



## The HR Connection

We work better, when we work together...

### Reemployment After Retirement – IRS Requirements

The IRS requires a bona fide separation of service after retirement, which includes two components:

1. a defined separation period where the retiree does not work for the employer immediately following retirement **and**
2. no prearrangement of future employment prior to retirement.

MPERS staff met with MoDOT and Highway Patrol representatives to discuss procedural changes to ensure we are all meeting these requirements. **It is important that this message be communicated to employees and supervisors.**

MPERS will be proposing a rule before the Board within the next few months that will require all retirees to have a 30-day break in service before returning to ANY state employment covered under MPERS or the Missouri State Employees Retirement System (MOSERS). Employment includes, but is not limited to, part-time, full-time, seasonal, benefit-eligible, and non-benefit eligible positions. While MPERS will be communicating these rules to our membership, it is also important that all individuals at MoDOT and Highway Patrol who regularly discuss retirement matters also communicate this rule to avoid unnecessary consternation at retirement.

Employees will have to attest at the time of retirement that they do not have a prearranged plan to return to work with any state employer. In the event a member mentions a plan to return to work for the state we will not be able to allow them to attest that they do not have a prearranged plan, which could delay their retirement.

In the event there is not a bona fide separation of service and/or there is a predetermined arrangement to return to work and the IRS audits a taxpayer/retiree, the retiree may have to pay back the full amount of the retirement to MPERS and the retirement is “undone”, or possibly pay an in-service distribution penalty.

If the IRS believes the rules regarding separation are not being followed by the System, the employers, and/or the retirees, the consequences could be substantial for all parties involved. The risks to the Retirement System trickle down to the employer and taxpayer in the form of substantial tax liabilities. At present, the employer, the System, and the employee all enjoy preferential tax treatment because MPERS is a qualified public plan. In the event the IRS discovers an issue as described above, MPERS could lose its qualified tax status. If you have any questions about this please feel free to contact MPERS' Assistant Executive Director/General Counsel, Greta Bassett-Seymour by email at [greta.bassett-seymour@mpers.org](mailto:greta.bassett-seymour@mpers.org) or by phone at 573-298-6021.

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### Workplace Possibilities Program (WPP)

Serving those who keep us safe...that's the motto MPERS lives by, however, we still need your help to make a difference. If you have employees in your agency struggling to perform daily tasks because they are living with a medical condition that could lead to a disability, these conditions may be treatable or greatly improved by making simple modifications to the employee's work station or environment. The Workplace Possibilities Program (WPP) provides a broad range of options and equipment that can offer relief for those who truly need it, both in the office and out on the road at no cost to the employee nor the employer. WPP has been in place for quite some time, but is severely underutilized by both the employee and the employer.

MPERS partners with the Standard (our disability insurer) to provide WPP benefits to our members. Why

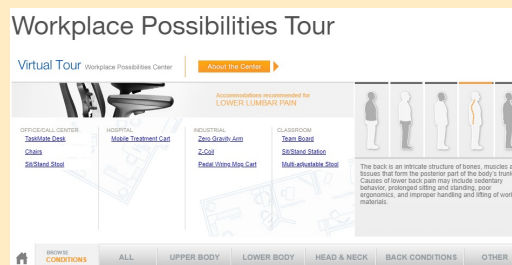
would we do this? The most important reason we provide these benefits is to ensure that those who have entrusted the future of their financial security to us are able to stay actively working long enough to enjoy the retirement benefits MPERS provides. This also allows the employee to retain 100 percent of their pre-disability earnings rather than losing a percentage due to the disability. From a financial standpoint, proactively providing members with the equipment they need to comfortably perform their job, and continue working helps to prevent them from having to take leave time, quit their job or collect disability benefits. Avoiding absences, employee turnover and paying out disability claims provides cost savings for both employers and MPERS.

The key objectives of the program are to:

- Remove barriers to employees' comfort, safety and ability to perform their job effectively;
- Assess work stations and implement accommodations to ensure employees can perform their jobs productively and safely;
- Promote open communication to ensure focus on work ability among all parties, including the employee, supervisor, human resources, medical providers and others.

In order to be eligible for the program, the member must be receiving care from a physician for their condition and not be eligible for normal retirement.

We encourage you to learn more about WPP so that you can pass this valuable information on to your co-workers and employees that could benefit from this program. The goal is to keep employees comfortably at work and off of disability. By clicking the image below you can take a virtual tour on Standard's website that displays some of the tools or enhancements that may be available to those facing varying medical conditions.



### **Watch for the NEW myMPERS Login Icons!**

Coming soon to all MPERS digital publications is the myMPERS login icon! This icon features the road portion of the MPERS' logo and upon selecting it, you will be whisked away to the myMPERS Secure Member Access login page.

Go ahead! Give it a go by selecting one of the icons below!



### **No Military Purchases for 2011 Tier**

It has come to our attention that there may be confusion about service purchases available to members of the 2011 Tier. Please note that members of the 2011 Tier are **not** eligible to purchase military service. The type of service purchases available to members is different for each of the plans we administer. There are multiple resources available on our website to help explain these options. Click [here](#) for a summary of the service purchases and transfers available by plan.

Because of the variables involved in purchasing service, please direct any inquiries you receive to MPERS benefit specialists.

### **MPERS Benefit Statements**

Benefit statements will soon be distributed to active employees. If a member has chosen email as their preferred communication method or if we have a work email address on file, they will receive email

notification that the benefit statement is available for viewing via myMPERS Secure Member Access. All other eligible employees will receive their benefit statement in the mail.

Included in the benefit statements are projected salary estimates **based on the member's pay for the month of February**. Please note that for any employee with "OHV" and flex, the salary projections may be skewed. If a member comes to you concerned about the amount shown in their statement, please keep in mind these differences or any other corrections or adjustments processed for February payroll as this may distort their estimates.

Employees will only receive a benefit statement if the following criteria is met:

1. Currently employed in a benefit-eligible position
2. Hired prior to (or on) February 1 of this year
3. Not on a leave of absence
4. Have not already submitted a *Notice of Retirement*

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### Important Dates to Remember...

March 17th	Closed Plan & Year 2000 Plan Pre-Retirement Webinar
March 30th	2011 Tier Mid-Career Checkup Webinar
March 31st	Pay day for MPERS retirees & survivors
April 15th	Closed Plan & Year 2000 Plan Pre-Retirement Webinar
April 28th	2011 Tier Pre-Retirement Webinar
April 30th	Pay day for MPERS retirees & survivors
April 30th	MPERS board meeting
May 11th	Closed Plan & Year 2000 Plan Pre-Retirement Webinar
May 20th	Closed Plan & Year 2000 Plan Mid-Career Checkup Webinar
May 31st	Pay day for MPERS retirees & survivors



The HR Connection is a quarterly newsletter for benefits, payroll & hr staff of MoDOT and the Highway Patrol used to relay important dates and information as well as provide clarity to policies or procedures when needed.

*Please contact Angel Backes to add or remove staff from this distribution list or if you have suggestions or topics to improve this newsletter. We look forward to hearing from you!*

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

