



# The HR Connection

---

We work better, when we work together....

## July 2015

For HR/Benefits use only – Please do not distribute to all users

### **Board of Trustees – Special Election Results**

Due to the retirement of Colonel Ron Replogle, and the naming of Colonel J. Bret Johnson as the new Superintendent of the Missouri State Highway Patrol, a special election was held to fill the vacant position of our Highway Patrol Active Employee Representative. We are pleased to welcome Major Kemp Shoun to our Board of Trustees!

### **Termination Process for 2011 Tier Members**

When a member of the 2011 Tier terminates their employment, there are a couple of options available to them regarding their service & contributions. Within 45 days of termination, MPERS will send a letter to the member explaining these options. If the member is vested, MPERS will also send benefit estimates illustrating first eligibility for Early & Normal retirement, and will again notify the member when they are approaching retirement eligibility. Other than becoming eligible for retirement, there is no deadline for a member to request a refund of their contributions. Therefore, if a member is unsure about their possible future employment with the State, they can wait as long as needed to determine whether or not a refund is in their best interest.

#### ***Option 1- Keep their service & contributions invested in MPERS, in the event they should ever return to work for the State or Retire***

If Option 1 is selected, there is no action required by the member at the time of their termination. If the member decides to retain their service credit & contributions w/ MPERS, their service credit remains valid, and can be added to their future state employment or retirement benefit. If a vested member deceases prior to retirement, benefits will be calculated for their eligible spouse or dependent children under the age of 21. If the member deceases prior to vesting, or had no eligible survivor, their beneficiary must submit a *Request for Refund of Employee Contributions*. Upon receipt, MPERS will issue a refund of the member's employee contribution balance (plus any interest earned) to the beneficiary they have designated. **Note:** Unless the member is vested, there is no annual interest applied to their employee contribution balance after they have terminated their employment.

#### ***Option 2 - Request a refund of their employee contributions (plus interest earned), and forfeit their service***

To request the refund of their employee contributions (plus any interest earned), the member must call MPERS directly. At that time, we will again review their options to make sure they are aware of the consequences of taking a refund. We will then send a *Request for Refund of Employee Contributions* form as well as our *Special Tax Notice* brochure. The member then completes the form, determining if they want the Cash or Rollover option, and returns it to MPERS. MPERS is required by state statute to wait 90 days after the form is received, or the member's date of termination, whichever is later, before processing the refund. (Please note that the member does not have to wait until they are officially terminated to call and request their refund form.) After the 90 days, MPERS will issue a check on the first Friday that follows.

### **Additional Items to Consider**

- If the member is married, their spouse must sign the form stating that they consent to the refund & forfeiture of service.
- If the member chooses the Cash Option, and their amount is over \$200, MPERS is required to automatically withhold 20% for Federal Taxes. Other taxes (including state tax) may apply, so the member will want to consult with their tax preparer.
- All refunds are issued as checks, not direct deposit. If the member chooses the Cash Option, the check will be sent directly to them. If they choose the Rollover Option, the check will be sent directly to the rollover agency they have designated.
- If the member divorces, and there is a DBO on file, they are not eligible to have their contributions refunded.
- If a term-vested member is already eligible to retire, they are no longer able to request a refund.
- Members on disability cannot request a refund of their contributions.
- If a member is currently in the process of requesting disability, they should not request a refund until their claim status has been determined, as this will terminate their service, and eligibility for disability benefits.
- If a member decides to take a refund, and later returns to work for the state, they will have the option to restore their previous service credit after they have been reemployed continuously for one year. To restore their service credit, they must pay back the contributions they received, plus interest (currently 7.75%).

More detailed information is available on our website, [www.mpers.org](http://www.mpers.org), including the [2011 Tier](#) brochure, [Retirement Handbooks](#) & the [Special Tax Notice](#). Staff is also available to answer any questions you may have.

### **FY16 Contribution Rates**

Below are the employer contribution rates effective 7/1/15 – 6/30/16, which include the disability premium of 0.53%:

<b>MoDOT &amp; Civilian Patrol</b>	<b>Uniformed Patrol</b>
58.05%	57.76%

### **Pre-Retirement Seminars for July**

July 8<sup>th</sup> – West Plains

July 9<sup>th</sup> – Salem

July 29<sup>th</sup> – Springfield

July 30<sup>th</sup> – Springfield

July 31<sup>st</sup> - Joplin