

Social Security and Medicare



PUBLIC SCHOOL RETIREMENT
SYSTEM OF MISSOURI



PSRS Members and Social Security

As a member of the Public School Retirement System of Missouri (PSRS), you are part of a defined benefit, or DB, retirement plan that provides you with predictable retirement income for life, no matter how long you live. Your PSRS benefits are funded by investment earnings of the System, and contributions made by you and your employer.

Most PSRS Members Are Not Covered by Social Security

Most PSRS members **do not** contribute to the federal Social Security program on their PSRS-covered salary.

- The law does not allow individual PSRS members to choose to participate in Social Security.
- Social Security participation is based on your employer and your position.

Some PSRS Members Are Covered by Social Security

If your employer and the Missouri Social Security Administrator determine that your PSRS-covered position is covered by Social Security:

- You pay Social Security taxes and two-thirds of the normal PSRS contribution rate.
- Your PSRS retirement eligibility, final average salary used to determine your benefit and your service earned with PSRS are not affected.
- Your benefits for affected years of employment are calculated at two-thirds the normal benefit amount.
- You also receive Social Security units based on the earnings.

Age and service requirements for PSRS benefit eligibility are the same for all members.

If you are unsure whether your position is covered by Social Security, contact your employer.

You May Be Eligible for Social Security

You can qualify for Social Security benefits two ways.

- If you have 40 units (10 years) of Social Security-covered employment you are eligible for benefits because of your own employment.
- You may also be eligible for benefits from Social Security through your spouse or ex-spouse (living or deceased).

Helpful Resources

To view your Social Security Statement, get an estimate and more, visit www.ssa.gov to set up a My Social Security account.

Questions to Ask Social Security

When you contact the Social Security Administration, you will need:

- Your Social Security number and your spouse's, if married; your previous spouses', if widowed or divorced

We recommend that you contact Social Security at **(800) 772-1213** with questions about your eligibility for Social Security benefits.



Medicare Benefits

If you are a U.S. citizen or a lawfully admitted alien who has lived in the U.S. for at least five years, you can receive Medicare benefits at age 65.

The real question for PSRS members is whether you will have to pay a premium for Medicare coverage.

- If you were hired by a PSRS-covered employer or have changed PSRS-covered employers since March 1986, **Medicare contributions are withheld from your pay**. Your employer matches your Medicare contributions and you receive “units” based on your earnings. You can receive a maximum of four Medicare units in one calendar year.
- If you were hired by a PSRS-covered employer before April 1986 and have not changed employers since that time, **you do not pay into Medicare on your PSRS-covered wages**.

If you are unsure if you have sufficient Medicare service on your record, or your spouses' records, to qualify for Medicare benefits, please contact Medicare at **(800) MEDICARE**.

Important notes regarding Medicare:

- Specific enrollment periods exist.
- If you do not enroll when first eligible, you may pay higher premiums at a later date.
- If you are eligible for Medicare and choose not to enroll because you have coverage through a private insurance group, your insurance may not cover any expenses that Medicare would have paid.

There are four parts to Medicare. You can choose to participate in any or all parts.

Part A - Hospital Insurance

Medicare Part A pays for inpatient hospital expenses, hospice care and skilled home health services for home bound patients, and helps with short-term, inpatient care in skilled nursing facilities if the patient is there for rehabilitation.

You can receive Part A free, if you:

- Have 40 Medicare units from your own employment
- Qualify through an eligible spouse or ex-spouse

If you do not qualify to receive Part A free, you can pay a monthly premium.

Part B - Medical Insurance

Medicare Part B helps pay for doctors' services, outpatient hospital care and some medical equipment and supplies. Everyone must pay a premium to receive Part B coverage regardless of the number of Medicare units they have. Premiums for Part B are deducted from your monthly Social Security benefit. If you are not eligible to receive Social Security benefits, you are billed quarterly.

Part C - Medicare Advantage Plans

Medicare Advantage Plans are health plan options approved by Medicare and administered by private companies. Medicare Advantage Plans provide all of your Part A (hospital) and Part B (medical) coverage and must cover medically-necessary services. They generally offer extra benefits, and many include Part D coverage (see below).

Part D - Prescription Drug Coverage

Prescription drug plans are available to people with Medicare. Insurance companies and other private companies work with Medicare to offer these prescription drug plans. They will negotiate discounts on prescription drug prices.

Medicare prescription drug plans provide insurance coverage for prescription drugs. Like other insurance, if you join you pay a monthly premium and a portion of the cost of prescriptions. Costs vary depending on the plan you choose.

Prescription drug plans may also vary in what prescription drugs are covered, how much you have to pay, and which pharmacies you can use. When you join a prescription drug plan, it is important to choose one that meets your prescription drug needs.

Medicare benefits may be payable under special circumstances that are not explained in this brochure, such as with the occurrence of a disability. Contact Medicare at **(800) MEDICARE**, or visit www.medicare.gov for specific information about your entitlement to Medicare benefits.

You can also contact Missouri SHIP, the Missouri State Health Insurance Assistance Program, at **(800) 390-3330** or visit their website www.missouriship.org for specific information about your entitlement to Medicare benefits.

Frequently Asked Questions

- Q. If I am eligible for Social Security and Medicare benefits, at what age will they begin?**
- A. Reduced Social Security benefits are available at age 62. The age at which your full benefits begin is based on the year of your birth and is no earlier than age 65. Medicare benefits begin at age 65 for most individuals
- Q. Can I voluntarily choose to pay the full contribution rate to PSRS, rather than two-thirds the full rate, if I am also paying into Social Security based on my position?**
- A. No. There are no provisions within federal or state law to allow individuals this choice.
- Q. Now that WEP and GPO are repealed will my benefits increase?**
- A. On January 5, 2025, President Biden signed the Social Security Fairness Act, which repealed two federal laws – the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

These provisions reduced Social Security payments to PSRS monthly benefit recipients who also qualified for Social Security benefits due to other work (WEP), or received spousal Social Security benefits (GPO).

As a result of the repeal, these reductions will end. Affected PSRS members will receive increased Social Security benefits retroactive back to January 2024 payments.

The Social Security Administration is responsible for the implementation of these changes. Specific questions regarding timing and impact on individual benefits should be directed to the Social Security Administration. We recommend you visit www.ssa.gov for more information.

Contact Information

Social Security Administration
(800) 772-1213
www.ssa.gov

To find your local Social Security office, use the Social Security office locator at www.ssa.gov.

Medicare
(800) MEDICARE
www.medicare.gov

Missouri SHIP
(800) 390-3330
www.missouriship.org



Legal Disclaimer

This booklet explains your rights, benefits and responsibilities as a member of the Public School Retirement System of Missouri (PSRS). It is intended to serve as a ready source of information about the System and not as a legal document or a substitute for the law. If differences appear between the law and the booklet, the law must prevail.

The System is governed by the laws found in Chapter 169, *Revised Statutes of Missouri* and the *Missouri Code of State Regulations (CSR)* Title 16, Division 10.

Similarly, the law takes precedence over any oral statements made by a representative of PSRS regarding your rights, benefits and responsibilities as a PSRS member.

For further information, please refer to the PSRS *Member Handbook*, contact us at our office or visit us online.



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