Joint & 100% Survivor Option is .93 +/- (age difference x .003).  
The maximum factor is .96.

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

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

**Example of Benefit Payment Option Adjustment Factor**

For this example, the following assumptions have been made:

Retiree's Age ..... 59 Years 9 Months  
 Spouse's Age ..... 64 Years 1 Month (4 Years/4 Months older)  
 MSEP 2000 Benefit Payment Option ..... Joint & 100% Survivor Option  
 Starting Factor (See table on page 26) ..... 84.2% (.842)

**Adjustment Factor Calculation**

Factor at retirement age	+	(4 Years Age Difference x .005)	=	Adjustment Factor
.842	+	.02	=	.862

**Adjusted Base Benefit Calculation**

Base Benefit	x	Adjustment Factor	=	Adjusted Base Benefit
\$1,540.69	x	.862	=	\$1,328.07

**BACKDROP PAYMENT OPTION**

Members of the MSEP and the MSEP 2000 may be eligible to elect the Deferred Retirement Option Provision (BackDROP) at retirement. This option provides a way for you to receive a lump-sum payment at retirement in addition to your monthly benefit.

You are not required to take any action related to the BackDROP until you retire. If you qualify for the BackDROP, the option will be listed on your *Retirement Election* Form at retirement. 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. In addition, 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).

**Eligibility Requirements**

To be eligible for the BackDROP, you must work in a MOSERS benefit-eligible position at **least two years beyond** your normal retirement eligibility date.

**BackDROP Date**

You may select the BackDROP date used to calculate your pension benefit giving you the opportunity to maximize your monthly benefit payment or lump-sum amount. The BackDROP date you choose must meet both of the following requirements.

- Be on or after the date you were first eligible for normal (unreduced) retirement benefits.
- Be within the five-year period immediately prior to your actual retirement date.

MOSERS' BackDROP brochure is a great place to find additional details regarding the BackDROP. Information is also available on our website or by contacting a benefit counselor.

If you are divorced and elect the BackDROP, your ex-spouse is not eligible for a portion of your BackDROP lump-sum.

If you die prior to your retirement date, your *Retirement Application* and any subsequent elections, such as BackDROP, become null and void. This means your survivor (if applicable) will not receive the BackDROP lump sum. Any survivor benefits will be calculated using total credited service.

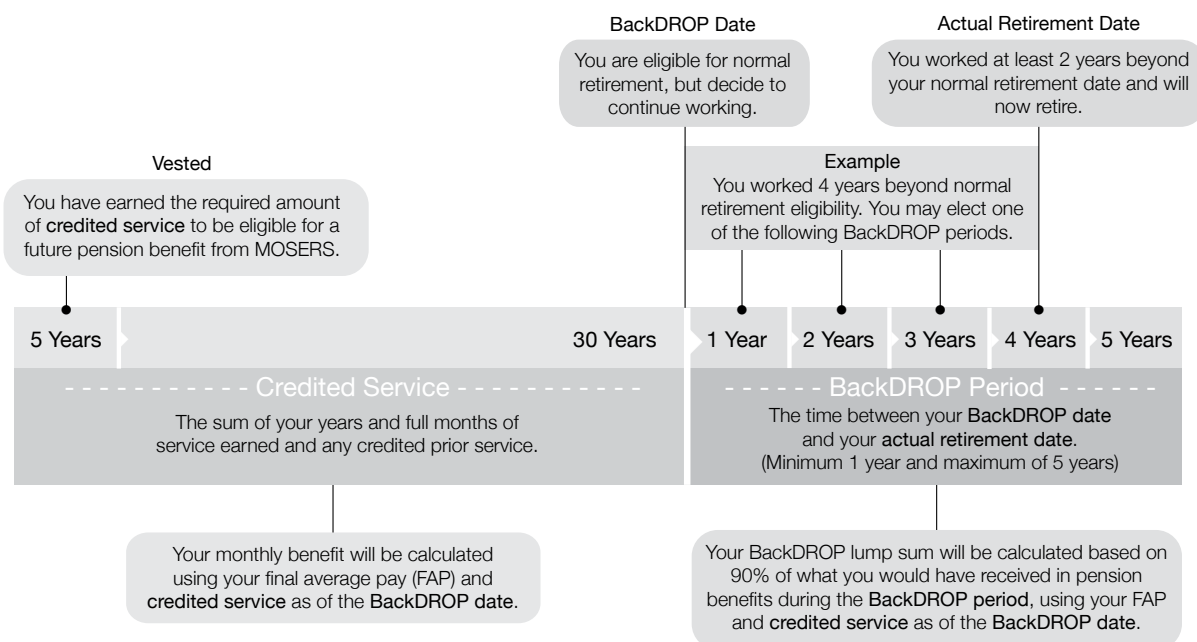
## BackDROP Period

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).

### BackDROP Periods Example

As illustrated in the graphic below, let's assume you work 4 years beyond normal retirement eligibility. You may elect a BackDROP period of 1 year, 2 years, 3 years, or a maximum of 4 years.

If we assumed you worked 3 years and 8 months beyond normal retirement eligibility, you could elect a BackDROP period of 1 year, 2 years, 3 years, or a maximum of 3 years and 8 months.



## Monthly Pension Benefit

If you elect the BackDROP, your monthly pension benefit will be calculated using your final average pay and creditable service as of the BackDROP date.

If you do **not** elect the BackDROP, your monthly retirement benefit will be calculated using your final average pay and creditable service as of your actual retirement date. You are **not** required to elect the BackDROP regardless of how long you work beyond normal retirement eligibility – that decision is up to you.

## Distribution Options

The BackDROP distribution is payable in either:

- One lump-sum payment at retirement (cash, rollover\* or combination).
- Three annual installments (one with your first monthly benefit payment and one each of the following two years thereafter—available if electing the cash option payment method).

The BackDROP distribution is taxable income. For a detailed explanation of the payment methods and tax consequences, please review our *Special Tax Notice* brochure, which is available on our website or by contacting a benefit counselor. We recommend you contact a tax consultant or financial advisor before electing a payment method.

\* Rollovers subject to the IRS Required Minimum Distribution for recipients age 70<sup>1/2</sup> or older. See *Special Tax Notice* brochure.

## Calculating a BackDROP Benefit

The following is an example of how a BackDROP lump-sum distribution is calculated.

### *Example of BackDROP Benefit Calculation:*

This example the following assumptions have been made:

Retirement Plan..... MSEP 2000  
 BackDROP Period..... 5 Years  
 Annual COLA Rate..... 1.172 (80% of the percentage increase in the average CPI)

#### Base Benefit Calculation with BackDROP

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.017)	=	Monthly Base Benefit
\$2,884.64	x	25.25	x	.017	=	\$1,238.23

#### Temporary Benefit Calculation

Final Average Pay	x	Years & Full Months of Credited Service	x	Multiplier (.008)	=	Monthly Temporary Benefit
\$2,884.64	x	25.25	x	.008	=	\$582.70

#### Monthly Benefit Calculation

Monthly Base Benefit	+	Monthly Temporary Benefit	=	Total Monthly Benefit (until age 62)
\$1,238.23	+	\$582.70	=	\$1,820.93

#### Retirement Benefits Accrued During BackDROP Period (5 Years)

*Amount that would have been received if member had continued working (includes annual COLAs)*

BackDROP Period	Total Monthly Benefit	x	Months (12)	=	Annual Benefit
1st Year Benefits	\$1,820.93	x	12	=	\$21,851.16
2nd Year Benefits	\$1,842.27	x	12	=	\$22,107.24
3rd Year Benefits	\$1,863.86	x	12	=	\$22,366.32
4th Year Benefits	\$1,885.70	x	12	=	\$22,628.40
5th Year Benefits	\$1,907.80	x	12	=	\$22,893.60
Total Benefits Accrued					\$111,846.72

#### BackDROP Distribution Calculation

Total Benefits Accrued	x	Distribution Percentage (.90)	=	Lump-Sum Payment
\$111,846.72	x	.90	=	\$100,662.05
Lump-Sum Payment	÷	3 Installments	=	Annual Installment
\$100,662.05	÷	3	=	\$33,554.02

## BackDROP Estimate

This example illustrates how four key elements (credited service, final average pay, total monthly benefit, and the lump-sum payment) will vary based on your BackDROP election. (The base benefit amounts listed below include COLAs.) On your election form, you will be asked to: 1) choose a BackDROP period and 2) choose a corresponding benefit payment option.

If you elect a joint & survivor option, the reduction will be based on your age as of the BackDROP date.

1-Year BackDROP Period	Assumptions	Lump Sum Payment: \$23,660.86					
	BackDROP Date: March 1, 2018	Benefit Payment Option	Base Benefit	+	Temporary Benefit	=	Total Monthly Benefit
	Credited Service: 29 Years, 3 Months	Life Income Annuity	\$1,507.22	+	\$709.28	=	\$2,216.50
		Joint & 50% Survivor	\$1,392.67	+	\$709.28	=	\$2,101.95
		Joint & 100% Survivor	\$1,305.25	+	\$709.28	=	\$2,014.53
	Final Average Pay: \$2,996.00	120 Guaranteed Payments	\$1,431.86	+	\$709.28	=	\$2,141.14
		180 Guaranteed Payments	\$1,356.50	+	\$709.28	=	\$2,065.78
2-Year BackDROP Period	Assumptions	Lump Sum Payment: \$45,971.93					
	BackDROP Date: March 1, 2017	Benefit Payment Option	Base Benefit	+	Temporary Benefit	=	Total Monthly Benefit
	Credited Service: 28 Years, 3 Months	Life Income Annuity	\$1,472.75	+	\$693.07	=	\$2,165.82
		Joint & 50% Survivor	\$1,365.24	+	\$693.07	=	\$2,058.31
		Joint & 100% Survivor	\$1,281.29	+	\$693.07	=	\$1,974.36
	Final Average Pay: \$2,996.00	120 Guaranteed Payments	\$1,399.11	+	\$693.07	=	\$2,092.18
		180 Guaranteed Payments	\$1,325.48	+	\$693.07	=	\$2,018.55
3-Year BackDROP Period	Assumptions	Lump Sum Payment: \$66,907.40					
	BackDROP Date: March 1, 2016	Benefit Payment Option	Base Benefit	+	Temporary Benefit	=	Total Monthly Benefit
	Credited Service: 27 Years, 3 Months	Life Income Annuity	\$1,437.28	+	\$676.36	=	\$2,113.64
		Joint & 50% Survivor	\$1,336.67	+	\$676.36	=	\$2,013.03
		Joint & 100% Survivor	\$1,256.18	+	\$676.36	=	\$1,932.54
	Final Average Pay: \$2,996.00	120 Guaranteed Payments	\$1,365.42	+	\$676.36	=	\$2,041.78
		180 Guaranteed Payments	\$1,293.55	+	\$676.36	=	\$1,969.91
4-Year BackDROP Period	Assumptions	Lump Sum Payment: \$85,257.58					
	BackDROP Date: March 1, 2015	Benefit Payment Option	Base Benefit	+	Temporary Benefit	=	Total Monthly Benefit
	Credited Service: 26 Years, 3 Months	Life Income Annuity	\$1,381.57	+	\$650.14	=	\$2,031.71
		Joint & 50% Survivor	\$1,289.00	+	\$650.14	=	\$1,939.14
		Joint & 100% Survivor	\$1,213.02	+	\$650.14	=	\$1,863.16
	Final Average Pay: \$2,954.97	120 Guaranteed Payments	\$1,312.49	+	\$650.14	=	\$1,962.63
		180 Guaranteed Payments	\$1,243.41	+	\$650.14	=	\$1,893.55
5-Year BackDROP Period	Assumptions	Lump Sum Payment: \$100,662.05					
	BackDROP Date: March 1, 2014	Benefit Payment Option	Base Benefit	+	Temporary Benefit	=	Total Monthly Benefit
	Credited Service: 25 Years, 3 Months	Life Income Annuity	\$1,312.50	+	\$617.66	=	\$1,930.16
		Joint & 50% Survivor	\$1,228.50	+	\$617.66	=	\$1,846.16
		Joint & 100% Survivor	\$1,157.63	+	\$617.66	=	\$1,775.29
	Final Average Pay: \$2,884.64	120 Guaranteed Payments	\$1,246.88	+	\$617.66	=	\$1,864.54
		180 Guaranteed Payments	\$1,181.25	+	\$617.66	=	\$1,798.91

## BENEFIT PAYMENT DETAILS

### Direct Deposit of Your Benefit Payment

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

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

### Deductions From Your Benefit Payment

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

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

### Final Benefit Payment From MOSERS

Your final monthly benefit payment will be paid at the end of the month in which you die.

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

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

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

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

### Waiving Your Benefit

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



## Protection of Benefits

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

## Correcting a Benefit Error

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

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

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



## After Retirement

### COST-OF-LIVING ADJUSTMENT (COLA)

After retirement, you will receive an annual COLA (0-5%) for your lifetime on the anniversary date of your retirement. For example, if you begin receiving retirement benefits on May 1, 2020, your first COLA will be payable with your May 31, 2021 benefit payment and each May thereafter. *(If you elect the BackDROP, your annual COLA will be payable in the month coinciding with your BackDROP date.)*

MOSERS provides an annual COLA to eligible retired members, surviving spouses, beneficiaries, and surviving children younger than age 21. The annual COLA for MSEP 2000 will be equal to 80% of the percentage increase in the average Consumer Price Index (CPI)<sup>①</sup> from one year to the next with an annual maximum at 5% (minimum 0%).

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

#### MSEP

- **COLAs** – If hired before Aug. 28, 1997, and elect MSEP at retirement, you will receive 4-5% each year until you reach 65% cap. After COLA cap, the rate is based on 80% of the percentage increase in the average CPI. If hired on or after Aug. 28, 1997, your COLA will be based on 80% of the percentage increase in the average CPI (0-5%).
- **In-Service COLAs** – If eligible for normal retirement at age 65 and you continue working in a MOSERS benefit-eligible position, "in-service COLAs" will be applied to your retirement benefit for service beyond age 65. This provision is not available in MSEP 2000 or MSEP 2011.

- The Consumer Price Index (CPI) is the CPI for all urban consumers for the United States, or its successor index, as approved by the board, as such index is defined and officially reported by the United States Department of Labor, or its successor agency.
- According to Missouri state law, each January, MOSERS must compare the average CPI for the calendar year just completed to the average CPI from the prior year to determine the percentage change between the two years. The MOSERS COLA rate for any year is based on 80% of the percentage increase in the average CPI from one year to the next.
- After you retire, you will receive a COLA (0-5%) each year for the rest of your life. Survivor benefits are also eligible for annual COLAs.
- COLAs are applied every year on the anniversary of your retirement or BackDROP date.

## HOW REEMPLOYMENT AFFECTS YOUR BENEFIT PAYMENT

If you retire and later return to work for the state in a benefit-eligible position covered by MOSERS, your retirement benefit will be stopped.

**Your employer determines if you are working in a benefit-eligible position.**

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

### Benefit-Eligible Position

Generally speaking, for a position to be eligible for MOSERS benefits, it must normally require 1,040 hours of work per year. If you return to work for the state of Missouri in a benefit-eligible position:

- Your monthly pension benefit from MOSERS stops for **any** month during which you are actively employed in that position. For example, if you return to work on July 27, your retirement benefit will stop. You will not receive a benefit payment for July or any subsequent months while employed in a benefit-eligible position.
- You will accrue additional service credit and salary for periods of reemployment after you have worked continuously for one year. When you retire again, your benefit will be equal to the monthly benefit you were receiving at the time you returned to work **plus** an additional monthly benefit for the service earned during reemployment periods of one year or more.

### Non-Benefit-Eligible Position

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

34

### Reemployment by MPERS

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

MSEP 2000 retirees **will** receive additional service credit and monthly retirement benefits from MPERS for periods of service greater than one year while reemployed under MPERS. MOSERS members who elect MSEP at retirement and become reemployed in an MPERS benefit-eligible position will receive service credit and retirement benefits from MPERS for periods of service greater than five years. For more information, visit our website.

## DEATH AND YOUR RETIREMENT BENEFIT

### Death After Retirement

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

Are you a survivor of a MOSERS benefit recipient?  
Get more information on MOSERS' website.

### Your Final Benefit Payment From MOSERS

You are entitled to a full benefit payment for the month in which you die. You have the option of designating a beneficiary to receive your final payment from MOSERS. Your final benefit payment from MOSERS should **not** be confused with potential survivor benefits (see page 25 and 31).

## Death of Your Spouse

If you elect the Joint & 50% Survivor option or the Joint & 100% Survivor option and your spouse precedes you in death, your benefit may revert (pop-up) to the Life Income Annuity amount. The effective date of the pop-up will be the first of the month following your spouse's date of death. The pop-up is not automatic. You must provide MOSERS with a copy of your spouse's death certificate before your benefit will be adjusted.

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

## MARRIAGE AFTER RETIREMENT

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

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

## POST-RETIREMENT RESOURCES

- **RetireeNews** – To keep you up to speed, you will receive newsletters which you can choose to get in the mail or online.
- **Benefit Statements** – On the anniversary of your retirement, you'll get your *Annual Benefit Statement*, also available online to view, save, or print.
- **Retiree Connection** – This group of representatives from each area of the state meets at MOSERS to discuss issues and concerns affecting MOSERS retirees. Find out who your area representative is on the **Retiree Connection** page on our website.
- **Coffee Breaks** – Attend a FREE post-retirement Coffee Break seminar in your area. These seminars allow MOSERS to discuss issues with retirees and keep them informed on different topics.
- **Social Media** – Follow MOSERS on Facebook and Twitter. Subscribe to our Rumor Central Blog to get email updates.

## WHEN SHOULD I CONTACT MOSERS?

Contact us if you want to do the following:

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

Many of these tasks can also be done online by logging in to MOSERS' website.



## Glossary

### Definition of Terms

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

## A

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

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

36

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

## B

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

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

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

## C

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

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

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

## D

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

## E

**Employee (Benefit-Eligible)** – For purposes of the MSEP 2000, any person who is employed by a department and is paid a salary or wage by a department in a position normally requiring the performance of duties during **at least** one thousand forty (1,040) hours per year. The term “employee” shall **not** include any patient or inmate in any state, charitable, penal, or correctional institution, or any person who is employed by a department in a position that is covered by a state-sponsored defined benefit retirement plan not created by Chapter 104.RSMo.

## F

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

## M

**Member (MSEP 2000)** – (1) A person who first became a benefit-eligible general state employee on or after July 1, 2000, but prior to January 1, 2011 and continues to be an employee. (2) A person covered by the MSEP on July 1, 2000 who elects to be covered by the MSEP 2000 at retirement.

**Member (MSEP)** – A person who first became a benefit-eligible general state employee before July 1, 2000.

## P

**Pay –**

1. All salary and wages payable to an employee for personal services performed for a department, **excluding:**
  - a. Any amounts paid after an employee’s employment is terminated, unless the payment is made as a final installment of salary or wages at the same rate as in effect immediately prior to termination of employment in accordance with a state payroll system adopted on or after January 1, 2000.

- b. Any amounts paid upon termination of employment for unused annual leave or unused sick leave.
  - c. Pay in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986 as amended and other applicable federal laws or regulations.
2. All salary and wages, which would have been payable to an employee on workers’ compensation leave of absence during the period the employee is receiving a weekly workers’ compensation benefit, as reported and verified by the employing department.
  3. All salary and wages, which would have been payable to an employee on a medical leave due to employee illness, as reported and verified by the employing department.

## R

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

## T

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

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

## V

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



## Notes

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## Notes

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.

This publication may be provided in alternative formats.

To obtain accessible formats, please contact MOSERS at (573) 632-6100 or (800) 827-1063.

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

***MOSERS is an equal opportunity employer.***

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

**Missouri State Employees' Retirement System**

**Mailing Address:** PO Box 209, Jefferson City, MO 65102-0209

**Office Location:** 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)

*Please contact MOSERS to obtain alternative formats of this publication.*