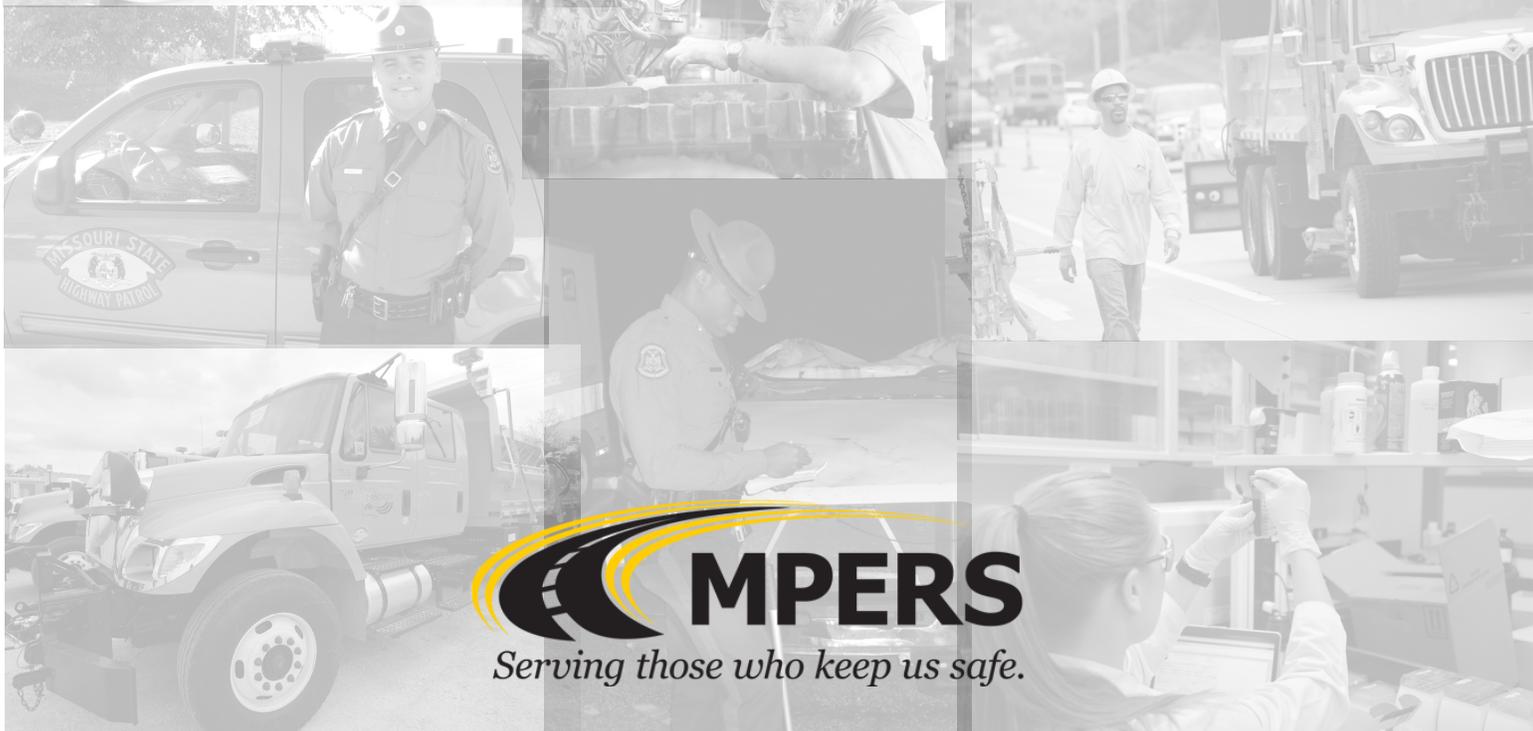




Pre-Retirement Seminar Reference Guide

MoDOT & Patrol Employees' Retirement System



MPERS
Serving those who keep us safe.

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Cover photos courtesy of the Missouri Department of Transportation and the Missouri State Highway Patrol.

Contact Information

MoDOT & Patrol Employees' Retirement System

Business Hours

7:30 a.m. - 4:30 p.m.
Monday – Friday

Mailing Address

PO Box 1930
Jefferson City, MO 65102-1930

Main Number

(573) 298-6080

Toll Free

(800) 270-1271

Building Location

1913 William Street
Jefferson City, MO 65109

Fax

(573) 522-6111

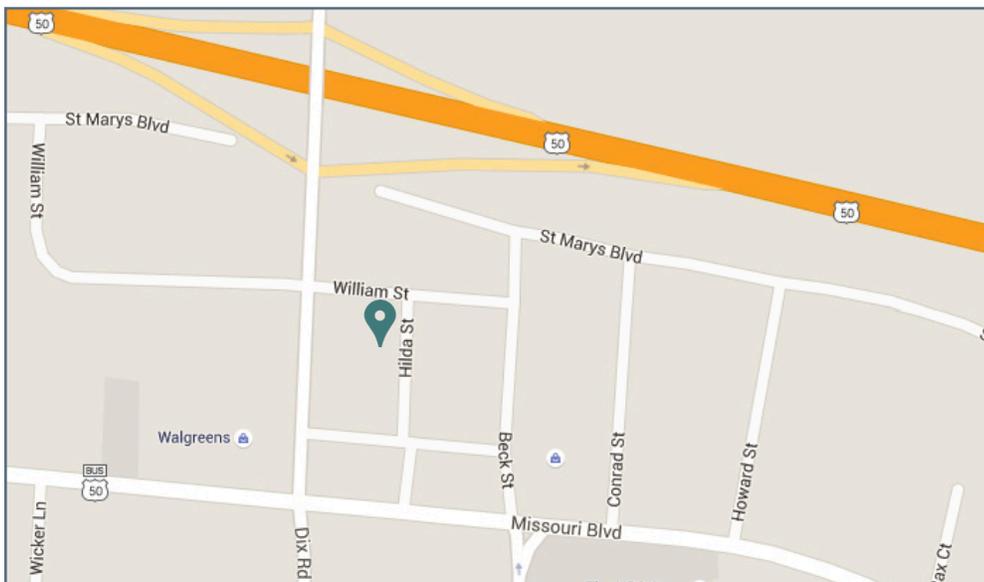
E-mail Address

mpers@mpers.org

Website

www.mpers.org

Map to MPERS



**All examples
in this document
are for illustrative
purposes only.**

The purpose of this Pre-Retirement Seminar Reference guide is to give you a basic understanding of your MPERS retirement benefits. The rules and laws governing MPERS are very specific and occasionally change, so please consider the information received as reliable, but not necessarily applicable in every situation. We recommend that you contact an MPERS benefit specialist before making retirement benefit decisions.

Before you start the retirement process, we encourage you to meet with an MPERS benefit specialist to discuss your individual options. At retirement, you will make critical decisions that cannot be changed at a later date.

If there is any difference between the information provided in this reference guide and the laws or policies that govern MPERS, the laws and policies will prevail.

Message to Our Valued Members

What You Should Know About MPERS and Your Retirement Benefits

What is the MoDOT and Patrol Employees' Retirement System (MPERS) and why does it matter? MPERS is the system that administers the defined benefit retirement plan for covered employees of MoDOT and the Highway Patrol and it matters because it plays an important role in the retirement security of its members.

What is a defined benefit (DB) plan? This type of plan is commonly referred to as a pension. The details associated with these plans are included within MPERS' plan documents. It is worth your time to read this material and understand the general guidelines that make up your plan. Here are a few of the common characteristics of a DB plan:

- The benefit is based on a formula that takes into account the member's salary and years of service.
- It is funded by the employer and may include employee contributions.
- Benefits are not based on account value.
- Benefits are paid for life; members cannot outlive the benefit.
- The employer bears the investment risk; market changes do not impact the member's benefit.
- The employers' goal is to fund the benefit over the working career of the member.

DB plans, like MPERS, are powerful employment tools. These plans were designed to recruit quality employees, retain them for a career (usually 25 to 30 years), then give them the opportunity to retire with dignity. Hopefully, you will see those key features within the details of our plan documents.

In contrast, defined contribution (DC) plans, like a 401k, are very different. Common characteristics of a DC plan are:

- The benefit is based on contributions (usually a combination of employee and employer) and investment earnings.
- There is a member account with investment options available for members to choose from.
- The employee bears the investment risk—the account balance goes up and down depending on market performance.
- DC plans were designed to be an extra source of income, not the only source.
- The State of Missouri's Deferred Compensation Plan is an example of a DC plan and was designed to be a supplemental savings plan.

Both DB and DC plans should have a role in your future retirement security. If they don't, you may be at risk of being unprepared to retire. MPERS purpose is to make sure you are fully informed about the DB plan you will enjoy as a member and to appreciate the value of it. When MPERS produces information about future benefits for its members, we generally deliver numbers reflecting anticipated monthly payments upon retirement.

Providing information in that manner can lead to an under-appreciation of the benefit we provide. For example, in 2018 the average monthly benefit for our new retirees was around \$2,300. Initially, that may not strike you as significant. However, when you consider receiving that amount for the duration of your retirement it is quite significant. If you live 25 years in retirement, that monthly benefit would deliver over \$690,000. Now, do we have your attention? I hope so.

MPERS' staff strives to deliver the best customer service and most accurate benefit information to members. If any inaccuracies are found, we are required by law to make corrections. For this reason, it is important to view material MPERS sends to its members, especially benefit statements. If you notice an error, you should notify MPERS immediately so it can be rectified and affirm you are making decisions based on the best information possible.

Please read, understand, and ask questions about your benefits now. Don't wait. Procrastination can hinder your retirement plans.

A handwritten signature in black ink, appearing to read "Scott Simon". The signature is fluid and cursive, with the first name "Scott" and last name "Simon" clearly distinguishable.

Scott Simon
Executive Director

Retirement Checklist

This is a checklist of items that may need to be provided at the time of retirement and decisions that will need to be made when signing up for retirement. There are also items that should be addressed prior to retirement, but not with MPERS. **This checklist should be used for reference purposes only. It may not include all the items that your employer requires.**

Possible Sources of Your Monthly Retirement Income

MPERS Benefit:

\$ _____

Social Security:

+ \$ _____

Savings (e.g. Deferred Comp, 401(k), IRA, etc.):

+ \$ _____

Other (e.g. employment, inheritance, etc.):

+ \$ _____

Total Monthly Income:

= \$ _____

MPERS Retirement Benefit Checklist

Step 1

- Notice of Retirement:** The Notice of Retirement is due at MPERS by the deadline on the 2-Step Retirement Process Deadlines chart, based on your intended date of retirement. *(see page 30)*
- Proof of Age:** Submit an acceptable proof-of-age/lawful presence document for yourself and your spouse (if married). We will accept a legible photocopy of one of the following documents: *(see page 32)*
 - Valid Missouri driver license
 - US birth certificate
 - Passport (current or expired)
 - Certificate of citizenship
 - Certificate of naturalization
 - Certificate of birth abroad
- Marriage Certificate:** Provide a legible photocopy of your marriage certificate (if applicable).

Step 2

- Retirement Election Form:** The Retirement Election Form is due at MPERS by the deadline on the 2-Step Retirement Process Deadlines chart, based on your intended date of retirement. *(see page 30)*
- Direct Deposit:** Provide a voided check for MPERS to set up direct deposit. *(see page 31)*
- \$5,000 Death Benefit:** If you are eligible for the \$5,000 death benefit, have the names, addresses, dates of birth, and social security numbers for your primary and contingent beneficiaries. *(see page 32)*
- Federal & State Taxes:** Retirement benefits are subject to federal and state taxes. You will be provided a Substitute W4-P tax withholding form for your federal and Missouri State tax withholding. If you do not submit a tax withholding form, MPERS is required by law to withhold federal taxes as if you elected married with 3 deductions. *(see page 31)*
- Designation of Agent:** This optional form allows you to designate someone to handle your MPERS-related business only in the event you become disabled or incapacitated. *(see page 33)*
- BackDROP:** If you are eligible for BackDROP and elect the rollover option to receive the distribution, take the BackDROP Distribution Form to the financial institution/investment firm you are investing through, have them complete the form, and return it to MPERS. *(see page 24-25)*

Retirement Checklist

Deductions From Your MPERS Benefit

- Medical Insurance Plan premiums:** Contact your HR/insurance representative for an appointment to set up your medical insurance for retirement and discuss annual leave and comp-time payouts (if applicable).
- Optional Life Insurance premiums:** Contact your HR/insurance representative for an appointment to set up your life insurance for retirement and update your beneficiary designations (if applicable).

Medical and Life Insurance Administrators

Contact:

MoDOT (877) 863-9406

Patrol (573) 526-6136 or (573) 526-6356

Website:

www.modot.org/modot-mshp-employee-benefits-0

- Dental/Vision Coverage premiums:** Contact the Missouri Consolidated Health Care Plan (MCHCP) at (800) 487-0771 to continue your dental/vision coverage (if applicable). The MCHCP website contains a Retiree Checklist. Complete and submit a Retiree Enrollment form at least 31 days prior to retirement.

NOTE: By law, MPERS cannot deduct premiums for non-state sponsored benefits. Therefore, the premiums for the following benefits are NOT eligible for deduction from your monthly benefit payment. Contact your HR/insurance representative to continue coverage at retirement.

- (MoDOT) Voluntary Life Plan
- (MSHP) Met-Life/BMA Life Insurance
- (MoDOT) Central United Life Insurance (cancer insurance)
- (MSHP) CONSECO Life Insurance (cancer insurance)

Other Administrators to Contact Before You Retire (if applicable)

- Deferred Compensation Plan:**
Contact: (800) 392-0925 (option 2 for Jefferson City office)
Website: www.modeferredcomp.org
- Social Security and Medicare Enrollment:**
Contact: (800) 772-1213
Website: www.ssa.gov
- Universal Life Insurance:**
Contact: (800) 918-8877
- Cafeteria Plan:**
Contact: (573) 442-3035 or (800) 659-3035
Website: www.mocafe.com

MPERS cannot advise members regarding medical, dental, vision, or life insurance. Please seek counseling from the benefit provider.

Know the deadlines and form requirements for each benefit you intend to continue at retirement.

It's your responsibility to:

- Ask questions
- Meet deadlines
- Know election options
- Complete the proper forms

MPERS Benefit Plans

MPERS oversees the defined benefit (DB) retirement plans listed below. The benefit provisions of each plan are governed by the Revised Statutes of Missouri (RSMo). **Any benefit changes must be passed by the Missouri General Assembly and signed into law by the Governor.**

Closed Plan
Effective September 1, 1955
(*non-contributory*)

2011 Tier
Effective January 1, 2011
(*contributory*)



Year 2000 Plan
Effective July 1, 2000
(*non-contributory*)

My Date of Hire:

My Current Retirement Plan:

Vesting

The years of service required to become eligible for a retirement benefit at a future date.

A member of the Closed Plan or the Year 2000 Plan becomes vested with five years of service.

A member of the 2011 Tier who is employed on or after January 1, 2018 will become vested with five years of service.

Retirement Benefit Plans

Closed Plan (*non-contributory*)

- Hired by the state prior to July 1, 2000
- Vested with 5 years of service
- Non-contributory—your employer pays the monthly contributions to fund the benefit
- Closed Plan members may elect to remain in the Closed Plan at retirement, or switch to the Year 2000 Plan

Year 2000 Plan (*non-contributory*)

- Hired by the state on or after July 1, 2000 or Closed Plan members who left before vesting and returned on or after July 1, 2000
- Vested with 5 years of service
- Non-contributory—your employer pays the monthly contributions to fund the benefit

2011 Tier (*contributory*)

- Hired by the state in a benefit-eligible position for the first time on or after January 1, 2011
- Vested with 5 years of service
 - Contributory—employee and employer pays the monthly contributions to fund the benefit

Defined Benefit Plan

MPERS is a defined benefit (DB) plan. The cost of your retirement plan is funded by employer contributions and income on investments from those contributions. The 2011 Tier is contributory; therefore, members of the plan share in the cost of funding by paying monthly contributions.

Defined Benefit (DB) vs. Defined Contribution (DC)

Defined Benefit	Defined Contribution
<i>Example: MPERS</i>	<i>Example: 401(k)</i>
Automatic - no action required by you	Must enroll
Employer makes contributions Closed & Year 2000 members, non-contributory 2011 Tier members must pay contributions	You (and maybe your employer) make contributions
Benefit amount based on a formula set by law	Benefit amount based on your account balance
Benefit payable for life	Benefit payable until account is depleted
Investment decisions made by professionals	You make investment decisions
Receive annual COLA for life	No annual COLA

Contributory vs. Non-Contributory

Non-Contributory (e.g., MPERS, MOSERS)

- The Closed Plan and Year 2000 Plan are non-contributory.
- Your employer pays an actuarially determined monthly contributions to fund your benefit.

Employer Contribution Rates

	MoDOT & Civilian Patrol	Uniformed Patrol
FY 2017	58.00%	58.00%
FY 2018	58.00%	58.00%
FY 2019	58.00%	58.00%
FY 2020	58.00%	58.00%

Contributory (e.g., 2011 Tier, 401k, Deferred Compensation, etc.)

- In the 2011 Tier, the employee and the employer share in the cost of funding the member's retirement. The employee pays a monthly contribution equal to four percent of pay. The employer pays the actuarially determined monthly contribution.



The Value of Your Defined Benefit Plan

A retirement plan in which your monthly benefit is:

- Calculated using a formula that is set by law.
- Payable for your lifetime.

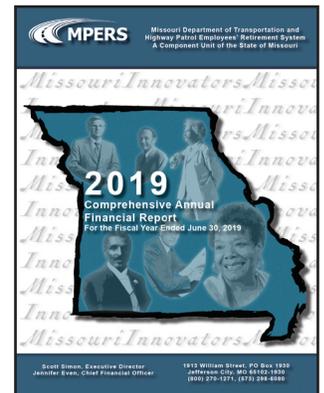
For Illustrative Purposes Only:

Example of *Estimated Lifetime* Benefit Payment

Average MPERS Retiree Benefit = \$2,500/mo

20 years = \$600,000
25 years = \$750,000
30 years = \$900,000

(Note: Amounts do not include COLAs)



MPERS' *Comprehensive Annual Financial Report* provides an in-depth look at the funding of your retirement system. The report is posted on MPERS' website each year by December 31.

Funding the System

Annual Actuarial Valuation

Each year, an actuary performs an actuarial valuation, which is essentially a financial check-up of the plan.

The purpose of the valuation is twofold:

1. To predict the cost of future pension benefits
2. To determine what level of contributions, when combined with expected investment income, is needed to provide benefits over the long term.

History of Investment Returns

Fiscal Year	Return
FY 2004	14.90%
FY 2005	11.00%
FY 2006	15.00%
FY 2007	18.19%
FY 2008	-2.41%
FY 2009	-24.70%
FY 2010	12.91%
FY 2011	21.80%
FY 2012	2.70%
FY 2013	13.42%
FY 2014	17.59%
FY 2015	6.62%
FY 2016	1.01%
FY 2017	11.20%
FY 2018	9.42%
FY 2019	6.84%

Breakdown of the FY 2021 Contribution Rates

	MoDOT and Non-Uniformed	Uniformed Patrol
Normal Cost	8.36%	15.71%
Catch-Up Payment on the Unfunded Liabilities*	47.96%	40.61%
Operating Expenses	1.15%	1.15%
Subtotal	57.47%	57.47%
Disability Premium	.53%	.53%
Total Employer Contribution Rate	58.00%	58.00%

Breakdown of the FY 2020 Contribution Rates

	MoDOT and Non-Uniformed	Uniformed Patrol
Normal Cost	8.69%	16.32%
Catch-Up Payment on the Unfunded Liabilities*	47.52%	39.89%
Operating Expenses	1.26%	1.26%
Subtotal	57.47%	57.47%
Disability Premium	.53%	.53%
Total Employer Contribution Rate	58.00%	58.00%

*Each year, as part of the total contribution rate, the employer is making a large catch up payment to pay off the unfunded liability. This is similar to having a mortgage that you pay off over a number of years.

Plan to Improve Funded Status

- In FY 2010, the Board adopted a temporary accelerated funding policy that will pay off the catch-up payment even faster; resulting in the retiree liability being paid off over 15 years, and the remainder of the liability being paid off at the end of 30 years.
- MPERS conducted an Asset Allocation Study and has restructured the portfolio eliminating some of the risk.
- The fund assets have rebounded from the 2008-2009 recession nicely.
- In FY 2015, the Board adopted a contribution stabilization reserve fund from gains realized in the market as a way to level out the employer contribution rate. This is intended to relieve the pressure on the contribution rate during years when the investment performance is not as great as predicted.

Normal Retirement Eligibility

"Benefit-Eligible" Position

A position normally requiring the performance of duties of not less than 1,040 hours per year. Your employer determines if the position is benefit eligible.

If you are working as a uniformed member of the Highway Patrol on your last working day of covered employment, then your retirement calculation will be based on the rules associated with uniformed service.

"Rule of 80" is not considered early retirement.

Example of "Rule of 80"

- Must be at least age 48
- Age + service = 80 or more

Age 53 yrs 3 mths 12 days
 Service 26 yrs 8 mths 18 days
 Total 79 yrs 11 mths 30 days
= 80

If you leave state employment prior to retirement, contact an MPERS benefit specialist to see how it will affect your retirement benefits.

Your MPERS benefit payment is not subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim, except, any payment from MPERS is subject to the collection of child support or spousal maintenance. Also your benefit cannot be assigned, except with a Division of Benefits Order issued by a court of competent jurisdiction in a dissolution of marriage proceeding. For your protection, pension advancement situations (cash advance schemes) are strictly prohibited.

Your eligibility for retirement depends on your age and the amount of credited service you have earned. Generally speaking, the retirement laws in effect on the date you leave state employment determine your eligibility for a benefit and the provisions used to calculate your benefit. You qualify for normal (full) retirement benefits when you meet one of the following minimum age and service requirements:

Closed Plan

- Age 65 with 5 years of credited service
- Age 60 with 15 years of credited service
- "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more

Uniformed Patrol Employees

- Age 55 with 5 years of credited service
- "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more
- Mandatory retirement at age 60

Year 2000 Plan

- Age 62 with 5 years of credited service
- "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more (active only)

Uniformed Patrol Employees

- "Rule of 80" - at least age 48 with the sum of your age and service equaling 80 or more (active only)
- Mandatory retirement at age 60
- Age 62 with 5 years of service (terminated-vested)

2011 Tier

- Age 67 with 5 years of credited service
- "Rule of 90" - at least age 55 with the sum of your age and service equaling 90 or more (active only)

Uniformed Patrol Employees

- Age 55 with 5 years of service (active only)
- Mandatory retirement at age 60
- Age 67 with 5 years of service (terminated-vested)

It is possible to become eligible to retire at different times in the Closed Plan and the Year 2000 Plan.

For example.....

If you are 60 years old with 16 years of service, you will be eligible for normal retirement in the Closed Plan before you will be eligible for normal retirement in the Year 2000 Plan.

Closed Plan	Year 2000 Plan
Age 60 with 15 years of service	Age 62 with 5 years of service

With 16 years of service, you would be eligible for normal retirement under the Closed Plan at age 60, but you would not be eligible for normal retirement under the Year 2000 Plan until age 62.

This also means your BackDROP period would start at age 60 in the Closed Plan and age 62 in the Year 2000 Plan.

Benefit Formula

Example of...

How Final Average Pay (FAP) is Determined

Months	Year	Salary
3	2017	\$ 6,250
12	2016	\$25,000
12	2015	\$23,250
9	2014	\$17,500
<u>36</u>	Total	<u>\$72,000</u>

$\$72,000 / 36 \text{ months} = \$2,000$

Benefit Estimates

MPERS makes every effort to provide you with accurate benefit estimates. Although very rare, it is possible that your records in our system may contain an error.

Benefit eligibility and amounts must be verified and, if necessary, corrected before any payments can be made.

Your benefit will be calculated using a formula that is set by law. The formula consists of three pieces:

1) your credited service, 2) a multiplier, and 3) your final average pay.

Credited Service	x	Multiplier	x	Final Average Pay	=	Monthly Base Benefit
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Credited Service

- Your years and months of time worked in covered employment earned, purchased and/or transferred service, and unused sick leave, if eligible.
- The more service you have and the higher your salary, the higher your monthly benefit amount.
- If applicable, all prior service credit must be purchased or transferred before submitting your Notice of Retirement (Step one of the 2-Step Retirement Process).

Final Average Pay

- The average of your highest 36 consecutive months of pay. Your highest 36 months is not necessarily your last 36 months.
- May include overtime, holiday pay, and MoDOT's Performance Based Pay.
- Does not include MoDOT's Safety Pays and Performance Plus incentive payments.

Multiplier

- Multiplier is a percentage set by law.

Closed Plan Multiplier	Year 2000 Plan/2011 Tier Multiplier	Temporary Benefit Multiplier
1.6% (.016)	1.7% (.017)	.8% (.008)

Example of Normal Retirement Benefit Calculation

Closed Plan Calculation 30 years x .016 x \$2,780 = \$1,334.40

Year 2000 Plan/2011 Tier Calculation 30 years x .017 x \$2,780 = \$1,417.80

Potential Benefits (based on eligibility)

Temporary Benefit (ends at age 62)

The temporary benefit is designed to provide you with supplemental income until age 62. To receive the temporary benefit, you must:

- Retire under the Year 2000 Plan or 2011 Tier.
- Become eligible for retirement under “Rule of 80” in the Year 2000 Plan or under “Rule of 90” in the 2011 Tier.
- Uniformed Patrol Employees are also eligible for the temporary benefit if retiring under normal or mandatory conditions with at least five years of creditable service.

At age 62, the temporary benefit and any COLAs earned on that amount go away.

The temporary benefit is not available to:

- Members electing early retirement.
- Survivors, beneficiaries, or ex-spouses.
- Closed Plan members who retire under the Closed Plan.
- Members age 62 or older.

Example of Temporary Benefit Calculation

Credited Service	x	Multiplier	x	Final Average Pay	=	Monthly Benefit Amount
30 years	x	.017	x	\$2,780	=	\$1,417.80 Base Benefit
30 years	x	.008	x	\$2,780	=	\$667.20 Temporary Benefit*
						\$2,085.00 Monthly Benefit

*The month after you turn age 62, your monthly benefit will be reduced by the temporary benefit amount and any COLAs earned on that amount.

For Uniformed Patrol Members Only (Closed Plan)

Uniformed Patrol members retiring under the Closed Plan may be eligible for the following benefits:

Additional 1/3 (payable for lifetime):

- An additional 1/3 increase to your monthly base benefit.

Example of Additional 1/3 Calculation

$$30 \text{ years} \times .016 \times \$2,780 = \$1,334.40 \text{ monthly base benefit}$$

$$\$1,334.40 \times 1.333333 = \$1,779.20$$

Special Benefit (ends at age 65):

- An extra \$90 per month until age 65 (this provision not available to uniformed patrol members hired on or after January 1, 1995).
 - Must retire directly from active status.
 - Payment will be reduced by any amount earned during gainful employment after retirement.
 - Retiree will be required to certify (annually) any earnings received from gainful employment.

The temporary benefit and any COLAs earned on that amount stop at age 62.

Survivors, beneficiaries, and ex-spouses are not eligible for the temporary benefit or any COLAs earned on that amount.

The Special Benefit provision is not available to Uniformed Patrol members hired on or after January 1, 1995.

Cost-of-Living Adjustment (COLA)

MPERS provides an annual cost-of-living adjustment (COLA) to eligible retirees and beneficiaries for their lifetime. The COLA rate is based on 80% of the increase in the Consumer Price Index for All Urban Consumers for the United States (CPI-U) for the previous year, with an annual maximum of five percent.

Closed Plan

Closed Plan COLAs are paid each year with the October benefit payments.

• If Hired Before August 28, 1997

- Guaranteed minimum 4% annual COLA rate until your total COLA increases equal 65% of your initial benefit. The 65% is your “COLA cap” for the 4% minimum rate. It takes approximately 12 years to reach the COLA cap (starts accruing on BackDROP date, if applicable). The maximum annual COLA rate is 5%.
- After reaching your COLA cap, your annual COLA rate will be equal to 80% of the increase in the CPI-U, with an annual maximum of 5%.
- If applicable, the uniformed patrol special benefit also receives a COLA.

Example of 65% “COLA Cap” Calculation

$$\begin{array}{r}
 \$1,000 \text{ (initial benefit)} \\
 + \ \$650 \text{ (65\% COLA Cap)} \\
 \hline
 \$1,650 \text{ (new benefit)}
 \end{array}$$

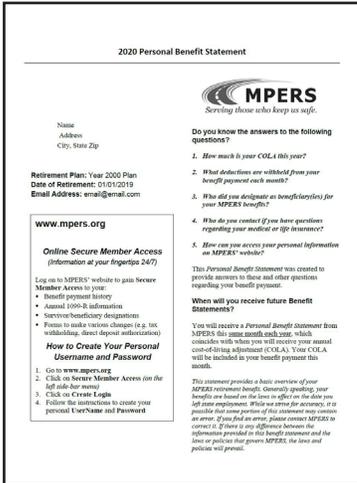
• If Hired On or After August 28, 1997

- Your annual COLA rate is equal to 80% of the increase in the CPI-U, with an annual maximum of five percent.

Year 2000 Plan and 2011 Tier

Year 2000 Plan COLAs are paid on the anniversary date of your retirement (or BackDROP date if applicable). For example, if you retire May 1, your COLA will be applied to your May benefit payment each year. Conversely, if you retired May 1, but had a two year and two month BackDROP period, your COLA will be applied to your March benefit payment each year.

- Your annual COLA rate is equal to 80% of the percentage increase in the CPI-U, with an annual maximum of 5%.
- The temporary benefit, if applicable, also receives a COLA.



Annual Retiree Benefit Statement mailed each year in the month you receive a COLA.

Annual COLA rates are generally determined by January 20th.

MPERS has to wait for the US Department of Labor to post the December CPI-U numbers to complete the calculation.

Benefit Recipients Eligible for Annual COLA

- Retiree
- Surviving spouse
- Ex-spouse with Division of Benefits Order (DBO) dated on or after September 1, 2001
- Eligible beneficiary receiving survivor benefit
- Work-related disability recipients

Benefit Recipients NOT Eligible for Annual COLA

- Ex-spouse with DBO dated prior to September 1, 2001
- Long-term disability recipients

Benefit Payment Options

The benefit payment option you elect at retirement determines whether or not a benefit will potentially be paid to anyone after your death. Regardless of which option you elect, you will receive a benefit payment each month for your lifetime.

- Your payment option cannot be changed after the first retirement benefit payment has been made by MPERS.
- Survivor benefits do not include the temporary benefit or the special benefit.

Life Income Annuity

- Your retirement benefit will not be reduced.
- No survivor benefits will be paid after your death.
- You must name a beneficiary to receive your final payment from MPERS.

50% Joint & Survivor

- **Closed Plan** - Your retirement benefit will not be reduced to provide a survivor benefit for your eligible spouse.
- **Year 2000 Plan and 2011 Tier** - Your retirement benefit will be reduced (based on your age at retirement and the age difference between you and your spouse) to provide a survivor benefit for your eligible spouse.
- Your eligible spouse will receive 50% of the lifetime base benefit amount you are receiving at the time of your death. The survivor benefit will continue throughout the life of your spouse, even if the spouse gets remarried.

100% Joint & Survivor

- Your retirement benefit will be reduced (based on your age at retirement and the age difference between you and your spouse) to provide a survivor benefit for your eligible spouse.
- Your eligible spouse will receive 100% of the lifetime base benefit amount you are receiving at the time of your death. The survivor benefit will continue throughout the life of your spouse, even if the spouse gets remarried.

Life Income with Guaranteed Payments

- **Closed Plan** - choice of 60 or 120 guaranteed payments
- **Year 2000 Plan and 2011 Tier** - choice of 120 or 180 guaranteed payments
- Your retirement benefit will be reduced for your lifetime.
- Allows you to name a beneficiary (can be any person or organization) to receive your final benefit payment and the remaining number of guaranteed payments (if any).
- Allows you to change your beneficiary designation at any time. In the event there is no eligible beneficiary at the time of your death, the remaining payments (if any) will be paid as allowable by law.

Closed Plan	Year 2000 Plan and 2011 Tier
Life Income Annuity <i>Reduction Factor: Not reduced</i>	Life Income Annuity <i>Reduction Factor: Not reduced</i>
<i>Unreduced</i> 50% Joint & Survivor <i>Reduction Factor: Not reduced</i>	50% Joint & Survivor <i>Reduction Factor: Based on age at retirement and age difference between you and spouse</i>
100% Joint & Survivor <i>Reduction Factor: Based on age difference between you and spouse</i>	100% Joint & Survivor <i>Reduction Factor: Based on age at retirement and age difference between you and spouse</i>
Life Income w/ 60 Guaranteed Payments <i>Reduction Factor: Based on age at retirement</i>	Life Income w/ 120 Guaranteed Payments <i>Reduction Factor: 95% (benefit reduced 5%)</i>
Life Income w/ 120 Guaranteed Payments <i>Reduction Factor: Based on age at retirement</i>	Life Income w/ 180 Guaranteed Payments <i>Reduction Factor: 90% (benefit reduced 10%)</i>

Possible Ways to Increase Your Credited Service

The purchase or transfer of prior service must be completed before you submit your Notice of Retirement.

If you purchase military service, you must purchase all that you served up to four years.

If you have prior service that might be eligible for purchase, contact an MPERS benefit specialist to request a cost estimate.

Requesting an estimate does not obligate you to purchase the service.

The governing service purchase and transfer laws are not the same in the Closed Plan, Year 2000 Plan, and 2011 Tier. In other words, a Closed Plan member may be eligible to purchase or transfer service that a 2011 Tier member cannot.

Credited service refers primarily to the length of time you have been working in a benefit-eligible position covered by MPERS. You earn one day of credited service for each day you work in a benefit-eligible position.

Credited service is one of the factors used to calculate the amount of your retirement benefit. The more credited service you have, the higher your monthly benefit amount. In some cases, you might be eligible to retire earlier.

Active-Duty Military Service

Members of the Closed Plan and Year 2000 Plan who served and were honorably discharged from one of the following branches of the U.S. military (or any reserve component thereof) may purchase up to four years of service credit for their active-duty service in the military:

- Army, Air Force, Navy, Marine Corps, or Coast Guard
- Army and Air National Guard

Closed Plan members can also purchase inactive duty training.

Police Service Credit (Uniformed Patrol Members Only)

Any Closed Plan uniformed patrol member who served as a certified police officer anywhere in the United States prior to becoming a member may elect, prior to retirement, to purchase all of his or her creditable prior service (not to exceed four years) equivalent to such service in a police force.

Prior Public Service

You may acquire service credit for any full-time, non-federal public sector employment within the state of Missouri. Public employment refers to employment with a city, county, municipality, public school, other political subdivision, special road district or the University of Missouri. Federal employment and out-of-state employment are not eligible.

Credited Service Under MOSERS

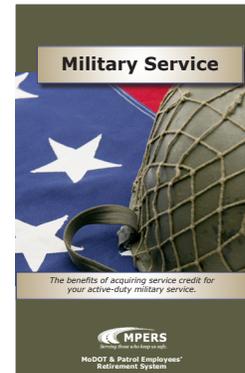
There are provisions of law that allow you to transfer to MPERS any credited service you may have earned under MOSERS at no cost to you.

Credit for Non-Benefit-Eligible Service with MoDOT or MSHP (Closed Plan only)

Certain types of employment with MoDOT and MSHP (e.g. summer employment, emergency snow removal, part-time, temporary, intern, co-op student, college employment, etc.) may not have been recognized as credited service for retirement purposes. However, if you are a Closed Plan member and work continuously with MoDOT or MSHP until retirement, you may be eligible to receive credit for such service if the service can be verified. This credit can be used in calculating your retirement benefit, but cannot be used in determining your eligibility for retirement.

Non-Benefit-Eligible Service With Other State Agencies (Closed Plan Only)

You may also qualify to receive credit for service with any state department if such service has not otherwise been credited. This type of service can be used in determining your eligibility for retirement. However, it is not eligible to be transferred to MOSERS.



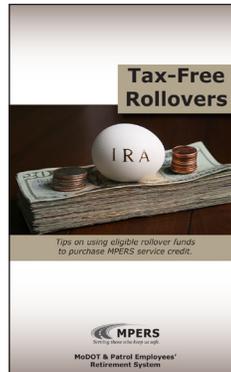
Possible Ways to Increase Your Credited Service

Payment Options to Purchase Service

Service purchases may be paid by:

- Cash
- Rollover from an eligible plan (including MO Deferred Compensation)
- Monthly installments/payroll deductions (not to exceed 2 years)
- Combination of the above

See the *Tax-Free Rollovers* fact sheet for more information regarding rolling over funds from an eligible plan in order to purchase service.



Converting Months to Decimals

1 month =	.08333
2 months =	.16667
3 months =	.25000
4 months =	.33333
5 months =	.41667
6 months =	.50000
7 months =	.58333
8 months =	.66667
9 months =	.75000
10 months =	.83333
11 months =	.91667

Unused Sick Leave Credit

One month of credited service may be granted for every 168 hours of unused sick leave at retirement (no partial months). The unused sick leave credit can be used in calculating your retirement benefit, but cannot be used in determining your eligibility for retirement.

1,298 hours / 168 = 7.726 (7 **full** months credited service)

- **Closed Plan Retirees:** To be eligible for unused sick leave credit, you must be vested and eligible for early or normal retirement on the date you leave state employment.
- **Year 2000 Plan Retirees:** Must be vested on the date that you leave state employment.
- **2011 Tier Retirees:** To be eligible for unused sick leave credit, you must be vested and eligible for early or normal retirement on the date you leave state employment.

Unused annual leave cannot be converted to service credit and cannot be used in calculating your retirement benefit. Contact your HR/insurance representative for information regarding how annual leave will be handled at retirement.

Type of Service Verification Needed

- Active-duty military service: DD214 or NGB Form 23
- Police service: Letter from former employer verifying dates of employment
- Prior public service: Verification for Transfer/Purchase Form
- Non-benefit-eligible service with MoDOT or the Highway Patrol: Contact MPERS
- Non-benefit-eligible service with other state agencies: Letter verifying dates of employment and number of hours worked from past employer

My Unused Sick Leave Credit:

_____ hrs. / 168 =

_____ months

which equates to:

_____ whole months

For Illustrative Purposes Only:

Example of Calculating One Additional Month of Service

$$.08333 \times .016 \times \$2,780 = \$3.71$$

$$.08333 \times .017 \times \$2,780 = \$3.93$$

$$.08333 \times .008 \times \$2,780 = \$1.85$$

Comparison of the Closed Plan, Year 2000 Plan, & 2011 Tier

Benefit	Closed Plan (9/1/1955 - 6/30/2000)	Year 2000 Plan (7/1/2000 - 12/31/2010)	2011 Tier (1/1/2011 - Present)
Vesting Requirement	5 years	5 years	5 years (if active on or after January 1, 2018)
Normal Retirement Eligibility	<ul style="list-style-type: none"> Age 65 with 5 years of service Age 60 with 15 years of service "Rule of 80" - age 48 with age and service equaling 80 or more 	<ul style="list-style-type: none"> Age 62 with 5 years of service "Rule of 80" - age 48 with age and service equaling 80 or more (active only) 	<ul style="list-style-type: none"> Age 67 with 5 years of service "Rule of 90" - age 55 with age and service equaling 90 or more (active only)
<i>(Uniformed Patrol)</i> Normal Retirement Eligibility	<ul style="list-style-type: none"> Age 55 with 5 years of service "Rule of 80" - age 48 with age and service equaling 80 or more Mandatory retirement at age 60 (active only) 	<ul style="list-style-type: none"> "Rule of 80" - age 48 with age and service equaling 80 or more (active only) Mandatory retirement at age 60 (active only) Age 62 with 5 years of service (term-vested) 	<ul style="list-style-type: none"> Age 55 with 5 years of service (active only) Mandatory retirement at age 60 (active only) Age 67 with 5 years of service (term-vested)
Base Benefit Formula	Service x .016 x Final Average Pay	Service x .017 x Final Average Pay	Service x .017 x Final Average Pay
Temporary Benefit Formula <i>(payable until age 62)</i>	Not available	Service x .008 x Final Average Pay <i>(Uniformed Patrol must have 5 years to qualify)</i>	Service x .008 x Final Average Pay
<i>Uniformed Patrol hired before 1/1/1995</i> Special Benefit	\$90 per month until age 65 <i>(stops any month gainfully employed)</i>	Not available	Not available
Early Retirement Eligibility <i>(reduced benefit)</i>	<ul style="list-style-type: none"> Age 55 with 10 years of service <i>Reduced .006 for each month younger than normal retirement</i> 	<ul style="list-style-type: none"> Age 57 with 5 years of service <i>Reduced .005 for each month younger than normal retirement</i> 	<ul style="list-style-type: none"> Age 62 with 5 years of service (active only) <i>Reduced .005 for each month younger than normal retirement</i>
Benefit Payment Options <i>(Determines if a benefit will be paid to anyone after your death.)</i>	<ul style="list-style-type: none"> Life Income Annuity Unreduced 50% Joint & Survivor 100% Joint & Survivor Life Income w/60 Guaranteed Payments Life Income w/120 Guaranteed Payments 	<ul style="list-style-type: none"> Life Income Annuity 50% Joint & Survivor 100% Joint & Survivor Life Income w/120 Guaranteed Payments Life Income w/180 Guaranteed Payments 	<ul style="list-style-type: none"> Life Income Annuity 50% Joint & Survivor 100% Joint & Survivor Life Income w/120 Guaranteed Payments Life Income w/180 Guaranteed Payments
Cost-of-Living Adjustment (COLA) <i>(maximum annual COLA rate is 5%)</i>	<p>Employed before 8/28/97:</p> <ul style="list-style-type: none"> Minimum rate is 4% until total increases equal 65% of initial benefit - then it's 80% of increase in the CPI-U <p>Employed on or after 8/28/97:</p> <ul style="list-style-type: none"> 80% of the increase in the CPI-U 	<ul style="list-style-type: none"> 80% of the increase in the CPI-U 	<ul style="list-style-type: none"> 80% of the increase in the CPI-U
BackDROP <i>(must work at least 2 years beyond date first eligible for normal retirement)</i>	Available	Available	Not available
Unused Sick Leave Credit <ul style="list-style-type: none"> Earn 1 month of service for every 168 hours of unused sick leave 	<ul style="list-style-type: none"> Must be vested and eligible for early or normal retirement when you leave state employment 	<ul style="list-style-type: none"> Must be vested when you leave state employment 	<ul style="list-style-type: none"> Must be vested and eligible for early or normal retirement when you leave state employment
\$5,000 Death Benefit <ul style="list-style-type: none"> No cost to you Terminated-vested members do not qualify Potentially taxable to beneficiary(ies) 	<p>Available to:</p> <ul style="list-style-type: none"> Members retiring after 9/28/85 Members who began receiving work-related or normal disability benefits after 9/28/85 	<p>Available to:</p> <ul style="list-style-type: none"> Active members and long-term disability recipients retiring after 9/28/85 Members who began receiving work-related disability benefits after 9/28/85 	<p>Available to:</p> <ul style="list-style-type: none"> Active members and long-term disability recipients retiring after 9/28/85 Members who began receiving work-related disability benefits after 9/28/85

Provisions for Closed Plan Members to Consider

At retirement, members of the Closed Plan may elect to stay in the Closed Plan or retire in the Year 2000 Plan. The needs of one member may be quite different from the needs of another member. In other words, selecting a retirement plan is an individual decision. A thorough understanding of the differences between the plans, combined with information related to your personal circumstances, is critical to your decision regarding which plan is right for you.

Consider the following factors before electing a retirement plan:

- Income needs during your retirement
- Temporary benefit (*When will you reach age 62?*)
- Survivor benefits (*Are you married?*)
- COLAs (*Are you eligible for the minimum 4% COLA in the Closed Plan?*)

Eligibility

- It is possible to become eligible to retire at different times in the Closed Plan and the Year 2000 Plan.

Benefit Formula

- The multiplier in the Closed Plan is 1.6%.
- The multiplier in the Year 2000 Plan is 1.7%.

Temporary Benefit

- The temporary benefit is available in the Year 2000 Plan only.
- At age 62, the temporary benefit and any COLAs earned on that amount go away.
- Survivors, beneficiaries, and ex-spouses are not eligible for the temporary benefit. If you die while receiving the temporary benefit, any survivor benefits will be determined by your base benefit amount and the payment option elected at retirement.

Survivor Benefits

- The Closed Plan provides a “free” survivor benefit for your spouse - the Unreduced 50% Joint & Survivor option. Your monthly retirement benefit will not be reduced to pay for the future survivor benefit.
- There are no “free” survivor benefits under the Year 2000 Plan.
- Because of the larger reduction factors, a joint and survivor option costs more under the Year 2000 Plan.

Cost-of-Living Adjustments (COLAs)

- Regardless of which plan you elect, you will receive a COLA each year for your lifetime.
- The maximum COLA rate for each plan is 5%.
- If you were hired before August 28, 1997, the Closed Plan provides a minimum 4% COLA each year until the total increases equal 65% of your initial benefit. Generally speaking, it takes about 12 years to reach your COLA cap. After you reach the COLA cap, the annual COLA rate will be 80% of the increase in the Consumer Price Index (CPI-U) for the previous year.
- The annual COLA rate for Closed Plan members hired on or after August 28, 1997 and all Year 2000 Plan members is based on 80% of the increase in the CPI-U.

At retirement, members of the Closed Plan may elect to stay in the Closed Plan or retire in the Year 2000 Plan. For some, the decision is not an easy one to make. The chart on page 22 provides a side-by-side comparison of the primary benefit provisions of all of the plans administered by MPERS.

Members of the Year 2000 Plan cannot elect the Closed Plan at retirement.



BackDROP Payment Option

BackDROP is a payment option you may be eligible to elect upon retirement if you are a member of the Closed Plan or Year 2000 Plan. This option provides for a benefit to be calculated as if you elected to retire at a previous date. If you elect BackDROP, the monthly benefit payable on your actual retirement date is based on the benefit you would have been receiving had you left employment and retired on the BackDROP date. In addition, you will receive a lump sum payment equal to 90% of the Life Income Annuity amount you would have received during the BackDROP period (including any applicable temporary benefits, COLAs and all unused sick leave credit).

Eligibility

To be eligible for the BackDROP, you must continue to be employed in a benefit-eligible position at least two years beyond your normal retirement eligibility date.

BackDROP Date

The monthly benefit payable on your actual retirement date is based on the benefit you would have received had you left employment and retired on an earlier date – this is the BackDROP date. If you elect the BackDROP option at retirement, MPERS will use your creditable service and final average pay as of your BackDROP date when calculating your benefit payment. Service, sick leave, and salary earned during the BackDROP period will not be used in the calculation.

Selecting the BackDROP date gives you an opportunity to maximize your monthly benefit payment and lump sum amount.

Whatever BackDROP date you choose, it must meet the following requirements.

- Be on or after the date you were first eligible for normal retirement benefits.
- Be within the five-year period immediately prior to your actual retirement date.

Select your BackDROP date to determine your BackDROP period.

- Must be in 1-year increments, or
 - Full years & months worked after normal retirement (maximum BackDROP period is 5 years)
-

Monthly Benefit Payment

The monthly benefit payable on your actual retirement date is based on the benefit you would have received had you left employment and retired on an earlier date (the BackDROP date).

- Years of service and final average pay as of the BackDROP date will be used in the calculation.
- Sick leave balance as of the retirement date is included in the calculation.
- COLAs during the BackDROP period are applied in the calculation.
- Survivor reductions, if chosen, will be applied to your monthly benefit at the time of retirement (not during the BackDROP period).

BackDROP Payments

Cash Option - transmitted electronically to the same account as your monthly retirement benefit payment.

Rollover Option - transmitted electronically when rolling distribution to the State of Missouri Deferred Compensation Plan. All other rollovers are paid by paper check.

All BackDROP and retirement benefit payments are transmitted on the last working day of the month in which you retire.

BackDROP Period

The BackDROP period depends on how long you work past normal retirement eligibility. The BackDROP period is the length of time between your BackDROP date and your actual retirement date. The BackDROP period selected must be in one-year increments, not to exceed five years. In addition, you may select the maximum amount you are eligible to receive, up to five years. As an example, if you work three years and five months beyond normal retirement eligibility, you may select a BackDROP period of one year, two years, three years, or the maximum of three years, five months.

The BackDROP lump sum is equal to 90% of the retirement benefits you would have received during this period, including any applicable temporary benefit and COLAs.



BackDROP Payment Option

Example of How BackDROP is Calculated

Assumptions used in this example (for illustrative purposes only):

- Closed Plan (elected at retirement)
- 32 total years of service
- Four percent COLA (hired before 8/28/97)

No BackDROP (Closed Plan) Use Service & FAP as of Date of Termination	With BackDROP (Closed Plan) Use Service & FAP as of BackDROP Date You Elect (2 years earlier)
<p>Monthly Base Benefit: \$2,121 x .016 x 32 years = \$1,085.95</p>	<p>Monthly Base Benefit: \$2,000 x .016 x 30 years = \$960.00 \$960 x 1.04 (1st year COLA) = \$998.40 \$998.40 x 1.04 (2nd year COLA) = \$1,038.34</p> <p>Annual Benefit During BackDROP Period: \$960.00 x 12 = \$11,520.00 \$998.40 x 12 = \$11,980.80 \$23,500.80</p> <p>BackDROP Lump Sum Calculation: \$23,500.80 x .90 = \$21,150.72</p>

For more information regarding tax consequences, see
MPERS' *Special Tax Notice* brochure

- The information contained in this brochure was published by the IRS.
- The information contained in this brochure only applies to lump sum distributions from MPERS.
- Members should consult their tax advisor regarding any planned BackDROP distributions.



Know the Tax Consequences of the BackDROP Distribution Options

Cash Option

The BackDROP distribution is considered taxable income for the year in which the payment is made. If you elect the cash option, the distribution is paid directly to you. MPERS is required to withhold 20% for federal taxes. In addition, if you are under the age of 59 1/2, the IRS may assess a 10% early distribution penalty when you file your income tax return unless an exception applies (see *Special Tax Notice* brochure). State income taxes may also apply. MPERS does NOT withhold state taxes from BackDROP payments.

Rollover Option

If you elect the rollover option, your payment will be made directly to the eligible receiving plan. Generally speaking the funds will not be taxed until you later withdraw the funds from your eligible plan. (A lump sum distribution rolled over to a Roth IRA will be considered taxable income.) MPERS does not withhold state or federal taxes from any rollover payments.

Combination Cash & Rollover

If you elect the combination option, you may specify the amount to be rolled over to your eligible plan. The balance will be paid directly to you, less the required 20% federal income tax withholding (see cash option above).

BackDROP is Not a Good Option for Everyone

Electing BackDROP generally reduces your monthly benefit payment.

Before electing the BackDROP, determine how it will affect your monthly retirement budget.

Miscellaneous Information

Survivor Benefits

Survivor benefit payments begin the first of the month following your date of death; however, they are not automatic. Each eligible benefit recipient must submit a survivor application along with additional documentation provided to the eligible benefit recipient by MPERS.

Death Before Retirement

Non-Duty Related Death

Eligible Spouse

If you are vested and die before retirement, the spouse to whom you are married on the date of your death is eligible to receive survivor benefits. The monthly benefit for the surviving spouse will be:

- Based on the benefit you have accrued as of your date of death.
- Calculated according to the 100% Joint & Survivor Option.
- Payable the month following your death for the rest of your spouse's life.

Eligible Child(ren)

If there is no eligible surviving spouse:

- The benefit will be paid to eligible child(ren) under the age of 21 (divided equally) until the child(ren) reaches age 21.
 - If the child is under 18 years of age, benefits will be payable to the surviving parent, as natural guardian, or to the legal conservator until the child is age 18.
 - If the child is totally incapacitated, the benefit will be paid for the child's lifetime.
- The benefit will be 80% of the benefit you have accrued as of your date of death.

Duty-Related Death

Eligible Spouse

If you die while actively employed and your death is determined to be duty-related by the MPERS Board of Trustees, the spouse to whom you are married on your date of death is eligible to receive survivor benefits. The monthly benefit for the surviving spouse will be:

- Based on the benefit you have accrued as of your date of death (no minimum service requirement).
- The greater of: 1) 50% of your final average pay, or 2) the amount calculated according to the 100% Joint & Survivor Option.
- Payable the month following your death for the rest of your spouse's life.

Eligible Child(ren)

If there is no eligible surviving spouse:

- The benefit will be paid to eligible child(ren) under the age of 21 (divided equally) until the child(ren) reaches age 21.
 - If the child is under 18 years of age, benefits will be payable to the surviving parent, as natural guardian, or to the legal conservator until the child is age 18.
 - If the child is totally incapacitated, the benefit will be paid for the child's lifetime.
- The benefit will be the greater of 1) 50% of your final average pay, or 2) 80% of the benefit you have accrued as of your date of death.

Survivor COLAs

Survivors of both non-duty related and duty related deaths are eligible to receive an annual COLA.

Miscellaneous Information

Divorce and Your MPERS Benefit

Your retirement benefit from MPERS may be considered “marital property.” If you have been married at any time while an active member of MPERS and are considering divorce, your ex-spouse may be legally entitled to receive a portion of your retirement benefit. By law, the court may award your ex-spouse up to 50% of the benefit accrued during your marriage. The benefit for service accrued before the marriage and after the date of dissolution cannot be divided.

In order to divide your benefit, you must be vested on the date of your divorce. No payment will be issued to your ex-spouse until you begin receiving retirement benefits from MPERS.

Before MPERS can divide your benefit, a court of competent jurisdiction must issue a *Division of Benefits Order* (DBO).

There may be other alternative methods available to divide the value of your retirement benefit. Ask your attorney about your rights and options.

Division of Benefits Order (DBO)

To assist you in obtaining an acceptable DBO, we recommend you follow these steps:

1. Obtain a DBO packet and benefit estimate from MPERS. This may be obtained by submitting a Request for Division of Benefits Order Estimate form (found online at www.mpers.org).
2. Have your attorney prepare a DBO according to the sample DBO provided in the packet. An altered DBO will not be accepted.
3. Have the DBO signed by the appropriate parties including the judge.
4. Obtain a certified copy of the DBO from the Circuit Clerk. Submit the certified copy to MPERS for processing. MPERS will not process a DBO until an acceptable certified copy is received at MPERS' office.

Alternative to the DBO

There are four important details to remember when considering whether or not to use a DBO:

1. No payment will be issued to your former spouse until you begin receiving benefits from MPERS.
2. The only way in which MPERS is legally authorized to divide your benefit is by using a DBO.
3. Payments to a former spouse end upon the death of either party.
4. 2011 Tier members who have a DBO on file cannot request a refund of employee contributions.

Divorce Before Retirement

In accordance with the DBO, ex-spouse payments will commence when you begin receiving benefits from MPERS.

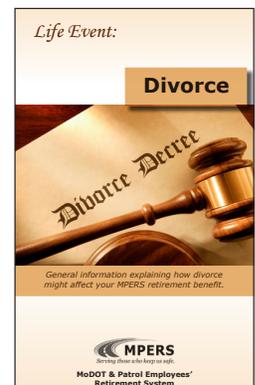
The DBO will automatically terminate upon the death of either party. If you are predeceased by your ex-spouse, your benefit will increase by the amount otherwise payable to the ex-spouse on the first of the month following the death of your ex-spouse.

Divorce After Retirement

Payments to your ex-spouse will begin the first of the month following receipt of an acceptable DBO. MPERS will only divide retirement benefit payments paid after receipt of the certified DBO.

The DBO will automatically terminate upon the death of either party. If you are predeceased by your ex-spouse, your benefit will increase by the amount otherwise payable to the ex-spouse on the first of the month following the death of your ex-spouse.

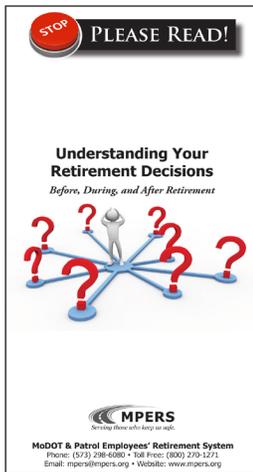
If you elect a Joint & Survivor option at retirement, survivor benefits will be paid to the spouse named on your *Retirement Election Form* - regardless of your marital status at the time of death.



2-Step Retirement Process

Notice of Retirement

Submit Online: complete and submit electronically through myMPERS Secure Member Access www.mpers.org



Applying for retirement is a 2-step process designed to give you more time to make your retirement elections and it allows MPERS to provide you with more individualized information.

Step 1: Notice of Retirement

To start the retirement process, submit a Notice of Retirement to MPERS (can be submitted electronically). This form provides MPERS with your intended date of retirement and spouse's date of birth (if married).

Please do not submit your Notice of Retirement more than 120 days (4 months) prior to your date of retirement. Please see chart below.



Step 2: Retirement Election Form

Once your Notice of Retirement is received, MPERS will create and send you an individualized Retirement Election Form and benefit estimate(s). You should expect to receive the Retirement Election Form approximately one week after the Notice of Retirement is processed by MPERS.

The Retirement Election Form will show only the retirement options for which you are eligible (e.g. benefit payment option, retirement plan, and BackDROP). The benefit estimate(s) will provide the information needed to make informed retirement decisions.

- Election(s) made at retirement cannot be changed after your first benefit payment is sent.
- We encourage you to meet with your support services/HR representative or an MPERS benefit specialist prior to making your retirement elections.

Date Forms are Due at MPERS

Based on your intended date of retirement, the notice and election forms must be received at MPERS by the dates listed on the chart below. Submitting either form after the deadline could: 1) delay your retirement date, 2) delay your benefit payment, and 3) affect your medical and life insurance coverage.

2-Step Retirement Process Deadlines

Date of Retirement	Step 1: Notice of Retirement Due at MPERS	Step 2: Retirement Election Form 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

2-Step Retirement Process

MPERS Forms to Complete

In addition to your Retirement Election Form, the following forms will be sent to you in Step 2 and should be completed and returned to MPERS (as applicable) by the Step 2 deadline:

- W-4P Substitute** (Federal and Missouri State tax withholding)
 - Your retirement benefit is subject to federal income tax. If you do not submit a W-4P form, MPERS is required by law to withhold federal taxes as if you elected married with 3 exemptions.
 - If you are a Missouri resident, your benefit is potentially subject to state income tax, however there exists a Public Pension Exemption in Missouri (see page 32). MPERS only withholds state taxes for Missouri residents.
 - You may change your Federal and Missouri State tax withholding election electronically at any time through *my*MPERS Secure Member Access.

- Direct Deposit Authorization**
 - This form authorizes MPERS to deposit your benefit payment directly in your bank account on the last working day of each month. All benefit payments are paid electronically. Likewise, all monthly payment notices are available electronically through *my*MPERS Secure Member Access. MPERS will send you a letter when the amount of your benefit changes for any reason.

- BackDROP Distribution Form** (if eligible)
 - If you are eligible for BackDROP, this form allows you to elect whether to receive your BackDROP distribution as cash, roll it over to an eligible plan, or combination cash/rollover.
 - Know the tax consequences of your election. See *Special Tax Notice* brochure.

- \$5,000 Beneficiary Designation** (if eligible)
 - This \$5,000 death benefit is **free** to eligible retirees. It is considered taxable income for the year in which the \$5,000 benefit is paid to your beneficiary. Keep your beneficiary designations updated!

- Designation of Agent** (optional)
 - This is a convenient and no cost way to designate someone to handle your MPERS-related business only, should you become disabled or incapacitated. The designation will not become effective until MPERS receives a letter from your physician stating you are disabled or incapacitated.

Important Notice!

MPERS sends a report to MoDOT & MSHP each month listing those who have submitted their:

**Notice of Retirement
or
Retirement Election Form**

If You Decide Not to Retire

If you apply for retirement and then decide not to retire, send MPERS a written notice to rescind your retirement.

You can rescind your retirement at any time prior to your first benefit payment being issued.

Benefit Payment Information Online

Monthly benefit payment information is only available online through *my*MPERS Secure Member Access. If desired, you may go online to request an email be sent to you when your payment information has posted and is ready to view.

This information is generally available online 3-4 days before the end of the month.

Take Home Pay

Reasons Your Monthly Benefit Payment Amount May Change Annually

1. If applicable, your medical insurance premiums change each December (the premium you pay in December is for January coverage).
2. New Federal tax tables typically applied to your benefit each January.
3. If applicable, your dental/vision premiums change each December.

Optional life insurance premiums change in the month you enter a new age bracket (every 5 years until age 80).

You will receive your COLA the same month each year.

SPECIAL NOTE:

By law, MPERS cannot deduct premiums for non-state sponsored benefits. If you have the following coverage through your employer, contact your HR rep to continue coverage at retirement.

- (MoDOT) Voluntary Life Plan
- (MSHP) Met-Life/BMA Life Insurance
- (MoDOT) Central United Life Insurance (cancer insurance)
- (MSHP) CONSECO Life Insurance (cancer insurance)

Deductions From Your Monthly Benefit Payment

The following deductions may be withheld from your monthly benefit payment:

- Federal Income Tax
- Missouri Income Tax (Missouri residents only)
- MoDOT/MSHP medical insurance premiums
- MoDOT/MSHP optional life insurance premiums
- Dental and vision insurance premiums through Missouri Consolidated Health Care Plan
- Charitable Campaign

Your monthly retirement benefit is not subject to Social Security and Medicare taxes.

Estimated Benefit	
Gross Monthly Benefit:	2000.00
Federal Withholding:	\$91.70
Option:	Tax Table + Extra
Marital Status:	Married
# of Allowances:	1
Extra Withholding:	25.00
MO State Withholding:	\$15.00
Option:	Flat Amount
Flat Amount:	15.00 <small>(Whole dollar amounts only, minimum \$10)</small>
Deductions:	475.00 <small>(Medical and Life Insurance, etc.)</small>
Net Amount:	\$1,418.30

Disability Benefits

Disability Benefits

Disability insurance is for active members only. It is intended to replace a percentage of your income that is lost as a result of being disabled. You will continue to accrue service and salary credit (for purposes of calculating your retirement benefit) while receiving disability benefits. There are two types of disability benefit plans:

Long-Term Disability (LTD)

- Benefit amount equals 60% of your pre-disability earnings, reduced by deductible income*.

Work-Related Disability (WRD)

- Benefit amount equals the lesser of:
 - 70% of your monthly pre-disability earnings (not offset by deductible income*).
 - 90% of your monthly pre-disability earnings (offset by deductible income*).

When Disability Benefits End

LTD and WRD benefits end on whichever of these dates occurs first:

- The date you no longer meet the definition of disability.
- The date you fail to provide proof of continued disability upon request.
- For LTD, the date you begin receiving early retirement benefits or the date you first become eligible for normal retirement benefits.
- For WRD, the date you begin receiving retirement benefits or age 65.
- The date you return to active work.
- The date you die.

*Deductible Income

Other sources of income you may be eligible to receive as a result of your disability. The following income will reduce your disability benefits:

- Work earnings
- Social security
- Workers' compensation
- Unemployment compensation
- Benefits from another group disability plan

Workplace Possibilities Program

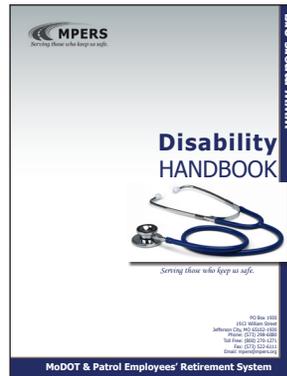
MPERS has partnered with our disability insurer, The Standard Insurance Company, to provide assistance to members who have a medical condition that could lead to a disability. This service is called the Workplace Possibilities Program. The key objectives of the program are to:

- 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 safely and productively;
- Promote communication to ensure a focus on work ability among all parties, including employee, supervisor, human resources, medical providers and others.

For more information, visit

<https://www.mpers.org/members/workplace-possibilities/>

or contact an MPERS benefit specialist.



Sources of Information

Tax withholding, direct deposit, address, phone number, and email updates can also be completed online, by logging into your myMPERS Secure Member Access!

Website:

- myMPERS Secure Member Access (your individual information, benefit estimates [actives], benefit payment information [retirees], etc.)
- Publications and forms
- Gross-to-Net Calculator
- Links to other useful websites
- Pre-recorded presentations about your benefits through MPERS

Handbooks:

- Closed Plan Retirement Handbook
- Year 2000 Plan/2011 Tier Retirement Handbook
- Disability Handbook

Annual Benefit Statement:

- Your Annual Benefit Statement provides a comprehensive summary of all your state-sponsored benefits as well as a retirement benefit estimate. The benefit statements are generally distributed to active members each spring.
- Retirees receive their Annual Benefit Statement the month in which they receive a COLA. The Benefit Statement provides a summary of information regarding your MPERS retirement benefit.

Board Meeting Summaries:

- Board meeting summaries are posted on our website after each MPERS Board Meeting.

Emails to Active Members:

- Emails from MPERS contain important benefit information. We periodically send mass emails to active members to make you aware of new information such as legislative or procedural changes, to announce new website features, to provide you with board meeting summaries, etc.

Educational Seminars:

- Retirement Basics
- Pre-Retirement Seminar

Newsletters:

- Newsletters for benefit recipients are published twice per year and are available on our website.

Social Media:

- Facebook and Twitter: @MPERSONline
- Like our pages to receive up-to-date information and tips regarding your retirement.

When to Contact MPERS After Retirement:

- To inform MPERS of any name or address changes.
- If your spouse or beneficiary dies.
 - Pop-up provision
 - Beneficiary designation changes
- If you have a change in marital status.
- If you are considering reemployment.
- To change your Federal or Missouri State tax withholding.
- To make changes to your direct deposit account.

**#1 Source of
Information Regarding
Your Retirement Benefit is:**

MPERS Benefit Specialists

**Phone: (573) 298-6080
Toll Free: (800) 270-1271**

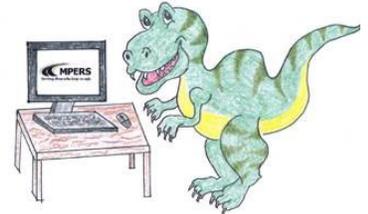
**Monday - Friday
7:30 a.m. - 4:30 p.m.**

Website: myMPERS Secure Member Access

Have you registered online for myMPERS Secure Member Access?

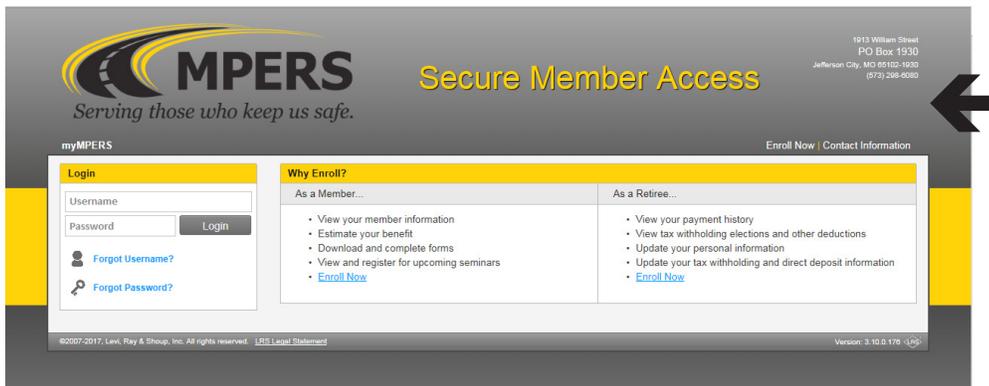


www.mpers.org



The CompaRATOR!

Benefit Comparison Tool
for Closed Plan and
Year 2000 Plan



How to Register Online for myMPERS Secure Member Access

1. Go to www.mpers.org
2. Click on **myMPERS** Login.
3. Click on Enroll Now.
4. Complete the requested personal information.
5. Create a personal Username and Password. (MPERS will not have a record of the password that you create.)
6. Define and answer the challenge questions.
7. Read and accept the Terms and Conditions.
8. Click on Submit.

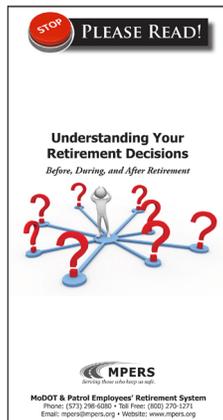
* Benefit Recipients - If you are already receiving a benefit, call MPERS to register for myMPERS Secure Member Access.

	Estimated Monthly Benefit			
	CLOSED PLAN	YEAR 2000 PLAN		
		Monthly	Monthly	Lifetime
Initial	\$ 2,136.78	\$ 3,225.20	\$ 2,156.81	\$ 1,068.39
1	\$ 2,222.25	\$ 3,273.58	\$ 2,189.16	\$ 1,084.42
2	\$ 2,311.14	\$ 3,322.68	\$ 2,222.00	\$ 1,100.68
3	\$ 2,403.59	\$ 3,372.52	\$ 2,255.33	\$ 1,117.19
4	\$ 2,499.73	\$ 3,423.11	\$ 2,289.16	\$ 1,133.95
5	\$ 2,599.72	\$ 3,474.46	\$ 2,323.50	\$ 1,150.96
6	\$ 2,703.71	\$ 3,526.57	\$ 2,358.35	\$ 1,168.22
7	\$ 2,811.86	\$ 3,579.47	\$ 2,393.72	\$ 1,185.75
8	\$ 2,924.33	\$ 3,633.16	\$ 2,429.63	\$ 1,203.53
9	\$ 3,041.30	\$ 3,687.66	\$ 2,466.07	\$ 1,221.59
10	\$ 3,162.96	\$ 3,742.98	\$ 2,503.07	\$ 1,239.91
11	\$ 3,289.47	\$ 3,800.01	\$ 2,540.61	\$ 0.00
12	\$ 3,421.05	\$ 3,857.72	\$ 2,578.72	\$ 0.00
13	\$ 3,557.90	\$ 3,917.40	\$ 2,617.40	\$ 0.00
14	\$ 3,611.26	\$ 3,978.66	\$ 2,656.66	\$ 0.00
15	\$ 3,665.43	\$ 4,041.51	\$ 2,696.51	\$ 0.00
16	\$ 3,720.41	\$ 4,106.96	\$ 2,736.96	\$ 0.00
17	\$ 3,776.22	\$ 4,174.02	\$ 2,778.02	\$ 0.00
18	\$ 3,832.86	\$ 4,242.69	\$ 2,819.69	\$ 0.00
19	\$ 3,890.36	\$ 4,312.98	\$ 2,861.98	\$ 0.00
20	\$ 3,948.71	\$ 4,384.91	\$ 2,904.91	\$ 0.00
21	\$ 4,007.94	\$ 4,458.48	\$ 2,948.48	\$ 0.00
22	\$ 4,068.06	\$ 4,532.71	\$ 2,992.71	\$ 0.00
23	\$ 4,129.08	\$ 4,607.60	\$ 3,037.60	\$ 0.00
24	\$ 4,191.02	\$ 4,683.17	\$ 3,083.17	\$ 0.00
25	\$ 4,253.88	\$ 4,759.41	\$ 3,129.41	\$ 0.00
26	\$ 4,317.69	\$ 4,836.35	\$ 3,176.35	\$ 0.00
27	\$ 4,382.46	\$ 4,914.00	\$ 3,224.00	\$ 0.00
28	\$ 4,448.20	\$ 4,992.36	\$ 3,272.36	\$ 0.00
29	\$ 4,514.92	\$ 5,071.45	\$ 3,321.45	\$ 0.00
30	\$ 4,582.64	\$ 5,151.27	\$ 3,371.27	\$ 0.00

Brochures Available on www.mpers.org

For your convenience, the following informational brochures are posted on the MPERS website. The brochures provide a good source of general information. However, to answer specific questions regarding your particular situation, we recommend you contact an MPERS benefit specialist.

If there is any difference between the information provided in the brochures and the laws or policies which govern MPERS, the laws and policies will prevail.



Understanding Your Retirement Decisions

There is a lot of information to absorb regarding your MPERS retirement benefit. Intended for those getting ready to retire, this brochure contains valuable information that members often overlook.

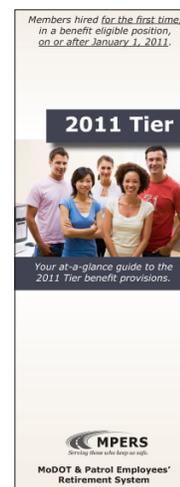
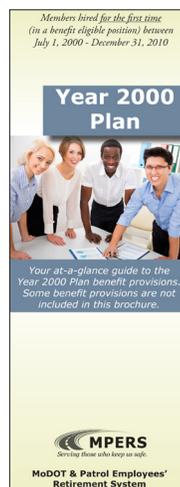


MPERS FYI: Summary Financial Report

A transparent look at MPERS' membership, funded status, budget, and investments. The brochure also provides key historical events regarding the System, a look at the Board of Trustees, and a comparative summary of benefit plan provisions.

Leaving State Employment

How will leaving state employment prior to retirement affect your benefit payment? This brochure is full of answers to the most common questions. However, we highly recommend that you contact an MPERS benefit specialist to discuss your individual situation.



Comparison of Closed Plan & Year 2000 Plan

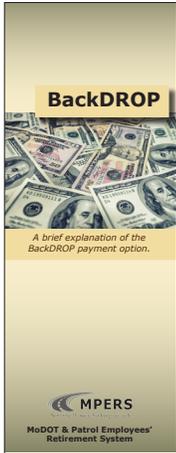
At retirement, Closed Plan members may elect to remain in the Closed Plan or switch to the Year 2000 Plan. This brochure gives you a side-by-side comparison of the benefit provisions and discusses those items you should think about before electing a plan.



Year 2000 Plan and 2011 Tier

These brochures provide an "at-a-glance" guide to the Year 2000 Plan and the 2011 Tier benefit provisions.

- Employees hired for the first time in a benefit eligible position on or after July 1, 2000 are members of the Year 2000 Plan.
- Employees hired for the first time in a benefit-eligible position on or after January 1, 2011 are members of the contributory 2011 Tier.



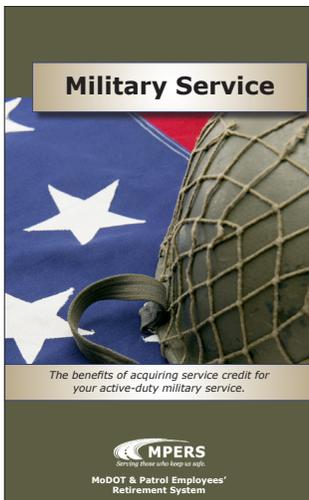
BackDROP

If you're thinking about retirement, you're probably thinking about BackDROP. This brochure explains your BackDROP date and BackDROP period. In addition, it provides a sample calculation of a lump sum distribution (for illustrative purposes only).



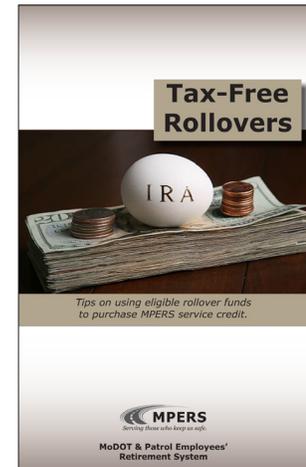
Special Tax Notice

Lump sum distributions, such as the BackDROP, are considered taxable income. This brochure provides a general guide regarding the tax consequences of receiving a lump sum distribution from MPERS.



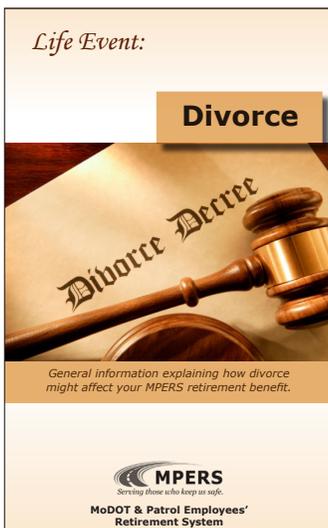
Military Service

The more service you have, the higher your retirement benefit amount. In some instances, you may be eligible to retire at an earlier date. If you had active-duty military service prior to working for the state, you owe it to yourself to see how the service credit might affect your retirement benefit. Also, if you have been on a military leave of absence during your state career, make sure you received service credit for that period of active duty (if eligible).



Tax-Free Rollovers

Planning to purchase your military or prior public employment service credit? You may use eligible rollover funds, such as money in your Deferred Compensation, to purchase MPERS service credit.

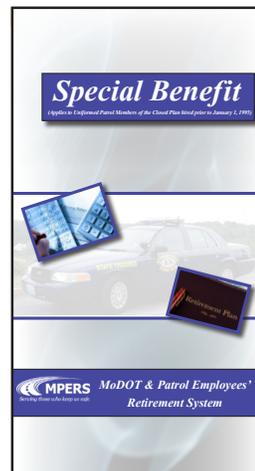


Life Event:

Divorce

This brochure provides general information explaining how divorce might affect your MPERS retirement benefit.

If you are vested, your retirement benefit is considered marital property. If you have been married at any time while earning service credit in a state position and you are considering divorce, your ex-spouse may be legally entitled to receive up to 50% of your retirement benefit.



Special Benefit

This brochure explains the rules and regulations for the Special Benefit, which is available to Uniformed members of the Closed Plan, hired prior to January 1, 1995.

Benefit Providers: Who Should You Contact?

MPERS can only answer questions regarding your retirement and disability benefits. With multiple benefit providers, how do you know who to contact with questions? Below is a list of each provider and the type of benefits they administer.

	Benefit Administered	Mailing Address	Office Address	Phone Number	Website
 MoDOT & Patrol Employees' Retirement System	Retirement, disability, and survivor benefits	PO Box 1930 Jefferson City, MO 65102-1930	1913 William St Jefferson City, MO 65109	(800) 270-1271	www.mpers.org
 MoDOT Employee Benefits	Medical and optional life insurance	PO Box 270 Jefferson City, MO 65102-0270	105 W. Capitol Ave Jefferson City, MO 65101	(877) 863-9406 option 3	www.modot.org/modot-mshp-employee.benefits-0
 MSHP Employee Benefits	Medical and optional life insurance	PO Box 568 Jefferson City, MO 65102-0568	1510 East Elm Jefferson City, MO 65101	(573) 526-6136 (573) 526-6356	www.modot.org/modot-mshp-employee.benefits-0
 Deferred Compensation	457 tax-deferred savings	ICMA-RC Workflow Management Team PO Box 96220 Washington, DC 20090	3349 American Dr Suite A Jefferson City, MO 65109	(573) 893-1053 (800) 392-0925 option 2	www.modeferredcomp.org
	Dental and vision insurance	PO Box 104355 Jefferson City, MO 65110-4355	832 Weathered Rock Court Jefferson City, MO 65101	(573) 751-8881 (800) 487-0771	www.mchcp.org
MO Cafe State of Missouri Cafeteria Plan	Pre-tax program for insurance premiums, health care expenses, and dependent care	ASI Flex PO Box 858 Columbia, MO 65205-0858	201 W. Broadway #4C Columbia, MO 65203	(800) 659-3035	www.mocafe.com
 Employee Assistance Program	Confidential counseling and assistance with a variety of life issues			(800) 808-2261	www.guidanceresources.com
 Social Security Administration	Social Security income, disability, and Medicare		See website for local office address	(800) 772-1213	www.ssa.gov



MoDOT & Patrol Employees' Retirement System

Mailing Address: PO Box 1930 • Jefferson City, MO 65102-1930 **Toll Free:** (800) 270-1271 • **Fax:** (573) 522-6111
Office Location: 1913 William St. • Jefferson City, MO 65109 **Email:** mpers@mpers.org • **Website:** www.mpers.org