



The Pensioner: *Looking Forward*

Welcome to the digital MPERS newsletter! *The Pensioner: Looking Forward* contains news, updates, and important information for active employees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.

Board Elects New Chair and Vice Chair

During the February 17, 2023 board meeting, a new chair and vice chair were elected. Sue Cox, the MoDOT retiree representative, was elected as Board Chair. Matt Morice, the MSHP active employee representative, was elected as Vice Chair.

Congratulations Sue and Matt!



Sue Cox
Board Chair
MoDOT Retiree Representative



Matt Morice
Board Vice Chair
MSHP Active Employee Representative



Join Us in Hannibal!

An MPERS' senior benefit specialist will be conducting two pre-retirement seminars in Hannibal, Missouri, this month. We will be joined by speakers from Mo Deferred Comp as well as MoDOT and Patrol Employee Health and Wellness.

When?

Wednesday, March 22, from 8:00 a.m. – 12:00 p.m.
or
Thursday, March 23, from 8:00 a.m. – 12:00 p.m.

Where?

MoDOT Northeast District Office
1711 Highway 61 South
Hannibal, MO 63401



If you are currently eligible to retire or will be eligible within five years and would like to attend this informative seminar, please register before March 15th. Space is limited!

[Register for this seminar!](#)

[I can't make it to this one, show me the complete schedule.](#)



Benefit Formula

The beauty of MPERS being a defined benefit plan is that your future lifetime benefit is calculated using a formula that is set in state statute. This formula consists of your credited service, a multiplier set by law, and your final average pay.

Credited service

1. Service that is worked.
2. Service that is transferred or purchased. For more information on service purchases and transfers, [visit the service purchases and transfers page on our website](#)
3. Unused sick leave *may* be converted into credited service as well! For every 168 hours of unused sick leave you have accrued at retirement, one month of additional service could be used in your benefit calculation.

Multiplier

1. The Closed Plan multiplier is 1.6%.
2. The Year 2000 Plan multiplier is 1.7%.
3. The 2011 Tier multiplier is 1.7%.

Final Average Pay (FAP)

The final average pay is the average of your highest 36 consecutive months of salary.

Ultimately, the longer you work and the higher the pay earned, the higher your retirement benefit will be.

Let's look at an example of a Year 2000 Plan calculation.

$$\begin{array}{ccccccccc} 29 & & \times & & .017 & & \times & & \$3,500 & & = & & \$1,725.50 \\ \text{credited service} & \times & \text{multiplier} & \times & \text{final average pay} & = & \text{base benefit} \end{array}$$

The Year 2000 Plan has an additional benefit component called the temporary benefit for those eligible for retirement under the rule of 80 criteria. It is calculated using the same benefit formula; however, the multiplier is .008. This benefit is received in addition to the base benefit and it ends at age 62.

$$\begin{array}{ccccccccc} 29 & & \times & & .008 & & \times & & \$3,500 & & = & & \$812.00 \\ \text{credited service} & \times & \text{multiplier} & \times & \text{final average pay} & = & \text{temporary benefit} \end{array}$$

In this example, if this retiree receives the temporary benefit for 11 years, lives 30 years into retirement and receives an average, annual 1.5% cost-of-living adjustment, the retiree will collect over \$900,000. What an incredible value!

Please keep in mind this is just an example. Your individual circumstances will impact the outcome of this calculation.

In the April edition of *The Pensioner: Looking Forward* we will be looking at the value of your benefit in more detail.



Investment Update

Calendar year 2022 was a challenging year for the financial markets as inflationary pressure and higher interest rates brought fears of a future economic recession. Global equities lost over 18% in value over the year while traditional fixed income (normally a diversifier for equities) also lost over 13% in value (a traditional 60/40 mix was down 16.4% for the year).

MPERS' portfolio performed extremely well considering the environment, limiting losses to approximately 2% for the year and outperforming the policy benchmark by 8.65%. MPERS' overall return profile continues to rank in the top 1% of the peer universe across all measurement periods. The portfolio has been very successful in limiting losses in down markets while keeping up with markets during the good times.

Fiscal year to date (July 1, 2022 to February 7, 2023) MPERS' investment return was 6.7%.

Retirement Deadlines

Intended Date of Retirement	Step 1 <i>Notice of Retirement</i> Due at MPERS	Step 2 <i>Retirement Election Form</i> Due at MPERS
January 1	September 1-November 30	December 31
February 1	October 1-December 31	January 31
March 1	November 1-January 31	February 28
April 1	December 1-February 28	March 31
May 1	January 1-March 31	April 30
June 1	February 1-April 30	May 31
July 1	March 1-May 31	June 30
August 1	April 1-June 30	July 31
September 1	May 1-July 31	August 31
October 1	June 1-August 31	September 30
November 1	July 1-September 30	October 31
December 1	August 1-October 31	November 30

MARCH

Upcoming Events

- 8 - Mid-career webinar for 2011 Tier members, [register here](#)
- 16 - Pre-retirement seminar for Closed Plan/Year 2000 Plan members, Jefferson City (full)
- 22 - Pre-retirement seminar for Closed Plan/Year 2000 Plan members, Hannibal [register here](#)
- 23 - Pre-retirement seminar for Closed Plan/Year 2000 Plan members, Hannibal [register here](#)
- 31 - Deadline to submit step 1 -*Notice of Retirement* for May1 retirement



We value your feedback!
 What would you like to see in ***The Pensioner: Looking Forward?***
 Send comments and suggestions to Julie.West@mpers.org.