

2019

# Pre-Retirement Seminar Workbook



*Retirement*  
Are you ready?

2019

# Table of Contents



**Please turn all cell phones off or place them on silent/vibrate mode.**

Contact Information .....	3
Message to our Valued Members .....	4
Retirement Checklist.....	6
MPERS Benefit Plans.....	8
Defined Benefit Plan .....	9
Funding the System.....	10
Normal Retirement Eligibility .....	12
Early Retirement Eligibility .....	13
Benefit Formula .....	14
Potential Benefits (based on eligibility) .....	15
Cost-of-Living Adjustment (COLA) .....	16
Benefit Payment Options .....	18
Possible Ways to Increase Your Credited Service .....	20
Comparison of the Closed Plan, Year 2000 Plan, & 2011 Tier .....	22
Provisions for Closed Plan Members to Consider .....	23
BackDROP Payment Option .....	24
Miscellaneous Information .....	26
Death <u>Before</u> Retirement .....	26
Divorce and Your MPERS Benefit.....	26
Division of Benefits Order (DBO) .....	27
Alternative to the DBO.....	27
Marriage <u>After</u> Retirement .....	27
Reemployment <u>After</u> Retirement.....	27
2-Step Retirement Process .....	28
Acceptable Proof-of-Age Documents.....	30
\$5,000 Death Benefit.....	30
Legal Information .....	31
Correction of Errors.....	31
Legal Notices .....	31
Work-Related Felony .....	31
Take Home Pay.....	32
Disability Benefits .....	33
Sources of Information.....	34
Website: <i>my</i> MPERS Secure Member Access .....	35
Brochures Available on <a href="http://www.mpers.org">www.mpers.org</a> .....	36
Benefit Providers: Who Should You Contact?.....	40

**March 2019**

## 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

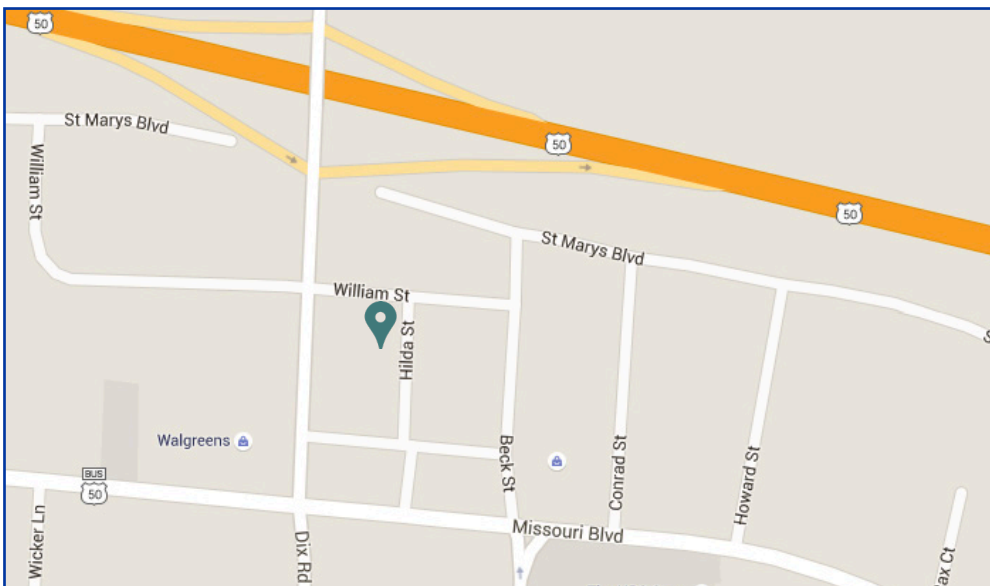
#### **E-mail Address**

[mpers@mpers.org](mailto:mpers@mpers.org)

#### **Website**

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

### Map to MPERS



**MPERS Office Building**

The purpose of this Pre-Retirement Seminar Workbook 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 workbook and the laws or policies that govern MPERS, the laws and policies will prevail.

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

### 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.

Message to our Valued Members

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.

Scott Simon  
Executive Director

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:

= \$ \_\_\_\_\_

Which of the income sources listed above keep up with inflation? (provide annual COLAs/increases)

## 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 chart, based on your intended date of retirement. (*see page 28*)
- ☐ **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 30*)
  - 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 chart, based on your intended date of retirement. (*see page 28*)
- ☐ **Direct Deposit:** Provide a voided check for MPERS to set up direct deposit. (*see page 29*)
- ☐ **\$5,000 Death Benefit:** If you are eligible for the \$5,000 death benefit, have the names, addresses, and social security numbers for your primary and contingent beneficiaries. (*see page 30*)
- ☐ **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 29*)
- ☐ **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 29*)
- ☐ **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](http://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](http://www.modeferredcomp.org)
- ☐ **Social Security and Medicare Enrollment:**  
Contact: (800) 772-1213  
Website: [www.ssa.gov](http://www.ssa.gov)
- ☐ **Universal Life Insurance:**  
Contact: (800) 918-8877
- ☐ **Cafeteria Plan:**  
Contact: (573) 442-3035 or (800) 659-3035  
Website: [www.mocafe.com](http://www.mocafe.com)



*Seek counseling from the benefit provider.*

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

### It's your responsibility to:

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

# MPERS Benefit Plans

## 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.

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.**



## Retirement Benefit Plans

### ☐ Closed Plan (non-contributory)

- Hired by the state in a benefit-eligible position 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 in a benefit-eligible position 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

## Are You Ready?

◆ My Date of Hire is

◆ My Current Retirement Plan is:

- ◆ Closed Plan
- ◆ Year 2000 Plan
- ◆ 2011 Tier

# 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, MOSERS</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 contribution 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

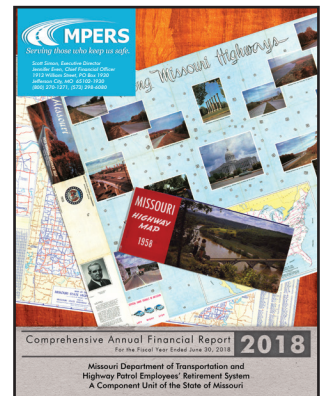
**Average MPERS Retiree Benefit = \$2,500/mo**

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; and
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 2003	3.20%
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%
<b>FY 2018</b>	<b>9.42%</b>

## 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%
<b>Subtotal</b>	<b>57.47%</b>	<b>57.47%</b>
Disability Premium	.53%	.53%
<b>Total Employer Contribution Rate</b>	<b>58.00%</b>	<b>58.00%</b>

## Breakdown of the FY 2019 Contribution Rates

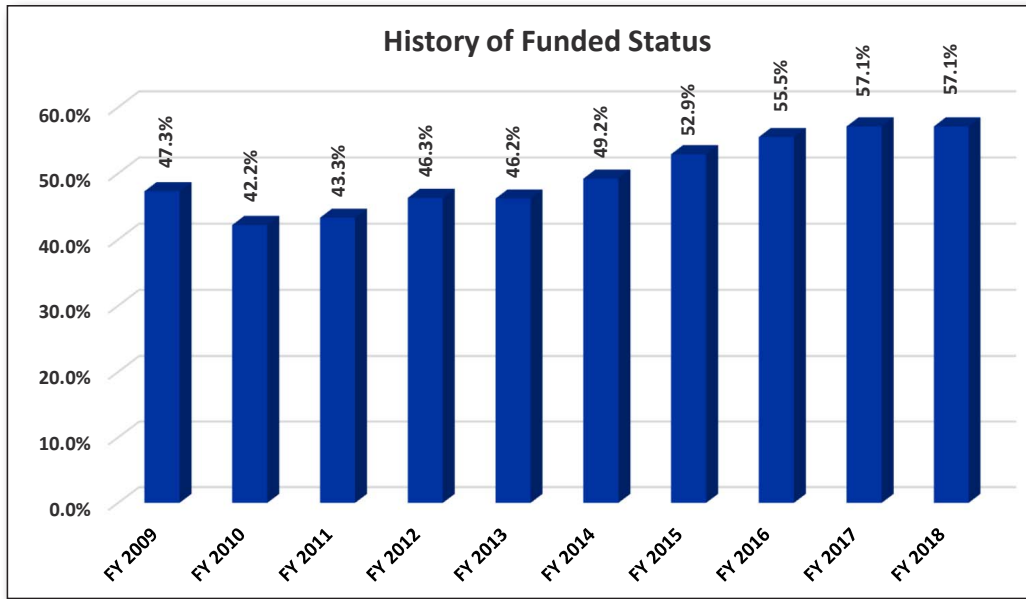
	MoDOT and Non-Uniformed	Uniformed Patrol
Normal Cost	9.96%	15.98%
Catch-Up Payment on the Unfunded Liabilities*	46.30%	40.28%
Operating Expenses	1.21%	1.21%
<b>Subtotal</b>	<b>57.47%</b>	<b>57.47%</b>
Disability Premium	.53%	.53%
<b>Total Employer Contribution Rate</b>	<b>58.00%</b>	<b>58.00%</b>

\*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.

# Funding the System



## Key Take Aways

- The MPERS Board and the employers (MoDOT and Highway Patrol) are taking steps to ensure that the money to pay benefits is there when it is needed.
- MPERS continues to look for ways to minimize risk and increase the return on our assets.
- The Board and the employers are committed to funding the plan appropriately. The ultimate funding goal is 100%.
- You have a valuable benefit that can provide a lifetime benefit during your retirement.



The *For Your Information* brochure contains general information about MPERS.

## Retiree Benefit Protection in Missouri

Sections 104.250 (and 104.1054), RSMo., states...

"All payroll deductions and deferred compensation provided for under 104.010 and 104.270 are hereby made obligations of the state of Missouri. No alteration, amendment, or repeal of sections 104.010 to 104.270 shall affect the then existing rights of members and beneficiaries, but shall be effective only as to rights which would otherwise accrue under sections 104.010 to 104.270 as a result of services rendered by an employee after such alteration, amendment or repeal."

# 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.*

# Early Retirement Eligibility

If you elect early retirement, your monthly base benefit will be reduced for each month your age at early (reduced) retirement is younger than your normal retirement age.

## Closed Plan

- Age 55 with 10 years of credited service
- Monthly benefit reduced .6% (.006) for each month younger than normal retirement age

## Year 2000 Plan

- Age 57 with 5 years of credited service
- Monthly benefit reduced .5% (.005) for each month younger than normal retirement age

## 2011 Tier

- Age 62 with 5 years of credited service (*active only*)
- Monthly benefit reduced .5% (.005) for each month younger than normal retirement age
- (*Terminated-vested members are not eligible to retire early in the 2011 Tier*)

Closed Plan Reduction Factor	Year 2000 Plan/2011 Tier Reduction Factor
.6% (.006)	.5% (.005)

## Example of Early Retirement Calculation

**Assumptions:** Member of Closed Plan, but elects Year 2000 Plan at retirement  
59 years old (eligible for normal retirement at age 62, which is 36 months early)  
18 years of credited service  
\$2,500 final average pay

$$1 - (\text{Months Retiring Early} \times .005) = \text{Early (Reduced Retirement Factor)}$$

$$36 \text{ months early} \times .005 = 0.18$$

$$1 - 0.18 = 0.82 \text{ (reduction factor)}$$

$$18 \text{ years} \times .017 \times \$2,500 = \$765.00 \text{ base benefit}$$

$$\$765.00 \times .82 = \$627.30 \text{ (reduced monthly benefit)}$$

## Benefit estimates are just that...estimates!

For programming purposes, we must make two critical assumptions for active employees who are still working and request a "first eligible" or a "future date" benefit estimate.

The assumptions are that you will continue:

1. Working in a benefit-eligible position until the date of termination shown on the benefit estimate.
2. Earning the same salary until the date of termination shown on the benefit estimate.

When you leave state employment, you stop accruing service credit. The statutes are very specific regarding the minimum service and age requirements for early and normal retirement eligibility and how your benefit amount is calculated. If you leave state employment prior to the date(s) shown on the estimate(s), your benefit amount and eligibility date(s) must be recalculated using your actual service amount (without regard to whether or not you might have continued working until a future date).

## Are You Ready?

◆ I am eligible for Normal Retirement on:

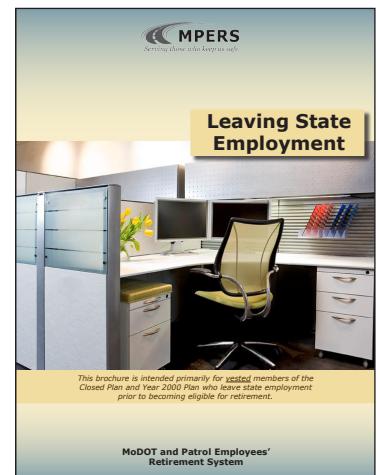
in the Closed Plan

in the Year 2000 Plan

◆ I am eligible for Early Retirement on:

in the Closed Plan

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
36	Total	\$72,000

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

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

$$\text{Credited Service} \times \text{Multiplier} \times \text{Final Average Pay} = \text{Monthly Base Benefit}$$

### 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

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

#### Year 2000 Plan/2011 Tier Calculation

$$30 \text{ years} \times .017 \times \$2,780 = \$1,417.80$$

### Are You Ready?

◆ My Final Average Pay:

Months	Year	Salary
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
36	Total	<input type="text"/>

\$  ÷ 36 =

\$

# 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.

### Are You Ready?

- ◆ Yes, I am eligible for the temporary benefit
- ◆ No, I am NOT eligible for the temporary benefit

## 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 years x .016 x \$2,780 = \$1,334.40 monthly base benefit

\$1,334.40 x 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.

### Are You Ready?

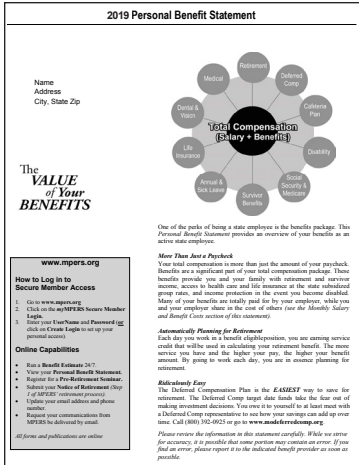
- ◆ Yes, I am eligible for the Special Benefit
- ◆ No, I am NOT eligible for the Special Benefit

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

Survivors and beneficiaries 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.

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

## Annual COLA Rates are generally determined by January 20<sup>th</sup>.

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

### Example of 65% “COLA Cap” Calculation

\$1,000	(initial benefit)
+ 650	(65%)
\$1,650	

### • 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).

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.

---

---

---

---

---

---

---

---

---

---

# Cost-of-Living Adjustment (COLA)

## Closed Plan vs. Year 2000 Plan COLA Guaranteed Minimum 4% COLA vs. 80% of CPI-U

*Assumptions Used: Hired prior to August 28, 1997; \$4,000 FAP;  
30 years of service; 1.5% annual COLA in Year 2000 Plan*

Year of Retirement	Closed Plan 4% COLA	Year 2000 Plan 80% of CPI-U
Initial Benefit	\$1,920.00	\$2,040.00
1	\$1,996.80	\$2,070.60
2	\$2,076.67	\$2,101.66

**\$634.92 per month more after 12 Years!**

12	\$3,073.98	\$2,439.06

*The temporary benefit is not included in the example above.*

*The special benefit for eligible uniformed patrol retirees is also not included in the example above.*

## History of COLA Rates (based on 80% of increase in CPI-U)

Year	COLA Rate
2000	1.767%
2001	2.689%
2002	2.277%
2003	1.265%
2004	1.823%
2005	2.130%
2006	2.710%
2007	2.581%
2008	2.278%
2009	3.072%
2010	0.000%
2011	1.312%
2012	2.526%
2013	1.655%
2014	1.172%
2015	1.298%
2016	0.095%
2017	1.010%
2018	1.704%
2019	1.954%

The 4% minimum COLA for eligible Closed Plan retirees was intentionally omitted from the chart.

## Are You Ready?

- ◆ Yes, I will be eligible for the guaranteed minimum 4% annual COLA
  - I am a member of the Closed Plan and I was hired prior to August 28, 1997.
- ◆ No, I am NOT eligible for the guaranteed minimum 4% annual COLA
  - I am a member of the Closed Plan but I was hired after August 28, 1997.
  - I am a member of the Year 2000 Plan.

# Benefit Payment Options



## Designation of New Spouse for Survivor Option

Generally speaking, you cannot change your benefit payment option except under the following circumstances:

1. If you are single at retirement and elect the Life Income Annuity option, you may change your benefit option if you later marry. You will have 1 year from your date of marriage to submit a Designation of New Spouse form to elect one of the joint & survivor options and name your spouse as the beneficiary.
2. If you elect one of the joint & survivor options on your Retirement Election Form and your spouse dies, you will be allowed to provide a survivor benefit for your new spouse if you remarry. You will have 1 year from your date of marriage to submit a Designation of New Spouse form to reelect one of the joint & survivor options and name your spouse as the beneficiary.

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.

## 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.

## Joint & 50% 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 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.

## Joint & 100% 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 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> Joint & 50% Survivor <i>Reduction Factor: Not reduced</i>	Joint & 50% Survivor <i>Reduction Factor: Based on age at retirement and age difference between you and spouse</i>
Joint & 100% Survivor <i>Reduction Factor: Based on age difference between you and spouse</i>	Joint & 100% 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>

# Benefit Payment Options

## Pop-Up Provision

If you elect a Joint & Survivor option at retirement and your spouse precedes you in death, your benefit will revert (pop-up) to the Life Income Annuity amount. Contact an MPERS benefit specialist if your spouse dies.

## Final Benefit Payment

If your monthly benefit is deposited directly into your account each month, it is important that the account remain open for at least the remainder of the month in which you die. If your account is open, MPERS will deposit your final benefit payment directly into your account on the last working day of that month. Otherwise, a check for your final benefit payment will be sent to your named beneficiary, or as otherwise permitted by law.

Any benefit recipient (retiree, survivor, or beneficiary) may designate a beneficiary to receive their final payment from MPERS. If a beneficiary has not been designated, the final payment will be paid in the following order to the deceased benefit recipient's:

- Surviving spouse (to whom married at the time of death)
- Surviving children (divided equally)
- Surviving parents (divided equally)
- Surviving brothers and sisters (divided equally)
- As otherwise provided under the law

## Important Information

- If you are married at retirement and elect a joint & survivor benefit payment option, the spouse named on your Notice of Retirement form will receive the survivor benefit after your death, regardless of your marital status at the time of death.
- If you are married at retirement and do not elect a joint & survivor payment option, your spouse must provide written consent to your election.

## Are You Ready?

- ◆ On my date of retirement I will be single. The following payment options will be available to me:
  - Life Income Annuity
  - Life Income with Guaranteed Payments
- ◆ On my date of retirement I will be married. The following payment options will be available to me:
  - Life Income Annuity
  - Joint & 50% Survivor
  - Joint & 100% Survivor
  - Life Income with Guaranteed Payments

# 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.

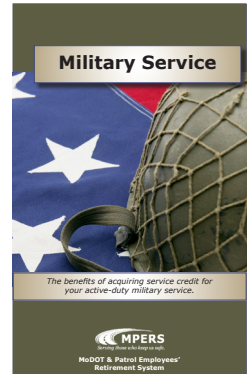
Credited service is one of the factors used to calculate the amount of your retirement benefit. The more credited service you have, the higher your monthly benefit amount. In some cases, you might be eligible to retire earlier.

## 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 any credited service you may have earned under MOSERS to MPERS 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.

## Are You Ready?

- ◆ **Yes, I have received credit for all of my eligible service.**
- ◆ **No, I have prior creditable service that I have not yet purchased or transferred? I should contact a benefit specialist to discuss my options.**

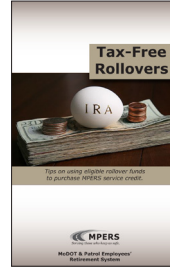
# Possible Ways to Increase Your Credited Service

## 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 two 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.



## 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

## 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.

$$1,298 \text{ hours} \div 168 = 7.726 \text{ (7 full months credited service)}$$

- **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/2011 Tier Retirees:** Must be vested on the date that 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.)*

## Are You Ready?

◆ My Unused Sick Leave Credit:

hrs.  $\div$  168 =

months

which equates to:

whole months

*For Illustrative Purposes Only:*

## Example of Calculating One Additional Month of Service

$$\begin{aligned} .08333 \times .016 \times \$2,780 &= \$3.71 \\ .08333 \times .017 \times \$2,780 &= \$3.93 \\ .08333 \times .008 \times \$2,780 &= \$1.85 \end{aligned}$$

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

# 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 and beneficiaries 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 Joint & 50% 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

## Are You Ready?

1. Start with the date you are first eligible for normal retirement.

2. What date do you plan to retire?

3. To be eligible for BackDROP, you must work at least 2 years beyond the date you are first eligible for normal retirement.

Select your BackDROP date to determine your BackDROP period.

- Must be in one-year increments, or
- Full years & months worked after normal retirement (maximum BackDROP period is five 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.
- 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 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 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.

## BackDROP Payments

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

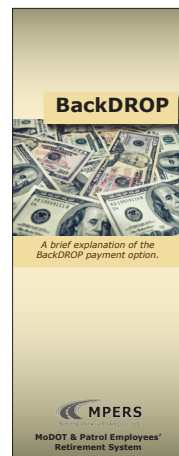
**Rollover Option** - Transmitted electronically when rolling distribution to the State of Missouri Deferred Compensation Plan. All other rollovers are paid by paper check.

*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, COLAs and all unused sick leave credit.



# BackDROP Payment Option

## Example of BackDROP Period Options

*Assumption: This member worked three years eight months beyond the date first eligible for normal retirement.*

BackDROP Date  
Date first eligible  
for normal retirement



Actual  
Retirement  
Date



5/1/2015  
Date first eligible  
for normal retirement

## 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><u>Monthly Base Benefit:</u>  <math>\\$2,121 \times .016 \times 32 \text{ years} = \mathbf{\\$1,085.95}</math></p>	<p><u>Monthly Base Benefit:</u>  <math>\\$2,000 \times .016 \times 30 \text{ years} = \\$960.00</math>  <math>\\$960 \times 1.04 \text{ (1st year COLA)} = \\$998.40</math>  <math>\\$998.40 \times 1.04 \text{ (2nd year COLA)} = \mathbf{\\$1,038.34}</math></p> <p><u>Annual Benefit During BackDROP Period:</u>  <math>\\$960.00 \times 12 = \\$11,520.00</math>  <math>\\$998.40 \times 12 = \mathbf{\\$11,980.80}</math>  <math>\mathbf{\\$23,500.80}</math></p> <p><u>BackDROP Lump Sum Calculation:</u>  <math>\\$23,500.80 \times .90 = \mathbf{\\$21,150.72}</math></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

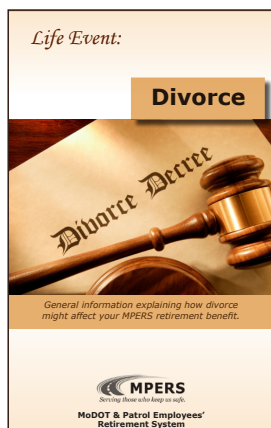
Electing BackDROP generally reduces your monthly benefit payment.

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.



### 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.

### 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 Joint & 100% 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 Joint & 100% 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.

### 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 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.

# Miscellaneous Information

## 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](http://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.

## Marriage After Retirement

Generally speaking, the benefit payment option you elect at retirement cannot be changed. However, there are two circumstances under which you may re-elect your benefit payment option.

If either of the following occur after retirement, you will have one year from the date of marriage to submit a *Designation of New Spouse* form to elect one of the Joint & Survivor options and name your spouse as the beneficiary.

*If You Are Single at Retirement...*

- Elect the Life Income Annuity payment option at retirement and then get married after retirement.

*If You Are Married at Retirement...*

- Elect one of the Joint & Survivor options at retirement, your spouse dies, and then you get remarried.

## Reemployment After Retirement

### Private Sector

- No impact on your MPERS retirement benefit.

### Non-State Public Sector (city, county, public school, federal, University of Missouri)

- No impact on your MPERS retirement benefit.

### State Employment in a Non-Benefit Eligible Position

- No impact on your MPERS retirement benefit.

### Closed Plan Retiree - State Employment in a Benefit-Eligible Position

- Whether or not to hire a Closed Plan retiree is the employer's decision.
- Can be employed in a MOSERS-covered, benefit-eligible position with no impact to your MPERS retirement benefit.

### Year 2000 Plan/2011 Tier Retiree - State Employment in a Benefit-Eligible Position

- MPERS benefit stops for any month in which you work for the state in a benefit-eligible position.
- Additional service credit will accrue during period of reemployment (after you have worked at least one year).
- Monthly benefit will be equal to the amount you were receiving when originally retired plus additional benefit for service and salary earned while reemployed.

## 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 *Notice of Retirement* - regardless of your marital status at the time of death.

### Benefit-Eligible Position

A position normally requiring the performance of duties of at least 1,040 hours per year.

The employer determines if the position is considered benefit-eligible or not.

## If You Consider Reemployment With the State After Retirement

Contact a MPERS benefit specialist to see how reemployment with the state might affect your retirement benefit. The reemployment laws occasionally change. The laws in effect when you return to work for the state will apply.

## 2-Step Retirement Process

### Notice of Retirement

Submit Online: complete and submit electronically through myMPERS Secure Member Access ([www.mpers.org](http://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.**



#### Step 2: Retirement Election Form

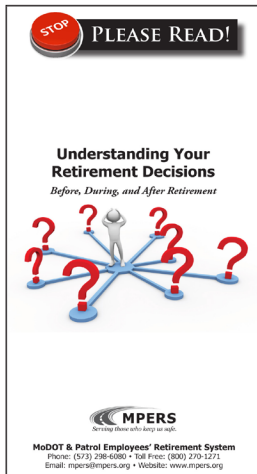
Once your Notice of Retirement is received, MPERS will create and send you an individualized Retirement Election Form and benefit estimate(s). You should expect to receive the Retirement Election Form approximately one week after the Notice of Retirement is processed by MPERS.

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 a 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. MPERS only withholds state taxes for Missouri residents.

**Public Pension Exemption** (for Missouri residents)

Married couples with Missouri adjusted gross income less than \$100,000 and single individuals with Missouri adjusted gross income less than \$85,000, may deduct 100% of their public retirement benefits, up to the Social Security limit. Those with a Missouri adjusted gross income greater than the amounts listed above may qualify for a partial exemption. For more information regarding the Public Pension Exemption, contact a tax professional or the Missouri Department of Revenue at [www.dor.mo.gov](http://www.dor.mo.gov).

- You may change your Federal and Missouri State tax withholding election electronically at any time through *myMPERS* 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 *myMPERS* 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.

### Are You Ready?

Date of retirement:

**Step 1:**

Notice of Retirement due:

**Step 2:**

Retirement Election Form due:

## 2-Step Retirement Process

### Acceptable Proof-of-Age Documents

To establish your eligibility for retirement, you must submit an acceptable proof-of-age/lawful presence document. A legible photocopy of one of the following documents is acceptable:

- Valid Missouri driver license
- US birth certificate
- Passport (current or expired)
- Certificate of citizenship
- Certificate of naturalization
- Certificate of birth abroad

If you are married, please submit a legible photocopy of your spouse's proof-of-age/lawful presence document and a legible photocopy of your marriage certificate.

The proof-of-age/lawful presence document can be submitted at any time prior to your retirement date (i.e. with Step 1 or Step 2).

### \$5,000 Death Benefit

MPERS provides a \$5,000 death benefit to members that retire directly from active employment and to work-related disability recipients.

Terminated vested members and long-term disability recipients do not qualify for the benefit. However, long-term disability recipients will be eligible for the benefit if they transition directly from long-term disability to retirement.

This \$5,000 death benefit is payable to the member's designated beneficiary(ies) and is considered taxable income. MPERS is required to report the payment to the Internal Revenue Service (IRS). MPERS will send a Form 1099-R to the benefit recipient(s) for the year in which the death benefit is paid.

### Are You Ready?

#### Month before Retirement

\_\_\_\_\_ 15, 2019 Employer paycheck will be reduced for pre-payment of medical  
\_\_\_\_\_ 30, 2019 insurance for the following month at the retiree insurance rate.

#### Month of Retirement

\_\_\_\_\_ 1, 2019 Effective Date of Retirement  
\_\_\_\_\_ 15, 2019 Final paycheck from employer for the last half of the previous  
\_\_\_\_\_ 30, 2019 month. No medical insurance premium withheld from this check.  
1. First retirement check.  
2. BackDROP payment (if applicable).  
3. Annual leave/comp time payout from employer (if applicable). This would also include any pre-payments of insurance for the remainder of the year, if elected.

# Legal Information

## Correction of Errors

The executive director of MPERS is in charge of all records of the retirement system. If, due to an error, you receive more or less than the benefit to which you are entitled, the error, when discovered, will be corrected and your benefit will be adjusted accordingly.

If errors in your records are due to fraud, the perpetrator(s) of the fraud will be subject to a fine or imprisonment under the Revised Statutes of Missouri.

## Legal Notices

Legal notices must be in writing and served upon the Executive Director or Assistant Executive Director of MPERS at the address below:

MoDOT and Patrol Employees' Retirement System  
1913 William Street - PO Box 1930  
Jefferson City, MO 65102-1930

## Work-Related Felony

Members who are convicted of a work-related felony on or after August 28, 2014 will not be eligible to receive a retirement benefit. Finding of guilt for any of the following offenses or a substantially similar offense provided under federal law will result in the ineligibility for retirement benefits:

- Stealing under Section 570.030
- Receiving stolen property under Section 570.080
- Forgery under Section 570.090
- Counterfeiting under Section 570.103
- Bribery of a public servant under Section 576.010
- Acceding to corruption under Section 576.020

However, if the member was vested prior to August 28, 2014, he/she will be eligible for a monthly benefit based on the service accrued prior to August 28, 2014.

## Benefit Decisions Made on Your Behalf

It is important to understand any powers or limitations of any legal documents submitted to MPERS naming an agent to handle your benefit payments on your behalf. You should discuss any legal documents with your attorney (if you have one) and your agent (the person you wish to act on your behalf). The documents must expressly state your wishes, and without the necessary documents, MPERS employees will not be able to speak to anyone but you, the member.

**Designation of Agent:** This is a MPERS form allowing you to name someone to handle your MPERS benefits only, should you become incapacitated. The form is available online at [www.mpers.org](http://www.mpers.org) and does not go into effect until we receive a letter from your physician stating that you are disabled or incapacitated.

**Conservator:** A representative appointed by the court to manage the property and finances of a minor or someone who has been declared incapacitated, whether temporarily or permanently.

**Guardian:** A representative appointed by the court to have the care and custody of a minor or of someone who has been declared incapacitated, whether temporarily or permanently. For the minor, guardianship ends when the minor turns 18.

**Power of Attorney (POA):** A POA is the legal term for the agent referenced in the legal document entitled Durable Power of Attorney. The POA acts on behalf of the principal (member).

**Durable Power of Attorney (DPOA):** The legal document appointing someone to act as agent of another (the principal) to perform specific duties delineated in the document. The DPOA is intended to be used in the event that the principal (the member) becomes incapacitated, but becomes invalid upon the death of the principal.

# 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 may 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.

## 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.

## Benefit Payment Information Online

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

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

## 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) Consec Life Insurance (cancer insurance)

### Gross-to-Net Benefit

#### Member Information

Account Summary  
Personal Information  
Beneficiaries  
Estimate a Benefit  
Estimate History  
[Gross-to-Net Benefit](#)

#### Seminars

#### Forms

#### Communications

Correspondence  
Statements

#### Help

Contact Information  
Site Tour

#### User

Profile  
Communication Settings  
Sign Out

#### 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

Calculate

## Are You Ready?

- ◆ Yes, I have spoken with my medical & optional life insurance, deferred compensation or dental/vision providers.
- ◆ No, I still need to speak with my medical & optional life insurance, deferred compensation and dental/vision providers.

# 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

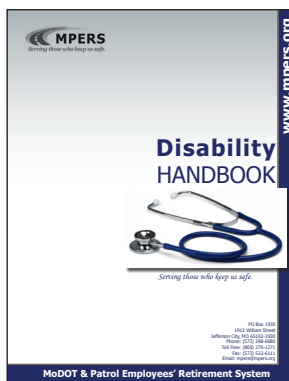
LTD and WRD benefits end on whichever of these dates occurs first:

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

For more information, visit

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

or contact an MPERS benefit specialist.

# Sources of Information

Tax withholding and direct deposit 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
- Section dedicated to member education (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
- 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 get married (or remarried) after retirement.
- If you are considering reemployment.
- To change your federal or Missouri state tax withholding.
- To make changes to your direct deposit account.
  - Bank
  - Routing Number/Account Number

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

**MPERS' Benefit Specialists**

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

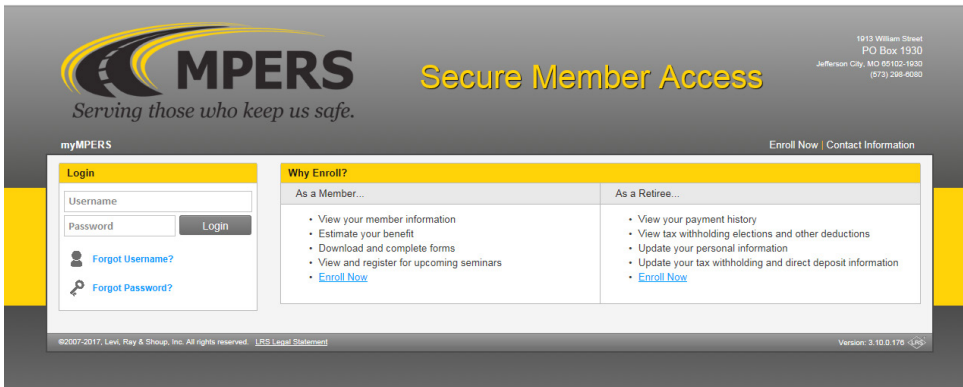
**Monday - Friday  
7:30 a.m. - 4:30 p.m.**

## Are You Ready?

- ◆ **Yes, I have reviewed my annual Benefit Statement from MPERS.**
- ◆ **No, I still need to review my annual Benefit Statement from MPERS.**

# Website: myMPERS Secure Member Access

*Have you registered online for myMPERS Secure Member Access?*



## How to Register Online for myMPERS Secure Member Access

1. Go to [www.mpers.org](http://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 Passphrase. (MPERS will not have a record of the Passphrase 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.

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



**Now Available - The CompaRATOR!**

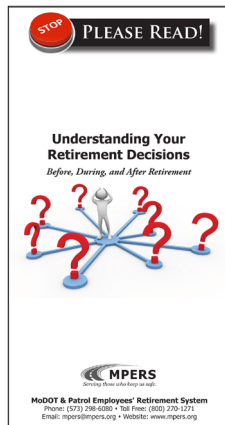
Benefit Comparison Tool  
for Closed Plan and  
Year 2000 Plan

Estimated Monthly Benefit				
	CLOSED PLAN	YEAR 2000 PLAN		
	Monthly	Monthly	Lifetime	Temporary
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	\$ 3,800.61	\$ 2,540.61	\$ 0.00
12	\$ 3,421.05	\$ 3,860.72	\$ 2,578.72	\$ 0.00
13	\$ 3,557.90	\$ 3,923.40	\$ 2,617.40	\$ 0.00
14	\$ 3,611.26	\$ 3,986.66	\$ 2,656.66	\$ 0.00
15	\$ 3,665.43	\$ 4,051.51	\$ 2,696.51	\$ 0.00
16	\$ 3,720.41	\$ 4,117.96	\$ 2,736.96	\$ 0.00
17	\$ 3,776.22	\$ 4,186.02	\$ 2,778.02	\$ 0.00
18	\$ 3,832.86	\$ 4,255.69	\$ 2,819.69	\$ 0.00
19	\$ 3,890.36	\$ 4,326.98	\$ 2,861.98	\$ 0.00
20	\$ 3,948.71	\$ 4,400.91	\$ 2,904.91	\$ 0.00
21	\$ 4,007.94	\$ 4,476.48	\$ 2,948.48	\$ 0.00
22	\$ 4,068.06	\$ 4,553.71	\$ 2,992.71	\$ 0.00
23	\$ 4,129.08	\$ 4,632.60	\$ 3,037.60	\$ 0.00
24	\$ 4,191.02	\$ 4,713.17	\$ 3,083.17	\$ 0.00
25	\$ 4,253.88	\$ 4,795.41	\$ 3,129.41	\$ 0.00
26	\$ 4,317.69	\$ 4,879.35	\$ 3,176.35	\$ 0.00
27	\$ 4,382.46	\$ 4,964.00	\$ 3,224.00	\$ 0.00
28	\$ 4,448.20	\$ 5,050.36	\$ 3,272.36	\$ 0.00
29	\$ 4,514.92	\$ 5,138.45	\$ 3,321.45	\$ 0.00
30	\$ 4,582.64	\$ 5,228.27	\$ 3,371.27	\$ 0.00

# Brochures Available on [www.mpers.org](http://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 a 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 consider regarding your MPERS retirement benefit. Intended for those getting ready to retire, this brochure contains valuable information that members often overlook.

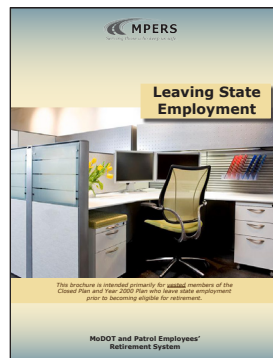


## MPERS FYI: Summary Financial Report

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.

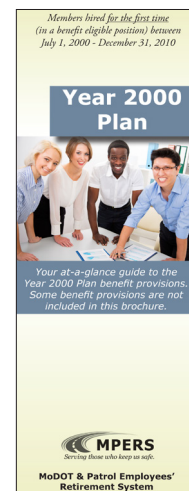
## Leaving State Employment

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 a 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 items you should think about before electing a plan.

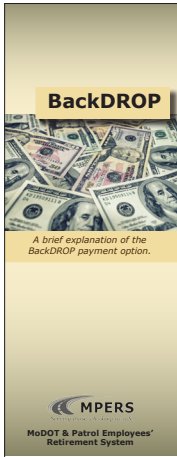


## Year 2000 Plan and 2011 Tier

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.

# Brochures Available on [www.mpers.org](http://www.mpers.org)



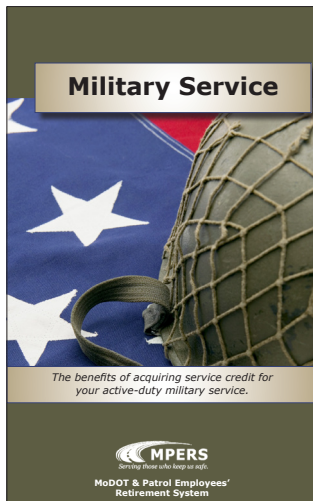
## **BackDROP**

If you're thinking about retirement, you may be 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).



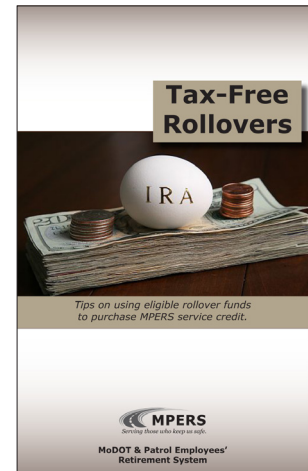
## **Special Tax Notice**

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.



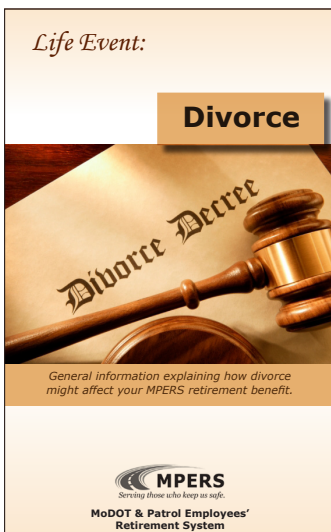
## **Military Service**

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**

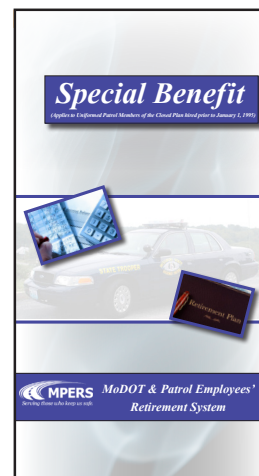
Planning to purchase your military or prior public employment service credit? You may use eligible rollover funds, such as money in your Deferred Compensation, to purchase MPERS' service credit.



## **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 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.




[illegible]




[illegible]



## 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.

	 <b>MPERS</b> <i>Serving those who keep us safe.</i>	 <b>(MoDOT) Employee Benefits</b>	 <b>(MSHP) Employee Benefits</b>
<b>Type of Benefits Administered</b>	<ul style="list-style-type: none"> <li>• Retirement and survivor benefits</li> <li>• Long-term and work-related disability benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Medical and optional life insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Medical and optional life insurance</li> </ul>
<b>Mailing Address</b>	PO Box 1930 Jefferson City, MO 65102-1930	PO Box 270 Jefferson City, MO 65102-0270	PO Box 568 Jefferson City, MO 65102-0568
<b>Office Address</b>	1913 William St. Jefferson City, MO 65109	105 W. Capitol Ave. Jefferson City, MO 65101	1510 East Elm Jefferson City, MO 65101
<b>Phone Number</b>	(573) 298-6080 (800) 270-1271	(877) 863-9406	(573) 526-6136 (573) 526-6356
<b>Website</b>	<a href="http://www.mpers.org">www.mpers.org</a>	<a href="http://www.modot.org/modot-mshp-employee-benefits-0">www.modot.org/modot-mshp-employee-benefits-0</a>	<a href="http://www.modot.org/modot-mshp-employee-benefits-0">www.modot.org/modot-mshp-employee-benefits-0</a>

 <b>Deferred Compensation</b>	 <b>Missouri Consolidated Health Care Plan</b>	<b>MO Cafe</b> <b>State of Missouri Cafeteria Plan</b>	 <b>Employee Assistance Program (EAP)</b>
<ul style="list-style-type: none"> <li>• 457 Tax-Deferred Savings</li> </ul>	<ul style="list-style-type: none"> <li>• Dental and vision coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-tax program for insurance premiums, health care expenses, and dependent care</li> </ul>	<ul style="list-style-type: none"> <li>• Confidential counseling</li> <li>• Helps individuals address an array of personal life issues</li> </ul>
ICMA-RC Workflow Management Team PO Box 96220 Washington, DC 20090	PO Box 104355 Jefferson City, MO 65110-4355	ASI Flex PO Box 858 Columbia, MO 65205-0858	
3349 American Dr, Suite A Jefferson City, MO 65109	832 Weathered Rock Court Jefferson City, MO 65101	201 W. Broadway #4C Columbia, MO 65203	
(573) 893-1053 (800) 392-0925 (option 2)	(800) 487-0771 (573) 751-8881	(800) 659-3035	(800) 808-2261
<a href="http://www.modeferredcomp.org">www.modeferredcomp.org</a>	<a href="http://www.mchcp.org">www.mchcp.org</a>	<a href="http://www.mocafe.com">www.mocafe.com</a>	<a href="http://www.guidanceresources.com">www.guidanceresources.com</a>