



PUBLIC SCHOOL & EDUCATION EMPLOYEE  
RETIREMENT SYSTEMS OF MISSOURI

## **PSRS/PEERS and Retirement Security**

### ***Don't Underestimate the Benefits of Your Membership***

Many Americans worry about how to fund their retirement years. Pensions continue to disappear under a complex regulatory environment, and Congress is said to be considering Social Security benefit reductions.

A large portion of Americans lack access to, or do not participate in, workplace retirement plans. Additionally, Americans are not saving enough in their individual retirement accounts at a time when retirement income needs are increasing thanks to rising longevity and costs.

### **As a PSRS/PEERS Member, You Are Part of the Fortunate Minority**

PSRS/PEERS members have an advantage over the majority of Americans today who struggle to fund a secure retirement future.

### **Consider the Value Your Plan Brings**

- Once you have five years of qualified service, you are vested and can receive lifetime monthly benefits when you become eligible.
- The amount of your benefits is based on a formula set by law and not determined by how much money you have contributed to the retirement plan. Most service retirees recover the amount they contributed during the first five years of retirement.
- Retirement benefits are paid for life, no matter how long you live.
- Every dollar you contribute plus interest is returned to you or a loved one in the form of monthly benefits or a lump-sum payment.
- Financial protection is available for your loved ones in the event of your death, both before and after you retire, in the form of survivor benefits and or beneficiary protection built in the benefit plan you select at retirement.
- Membership also includes the potential for disability benefits for those who qualify.
- Cost-of-living adjustments are given on retirement benefits when eligibility and economic requirements are met.
- As a PSRS retiree, an additional one-time, lump-sum death benefit of \$5,000 is payable to the beneficiary you designate.

### **What Would Your Retirement Future Look Like Without PSRS/PEERS Benefits?**

If your personal circumstances lead you to question whether you should remain in PSRS/PEERS-covered employment, carefully consider the consequences of not sticking

with it. Be sure to consider how you will fund your future retirement and help take care of your loved ones after you are gone.

### **Replacement Income**

Financial experts agree that the average individual needs to replace 70% to 90% of his or her pre-retirement income to maintain the same standard of living during retirement. Your PSRS/PEERS benefit, Social Security (if eligible) and other pensions and savings should all be considered part of this replacement income.

### **Potential PSRS/PEERS Replacement Income**

- After 30 years of service, a PSRS member's benefit will replace approximately 75% of their pre-retirement income.
- After 30 years of service a PEERS member's benefit will replace approximately 50% of their pre-retirement income.

### **Retirement Security for an Uncertain Future**

While the world around us changes and becomes more economically challenging, the purpose of PSRS/PEERS remains constant: to provide members and their families with a reliable and stable source of retirement income, disability and survivor benefits.