

We work better, when we work together...

February 2016

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2016 COLA Rate

The new COLA rate for 2016 is **0.095%**. Year 2000 Plan members will receive their COLA each year on the anniversary of the month in which they retired; or, if they chose BackDROP, the anniversary of their BackDROP date. Closed Plan members will receive their COLA each October. Benefit Statements will also be issued to each member during the month in which they receive their COLA.

MPERS FYI 2016

The latest version of "MPERS FYI" is now available on our website under "**Brochures**". This brochure provides a brief history of MPERS, a summary of our benefit provisions, as well as the most recent statistical information pertaining to our membership, investments and funding status.

Salary for Benefit Statements

Just a reminder, every year MPERS issues benefit statements to our active employees. Included in the benefit statements are estimates, which include projected salary, **based on the member's pay for the month of February**. Please note that for any employee with "OHW" and flex, the salary projections may be skewed. Also please try to avoid any corrections or additions to the February payments, that may also distort their estimates....or try to keep them in mind if a member comes to you concerned about the amounts shown.

Health Savings Account Questions

As of the January 2016 benefit, MPERS began withholding deductions for a small number of benefit recipients for their Health Savings Accounts – through Health Equity, Inc. If you receive any questions from members regarding these deductions, please direct them to MoDOT & Patrol Employee Benefits (877) 863-9406, as the only information MPERS can provide is the amount being withheld, which is submitted to us via a deduction file from Employee Benefits.

Death Notices

We have recently been notified of a change to MoDOT policies regarding address information provided on their death notifications that are distributed. While we completely understand the necessity of protecting a survivor/beneficiaries private information, please keep in mind that MPERS still needs this information in order to contact survivors or persons in charge of the member's final affairs (for example where to send condolence letters and 1099-R information). Therefore, even though you may not be sending out address information on your death notices that are distributed, please remember to still provide the address information to MPERS either via a phone call or separate email notification, especially if the beneficiary/contact is not a spouse. Please feel free to contact our benefit specialists regarding any questions you may have.

Tax Withholdings

As you know...it's tax season. This time of year we are contacted by several members regarding their tax withholdings, and how to update them. Please note that MPERS staff are not trained tax professionals. We cannot advise members on the amount of taxes they should withhold. We can however, help them fill out their tax withholdings if they have a certain dollar amount in mind.

There are several ways for a payee to update their tax withholdings:

1. Via Secure Member Access - Attached is a flyer explaining how members can update their taxes via Secure Member Access. This document is also available on our website under "**Tools and Calculators**". If you have any questions about this process, please feel free to contact us!
2. W4-P Substitute Forms are available on our website (www.mpers.org)
3. Members may call our office (800) 270-1271 and request that a form be mailed, emailed or faxed to them.

Below are some tax reminders/tips for retirees – these are very common questions and areas of confusion.

Public Pension Exemption

Married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct 100% of their public retirement benefits, up to the Social Security limit (\$36,976 for 2015). Those with a Missouri adjusted gross income greater than the amounts listed above may qualify for a partial exemption. **(This is not an across the board pass on state tax for pension benefits.)**

BackDROP Rollover Amounts

A separate 1099-R is issued for any rollover amount with the total showing as the gross distribution (box 1) and \$0.00 showing as the taxable amount (box 2a). The rollover is reportable, but not taxable. **(All information from the rollover 1099-R is used when filing taxes, it still has to be reported even though it is not taxable.)**