

## About PEERS

PEERS was established in 1965 to provide non-certificated public school employees and their families with a significant and stable source of retirement income, disability and survivor benefits. PEERS has helped more than 42,000 Missouri public school employees and their families achieve financial security during retirement.

### Mission Statement

**The Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS)** work in partnership with the member school districts of this state to provide eligible employees and their beneficiaries with a significant source of income based on the employee's length of service and compensation in order to enhance retirement, disability and survivor benefits received from other sources.

It is the fiduciary responsibility of those charged with the administration of PSRS and PEERS to:

- Effectively collect contributions
- Prudently invest the assets to obtain optimum returns
- Equitably provide benefits
- Impartially and in accordance with applicable law, administer the benefit programs

The Board of Trustees and staff are committed to providing services to the members and beneficiaries professionally, promptly, courteously and efficiently.

### Plan Information

#### Type of Plan

The Public Education Employee Retirement System of Missouri (PEERS) is a defined benefit (DB) retirement plan that provides service retirement and disability benefits to qualified members, and survivor benefits to qualified beneficiaries.

PEERS is an actuarial reserve, joint-contributory program and operates as a tax qualified plan under section 401(a) of the Internal Revenue Code.

### The Advantages of a Defined Benefit (DB) Plan

DB plans, such as PEERS, offer an economical approach to providing reliable retirement security to members by being long-term investors, pooling risk and professionally investing assets.

The term "defined benefit" is derived from the fact that your lifetime monthly retirement benefit is calculated using a formula (see page 42) based on a benefit factor which is set by law, your salaries (including employer-paid health, dental and vision insurance premiums) and service that you earn and purchase.

Generally, the longer you work in PEERS-covered employment, the greater your benefit.

#### Advantages to members:

- **Lifetime monthly retirement benefits**
- **Your contributions and interest are always returned to you or your beneficiary**
- **Vesting with five years of eligible service**
- **Disability benefits for members who qualify**
- **Survivor benefits to provide financial protection for your loved ones if you die before retirement**
- **Various benefit plans allowing you to provide financial protection for your beneficiary(ies) after retirement**
- **Cost-of-living adjustments (COLAs) on your retirement benefits**

As a PEERS member, you enjoy knowing that once you have earned five years of eligible service with PEERS, you are vested and can receive lifetime retirement benefits when eligible.

In most cases, the retirement benefits paid to PEERS members exceed the funds they contribute to the System while working. In fact, most PEERS retirees recover all their contributions within the first five years of retirement.

Unlike defined contribution (DC) retirement plans such as 403(b), 401(k) or Individual Retirement Account (IRA) plans, you don't have to make investment decisions regarding your retirement

funds. Investment decisions are handled by PEERS' professional investment staff and managers.

Your PEERS retirement benefits are paid for your lifetime. The amount of money in your PEERS membership when you retire does not impact the amount of benefits you can receive.

While DC retirement plans are an important piece of your overall retirement savings, they can be less effective, because they provide benefits based on account balances in those plans at retirement. That means a retirement based on DC plan savings alone can run out and leave you without the retirement income you need.

## Plan Funding

Funding for PEERS comes from three sources:

- Member contributions
- Employer contributions
- Investment earnings

20-Year Average



*Note: the member portion is slightly larger than the employer portion because it includes funds paid by members to purchase and reinstate service, as well as their contributions.*

## Member Contributions

While working, you contribute a percentage of your salary to PEERS to help fund your benefits. The contribution rate is set each school year by the PSRS/PEERS Board of Trustees, based on the recommendation of the Systems' actuary after the annual actuarial valuation is complete.

PEERS contributions are automatically deducted from your pay and are tax-deferred (not taxed until

you receive them back as monthly benefits or as a lump-sum payment). Your contributions are credited to your individual membership, and interest accrues every June 30 on the previous June 30 balance.

## Employer Contributions

Your employer contributes an equal percentage. All employer contributions are placed in a general reserve and used solely to help fund benefits for retirees and beneficiaries of deceased members.

Participating employers include:

- All Missouri public elementary and secondary schools except the St. Louis (city) and Kansas City public school districts
- All Missouri public two-year colleges (often called community colleges) except St. Louis Community College
- Statewide non-profit educational associations that have elected to join.

## Investment Earnings

**Investment earnings account for the majority of the assets needed to fund retirement benefits.**

The primary objective of the PEERS investment program is to achieve positive investment returns within acceptable levels of risk. This helps ensure that PEERS is financially stable, and that all members enjoy the retirement security they have earned through their hard work and dedication to Missouri's educational system.

The PEERS investment portfolio represents all contributions to the plan from members and their employers, as well as all net earnings on those assets. PEERS is a long-term investor, and manages your assets with closely monitored levels of risk, in a diversified portfolio structured to withstand short-term shocks to the markets, yet positioned to provide consistent asset growth over time.

## Plan Year

The PEERS plan year, or fiscal year, is July 1 through June 30.

## Law Governing PEERS

PEERS, then called NTRS (The Non-Teacher School Employee Retirement System), was created with the adoption of House Bill 88, which became effective on October 13, 1965. The name of the System was changed in 2005 to better reflect the nature of its membership. Changes to the law can be made only by an act of the Missouri Legislature. Laws governing the operations and administration of the System are found in Chapter 169, *Revised Statutes of Missouri*. The PSRS/PEERS Board of Trustees is empowered by law to adopt rules and regulations to govern its own proceedings and to operate the Systems within the framework of the law. Those regulations can be found in the *Missouri Code of State Regulations (CSR)*, Title 16, Division 10, Chapter 6.

PEERS is established as a corporate body and is not assigned to any department of state government. Administrative expenses are paid entirely out of investment earnings.

Although PEERS and the Public School Retirement System of Missouri (PSRS) are administered by a joint Board of Trustees and staff, they are separate entities and operate under separate state laws.

## Annual Legislative Meeting

The Board of Trustees hosts a late summer legislative meeting each year and invites representatives of member and retiree organizations to discuss possible changes in the retirement law. PEERS members seeking legislative changes should work through their professional groups that have the experience and expertise to promote such efforts.

Occasionally, the Board sponsors legislation that the membership has indicated a willingness to support. The Board will not oppose changes that have the general backing of members and that include adequate financing. However, any proposal that would weaken the Retirement System financially or structurally may be opposed by the Board as a part of its responsibility to the System's general membership.

## Actuarial Review

Missouri law requires that actuaries (persons trained to evaluate financial risks, usually related to the probability and timing of certain events occurring) review the System annually. Missouri law also requires an Experience Study (a more in-depth study) be completed by the actuaries every five years to compare actual experience of the System to the assumptions used in the annual actuarial valuation. Following the five-year experience study, actuarial assumptions going forward are adjusted to better reflect the actual experience of the System.

Actuarial assumptions are factors used by the actuary to forecast uncertain future events affecting future benefits or costs associated with a pension fund. Among those factors are interest and investment earnings, inflation, unemployment, mortality rates and retirement patterns.

PEERS benefit estimates of the various retirement plans available are calculated using mathematical factors that are determined based on the actuarial assumptions and benefit formulas in effect at the time of calculation, and are therefore subject to change. Your actual PEERS retirement benefits can only be determined upon your retirement date and with verification of your service and salaries from all covered employers.

## Administration

### The PSRS/PEERS Board of Trustees

The PSRS/PEERS Board of Trustees is charged by law with the administration of PSRS/PEERS. The law empowers the Board to adopt rules to govern its own proceedings and to operate the Systems within the framework of the law.

The seven-member Board is made up of three elected PSRS members, one elected PEERS member, and three appointed trustees (see the following page).

The four elected trustees are selected by vote of the active and retired members of both Systems. Two are elected each even-numbered calendar year to serve four-year terms.

# The PSRS/PEERS Board of Trustees



**Dr. Aaron Zalis**  
Chair  
Elected PSRS  
Member



**Jason Hoffman**  
Vice Chair  
Elected PEERS  
Member



**Charles "Chuck"  
Bryant**  
Appointed Member



**Yvonne Heath**  
Elected PSRS  
Member



**Scott Hunt**  
Appointed  
Member



**Beth Knes**  
Appointed Retired  
Member



**Jason Steliga**  
Elected PSRS  
Member



The three appointed trustees are named by the governor. One must be a PEERS or a PSRS retiree. Appointed trustees serve four-year terms. Once an appointed trustee's term is expired, he or she serves until a new appointment is made. The appointed trustees must be residents of school districts included in PSRS/PEERS but cannot be employees of such districts, state employees or state elected officials.

The Board meets regularly six times a year in February, April, June, August, October and December. Special meetings are called when necessary.

Trustees serve without compensation but are reimbursed for necessary expenses incurred through Board service.

## Executive Director

While the Board of Trustees governs the general operation of the Systems, the daily administrative functions are delegated to a full-time director appointed by the Board to serve as its executive officer. The executive director is responsible for employment of the retirement office staff and for the routine operation of the Systems within the scope of the law and the Board's rules and policies.

## The Appeal Process

As a PEERS member, beneficiary, survivor, retiree or employer, you may request a review by the Board of Trustees if you disagree with an administrative decision made by the executive director or a PEERS staff member concerning your membership, benefits, service, contributions or refund.

Your written request for review must be addressed to the Board or to the executive director and received within 120 days following notification of the administrative decision. Your letter should state:

- The decision you are asking the Board to review
- The action you are asking the Board to take

The review will be held at the next regularly scheduled Board meeting that is at least 30 days after the request for review is received. You will be informed of the review date, and additional details regarding the appeal process will be mailed to you.

After considering all the background information and your request for review, the Board will vote to confirm, reverse or amend the previous decision. You will be notified of the action taken and of your further right to appeal to the circuit court if you are dissatisfied with the Board's ruling.

## Educational Opportunities for Members

### Seminars and Counseling

PEERS is committed to providing educational services to assist you in your retirement planning efforts. A variety of free educational programs and counseling sessions are open throughout the year to members at all career stages.

**Early/Mid-Career In-Service** meetings provide members who are just starting out, or who are in the middle of their careers, with a general overview of PEERS, including the many advantages of being a part of a defined benefit plan.

**Pre-Retirement In-Service** meetings are for those within seven years of retirement eligibility, but all members, as well as their guests, are welcome to attend. These meetings cover information to be aware of when considering retirement, including the types of benefit plans offered, when to file paperwork and considerations for working after retirement. Attendees receive *Benefit Estimates* for requested retirement dates.

School officials and organizational leaders desiring to arrange retirement in-service programs can call **(800) 392-6848**, email [psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org), or use the meeting request form on our website. These programs are offered free of charge.

**Pre-Retirement Planning Seminars** are geared to members who are within five years of retirement but all members, as well as their guests, are welcome to attend. Seminars provide an in-depth review of information to know when preparing to retire, including how and when to file paperwork. Seminars are held throughout the year across the state.

You are required to register to attend a seminar since space is limited, and so personalized retirement information, including *Benefit Estimates*, can be

prepared for you. You can view the seminar schedule and register online after logging in to Web Member Services, or by calling **(800) 392-6848**.

**Retirement Ready Webinars** are held at different times during the school year providing information on a variety of retirement-related topics. Information and online registration is available on our website.

**Web Counseling Sessions** are available to all members who would like to meet one-on-one with a retirement counselor without the drive to Jefferson City. You can see and speak with a counselor and share documents during the web-based session. If you are comfortable using computers and the internet, web counseling may be a good option for you. We recommend using a computer with a high-speed internet connection, a web camera and microphone for best results. An appointment can be made online or by calling the office.

**Individual Counseling Sessions** are available to all interested members who would like to meet one-on-one with a retirement counselor at the PEERS office in Jefferson City. Walk-ins are welcome but we suggest calling the office or registering online for an appointment so that information can be prepared prior to your arrival.

## Publications

The following are some of the publications available to PEERS members and retirees by calling **(800) 392-6848** or emailing us at **psrspeers@psrspeers.org**. Many publications are available on our website, including this handbook.

**For Your Benefit** - This newsletter informs members who have not yet retired about legislation, benefit provisions and other retirement-related news. **For Your Benefit** is emailed or mailed to all actively employed PEERS members, as well as those who are not retired, have funds with PEERS, but are not presently working in PEERS-covered employment. It is also available on the PEERS website.

**Benefit Check** - This newsletter informs retirees about retirement legislation, current events affecting retirees, and other subjects of interest. **Benefit Check** is emailed or mailed to all retirees and beneficiaries receiving benefits. It is also available on the PEERS website.

**Comprehensive Annual Financial Report** - This report includes an independent auditor's report of PSRS/PEERS' financial statements, a summary plan description, and information on the Systems' actuarial status and investments. This report is available on the PEERS website. Copies are available upon request.

**Summary Report to Members** - This annual report includes membership statistics, retiree statistics, information about the PSRS/PEERS' investments, a statement of plan net assets, System expenses and revenues, and actuarial information. It is available on the PEERS website.

**PEERS Retirement Planning Guide** - This booklet contains detailed information about planning for retirement, understanding a PEERS **Benefit Estimate**, purchasing service and working after retirement.

It is distributed to individuals who attend Pre-Retirement Planning Seminars, visit our office for retirement counseling or request a **Benefit Estimate**.

**Your PEERS Benefit - PEERS Retirement Packet** - This packet is distributed to individuals upon PEERS retirement. It includes an official benefit calculation, a confirmation of the benefit plan chosen, a retiree identification card, information about taxes, direct deposit, working after retirement and cost-of-living adjustments.

## Website

Our website, **www.psrs-peers.org**, provides access to many PEERS publications, forms and videos on a variety of retirement-related topics.

If you haven't already, we recommend that you register for secure access to PEERS Web Member Services, where you can view your current membership information, including your contributions and interest, years of service, salary history, beneficiary designation and the status of any open service purchases.

You can update your contact information online and access the forms you need to update your beneficiary designation. You can also create and view service purchase cost estimates and benefit estimates, and file for retirement.