

Retiree News

Winter 2024

Keeping You Informed About Retirement Benefits



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Report to Members

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Retiree NEWS

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youtube.com/MOSERSOnline

Make sure you receive your important benefit information now and in the future. Verify or update your mailing address, email, and phone number while logged in. Go to mosers.org and log in to **myMOSERS**.

September Board Meeting Executive Director's Update

On September 19, the MOSERS Board met for its regular third-quarter meeting. We welcomed our newest Board member, Senator Doug Beck, to his first MOSERS Board meeting. Senator Beck was appointed to the MOSERS Board in July and replaces Senator John Rizzo.

As always, the main objective of Board meetings is to ensure the long-term sustainability of promised benefits. To that end, the top priority of this meeting was certifying the employer contribution rate for fiscal year 2026. The employer contribution rate is the percent of payroll that a MOSERS-covered employer contributes each pay period to properly fund the plan.

As I've discussed in the past, the Board has made significant changes to the MOSERS funding policy over the past few years. These changes are intended to help improve the System's funding in the long-term, all while knowing in the short-term the changes would cause the funded status to fall, and the contribution rates to increase.

Over the past year, I along with the System's actuary have discussed potential additional changes to increase plan funding. As you may recall, at the September 2023 meeting, the Board adopted a minimum employer contribution rate of 32% to be phased in over three years during fiscal years 2025 through 2027.

Sticking with this phase-in plan, the MOSERS Board certified the MSEP contribution rate for fiscal year 2026 at 30.25% of payroll. The minimum contribution rate policy is designed to increase the plan's funded status more rapidly, albeit gradually, than without the policy.

At the meeting, we also discussed the MOSERS investment portfolio. For fiscal year 2024, the MOSERS portfolio's return was 6.6% net of fees, outperforming the policy benchmark return of 5.8%. This outperformance by staff added approximately \$74 million in additional value.

As long-term investors, MOSERS strives to maximize long-term investment returns by investing system assets at a prudent level of risk to meet benefit payment obligations over the long term.



Abby Spieler
Executive Director



Senator Doug Beck

New Board Member **Welcome Senator Doug Beck**

On July 18, 2024, Senator Caleb Rowden, President Pro Tem of the Senate, appointed Senator Doug Beck (District 1) to the MOSERS Board of Trustees. Senator Beck replaced Senator John Rizzo on the Board.

As of November 2023, 413 active state employees working in a MOSERS benefit-eligible position live in Senator Beck's district, earning an annualized payroll of nearly \$23.3 million, as well as 676 MOSERS retirees or survivors who receive \$11.4 million in annualized pension benefits.

Senator Beck was elected in 2020 to represent the residents of the 1st Senatorial District in the Missouri Senate. In 2022, he was elected by his peers to serve as senate minority floor leader. He also served two terms in the Missouri House of Representatives from 2016 to 2020. During his time in the House, he was the ranking minority member of the Economic Development and Workforce Development Committees and served on the Veterans Committee and Children and Families Committee.

Cost-of-Living Adjustments The Value of a COLA

MOSERS retirees and surviving beneficiaries receive annual cost-of-living adjustments (COLAs) to help offset the effects of inflation on their retirement benefits. COLAs allow retirees to maintain their purchasing power as inflation increases the cost of various items they buy.

What is the CPI?

The Federal Bureau of Labor Statistics calculates the CPI monthly. The CPI is used to measure the inflation rate and show larger economic trends annually. To learn more about the CPI, visit the Bureau of Labor Statistics' Frequently Asked Questions (FAQs).

According to state law, MOSERS must use the CPI for All Urban Consumers (CPI-U) in our calculations. This is the most comprehensive measure of inflation in consumer goods and services, including food, housing, and transportation. CPI calculations are based on information from average households across the country. The impact of inflation on you personally may be more or less than the national average.

How is the COLA calculated?

Each January, MOSERS compares the average CPI for the calendar year just completed (2024) to the average CPI from the prior year (2023) to determine the percentage change between the two years. Retirees will not receive a COLA less than zero. (In other words, MOSERS does not decrease benefit amounts based on the CPI calculation.)

The COLA for retired general state employees is based on 80% of the percentage increase in the average CPI from one year to the next. The COLA can range from a minimum of 0% to a maximum of 5%.

In contrast, MSEP retirees employed before August 28, 1997, receive a minimum 4% COLA until they reach their COLA cap. This happens when accumulated COLAs equal 65% of their initial base benefit. After reaching the cap, their COLA will be calculated like other retirees and will range from 0% to 5% each year, depending on the increase in the Consumer Price Index.

At MOSERS, our COLAs compound. This means the annual benefit increase is calculated based on the original benefit plus any prior benefit increases. In comparison, other state retirement systems may apply a simple COLA, where the benefit increase for each year is calculated based on the original benefit amount at the time of retirement.




2025 COLA Announcement Coming Soon!

Your annual cost-of-living adjustment, or COLA, is based on the Consumer Price Index (CPI). We will calculate the COLA in **mid-January** and post it on our website. Be sure to keep an eye out for it!

When are COLAs payable?

COLAs are payable on the anniversary of your retirement date except for:

- Retired members who **converted from MSEP to MSEP 2000** during the conversion window in 2000 will receive their COLA in July.
- Retired members who **elected BackDROP** will receive their COLA on the anniversary of their BackDROP date.
- **Retired inactive-vested members of MSEP 2011** will receive their first COLA on the second anniversary of their retirement (rather than the first anniversary).
- **Retired legislators who took office after July 1, 2000**, will receive an adjusted benefit according to the increase in pay for an active member of the general assembly. No other COLAs will be provided.
- **Retired statewide elected officials who took office after July 1, 2000**, will receive an adjusted benefit according to the increase in pay for an active member in that office. No other COLAs will be provided.

We will send you a notice in your **Document Express** online mailbox during the month you receive your COLA.

See **Cost-of-Living Adjustments (COLA)** on our website for more information. To learn more about various types of COLAs used by other retirement systems, see the recent *NASRA Issue Brief: Cost-of-Living Adjustments* on the National Association of State Retirement Administrators' website.



Financial Growth MOSERS' Investment Performance

As part of the *Annual Comprehensive Financial Report*, MOSERS reports fiscal year-end investment performance.

For fiscal year 2024, every asset class outperformed its individual benchmark, and the total portfolio generated a time-weighted rate of return of 6.6%, net of all fees and expenses. This result exceeded the policy benchmark of 5.8% by 0.8%. Due to this outperformance, approximately \$74 million in value was added to the MOSERS portfolio above our policy benchmark. Total trust fund assets as of June 30, 2024, were nearly \$9.0 billion.

As long-term investors, MOSERS recognizes the importance of portfolio diversification and investment discipline during times of uncertainty and over the long term. The total fund 1-, 3-, 5-, 10-, 15-, and 20-year actual performance outperformed the policy benchmark over all periods, adding approximately \$2.1 billion to the trust fund over the 20-year period.

While the MOSERS portfolio is built to withstand all kinds of market uncertainties over time, the Board also undertakes a detailed portfolio review at least every five years for potential improvements.

Over the next two fiscal years, MOSERS staff will implement changes to the portfolio approved by the Board, which are designed to improve the portfolio for the foreseeable future. These changes will be made in a targeted manner to ensure the long-term health and resilience of the MOSERS portfolio.



Member Communications Alert

Contact MOSERS to Discuss Your Benefits

Email scams and solicitations are on the rise, and we want you to be aware of suspicious communications misrepresenting MOSERS. Some members have reported receiving solicitations from other for-profit organizations regarding their MOSERS benefits. MOSERS administers retirement, life insurance, and long-term disability benefits for most state employees and will not send solicitation emails asking for information about you or your benefits.

Be sure to verify the email source if you are contacted by a representative asking to discuss your retirement savings and benefit information. MOSERS representatives will always identify themselves, and all communications will come from an email address ending in **mosers.org**. If you receive a message from MOSERS and want to confirm that it's a legitimate email, contact us directly, and we can verify whether MOSERS sent it.

Remember, MOSERS will NOT email you to ask for your:

- Date of birth
- Social Security number
- Member ID
- Online ID
- Any other personal information

A MOSERS employee is the best source of information about your MOSERS benefits. Other third-party service providers may try contacting you, implying they are experts in MOSERS benefits. Be cautious of these email solicitations. If you have received an email solicitation from a third-party service that is misrepresenting MOSERS, contact us to discuss next steps.



Protecting our members' personal information is a top priority.

MOSERS is here for your benefit!



Direct Deposit

Is Your Banking Information Current?

If you recently closed or changed bank accounts, please notify us as soon as possible. It's important to update your direct deposit information to continue receiving your monthly benefit on time.

Remember that you must complete a *Direct Deposit Authorization* form for MOSERS to redirect payment to a new bank account.

How to Access the Form

- Log in to **myMOSERS** and complete the form online.
- Find the form in our online **Library**, print it, and send by email, fax, or mail to MOSERS.
- Contact us by calling (800) 827-1063 or (573) 632-6100 to request a copy of the form.

Form 1099-R <input type="checkbox"/> CORRECTED (if checked) <input type="checkbox"/> RE-ISSUE		OMB No. 1545-0119 2024 Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		
PAYER'S name, street address, city, state and ZIP code		1 Gross distribution \$	Total distribution <input type="checkbox"/>			
		2a Taxable amount \$				
PAYER'S federal identification number		RECIPIENT'S identification number	2b Taxable amount not determined <input type="checkbox"/>	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$	5 Service Purchase with After-tax Funds (excluded from taxable amount) \$
RECIPIENT'S name, street address (including apt. no.), city, state and ZIP code		6 Net unrealized appreciation in employer's securities \$	7 Distribution code(s)	IRA/SEP/SIMPLE	8 Other	



Tax Info & Forms

1099-R Forms Mailed by January 31, 2025

Tax season will be here before we know it, and so will your 1099-R forms! **MOSERS will mail 1099-R forms to all retirees and beneficiaries by January 31, 2025.**

This form lists your 2024 pension benefit income from MOSERS. You will need this form to file your income tax return. The 1099-R form provides the following information for the 2024 calendar year:

- Total gross distribution (the gross amount you received from MOSERS in 2024)
- Total taxable amount
- Taxes withheld

MOSERS will list any medical, vision, and dental insurance premium deductions withheld from your pension benefit in addition to the required information above. Contact your insurance provider with any questions about these deductions.

See the flyer on our website, *Understanding Your 1099-R Form*, to learn more about this form.

Get it Online

If you prefer an electronic copy of your 1099-R or need a replacement copy, simply log in to **myMOSERS**. You can find your past 1099-R forms listed under **Personal Information** and available for you to view or print. New 1099-R forms will be available online after we mail them in late January. Watch our website for updates!

Federal Tax Forms

Do you need to update your federal tax withholding amount? You can change your withholding election anytime during the year by completing the *Tax Withholding Authorization and IRS W-4P* forms.

Visit the **Taxes** page on our website for additional information.

MOSERS staff does not provide tax advice and cannot advise you on how to fill out tax forms or your tax liability as it pertains to your MOSERS pension. We suggest you contact the IRS and/or a qualified tax advisor to determine your tax liability and withholding amounts.

MOSERS will mail 1099-R forms to all retirees and beneficiaries by January 31, 2025.

No need to call - just know they will be mailed by January 31. Replacement/electronic copies will be available online once we have mailed the paper copy.

Watch our website for updates!

Reemployment Rules

Returning to Work After Retirement

Are you planning to return to work after retirement? It's important to note that returning to state employment may impact your pension benefits.

If you return to work for the state of Missouri in a MOSERS or MPERS **benefit-eligible** position:

- Your monthly pension payment **will stop**.
- Depending on various factors (your plan, how long you work, etc.), you may or may not earn additional credited service during reemployment.
- When you retire again, your monthly pension payment will equal the amount* you were receiving when you returned to work, plus any additional benefit you may have earned during reemployment.

Contracted employees working directly under a private firm are not typically classified as state employees. This type of employment should not interfere with your ability to receive your MOSERS benefit. Even so, we recommend that you contact the employer to confirm that a contract employee will not be considered a state employee.

* *If you were receiving the temporary benefit, it will be payable only if you return to retirement status prior to age 62.*

Termination and Reemployment Rules

Before receiving a benefit payment from MOSERS, IRS rules require a "bona fide termination" of your employment. For purposes of MOSERS Board Rules, a "bona fide termination" occurs when:

- You have completely severed employment;
- You have not entered into a prearranged agreement (written or oral), prior to retirement, with the State of Missouri or any MOSERS-covered employer for subsequent employment on any basis (full-time, part-time, or other); and
- You are not subsequently employed with the state of Missouri or any MOSERS-covered employer on any basis (full-time, part-time, or other) within **30 days** after your employment with your prior employer has ended.

After meeting the termination and reemployment rules, you may return to work and continue receiving your monthly pension payment, as long as your position is **not** a MOSERS or MoDOT and Patrol Employees' Retirement System (MPERS) **benefit-eligible** position (i.e., a position that normally requires at least 1,040 hours a year).

See the **Working After Retirement** page on our website, or contact MOSERS if you have questions about the termination and reemployment rules.



Retiree Spotlight

Service and Honor: A Veteran's Story

Army Veteran and state retiree Leonard Rutledge has always had a heart for service. Leonard was a helicopter pilot with a 29-year military career and served in both Vietnam and the Gulf War. He transitioned to a career with the Missouri Department of Corrections in 1972 and had 34 years of state service when he retired in 2006. In September, we had the opportunity to visit with Leonard about his state service and hear his retirement story.

Q Why did you choose a career with the State of Missouri after serving in the military?

A At that time civilian jobs were hard to find, hard to get. I answered an ad in the paper, soap factory manager, required nine hours of chemistry. I had the chemistry background, and I interviewed, ironically, with someone who used to be on the school board where I went to high school. I took a look at the soap factory and the prison and decided that's what I needed to do.

Q What did you enjoy most about working for the state?

A I'd have to say working with the people. I had a rather unique position. I worked in the section of prison industries, later referred to as Missouri Correctional Enterprises. We installed factories and services that would employ offenders, teach work ethics, and produce a product we could sell for a profit to reinvest in new operations. I had to interact with the correctional staff to hire and work with the offenders while meeting the security requirements of the institution.



Q How have your MOSERS benefits affected your retirement years?

A MOSERS benefits have enabled me to do all the things that I couldn't do before, both financially and timewise. I've collected tractors; I've collected junk; I've collected cars. I've attended tractor shows; I showed tractors; I showed cars. I attended plow days and worked with the old junk, restoring it. That was kind of my passion at the time, and I think MOSERS enabled me the financial freedom to do that. I was able to do that until it became necessary for me to care for my wife. [MOSERS benefits] also enabled me to care for my wife at home.

Q How do you spend your time in retirement?

A I spend almost all my time taking care of my wife. We do have a place at the lake. I care for that; I'm the steward. We have a surf boat. Our daughter and son-in-law and three granddaughters come down from Kansas City. They take friends and neighbors out, and they surf all day. We get to visit and see them. So, the summertime is busy at the lake.

Q What is the most important thing you have experienced in retirement?

A If anything, I would have to say the comfort of being secure in my future. Basically, I don't have to worry about taking care of my wife. I don't have to worry about where my next meal's coming from or where I'm going to sleep.

Q Do you have any plans for the future or advice for other retirees that you would like to share?

A I guess bottom line is, enjoy what you have. You have a job; some people don't have a job. With the state, it can be fairly secure. Hang on for the long run; it goes quickly, and it pays dividends with benefits. A lot of jobs don't offer that. The BackDROP enabled me to build an accessible house, which enabled me to keep my wife at home. That wasn't a planned event, but it's something that happened.

If you would like to participate in an upcoming retiree spotlight, email amandah@mosers.org. We would love to feature your state service and retirement story!

New Member Portal

New Year, New **myMOSERS**

As we approach a new year, we are getting closer to the launch of a new online member portal.

Your enhanced member dashboard will have a modern look and improved features, making it easy for you to navigate and manage your benefits. To prepare for this transition, here's a peek into the features of the new **myMOSERS**.

What will I be able to do in the new **myMOSERS**?

- Submit federal tax withholding changes online.
- Schedule an appointment with a MOSERS benefit counselor.
- Update your direct deposit information.
- Print a verification of benefits letter.
- Update your beneficiaries.
- Review your benefit information and payment history.
- Update your personal information, including address, phone number, email address, and communication preferences.
- And more, all from your member dashboard!



Our team is working hard to roll out the new member portal in the coming year, and we can't wait to share it with you! Stay tuned for more details and an official launch date.

Changes in Marital Status

Marriage and Divorce After Retirement

If your marital status has recently changed, here's what you need to know.

Marriage After Retirement

When you retired, you elected a benefit payment option. There are certain circumstances under which you may reelect your benefit payment option.

- If you were single at retirement **and elected the life income annuity**, you may elect a survivor benefit for your new spouse if you marry after retirement.
- If you elected a joint & survivor option at retirement **and your spouse dies first**, you may elect a survivor benefit for your new spouse if you remarry.

Keep in mind that you will have **one year** from your date of marriage to re-elect one of the joint & survivor options and name your spouse as the beneficiary. Contact MOSERS to start this process. We will provide you with an estimate of survivor benefit payment options and a *Designation of New Spouse* form.

Divorce After Retirement

As of January 1, 2021, if you divorce after retirement, you may remove your ex-spouse as the survivor beneficiary of your pension and receive an adjusted amount. To adjust your benefits, you must obtain a divorce decree or amended divorce decree that includes **specific language** from a court of competent jurisdiction and provide MOSERS with a certified copy.

For more details, see the **Life Events** page and read the *Divorce & Your Pension Benefit* brochure on our website or contact a MOSERS benefit counselor.



Here for Your Benefit

Providing Excellent Service While Keeping Costs Low

At MOSERS, we value member satisfaction and strive to provide excellent member service organization-wide. The MOSERS team embodies our motto, “We are here for your benefit,” in more ways than one. This is evident as we consistently deliver excellent service while keeping administrative costs low.

Member Services

Last fiscal year, our team assisted members with more than 56,000 calls and met with over 2,100 members in person. To ensure high levels of member satisfaction, we monitor the following key performance metrics:

- **Satisfaction with the Retirement Process**
Members are asked to rate their satisfaction with staff, the retirement process, and written and online communication. Our data shows that new retirees are highly satisfied with the retirement process, giving us a 93% satisfaction rating.
- **Caller Satisfaction**
At MOSERS, members who call get to speak with real people. We continuously monitor call metrics, and our team has consistently met or exceeded internal targets and industry standards in the following areas:
 - Caller Satisfaction Rating: 99%
 - Average Speed to Answer: 19 seconds

Administrative Costs

MOSERS' administrative cost per member is 17% below that of similar sized peer systems. We use the most recent *Annual Comprehensive Financial Report* data to measure our administrative cost per member compared to other pension systems.

Award Recognition

The MOSERS team received 11 national awards in Fiscal Year 2024.

- TJ Carlson, the Chief Investment Officer, was recognized by being named to CIO Magazine's Power 100 List for 2023.
- The Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.
- The Public Pension Coordinating Council Public Pension Standards Award in recognition of meeting professional standards for plan funding and administration.
- The National Association of Government Defined Contribution Administrators (NAGDCA) Leadership award - 2022 National Retirement Security Month “Measure Twice, Retire Once” campaign.
- NAGDCA Leadership Award - FY22 State “Incentive Match” campaign.
- Pension and Investment Eddy Award - FY22 State “Incentive Match” campaign.
- Pension and Investment Eddy Award - 2022 National Retirement Security Month “Measure Twice, Retire Once” campaign.
- The National Association of Government Communicators (NAGC) 1st Place for MOSERS Month 2023 in the Internal Communications category.
- NAGC 1st Place for the MOSERS Month 2023 website in the Digital Communications/Website category.
- NAGC 2nd Place for the 2023 Benefits U Conference in the Special Event or Conference category.
- NAGC Best in Show for the MOSERS Month 2023 website.



These achievements demonstrate MOSERS' commitment to our mission, vision, and values. We are proud of the MOSERS team and the excellent service they provide to our members. We are here for your benefit!



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RetireeNews Newsletter

2025

Benefit Payment & Holiday Schedule

To Schedule an Appointment:

Call (800) 827-1063 | 8:00 a.m. - 12:00 p.m. | 1:00 p.m. - 4:30 p.m.

January 1New Year's Day
 January 20..... Martin Luther King Jr. Day
 January 31 Payday

February 12 Lincoln's Birthday*
 February 17 Washington's Birthday
 February 28 Payday

March 31 Payday

April 30..... Payday

May 8 Truman Day*
 May 26..... Memorial Day
 May 30..... Payday

June 19..... Juneteenth
 June 30..... Payday

July 4Independence Day
 July 31..... Payday

August 29..... Payday

September 1..... Labor Day
 September 30..... Payday

October 13..... Columbus Day*
 October 31..... Payday

November 11..... Veterans Day
 November 27..... Thanksgiving
 November 28..... Payday

December 25Christmas
 December 31 Payday

* MOSERS will be closed on the above holidays with the exception of Lincoln's Birthday, Truman Day and Columbus Day.