At its November 19, 2026, meeting, the MOSERS Board of Trustees adopted:

- Board Rule 2-22, "Terminated Vested Member Buyout Program;" and
- Board Rule 3-20, "Terminated Vested Member Buyout Program."

These rules will take effect on January 1, 2027.

2-22 Terminated Vested Member Buyout Program

PURPOSE: This rule establishes the Terminated Vested Member Buyout Program (the "Buyout") in accordance with Sections 104.1063 and 104.1092, RSMo. This rule and the Buyout are effective January 1, 2027, and are subject to amendment or repeal at any time. No member shall have any vested rights under this rule or the Buyout.

Eligibility

1. Except as otherwise provided under this board rule, a member of the closed plan (MSEP) or the year 2000 plan (MSEP 2000 and MSEP 2011) may elect to participate in the Buyout if the member:
    a. is not currently employed in any position covered by any retirement plan under Chapter 104, 287, or 476, RSMo;
    b. is eligible for a deferred normal annuity from the system under Chapter 104, RSMo;
    c. has not reached the normal retirement age or eligibility for any annuity that the member is eligible for under Chapter 104, RSMo;
    d. has not received any annuity from the system; and
    e. satisfies the application requirements of section 13 of this board rule.
2. Notwithstanding section 1 of this board rule, a member may not participate in the Buyout if the member:
    a. is eligible for a refund of contributions under Section 104.1091, RSMo, and the amount of the refund would be greater than the amount of the buyout payment otherwise payable under the Buyout;
    b. has purchased service and the cost of the service purchase was greater than the amount of the buyout payment otherwise payable under the Buyout;
    c. is eligible for a present value payment under Section 104.335.6, RSMo;
    d. is subject to a Division of Benefits Order ("DBO") issued by a court in accordance with Section 104.312 or 104.1051, RSMo, and the system has received notice of the DBO before the system issues the buyout payment;

e. is married at the time of the election to participate in the Buyout, unless the member's spouse consents in writing to the election;

f. dies and the system receives timely notice of the member's death before the system issues the buyout payment;

g. becomes employed in any position covered by any retirement plan under Chapter 104, 287, or 476, RSMo, and the system receives timely notice of such employment before the system issues the buyout payment;

h. is receiving a long-term disability benefit provided by the system directly or indirectly through an insurance contract; or

i. is ineligible under Section 208.009, RSMo, to receive a public benefit.

3. A member may rescind an election made under section 1 of this board rule if the system receives such rescission in writing, via email, paper, or the system's online portal before the system issues the buyout payment.

Payment Calculation

4. The buyout payment made under the Buyout shall be equal to 60% of the present value of the member's deferred normal annuity, as determined under this board rule, as of the first day of the month in which the system receives the member's application.

5. As used in this board rule, "Report" means the most recent actuarial valuation report adopted by the Board as of the date the system receives the member's application.

6. The discount rate used to calculate the present value of the member's deferred normal annuity shall be equal to the assumed investment rate of return in the Report.

7. For members of the closed plan (MSEP) first employed before August 28, 1997, the assumption for cost-of-living adjustments used to calculate the present value of the member's deferred normal annuity shall be 4% compounded until the 65% cap is reached, then the assumption shall be equal to the assumed cost-of-living adjustment used in the Report, compounded for life for members of the closed plan. For members of the closed plan (MSEP) first employed on or after August 28, 1997, and members of the year 2000 plan (MSEP 2000 and MSEP 2011), the assumption for cost-of-living adjustments used to calculate the present value of the member's deferred normal annuity shall be equal to the assumed cost-of-living adjustment used in the Report, compounded for life. Notwithstanding the provisions in this section to the contrary, for members of a plan that has a salary-based cost-of-living adjustment, the cost-of-living adjustment is equal to the wage growth assumption used in the Report.

8. The present value of the deferred normal annuity shall be determined using the mortality assumption used in the Report, using a 50% male/50% female blend of mortality rates.

9. For members of the closed plan (MSEP), the assumptions regarding marital status set forth in the Report shall be used to calculate the present value of the deferred normal retirement annuity benefit. The portion of the benefit corresponding to the percentage of members assumed to be married at retirement shall be valued as a 50% joint and survivor annuity, and shall assume the spouse to be the same age as the member. The portion of the benefit corresponding to the percentage of members assumed to be single at retirement shall be valued as a straight life annuity. For members of the year 2000 plan (MSEP 2000 and MSEP 2011), 100% of the deferred normal retirement annuity benefit shall be valued as a straight life annuity.

10. The present value of the member's deferred normal annuity shall be determined assuming the annuity would have commenced on the date of the member's normal retirement age or eligibility.

11. For any member who is covered by the closed plan (MSEP) and is eligible to elect coverage under the year 2000 plan (MSEP 2000), the member shall be deemed to have elected coverage in the plan that results in the greater buyout payment for the member.

12. Upon request, the system shall provide each member who is eligible to participate in the Buyout with: (a) an estimate of the amount of the projected buyout payment under the Buyout compared with an estimate of the monthly amount of the member's projected deferred normal annuity if the buyout is not elected; and (b) a description of the actuarial assumptions used in the calculation of the present value of the member's deferred normal annuity under the Buyout.

Application Process and Payment

13. A member electing to participate in the Buyout shall submit an application to the system to make a one-time election to receive a lump sum buyout payment of all of the annuities that such member is eligible for under Chapter 104, RSMo.

    a. When the system receives all of the information necessary to issue the buyout payment for the member and verifies the member's continued eligibility to participate in the Buyout, the system shall calculate the present value of the member's deferred normal annuity as of the first day of the month in which the system received the member's application.

    b. The system shall issue such buyout payment in the second calendar month after it receives all of the information necessary to issue the buyout payment and verify the member's continued eligibility to participate in the Buyout.

    c. The system shall issue buyout payments monthly, concurrently with regularly scheduled monthly benefit payments for retired members, and in accordance with Rule 2-15 for closed plan (MSEP) members or Rule 3-13 for year 2000 plan (MSEP 2000 and MSEP 2011) members.

d. A member who has submitted an application to the system that is pending when the member reaches normal retirement age or eligibility shall not be deemed ineligible for the Buyout solely on that basis provided that the system timely receives all of the information necessary to issue the buyout payment and verify the member's eligibility to participate in the Buyout.

e. The system shall deem null and void any application received by it for which it does not receive all of the information necessary to issue the buyout payment and verify the member's continued eligibility to participate in the Buyout prior to the first day of the fourth month following the month when the system receives the application.

f. A member whose application is not approved or is deemed null and void must submit a new application to the system to participate in the Buyout and must satisfy the eligibility requirements of the Buyout as of the date the system receives the new application.

3-20 Terminated Vested Member Buyout Program

PURPOSE: This rule establishes the Terminated Vested Member Buyout Program (the "Buyout") in accordance with Sections 104.1063 and 104.1092, RSMo. This rule and the Buyout are effective January 1, 2027, and are subject to amendment or repeal at any time. No member shall have any vested rights under this rule or the Buyout.

Eligibility

1. Except as otherwise provided under this board rule, a member of the closed plan (MSEP) or the year 2000 plan (MSEP 2000 and MSEP 2011) may elect to participate in the Buyout if the member:
    a. is not currently employed in any position covered by any retirement plan under Chapter 104, 287, or 476, RSMo;
    b. is eligible for a deferred normal annuity from the system under Chapter 104, RSMo;
    c. has not reached the normal retirement age or eligibility for any annuity that the member is eligible for under Chapter 104, RSMo;
    d. has not received any annuity from the system; and
    e. satisfies the application requirements of section 13 of this board rule.
2. Notwithstanding section 1 of this board rule, a member may not participate in the Buyout if the member:
    a. is eligible for a refund of contributions under Section 104.1091, RSMo, and the amount of the refund would be greater than the amount of the buyout payment otherwise payable under the Buyout;
    b. has purchased service and the cost of the service purchase was greater than the amount of the buyout payment otherwise payable under the Buyout;
    c. is eligible for a present value payment under Section 104.335.6, RSMo;
    d. is subject to a Division of Benefits Order ("DBO") issued by a court in accordance with Section 104.312 or 104.1051, RSMo, and the system has received notice of the DBO before the system issues the buyout payment;
    e. is married at the time of the election to participate in the Buyout, unless the member's spouse consents in writing to the election;
    f. dies and the system receives timely notice of the member's death before the system issues the buyout payment;

g. becomes employed in any position covered by any retirement plan under Chapter 104, 287, or 476, RSMo, and the system receives timely notice of such employment before the system issues the buyout payment;

h. is receiving a long-term disability benefit provided by the system directly or indirectly through an insurance contract; or

i. is ineligible under Section 208.009, RSMo, to receive a public benefit.

3. A member may rescind an election made under section 1 of this board rule if the system receives such rescission in writing, via email, paper, or the system's online portal before the system issues the buyout payment.

Payment Calculation

4. The buyout payment made under the Buyout shall be equal to 60% of the present value of the member's deferred normal annuity, as determined under this board rule, as of the first day of the month in which the system receives the member's application.

5. As used in this board rule, "Report" means the most recent actuarial valuation report adopted by the Board as of the date the system receives the member's application.

6. The discount rate used to calculate the present value of the member's deferred normal annuity shall be equal to the assumed investment rate of return in the Report.

7. For members of the closed plan (MSEP) first employed before August 28, 1997, the assumption for cost-of-living adjustments used to calculate the present value of the member's deferred normal annuity shall be 4% compounded until the 65% cap is reached, then the assumption shall be equal to the assumed cost-of-living adjustment used in the Report, compounded for life for members of the closed plan. For members of the closed plan (MSEP) first employed on or after August 28, 1997, and members of the year 2000 plan (MSEP 2000 and MSEP 2011), the assumption for cost-of-living adjustments used to calculate the present value of the member's deferred normal annuity shall be equal to the assumed cost-of-living adjustment used in the Report, compounded for life. Notwithstanding the provisions in this section to the contrary, for members of a plan that has a salary-based cost-of-living adjustment, the cost-of-living adjustment is equal to the wage growth assumption used in the Report.

8. The present value of the deferred normal annuity shall be determined using the mortality assumption used in the Report, using a 50% male/50% female blend of mortality rates.

9. For members of the closed plan (MSEP), the assumptions regarding marital status set forth in the Report shall be used to calculate the present value of the deferred normal retirement annuity benefit. The portion of the benefit corresponding to the percentage of members assumed to be married at retirement shall be valued as a 50% joint and survivor annuity, and shall assume the spouse to be the same age as the member. The portion of the benefit corresponding to the percentage of members assumed to be single at

retirement shall be valued as a straight life annuity. For members of the year 2000 plan (MSEP 2000 and MSEP 2011), 100% of the deferred normal retirement annuity benefit shall be valued as a straight life annuity.

10. The present value of the member's deferred normal annuity shall be determined assuming the annuity would have commenced on the date of the member's normal retirement age or eligibility.

11. For any member who is covered by the closed plan (MSEP) and is eligible to elect coverage under the year 2000 plan (MSEP 2000), the member shall be deemed to have elected coverage in the plan that results in the greater buyout payment for the member.

12. Upon request, the system shall provide each member who is eligible to participate in the Buyout with: (a) an estimate of the amount of the projected buyout payment under the Buyout compared with an estimate of the monthly amount of the member's projected deferred normal annuity if the buyout is not elected; and (b) a description of the actuarial assumptions used in the calculation of the present value of the member's deferred normal annuity under the Buyout.

Application Process and Payment

13. A member electing to participate in the Buyout shall submit an application to the system to make a one-time election to receive a lump sum buyout payment of all of the annuities that such member is eligible for under Chapter 104, RSMo.

    a. When the system receives all of the information necessary to issue the buyout payment for the member and verifies the member's continued eligibility to participate in the Buyout, the system shall calculate the present value of the member's deferred normal annuity as of the first day of the month in which the system received the member's application.

    b. The system shall issue such buyout payment in the second calendar month after it receives all of the information necessary to issue the buyout payment and verify the member's continued eligibility to participate in the Buyout.

    c. The system shall issue buyout payments monthly, concurrently with regularly scheduled monthly benefit payments for retired members, and in accordance with Rule 2-15 for closed plan (MSEP) members or Rule 3-13 for year 2000 plan (MSEP 2000 and MSEP 2011) members.

    d. A member who has submitted an application to the system that is pending when the member reaches normal retirement age or eligibility shall not be deemed ineligible for the Buyout solely on that basis provided that the system timely receives all of the information necessary to issue the buyout payment and verify the member's eligibility to participate in the Buyout.

e. The system shall deem null and void any application received by it for which it does not receive all of the information necessary to issue the buyout payment and verify the member's continued eligibility to participate in the Buyout prior to the first day of the fourth month following the month when the system receives the application.

f. A member whose application is not approved or is deemed null and void must submit a new application to the system to participate in the Buyout and must satisfy the eligibility requirements of the Buyout as of the date the system receives the new application.

You may submit written comments to the MOSERS general counsel regarding these rules at any time prior to December 21, 2026. The Board of Trustees will consider any comments received and has the authority to take additional action as it deems appropriate regarding these rules.