



Pre-Retirement Seminar Reference Guide

MoDOT & Patrol Employees' Retirement System





MoDOT & Patrol Employees' Retirement System

Business Hours

8:00 AM – 4:00 PM
Monday – Friday

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

February 2025

This *Pre-Retirement Seminar Reference Guide* aims to provide you with 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 to every situation. We recommend contacting an MPERS benefit counselor before making retirement benefit decisions.

Before you start the retirement process, we encourage you to meet with an MPERS benefit counselor to discuss your individual options. At retirement, you will make critical decisions that cannot be changed once payments begin.

For your convenience, the following informational brochures are posted on mpers.org. The brochures provide a good source of general information. However, to answer specific questions regarding your particular situation, we recommend you contact an MPERS benefit counselor. 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
- » Comparison of Closed Plan & Year 2000 Plan
- » Year 2000 Plan and 2011 Tier
- » BackDROP
- » Military Service
- » Special Tax Notice
- » Divorce
- » Special Benefit
- » Tax-Free Rollovers
- » Leaving State Employment

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Retiree Benefit Protection in Missouri

Sections 104.250 and 104.1054 RSMo state,

“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.”

Your MPERS benefit payment is protected from execution, garnishment, attachment, writ of sequestration, or any other legal process or claim. However, it is subject to the collection of child support or spousal maintenance. Additionally, 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.



MoDOT & Patrol Employees' Retirement System

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. 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:

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

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), and 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 401(k), 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 you to choose from.
- » You bear 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.

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Message to our Valued Members

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 help you appreciate its value.

When MPERS produces information about future benefits for its members, we generally deliver numbers reflecting anticipated monthly payments upon retirement. Providing information in that manner can lead to an under-appreciation of the benefit we provide.

For example, in 2024, the average monthly benefit for our new retirees was around \$2,800. Initially, that may not strike you as significant. However, when you consider receiving that amount for the duration of your retirement, it becomes quite substantial. If you live 25 years in retirement and receive an average 1.5% annual cost-of-living adjustment, that monthly benefit would deliver over \$1,000,000. Now, do we have your attention? I hope so.

MPERS' staff strives to deliver the best customer service and the 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 review the material MPERS sends to its members, especially benefit statements. If you notice an error, notify MPERS immediately so it can be rectified, and you can make 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

RETIREMENT CHECKLIST



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:

= \$

This checklist outlines items that you may need to provide 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.***

STEP ONE

- Notice of Retirement:** Submit the *Notice of Retirement* to MPERS by the deadline indicated in the *2-Step Retirement Process Deadlines* chart, based on your intended retirement date. (see page 30)
- Proof of Age:** Provide an acceptable proof-of-age/lawful presence document for yourself and your spouse (if married). MPERS accepts a legible photocopy of one of the following documents (see page 32):
 - » Valid Missouri driver's 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 TWO

- Retirement Election Form:** Submit the *Retirement Election Form* to MPERS by the deadline in the *2-Step Retirement Process Deadlines* chart, based on your intended retirement date (see page 30).
- Federal W-4P:** Retirement benefits are subject to federal taxes. You will be provided a Federal W-4P tax withholding form for your preferences. If no form is submitted, MPERS is required by law to withhold taxes as if you are single with no deductions (see page 31).
- Missouri State W-4P:** Retirement benefits are subject to Missouri state tax withholding. If you are not a Missouri resident or meet certain income guidelines, an exception may apply. (see page 31)
- Direct Deposit Authorization:** Provide a voided check for MPERS to set up your direct deposit (see page 31).
- BackDROP Distribution Form:** If eligible for BackDROP and electing the rollover option, take the form to your financial institution or investment firm, have it completed, and return it to MPERS (see page 22-25).
- \$5,000 Beneficiary Designation:** If you are eligible for the \$5,000 death benefit, have the names, addresses, dates of birth, and social security numbers for your primary and contingent beneficiaries (see page 32).
- Designation of Agent:** This optional form allows you to appoint someone to handle your MPERS-related matters if you become disabled or incapacitated (see page 33).

RETIREMENT CHECKLIST

Deductions From Your MPERS Benefit

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

Medical and Life Insurance Administrators

MoDOT (877) 863-9406

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

<https://www.modot.org/modot-mshp-employee-benefits>

- ❑ **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*)

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



MPERS is **unable** to advise members regarding medical, dental, vision, or life insurance. Please seek counseling from the benefit provider.

It's your responsibility to:

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

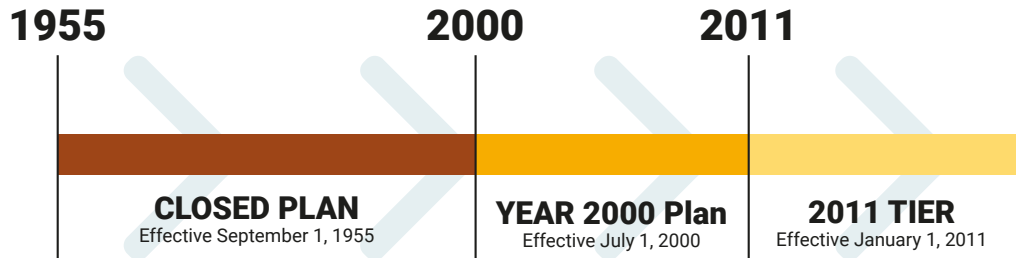


MPERS BENEFIT PLANS

My Date of Hire:

My Current Retirement Plan:

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



Which Plan Are You In?

Closed Plan (non-contributory)

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

Year 2000 Plan (non-contributory)

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

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

Defined Benefit Plan

MPERS is a defined benefit plan, commonly referred to as a pension. This type of plan provides retirement and disability benefits for eligible employees of the Missouri Department of Transportation and the Missouri State Highway Patrol. The benefits are based on a formula that takes into account the employee's salary and years of service, ensuring a predictable and stable income for retirees. One of the key advantages of a defined benefit plan like MPERS is that it offers lifetime benefits, meaning retirees cannot outlive their pension.

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

Vesting

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

A Closed Plan or Year 2000 Plan member 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.

Contributory vs. Non-Contributory

The cost of your retirement plan is funded by employer contributions and the investment income earned from those contributions. The 2011 Tier is contributory; therefore, members of the plan share in the cost of funding by making monthly contributions.

Non-Contributory

- » The Closed Plan and Year 2000 Plan are non-contributory.
- » No employee contributions are made.
- » Your employer pays an actuarially determined monthly contribution to fund your future benefit.

Contributory

In the 2011 Tier, the employee and the employer share 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 MPERS Benefit

Example of ...

Estimated Lifetime Benefit Payment

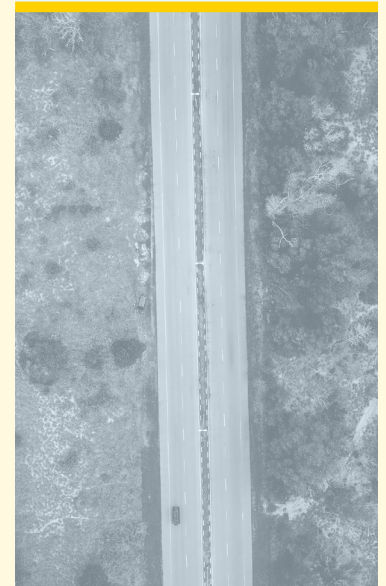
Average of a New MPERS Retiree Benefit
= \$2,800/mo

20 years = \$672,000

25 years = \$840,000

30 years = \$1,008,000

(Note: Amounts do not include COLAs)



NORMAL RETIREMENT ELIGIBILITY



You must be at least age 48 to retire under the Rule of 80.

Rule of 80 Example

Age

53	3	12
Years	months	days

+ Service

26	8	18
Years	months	days

Total

79	11	30
years	months	days

Your eligibility for retirement depends on your age and the amount of credited service you have earned. 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)



EARLY RETIREMENT ELIGIBILITY

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

Closed Plan

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

Year 2000 Plan

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

2011 Tier

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



Example of Early Retirement Calculation

Assumptions used in this example

- » 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

(Months Retiring Early x .005) - 1 = Early Reduced Retirement Factor

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

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

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

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



**Closed Plan
Early Reduction Factor**

.6% (.006)

**Year 2000 Plan/2011 Tier
Early Reduction Factor**

.5% (.005)

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.

"Rule of 80" is not considered early retirement.

BENEFIT FORMULA



Your monthly base benefit will be calculated using a formula set by law. The formula consists of three pieces: 1) your credited service, 2) a multiplier, and 3) your final average pay.

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

Example of ...

How Final Average Pay (FAP) Is Determined

Months	Year	Salary
3	2025	\$ 9,000
12	2024	\$34,500
12	2023	\$33,360
9	2022	\$23,220
36	Total	\$100,080

\$72,000 / 36 months
= \$2,780

1) Credited Service - Your years and months worked in covered employment

- » Includes earned, purchased, and/or transferred service and unused sick leave, if eligible.
- » If applicable, all prior service credit must be purchased or transferred before submitting your Notice of Retirement (Step 1 of the 2-step retirement process).

2) Multiplier - a percentage set by state law

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

3) Final Average Pay - The average of your highest 36 consecutive months of pay.

- » 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.

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.

Example of Normal Retirement Benefit Calculation:



Closed Plan Calculation

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

Year 2000 Plan/2011 Tier Calculation

30 years x .017 x \$2,780 = \$1,417.80

POTENTIAL BENEFITS (BASED ON ELIGIBILITY)

Temporary Benefit (Ends at Age 62)

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

- » Retire under the Year 2000 Plan or 2011 Tier.
- » Become eligible for retirement under Rule of 80 in the Year 2000 Plan or under Rule of 90 in the 2011 Tier.
- » Uniformed patrol employees are also eligible for the temporary benefit if they retire under normal or mandatory conditions and have at least five years of creditable service.

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.



For Uniformed Patrol Members Only (Closed Plan)

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

Extra Third - An additional 1/3 increase to your monthly base benefit payable for your lifetime and the lifetime of a surviving spouse.



Example of Additional 1/3 Calculation:

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

monthly base benefit

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

Special Benefit - An extra \$90 per month until age 65 (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.



Example of ...

Temporary Benefit Benefit Calculation:

$$30 \text{ Years} \times .017 \times \$2,780 = \$1,417.80 \text{ base benefit}$$

$$30 \text{ Years} \times .008 \times \$2,780 = \$667.20 \text{ base benefit}^*$$

*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.



The special benefit provision is not available to uniformed patrol members hired on or after **January 1, 1995**.

COST-OF-LIVING ADJUSTMENT (COLA)

2024 Personal Benefit Statement



MPERS
Serving those who keep us safe.

Mr. Jane Smith
1234 Main Road
Any City, MD 65432

Do you know the answers to the following questions?

1. How much is your COLA this year?
2. How much will you receive from your benefit payment each month?
3. How do you designate a beneficiary(ies) for your MPERS benefit?
4. How do you contact if you have questions regarding your medical or life insurance?
5. How can you access your personal information on MPERS website?

This Personal Benefit Statement was created to provide answers to these and other questions regarding your benefit payment.

When will you receive future Benefit Statements?

You will receive a Personal Benefit Statement from MPERS the same month each year, which coincides with when you will receive your annual cost-of-living adjustment (COLA). Your COLA will be included in your benefit payment this month.

Retirement Plan: Year 2000 Plan
Date of Retirement: 02/01/2018
Email Address: jane.smith12@gmail.com

www.mpers.org

Online Secure Member Access

(Information at your fingertips 24/7)

Log on to MPERS website to gain Secure Member Access to your:

- Benefit payment history
- Annual 1099-R information
- Survivor beneficiary designations
- Items to make various changes (e.g., tax withholding, direct deposit, etc.)

If you have not already created a myMPERS account, go to www.mpers.org, click "Forgot My Username" and then click "Register as an Employee" to start the process.

If you created a myMPERS account as an active employee (used to register for pre-retirement systems) then this is the same account you will use as retiree.

00000

Retiree benefit statements are mailed each year in the month you receive a COLA.

Benefit Recipients Eligible for Annual COLA

- » Retirees
- » Surviving spouses
- » Ex-spouses with a Division of Benefits Order (DBO) dated on or after September 1, 2001
- » Eligible beneficiaries receiving survivor benefit
- » Work-related disability recipients

Benefit Recipients NOT Eligible for Annual COLA

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

Annual COLA rates are generally determined by January 20th.

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

MPERS provides an annual cost-of-living adjustment (COLA) to eligible retired members and their surviving beneficiaries for their lifetime. Regardless of which plan you are in, the annual COLA rate is based on 80% of the percentage 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 5%.

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 percentage increase in the CPI-U.
- » If applicable, the uniformed patrol Special Benefit also receives a COLA.

If Hired On or After August 28, 1997:

Your annual COLA rate is equal to 80% of the average percentage increase in the CPI-U, with an annual maximum of 5%.



Example of 65% COLA Cap Calculation:

$$\begin{aligned} & \$1,000 \text{ initial benefit} + \$650 \text{ (65\% COLA cap)} \\ & = \$1,650 \text{ new benefit} \end{aligned}$$

Year 2000 Plan and 2011 Tier

Year 2000 Plan COLAs are paid on the anniversary date of your retirement (or BackDROP date if applicable). For example, if you retire on 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 the 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
3	\$2,159.74	\$2,133.18
4	\$2,246.13	\$2,165.18
5	\$2,335.98	\$2,197.66
6	\$2,429.42	\$2,230.62
7	\$2,526.60	\$2,264.08
8	\$2,627.66	\$2,298.04
9	\$2,732.77	\$2,332.51
10	\$2,842.08	\$2,367.50
11	\$2,955.76	\$2,403.01
12	\$3,074.00	\$2,439.05

*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 the increase in CPI-U)

Year	COLA Rate
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%
2020	1.450%
2021	0.987%
2022	3.758%
2023	5.000%
2024	3.293%
2025	2.359%

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



Your payment option cannot be changed after the first retirement benefit payment has been made by MPERS.

Survivor benefits **do not** include the temporary benefit or the special benefit.

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.

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

Life Income Annuity

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

50% Joint & Survivor

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

100% Joint & Survivor

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

Life Income with Guaranteed Payments

- » **Closed Plan**—choice of 60 or 120 guaranteed payments
- » **Year 2000 Plan and 2011 Tier**—choice of 120 or 180 guaranteed payments
- » Your retirement benefit will be reduced for your lifetime.
- » Allows you to name a beneficiary (can be any person or organization) to receive your final benefit payment and the remaining number of guaranteed payments (if any).
- » You can 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 made as allowed by law.

BENEFIT PAYMENT OPTIONS

Closed Plan	Year 2000 Plan and 2011 Tier
Life Income Annuity Reduction factor: not reduced	Life Income Annuity Reduction factor: not reduced
Unreduced 50% Joint & Survivor Reduction factor: not reduced	50% Joint & Survivor Reduction factor: based on age at retirement and age difference between you and spouse
100% Joint & Survivor Reduction factor: based on age difference between you and spouse	100% Joint & Survivor Reduction factor: based on age at retirement and age difference between you and spouse
Life Income w/60 Guaranteed Payments Reduction factor: Based on age at retirement	Life Income w/120 Guaranteed Payments Reduction factor: benefit reduced 5%
Life Income w/120 Guaranteed Payments Reduction factor: Based on age at retirement	Life Income w/180 Guaranteed Payments Reduction factor: benefit reduced 10%

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:

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

Pop-Up Provision

If you elect a joint & survivor option at retirement and your spouse precedes you in death, your benefit will be eligible to revert (pop-up) to the life income annuity amount. Contact an MPERS benefit counselor if your spouse dies.



Designation of New Spouse for Survivor Option

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 one 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 one 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.

Credited service refers 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 such a position.

Credited service is a key factor in calculating your retirement benefit—the more credited service you have, the higher your monthly benefit amount. In some cases, having more credited service may also allow you to retire earlier. If you have prior service that may be eligible for purchase or transfer, it must be completed before submitting your *Notice of Retirement*. Contact an MPERS benefit counselor to request a cost estimate.

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 active-duty service in the military:

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

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

Closed Plan members can also purchase inactive duty training.

Police Service Credit (Uniformed Patrol Members Only):

Closed Plan uniformed patrol members who served as certified police officers anywhere in the United States before becoming members may purchase up to four years of prior service credit equivalent to their full-time police service.

Prior Public Service:

You can acquire service credit for any full-time, non-federal public sector employment within Missouri. This includes employment with a city, county, municipality, public school, other political subdivision, special road district, or the University of Missouri.

Federal and out-of-state employment are not eligible.

Credited Service Under MOSERS:

There are provisions allowing you to transfer any credited nonforfeited service earned under MOSERS to MPERS at no cost.

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) 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 it can be verified. This credit can be used to calculate your retirement benefit but not to determine your eligibility for retirement.

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

You may qualify to receive credit for verified 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 but is not eligible to be transferred to MOSERS.

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). This credit can be used in calculating your retirement benefit but not in determining your eligibility for retirement.



Example of Sick Leave Calculation:

$$1,298 \text{ hours} / 168 = 7.726$$

(7 **full** months credited service)

To be eligible for unused sick leave credit:

- » Closed Plan retirees must be vested and eligible for early or normal retirement on the date they leave state employment.
- » Year 2000 Plan retirees must be vested on the date they leave state employment.
- » 2011 Tier retirees must be vested and eligible for early or normal retirement on the date they leave state employment.

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

Verification Needed

To verify your service, you will need the following documents:

- » Active-duty military service: DD214 or NGB Form 23 for honorably discharged personnel.
- » Police service: Letter from former employer verifying dates of employment
- » Prior public service: *Verification for Transfer/Purchase Credit* 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

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



Tax-Free Rollovers for Service Purchases Fact Sheet

1. Multiple rollover distribution: If any distribution of all or any portion of the employee's balance in a qualified trust to the credit of the employee in another qualified trust. See Internal Revenue Code Section 402(d)(5).

2. MPERS will not accept a rollover in excess of the balance due for the purchase or reinstatement of service credit.

3. Only eligible (tax-deferred) funds from your transferring account(s) may be rolled over to MPERS. Your name must be on the account. Distributions from your spouse's or other family member's plan cannot be used to purchase service.

4. If the eligible distribution is not rolled directly to MPERS, the paper is required to withhold 20% for federal tax withholding.

Distributions Eligible for Rollover to MPERS

- 401 deferred compensation plan
- 403(a) qualified plan (including pension, profit sharing, 401(k), ESOP or Keogh plan)
- 403(b) qualified annuity plan
- 403(b) tax sheltered annuity, custodial or retirement account
- 408(a) individual retirement account (IRA) or 408(b) individual retirement annuity (IRMA); will only accept pre-tax contributions from a traditional IRA that provides separate accounting for pre-tax contributions; after-tax contributions from an IRA are not acceptable.
- Funds from the member, if the amount was first paid to the member from a qualified plan and is rolled over by the member to MPERS within 60 days of that distribution, and the member's claim is accompanied by proof of rollover eligibility.

Funds Not Eligible for Rollover to MPERS

- Roth IRA funds
- Rollovers from SIMPLE (IRA and Coverdell) education savings accounts
- Any payment that is one of a series of substantially equal periodic payments made over the life or the expectancy of the member or the joint life or joint life expectancies of the member and his/her designated beneficiaries
- Any payment that is one of a series of substantially equal periodic payments made for 10 years or more
- Required distributions under Internal Revenue Code Section 401(a)(9)
- Any distribution not includable in taxable income
- Death benefit payments made to a member as a beneficiary under a qualified plan
- Certain other types of payments that are not considered to be "eligible rollover distributions"

Please consult your financial or tax advisor before using rollover funds to purchase service credit. This fact sheet should not be construed as financial/tax advice.



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

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
Normal Retirement Eligibility	<ul style="list-style-type: none"> Age 65 with 5 years of service Age 60 with 15 years of service Rule of 80 (age 48 with age and service equaling 80 or more) 	<ul style="list-style-type: none"> Age 62 with 5 years of service Rule of 80 (active only) 	<ul style="list-style-type: none"> Age 67 with 5 years of service Rule of 90 (age 55 with age and service equaling 90 or more, active only)
Uniformed Patrol Normal Retirement Eligibility	<ul style="list-style-type: none"> Age 55 with 5 years of service Rule of 80 Mandatory retirement at age 60 (active only) 	<ul style="list-style-type: none"> Rule of 80 Mandatory retirement at age 60 (active only) Age 62 with 5 years of service (term-vested) 	<ul style="list-style-type: none"> Age 55 with 5 years of service (active only) Mandatory retirement at age 60 (active only) Age 67 with 5 years of service (term-vested)
Base Benefit Formula	Service x .016 x Final Average Pay	Service x .017 x Final Average Pay	Service x .017 x Final Average Pay
Temporary Benefit Formula <ul style="list-style-type: none"> payable until age 62 must qualify for normal retirement 	Not available	Service x .008 x Final Average Pay (Uniformed Patrol must have 5 years to qualify)	Service x .008 x Final Average Pay
Special Benefit <ul style="list-style-type: none"> Uniformed Patrol hired in a benefit-eligible position before 1/1/1995 	\$90 per month until age 65 (stops any month gainfully employed)	Not available	Not available
Early Retirement Eligibility	Age 55 with 10 years of service <ul style="list-style-type: none"> Reduced .006 for each month younger than normal retirement 	Age 57 with 5 years of service <ul style="list-style-type: none"> Reduced .005 for each month younger than normal retirement 	Age 62 with 5 years of service (active only) <ul style="list-style-type: none"> Reduced .005 for each month younger than normal retirement
Benefit Payment Options	<ul style="list-style-type: none"> Life income annuity Unreduced 50% joint & survivor 100% joint & survivor Life income with 60 guaranteed payments Life income with 120 guaranteed payments 	<ul style="list-style-type: none"> Life income annuity 50% joint & survivor 100% joint & survivor Life income with 120 guaranteed payments Life income with 180 guaranteed payments 	<ul style="list-style-type: none"> Life income annuity 50% joint & survivor 100% joint & survivor Life income with 120 guaranteed payments Life income with 180 guaranteed payments
Cost-of-Living Adjustment (COLA) <ul style="list-style-type: none"> maximum annual COLA is 5% 	Employed before 8/28/97: <ul style="list-style-type: none"> Minimum rate is 4% until total increases equal 65% of initial benefit, then 80% of increase in CPI-U Employed on or after 8/28/97: <ul style="list-style-type: none"> 80% of the increase in CPI-U 	80% of the increase in CPI-U	80% of the increase in CPI-U
BackDROP	Available	Available	Not available
Unused Sick Leave Credit <ul style="list-style-type: none"> Earn one month of service for every 168 hours of unused sick leave 	Must be vested and eligible for early or normal retirement when you leave state employment	Must be vested when you leave state employment	Must be vested and eligible for early or normal retirement when you leave state employment
\$5,000 Death Benefit <ul style="list-style-type: none"> No cost to you Terminated-vested members and long-term disability recipients do not qualify Potentially taxable to beneficiary(ies) 	Available to: <ul style="list-style-type: none"> Active members and long-term disability recipients retiring after 9/28/85 Work-related or normal disability recipients who began receiving benefits after 9/28/85 	Available to: <ul style="list-style-type: none"> Active members and long-term disability recipients retiring after 9/28/85 Work-related disability recipients who began receiving benefits on or after 9/28/85 	Available to: <ul style="list-style-type: none"> Active members and long-term disability recipients retiring after 9/28/85 Work-related disability recipients who began receiving benefits on or after 9/28/85

PROVISIONS FOR CLOSED PLAN MEMBERS TO CONSIDER

At retirement, members of the Closed Plan may elect to stay in the Closed Plan or switch to the Year 2000 Plan. Selecting a retirement plan is a personal decision that requires a thorough understanding of the differences between the plans and careful consideration of your individual circumstances. The chart on page 20 provides a side-by-side comparison of the primary benefit provisions of all MPERS plans to help guide your decision.

Consider the following factors before making your choice:

Income Needs During Your Retirement:

- » Assess your financial requirements during retirement to determine which plan best meets your needs.

Temporary Benefit:

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

Survivor Benefits:

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

Cost-of-Living Adjustments (COLAs):


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

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%.



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

BACKDROP PAYMENT OPTION

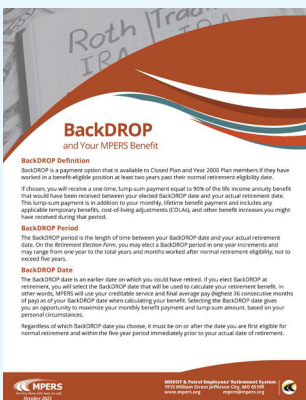
Eligibility

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 may not be a good fit for everyone. Electing BackDROP generally **reduces** your monthly benefit payment.

Select your BackDROP date to determine your BackDROP period.

- » Must be in one year increments, or
- » Full years and months worked after normal retirement
- » The maximum BackDROP period is five years



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 a benefit that is 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.

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.
- » Your sick leave balance as of the retirement date is included in the calculation.
- » COLAs during the BackDROP period are applied in the calculation.
- » Survivor reductions, if chosen, will be applied to your monthly benefit at the time of retirement (not during the BackDROP period).

BackDROP 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 PAYMENT OPTION

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. For 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 and five months.

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

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)

BackDROP Payments

Cash Option—The BackDROP distribution is electronically deposited into the same account authorized for monthly retirement benefit payments. MPERS is required by law to withhold 20% of a cash distribution and send it to the IRS as a federal income tax payment. If you elect the cash option to receive your BackDROP distribution and you have not reached age 59 1/2, you may have to pay the 10% additional early distribution tax in addition to standard income tax. Applicable state taxes may apply but will not be withheld from the payment.

Rollover Option—The BackDROP distribution is made directly to a qualified individual retirement account (IRA) or employer plan. Income tax is not withheld from the rollover amount; however, once you begin receiving distributions from the receiving account, taxes will be withheld at that time. If you roll over a lump-sum payment from MPERS to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed.

Combination Cash and Rollover Option—This option allows you to specify how much of the payment to receive as cash and how much is rolled over to a qualified account or plan. The combination option has the same tax implications as the cash option and the rollover option.

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



BackDROP is not a one-size-fits-all payment option.

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.

Special Tax Notice
(Lump Sum Distributions)

INTRODUCTION

This is a general guide regarding the tax consequences of lump-sum distributions, such as BackDROP or refund of 2011. For employees with questions, you are encouraged to refer to the notice for more information. If you are a participant in the MPERS and Public Employees Retirement System (PERS) or a beneficiary of a participant, you should read this notice carefully and understand the information contained in this notice. This notice is for informational purposes only and is not tax advice. If you have additional questions, please contact a professional regarding your personal circumstances.

Simplified Summary of Payment Options

A lump-sum payment from MPERS that is rollover eligible, may be distributed in one of the three ways listed below. The choice you make may affect individual taxes and/or penalties over the period the notice is provided as a convenience only. It is not tax advice. Please consult a tax professional before making a payment election.

1. Rollover Option The payment is made directly to a qualified IRA or employer plan. Income tax is not withheld from the rollover amount.	2. Cash Option The BackDROP distribution is electronically deposited into the same account authorized for receiving monthly benefit payments. If the distribution is a refund of employee contributions, it will be by check. MPERS is required by law to withhold 20% of a cash distribution and send it to the IRS as a federal income tax payment. The cash payment may be subject to the IRS 10% additional early distribution tax (unless an exception applies). Applicable state taxes may apply but will not be withheld from the payment.	3. Combination Cash and Rollover Option This option allows you to specify how much of the payment to receive as cash and how much is rolled over to a qualified account or plan. The combination option has the same tax implications as the cash option and the rollover option.
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MPERS
Public Employees Retirement System

BACKDROP PAYMENT OPTION

Example of How BackDROP is Calculated



Assumptions used in this example

- » 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

Monthly Base Benefit
 $\$2,121 \times .016 \times 32 \text{ years} = \mathbf{\$1,085.95}$

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

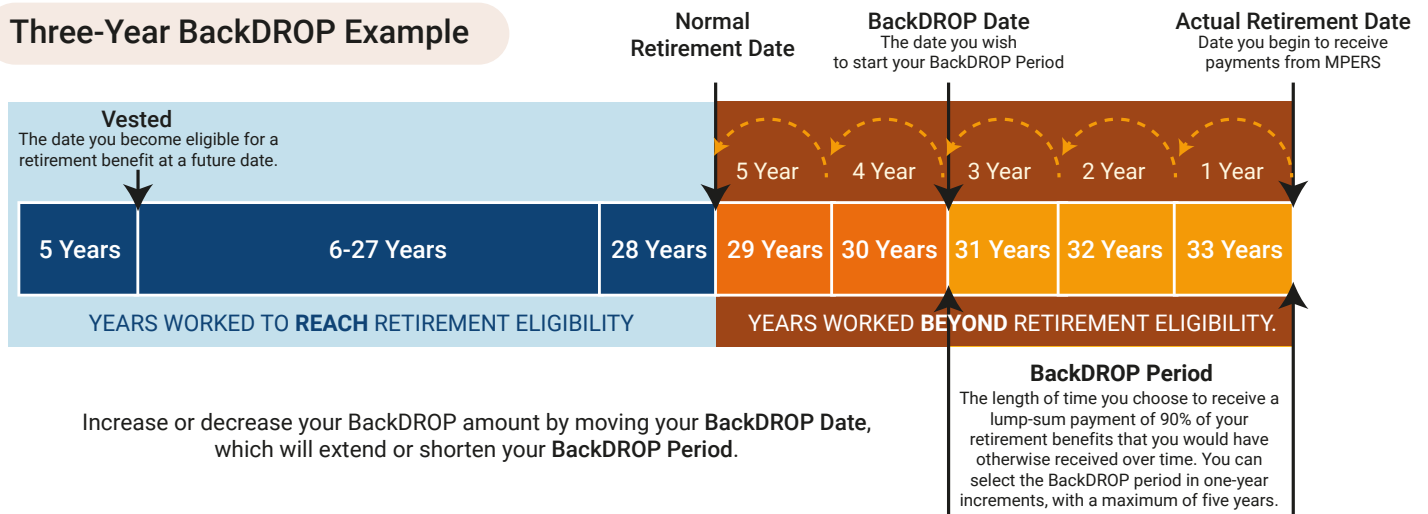
With BackDROP (Closed Plan)
Use Service & FAP as of BackDROP
Date You Elect (*two years earlier*)

Monthly Base Benefit
 $\$2,000 \times .016 \times 30 \text{ years} = \960.00
 $\$960 \times 1.04 \text{ (1st year COLA)} = \998.40
 $\$998.40 \times 1.04 \text{ (2nd year COLA)} = \mathbf{\$1,038.34}$

Annual Benefit During BackDROP Period
 $\$960.00 \times 12 = \$11,520.00$
 $\$998.40 \times 12 = \mathbf{\$11,980.80}$
 $\mathbf{\$23,500.80}$

BackDROP Lump Sum Calculation
 $\$23,500.80 \times .90 = \mathbf{\$21,150.72}$

Three-Year BackDROP Example



Death Before Retirement

Non-Duty Related Death

Eligible Spouse

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

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

Eligible Child(ren)

If there is no eligible surviving spouse:

- » The benefit will be paid to eligible child(ren) under the age of 21 (divided equally) until the child(ren) reach 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.

Survivor Benefits

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

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.

Duty-Related Death

Eligible Spouse

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

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

Eligible Child(ren)

If there is no eligible surviving spouse:

- » The benefit will be paid to eligible child(ren) under the age of 21 (divided equally) until the child(ren) reach 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.

Divorce and Your MPERS Benefit

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

In order to divide your benefit, you must be vested on the date of your divorce.

Before MPERS can divide your benefit, a court of competent jurisdiction must issue a *Division of Benefits Order* (DBO). There may be other alternative methods available to divide the value of your retirement benefit. Ask your attorney about your rights and options.

Division of Benefits Order (DBO)

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

1. Obtain a DBO packet and benefit estimate from MPERS. This may be obtained by submitting a *Request for Division of Benefits Order Estimate* form found online at 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.

There are four important details to remember when considering use of a DBO:

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

Divorce-Survivor Option Reversion

Effective January 1, 2021, if a joint and survivor payment option was chosen at retirement, and you divorce after retirement, your benefit may revert to the higher life income annuity amount upon submitting a completed *Divorce-Survivor Option Reversion* form and a copy of the divorce decree to MPERS.

The divorce decree must be approved by MPERS' counsel, must provide sole ownership by the member to all rights in the annuity, and must further provide that the former spouse shall not be entitled to any survivor benefits.

Divorce Before Retirement

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

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

Divorce After Retirement

Payments to your ex-spouse will begin the first of the month following receipt of an acceptable DBO. The DBO will automatically terminate upon the death of either party. If your ex-spouse predeceases you, your benefit will increase by the amount otherwise payable to the ex-spouse.

Marriage After Retirement

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

If any 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.

1. If you are single at retirement, elect the life income annuity payment option and then get married after retirement.
2. If you are married at retirement and elect one of the joint & survivor payment options, your spouse dies, then you later remarry.
3. If you are married at retirement and elect one of the joint & survivor payment options, you later divorce and submit the *Divorce-Survivor Option Reversion* form along with a copy of the revised divorce decree to MPERS, then later remarry.



For detailed information on how divorce may affect your benefits, please refer to the *Divorce and Your MPERS Benefits* guide.

Marriage Scenario	Action Required	Benefit Payment Option
Single at retirement and get married after retirement.	Submit a <i>Designation of New Spouse</i> form within one year from the date of marriage.	Elect one of the joint & survivor options and name your spouse as the beneficiary.
Married at retirement, spouse dies, then remarry.	Submit a <i>Designation of New Spouse</i> form within one year from the date of marriage.	Elect one of the joint & survivor options and name your new spouse as the beneficiary.
Married at retirement, later divorce, submit <i>Divorce-Survivor Option Reversion</i> form, then remarry.	Submit a <i>Designation of New Spouse</i> form within one year from the date of marriage.	Elect one of the joint & survivor options and name your new spouse as the beneficiary.

Reemployment After Retirement

Each MPERS' plan has differing rules about reemployment, especially if it is with the State of Missouri. Regardless of the plan you are in or the benefit-eligible status of the position, it is important to remember the following IRS requirements:

1. There must be a 30-day separation between retirement and reemployment to be considered retired.
2. Prior to retirement, there **cannot** be a predetermined arrangement to return to work.

Benefit-Eligible Position

As defined in statute, 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 an MPERS benefit counselor with questions regarding 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.

Reemployed with:	Impact on MPERS Retirement Benefit
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 of Missouri Employment in a Non-Benefit-Eligible Position (less than 1,040 hours per year)	No impact on your MPERS retirement benefit.
State of Missouri Employment in a Benefit-Eligible Position (Closed Plan Retiree)	Can be employed in a MOSERS-covered, benefit-eligible position with no impact to your MPERS retirement benefit.
State of Missouri Employment in a Benefit-Eligible Position (Year 2000 Plan/2011 Tier Retiree)	MPERS benefit stops for any month in which you work for the state in a benefit-eligible position. Additional service credit will accrue during the period of reemployment (after you have worked at least <u>one</u> year). Your monthly benefit will be equal to the amount you were receiving when you originally retired plus additional benefit for service and salary you earned while reemployed.

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.

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 apply to your benefit each January and could change your benefit amount.
3. If applicable, your dental/vision premiums change each December.
4. Optional life insurance premiums change in the month you enter a new age bracket (every five years until age 80).
5. You will receive your COLA the same month each year.

Special Note

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

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



Estimated Benefit

Gross Monthly Benefit:	<input type="text"/>
Federal Withholding:	
Option:	<input type="text"/>
Marital Status:	<input type="text"/>
Extra Withholding:	<input type="text"/>
Annual Job Pay:	<input type="text" value="0.00"/>
Other Annual Pension/Annuity Income:	<input type="text" value="0.00"/>
Total Other Job/Pension Income:	<input type="text" value="0.00"/>
Child Dependent Credit:	<input type="text" value="0.00"/>
Other Dependent Credit:	<input type="text" value="0.00"/>
Other Tax Credit:	<input type="text" value="0.00"/>
Total Tax Credit:	<input type="text" value="0.00"/>
Other Income:	<input type="text" value="0.00"/>
Deductions:	<input type="text" value="0.00"/>
<small>(Federal Withholding)</small>	
MO State Withholding:	
Option:	<input type="text"/>
Flat Amount:	<input type="text"/>
<small>(Whole dollar amounts only, minimum \$10)</small>	
Other Deductions:	<input type="text"/>
Net Amount:	<input type="text"/>

Calculate

The Gross-to-Net Benefit calculator is a tool designed to help you understand what deductions will be applied to determine your net benefit.

To use this tool, log in to [myMPERS](#).



TWO-STEP RETIREMENT PROCESS



Important Notice!

MPERS sends a report to MoDOT & MSHP each month listing those who have submitted their *Notice of Retirement or Retirement Election Form*.

Applying for retirement is a two-step process designed to give you more time to make your retirement elections and 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 up to 120 days before your retirement date. This can be done electronically through [myMPERS](#). The form will provide MPERS with your intended retirement date and your spouse's date of birth (if married).

Step 2: Retirement Election Form

Once your *Notice of Retirement* is received, MPERS will prepare and send you an individualized *Retirement Election Form* and benefit estimate(s), which should arrive 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 you need 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 an MPERS benefit counselor prior to making your retirement elections.

Date Forms Are Due at MPERS

Based on your intended retirement date, the notice and election forms must be received at MPERS by the dates listed 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.

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

MPERS Forms to Complete

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

Federal W-4P

- » Retirement benefits are subject to federal income tax. You will be provided with a *Federal W-4P* tax withholding form for your preferences. If no form is submitted, MPERS is legally required to withhold taxes as if you are single with no adjustments.
- » You may change your federal tax withholding election electronically at any time through [myMPERS](#).

Missouri State W-4P

- » If you are a Missouri resident, your benefit is subject to state income tax; however, Missouri has a **public pension exemption** (see page 32).
- » MPERS only withholds state taxes for Missouri residents.
- » You may change your Missouri state tax withholding election electronically at any time through [myMPERS](#).

Direct Deposit Authorization

- » This form authorizes MPERS to deposit your benefit payment directly into 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](#).
- » MPERS will send you a letter when the amount of your benefit changes for any reason.

BackDROP Distribution Form (if eligible)

- » This form allows you to elect whether to receive your BackDROP distribution as cash, roll it over to an eligible plan, or a combination of cash/rollover.
- » Be sure you know the tax consequences of your election. See the *Special Tax Notice*.

\$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 should you become disabled or incapacitated.
- » Only applies to your MPERS benefits.
- » The designation will not become effective until MPERS receives a letter from your physician stating you are disabled or incapacitated.

TWO-STEP RETIREMENT PROCESS

If You Decide Not to Retire

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

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

Benefit Payment Information Online

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

This information is generally available online three to four days before the end of the month.

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's 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.

\$5,000 Death Benefit

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

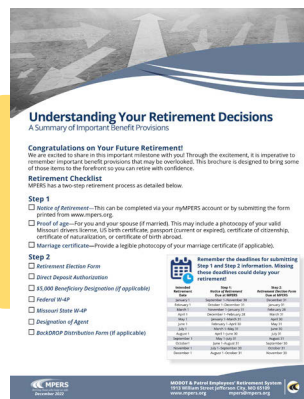
Terminated-vested members and long-term disability recipients do not qualify for the benefit. However, long-term disability recipients will be eligible for the benefit if they transition directly from long-term disability to retirement.

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.

Public Pension Exemption (for Missouri residents)

For all tax years beginning on or after January 1, 2024, the Missouri adjusted gross income limitation based on filing status will be removed when calculating a taxpayer's public pension or social security/social security disability deduction. See Sections 143.124 and 143.125 RSMo.

For more information regarding the public pension exemption, contact a tax professional or the Missouri Department of Revenue.



For more information, see the **Understanding Your Retirement Decisions** brochure.

Correction of Errors

MPERS' executive director is responsible for all retirement system records. If you receive more or less than the benefit to which you are entitled due to an error when discovered, the error 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 Missouri Revised Statutes.

Legal Notices

Legal notices must be in writing and served upon MPERS' executive director or assistant executive director of MPERS at the address below:

MoDOT and Patrol Employees' Retirement System
1913 William Street
Jefferson City, MO 65109

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. The 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
- » 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 that date.

Benefit Decisions Made on Your Behalf

It is important to understand the powers or limitations of legal documents submitted to MPERS by naming an agent to handle benefit payments on your behalf. Please 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. Without the necessary documents, MPERS staff will not be able to speak to anyone but you, the member.

Designation of Agent: This is an MPERS form allowing you to name someone to handle your MPERS benefits should you become incapacitated. The form is available at 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 temporarily or permanently incapacitated.

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

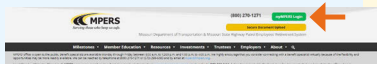
Power of Attorney (POA): A POA is the legal term for the agent referenced in the legal document entitled Durable Power of Attorney. The POA acts on behalf of the principal (member).

Durable Power of Attorney (DPOA): A legal document appointing someone to act as agent (POA) 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.

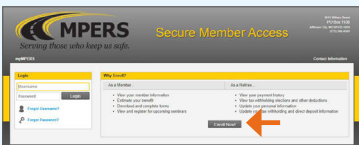
Have you registered online for [myMPERS](#)?

If you are new to our site, please register for [myMPERS](#).

1. Go to www.mpers.org
2. Click on [myMPERS Login](#).



3. Click on **Enroll Now**



4. Click on **Request an Enrollment PIN**. The PIN will be mailed to the address on file.
5. Once you receive your PIN, return to the enrollment screen and complete the requested personal information.
6. Create a personal username and password. (MPERS will not have a record of the password that you create.)
7. Choose and answer the challenge questions.
8. Read and accept the terms and conditions.
9. Click on Submit.
10. Set up multi-factor authentication.

#1 Source for Retirement Benefit Information

MPERS Benefit Counselors

- » Phone: (573) 298-6080, option 1
- » benefits@mpers.org

Website

Manage your MPERS account with ease! Log in to [myMPERS](#) to update your tax withholding, set up direct deposit, and keep your contact information current.

- » [myMPERS](#)—your individual information, benefit estimates, benefit payment information, etc.
- » Publications and forms
- » Gross-to-net calculator (available in [myMPERS](#))
- » Pre-recorded presentations about your MPERS benefits

Handbooks

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

When to Contact MPERS After Retirement

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

The CompaRATOR



The benefit comparison tool for the Closed Plan and Year 2000 Plan can be found in the **Forms** section of [myMPERS](#).

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

	Benefit Administered	Mailing Address	Office Address	Phone Number	Website
 MPERS <i>Serving those who keep us safe.</i> MoDOT & Patrol Employees' Retirement System	Retirement, disability, and survivor benefits	PO Box 1930 Jefferson City, MO 65102-1930	1913 William St Jefferson City, MO 65109	(573) 298-6080	mpers.org
 MoDOT Employee Benefits	Medical and optional life insurance	PO Box 270 Jefferson City, MO 65102-0270	105 W. Capitol Ave Jefferson City, MO 65101	(877) 863-9406 option 3	modot.org/modot-mshp-employee-benefits
 MSHP Employee Benefits	Medical and optional life insurance	PO Box 568 Jefferson City, MO 65102-0568	1510 East Elm Jefferson City, MO 65101	(573) 526-6136 (573) 526-6356	modot.org/modot-mshp-employee-benefits
 modeferrred comp <i>Retirement Savings, Simplified</i> MO Deferred Comp	457 tax-deferred savings	MissionSquare Retirement Attn: Workflow Management Team PO Box 96220 Washington, DC 20090	3349 American Dr Suite A Jefferson City, MO 65109	(573) 893-1053 (800) 392-0925 option 2	modeferrredcomp.org
 MCHCP <i>my health. my choice. myMCHCP</i> Missouri Consolidated Health Care Plan	Dental and vision insurance	PO Box 104355 Jefferson City, MO 65110-4355	832 Weathered Rock Ct. Jefferson City, MO 65101	(573) 751-8881 (800) 487-0771	mchcp.org
 State of Missouri Cafeteria Plan	Pre-tax program for insurance premiums, health care expenses, and dependent care	ASI Flex PO Box 858 Columbia, MO 65205-0858	201 W. Broadway #4C Columbia, MO 65203	(800) 659-3035	mocafe.com
 COMPSYCH <i>GuidanceResources® Worldwide</i> Employee Assistance Program	Confidential counseling and assistance with a variety of life issues			(800) 808-2261	guidanceresources.com
 Social Security Administration	Social Security income, disability, and Medicare		See website for local office address	(800) 772-1213	ssa.gov



Serving those who keep us safe.

MoDOT & Patrol Employees' Retirement System

PO Box 1930 • Jefferson City, MO 65102-1930

(573) 298-6080 • Fax: (573) 522-6111

benefits@mpers.org

Find more information online at mpers.org.



**Serving members of the Missouri Department of Transportation
and Missouri State Highway Patrol since 1955.**