

2023-2024 Member Handbook



As of January 2024



PUBLIC EDUCATION EMPLOYEE
RETIREMENT SYSTEM OF MISSOURI

Legal Disclaimer

This handbook explains your rights, benefits and responsibilities as a member of the Public Education Employee Retirement System of Missouri (PEERS). 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 handbook, the law must prevail.

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

The System is governed by laws found in Chapter 169, *Revised Statutes of Missouri*, and the *Missouri Code of State Regulations (CSR)* Title 16, Division 10, Chapters 1 through 5. The information in this handbook applies primarily to PEERS members employed by public schools, public two-year colleges and statewide non-profit educational associations in PEERS. It does not describe, nor does it pertain in all respects, to variations in the program affecting a limited number of other members or groups within PEERS.

Benefit Estimates

PEERS benefit estimates are unaudited estimates of gross retirement benefits. These estimates are based on the actuarial factors and benefit formulas in effect at the time of calculation and are subject to change. Your actual retirement benefits can only be determined upon your retirement date and with final verification of your salary from your employer.

About PEERS

PEERS at a Glance.....	8
Introductory Letter from the Executive Director	10
How to Contact PEERS.....	11
Written Communication.....	11
The PEERS Website and Email Address.....	11
Telephone and Fax Numbers.....	11
Office Visits	11
Map to PEERS.....	11
Mission Statement.....	12
Plan Information.....	12
Type of Plan.....	12
The Advantages of a Defined Benefit (DB) Plan	12
Plan Funding.....	13
Member Contributions	13
Employer Contributions	13
Investment Earnings.....	13
Plan Year	13
Law Governing PEERS	14
Annual Legislative Meeting	14
Actuarial Review.....	14
Administration.....	14
The PSRS/PEERS Board of Trustees	14
Executive Director.....	16
The Appeal Process	16
Educational Opportunities for Members.....	16
Seminars and Counseling.....	16
Publications.....	17
Website	17

Membership and Service

Membership Eligibility.....	20
Confidentiality of Member Information	20
Keeping Your Member Information Up-to-Date	21
Keeping Your Beneficiary Designation Up-to-Date	21
The Effect of Divorce Before Retirement.....	21
Annual Member Statement	21
Online Membership Information	22
Membership Service	22
Prior Service.....	22
Earned Service.....	23
Reinstated, Purchased and Transferred Service	23
Retirement Contributions	23
Employer Pick-Up Contributions	24
Interest on Your Contributions	24

Refund of Your Contributions and Interest	24
Income Taxes on Refunds	25
Membership Status.....	25
Active Membership	25
Inactive Membership.....	25
Vested Membership.....	25
Absence from Covered Employment	26
Before Vesting	26
Membership Termination Before Retirement.....	26
After Vesting	26

Reinstatements, Purchases and Service Transfers

Reinstating Forfeited Service	28
Purchasing Service	28
Purchase Applications	28
Types of Service Purchases	28
Purchases Based on Leave from PEERS-Covered Employment.....	28
Purchases Calculated Using the Basic Purchase Cost Calculation.....	29
Rules for Purchasing Service Calculated Using the Basic Purchase Cost Calculation.....	29
Types of Purchases Calculated Using the Basic Purchase Cost Calculation.....	30
Reciprocity: Transferring or Purchasing Service from Another Missouri Public Retirement System	31
Reciprocity Transfer.....	31
Reciprocity Purchase	31
Missouri Educational Recognition of Service.....	32
Is a Service Purchase the Best Decision?.....	32
Consider the Timing	32
How Long Will it Take to Recover the Cost?.....	32
Paying for Reinstatements and Service Purchases.....	33
Tax-Deferred Rollovers	33
In-Service Trustee-to-Trustee Transfers	34

Survivor Benefits

Lump-Sum Survivor Benefit	36
Beneficiary Qualifications	36
Benefit Amount	36
Payment	36
Monthly Retirement-Based Survivor Benefits	37
Member Qualifications	37
Beneficiary Qualifications	37
Benefit Amount	37
Payment	37
Income Taxes on Survivor Benefits	37
The Importance of Keeping Your Beneficiary Designation Up-to-Date	38
What Happens if Your Beneficiary Designation is Invalid?	38

Tips for Designating Beneficiaries for Your PEERS Membership.....	38
The Advantages of Naming One Beneficiary	38
Naming Joint Beneficiaries (More than One Individual to Share Benefits)	39
Naming a Spouse	39
Minors and Legally Disabled Beneficiaries.....	39
Naming a Trust	39
Naming Your Estate	39
Reporting a Death.....	39

Service Retirement

Types of Benefits	42
Benefit Formula Components	42
Final Average Salary Cap	43
Normal Retirement Benefits	43
Eligibility	43
Temporary Benefits	43
Benefit Amount	43
Early Retirement Benefits: 25-and-Out	43
Eligibility	43
Benefit Amount	43
Early Retirement Benefits: Age-Reduced	44
Eligibility	44
Benefit Amount	44
Partial Lump Sum Option (PLSO) Benefits	44
Eligibility	44
Benefit Amount: Lump-Sum Payment	44
Benefit Amount: Reduced Lifetime Monthly Benefits	45
PLSO Reduction Factors.....	45
The Accelerated Payment Plan (APP)	45
Calculating Benefits	46
Online Benefit Estimate Calculator	46
Benefit Plans	46
The Single Life Benefit Plan.....	46
Plan Description	46
Naming Beneficiaries Under the Single Life Plan	47
Advantages	47
Disadvantages.....	47
The Joint-and-Survivor Benefit Plans.....	47
Plan Description	47
Joint-and-Survivor 100% Benefit Plan	47
Joint-and-Survivor 75% Benefit Plan	47
Joint-and-Survivor 50% Benefit Plan	47
“Pop-up” Provision.....	47
Naming a Beneficiary for Lifetime Monthly Benefits Under the Joint-and-Survivor Plans	47
Naming Beneficiaries for a Possible Lump-Sum Payment Under the Joint-and-Survivor Plans	48
Advantages	48
Disadvantages.....	48

The Term-Certain Benefit Plans	48
Plan Description	48
Term-Certain 120-Month Benefit Plan	49
Term-Certain 60-Month Benefit Plan	49
“Pop-up” Provision.....	49
Naming Beneficiaries Under the Term-Certain Plans	49
Advantages	49
A Comparison of PEERS Benefit Plans	50
Disadvantages	52
Benefit Amounts	52
<i>Benefit Estimates</i>	52
Sample Monthly Benefits	52
Applying for Service Retirement Benefits	53
Application Deadline	53
Your Retirement Date	53
Filing Your Retirement Application	54
Additional Required Documentation	54
Submit copies of birth certificate(s).	54
Submit a copy of your marriage license.....	55
Acknowledgement of Your <i>Service Retirement Application</i>	55
When to File for Retirement	55
Terminating Employment	55
Working After Service Retirement	56
Income Taxes on Service Retirement Benefits	56
Cost-of-Living Adjustments (COLAs).....	56

Disability Retirement

Eligibility Requirements.....	58
Filing Your <i>Disability Retirement Application</i>	58
Medical Records Requirements	59
Acknowledgement of Your <i>Disability Retirement Application</i>	60
Disability Retirement Benefit Amounts.....	60
Sample Disability Retirement Benefit Calculation	60
Payment of Your Disability Retirement Benefits.....	60
Cost-of-Living Adjustments (COLAs).....	60
Income Taxes on Disability Retirement Benefits.....	61
Events that Cause Disability Retirement Benefits to Stop.....	61
Requirements for Continued Eligibility	61
Recovery from Disability.....	62
Working After Disability Retirement.....	62
Working As a Disability Retiree Prior to Age 60.....	62
Trial Return to Work Prior to Age 60	62
Working As a Disability Retiree At or After Age 60	63
Divorce While Receiving PEERS Disability Retirement Benefits.....	63
What Happens Upon Your Death: Survivor Benefits.....	63
Frequently Asked Questions About Disability Retirement.....	64

Payment of Retirement Benefits

Direct Deposit.....	66
Minimum Distribution Requirement	66
Cost-of-Living Adjustments (COLAs).....	66
COLAs are Compounded	67
Interruptions or Holds on the Payment of Retirement Benefits	67
Disability Retirees	67
Income Taxes on Retirement Benefits	68
Federal Income Taxes on Service Retirement Benefits.....	68
Federal Income Taxes on Disability Retirement Benefits.....	68
State Income Taxes	69
Missouri Public Pension Exemption	69
Income Taxes on the Partial Lump Sum Option	70
IRS Form 1099-R	70
Income Tax Contact Information	70

Working After Retirement

Proper Termination of Pre-Retirement Employment	72
Employment Definitions.....	73
Working After Retirement Limit	73
Determining Your Work Limit	73
Temporary Waiver of Work Limit on Substitute Teaching.....	74
Work for PEERS-Covered Employers	74
Part-Time Work	74
Limit on Hours	74
Full-Time Work	75
Other Working After Retirement Considerations	75
Critical Shortage Employment	75
Working as an Independent Contractor or Consultant	76
Working as a Consultant	76
Corporations Working as Independent Contractors	76
More About the Work Limit	76
Pro-Rated Limits on Work in the Year You Retire.....	76
Volunteering for Covered Employers May Count Toward Work Limit	76
What Happens if You Exceed the Work Limit?.....	77
Establishing a Subsequent Membership as a PEERS Retiree	77
Reimbursing PEERS for Benefits Received While Ineligible	78
Record-Keeping Requirements	78
Frequently Asked Questions.....	79

Other Post-Retirement Considerations

Employer Health Insurance Coverage.....	82
PEERS and Divorce	82
Divorce While Receiving PEERS Service Retirement Benefits	83
Beneficiary Removal.....	83
Benefit “Pop-Up”	83
Beneficiary Designation Changes	83
Divorce While Receiving PEERS Disability Retirement Benefits.....	83
Staying Informed about Your Retirement System after Retirement	84
Annual Benefit Statement.....	84
Online Membership Information	84
Newsletters.....	84
Death After Service Retirement	84
Survivor Benefits for Beneficiaries of Service Retirees	85
Single Life Benefit Plan	85
Joint-and-Survivor Benefit Plans	85
Term-Certain Benefit Plans	85
Survivor Benefits for Beneficiaries of Disability Retirees	86
The Importance of Keeping Your Beneficiary Designation Up-to-Date	86
Durable Power of Attorney	86

Social Security, Medicare And Other Retirement Plans

PEERS Members and Social Security	88
Social Security and Railroad Benefits	88
Medicare Benefits for PEERS Members	88
Part A - Hospital Insurance	88
Part B - Medical Insurance	89
Part C - Medicare Advantage Plans	89
Part D - Prescription Drug Coverage	89

Glossary Of Terms

Glossary of Terms	91
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Index

Index	97
-------------	----

About PEERS

PEERS at a Glance.....	8
Introductory Letter from the Executive Director	10
How to Contact PEERS.....	11
Written Communication.....	11
The PEERS Website and Email Address.....	11
Telephone and Fax Numbers	11
Office Visits	11
Map to PEERS.....	11
Mission Statement.....	12
Plan Information.....	12
Type of Plan.....	12
The Advantages of a Defined Benefit (DB) Plan	12
Plan Funding.....	13
Member Contributions	13
Employer Contributions	13
Investment Earnings.....	13
Plan Year	13
Law Governing PEERS	14
Annual Legislative Meeting	14
Actuarial Review.....	14
Administration.....	14
The PSRS/PEERS Board of Trustees	14
Executive Director.....	16
The Appeal Process	16
Educational Opportunities for Members	16
Seminars and Counseling.....	16
Publications.....	17
Website	17

PEERS at a Glance

<h3>Security of a Defined Benefit Plan</h3> <ul style="list-style-type: none"> • Service retirement benefits are payable for life with five-year vesting. • Benefits are not based on your contributions and interest at retirement. • Benefits are based on a formula that takes into consideration a benefit factor, years of service and salaries on record. • Benefits are paid on the last working day of each month. • During retirement you are eligible to receive cost-of-living adjustments on your retirement benefits as granted by the PSRS/PEERS Board of Trustees. 	<h3>Contributions</h3> <ul style="list-style-type: none"> • You contribute a tax-deferred percentage of your gross salary plus employer paid health, dental and vision insurance premiums. • Your contributions earn interest each June 30. • Your contributions and interest are always returned to you or your beneficiary.
<h3>Professional Investments</h3> <ul style="list-style-type: none"> • Investment decisions are handled by PEERS' professional investment staff and managers. • PEERS is a long-term investor, pooling risk and professionally investing assets. • Because PEERS invests total assets of the fund, investments are more cost-effective than those of individual investors. 	<h3>Service Purchases</h3> <ul style="list-style-type: none"> • All members are eligible to purchase some type of service before retirement. • Reinstating or purchasing service increases your total service, which may allow you to retire sooner and/or increase your benefit amount. • Members who have forfeited PEERS service by taking a refund can reinstate the service to their current membership.
<h3>Membership Eligibility</h3> <ul style="list-style-type: none"> • Membership is required for non-certificated employees of covered employers who work at least 20 hours per week on a regular basis in a position that requires at least 600 hours during the school year. • Certificated employees employed less than full-time but for at least 17 hours per week on a regular basis in a position that normally requires the employee to work at least 600 hours during the school year are automatically members of the Public School Retirement System of Missouri (PSRS) unless they choose within 90 days of first part-time employment to be a member of PEERS. 	<h3>Disability Benefits</h3> <ul style="list-style-type: none"> • If you develop an illness or sustain an injury that prevents you from working in any capacity, you may be eligible for PEERS disability benefits. • Specific qualifications must be met in order to receive these benefits.
	<h3>Survivor Benefits</h3> <p>Two types of benefits are provided for beneficiaries of members who pass away before retirement:</p> <ul style="list-style-type: none"> • One-time, lump-sum survivor payment of your contributions and interest • Lifetime monthly survivor benefits <p>Specific qualifications must be met in order to receive monthly survivor benefits.</p>

Taking a Refund	Benefit Plans
<ul style="list-style-type: none"> If you terminate your covered employment, you can either request a refund of your contributions and interest, or leave your funds with the retirement system where they may earn interest. 	<ul style="list-style-type: none"> When you reach retirement eligibility, you can choose from six different plans for the payment of your lifetime monthly PEERS benefits. These plans offer you the flexibility to provide varying levels of financial protection for your beneficiary after you are gone.
Retirement Eligibility	Working After Service Retirement
<p>You can retire with normal, or full, retirement benefits:</p> <ul style="list-style-type: none"> At age 60 with at least five years of service At any age with at least 30 years of service When your age plus service equals 80 or more (Rule of 80). <p>An additional temporary benefit will be added to your normal benefit until you reach minimum Social Security age, currently 62, if you retire under age 62:</p> <ul style="list-style-type: none"> With at least 30 years of service, or Qualify for Rule of 80 (age plus service equals 80 or more). <p>You can retire early under 25-and-Out if:</p> <ul style="list-style-type: none"> You are under age 55 with at least 25, but fewer than 30, years of service, and You do not qualify for the Rule of 80, when your age plus service equals 80 or more. <p>You can retire with age-reduced early retirement benefits if:</p> <ul style="list-style-type: none"> You do not qualify for normal retirement, and You are between the ages of 55 and 60 with at least five years of service. <p>If you retire prior to age 62, you can choose the Accelerated Payment Plan (APP) to accelerate, or increase, your PEERS benefit until age 62, with an actuarial reduction applied to your benefit at age 62.</p> <p>If you work three years past normal, or full, retirement eligibility, you can take a Partial Lump Sum Option (PLSO) with actuarially reduced lifetime monthly benefits.</p>	<ul style="list-style-type: none"> You can work after PEERS retirement for any employer that does not participate in PEERS with no effect on your benefits. After the proper termination of your pre-retirement PEERS-covered employment, you can work for a PEERS-covered employer on a part-time or temporary-substitute basis up to 550 hours each school year with no effect on your benefits. Work limits on part-time or temporary-substitute work as a substitute teacher are waived from July 1, 2022, through June 30, 2025. In order to properly terminate employment, you must end all employment with PEERS-covered employers, not return to covered employment in any capacity for one month after your retirement date, and not enter into any agreement, written or unwritten, for such employment until after receiving your first retirement benefit payment. You and your employer are required to keep records of your part-time or temporary-substitute hours worked at covered employers. Exceeding the hourly limit will cause you to lose, at minimum, one full monthly benefit. In most cases, full-time employment for PEERS-covered employers after retirement will cause your benefits to stop.

Introductory Letter from the Executive Director



PUBLIC SCHOOL & EDUCATION EMPLOYEE
RETIREMENT SYSTEMS OF MISSOURI

Dear Member,

On behalf of the Board of Trustees and staff of the Public Education Employee Retirement System of Missouri (PEERS), I wish to congratulate you on your PEERS membership, and on your decision to learn more about your retirement system by reviewing this handbook.

Your PEERS *Member Handbook* is an important source of information about your membership and PEERS. I encourage you to become familiar with the rights, benefits and responsibilities that come with your membership. Taking the time to review this information now will assist you in making better decisions about retirement throughout your career.

As you review this handbook, you will note that it begins by taking you through the basics of membership, explaining membership service, how you earn service toward your retirement, and how you can reinstate or purchase more service.

You will learn about service retirement benefits, as well as the other types of benefits you may be eligible to receive as a PEERS member, such as disability benefits, and survivor benefits for your loved ones in the event of your death.

Your handbook also provides an explanation of eligibility requirements for retirement, how your service retirement benefits are calculated, and how and when you should apply for those benefits.

In addition, you will find detailed information regarding working after retirement, and other information to consider during your PEERS retirement years, such as cost-of-living adjustments, income taxes and health insurance.

I encourage you to register for secure online access to your personal membership information, a benefit estimator, and much more at PEERS Web Member Services. Just click the member log in link on our website, www.psr-peers.org, to get started.

We look forward to serving you both as an active member, and in retirement, and are committed to answering any questions you may have as efficiently as possible. Information is also available to you on our website, www.psr-peers.org, or by contacting our Information Center for assistance at (800) 392-6848 or psrpeers@psrpeers.org.

Sincerely,

A handwritten signature in black ink that reads 'Dearld Snider'.

Dearld Snider
PSRS/PEERS Executive Director

How to Contact PEERS

Written Communication

When you write to PEERS, include your full name (printed and signed), your current mailing address, the last four digits of your Social Security number, or your member number, and your telephone number. Address your correspondence to:

The Public Education Employee Retirement System of Missouri (PEERS)
PO Box 268
Jefferson City, MO 65102-0268

Unless you have a **Release of Information Authorization** form on file with our office, we can only release your PEERS membership information to you or your legally designated representative. The **Release of Information Authorization** form allows you to authorize the release of your membership information to a specific individual(s). This form can be found on our website or obtained by contacting our office.

The PEERS Website and Email Address

If you have questions or comments about PEERS, visit our website, www.psr-peers.org or email psrpeers@psrpeers.org.

Telephone and Fax Numbers

Toll-free line: (800) 392-6848

Local line: (573) 634-5290

Fax: (573) 634-7934

Office Visits

You may visit PEERS between 7:30 a.m. and 5 p.m., Monday through Friday, except on holidays. Calling ahead allows us to prepare personalized information for your meeting and have it available for you upon your arrival. Our office is located at 3210 West Truman Boulevard in Jefferson City. Please refer to the map for directions.

Map to PEERS



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 57,000 Missouri public school employees and their families achieve financial security during retirement.

Mission Statement

At PSRS/PEERS, our mission is providing retirement security and peace of mind for Missouri's education community. We 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 pass away 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

25-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 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 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 PSRS/PEERS Board of Trustees



Dr. Jason Steliga
Chair
Elected PSRS Member



Beth Knes
Vice Chair
Appointed Retired
Member



**Charles "Chuck"
Bryant**
Appointed
Member



Allie Gassmann
Elected PEERS Member



Dr. Eric Park
Appointed
Member



Katie Webb
Elected PSRS
Member

One elected PSRS Board member position is currently vacant.

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 with retirement planning. A variety of free educational programs and counseling sessions are open throughout the year to members at all career stages.

Retirement Ready Seminars are geared to members within five years of retirement, but all members, and 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 apply. Registration is required.

Both in-person and virtual Retirement Ready seminars are held throughout the year. In-person seminars are held at various locations around the state. Personalized **Benefit Estimates** will be provided for all registered members. You can view the seminar schedule and register online after logging in to Web Member Services, or by calling **(800) 392-6848**.

In-Person Counseling Sessions are available to all interested members who would like to meet one-on-one with a retirement counselor at the PSRS/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.

Phone Counseling Sessions are available to members who want a designated time to speak to a counselor by phone. This option allows you to ask questions without having to travel or connect to an internet program. You can make an appointment by logging in to Web Member Services, or by calling **(800) 392-6848**.

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. You can connect by computer, laptop or phone with a high-speed internet connection. A web cam is not required. Registered members will receive an email to connect to the Web Counseling Session and may be asked to download temporary software. You can make an appointment by logging in to Web Member Services or by calling **(800) 392-6848**.

Educational Webinars are held throughout the school year. **Featured Topic webinars** provide information on a variety of retirement-related topics. In addition, we offer **RealTalk mini-webinars**, which focus on a different “hot topics” in short, 15- to 20-minute sessions. Information and registration for all webinars is available on our website.

On-Site/Professional Development Presentations

School officials and organizational leaders can request a variety of programs at their school or other desired location. The presentations below are offered free of charge and can be scheduled by calling **(800) 392-6848** or emailing **Member_Education@psrsmo.org**.

Beginner Basics meetings provide members who are just starting out with a general overview of PEERS, including the many advantages of being a part of a defined benefit plan.

Education Essentials meetings are for those in the middle of their career or near retirement eligibility. These meetings give a more in-depth overview of information related to preparing for retirement.

Quick Counseling Sessions are for members in any stage of their careers, whether they are just starting out or nearing retirement. Each member is provided a personal, 15-minute session with a retirement counselor at their school district. School officials provide a list of available appointments so members can choose the best time for them.

Publications

The following publications are available to members by calling **(800) 392-6848** or emailing **psrspeers@psrspeers.org**. Many are available on our website.

For Your Benefit - This newsletter provides retirement-related news for all actively employed PEERS members, as well as those who are not retired and have funds with PEERS, but are not presently working in covered employment. It is emailed or mailed, and is also found on the PEERS website.

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

Annual Comprehensive 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 online annual report includes member and retiree statistics, PSRS/PEERS investment information, a statement of plan net assets, expenses and revenues, and actuarial information. It is available on the PEERS website.

PEERS Retirement Planning Guide - This booklet contains helpful retirement planning information, including an explanation of the information on your PEERS **Benefit Estimate**. It is distributed to individuals who request a **Benefit Estimate**.

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

Website

Our website, **www.psr-peers.org**, includes many 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 Web Member Services, where you can view your membership information, including your contributions and interest, years of service, salary history, beneficiary designation and the status of any open service purchases. A Live Chat feature is available while you are logged in to Web Member Services.

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.

Visit www.psr-peers.org, your 24/7 retirement information resource.

- View and update your membership information using Web Member Services.
- Update your communication preferences in Web Member Services.
- View and print PEERS forms and publications.
- Stay up-to-date on legislative changes that affect your retirement system.

Contact our Information Center by email at psrpeers@psrpeers.org or by phone at (800) 392-6848.

Find us on Facebook



Membership and Service

Membership Eligibility.....20

Confidentiality of Member Information20

Keeping Your Member Information Up-to-Date21

Keeping Your Beneficiary Designation Up-to-Date21

 The Effect of Divorce Before Retirement.....21

Annual **Member Statement**21

Online Membership Information22

Membership Service22

 Prior Service.....22

 Earned Service.....23

 Reinstated, Purchased and Transferred Service23

Retirement Contributions23

 Employer Pick-Up Contributions24

 Interest on Your Contributions24

Refund of Your Contributions and Interest24

 Income Taxes on Refunds25

Membership Status.....25

 Active Membership25

 Inactive Membership.....25

 Vested Membership.....25

Absence from Covered Employment26

 Before Vesting26

 Membership Termination Before Retirement.....26

 After Vesting26

Membership and Service

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.

Membership Eligibility

PEERS membership is automatic, regardless of position, for non-certificated employees of the covered employers listed below who work at least 20 hours per week on a regular basis in a position that normally requires the employee to work at least 600 hours during the school term.

If you meet eligibility requirements, you cannot opt out of PEERS membership.

Covered employers include:

- All Missouri public school districts, 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

Certificated employees/teachers employed less than full-time can choose, within 90 days of first employment as a part-time, certificated employee/teacher, to be a member of PEERS.

This election is irrevocable. The employee remains a PEERS member as long as he or she is employed in a position eligible for membership and is certificated.

The term “certificated” refers to full-time and part-time employees holding valid Missouri educator certificates that are issued by the Missouri Department of Elementary and Secondary Education (DESE), and does not include persons with only substitute teaching or Parents as Teachers (PAT) certificates.

PEERS members who are employed in any capacity by a covered Missouri public community college on a full-time basis in a position certified by the executive officer of the institution have the option to elect to continue to be a member of PEERS.

If this election is not made, the employment in a community college certified position would require membership in the Public School Retirement System of Missouri (PSRS).

If you are a certificated employee, it is possible that you should be a member of the Public School Retirement System of Missouri (PSRS). PSRS is a defined benefit retirement plan similar to PEERS, but for certificated public school personnel (teachers). Please contact your employer or our office to make sure your membership has been properly established with PEERS.

Confidentiality of Member Information

At PEERS, maintaining the security of your personal information is of the highest priority. The following information is considered confidential:

- All information PEERS receives from a member, retiree, beneficiary or survivor
- All information PEERS receives from any other source that relates to a member, retiree, beneficiary or survivor
- All information generated by PEERS that relates to a member, retiree, beneficiary or survivor

Examples of such information include but are not limited to:

- Membership status
- Addresses
- Salaries
- Benefit estimates
- Social Security numbers
- Contributions
- Marital status
- Employer
- Membership service and service purchase information
- Beneficiaries
- Medical information

Keeping Your Member Information Up-to-Date

Your name, address and beneficiary designation are vital parts of your retirement records. It is important to keep them up-to-date during your membership, both before and after your PEERS retirement.

You can update your address, phone or email address online by logging in to Web Member Services at www.psr-peers.org. Most members can update beneficiary designations online, as well. All members have the option to update their name, address or beneficiary designation by submitting the appropriate form to PEERS. Forms can be obtained on our website or by contacting our office. We acknowledge all changes when processed.

If your name or address changes while working in covered employment, please also notify your employer, so your employer's records, and ours, agree.

Keeping Your Beneficiary Designation Up-to-Date

In order to provide your family with the best financial protection, it is important to designate your beneficiaries properly and keep them updated as life-changing events occur.

You can designate and change your PEERS beneficiaries using Web Member Services at www.psr-peers.org or by using a *Pre-Retirement Beneficiary Designation* form available on our website or from our office.

Marriage, divorce, birth or adoption of a child automatically voids your beneficiary designation before retirement. Unless you file a new beneficiary designation, Missouri law will determine your beneficiaries if you pass away.

Keeping your designation current after PEERS retirement is also essential (see pages 46-49).

If you are unsure of your PEERS beneficiary designation, you can view it by logging in to Web Member Services at www.psr-peers.org. Your current beneficiary designation is also shown on your annual *Member Statement*, available each fall.

The Effect of Divorce Before Retirement

If your spouse is named as your beneficiary and you divorce before you retire, your beneficiary designation is void in its entirety as of the date of the divorce decree. However, your divorce decree may require you to re-designate your ex-spouse as a beneficiary. You may also voluntarily re-designate your ex-spouse as a beneficiary. If you fail to provide PEERS with a new beneficiary designation form and you pass away prior to retirement, your beneficiaries will be determined by Missouri law. For more information on designating beneficiaries prior to retirement, see, "The Importance of Keeping Your Beneficiary Designation Up-to-Date" in the *Survivor Benefits* section of this handbook (see page 38).

For information on how PEERS benefits are treated in a divorce, and the effect of divorce while receiving PEERS benefits, see pages 83-84.

Annual Member Statement

Each fall, after a complete review and update of member records, you receive an email notification when your annual *Member Statement* is ready for you to view in Web Member Services. Your *Member Statement* details your membership as of the previous June 30. Use the communications preferences option in Web Member Services to let us know if you prefer to receive a paper copy of your statement.


Your *Member Statement* is a valuable source of information about your membership, including your:

- Contributions and interest earned
- Annual salary (including employer-paid health, dental and vision insurance premiums)
- Total membership service (earned, reinstated and purchased)
- Beneficiary designation with PEERS

Your statement also includes:

- Estimates of your future service retirement benefits and retirement eligibility dates
- Details of your PEERS-covered employment, including the name(s) of your employer(s) and service and salary earned each year
- Information on your reinstatements and service purchases, showing not only service you have paid for, but also any service you have on record for which you have not yet paid
- Information on benefits payable to your beneficiaries if you pass away before retirement

When you receive your annual **Member Statement**, check it carefully. If your address or beneficiary designation is incorrect, notify PEERS promptly. If you find an error in your salary, contributions or service, call your employer first. Your employer should contact PEERS if this information does not agree with your employer's records. The earlier discrepancies are reported, the greater the chance for proper adjustment, if required.



Member Statement
as of June 30, 2023

2022-2023 School Year

Salary Earned	Contributions Paid	Purchase Payments Received	Interest Earned	Service Earned	Service Purchased
\$22,467.14	\$1,541.21	\$0.00	\$151.12	1.00000	0.00000

Service Retirement

Upon application, lifetime monthly retirement benefits are available to members who properly terminate PEERS-covered employment and meet minimum service and age requirements. Benefits are based on a calculation using a benefit factor, your final average salary (FAS), years of service and, if applicable, a reduction factor. See definition of FAS on page 10.

Before making a final decision regarding retirement, contact us for a **Benefit Estimate**.

The following projected dates and dollar amounts (before taxes) are strictly estimates and assume that for future school years you earn 1 year of service and that your retirement salary increases annually by 2%.

Retirement Option	First Eligible Retirement Date	Age as of Your Retirement Date	Years of Service	FAS	Partial Lump Sum Option	Lifetime Single Life Monthly Benefit	Monthly Income Replacement Percentage
Normal	10/01/2023	64.77808	9.00000	\$1,734		\$251	14.48%
Partial Lump Sum Options (PLSO)							
No PLSO	10/01/23	64.77808	9.00000	\$1,734	\$0	\$251	14.48%
12-Month PLSO	10/01/23	64.77808	9.00000	\$1,734	\$3,012	\$228	13.15%
24-Month PLSO	10/01/23	64.77808	9.00000	\$1,734	\$6,024	\$206	11.88%
36-Month PLSO	10/01/23	64.77808	9.00000	\$1,734	\$9,036	\$184	10.61%

- In addition to the Single Life benefit plan, other plans are available that provide reduced benefits for you and various levels of financial protection for a beneficiary.
- Service purchased through September 8, 2023 is included in Years of Service.
- You typically qualify for a Partial Lump Sum Option (PLSO) by working three years beyond normal retirement. You may choose to receive a lump-sum payment at retirement in exchange for reduced lifetime monthly benefits.
- Visit the online Benefit Estimator by logging in to PEERS Web Member Services at www.pers-peers.org or contact us for further information.

Location 3210 W. Truman Blvd / Jefferson City, MO 65109 Mail P.O. Box 268 / Jefferson City, MO 65102 Website www.pers-peers.org
 Phone (573) 634-5290 Toll Free (800) 392-6848 FAX (573) 634-7934 Email perspeers@perspeers.org

Online Membership Information

You can view your membership information anytime using PEERS Web Member Services at www.pers-peers.org. Access to your membership information online requires that you establish a username and password. When setting up your online access, you will be required to enter a temporary verification code we will provide.

This process is designed to help ensure your membership information is not accessed fraudulently by someone other than you.

Once you log in, you can view current membership information including your:

- Contact information on record
- Contributions and interest
- Years of service
- Salary history
- Beneficiary designation
- Documents our specialists share with you
- An archive of past **Member Statements**
- Status of any open service purchases

Membership Service

Your total service with PEERS at the time of retirement is one of the factors used to calculate your benefit. The more service you have, the sooner you reach retirement eligibility, or the higher your benefit.

Your total service is the number of years you have:

- Worked in PEERS-covered employment (earned during your current membership or reinstated from a previous membership)
- Purchased with PEERS

Prior Service

Prior service is allowed for eligible employment before November 1, 1965, when PEERS started operations, as long as it was earned at an employer now participating in PEERS. No retirement contributions were made for employment before this date, and none are required to receive service.

If you were regularly employed before November 1, 1965, for at least 20 hours per week by a PEERS-covered employer and have not filed for prior service, please contact us for a claim form.

Earned Service

You earn a year of service for each school year (July 1 - June 30) of PEERS-covered employment if you are a 9-, 10-, 11- or 12-month employee, work the complete term required of your position and earn at least 95% of your full-time Annual Base Salary. Service is determined by dividing the salary earned during a school year by the Annual Base Salary you would have earned for the complete term of the position. In other words, service is calculated on a salary over salary basis. Service is calculated to five decimal places.

Example 1

A custodian is hired at an annual salary rate of \$18,000.

She earns \$18,000.

Therefore, she earns 1.00000 year of service ($\$18,000 \div \$18,000$).

Example 2

A custodian is hired at an annual salary rate of \$18,000.

He earns \$14,400.

Therefore, he earns 0.80000 of a year of service ($\$14,400 \div \$18,000$).

Please note that the amount of service earned during a school year may be capped based on the start and end dates of your employment. You cannot earn more than one year of service in a school year.

Reinstated, Purchased and Transferred Service

One of the many advantages of PEERS membership is the ability to increase your benefit, vest your membership, or become eligible for retirement earlier by reinstating, purchasing and transferring additional service to your PEERS membership.

See the section, *Reinstatements, Purchases and Service Transfers* (pages 28-34), for more detailed information on the types of available service purchases, eligibility requirements and how to calculate purchase costs.

Retirement Contributions

Retirement contributions are withheld from your salary while you are working in PEERS-covered employment. Your employer contributes an equal amount and sends both employee and employer contributions to PEERS.

The contribution rate is set each year by the PSRS/PEERS Board of Trustees. For the 2023-2024 school year, the combined contribution rate for PEERS members and employers is 13.72%, with each paying 6.86%.

Salary includes, but is not limited to:

- Payments for extra duties
- Overtime payments
- Employer-paid health, dental and vision insurance premiums for the member

The Internal Revenue Code (IRC) limits the amount of annual compensation on which members who joined PEERS on or after July 1, 1996 can make contributions. The limit for the 2023-2024 school year is \$330,000. This figure is adjusted annually by the IRS based upon increases in the cost-of-living index. Any contributions remitted on salary in excess of this limit will be refunded to the employer for distribution to the member.

Your contributions are credited to your individual membership, and can be refunded only if you end covered employment with all PEERS-covered employers, are not under agreement for future covered employment, and forfeit the service earned. You cannot borrow against your membership funds, nor can they be garnished, attached, assigned or subjected to any other claim. **Exception:** Your funds can be garnished to pay child support or maintenance or an IRS levy if you receive a monthly retirement benefit or a refund of your contributions and interest.

Employer contributions are not remitted specifically for you, but instead are placed in a general reserve, and are, therefore, not refundable. Employer contributions and the investment earnings are used to help pay monthly benefits to retirees and to beneficiaries of deceased members.

Employer Pick-Up Contributions

Since July 1, 1989, member contributions to PEERS have been considered “employer pick up” (EPU), or tax deferred contributions under the Internal Revenue Code (IRC). You do not have to pay taxes on your contributions until they are returned to you or your beneficiary as monthly benefits or a lump-sum refund.

Prior to July 1, 1989, your contributions were taxed and then sent to PEERS.

Your tax-deferred and taxed contributions are tracked separately and identified on your annual *Member Statement*. You are notified at the time of retirement or refund of the amount considered taxable when paid to you as a benefit.

Interest on Your Contributions

Interest accrues on your contributions and is credited to your membership each June 30 on the balance as of the previous June 30. The interest rate is set annually by the PSRS/PEERS Board of Trustees, and compares favorably with rates credited on most savings accounts and short-term certificates of deposit (CDs). The interest as of each June 30 appears on your annual *Member Statement* (see pages 21-22).

The interest accruing on your contributions is not taxable until it is actually paid to you or to your beneficiary in the form of benefits. It should not be reported on your annual tax returns before retirement as long as your funds remain with PEERS.

The amount of money associated with your membership is important only in the event of a lump-sum payment. It is not a factor in the calculation of a retirement benefit. All credited interest is also paid if your contributions are refunded, or if a lump-sum death payment is made to your beneficiary.

Refund of Your Contributions and Interest

If you end PEERS-covered employment, you may cancel your membership, forfeit your service and any right to a benefit based on that service, and receive a lump-sum refund of your contributions, any payments you made to reinstate or purchase service, and the interest earned through the preceding June 30. Contributions made by your employer are not credited to your membership and are not refundable. **The law does not permit partial refunds or loans.**

According to Missouri law, you are eligible to receive a refund of your contributions and interest and forfeit all of your PEERS service **only** if you:

- Have ended PEERS-covered employment, and
- Are not under agreement for future employment with any PEERS-covered employer.

You are **not** eligible for a refund if you are:

- On a leave of absence
- Finishing a school year with one covered employer and starting the next school year with another covered employer

If you are planning to request a refund because you are physically or mentally disabled and cannot work, you should first consider whether you are eligible for PEERS monthly disability retirement benefits. See the section entitled, *Disability Retirement*, beginning on page 58, or contact us for more information.

You may request a *Refund Application* from PEERS at any time, but it cannot be filed until 30 days have passed since your last day of PEERS-covered employment. If you are on leave of absence or under contract, the 30-day waiting period must be measured from the date your leave or contract agreement ends.

After the required 30-day waiting period, payment of your funds should occur within 60 days following the receipt of your properly completed *Refund Application* by PEERS. The amount of time needed to process your application depends on whether you were employed in the current school year.

If so, PEERS must verify your employment and contributions with your employer. **If your employment continues to the end of the school year, the earliest possible refund date will be in July.**

If your membership ends by refund and you return to PEERS-covered employment, you will establish a new membership. You will then have an opportunity to reinstate your previous service (see page 28).

Income Taxes on Refunds

If you are considering taking a refund of your contributions and interest, you should carefully consider the potential tax consequences.

Taxes **are payable** on:

- Contributions made after June 30, 1989
- Interest added during your membership
- Any tax-deferred funds used to purchase or reinstate service

Taxes **are not payable** on:

- Contributions made before July 1, 1989 (before this date taxes were withheld from your contributions by your employer before being sent to PEERS)
- Any taxed dollars you used to reinstate or purchase service

PEERS is required by the IRS to withhold 20% federal income tax on the taxable portion of a lump-sum refund (if \$200 or greater) unless you authorize PEERS to directly roll the taxable amount to another eligible retirement plan. **Caution: taxable funds rolled over into a Roth IRA are considered taxable income in the tax year in which the rollover takes place.**

In addition, if your payment occurs before you reach age 59 ½ and a rollover of the taxable amount does not take place, a 10% federal tax penalty may apply in addition to the ordinary income tax owed. This penalty generally does not apply if you separate from service in or after the tax year in which you reach age 55.

The SECURE 2.0 Act of 2022 (SECURE 2.0) was passed by Congress on December 23, 2022 and

signed into law by the president on December 29, 2022. The legislation allows for possible favorable tax treatment for individuals determined to have a terminal illness or condition. The legislation considers an illness or condition to be terminal if it is reasonably expected to result in death in 84 months or less. We recommend that you consult your individual tax advisor if this provision could apply to you.

PEERS will mail an IRS Form 1099-R to you after the end of the calendar year indicating the taxable portion of your lump-sum refund and any federal taxes withheld.

If you request a **Refund Application**, detailed tax information and payment options will accompany the form.

The PEERS staff does not answer individual tax questions or give tax advice. Inquiries should be referred to a tax professional or to the appropriate state or federal taxing agency.

Membership Status

The status of your membership depends on whether you are working in PEERS-covered employment, and how much service you have.

Active Membership

Your membership is considered **active** as long as you are employed in a position qualified for membership and contribute to PEERS.

Inactive Membership

Your membership is considered **inactive** if you are employed in a position that does not qualify for membership, or if you end covered employment but leave your contributions with PEERS.

If you are an inactive member, you may request a refund and end your membership at any time (see page 24).

Vested Membership

Your membership is **vested** once you have five years of eligible service with PEERS. The five years of service can include service for leave under PEERS,

reinstated service and service purchased from qualified sources. However, the amount of purchased service cannot exceed the service earned for PEERS-covered employment at the time of retirement.

Vesting establishes a right to a retirement benefit without additional PEERS-covered employment. Once vested, you may end covered employment at any age, hold your membership by leaving your contributions with PEERS, and receive a lifetime monthly retirement benefit when you are eligible. Your benefit is calculated using the retirement formula in effect upon your PEERS retirement date.

Absence from Covered Employment

Before Vesting

If you leave PEERS-covered employment before you are vested (with fewer than five years of eligible service) and your contributions remain with the System, you will retain your membership. Your funds continue to accrue interest for five years after you end covered employment. Interest accrues every June 30 based on your total contributions and interest as of the previous June 30. If you do not return to covered employment or purchase service to attain vested status within the next five school years, your membership terminates.

If you are not vested and not currently working in PEERS-covered employment, but think you may return, it may be to your advantage to leave your funds with PEERS and earn interest on them. You can take a refund at any time (see page 24) if you don't return to PEERS-covered employment.

If you leave your funds with PEERS and you do return to covered employment within five years, your membership and service will simply pick up where you left off. If you leave your funds with PEERS and return after your membership terminates (after five years), you will start a new membership, but you can combine the two and will not lose your previous contributions or service.

In the event that you return to covered-employment after taking a refund, you can buy back, or reinstate, all or any part of the service you forfeited. See page 28 for more information.

Membership Termination Before Retirement

Your membership automatically terminates if you are not vested and are out of PEERS-covered employment for five consecutive school years. When your membership terminates, interest is no longer credited to your membership. Should your membership terminate, we will mail you an informational packet and ***Refund Application***.

It is important to keep your address on record with PEERS current as long as you have funds with the System (see page 21). If your membership terminates before retirement, this will help ensure you receive refund information in a timely manner.

An absence covered by the Family and Medical Leave Act of 1993 (FMLA) or an absence for military service covered by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) is not counted in determining the maximum allowed absence from PEERS-covered employment. Please contact us if you qualify for leave under these two laws.

After Vesting

If you leave PEERS-covered employment after you are vested (with five or more years of eligible service), you can leave your funds with PEERS and continue to earn interest on them until you are eligible to retire. Interest accrues every June 30 based on your total contributions and interest as of the previous June 30. In addition, should you pass away while vested and with funds in your PEERS membership, your beneficiaries may be eligible for survivor benefits (see pages 36-39).

When you reach retirement eligibility, you can apply for, and receive, lifetime monthly benefits. Depending on the benefit plan you choose, you can also provide financial protection for your beneficiaries in the event of your death after retirement. For more information on the benefit plans available and the beneficiary protection they provide, see pages 46-51.

Reinstatements, Purchases and Service Transfers

Reinstating Forfeited Service	28
Purchasing Service	28
Purchase Applications	28
Types of Service Purchases	28
Purchases Based on Leave from PEERS-Covered Employment.....	28
Purchases Calculated Using the Basic Purchase Cost Calculation.....	29
Rules for Purchasing Service Calculated Using the Basic Purchase Cost Calculation.....	29
Types of Purchases Calculated Using the Basic Purchase Cost Calculation.....	30
Reciprocity: Transferring or Purchasing Service from Another Missouri Public Retirement System	31
Reciprocity Transfer.....	31
Reciprocity Purchase	31
Missouri Educational Recognition of Service.....	32
Is a Service Purchase the Best Decision?.....	32
Consider the Timing	32
How Long Will it Take to Recover the Cost?.....	32
Paying for Reinstatements and Service Purchases.....	33
Tax-Deferred Rollovers	33
In-Service Trustee-to-Trustee Transfers	34

Reinstatements, Purchases and Service Transfers

All members are eligible to purchase some type of service with PEERS before PEERS retirement. The potential advantages of reinstating or purchasing service are:

- Achieving a higher benefit
- Reaching retirement eligibility sooner

Reinstating Forfeited Service

If you have previous PEERS service you forfeited by taking a refund of your contributions and interest, you can buy back, or reinstate, all or any portion of the service when you return to covered employment and establish a new membership. In most cases, you will receive the reinstatement cost of any eligible service when you establish your new PEERS membership.

Typically, a reinstatement is less expensive than a service purchase. Your cost is based on the amount refunded plus interest from the date of the refund until paid in full.

If you believe you are eligible to reinstate forfeited service and you have not received information from us, please contact us. If eligible, we will provide you information regarding the number of years you are eligible to reinstate and a cost estimate.

Rules for reinstating service:

- You may reinstate as much forfeited service as you have, in increments as small as one, one hundred thousandth (0.00001) of a year.
- Payment for service to be used to determine retirement eligibility and in the calculation of your benefit must be made before retirement.
- Interest accrues monthly on the unpaid balance on the first of each month starting from the date of the refund until paid in full.
- If you do not complete payment before retirement, refund, death or absence from covered employment if not vested, proportional service is granted based on payments you make.

- Reinstated service counts toward vesting your PEERS membership.

Purchasing Service

In addition to reinstating previously forfeited PEERS service, there are other types of service you may be eligible to purchase. If you were on military, sick or maternity leave, or worked elsewhere, you may be eligible to purchase service for that time. In limited cases, members may be able to transfer or recognize service earned with other Missouri public retirement systems.

Each type of service purchase has its own eligibility requirements. See details beginning on page 29. If you need more detailed information, please contact us.

Purchase Applications

Applications for most types of service purchases are available online by logging in to Web Member Services at www.psr-peers.org. Because of complex eligibility requirements, applications for a few types of service purchases and service transfers are not available online. You can request a copy of any purchase application by contacting PEERS.

Types of Service Purchases

Service purchases fall into three major categories:

- Purchases based on a leave from PEERS-covered employment – you and your employer pay contributions for the leave period
- Purchases calculated using the Basic Purchase Cost Calculation – your cost is calculated using a set formula
- Transferring and recognizing service with other Missouri public retirement systems – there is no cost to you for a transfer or recognition of service

Purchases Based on Leave from PEERS-Covered Employment

Two purchase provisions exist that may allow you to receive service based on a leave from PEERS-covered employment. Call PEERS or your employer for the estimated cost of these types of purchases.

You and your employer are required to pay contributions toward the total purchase cost.

1. Unpaid sick leave or workers' compensation leave occurring in the current or previous two school years may be purchased by paying to your employer the contributions you would have made to PEERS during the full period of leave. Your employer will send both employer and employee contributions to PEERS so you receive full service for your leave period.

2. Active military service under the Uniformed Services Employment and Reemployment Rights Act (USERRA) includes service in the U.S. Armed Forces, National Guard and other service categories designated by the president in times of war or emergency. You must return to work for the same employer after your active duty.

USERRA-covered leave can be granted and purchased.

Granted USERRA-covered leave has no cost to you. It counts toward vesting your membership and eligibility for benefits, but is not used in the calculation of your benefits.

To receive granted USERRA leave, submit a copy of your DD214 to PEERS.

Purchased USERRA-covered leave is also used in the calculation of your benefits.

In order to be eligible to purchase service under USERRA, you must return to the same employer and apply within five years of your re-employment date. You can purchase up to five years of USERRA-covered service.

The cost to purchase USERRA service is calculated by multiplying the PEERS salary rate that would have been paid during the period of USERRA-covered service by the contribution rate in effect at the time of the service. You must pay the employee portion and your employer must pay the employer portion.

Purchases Calculated Using the Basic Purchase Cost Calculation

Most PEERS service purchase costs are determined using the Basic Purchase Cost Calculation. You can estimate the cost for these service purchases using the Purchase Calculator in Web Member Services. Log in at www.psr-peers.org.

The Basic Purchase Cost Calculation multiplies the current total contribution rate (employee plus employer) by your highest annual salary on record to determine the cost for each year of service.

Basic Purchase Cost Calculation

Contribution Rate (Employee Plus Employer)		Highest Annual Salary on Record		Cost for One Year of Service
13.72%	x	\$30,600	=	\$4,198

The cost for purchasing service is recalculated every October 1, using the current contribution rate and your highest annual salary on record.

- The contribution rate is the total rate in effect for both the employee and employer combined as of the previous July 1.
- Your highest annual salary on record is typically, but not always, your salary from the last school year completed. Salary includes all earnings in a school year (July 1 – June 30) and the amount of the employer-paid health, dental and vision insurance premiums for you, the employee.

Rules for Purchasing Service Calculated Using the Basic Purchase Cost Calculation

These general rules apply to **most** purchases calculated with the Basic Purchase Cost Calculation.

- You need at least one year of earned service with PEERS to be eligible to apply for most service purchases.
- You are required to return to PEERS-covered employment after the employment, military service or leave being purchased.
- You can purchase most types of service in increments as small as one, one hundred thousandth (0.00001) of a year.
- The total of most types of service purchased (not including reinstatements) cannot exceed all earned service on record with PEERS at the termination of your membership. According to law, membership is terminated by retirement, refund, death or when not vested and out of covered employment for five consecutive school years.

Any payments made for service in excess of your earned service amount are refunded when your membership terminates.

- Purchased service counts toward vesting except supplemental service and service for Social Security-covered employment.
- You cannot have service with any other retirement system for employment, leave or service purchased with PEERS, except Social Security and military pensions.
- Payment for service to be used to determine retirement eligibility and in the calculation of your benefit must be made before retirement.
- The cost of any service for which you have applied, but not yet paid, as of September 30 of each year is recalculated each October 1 based upon your highest annual salary on record and the contribution rate as of July 1 of the current school year.
- For most types of service purchases, if you do not complete payment prior to retirement, refund, death or being out of covered employment for five consecutive school years before you are vested, proportional service is granted based on payments already made.
- Proportional service is not granted for partial payment on reciprocity purchases and some purchases of service for non-federal public employment.
- Applications to purchase service cannot be canceled or changed.
- Payments for purchases of service will not be refunded, unless the purchase will result in having more purchased than earned service at the time your membership ends.
- You cannot have more than one year of service for any school year.

Types of Purchases Calculated Using the Basic Purchase Cost Calculation

The Basic Purchase Cost Calculation is used to determine the cost of the following types of purchases:

1. Supplemental service may be purchased if you are within five years of retirement eligibility. You may purchase up to five-tenths (0.5) of a year.

This purchase does not require any prior employment, service or leave period, and does not count toward vesting your PEERS membership. IRS regulations may limit the amount of supplemental service you can purchase if you also purchase service for Social Security-covered employment (see below).

2. Social Security-covered employment may be purchased if the employment was at least 20 hours per week on a regular basis while you were age 18 or older. You must be vested with PEERS to apply for this type of purchase. The IRS regulations categorize supplemental service purchases and some purchases of service for Social Security-covered employment as “non-qualified.” When purchasing non-qualified service, you are limited to a lifetime total purchase of five years paid for with after tax dollars. You can purchase additional years (more than five) if those additional years are paid for with qualified rollover or transfer funds.

3. Service forfeited from the Public School Retirement System of Missouri (PSRS) may be purchased with a part of the cost offset by a transfer of the PSRS employer contributions to PEERS, not to exceed 50% of your purchase cost.

4. Maternity or paternity leave from a PEERS-covered employer may be purchased. You may purchase up to one year of service for each natural birth, legal adoption or terminated pregnancy.

If you have unpaid maternity or paternity leave during the current or previous two school years, it may be less expensive to get service for such time by paying contributions through your employer under the Unpaid Sick Leave purchase provision. See page 29 for more information.

5. Employment at non-PEERS-covered schools for at least 20 hours per week on a regular basis may be purchased. Employment can be with a public or private elementary, secondary or post-secondary school.

6. Non-federal public employment in any location that was for at least 20 hours per week on a regular basis may be purchased.

You may also qualify to purchase service for non-federal public employment if you are vested with PEERS, your employment was in Missouri, for at least 20 hours per week on a regular basis, and the employment was not covered by a retirement plan.

7. Active duty U.S. military service may be purchased if you were discharged under honorable conditions. Also refer to page 29 for information on purchasing active military service covered by the Uniformed Services Employment and Reemployment Rights Act (USERRA).

8. Part-time certificated employment with a PEERS-covered employer that was for at least 17, but fewer than 20, hours per week on a regular basis occurring between August 28, 1991 and August 27, 2003 may be purchased, if you held a valid Missouri educator certificate.

9. Vo-tech work experience in the subject area of your vo-tech certification may be purchased if you are, or were, certified as a vo-tech teacher. You may purchase up to two years of this work experience.

10. Not-for-profit educational work experience of at least 20 hours per week on a regular basis at a not-for-profit corporation or agency may be purchased. The primary purpose of the work must have been the support of education or educational research. The work must have been performed while on leave from a PEERS-covered employer.

Reciprocity: Transferring or Purchasing Service from Another Missouri Public Retirement System

Reciprocity is a transfer or purchase of service from another Missouri public retirement system.

Reciprocity Transfer

You must be vested in both PEERS and another Missouri public retirement system to be eligible to transfer funds from the other system and receive actuarially equivalent service with PEERS. A cooperative transfer agreement between both systems

is required. The systems that currently have signed transfer agreements with PEERS are:

- Kansas City Employees' Retirement System
- Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS)
- Missouri Local Government Employees Retirement System (LAGERS)
- Missouri State Employees' Retirement System (MOSERS), including the Administrative Law Judges Pension Plan and Judicial Plan
- The Public School Retirement System of Missouri (PSRS)
- The Public School Retirement System of the School District of Kansas City (KCPSRS)

If you transfer service from one of these systems to PEERS using reciprocity, you must forfeit all your service with the other system, and you may not receive service or benefits for the same period of employment from the other retirement system.

There is no cost to transfer the service. Since the service you receive in PEERS is actuarially determined and is not a year-for-year equivalent, not all of your service with the other public retirement system may transfer to PEERS. You can purchase any remaining service in excess of the amount of the transfer.

Reciprocity Purchase

You must be vested with PEERS in order to purchase service you forfeited with another Missouri public retirement system.

The cost of a reciprocity purchase is initially determined by the Basic Purchase Cost Calculation detailed on page 29. Reciprocity purchases accrue interest on the first of each month on the balance due beginning the first July 1 after the date the application is filed. Reciprocity purchase applications must be paid in full within two years of the application filing date. If payment is not completed within that time, all payments are refunded. Unlike some other purchases, proportional service is not granted for partial payment. You can, however, reapply for the purchase at a later date, with a recalculation of your cost.

Missouri Educational Recognition of Service

If you are vested with two or more Missouri educational retirement systems, you may be able to recognize the service at no cost to you. Recognizing your vested service may allow you to retire sooner or with a higher benefit factor. However, your PEERS benefit is calculated using only your years of service and salaries on record with PEERS.

When you recognize vested service from another Missouri educational retirement system with your PEERS service, you do not forfeit your service with the other retirement system.

Participating Missouri educational retirement systems are:

- The Public Education Employee Retirement System of Missouri (PEERS)
- The Public School Retirement System of Missouri (PSRS)
- The Public School Retirement System of the School District of Kansas City (KCPSRS)
- The Public School Retirement System of the City of St. Louis (PSRSSTL)

Example

Recognition of Service

A 55-year-old PEERS member with 20 years of service with PEERS and 10 years of service with the Public School Retirement System of the City of St. Louis may be able to recognize the service she has with these two systems and be eligible to apply the full benefit factor (normal retirement) immediately when calculating her PEERS benefit. The benefit is calculated using the 20 years of service and her salaries earned with PEERS. Without recognizing the 10 years of St. Louis service, her benefit is actuarially age-reduced (under early retirement) because she is not yet age 60, does not have 30 years of service with PEERS, and does not meet the PEERS Rule of 80 criteria.

Is a Service Purchase the Best Decision?

A service purchase may or may not be right for you. This depends largely on your individual career statistics and personal circumstances. In almost all cases, a service purchase will increase your monthly benefit. In some cases it may allow you to retire earlier.

A service purchase can be quite expensive, and should be viewed as an investment in your retirement. When considering a service purchase, you should also consider other investment choices. The potential worth of a service purchase can vary greatly from member to member, depending, in part, on your personal circumstances, plans and goals. You should weigh the purchase cost against all potential benefits the additional service can provide. It may be wise to seek advice from a trusted financial advisor.

Consider the Timing

If the cost to purchase service is calculated using the Basic Purchase Cost Calculation, the cost is based in part on your highest annual salary on record. For that reason, it may make sense to purchase service earlier in your career, since the longer you work in PEERS-covered employment, the more likely your salary may increase. The higher your highest annual salary on record with PEERS, the more the service will cost.

How Long Will it Take to Recover the Cost?

There may be a variety of reasons for you to consider purchasing service. The most fundamental of all reasons is how long it will take you to recover your purchase cost after you retire. In the example shown on the following page, it will take approximately nine years of monthly benefits to recover the cost of the purchase.

You can also use the Purchase and Reinstatement Cost Recovery Calculator found on our website to estimate your cost recovery time.

Example

Purchase Cost Recovery Time

Step 1: Determine Increase in Monthly Benefit Due to Purchase of One Year of Service

1	Monthly benefit with service purchase	\$ 796
2	Monthly benefit without service purchase	\$ 755

Subtract Line 2 from Line 1.

3	This is the increase in your monthly benefit due to the purchase.	\$ 41
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Step 2: Determine Time to Recover Purchase Cost

4	Cost to Purchase Service	\$4,198
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Divide Line 4 by Line 3

5	This is the number of months it will take you to recover your purchase cost in the form of monthly benefits.	102 months
---	--	------------

Divide Line 5 by 12 months

6	This is the estimated number of years it will take you to recover your purchase cost in the form of monthly benefits.	8.5 years
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Paying for Reinstatements and Service Purchases

You can make reinstatement and purchase payments by:

- Personal check
- Cashier's check
- Money order
- A tax-deferred rollover
- An in-service trustee-to-trustee transfer of funds

For most purchases, filing a purchase application does not create a contractual obligation on your part to complete payment. There is no set monthly or other periodic payment due: you pay what you want, when you want. However, paying off your reinstatement or purchase earlier may result in a lower total cost due to annual recalculations of your balance due or the accrual of interest. The reinstatement or purchase must be paid in full

before retirement in order for all the service to be considered in retirement eligibility and included in the calculation of your retirement benefit. If you do not complete payment in full, in most cases, you may receive proportional service based on the payments you make.

Tax-Deferred Rollovers

In most cases, it is advisable to use tax-deferred (pre-tax) retirement options, such as a 403(b), 457(b), 401(k), or another qualified plan, to accumulate funds to pay for a reinstatement or service purchase. (Note: This does not include funds in a Roth IRA.) Directly transferring funds from a qualified plan in your (the member's) name can protect the tax-deferred status of the funds and avoid tax payments and tax penalties at the time of transfer. We suggest that you contact a tax professional of your choice for guidance concerning this issue.

PEERS can accept tax-deferred rollovers for the payment of reinstatements of service and service purchases provided that acceptance of any funds from any authorized plan or account will not jeopardize PEERS' tax-qualified status. The funds must be an "eligible rollover distribution" from plans permitted under the Internal Revenue Code.

Generally, this includes the following:

- A 401(a) tax qualified plan, including a Keogh plan which meets additional requirements pertaining to owner-employees
- A 403(a) qualified annuity plan
- A 408(a) individual retirement account or a 408(b) individual retirement annuity, to the extent that the IRA contains funds that have not been previously taxed
- A 403(b) qualified plan
- All state and local government 457(b) deferred compensation plans
- Any other plans or accounts that may be authorized as a source of eligible funds under the Internal Revenue Code, provided PEERS shall not be obligated to accept any funds from any such authorized plan or account if the funds would jeopardize the tax-qualified status of PEERS

- The member, if the amount was distributed to the member from a qualified plan and is rolled over by the member to PEERS within 60 days of that distribution, and if the member's check is accompanied by proof of rollover eligibility

Rollovers must be limited to the cost to purchase or reinstate service for which you are eligible.

Completing a purchase can sometimes take six months or longer to verify your service and complete a rollover or tax-deferred transfer. Start the process early to give yourself and your financial institution adequate time to complete the transaction.

You can obtain a ***Pre-Tax Rollover/Transfer Certification*** form and information sheet on our website, or by contacting our office.

In-Service Trustee-to-Trustee Transfers

PEERS can accept an in-service trustee-to-trustee transfer in payment of reinstatements of service and service purchases if the money is transferred from:

- An annuity contract or plan described in section 403(b) of the Internal Revenue Code
- An eligible plan under section 457(b) of the Internal Revenue Code

In order to use an in-service trustee-to-trustee transfer to reinstate or purchase service, two requirements must be met:

- Your 403(b) or 457(b) plan must allow in-service trustee-to-trustee transfers. You should contact your plan administrator to find out if your plan qualifies.
- The transfer must be limited to the cost to purchase or reinstate service for which you are eligible.

Survivor Benefits

Lump-Sum Survivor Benefit	36
Beneficiary Qualifications	36
Benefit Amount	36
Payment	36
Monthly Retirement-Based Survivor Benefits	37
Member Qualifications	37
Beneficiary Qualifications	37
Benefit Amount	37
Payment	37
Income Taxes on Survivor Benefits	37
The Importance of Keeping Your Beneficiary Designation Up-to-Date	38
What Happens if Your Beneficiary Designation is Invalid?	38
Tips for Designating Beneficiaries for Your PEERS Membership.....	38
The Advantages of Naming One Beneficiary.....	38
Naming Joint Beneficiaries (More than One Individual to Share Benefits)	39
Naming a Spouse	39
Minors and Legally Disabled Beneficiaries.....	39
Naming a Trust	39
Naming Your Estate	39
Reporting a Death.....	39

Survivor Benefits

In addition to the emotional stress caused by the loss of a loved one, it can also put significant stress on a family's finances, particularly when it occurs during the working years. To help ease this burden, PEERS offers valuable financial protection for your family if you pass away before service retirement or while receiving PEERS disability benefits.

PEERS offers two types of survivor benefits for beneficiaries of members who pass away before retirement:

- A one-time, lump-sum survivor benefit consisting of your contributions and interest
- Monthly retirement-based benefits

Specific qualifications must be met in order to receive monthly benefits. Those qualifications are detailed in this handbook.

Benefits payable to beneficiaries, should you pass away after service retirement, are based on the benefit plan you choose when you retire (see pages 46-51).

Lump-Sum Survivor Benefit

If you pass away before retirement, any designated beneficiary is eligible for a one-time, lump-sum survivor benefit. No other survivor benefit is payable if a lump-sum survivor benefit is paid.

Beneficiary Qualifications

Eligible beneficiaries include:

- An individual or individuals (split equally unless you indicate otherwise)
- A legally established trust
- Your estate
- Any other legal entity, such as a church, school or organization

Benefit Amount

This benefit includes your accumulated contributions, any payments you made to reinstate or purchase service, and the interest earned on your contributions as of the date of your death. Employer contributions are not included in a lump-sum survivor benefit.

You can log in to Web Member Services at www.psrs-peers.org to view your total contributions and interest or contact us.

Payment

Payment of the lump-sum survivor benefit is typically made within 30 days of receipt of the required application and other documents.

A lump-sum survivor benefit is subject to federal and state income taxes (see page 37). If your beneficiary is your spouse, he or she can directly roll the lump-sum payment to a qualified retirement plan to avoid incurring an immediate tax liability. If your beneficiary is someone other than your spouse, he or she can directly roll the payment to an IRA established as an inherited IRA. **Caution: taxable funds rolled over into a Roth IRA are considered taxable income in the year in which the rollover takes place.**

Example

Josie is a PEERS-covered administrative assistant who passes away before she reaches retirement eligibility. She designated her child, John, as her pre-retirement beneficiary. John elects to receive the one-time, lump-sum survivor benefit and a refund of Josie's contributions and interest is paid directly to John. John cannot receive any other type of survivor benefit once this election is made.

Monthly Retirement-Based Survivor Benefits

Member Qualifications

You must be vested (have five or more years of eligible service with PEERS) at the time of your death.

Beneficiary Qualifications

Your beneficiary must be one individual.

Your spouse, child or parent is automatically eligible. Any other individual named as your sole beneficiary is eligible if that person can provide documentation showing that he or she was financially dependent on you at the time of your death. Organizations or legal entities are not eligible for monthly retirement-based survivor benefits.

Your beneficiary may be eligible for immediate benefits if you are eligible for retirement at the time of your death, or future benefits based on your retirement eligibility with no additional service earned. For more information on retirement eligibility requirements, see pages 43-45.

Benefit Amount

Monthly retirement-based survivor benefit amounts are based on the retirement benefit you would have received with no additional service earned, and you lived to retirement eligibility and elected the Joint-and-Survivor 100% benefit plan (see page 47). This type of survivor benefit is eligible for cost-of-living adjustments (COLAs) beginning the fourth January after benefits begin.

Monthly retirement-based survivor benefits are paid for the beneficiary's lifetime.

You can estimate the amount using the Benefit Estimator found in PEERS Web Member Services at www.psr-peers.org.

Payment

Monthly retirement-based survivor benefits are paid by direct deposit on the last working day of each month. A schedule of direct deposit dates can be found on our website, www.psr-peers.org.

Example

Darren is a PEERS-covered tech support specialist who passes away at age 50 with 15 years of service. He named his wife, Susan, as his pre-retirement beneficiary. Susan can choose to receive either age-reduced monthly retirement-based survivor benefits, beginning when Darren would have reached age 55; or she can choose to receive non-reduced monthly retirement-based survivor benefits, beginning when Darren would have reached age 60. Monthly retirement-based survivor benefits are payable for the beneficiary's lifetime.

Income Taxes on Survivor Benefits

Survivor benefits, whether a lump-sum survivor benefit or monthly retirement-based benefits, are subject to federal and state income taxes.

An IRS Form 1099-R is sent to benefit recipients after the end of each calendar year for tax purposes.

Beneficiaries are urged to seek tax advice from the IRS at **(800) 829-1040**, the Missouri Department of Revenue at **(573) 751-3505** or a tax professional if assistance is needed in determining individual tax liability.

The Importance of Keeping Your Beneficiary Designation Up-to-Date

In order to provide your family with the best financial protection, it is important to designate your beneficiaries properly and keep them updated as life-changing events occur.

A marriage, divorce, birth or adoption of a child automatically voids your beneficiary designation. Unless you file a new beneficiary designation, Missouri law will determine your beneficiaries when you pass away.

If you are unsure of your current PEERS beneficiary designation, you can view and update it by logging in to Web Member Services at www.psr-peers.org. Your current beneficiary designation is also shown on your annual *Member Statement*, issued each fall.

If you are new to PEERS, please make it a priority to visit Web Member Services and designate your beneficiaries online.

You can also update your beneficiaries using a *Pre-Retirement Beneficiary Designation* form available on our website or from our office.

You can change your designation any time.

What Happens if Your Beneficiary Designation is Invalid?

Missouri law determines your beneficiaries, if, at the time of your death:

- You do not have a valid beneficiary designation on file with PEERS.
- A change in your life status (marriage, divorce, birth or adoption of a child) has occurred since your beneficiary designation was made.
- All designated beneficiaries have disclaimed the right to receive benefits.

If one of these situations occurs, the following individuals are your designated beneficiaries, according to law.

Beneficiaries Order of Precedence

1. Surviving spouse
2. Surviving children in equal shares
3. Surviving parents in equal shares
4. Estate

Tips for Designating Beneficiaries for Your PEERS Membership

You may name as beneficiary:

- An individual or individuals
- A legal entity, such as a church, school or organization
- A legally established trust
- Your estate

Following are tips to help you provide the greatest financial protection for your surviving family members. **These suggestions are general in nature and may not fit all family situations. If you are in doubt as to the most appropriate designation, please contact our office.**

The Advantages of Naming One Beneficiary

If you are vested at the time of your death and name your spouse, child or parent as your sole beneficiary, he or she can choose either a lump-sum survivor benefit or monthly retirement-based survivor benefits.

The same holds true for any other individual named as your sole beneficiary who can provide documentation showing that he or she was financially dependent on you at the time of your death.

Monthly retirement-based survivor benefits can provide a larger total financial benefit than a lump-sum survivor benefit payment consisting of your contributions and interest.

Only a sole, individual beneficiary with insurable interest is eligible to receive monthly benefits, which can be more advantageous than a lump-sum survivor benefit consisting of your contributions and interest.

Naming Joint Beneficiaries (More than One Individual to Share Benefits)

You should not name joint beneficiaries if you want to provide monthly retirement-based survivor benefits to your beneficiary. A beneficiary must be the sole beneficiary in order to choose retirement-based monthly benefits.

Joint beneficiaries will share a lump-sum survivor benefit equally unless you specify otherwise.

Naming a Spouse

If you are married, naming your spouse as your sole beneficiary provides the greatest financial protection. This gives your spouse the choice of either a lump-sum survivor benefit, or, if you are vested (have five or more years of qualified service with PEERS) at the time of your death, he or she can choose immediate or future monthly retirement-based benefits.

Minors and Legally Disabled Beneficiaries

Benefits payable to a minor (a child under age 18), or a person who is legally disabled, must be made to the legally authorized representative of the individual. If your child is a minor and you want a specific individual to handle the survivor benefit payments on the child's behalf, indicate your beneficiary as "(name of individual) as Custodian for (name of child) under the Missouri Transfers to Minors Law."

Naming a Trust

If you consult an attorney for your estate planning, he or she may suggest that you name a trust as your PEERS beneficiary. However, the only benefit payable to your trust is a lump-sum survivor benefit consisting of your contributions and interest. If you name your trust as beneficiary, your beneficiary will not be able to choose monthly retirement-based survivor benefits.

If you want your contributions and interest paid to your trust, write the name of the trust as beneficiary, and include the date it was established. Upon your death, your family will be asked to submit a copy of the complete trust agreement.

Naming Your Estate

The only benefit payable to your estate is a lump-sum survivor benefit consisting of your contributions and interest.

If you want your contributions and interest paid to your estate in a lump sum, you should write "my estate" as your beneficiary. Upon your death, your family will be asked to submit certified court documents showing an estate has been opened.

Reporting a Death

In the event of your death, a family member or friend should notify PEERS as soon as possible so we can update your records and provide information on benefits payable to your beneficiary(ies). We will need the following information:

- Your name, Social Security number or PEERS member ID
- A photocopy of your death certificate as proof of the date of death
- Name, address and telephone number of a contact person

Service Retirement

Types of Benefits	42
Benefit Formula Components	42
Final Average Salary Cap	43
Normal Retirement Benefits	43
Eligibility	43
Temporary Benefits	43
Benefit Amount	43
Early Retirement Benefits: 25-and-Out	43
Eligibility	43
Benefit Amount	43
Early Retirement Benefits: Age-Reduced	44
Eligibility	44
Benefit Amount	44
Partial Lump Sum Option (PLSO) Benefits	44
Eligibility	44
Benefit Amount: Lump-Sum Payment	44
Benefit Amount: Reduced Lifetime Monthly Benefits	45
PLSO Reduction Factors	45
The Accelerated Payment Plan (APP)	45
Calculating Benefits	46
Online Benefit Estimate Calculator	46
Benefit Plans	46
The Single Life Benefit Plan	46
Plan Description	46
Naming Beneficiaries Under the Single Life Plan	47
Advantages	47
Disadvantages	47
The Joint-and-Survivor Benefit Plans	47
Plan Description	47
Joint-and-Survivor 100% Benefit Plan	47

Joint-and-Survivor 75% Benefit Plan	47
Joint-and-Survivor 50% Benefit Plan	47
“Pop-up” Provision.....	47
Naming a Beneficiary for Lifetime Monthly Benefits Under the Joint-and-Survivor Plans	47
Naming Beneficiaries for a Possible Lump-Sum Payment Under the Joint-and-Survivor Plans	48
Advantages	48
Disadvantages.....	48
The Term-Certain Benefit Plans	48
Plan Description	48
Term-Certain 120-Month Benefit Plan	49
Term-Certain 60-Month Benefit Plan	49
“Pop-up” Provision.....	49
Naming Beneficiaries Under the Term-Certain Plans	49
Advantages	49
A Comparison of PEERS Benefit Plans	50
Disadvantages	52
Benefit Amounts	52
<i>Benefit Estimates</i>	52
Sample Monthly Benefits	52
Applying for Service Retirement Benefits	53
Application Deadline	53
Your Retirement Date	53
Filing Your Retirement Application	54
Additional Required Documentation	54
Submit copies of birth certificate(s).	54
Submit a copy of your marriage license.....	55
Acknowledgement of Your <i>Service Retirement Application</i>	55
When to File for Retirement	55
Terminating Employment	55
Working After Service Retirement	56
Income Taxes on Service Retirement Benefits	56
Cost-of-Living Adjustments (COLAs).....	56

Service Retirement

As a PEERS member, you enjoy knowing that once you have earned five years of 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.

Upon application, lifetime monthly retirement benefits are available to you as a PEERS member if you properly terminate PEERS-covered employment and meet minimum service and age requirements. Monthly retirement benefits are paid for life without interruption as long as you do not return to full-time, PEERS-covered employment or exceed the temporary-substitute or part-time employment limits described on pages 74-75.

As you work in PEERS-covered employment, you earn service for each year, or partial year, you work. The benefit factor used in your benefit calculation at retirement depends on your years of service and your age at retirement.

You are required to apply for service retirement benefits prior to your PEERS retirement date. You can apply online via PEERS Web Member Services, or by completing the **Service Retirement Application** found on our website and available by contacting our office.

Types of Benefits

When retiring with PEERS, your benefit calculation falls into one of three basic categories of benefits:

1. **Normal (full) retirement benefits** are calculated using the full (unreduced) benefit formula. You may also qualify for **temporary benefits** until age 62; or the **Partial Lump Sum Option (PLSO)** if you meet the eligibility requirements discussed on page 44.
2. **25-and-Out early retirement benefits** are calculated using a modified (lesser) benefit formula.

3. **Age-Reduced early retirement benefits**, which are calculated using the full benefit formula with an age-reduction factor applied.

If you are considering retirement due to health reasons, you may be eligible for PEERS disability retirement. See the section entitled, **Disability Retirement**, beginning on page 58.

Benefit Formula Components

Retirement benefits are calculated using a formula that takes into consideration a benefit factor set by law, your salaries on record, and your years of service with PEERS. Benefit amounts are not based on your total contributions and interest at retirement.

Basic Benefit Calculation

Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
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Benefit factors are set by law and can only be changed through legislation. The factor used in your benefit calculation depends on the type of retirement benefits for which you are eligible: normal benefits or 25-and-Out modified benefits.

Final Average Salary is determined by adding your three highest consecutive salaries (including employer-paid health, dental and vision insurance premiums for the member), and dividing the total by 36.

Example

Years	Service	Salary
2021-2022	1.00000	\$30,000
2022-2023	1.00000	\$30,600
2023-2024	1.00000	\$31,212
	3.00000	\$91,812

Final Average Salary

$$\$91,812 \div 36 = \$2,550$$

Final Average Salary Cap

PEERS uses a 20% cap or limit on increases in salary during your Final Average Salary period. The cap helps prevent salary spiking at the end of one's career for the purpose of increasing a retirement benefit.

This cap does not apply to increases in salary that are due to a genuine change in position or employer, and/or increases required by state statute or district-wide salary schedule adjustments for previously unrecognized education-related service.

If you have questions about what constitutes a change in position or employer, please have your employer contact a PEERS employer services analyst.

Years of service include all service earned for employment with PEERS-covered employers, as well as reinstated and purchased service. Most members earn a year of service for each school year (July 1 - June 30) of PEERS-covered employment if they are a 9-, 10-, 11- or 12-month employee and serve the complete term required of the position. See pages 22-23 for more information.

Normal Retirement Benefits

Eligibility

You are eligible for normal (full) retirement benefits under the full benefit formula using a 1.61% factor when you reach any one of these criteria:

- Age 60 with at least five years of service
- Any age with at least 30 years of service
- The sum of your age plus your years of service equals 80 or more (Rule of 80).

Temporary Benefits

If you are under age 62 at retirement and have at least 30 years of service or qualify for Rule of 80, you will have an additional .8% temporary benefit added to the base formula for your normal retirement benefits until you reach minimum Social Security age, currently 62.

Benefit Amount

Normal (full) retirement benefits and temporary benefits are calculated as follows. This example is for a member with 30 years of service who is under age 62 at retirement.

Benefit Formula						
Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
1.61%	x	\$2,550	x	30	=	\$1,232 (for life)
.8%	x	\$2,550	x	30	=	\$612 (until age 62)
Total Monthly Benefit Amount Until Age 62						= \$1,844

Early Retirement Benefits: 25-and-Out

Eligibility

You are eligible for early retirement benefits under 25-and-Out if you:

- Are under age 55 with at least 25 but fewer than 30 years of service, and
- Do not qualify for the Rule of 80 (when your age plus your years of service equals 80 or more).

Benefit Amount

25-and-Out retirement benefits are calculated using a modified benefit factor. This example is for a 50-year-old with 25 years of service.

Benefit Formula						
Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
1.51%	x	\$2,550	x	25	=	\$963

The applicable benefit factor used in the 25-and-Out calculation is the number below that corresponds to your years of service at retirement.

25-and-Out Factors		
Benefit Factor	Years of Service	
	At Least	But Fewer Than
1.51%	25	26
1.53%	26	27
1.55%	27	28
1.57%	28	29
1.59%	29	30

Early Retirement Benefits: Age-Reduced

Eligibility

You are eligible for early retirement with an age-reduction factor applied to the normal (full) benefit formula if you:

- Are between the ages of 55 and 60 with at least five years of service, and
- Do not qualify for the Rule of 80 (when your age plus your years of service equals 80 or more).

Benefit Amount

Age-reduced benefits are calculated using the formula in the following example. This example is for a 55-year-old with 13.9 years of service.

Example

Final Benefit Factor	x	Average Salary	x	Years of Service	x	Age-Reduction Factor	=	Lifetime Single Life Benefit
1.61%	x	\$2,550	x	13.9	x	.6437	=	\$367

Age-Reduction Factors

Age at Early Retirement	Approximate Age-Reduction Factor
55	.6437
56	.7017
57	.7656
58	.8361
59	.9139

The factors shown above are approximates. Age-reduction factors are based on your age in years and months (as of your PEERS retirement date), and are subject to change when certain actuarial assumptions change. Accurate reductions can only come from official PEERS calculations.

Partial Lump Sum Option (PLSO) Benefits

Eligibility

You are eligible for the PLSO if you reach any one of the following criteria:

- Are age 63 with eight or more years of service
- Are any age with 33 or more years of service
- Qualify for Rule of 86 (when your age plus your years of service equals 86 or more)

Eligible PEERS members can choose to receive a one-time Partial Lump Sum Option (PLSO) payment at retirement, in exchange for actuarially reduced lifetime monthly benefits.

The PLSO payment can equal 12, 24 or 36 times the Single Life monthly benefit. The Single Life benefit plan provides the largest monthly benefit amount of all available benefit plans.

If you choose the PLSO, your lifetime monthly benefit is actuarially reduced to offset the payment of the lump-sum at retirement. In effect, the reduced monthly benefits are how you “pay” for the right to receive part of your lifetime benefits up-front.

You still must choose a benefit plan (Single Life, Joint-and-Survivor, or Term-Certain) for the payment of your monthly benefits. The benefit plans are detailed on pages 46-51.

Benefit Amount: Lump-Sum Payment

The PLSO amount is determined by multiplying your Single Life monthly benefit by 12, 24 or 36.

In the example below, the member selected a 12-month lump-sum payment.

Example

Lifetime Single Life Benefit	x	12, 24 or 36	=	PLSO Lump-Sum Payment
\$755	x	12	=	\$9,060

Benefit Amount: Reduced Lifetime Monthly Benefits

In addition to a lump-sum payment, you receive reduced lifetime monthly benefits. Because of the lump-sum payment, your monthly benefits are actuarially reduced to reflect the value of your PLSO payment and your age. This reduction is calculated by multiplying your Single Life monthly benefit by a PLSO reduction factor (see the chart below). The reduction applies regardless of the benefit plan (Single Life, Joint-and-Survivor or Term-Certain) you choose for the payment of your monthly benefits.

In the example below, the member is 63 years old and selected a 12-month PLSO. Therefore, her PLSO reduction factor is .9156.

Example			
Lifetime Single Life Benefit	x	PLSO Reduction Factor	= PLSO-Reduced Lifetime Single Life Benefit
\$755	x	.9156	= \$691

PLSO Reduction Factors

Retirement Age	12-Month Factors	24-Month Factors	36-Month Factors
50	0.9276	0.8553	0.7829
51	0.9270	0.8541	0.7811
52	0.9264	0.8528	0.7792
53	0.9257	0.8514	0.7772
54	0.9250	0.8500	0.7750
55	0.9242	0.8484	0.7726
56	0.9234	0.8468	0.7702
57	0.9225	0.8450	0.7675
58	0.9215	0.8431	0.7646
59	0.9205	0.8411	0.7616
60	0.9194	0.8388	0.7583
61	0.9182	0.8365	0.7547
62	0.9169	0.8339	0.7508
63	0.9156	0.8311	0.7467
64	0.9140	0.8281	0.7421
65	0.9124	0.8247	0.7371
66	0.9106	0.8211	0.7317
67	0.9086	0.8172	0.7258
68	0.9065	0.8129	0.7194
69	0.9042	0.8083	0.7125
70	0.9017	0.8033	0.7050

Note: The factors in this table are approximates. The exact reduction factor applied will depend on your age in years and months. Factors are subject to change when certain actuarial assumptions change.

The Accelerated Payment Plan (APP)

If you retire prior to age 62, you can choose to accelerate, or increase, your PEERS benefit until age 62, with an actuarial reduction applied to your benefit at age 62. Members who choose the Accelerated Payment Plan (APP) usually intend to apply for Social Security benefits at age 62, replacing the reduction in their PEERS benefit with income from Social Security.

Choosing the APP does not mean you receive any extra income from PEERS over your lifetime. It simply means you receive more of your benefit prior to age 62. If you choose the APP, you cannot choose the Partial Lump Sum Option (PLSO) (see page 44).

Calculating a benefit under the APP is not as simple as adding your PEERS benefit and your estimated Social Security benefit to arrive at the APP amount. While your Social Security benefit amount is used in the calculation of the APP benefit, it is an actuarial calculation that takes into consideration several other factors, including your age at retirement, your PEERS benefit amount and your estimated Social Security benefit amount.

In the example below, the member is 60 years old with 15 years of service and has a Final Average Salary of \$2,550.

Example		
	Monthly Benefit With APP	Monthly Benefit Without APP
At Age 60		
PEERS Benefit	\$1,296	\$615
At Age 62		
PEERS Benefit	\$496	\$615
Estimated Social Security Benefit	\$800	\$800
Estimated Total Combined Income	\$1,296	\$1,415

The normal benefit for this member without APP is \$615 per month. With APP, the PEERS benefit is increased by \$681 per month to \$1,296 until the member reaches age 62. At age 62, the PEERS benefit is decreased by \$119 to \$496 per month for the rest of the member's life.

If eligible, cost-of-living adjustments are granted on your entire benefit. Upon reaching age 62, the APP benefit, and any cost-of-living adjustments applied to the APP benefit, stop.

Contact us to request an estimate of benefits under the APP. We will need a copy of your Social Security benefit estimate with a calculation that is no more than six months old. The Social Security benefit estimate must be based on your Social Security earnings history, even though you may receive a spousal benefit.

If you choose the APP, your PEERS benefit will be reduced at age 62, regardless of whether you apply for Social Security benefits at age 62. PEERS plays no role in the payment of your Social Security benefits.

If you select the APP, you must also choose a benefit plan (see pages 46-51) for the payment of your monthly benefits.

Calculating Benefits

Online Benefit Estimate Calculator

You can log in to view your personal membership information using PEERS Web Member Services at www.psr-peers.org and estimate your benefits using the Benefit Estimator. The estimator uses your current salaries and service on record with PEERS to create estimates. This also allows you to input projected years of service and estimated future salaries for comparison purposes.

Benefit Estimator – Retirement Date

Mary Ann Smith - As of 7/1/2023

Step 1 of 4

Projected Retirement Date

Below is a listing of your first eligible retirement dates. These dates assume you will earn a full year of service until the employment end date and that no additional service is purchased. If you do not plan to purchase any additional service, select from the options below. Purchasing additional service could change your first eligible retirement dates. If you plan to purchase additional service, enter the amount of additional service you plan to purchase and click **Update Retirement Dates**. Then select from the updated options provided.

Service to Purchase Update Retirement Date

Options	First Eligible Retirement Date	Employment End Date	Total Service
<input type="checkbox"/> Select Reduced Retirement Benefits	7/1/2024	6/30/2024	25.00000
<input type="checkbox"/> Select Normal Retirement Benefits	7/1/2029	6/30/2029	30.00000
<input type="checkbox"/> Select Partial Lump Sum Option (PLSO)	7/1/2031	6/30/2031	32.00000
<input type="checkbox"/> Select I would like to create a custom retirement scenario			

Please note that PEERS cannot be held responsible for the accuracy of any member-generated calculations. If you prefer, you can request an official **Benefit Estimate** online or by contacting our office.

Benefit Plans

When you make the decision to retire, you can choose from six different plans for the payment of your PEERS lifetime monthly benefits. These plans offer you the flexibility to provide varying levels of financial protection for your family after your death.

When selecting a benefit plan, you should consider your:

- Age
- Financial obligations
- Health
- Income from other sources
- Spouse's or dependents' needs

You may also want to consider:

- Discussing your retirement plans and goals with your spouse or other family members
- Seeking advice from a trusted financial advisor

The benefit plan you select cannot be changed after your PEERS retirement date. No matter which plan you choose, you will receive benefits for life.

The Single Life Benefit Plan

Plan Description

The Single Life benefit plan provides the largest lifetime monthly benefit to you and makes no provision for continuing monthly payments to a beneficiary after your death. Any unused balance of your contributions and interest in your membership at your death is paid in a lump sum to your designated beneficiary. That balance is usually depleted in approximately five years after your PEERS retirement date.

Naming Beneficiaries Under the Single Life Plan

You can designate any person(s), legal entity(ies), your trust or your estate as your Single Life beneficiary. This beneficiary designation can be changed at any time.

Advantages

Since this benefit plan provides the largest retiree benefit, it is often the appropriate choice if you have no dependents, or if your beneficiary will have adequate income from other sources after your death.

Disadvantages

Monthly benefits stop at your death. No monthly benefits are provided to a beneficiary. If your beneficiary receives health insurance through your last employer, his or her eligibility for that insurance coverage may also end at your death.

The Joint-and-Survivor Benefit Plans

Plan Description

The Joint-and-Survivor benefit plans provide actuarially reduced lifetime monthly benefits to you, with some, or all, of your monthly benefit continuing to your named beneficiary after your death. The actuarial reduction in your monthly benefit depends on the plan you choose, your age, and the age of your named beneficiary when you retire. The higher the percentage of your benefit received by your beneficiary, the greater the reduction in your monthly benefit.

Joint-and-Survivor 100% Benefit Plan

Following your death, 100% of your monthly benefit continues to your named beneficiary for the remainder of his or her life.

Joint-and-Survivor 75% Benefit Plan

Following your death, 75% of your monthly benefit continues to your named beneficiary for the remainder of his or her life.

Joint-and-Survivor 50% Benefit Plan

Following your death, 50% of your monthly benefit continues to your named beneficiary for the remainder of his or her life.

“Pop-up” Provision

All Joint-and-Survivor plans have a “pop-up” provision. Your benefit can pop-up only in the event of a death or divorce. Death: If your named beneficiary passes away before you, your monthly benefit “pops-up” to the amount you would have received had you chosen the Single Life benefit plan, adjusted for any increases granted since your retirement date. Divorce: If your named beneficiary is your spouse at the time of retirement, and you divorce, you can submit an application for your monthly benefit to “pop-up” to the amount you would have received had you chosen the Single Life benefit plan, adjusted for any increases granted since your retirement date.

Your Joint-and-Survivor benefit may pop-up as a result of a divorce only if:

- The divorce decree or separation agreement provides that you have sole retention of all rights to your retirement benefit.
- You submit a copy of the certified divorce decree and a completed ***Application for Benefit Increase*** available from PEERS.

Other legal documentation may be required depending on the date of the divorce.

If you retired on or before September 1, 2015, named a same-sex domestic partner as your Joint-and-Survivor plan beneficiary and you have since separated, you may also be eligible to apply for a benefit pop-up. Certain documentation is required. Contact our office for more information.

Naming a Beneficiary for Lifetime Monthly Benefits Under the Joint-and-Survivor Plans

When you apply for service retirement, you can name only one person with an insurable interest (financial dependence) in your life as the Joint-and-Survivor beneficiary for lifetime monthly benefits. A spouse, child, or parent automatically qualifies as having an insurable interest. Documentation of insurable interest must be provided for any other individual.

You must provide PEERS with a copy of your beneficiary’s birth certificate. If you name your spouse as your Joint-and-Survivor beneficiary, you must also provide a copy of your marriage license or certificate.

Your Joint-and-Survivor beneficiary can only be changed if:

- Your spouse is named as the beneficiary.
- The marriage ends because of the death of your spouse, or a divorce.*
- You remarry and name your new spouse as the Joint-and-Survivor beneficiary within one year of the marriage.

**In the event of a divorce, the divorce decree or separation agreement must provide that you retain sole rights to your retirement benefit.*

If you remarry and choose to name your new spouse as the Joint-and-Survivor beneficiary within one year of that marriage, you are providing survivor benefit protection under the same benefit plan originally chosen. Naming your new spouse does not allow you to change the benefit plan selection. For example, if you choose the Joint-and-Survivor 100% plan at retirement, your new spouse is also covered under that plan. There is, however, an actuarial recalculation of the benefit amount, using your new spouse's age and your age, under the actuarial factors in effect at that time.

If you name your spouse as your Joint-and-Survivor beneficiary, divorce and 1.) do not remarry and name a new spouse as beneficiary, or 2.) do not apply for a divorce pop-up, benefits are payable to your ex-spouse upon your death.

See the section entitled, ***Divorce While Receiving PEERS Service Retirement Benefits*** on page 83 for more information.

Naming Beneficiaries for a Possible Lump-Sum Payment Under the Joint-and-Survivor Plans

In the event that both you and your Joint-and-Survivor beneficiary pass away before your total contributions and interest at retirement have been paid in the form of monthly benefits, you can name any person(s), legal entity(ies), your trust or estate as your beneficiary to receive any remaining funds. A first contingent can also be named to receive this one-time payment if your primary beneficiary is deceased. You can change this beneficiary at any time.

If you do not have a valid beneficiary designation on file for this purpose, any remaining contributions and interest at your death will be paid in a lump

sum according to Missouri law in the following order of precedence:

1. Surviving spouse of the last benefit recipient
2. Surviving children of the last benefit recipient, in equal shares
3. Surviving parents of the last benefit recipient, in equal shares
4. The estate of the last benefit recipient

Advantages

After your death, the Joint-and-Survivor benefit plans provide lifetime monthly benefits to your beneficiary, regardless of the beneficiary's age or subsequent marital status. If your beneficiary receives health insurance through your last employer, his or her eligibility for that insurance coverage may continue as long as he or she receives a benefit. If you outlive your beneficiary, or if your beneficiary is your spouse and you divorce, your benefit may "pop up" to the Single Life amount.

Disadvantages

The reduced monthly benefit you receive may not provide adequate income while you are living. PEERS cost-of-living increases are calculated on the reduced monthly benefit amount. Your beneficiary cannot be changed unless your spouse is named and you remarry under the stipulations described earlier in this section.

The Term-Certain Benefit Plans

Plan Description

The Term-Certain plans allow you to take a small reduction in your lifetime monthly benefits in order to provide limited coverage to your beneficiary. The reduction is based on the benefit plan you select and your age at retirement. The beneficiary receives monthly benefits only if you pass away before receiving the minimum number of monthly payments guaranteed in the benefit plan you choose.

If you pass away before you receive the minimum number of monthly payments guaranteed in the plan you choose, the remaining number of payments are made to your beneficiary.

If you receive all the payments in the benefit plan you choose, your monthly payments continue for

your lifetime, but no payments are made to your beneficiary upon your death.

Term-Certain 120-Month Benefit Plan

If you pass away before receiving 120 monthly payments, your named beneficiary receives the remaining number of monthly payments in the 120-month term.

Term-Certain 60-Month Benefit Plan

If you pass away before receiving 60 monthly payments, your named beneficiary receives the remaining number of monthly payment in the 60-month term.

Example 1

You choose the Term-Certain 120-month benefit plan, which provides beneficiary protection for 120 monthly payments, and you pass away after you receive 100 monthly payments. Your beneficiary receives the remaining 20 monthly payments.

Example 2

You choose the Term-Certain 60-month benefit plan and you receive all 60 monthly payments. Your benefits continue for your lifetime. However, your beneficiary does not receive any monthly benefits after your death.

Example 3

You choose the Term-Certain 120-month benefit plan and you return to full-time PEERS-covered work after you receive 100 monthly payments. Because you are working full time, your benefits are put on hold. Your work ends when the school year ends, and your benefits resume. You pass away after receiving two more benefit payments. Your beneficiary receives the remaining 18 monthly payments (you received a total of 102 payments).

“Pop-up” Provision

If the beneficiary named at retirement is your spouse and you divorce, you may apply for your benefit to “pop-up” to the amount you would have received had you chosen the Single Life benefit plan, adjusted for any increases granted since your retirement date.

Your Term-Certain benefit may pop-up as a result of a divorce only if:

- The divorce decree or separation agreement provides that you have sole retention of all rights to your retirement benefit.
- You submit a copy of the certified divorce decree and a completed *Application for Benefit Increase* available from PEERS.

If a divorce pop-up occurs, at your death, your beneficiary will be eligible to receive a lump-sum payment of any remaining contributions and interest in your membership.

Under the Term-Certain plans, there is no pop-up as the result of a death of a spouse you have designated as your beneficiary.

If you retired on or before September 1, 2015, named a same-sex domestic partner as your Term-Certain plan beneficiary and you have since separated, you may also be eligible to apply for a benefit pop-up. Certain documentation is required. Contact our office for more information.

Naming Beneficiaries Under the Term-Certain Plans

You can name any individual or legal entity as your beneficiary under the Term-Certain plans, and you can change your designation at any time.

If both you and your named beneficiary pass away before the total of all payments in the selected term are made, the remaining payments will be made to your surviving contingent beneficiary. If no contingent beneficiary is named, this amount is paid in a lump sum according to Missouri law as discussed on page 48.

Advantages

The Term-Certain benefit plans normally provide larger retiree benefits than the Joint-and-Survivor plans, yet still offer some degree of beneficiary protection.

A Comparison of PEERS Benefit Plans

	Retiree Benefit	Beneficiary Benefit
Single Life Benefit Plan	<ul style="list-style-type: none"> The Single Life plan pays the largest lifetime monthly retiree benefit. 	<ul style="list-style-type: none"> No monthly benefits are provided for beneficiaries after your death. If you pass away before receiving benefits equal to your accumulated contributions and interest, a lump-sum refund of your contributions and interest (does not include employer contributions) is paid to your beneficiary, or according to Missouri law if no valid beneficiary designation is on file. Your total contributions and interest are depleted in approximately five years from your PEERS retirement date.
Joint-and-Survivor Benefit Plans	<ul style="list-style-type: none"> These plans pay smaller lifetime retiree benefits than Single Life. Actuarial reduction is based on the plan you select, your age and your beneficiary's age when you retire. If your beneficiary passes away before you, your benefit increases or "pops up" to the amount payable if you had chosen the Single Life benefit plan, adjusted for any increases granted since your retirement date. 	<ul style="list-style-type: none"> Lifetime monthly beneficiary benefits are provided after your death. The beneficiary's benefit is a percentage of your benefit, depending on the plan you select: <ul style="list-style-type: none"> Joint-and-Survivor 100% (100% of retiree benefit) Joint-and-Survivor 75% (75% of retiree benefit) Joint-and-Survivor 50% (50% of retiree benefit) You may name a contingent beneficiary(ies) to receive only the funds remaining in the membership (if any) if both you and your designated beneficiary pass away before your contributions and interest are paid out in the form of monthly benefits.
Term-Certain Benefit Plans	<ul style="list-style-type: none"> These plans pay slightly smaller lifetime retiree benefits than Single Life. Actuarial reduction is based on the term you select and your age at retirement. 	<ul style="list-style-type: none"> Monthly beneficiary coverage is provided for a limited number of monthly payments. If you pass away before you receive the guaranteed number of payments, the rest of the payments are made to your beneficiary. <ul style="list-style-type: none"> Term-Certain 120 Months: 120 monthly payments Term-Certain 60 Months: 60 monthly payments If you receive all the payments guaranteed in the term of the benefit plan you selected, no payments are made to your beneficiary after your death.

Beneficiary Designation	Advantages/Disadvantages
<ul style="list-style-type: none"> Beneficiary can be any person(s) or legal entity(ies). Beneficiary can be changed at any time. 	<p>Advantages:</p> <ul style="list-style-type: none"> Since this plan provides the largest retiree benefit, it is often the appropriate choice if you have no dependents, or your beneficiary has adequate income from other sources after your death. <p>Disadvantages:</p> <ul style="list-style-type: none"> Monthly benefits stop at your death. No monthly benefit is provided to a beneficiary. Health insurance for beneficiaries through your PEERS-covered employer may be subject to cancellation at the time of your death.
<ul style="list-style-type: none"> Beneficiary can only be one person with an insurable interest (financial dependence) in your life. A spouse, child or parent has an automatic insurable interest. Documentation of insurable interest must be provided for any other individual. Beneficiary cannot be changed unless your spouse is named and he or she passes away or you divorce, and you remarry. In these situations, you may, within one year of your remarriage, designate your new spouse. If the change is precipitated by a divorce from your previous beneficiary, the divorce decree must give you sole rights to your retirement benefit. Other legal documentation may be required. A new spousal designation requires a benefit adjustment based on your age and the age of your new spouse. If you and your beneficiary named to receive monthly benefits pass away before your funds are depleted, you may name a beneficiary(ies) to receive your remaining contributions and interest in a lump sum. 	<p>Advantages:</p> <ul style="list-style-type: none"> After your death, these plans provide lifetime monthly benefits for your beneficiary, regardless of the beneficiary's age or subsequent marital status. If your beneficiary passes away before you, your benefit "pops up" to the Single Life amount. If your beneficiary is your spouse and you divorce, you may apply for your benefit to "pop-up" to the Single Life amount. Your divorce decree must give you sole rights to your retirement benefit. Other legal documentation may be required. If your beneficiary receives health insurance through your last employer, his or her eligibility for that insurance may continue. Cost-of-Living Adjustments (COLAs) continue to your beneficiary, up to 80% of the original benefit amount. <p>Disadvantages:</p> <ul style="list-style-type: none"> The benefit you receive is reduced. COLAs are calculated on the reduced benefit. Beneficiary can only be changed under specific conditions.
<ul style="list-style-type: none"> Beneficiary can be any person or legal entity. Beneficiary can be changed at any time. It is important to remember that the 120-month or 60-month period that provides beneficiary coverage starts with your first monthly payment, not upon your death. 	<p>Advantages:</p> <ul style="list-style-type: none"> These plans normally provide larger retiree benefits than the Joint-and-Survivor plans, yet still offer some degree of beneficiary protection. If your beneficiary named at retirement is your spouse and you divorce, you may apply for your benefit to "pop-up" to the Single Life amount. Your divorce decree must give you sole rights to your retirement benefit. Other legal documentation may be required. Cost-of-Living Adjustments (COLAs) continue to your beneficiary, up to 80% of the original benefit amount. <p>Disadvantages:</p> <ul style="list-style-type: none"> Your monthly benefit is slightly reduced for your lifetime. After the term ends, the beneficiary protection stops. Health insurance for beneficiaries through a PEERS-covered employer may be subject to cancellation at your death. COLAs are calculated on the reduced benefit.

Disadvantages

The reduced monthly benefit you receive may not provide adequate income while you are living. PEERS cost-of-living increases are calculated on the reduced benefit amount. Once you have received all the payments in the benefit plan you selected, the beneficiary protection stops. If your beneficiary receives health insurance through your last employer, his or her eligibility for that insurance coverage may end when the benefit payment term ends.

It is important to remember that the 120-month or 60-month period that provides beneficiary coverage starts with your first monthly payment, not upon your death.

Benefit Amounts

Benefit Estimates

PEERS can determine the benefits payable under the Single Life Plan and the Term-Certain plans.

If you also want benefit estimates under the Joint-and-Survivor plans, please include with your request the name, relationship and birth date of the person you plan to designate as your Joint-and-Survivor beneficiary. Remember, this individual can be anyone with an insurable interest (financial dependence) in your life. A spouse, child or parent automatically qualifies. At retirement, documentation of insurable interest must be provided for any other individual.

PEERS benefit estimates are unaudited estimates of gross retirement benefits. These estimates are based on the actuarial factors and benefit formulas in effect at the time of calculation and are subject to change. Your actual retirement benefits can only be determined upon your retirement date and with final verification of your salaries and termination of employment from all covered employers.

Estimates of your future service retirement benefits and retirement eligibility dates can be found on your annual *Member Statement*. You can also run your own estimates by logging in to PEERS Web Member Services at www.psr-peers.org and using our online Benefit Estimator or you can request estimates by contacting our office.

Sample Monthly Benefits

The following tables show samples of monthly benefits payable under the various benefit plans, assuming the following:

- Retiree age: **63 years**
- Years of service: **18.4**
Final Average Salary (FAS): **\$2,550**
- Beneficiary age: **64 years**
- Lifetime, Single Life Benefit Under Full Formula (Normal Benefits): **\$755**

Sample lifetime benefit if PLSO is not selected:

Benefit Plan	Gross Monthly Benefit	
	Retiree	Beneficiary
Single Life	\$ 755	\$ 0
Joint-and-Survivor 100%	\$ 677	\$ 677
Joint-and-Survivor 75%	\$ 695	\$ 521
Joint-and-Survivor 50%	\$ 714	\$ 357
Term-Certain 120-Month	\$ 739	\$ 739*
Term-Certain 60-Month	\$ 750	\$ 750*

Sample lifetime benefit if PLSO is selected:

Benefit Plan	Gross Monthly Benefit	
	Retiree	Beneficiary
12-Month Partial Lump Sum Option: \$9,060		
Single Life	\$ 689	\$ 0
Joint-and-Survivor 100%	\$ 619	\$ 619
Joint-and-Survivor 75%	\$ 635	\$ 476
Joint-and-Survivor 50%	\$ 653	\$ 325
Term-Certain 120-Month	\$ 675	\$ 675*
Term-Certain 60-Month	\$ 686	\$ 686*
24-Month Partial Lump Sum Option: \$18,120		
Single Life	\$ 623	\$ 0
Joint-and-Survivor 100%	\$ 561	\$ 561
Joint-and-Survivor 75%	\$ 576	\$ 432
Joint-and-Survivor 50%	\$ 591	\$ 295
Term-Certain 120-Month	\$ 612	\$ 612*
Term-Certain 60-Month	\$ 621	\$ 621*
36-Month Partial Lump Sum Option: \$27,180		
Single Life	\$ 558	\$ 0
Joint-and-Survivor 100%	\$ 503	\$ 503
Joint-and-Survivor 75%	\$ 516	\$ 287
Joint-and-Survivor 50%	\$ 530	\$ 265
Term-Certain 120-Month	\$ 549	\$ 549*
Term-Certain 60-Month	\$ 557	\$ 557*

All amounts shown are before taxes.

*For remainder of guaranteed term only.

PLSO factors for age 63 years: 12 months (.9156)
24 months (.8311)
36 months (.7467)

Applying for Service Retirement Benefits

As soon as you decide to retire, log in to Web Member Services at www.psr-peers.org to apply for service retirement online, or contact our office for the **Service Retirement Application** and other forms you may need. Early notification of your intention to retire will allow sufficient time for PEERS to review your records for completeness and ensure that you receive your benefits on time.

Application Deadline

You must file a **Service Retirement Application** before your desired PEERS retirement date. If you plan to retire effective July 1, your application must

be submitted online or postmarked by June 30. We recommend filing at least three months in advance.

Your Retirement Date

The earliest your retirement can be effective is the first day of the month following the day you:

- Reach retirement eligibility,
- Terminate PEERS-covered employment (see page 55), and
- File your PEERS **Service Retirement Application**, whichever occurs last.

However, if you earn a full year of service for the school year, the earliest your retirement can become effective is July 1 of the new school year. You cannot receive a full year of service and retirement benefits in the same school year.

Example 1

You have served the complete school year, and your last day of PEERS-covered employment is May 24. As suggested, to make sure all your paperwork is done on time, you file your PEERS **Service Retirement Application** on March 18. In this case, your PEERS retirement date is July 1. July 1 is the earliest you can retire if you serve the complete school year and receive one year of service with PEERS.

Example 2

You are eligible for PEERS retirement and your last day of PEERS-covered employment is December 15. You file your PEERS **Service Retirement Application** on January 4. February 1 is the earliest you can retire since it is the first of the month following the filing of your application, which occurred last.

If your salary payments for the last school year are spread over a 12-month period, salary payments received after June 30 for employment during the school year will not prevent you from retiring with PEERS on July 1, as long as your employment terminated on or before June 30 and your **Service Retirement Application** is submitted online or postmarked before July 1.

Filing Your Retirement Application

Please note: If you prefer to submit your application on paper, you can obtain a Service Retirement Application packet at a Retirement Ready Seminar, on the PEERS website or by request from our office.

To file for service retirement online, visit our website, www.psrp-peers.org and log in to Web Member Services using the Member Log In link at the top right corner of the screen.

Once you are logged in, click the link “File for Service Retirement” found in the “My Membership” menu.

You must complete all nine steps of the online service retirement application process and submit your application in order for it to be valid. Each step you complete is saved. You can log out and log back in to the next step at any time.

Step 1

Enter your retirement date. Your retirement date must be after your last date of employment/termination date.

Step 2

Enter your current school year employer(s) and last date of covered employment.

Step 3

Select a benefit plan. See pages 46-51 for detailed information on the six benefit plans available. Your benefit plan cannot be changed after your PEERS retirement date.

Step 4

If you are eligible for the **Partial Lump Sum Option (PLSO)** and wish to receive this one-time payment, you can select it in this step. For more information on the PLSO, see pages 44-45.

Step 5

Designate post-retirement beneficiaries. This designation is effective on your retirement date. Your beneficiary designation options will vary depending on the benefit plan you select.

Step 6

Provide the bank information necessary to **set up the direct deposit of your benefits.**

Step 7

Let us know the amount of **federal and/or Missouri income tax** you would like withheld from your benefits, if any.

Step 8

If you have service with another Missouri educational retirement system, let us know. Recognizing this service with PEERS can help you retire sooner or increase your benefit.

Step 9

Click the Submit button to submit your application. In this step, you must certify your information, and acknowledge your understanding of the requirements for retirement eligibility, including the proper termination of pre-retirement employment with PEERS-covered employers.

Additional Required Documentation

You will receive a confirmation email, which will list the additional documentation required to complete the service retirement process. Documentation can be sent to us by mail or electronically using the secure document upload feature in PEERS Web Member Services.

Submit copies of birth certificate(s).

A copy of your birth certificate, issued by the city, county or state of your birth, is required before retirement benefits can be issued. If you are choosing a Joint-and-Survivor plan, a copy of your beneficiary’s birth certificate is also required.

If the birth was recorded in Missouri, you may request a birth certificate from the Bureau of Vital Records, a division of the Missouri Department of Health and Senior Services. An application is available at www.health.mo.gov. A fee is required for each certificate requested.

Bureau of Vital Records

Missouri Department of Health and Senior Services
930 Wildwood Drive
PO Box 570
Jefferson City, MO 65109
(573) 751-6387

You can also request a copy of your birth certificate from your local health department.

If you were born in another state, information on how to obtain a certified birth certificate can be found by visiting www.vitalchek.com.

If a birth certificate is not available, you may submit three other forms of verification. Acceptable documents must show your date of birth or age as of a certain date with at least one containing your date of birth.

Examples include:

- A driver's license
- A hospital birth record
- Military records
- Government-issued identification cards that contain your date of birth or age as of a certain date (i.e. a state-issued ID for non-drivers)
- The birth certificate of a child on which your date of birth or age is indicated (This must be a document issued by the city, county or state of birth on which the official seal of the issuing agency is affixed.) A copy is acceptable.
- A current passport
- A Certificate of Naturalization
- Statement issued by the Social Security Administration that shows your date of birth or age as of a certain date (Note: A Social Security card does not contain date of birth or age.)

Submit a copy of your marriage license.

Submit a copy of your marriage license or certificate if naming your spouse as your Joint-and-Survivor plan beneficiary. Documentation can be sent to us by mail or electronically using the secure document upload feature in PEERS Web Member Services.

Acknowledgement of Your Service Retirement Application

PEERS will acknowledge your **Service Retirement Application**. Please call PEERS if you do not receive acknowledgement of your application within two weeks of submission or prior to your retirement date.

When to File for Retirement

We recommend submitting all required information and supporting documents at least three months before your PEERS retirement date. By law, the application must be submitted online or postmarked before your PEERS retirement date.

For example, if your PEERS retirement date is July 1, the application must be submitted online or postmarked by June 30.

If you are planning to reinstate or purchase service, the purchase application, appropriate verification of employment or service, if required, and payment must be completed before your PEERS retirement date. If you are paying for your reinstatement or purchase using a tax-deferred rollover, certification from your financial institution and payment must also be completed before your PEERS retirement date. Failure to meet the deadline will cause you to lose benefits.

Terminating Employment

IRS rules state that retirement systems must require a clear separation of service between the end of pre-retirement employment and the start of your post-retirement work for covered employers. **PEERS requires a separation period of one month from your PEERS retirement date.**

In order for your employment to be considered properly terminated, you must:

- End all employment with PEERS-covered employers prior to your PEERS retirement date,
- Not return to work for a PEERS-covered employer in any capacity for a period of one month after your PEERS retirement date, and
- Not enter into any agreement, written or unwritten, for future employment at a PEERS-covered employer in any capacity until after receiving your first retirement benefit payment.

This includes any type of early retirement incentive or separation agreement that requires you to return to work in any capacity after retirement in return for salary, including health insurance benefits.

If you do not properly terminate your employment, you are not eligible to retire and receive benefits. Therefore, you are not eligible to work at a covered employer as a retiree. In addition, you are required to repay all benefits received while ineligible, and may be required to pay contributions on salary until you properly terminate your employment.

Example

If Jane retires July 1, she cannot be under any agreement, written or unwritten, for employment, and she may not work for a PEERS-covered employer during the entire month of July. She can agree to employment and begin work on August 1.

Working After Service Retirement

If you are considering a return to work after PEERS service retirement, it is important to understand how working after retirement can affect the payment of your retirement benefits.

If you choose to work after retirement for a PEERS-covered employer in any position, and you want to continue to receive your monthly benefits, you are limited to working a maximum of 550 hours each school year.

You and your employer are required to track your hours. If you exceed the limit, you must notify PEERS immediately and your benefits will be put on hold. If you continue to work after exceeding the limit, you must repay any benefits you receive while ineligible. The minimum amount you will forfeit is one full monthly benefit.

For detailed information regarding working after retirement, the 550-hour limit, record-keeping requirements and more, see pages 72-80.

Income Taxes on Service Retirement Benefits

Your PEERS service retirement benefits are subject to federal and state income taxes. We cannot advise you on whether you should have taxes withheld from your benefits. However, if your tax withholding is not sufficient to meet your tax liability, you may be subject to penalties and interest charges in addition to your tax obligation. We recommend you consult with the IRS at **(800) 829-1040**, the Missouri Department of Revenue at **(573) 751-3505**, or a tax professional of your choice. For more information on income taxes on service retirement benefits, see pages 68-70.

Cost-of-Living Adjustments (COLAs)

You are eligible for cost-of-living adjustments (COLAs) on your service retirement benefits beginning the fourth January following your retirement date.

For more information on COLAs, see page 66-67.



Disability Retirement

Eligibility Requirements.....	58
Filing Your <i>Disability Retirement Application</i>	58
Medical Records Requirements	59
Acknowledgement of Your <i>Disability Retirement Application</i>	60
Disability Retirement Benefit Amounts.....	60
Sample Disability Retirement Benefit Calculation	60
Payment of Your Disability Retirement Benefits.....	60
Cost-of-Living Adjustments (COLAs).....	60
Income Taxes on Disability Retirement Benefits.....	61
Events that Cause Disability Retirement Benefits to Stop.....	61
Requirements for Continued Eligibility	61
Recovery from Disability.....	62
Working After Disability Retirement.....	62
Working As a Disability Retiree Prior to Age 60.....	62
Trial Return to Work Prior to Age 60	62
Working As a Disability Retiree At or After Age 60	63
Divorce While Receiving PEERS Disability Retirement Benefits.....	63
What Happens Upon Your Death: Survivor Benefits.....	63
Frequently Asked Questions About Disability Retirement.....	64

Disability Retirement

As your career progresses, so do your financial obligations: a home, a family and children's education. One of the many advantages of your PEERS membership is the financial security provided by PEERS disability retirement benefits. If your career is cut short because of permanent disability, PEERS can often help through the payment of monthly disability retirement benefits.

Eligibility Requirements

If you develop an illness or sustain an injury that totally and permanently prevents you from earning a livelihood in any gainful occupation, you may be eligible for PEERS disability retirement benefits. The cause of your disability does not have to be work-related.

To be eligible for PEERS disability retirement benefits, you must meet the following requirements:

- End all PEERS-covered employment
- Have at least five years of PEERS-covered employment
- Be under age 60
- Become permanently disabled while working in PEERS-covered employment or within one year after, if the condition causing the disability began while you were employed
- Be incapable of earning a livelihood in any gainful occupation. A gainful occupation is one that replaces not less than 75% of the average of your last three years of salary and is reasonably found in your geographic area as established by the U.S. Bureau of Labor Statistics.

Ending all employment with PEERS-covered employers and the inability to earn a livelihood in any gainful occupation are some of the prerequisites for approval of a *Disability Retirement Application*.

Temporary or partial disability retirement benefits are not available through PEERS.

If you believe you may be eligible for disability retirement benefits, contact PEERS for a personalized *Benefit Estimate*.

Filing Your Disability Retirement Application

If you become disabled, contact PEERS for a *Disability Retirement Application* packet immediately. File the application and related forms as soon as it is determined that the disability will result in the termination of your employment. If you are eligible, disability retirement can be made retroactive up to 60 days before the application filing date, but cannot become effective until your compensated employment or leave of absence ends. If you complete the school year and earn a full year of service, the earliest your retirement can be effective is July 1.

The following steps must be completed before your retirement date. Failure to do so may jeopardize your disability retirement benefits.

Step 1

Request a *Disability Retirement Application* packet from PEERS.

Step 2

Complete and return the following to PEERS:

1. *Disability Retirement Application*
2. *Authorization for Release of Medical Records*
3. *Attending Physician Statement* and medical records
4. *Direct Deposit Authorization for Monthly Benefits* form
5. Tax withholding forms

Medical Records Requirements

When you file your **Disability Retirement Application**, we also need medical records information. In order to ensure your medical file is as thorough as possible, please provide the following medical records from your providers:

- Initial consultation, history and physical exam for the conditions alleged to be disabling
- The last five to six office notes from any physician treating for the alleged disabling diagnoses
- The last six to 12 months of diagnostic testing including x-rays, MRIs, and labs
- A current, comprehensive list of medications
- If surgeries have taken place, any operative reports and surgical follow up notes for the past 12 months

It is your responsibility to obtain, pay for and provide your medical records to PEERS.

Once we have received your completed documents, the **Attending Physician Statement** and medical records, we will submit your claim to our medical advisor for review. Our medical advisor will be in contact with you once they review your documents and advise you if additional medical records are needed to complete the review.

Step 3

Submit a copy of your birth certificate issued by the city, county or state of your birth. This is required before disability retirement benefits can be issued. Documentation can be sent to us by mail or electronically using the secure document upload feature in PEERS Web Member Services.

If your birth was recorded in Missouri, you may request a birth certificate from:

Bureau of Vital Records

Missouri Department of Health and Senior Services
930 Wildwood Drive
PO Box 570
Jefferson City, MO 65109
(573) 751-6387

An application is available at www.health.mo.gov.

A fee is required for each certificate requested.

You can also request a copy of your birth certificate from your local health department.

If you were born in another state, information on how to obtain a certified birth certificate can be found by visiting www.vitalchek.com.

If a birth certificate is not available, you may submit three other forms of verification, with at least one containing your date of birth. Acceptable documents must show your date of birth or your age as of a certain date. Examples include:

- A driver's license
- A hospital birth record
- Military records
- Government-issued identification cards that contain your date of birth or age as of a certain date (i.e. state-issued ID for non-drivers)
- The birth certificate of a child on which your date of birth or age is indicated (This must be a document issued by the city, county or state of birth on which the official seal of the issuing agency is affixed.) A copy is acceptable.
- A current passport
- A Certificate of Naturalization
- Statement issued by the Social Security Administration that shows your date of birth or age as of a certain date (Note: A Social Security card does not contain date of birth or age.)

Acknowledgement of Your *Disability Retirement Application*

PEERS will acknowledge your *Disability Retirement Application*. Processing time depends, in part, on when we receive salary information and verification of termination of employment from your employer. Please call us if you do not receive acknowledgement of your application.

In some cases, the processing of your application may include additional steps and take longer. If your application is not approved based on the information initially provided, you will be given the opportunity to be referred for up to two independent medical exams and/or a vocational review that will be set up by our medical advisor and paid for by PEERS, for continued consideration for disability retirement benefits.

Disability Retirement Benefit Amounts

Disability retirement benefits are 90% of the normal (full) service retirement benefit you would be eligible to receive based on your current salaries and years of service. See pages 42-43 for the service retirement calculation.

Sample Disability Retirement Benefit Calculation

Example										
Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit	x	90%	=	Monthly Disability Benefit
1.61%	x	\$2,550	x	20	=	\$821	x	90%	=	\$739

Payment of Your Disability Retirement Benefits

PEERS disability retirement benefit payments are paid by direct deposit on the last working day of the month beginning with the month your retirement becomes effective. For example, if you retire effective July 1, you will receive your first benefit on the last working day of July.

If we don't have all of the information we need to process your disability retirement application for the month your retirement is to become effective, you will receive your first payment the month the application process is complete, along with an additional payment for any previous benefits due.

A schedule of deposit dates can be found on our website.

For more information, see the section entitled, *Payment of Retirement Benefits* beginning on page 66.

Cost-of-Living Adjustments (COLAs)

You are eligible for cost-of-living adjustments (COLAs) on your disability retirement benefits beginning the fourth January following your retirement date. For more information on COLAs, see pages 66-67.



Income Taxes on Disability Retirement Benefits

Under the Internal Revenue Code (IRC), disability retirement benefits are fully taxable beginning with the first payment, unless you are eligible for PEERS service retirement.

At minimum service retirement age, the IRC provides that any previously taxed contributions may be excluded from taxable income with a small portion of each benefit considered a return of previously taxed contributions. PEERS will provide this information to you with your estimate of disability retirement benefits.

We cannot advise you on whether you should have taxes withheld from your benefits. However, if your tax withholding is not sufficient to meet your tax liability, you may be subject to penalties and interest charges in addition to your tax obligation.

We recommend you consult with the IRS at **(800) 829-1040**, the Missouri Department of Revenue at **(573) 751-3505**, or a tax professional of your choice. For more information on income taxes on disability retirement benefits, see pages 68-69.

Events that Cause Disability Retirement Benefits to Stop

You remain eligible for disability retirement benefits for life unless, **prior to reaching age 60**, you:

- Recover from your disability (see page 62)
- Return to employment in any capacity with a PEERS-covered employer
- Have earnings in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration

Upon reaching age 60, your disability retirement benefits are payable regardless of your disability status, unless you:

- Return to full-time, PEERS-covered employment
- Exceed the 550-hour limit on part-time or temporary-substitute employment with PEERS-covered employers, detailed on pages 73-75.

Requirements for Continued Eligibility

To continue receiving disability benefits you must meet annual earned income, medical certification and employment requirements until you reach age 60.

Annual Income Verification

Disability retirees under the age of 60 are required to complete an annual *Affidavit of Earned Income* to determine continued eligibility for disability benefits. If an affidavit shows that you have earned in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration, you will be considered able to earn a livelihood and your benefits will be suspended.

Medical Certification

Disability retirees under the age of 60 may be required to complete a *Medical Certification of Disability Status* to determine continued eligibility for disability benefits. PEERS may request a follow-up physical examination. In some cases, disability benefits may be suspended.

Recovery from Disability

If you recover from your disability before age 60, your monthly benefits stop and your PEERS salaries and service as of the date of the disability are restored.

If you return to PEERS-covered employment prior to age 60, you will make contributions to PEERS and you will earn additional service toward future service retirement benefits. If you receive disability retirement benefits in excess of your accumulated contributions and interest, contributions you make upon your return are first applied against the difference. When this amount is recovered by PEERS, your contributions are then credited to your membership. If you do not return to PEERS-covered employment, you may request service retirement benefits when you are eligible.

If you recover from your disability at age 60 or older, there is no effect on your benefit. Your benefits continue for your lifetime unless you exceed the limit on hours worked after retirement or return to work full-time for a PEERS-covered employer. For more information, see below.

Working After Disability Retirement

For PEERS disability retirees, the effect of post-retirement work on your PEERS disability benefit payments depends, in part, on whether you have reached age 60.

Working As a Disability Retiree Prior to Age 60

In order to continue to receive PEERS disability retirement benefits, you may not return to work in any capacity for a PEERS-covered employer prior to age 60.

Before age 60, your disability retirement benefits stop if:

- **You are employed in any capacity for a PEERS-covered employer.** Volunteering for a PEERS-covered employer while receiving any type of salary or payment, including health

insurance benefits, may be considered work and is not allowed if you are under age 60 and are receiving PEERS disability retirement benefits.

- You are employed by a non-PEERS-covered employer and your earnings are in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration.
- **You return to work on a trial basis** prior to age 60. Your benefits are put on hold during the trial return to work period (see next section).

You can work after disability retirement before age 60 without effect on your disability retirement benefits if:

- You are employed by a non-PEERS-covered employer, and
- Your annual salary and other income received is less than substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration.

Trial Return to Work Prior to Age 60

As a disability retiree, you can request to return to work on a trial basis prior to age 60. A trial return to work must be approved in advance by PEERS, and is normally for a school year or 12-month calendar year. While you work on a trial basis, your disability retirement benefits are put on hold. If you work for a PEERS-covered employer on a trial basis, you will make contributions to PEERS on your salary.

If you are unable to complete the full trial period, PEERS will request a medical examination to determine your disability status. If that examination confirms that you are still considered disabled, you can resume receipt of your disability retirement benefits effective the month after the end of your trial employment. Your contributions are refunded to you by your employer and the service is forfeited.

If you successfully complete the trial return to work period, contact PEERS to determine the status of your membership.

Working As a Disability Retiree At or After Age 60

Once you reach age 60, you can work for any employer that is not covered by PEERS with no effect on your PEERS benefits, regardless of hours worked or salary earned. If you are self-employed as a consultant or independent contractor (as defined by the IRS) after retirement, this also has no effect on your benefits.

If you work for a PEERS-covered employer at or after age 60 and want to continue receiving your monthly benefits, your hours are limited. If you exceed the hourly limit, your benefits stop.

Your disability retirement benefits will stop at age 60 or older, if you:

- Return to full-time, PEERS-covered employment*
- Exceed the 550-hour limit on part-time or temporary-substitute employment with PEERS-covered employers detailed on pages 73-75.

**Work performed after age 60 under Critical Shortage Employment is not subject to this rule. See page 75 for more information.*

Divorce While Receiving PEERS Disability Retirement Benefits

If you divorce after PEERS disability retirement and you named your spouse as beneficiary, your divorce decree may require you to re-designate your ex-spouse as beneficiary. You may also voluntarily re-designate your ex-spouse as beneficiary. If you do not designate a new beneficiary, payment of any benefit due at your death is made according to Missouri law.

You can change your beneficiary designation at any time by logging in to Web Member Services at www.psr-peers.org or by completing a **Disability Retirement Beneficiary Designation** form available on our website or by contacting our office.

What Happens Upon Your Death: Survivor Benefits

It is important to share information with your family regarding your benefits, and what they may be entitled to receive from PEERS as your beneficiaries. PEERS may provide financial protection for your loved ones after you are gone, depending on your beneficiary designation.

As a disability retiree, your beneficiaries may be entitled to a lump-sum payment of your contributions and interest or lifetime monthly benefits from PEERS.

Possible survivor benefits include:

- A lump-sum refund consisting of any remaining contributions and interest in your membership at the time of your death.
- Lifetime monthly benefits may be payable to a sole beneficiary with an insurable interest in your life. A spouse, child or parent is automatically eligible. These benefits are calculated under the Joint-and-Survivor 100% benefit plan, and are based on your salaries and service earned with PEERS. These benefits may begin immediately or be delayed based on when you would become eligible for PEERS service retirement.

See the section of this handbook entitled, **Survivor Benefits**, on pages 36-39 for more information.

Upon your death:

- A designated relative or friend should notify us promptly. We will need a copy of your death certificate as proof of the date of death.
- The benefit issued at the end of the month of your death is payable.
- If benefits are paid after your death, but before PEERS is notified, we will recover any benefits that are not payable.

Frequently Asked Questions About Disability Retirement

Q. Do I have to resign from my job before filing the *Disability Retirement Application*?

A. No, you can file your application before your resignation date.

Q. Will you contact my employer when I file the *Disability Retirement Application*?

A. No. PEERS only contacts the employer once the *Disability Retirement Application* is approved.

Q. Does the 550-hour limit on PEERS-covered employment after retirement also apply to disability retirees?

A. If you receive PEERS disability retirement benefits and are younger than age 60, you cannot be employed in any capacity by a PEERS-covered employer, or work for any non-covered employer and earn salary in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration. After age 60, you can work part-time or as a temporary-substitute for a covered employer without affecting your benefit payments, but the 550-hour limit applies.

Q. Can volunteering as part of a retirement incentive or other agreement in exchange for salary or other benefits affect my disability retirement benefits?

A. Yes. As a disability retiree, you cannot be employed by a PEERS-covered employer in any capacity prior to age 60. This includes working or volunteering after retirement in return for salary (including employer-paid health insurance benefits) as part of a retirement incentive or other agreement with a PEERS-covered employer.

Q. I am eligible for long-term disability insurance benefits. Will that affect my PEERS disability retirement or vice versa?

A. Eligibility for long-term disability insurance benefits does not affect your PEERS disability retirement benefits. However, your PEERS disability retirement benefits may cause reductions in other benefits you are eligible to receive. We recommend that you contact any other entities from which you may receive benefits for more information on how they may be affected.

Q. What is a Durable Power of Attorney and why would I use one?

A. A Durable Power of Attorney is a legal document that allows you to delegate to a trusted family member or friend the authority to make direct deposit arrangements, or sign necessary documents pertaining to your benefits, in the event that you become unable to manage your financial affairs. You should consult with your personal attorney regarding any personal legal documents.

Q. Can I change my beneficiary as a disability retiree?

A. Yes. You can change your beneficiary at any time.

Payment of Retirement Benefits

Direct Deposit.....	66
Minimum Distribution Requirement	66
Cost-of-Living Adjustments (COLAs).....	66
COLAs are Compounded	67
Interruptions or Holds on the Payment of Retirement Benefits	67
Disability Retirees	67
Income Taxes on Retirement Benefits	68
Federal Income Taxes on Service Retirement Benefits.....	68
Federal Income Taxes on Disability Retirement Benefits.....	68
State Income Taxes	69
Missouri Public Pension Exemption	69
Income Taxes on the Partial Lump Sum Option	70
IRS Form 1099-R	70
Income Tax Contact Information	70

Payment of Retirement Benefits

Because PEERS is a defined benefit (DB) plan, your retirement benefits are paid to you for life, no matter which benefit plan you choose. Your benefits are eligible for cost-of-living adjustments (COLAs) and are subject to both federal and Missouri (if you live in Missouri) income taxes.

Direct Deposit

Your PEERS service retirement, disability or survivor benefits are issued by direct deposit (also called Electronic Funds Transfer or EFT) on the last working day of each month, starting the month your retirement becomes effective. PEERS requires direct deposit of all monthly benefits.

Example

If your PEERS retirement date is July 1, your application is complete and your final salary information is certified by your employer, your first retirement benefit payment is issued on the last working day of July. Subsequent retirement benefits are issued on the last working day of each month.

MAY						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Termination Date

Effective Retirement Date

JULY						
SUN	MON	TUE	WED	THU	FRI	SA
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Date of First Benefit Payment

A schedule of deposit dates can be found on our website.

If you need to change your direct deposit to a different account you can do so by logging in to Web Member Services at www.psr-peers.org, by calling (800) 392-6848, or by completing a new **Direct Deposit Authorization** form. This form is available on our website, or by request from our office.

Minimum Distribution Requirement

Required minimum distributions (RMDs) are minimum amounts that you must withdraw each year from most types of retirement accounts as mandated by the Internal Revenue Service (IRS). If you reached age 72 on or before December 31, 2022, these withdrawals must begin in the year you reached 72 or in the year you retire, whichever is later. If you reach age 72 after December 31, 2022, these withdrawals must begin the year you reach age 73 or in the year you retire, whichever is later.

If you fail to meet the minimum distribution requirement, you may be subject to a substantial federal excise tax.

Cost-of-Living Adjustments (COLAs)

Eligible service and disability retirees may receive cost-of-living adjustments (COLAs) on monthly benefits beginning the fourth January following their retirement date. Eligible beneficiaries may also receive COLAs.

COLAs are set annually by the PSRS/PEERS Board of Trustees and are effective with the January benefit paid on the last working day of January.

The process for setting COLAs is governed by Missouri law but gives the Board some discretion. Factors evaluated by the Board when setting the COLA include:

- Changes in the cost of living reflected by the Consumer Price Index for Urban Consumers (CPI-U) for the preceding fiscal year
- The recommendation of the PSRS/PEERS' actuary

The current COLA policy was adopted by the Board in 2017. The policy contains a cumulative CPI calculation when the CPI-U falls between 0% and 2%.

PSRS/PEERS Board-Approved COLA Policy	
CPI-U	COLA
Less than 0.0%	0.0%
0.0% to 2.0%	0.0% when CPI-U is cumulatively below 2.0%
0.0% to 2.0%	2.0% when CPI-U cumulatively reaches 2.0% or more*
2.0% to 5.0%	2.0% when the CPI-U is at least 2.0%, but less than 5.0%
5.0% or more	5.0%

**Resets the cumulative calculation after a COLA is provided.*

The cumulative COLA calculation only applies when the CPI-U is between 0.0% and 2.0%. The cumulative COLA calculation period resets to 0.0% after a 2.0% COLA is provided and begins again.

Example

The CPI-U in Year 1 is 1.0%. No COLA will be granted that year, because the CPI-U is between 0.0% and 2.0%. However, the 1.0% will carry over for the next year's calculation.

The CPI-U in Year 2 is 1.5%. This year, because the cumulative CPI-U is 2.5% (1.0% + 1.5%) and is between 2.0% and 5.0%, a 2.0% COLA will be granted. The cumulative calculation will then reset to zero for the following year.

Current Missouri law states that COLAs cannot exceed 5.0% per year, and the total dollar amount of the COLAs in your lifetime cannot exceed 80.0% of your initial monthly retirement benefit.

Example

If your initial benefit amount is \$500 per month, the most you can receive in total lifetime benefit increases from COLAs is \$400 per month.

COLAs are Compounded

The first COLA granted is based on your original benefit amount. Subsequent COLAs are calculated by multiplying your monthly benefit amount (at the

time of the COLA) by the percentage of the COLA. The result over time is a compounding effect that causes the overall percent increase in your monthly benefit to be higher than the percentage you get by simply adding up the COLAs you have received over time.

Interruptions or Holds on the Payment of Retirement Benefits

There are some situations which will cause your monthly PEERS retirement benefits to stop. These situations are generally avoidable, if you are familiar with the rules for working after PEERS retirement, detailed on pages 72-80.

Service Retirees

Your **service retirement benefits stop** if:

- You work full-time after service retirement for a PEERS-covered employer in any capacity other than under Critical Shortage Employment (see page 75).
- You work part-time or as a temporary-substitute for a PEERS-covered employer and exceed the 550-hour limit on hours worked per school year. See pages 72-80 for more information on the limit on working part-time or as a temporary-substitute after retirement.

Disability Retirees

Your **disability retirement benefits stop** if, prior to reaching age 60, you:

- Return to work in any capacity for a PEERS-covered employer
- Recover from your disability (see page 62)
- Are employed by a non-PEERS-covered employer and your earnings are in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration.

Your **disability retirement benefits stop** if, after age 60, you:

- Return to full-time, PEERS-covered employment (not including service under Critical Shortage Employment)
- Exceed the hourly limit on part-time or temporary-substitute employment with a PEERS-covered employer, detailed on pages 73-75.

Income Taxes on Retirement Benefits

Your PEERS retirement benefits are subject to federal and Missouri income taxes. We cannot advise you on whether you should have taxes withheld from your benefits. However, if your tax withholding is not sufficient to meet your tax liability, you may be subject to penalties and interest charges in addition to your tax obligation. We recommend you consult with the IRS at **(800) 829-1040**, the Missouri Department of Revenue at **(573) 751-3505**, or a tax professional of your choice.

You must provide us with your income tax withholding information when you file for retirement. You may change your tax withholding online at any time by logging in to Web Member Services or by filing the appropriate income tax withholding form with PEERS. Tax withholding forms can be found online at www.psr-peers.org or can be obtained by request from our office.

Federal Income Taxes on Service Retirement Benefits

Under the Internal Revenue Code (IRC), service retirement benefits are taxable beginning with the first benefit. PEERS is required to withhold federal income tax from each benefit in excess of a specific amount set by the IRS each year, unless you specifically ask us not to. If the taxable portion of your benefit is less than that amount, no tax is withheld unless you direct us to do so.

- You may choose to have no federal tax withholding and can pay your taxes directly to the IRS.
- You may choose to have an amount withheld based on IRS tables using your marital status and other adjustments.

When you retire, PEERS will inform you of the portion of your benefit, if any, which can be excluded from tax using the IRS “Simplified General Rule.” The excludable amount will remain the same until you recover your previously-taxed contributions and payments made for service purchases or reinstatements with taxable funds. The recovery of that amount is spread over your expected lifetime, and that of your Joint-and-Survivor beneficiary if you have one, as projected by the IRS. After full recovery of your previously-taxed funds, your benefits are 100% taxable.

Federal Income Taxes on Disability Retirement Benefits

Under the Internal Revenue Code (IRC), disability retirement benefits are fully taxable beginning with the first payment, unless your age at disability retirement is the minimum service retirement age as defined by the IRS.

At minimum service retirement age, any previously-taxed contributions may be excluded from taxable income with a small portion of each benefit payment possibly excludable from tax and considered a return of previously-taxed contributions. PEERS will provide this information to you with your estimate of disability benefits.

Service and Disability Retirement Benefits	
Taxable	Non-Taxable
<p>The following are taxable when paid as a retirement benefit, refund or survivor benefit:</p> <ul style="list-style-type: none"> • Contributions made after June 30, 1989 • Purchases or reinstatements paid with tax-deferred rollovers • All interest credited to your membership 	<p>A small portion of each benefit may be excluded from tax and considered a return of any previously-taxed contributions. Non-taxable funds include:</p> <ul style="list-style-type: none"> • Contributions made before July 1, 1989 • Any service purchases or reinstatements paid with previously-taxed funds, such as a personal check

Example

Taxable Portion of Monthly Benefit	\$750
Non-Taxable Portion of Monthly Benefit	\$ 5
Total Lifetime Single Life Monthly Benefit	\$755

Should you pass away before completely recovering your previously-taxed contributions, any unrecovered taxed contributions at your (or the last benefit recipient's) death are allowed as a miscellaneous itemized deduction on the final return of the decedent. This deduction is not subject to the 2%-of-adjusted-gross-income limit.

State Income Taxes

According to the Missouri Department of Revenue, if you are a Missouri resident, the portion of your service or disability retirement benefits that is subject to federal tax is also subject to Missouri income tax, with certain exemptions based on your filing status and adjusted gross income.

Missouri income tax will not be deducted from your benefit payment unless you live in Missouri and authorize the withholding when you file for retirement online or by filing a tax withholding authorization form. You can change your Missouri tax withholding at any time by logging in to Web Member Services or by completing a new tax withholding form available on our website or by request from our office.

- You may choose to have no Missouri tax withholding and pay your taxes directly to the Missouri Department of Revenue.
- You may choose to have a specific dollar amount withheld. This amount remains the same unless you change it.

You can also authorize Missouri income tax withholding from your PEERS benefits by filing a **Form MO W-4P** which can be downloaded from the Missouri Department of Revenue's website, **www.dor.mo.gov**, or ordered from the Missouri Department of Revenue.

PEERS cannot withhold taxes for other states. If you notify us that your permanent address has changed to an out-of-state address, we will automatically stop Missouri income tax withholding from your benefit payments. If you live in a state other than Missouri, you should contact the taxing authority of that state for information on your PEERS benefits and state income tax.

Missouri Public Pension Exemption

Depending on a variety of factors, PEERS benefit recipients may be able to deduct up to 100% of their PEERS benefits on their Missouri income tax return.

The total public pension exemption is limited to the maximum Social Security benefit of each spouse.

Starting with the 2024 tax year, the exemption is no longer limited by your filing status or Missouri adjusted gross income.

For tax year 2023, in order to be eligible for the full deduction, your Missouri adjusted gross income must fall within certain income limits. If your income exceeds the limit, you may qualify for a partial exemption. The amount of your exemption must be reduced by the amount that your income exceeds the limit. The limit is based on your filing status and income (less taxable Social Security benefits) as listed below:

- \$100,000 - Married, filing combined
- \$85,000 - Married filing separate
- \$85,000 - Single, Head of Household or Qualifying Widow(er)

This exemption first became available in 2007 and was phased in over several years, reaching 100% for tax year 2012 and subsequent tax years.

Missouri also offers a similar exemption for private pensions and Social Security benefits. However, the qualifications for both of these exemptions vary from the public pension exemption. If you also qualify for a Social Security exemption, it may impact your public pension exemption.

Eligibility depends on a variety of factors for any of the exemptions discussed above. Visit **www.dor.mo.gov** for more information regarding eligibility. You may also contact the Missouri Department of Revenue at **(573) 751-3505**, email **income@dor.mo.gov** or consult a tax professional for more information.

Income Taxes on the Partial Lump Sum Option

The portion of a PLSO payment equal to all previously-taxed funds that were credited to a membership prior to January 1, 1987 is considered non-taxable income. If you do not have any contributions in your membership that meet this criterion, 100% of your distribution is taxable income in the year the PLSO payment is made.

If you do not rollover the taxable amount of your PLSO lump-sum payment, any portion of the payment that is considered taxable income by the IRS is subject to the mandatory 20% federal tax withholding by PEERS. If your payment occurs before you reach age 59 ½, you may also be subject to a 10% federal tax penalty in addition to the ordinary income tax owed. This penalty does not apply if you separate from service in or after the tax year in which you reach age 55.

The SECURE 2.0 Act of 2022 (SECURE 2.0) was passed by Congress on December 23, 2022 and signed into law by the president on December 29, 2022. The legislation allows for possible favorable tax treatment for individuals determined to have a terminal illness or condition. The legislation considers an illness or condition to be terminal if it is reasonably expected to result in death in 84 months or less. We recommend that you consult your individual tax advisor if this provision could apply to you.

You can choose, however, to “roll over” the funds into an IRA or other qualified retirement plan, in which case the funds would not be subject to either the 20% withholding or the 10% federal excise tax. **Taxable funds rolled over into a Roth IRA are considered taxable income in the tax year in which the rollover takes place.**

PEERS will withhold federal income taxes on taxable funds rolled over to a Roth IRA at your request.

PLSO payments may also be subject to Missouri income tax.

If you choose to have 100% of your PLSO distribution (including both taxable and non-taxable funds) rolled over into a qualified retirement plan, you should check with your financial advisor to

determine if the taxable and non-taxable portions will be tracked separately. This is required by the IRS and will ensure that you are not taxed again on any previously-taxed dollars. Only one check can be issued by PEERS for rollover funds. PEERS is not required to withhold federal tax when funds are rolled over into a qualified retirement plan.

PEERS does not offer tax advice. However, we suggest that you consult a tax professional or a financial planner before making a final decision regarding the Partial Lump Sum Option.

IRS Form 1099-R

After you retire, PEERS will mail an IRS Form 1099-R to you after the end of each calendar year, indicating your total benefits for the year, the taxable portion of those benefits, the tax-free amount recovered in the year, if any (shown as employee contributions), and the amount of tax withheld during the year.

You will need this form when preparing your tax returns. If you have a professional tax advisor, we suggest you make this information available for his or her review. If you need additional copies, the last five years of your IRS Forms 1099-R can be accessed by logging in to Web Member Services at www.psr-peers.org.

Income Tax Contact Information

We do not offer individual tax advice or information. Questions concerning taxes should be directed to a tax professional or to the appropriate taxing agency.

Federal Taxes

The Internal Revenue Service (IRS)

(800) 829-1040

www.irs.gov

Missouri Taxes

The Missouri Department of Revenue (DOR)

(573) 751-3505

www.dor.mo.gov

Email: income@dor.mo.gov

Working After Retirement

Proper Termination of Pre-Retirement Employment	72
Employment Definitions.....	73
Working After Retirement Limit	73
Determining Your Work Limit.....	73
Temporary Waiver of Work Limit on Substitute Teaching.....	74
Work for PEERS-Covered Employers	74
Part-Time Work.....	74
Limit on Hours	74
Full-Time Work	75
Other Working After Retirement Considerations	75
Critical Shortage Employment	75
Working as an Independent Contractor or Consultant	76
Working as a Consultant.....	76
Corporations Working as Independent Contractors	76
More About the Work Limit	76
Pro-Rated Limits on Work in the Year You Retire.....	76
Volunteering for Covered Employers May Count Toward Work Limit.....	76
What Happens if You Exceed the Work Limit?.....	77
Establishing a Subsequent Membership as a PEERS Retiree	77
Reimbursing PEERS for Benefits Received While Ineligible.....	78
Record-Keeping Requirements	78
Frequently Asked Questions.....	79

Working After Retirement

Working as a retiree for a PEERS-covered employer can be rewarding and beneficial for you and your employer.

Before you can work for a PEERS-covered employer as a retiree, you must properly terminate your pre-retirement employment. Proper termination of employment is also one of the requirements for PEERS retirement.

Once you have met the termination requirements, you may choose to work after retirement. Work performed while employed by PEERS-covered employers is subject to a limit on the number of hours you can work each year.

Work for other employers not covered by PEERS is not limited by law and does not impact the payment of your retirement benefits.

This section of your handbook applies to:

- **All PEERS service retirees**
- **PEERS disability retirees who are age 60 or older**

PEERS disability retirees who return to work before age 60 in any capacity for a PEERS-covered employer, or for any non-PEERS-covered employer earning in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration, are no longer eligible for disability benefits and will have their benefits stopped. See page 61 for more information.

If you have questions about your personal situation, please contact us at **(800) 392-6848**.

Proper Termination of Pre-Retirement Employment

The IRS requires members to provide a clear separation of service between the end of pre-retirement employment and the start of post-retirement work for covered employers.

PEERS requires that you have a separation period of one month from your PEERS retirement date.

To properly terminate pre-retirement employment, you must:

- End all employment with all PEERS-covered employers prior to your PEERS retirement date.
- Not return to work for a PEERS-covered employer in any capacity for a period of one month after your PEERS retirement date.
- Not enter into any agreement, written or unwritten, for future employment at a PEERS-covered employer in any capacity until after receiving your first PEERS retirement benefit. This includes any type of early retirement incentive or separation agreement that requires you to work in any capacity after retirement in return for salary (including health insurance benefits).

If you violate these rules, your employment is not considered terminated and you are not eligible to retire and receive benefits. Therefore, you are not eligible to work at a covered employer as a retiree. In addition, you are required to repay any benefits received while ineligible and may be required to pay contributions on your salary until you properly terminate your employment.

Example

If Jane retires July 1, she cannot be under any agreement, written or unwritten, for employment, and she may not work for a PEERS-covered employer during the entire month of July. She can agree to employment and begin work on August 1.

Employment Definitions

- **Full-time employment:** Employment on a regular basis that meets the employer's full-time criteria for the position. For example, if a school district considers a school bus driver to be full-time at 30 hours per week, then a driver working 30 or more hours per week is full-time.
- **Part-time employment:** Employment for fewer hours than required of a full-time employee for the position.
- **Salary:** Financial compensation you receive for covered employment, including employer-paid health, dental and vision insurance premiums for you (the member).
- **School Year:** For retirement purposes, a school year is July 1 through June 30.
- **Substitute Teaching (for a PEERS-Covered K-12 School District Employer):** Instructing or guiding the studies of students in a teaching position which requires a DESE-issued certificate, in place of a regularly employed teacher who is temporarily unavailable.
- **Substitute Teaching (for a PEERS-Covered Community College Employer):** Instructing or guiding the studies of students in a teaching position which is certified by the executive officer of the institution according to Missouri law, in place of a regularly employed teacher who is temporarily unavailable.
- **Temporary-substitute employment:** Employment in a position that is temporarily vacant.
- **Volunteering:** Work you perform for which you receive no salary (including health insurance or other benefits).

Working After Retirement Limit

Most post-retirement work for a PEERS-covered employers is limited by law to a maximum of 550 hours per school year, if you want to continue to receive your retirement benefits.

Work performed for covered employers under Critical Shortage Employment is subject to a different limit. See page 75 for more information.

PEERS-covered employers include:

- All Missouri public school districts 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

If you exceed your working after retirement limit, the minimum amount of benefits you will lose is one full monthly benefit.

Determining Your Work Limit

When your employer reports to us that you are working after retirement, we will send you individualized information regarding the limit that applies to your work situation.

For more detailed information, see the following pages.

Temporary Waiver of Work Limit on Substitute Teaching

The work limit on part-time or temporary-substitute work as a substitute teacher is waived from July 1, 2022 through June 30, 2025.

For working after retirement purposes, substitute teaching is defined as follows:

- **For a PEERS-Covered K-12 School District:** Instructing or guiding the studies of students in a teaching position which requires a DESE-issued certificate, in place of a regularly employed teacher who is temporarily unavailable.
- **For a PEERS-Covered Community College:** Instructing or guiding the studies of students in a teaching position which is certified by the executive officer of the institution according to Missouri law, in place of a regularly employed teacher who is temporarily unavailable.

If you substitute teach for a PEERS-covered K-12 school district, a DESE-issued educator certificate or substitute teaching certificate is required in order for your work to be covered under this temporary waiver. For information on how to obtain a substitute teaching certificate, please contact DESE.

A regularly employed teacher is considered temporarily unavailable when the teacher's position is unfilled due to the absence of the regular or former teacher for one year (12 months) or less.

Keep in mind that work performed in other positions not covered by this waiver, including but not limited to work as a bus driver, coach, administrator, nurse or office worker, continues to count toward any applicable work limits and should be tracked to avoid the loss of benefits.

As of this time, limits on work as a substitute teacher will once again apply effective July 1, 2025.

If you are reported as working after retirement during the waiver, you will receive information on any limits that apply to your work, as well as information on what work falls under the waiver.

If you are unsure whether your work falls under this waiver or have questions, please contact any of our trained specialists for assistance at **(800) 392-6848**.

Work for PEERS-Covered Employers

Part-Time Work

If you work after retirement for a PEERS-covered employer in a part-time or temporary-substitute position, and you want to continue to receive your monthly benefits, your hours are limited. **Note: This work limit is temporarily waived for work as a substitute teacher. See the previous section.**

Limit on Hours

- You can work up to a combined maximum of **550 hours** part-time or as a temporary-substitute each full school year (July 1 – June 30).
- All employment in any capacity with all PEERS-covered employers counts toward the limit.
- Hours that you volunteer while also working for the same employer in a paid position that is subject to the limit on hours will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different**. See page 76 for more information on volunteering.

If you teach at a PEERS-covered public two-year college, you must convert the credit hours you teach to clock hours in order to track your progress against the hourly limit. **The simple conversion is:**

Conversion Formula
1 Credit Hour = 30 Clock Hours

You will receive more information on the conversion formula when you return to work, along with other information on how to track your hours.

Example

Collin is retired and returns to work for a PEERS-covered school district as a custodian. His work is subject to the working after retirement limit on hours. If he works more than 550 hours during the school year as a custodian, his retirement benefits will be put on hold.

Full-Time Work

If you work full-time for a PEERS-covered employer in a position subject to the hourly limit, you are no longer eligible for PEERS service retirement benefits, and your benefits will be put on hold until the month after your full-time employment ends or when a new school year begins on July 1, whichever comes first.

Other Working After Retirement Considerations

Critical Shortage Employment

Critical Shortage Employment is a legal provision that allows PEERS retirees to return to work for PEERS-covered employers while continuing to receive PEERS service retirement benefits.

To be employed under this provision, your employer must certify that there is a critical shortage of qualified applicants for the position, and that they have met the necessary requirements to declare a critical shortage.

If you work after retirement for a PEERS-covered employer that has declared a critical shortage, you can work for up to 48 months without losing your PEERS benefits. The 48 months of employment do not have to be consecutive – there can be breaks in the employment.

However, you cannot work more than 48 months total throughout your retirement. You do not pay PEERS contributions or earn service while working under this provision.

If you work under this provision and also work in an additional position(s) that is not covered by the Critical Shortage as certified by your employer, the additional position(s) is subject to the separate 550-hour limit.

Example

Gina is retired and returns to work for a PEERS-covered school district as a bus driver under Critical Shortage Employment. In addition, she will provide clerical help in the school office.

Under the Critical Shortage provision, Gina is limited to working a maximum of 48 months as a bus driver.

Her work as an office clerk is limited to a maximum of 550 hours per school year, since it is not part of her Critical Shortage Employment.

An employer can hire up to 10% of the non-certificated staff, not to exceed five individual PEERS retirees, to work under this provision.

In order to employ retirees under this provision, the employer must annually meet the following requirements:

- Not have offered early retirement incentives for either of the previous two school years
- Post the vacancy or vacancies for at least one month
- Solicit applications through the local newspaper, other media, or teacher education programs
- Make a good faith effort to fill positions with non-retired applicants
- Determine that there is an insufficient number of eligible applicants for the advertised position(s)
- Declare that they currently have a shortage of employees

Working as an Independent Contractor or Consultant

Employees can be covered by PEERS and independent contractors cannot. Therefore, work done as an independent contractor does not count toward the PEERS working after retirement limits.

How can you tell if you are an employee or an independent contractor? In general, the common law standard dictates that if your employer has the right to control the manner and means of accomplishing the work you are responsible for performing, then you are an employee, not an independent contractor.

Working as a Consultant

Whether a position is referred to as “consulting” does not determine whether PEERS covers that person. The critical distinction between being an employee and being an independent contractor or consultant is based on IRS definitions.

Corporations Working as Independent Contractors

Whether or not an individual is incorporated does not, by itself, ensure that an individual is considered an independent contractor with respect to post-retirement employment.

Depending on the circumstances, a corporation could be considered as only a shell or alter ego of the individual. If the individual is merely performing a role that ordinarily would be considered an employee, the corporation will likely be considered an alter ego of the person, and the PEERS working after retirement limits will apply. The central question remains: Who has the right to control the activities of the individual – the corporation or the employer?

If you have questions about how to tell if your post-retirement work status is one of an employee or an independent contractor, you can find information on the IRS website www.irs.gov, call your local IRS office, or call the IRS toll free at **(800) 829-1040**. Employers should complete an IRS Form SS-8 and return the form to the IRS.

You may also refer to IRS Publication 15-A, Employer’s Supplemental Tax Guide.

More About the Work Limit

Pro-Rated Limits on Work in the Year You Retire

During your first year of work after retirement, your limit may be pro-rated based on your retirement date, if your retirement date causes you to be ineligible to work an entire school year as a retiree.

When your employer reports to us that you are working as a retiree, we will send you information that includes your personal limit for the school year.

Pro-Rated Hourly Limit During First School Year After Retirement

Retirement Date	Maximum Hours You Can Work for the School Year
July 1	550
August 1	504
September 1	458
October 1	413
November 1	367
December 1	321
January 1	275
February 1	229
March 1	183
April 1	138
May 1	92
June 1	0

Volunteering for Covered Employers May Count Toward Work Limit

You can volunteer for a PEERS-covered employer after retirement for an unlimited amount of time with no effect on your benefits if you are not a paid employee for the same employer for any duties, and do not receive salary from the same employer.

But if you perform paid work in a position subject to the 550-hour per school year limit **and** also volunteer after retirement for the same PEERS-

covered employer, and the volunteering and working are **essentially performing the same function**, the time spent on volunteer work is not considered volunteering and counts toward the 550-hour limit.

If the volunteer work and duties for which you are paid are **substantially different**, only the hours for which you are paid count toward the 550-hour limit.

What Happens if You Exceed the Work Limit?

If you work more than 550 hours in a school year:

- You must notify PEERS immediately.
- Your benefits be put on hold effective the month in which the limit is exceeded.
- You are required to repay benefits received while ineligible.
- Your benefits resume the month **after** your employment ends or when a new school year begins on July 1.
- If you meet membership eligibility requirements, you must establish a subsequent PEERS membership and pay contributions to PEERS. See the next section for more information.

As long as you do not exceed the 550-hour limit and do not become a full-time, regular employee, you will continue to receive your PEERS benefits.

If you exceed the limit, you are no longer eligible for benefits and they will be put on hold. The minimum amount you will forfeit is one full monthly benefit.

Establishing a Subsequent Membership as a PEERS Retiree

- If your post-retirement work for a PEERS-covered employer meets membership eligibility requirements, you must establish a new membership and pay contributions on your salary. You will earn service under your new membership.
- If you earn a minimum of one year of service under your new membership, you are eligible for a second retirement benefit.

You also have the option to request a refund of your contributions and any interest earned under the new membership. When you do this, you forfeit rights to a second monthly retirement benefit.

You cannot

- Combine your second benefit with your initial benefit
- Choose a Partial Lump Sum Option (PLSO) payment on your second membership
- Choose the Accelerated Payment Plan (APP) on your second membership

You are not eligible to receive retirement benefits for any month in which you earn service for employment at a PEERS-covered employer. If you earn a full year of service, PEERS must recover any benefits paid during that school year.

Example

Mark is retired. If Mark begins working full-time in August, his benefits stop beginning with the August benefit payment and PEERS will recover his July benefit payment because it was paid to him during a school year (July 1 - June 30) when he is set to earn a full year of service. If he does not end up earning a full year of service for the school year, PEERS will repay his July benefit.

It is important to notify PEERS of the start and end dates of your PEERS-covered employment. PEERS will verify the dates with your employer, determine the months for which you are entitled to benefits, and whether you need to reimburse any benefits.

If your full-time employment results in the establishment of a subsequent membership, you must also properly terminate your full-time employment before receiving benefits from this membership. See page 72 for more information.

Reimbursing PEERS for Benefits Received While Ineligible

The limitations on working after retirement are established in Missouri law and PSRS/PEERS Board of Trustees' regulations. If it is determined that you did not properly terminate employment or you are employed in a position not in compliance with those laws and regulations, you are required to reimburse all retirement benefits paid while ineligible, including funds in a PLSO distribution, and pay contributions that may have been required. The minimum amount of benefits you will lose is one full monthly benefit.

- If you do not properly terminate employment you must repay any benefits received while ineligible.
- It is necessary for PEERS to recover any benefits paid to you for months you also receive retirement service. If you receive one year of service for the school year, you may not receive any retirement benefits for that school year.
- If you exceed your working after retirement limit on hours, you forfeit your benefits effective the month you exceed the limit and until the month after your employment ends or a new school year begins on July 1. You are required to repay benefits received while ineligible.
- If you receive PEERS disability retirement benefits and are younger than age 60, you cannot be employed in any capacity by a PEERS-covered employer, or work for any non-covered employer and earn salary that is in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration.
- If you earn more than is allowed, you forfeit your disability benefits and must be re-certified as disabled in order for them to resume. After age 60, you can work for a covered employer, but the 550-hour limit applies.

Record-Keeping Requirements

All PEERS retirees subject to working after retirement limits are required to maintain a *Working After Retirement Record* tracking their work each month. Employers are also required to maintain such records and report the information to PEERS.

Working After Retirement Record forms are sent to you each school year when your employer reports your return to work after retirement. These forms are also available on the PEERS website.

You should not send a record form to PEERS unless we request it. We may request access to these forms for review at any time.

Accurate record keeping can prevent you from losing benefits. It is in your best interest to:

- Keep an accurate record of your work.
- Consult with your employer when you begin your post-retirement employment to discuss how to track your work.
- Check with your employer regularly to ensure your records are accurate and consistent

If you work for a PEERS-covered employer, that employer reports the hours you work to PEERS each payroll period.

Use PEERS Web Member Services to view your progress toward the working after retirement limit as reported by your employers. Keep in mind, there can be a delay between the time of your work and when your employer submits payroll to PEERS, so you may have worked more hours than what is reported online.

You will also receive notification by letter when you are approaching your limit based on payroll information reported to PEERS by your employer.

If there are discrepancies in the hours you track and those reported by your employer, we will consider your employer's record official.

Frequently Asked Questions

Q. If I work part-time or as a temporary-substitute for a PEERS-covered employer after retirement, how many days in a school year can I work?

A. The law limits the number of **hours** you can work as a retiree, not the number of **days**. The number of days you can work depends on your employer's method of counting the hours in a workday. The number of hours counted as a full day varies from district to district. Talk to your employer to make sure you understand how your work is being tracked.

Q. What hours count toward the 550-hour limit?

A. You are required to count all your time necessary to complete the requirements of your position.

Q. Do I count my lunch period toward the 550-hour limit?

A. If you are being paid for your lunch period and are required to remain at school during lunch, it counts toward the 550-hour limit. If you are not receiving pay for your lunch period and are able to leave for lunch, then you should not count the time toward the limit. However, it is always a good idea to check with your employer to be sure you understand how your employer is tracking time.

Q. If I receive a paid holiday, what do I count toward the 550-hour limit?

A. The hours paid for that day do not count toward the 550-hour limit because you did not "work" the hours.

Q. If I exceed the 550-hour limit, when do my benefits stop?

A. Your benefits stop effective the month you exceed the 550-hour limit and don't resume until the month after your employment ends or when a new school year begins on July 1.

Example

Zach is subject to and exceeds the 550-hour limit on April 10, so he forfeits his April benefit. If he ends his employment in April, his benefits resume in May. If his employment continues, his benefits will resume the month following the termination of his employment or on July 1, at the start of a new school year.

Q. If I exceed the 550-hour limit, how much of my benefits will I lose?

A. The entire benefit for the month you exceed the limit is lost. If you end your employment that month, your benefits resume the following month. If you do not end your employment, your benefits resume the month following the end of employment or on July 1 at the start of a new school year.

Q. Does the 550-hour limit also apply to disability retirees?

A. If you receive PEERS disability retirement benefits and are younger than age 60, you cannot work in any capacity for a PEERS-covered employer, or work for any non-covered employer and earn salary in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set each year by the Social Security Administration. At or after age 60, you can work part-time or as a temporary-substitute for a covered employer without affecting your benefits, but the 550-hour limit applies.

Q. Can participating in a retirement incentive cause me to lose retirement benefits?

- A. Yes. For a period of one month from your PEERS retirement date, you cannot be under a written or unwritten agreement for employment at a PEERS-covered employer in any capacity. This includes retirement incentives or separation agreements that require you to work in any capacity after retirement in return for salary (including paid health insurance benefits). If you are under either a written or unwritten agreement for future employment, you are not considered to have properly terminated your employment and are not eligible to receive PEERS benefits.

Q. I teach for a public two-year college, and I am paid by the credit hour. How do I determine the number of clock hours to report?

- A. Because Missouri's public two-year colleges (also referred to as community colleges) track classroom teaching time in credit hours, you must convert those credit hours to clock hours when tracking your employment as an instructor against the working after retirement limit on hours. The simple conversion is one credit hour equals 30 clock hours.

Employer Health Insurance Coverage.....	82
PEERS and Divorce	82
Divorce While Receiving PEERS Service Retirement Benefits	83
Beneficiary Removal.....	83
Benefit “Pop-Up”	83
Beneficiary Designation Changes	83
Divorce While Receiving PEERS Disability Retirement Benefits.....	83
Staying Informed about Your Retirement System after Retirement	84
Annual Benefit Statement	84
Online Membership Information	84
Newsletters.....	84
Death After Service Retirement	84
Survivor Benefits for Beneficiaries of Service Retirees	85
Single Life Benefit Plan	85
Joint-and-Survivor Benefit Plans	85
Term-Certain Benefit Plans	85
Survivor Benefits for Beneficiaries of Disability Retirees	86
The Importance of Keeping Your Beneficiary Designation Up-to-Date	86
Durable Power of Attorney	86

Other Post-Retirement Considerations

After your big day has arrived and you are busy enjoying your retirement, there are still some retirement-related issues to keep in mind. These include the possibility of continuing your health insurance coverage through your last employer, making sure you keep your PEERS beneficiary designation up-to-date, and understanding what happens to your membership in the event of your death.

Employer Health Insurance Coverage

One of the many advantages of being a PEERS retiree is the option to participate in your last PEERS-covered employer's health insurance plan after retirement at the same cost the employer pays for an active employee. Missouri law gives you one year from the date you were last employed to choose this option. Consult with your last PEERS-covered employer for specific information about the health insurance coverage available to retirees and their family members. PEERS has no role in administering or enforcing this state law.

We understand it can be difficult to know what questions to ask your employer about health insurance. To help you get started, we have developed a list of the questions we are most often asked, and that we recommend you ask your employer.

1. Are there any stipulations that I must meet in order to continue health insurance coverage through my employer after I retire?
2. Do I have to be on the employer's health insurance plan for a certain period of time before retirement to be eligible to retain the health insurance?
3. Can I get coverage for my spouse or dependent children?
4. Will my spouse and/or dependent children be able to receive insurance through the employer after my death?
5. How long does the coverage continue?
6. Will I be able to receive supplemental insurance from my employer if I am eligible for Medicare?
7. How will Medicare affect the employer's health insurance? Which will be considered primary?
8. If my employer changes health insurance providers, does the new provider have to continue my coverage?

PEERS and Divorce

We are frequently asked what effect divorce will have on a member's PEERS benefits. Missouri law controls how PEERS benefits may be treated in a divorce.

PEERS is a public pension fund and, unlike private pension funds, PEERS is not subject to the federal pension law provisions authorizing a court to issue Qualified Domestic Relations Orders (QDROs) to divide or award a member's pension funds or benefits to the member's ex-spouse.

According to Missouri law, PEERS funds hold the same status as funds of the federal Social Security Administration in a divorce action. Since current federal law does not allow for the division of Social Security benefits in a divorce, PEERS funds also cannot be divided in a divorce. However, while PEERS benefits are "separate" or "non-marital" property of the member, a court may consider the amount of each person's non-marital property when dividing the marital property.

At the request of a member, or upon receipt of a properly issued subpoena, PEERS will prepare an affidavit providing the current value and status of the member's retirement benefits for use in divorce proceedings. In all cases, PEERS will honor only rulings, orders and directives concerning PEERS retirement benefits that are made in accordance with Missouri law.

For information on the effect of divorce before PEERS retirement, see page 21.

Divorce While Receiving PEERS Service Retirement Benefits

Beneficiary Removal

If you divorce after PEERS service retirement and you name your spouse as beneficiary, your ability to remove your ex-spouse as your beneficiary depends on the benefit plan you choose at retirement.

In general, Missouri law removes your ex-spouse as your beneficiary to receive:

- A lump-sum payment of your contributions and interest
- Temporary monthly benefits under the Term-Certain benefit plans

If your ex-spouse is removed by law, your first contingent beneficiary becomes your primary beneficiary. If you do not have a first contingent beneficiary, your primary beneficiary is determined by Missouri law. This may not hold true in certain circumstances. It is always best to keep your beneficiary designation current by filing the proper beneficiary form with PEERS.

Benefit “Pop-Up”

If you choose one of the Joint-and-Survivor or Term-Certain benefit plans, name your spouse as your beneficiary at retirement and later divorce, you may apply for your monthly benefit to “pop-up” to the amount you would have received if you had chosen the Single Life benefit plan, adjusted for any increases granted since your retirement date. Please note, if you choose a Term-Certain benefit plan, name your spouse as your beneficiary at retirement and later divorce, you may only apply for your monthly benefit to pop-up if you have not yet received the minimum number of monthly payments guaranteed in the term of the plan you choose.

The documentation required for a divorce pop-up varies based on the law, and depends on the date of the divorce. In all cases:

- The divorce decree or separation agreement must provide that you have sole retention of all rights to your retirement benefit.
- You must submit a copy of the certified divorce decree and a completed *Application for Benefit Increase* available from PEERS.

If the divorce occurred before September 1, 2017, and the certified divorce decree **does provide** the retiree with sole rights to the retirement benefit, this certified divorce decree and a *Consent to Removal and Disclaimer of Joint-and-Survivor Benefit Rights* form signed by the ex-spouse who is being removed as beneficiary are both required.

The benefit increase is not retroactive and starts upon receipt of your documentation in our office.

PEERS can provide specific information regarding your membership, and you should contact our office when a change in your family situation occurs.

If you retired on or before September 1, 2015, named a same-sex domestic partner as your Joint-and-Survivor or Term-Certain plan beneficiary and you have since separated, you may also be eligible to apply for a benefit pop-up. Certain documentation is required. Contact our office for more information.

Beneficiary Designation Changes

As stated above, if you choose one of the Term-Certain benefit plans and you divorce, your ex-spouse can be removed as your beneficiary under Missouri law. Under the Term-Certain benefit plans, you can change your beneficiary at any time. If you receive all payments guaranteed by the Term-Certain benefit plan you choose, no payments are made to a beneficiary. If you apply for your monthly benefit to pop-up, you cannot name a new beneficiary within that term.

If you choose one of the Joint-and-Survivor benefit plans, your spouse is named as your beneficiary, you divorce after you retire, have applied for a benefit pop-up and remarry, you can name your new spouse as your beneficiary within one year of your remarriage. If you have not applied for a benefit pop-up and your divorce decree states that you have sole retention of all rights to your retirement benefit, you can name your new spouse as beneficiary within one year of your marriage. Also, your new spouse must be covered under the same plan that you select at retirement.

Divorce While Receiving PEERS Disability Retirement Benefits

If you divorce after PEERS disability retirement and you name your spouse as beneficiary, your divorce decree may require you to re-designate your ex-spouse as beneficiary. You may also voluntarily

re-designate your ex-spouse as beneficiary. If you do designate a new beneficiary, payment of any benefit due at your death is made according to Missouri law.

You can change your beneficiary designation at any time by logging in to Web Member Services or by completing a ***Disability Retirement Beneficiary Designation*** form available by contacting our office.

Staying Informed about Your Retirement System after Retirement

Annual ***Benefit Statement***

Before receiving your first benefit payment, you will receive notice from PEERS of your gross benefit amount, federal and state tax withholding amounts, if any, and your deposit amount. Every January you will receive an annual ***Benefit Statement*** showing this information, and you will receive notice whenever your benefit amount changes, but you will not receive monthly statements of your benefit.

Use the communications preferences option in Web Member Services to let us know if you prefer to receive a paper copy of your ***Benefit Statement***, or an email when your statement is available to view online.

Your ***Benefit Statement*** is a record of your:

- Benefit amount
- Tax information
- Benefit plan and summary
- Cost-of-living adjustments (COLAs)
- Beneficiary designation

Online Membership Information

You can view your membership and benefit information online through PEERS Web Member Services at **www.psr-peers.org**. Access to your membership information online requires that you establish a user name and password.

Under your login, you can view current membership and benefit information, including your:

- Contact information on record
- Benefit summary
- Current beneficiary designation

- Direct deposit information
- Income tax withholding
- Cost-of-living adjustment information
- Documents our specialists share with you
- An archive of your past ***Benefit Statements***
- An archive of your past IRS Forms 1099-R (tax documents)

You can update your contact information, direct deposit information, income tax withholding and in some cases, your beneficiary designation, online. You can also estimate the impact of future COLAs on your benefit.

Newsletters

As a PEERS retiree, you receive newsletters to keep you informed about retirement system news, rules for working after retirement, information about the payment of your benefit, changes in retirement law, income tax changes and more. We encourage you to review your newsletters to ensure you are up-to-date.

Death After Service Retirement

At PEERS, we understand the emotional stress families face when a loved one is lost. The loss of retirement income can add to that stress.

The payment of benefits to a beneficiary after your death depends on the benefit plan you choose at retirement.

It is important to share information with your family regarding the benefit plan you choose and what they will be entitled to receive from PEERS.

Upon your death:

- A designated relative or friend should notify us promptly. We will need a copy of your death certificate as proof of the date of death.
- The benefit issued at the end of the month of your death is payable.
- If benefits are paid after your death, but before PEERS is notified, we will recover any benefits that are not payable.

Survivor Benefits for Beneficiaries of Service Retirees

At service retirement, you have six different benefit plans from which to choose, allowing you to provide the level of financial protection that best fits your family's needs. Benefits under all the plans are payable for your lifetime, and, in some cases, for the lifetime of your beneficiary.

Single Life Benefit Plan

If you choose the Single Life benefit plan and you pass away before receiving benefits equal to your accumulated contributions and interest at retirement, a lump-sum refund of the balance is paid to your beneficiary. If you do not have a valid beneficiary designation with PEERS, the refund is paid according to Missouri law, in the following order of precedence:

1. Surviving spouse
2. Surviving children in equal shares
3. Surviving parents in equal shares
4. Your estate

The refund consists of the remaining contributions you made to PEERS and the interest on those contributions, as well as any payments you made toward a reinstatement or purchase of service. Funds contributed by your employer are not included.

You may change your beneficiary under the Single Life benefit plan at any time.

Joint-and-Survivor Benefit Plans

If you choose a Joint-and-Survivor benefit plan, after your death your beneficiary receives a monthly benefit for life equal to 100%, 75% or 50% of your benefit based on the plan you choose.

If your designated beneficiary passes away before you, your monthly benefit "pops up" to the amount you would have received had you chosen the Single Life benefit plan, adjusted for any increases granted since your retirement date.

You can change your beneficiary under the Joint-and-Survivor benefit plans if you designated your spouse at retirement, your spouse passes away, and

you remarry. In this case, you can designate a new spouse as your beneficiary, but you must do so within one year of the marriage.

A new spousal designation requires a benefit adjustment based on your age and the age of your new spouse.

If both you and your named beneficiary pass away and a balance exists in your membership, it is paid as a lump sum to the beneficiary you name for this purpose. If you do not name a beneficiary for the lump-sum payment, it is paid according to law, in the following order of precedence:

1. Surviving spouse of the last benefit recipient
2. Surviving children of the last benefit recipient in equal shares
3. Surviving parents of the last benefit recipient in equal shares
4. Estate of the last benefit recipient

You can change your beneficiary for the lump-sum payment of your remaining contributions and interest at any time.

Term-Certain Benefit Plans

If you choose a Term-Certain benefit plan and you pass away before receiving the guaranteed number of payments in the term you choose (60 or 120), the remaining monthly payments are made to your primary beneficiary.

If both you and your primary beneficiary pass away before receiving the guaranteed number of payments, the remaining monthly payments are made to your first contingent beneficiary. If that person also passes away before all payments have been made, the remaining payments go to your second contingent beneficiary.

If there is no surviving beneficiary, any remaining benefits due are paid in a lump sum to the following in this order of precedence:

1. Surviving spouse of the last benefit recipient
2. Surviving children of the last benefit recipient in equal shares
3. Surviving parents of the last benefit recipient in equal shares

4. Estate of the last benefit recipient

If you receive all payments guaranteed by the Term-Certain benefit plan you choose, no payments are made to a beneficiary.

You can change your beneficiary under the Term-Certain benefit plans at any time.

Survivor Benefits for Beneficiaries of Disability Retirees

If your death occurs while receiving PEERS disability benefits, your beneficiaries may be eligible for survivor benefits. It is important to share information with your family regarding your benefits, and what they may be entitled to receive from PEERS as your beneficiaries. Your beneficiary may be eligible for one of the following types of PEERS survivor benefits:

- A lump-sum refund of any remaining contributions and interest associated with your membership at the time of your death may be payable, or
- Lifetime monthly benefits may be payable to a sole beneficiary with an insurable interest (financial dependence) in your life. A spouse, child or parent is automatically eligible. Documentation of insurable interest must be provided for any other individual. These benefits are calculated under the Joint-and-Survivor 100% benefit plan, and are based on your salaries and service earned with PEERS. These benefits may begin immediately or be delayed based on when you would have become eligible for PEERS service retirement.

See pages 36-39 for more information on PEERS survivor benefits.

The Importance of Keeping Your Beneficiary Designation Up-to-Date

It is important to keep your beneficiary designation up-to-date in order to ensure benefits are paid according to your wishes, and provide the greatest financial protection for your family. See pages 46-51 for more information on designating beneficiaries under the different benefit plans, or contact us for additional information.

If you do not have a valid beneficiary designation on file with PEERS, payment of any benefit due at your death will be made according to Missouri law.

Visit www.psrs-peers.org and log in to Web Member Services to view your beneficiary designation. In many cases you can also update your beneficiary online. If you prefer, the forms needed to change your post-retirement beneficiary designation can also be found on our website, or are available by contacting our office.

Durable Power of Attorney

To ensure there is no interruption in your benefits, consider making plans for the possibility you could become incapacitated or otherwise unable to manage your financial affairs.

You should consult with your personal attorney about the best way to plan for this possibility, but one popular approach is to prepare a document called a Durable Power of Attorney. With a Durable Power of Attorney, it is possible to delegate to a trusted family member or friend the authority to make direct deposit arrangements or sign necessary documents pertaining to your benefits – and you can restrict this authority from becoming effective unless and until you become incapacitated.

PEERS cannot provide you with legal advice or prepare personal legal documents for you. Consult with your personal attorney to ensure that any document specifies your wishes.

Social Security, Medicare And Other Retirement Plans

PEERS Members and Social Security	88
Social Security and Railroad Benefits	88
Medicare Benefits for PEERS Members	88
Part A - Hospital Insurance	88
Part B - Medical Insurance	89
Part C - Medicare Advantage Plans	89
Part D - Prescription Drug Coverage	89

Social Security, Medicare And Other Retirement Plans

Information provided in this handbook regarding potential Social Security and Medicare benefits is general in nature. Decisions regarding these benefits should only be made after contacting the Social Security Administration or Medicare.

The minimum Social Security retirement age is currently 62.

PEERS Members and Social Security

If you are receiving a Social Security benefit based on your Social Security earnings history, it should not be reduced by your PEERS benefit. Your PEERS benefit will not be reduced because of any other pension. If you have questions, contact the Social Security Administration at **(800) 772-1213**, or refer to the Social Security website, **www.socialsecurity.gov**.

Social Security and Railroad Benefits

In limited cases, your Social Security benefit could be affected by other income sources defined by Social Security, such as railroad pensions or pensions from non-Social Security-covered employment, such as the Public School Retirement System of Missouri (PSRS). We recommend that you contact your local Social Security Office, call the Social Security Administration at **(800) 772-1213** or visit **www.socialsecurity.gov** for further information.

Medicare Benefits for PEERS Members

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.

As you work in PEERS-covered employment, Medicare contributions are withheld from your pay. When you pay into Medicare, your employer matches your contributions and you receive “units” based on your earnings. You can receive a maximum of four units in one calendar year.

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:

- Part A - Hospital Insurance
- Part B - Medical Insurance
- Part C - Medicare Advantage Plans
- Part D - Prescription Drug Coverage

You may have coverage under 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 Social Security 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).

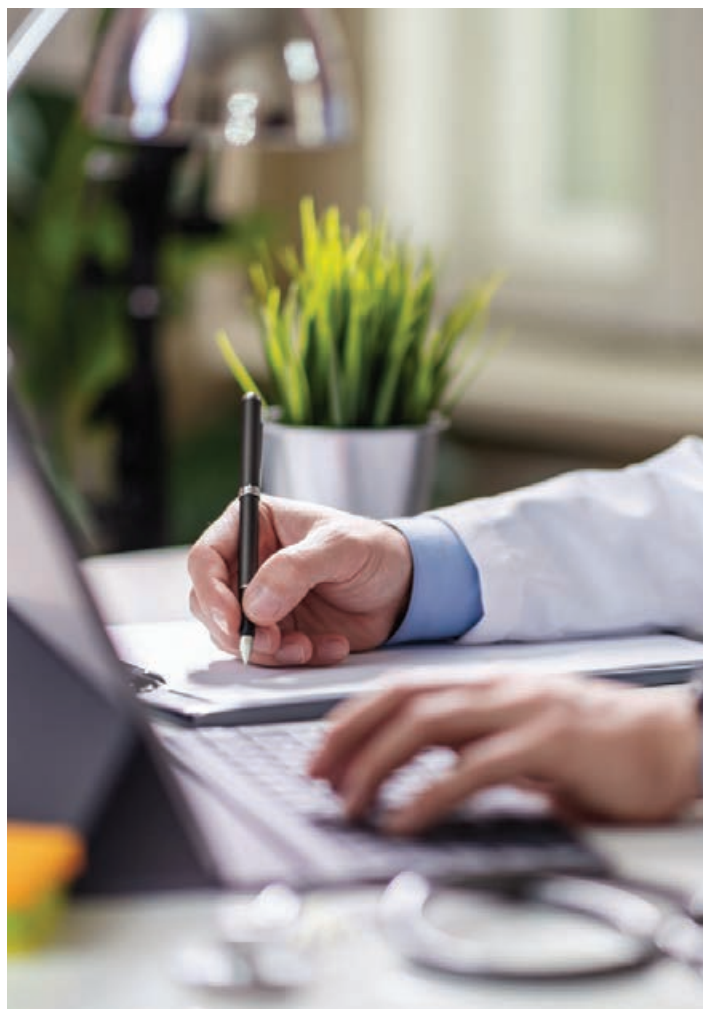
Part D - Prescription Drug Coverage

Prescription drug plans are available to people with Medicare. Insurance companies and other private companies work with Medicare to offer these drug plans. They will negotiate discounts on 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 share of the cost of prescriptions. Costs vary depending on the plan you choose.

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 drug plan, it is important to choose one that meets your prescription drug needs.

Medicare benefits may be payable under special circumstances not explained in this booklet, such as with the occurrence of a disability. Contact Missouri SHIP, the Missouri State Health Insurance Assistance Program, at (800) 390-3330, or visit www.missouriship.org for specific information about your entitlement to Medicare benefits.



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Glossary Of Terms

Information in this glossary denoted with an asterisk () was taken from Employee Benefit Plans: A Glossary of Terms, Twelfth Edition, ed. Patricia A. Bonner, Ph.D., (Brookfield, WI: International Foundation of Employee Benefit Plans, 2010).*

Accelerated Payment Plan (APP): An acceleration, or increase, in PEERS service retirement benefits until age 62, the current minimum Social Security retirement age. This benefit option is available to PEERS service retirees who retire prior to age 62. Benefits are actuarially reduced at age 62 and thereafter. The result is that the retiree receives more benefits up front, but does not receive any extra income from PEERS over his or her lifetime.

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

Actuarial Reserve: A method of financing a retirement plan where reserves are accumulated as the liabilities for benefit payments are incurred in order that sufficient funds will be available on the date of retirement of each member to pay future benefits.

Actuarial Review: A legally required annual review of PSRS/PEERS by the Systems' actuaries that evaluates financial risks, usually related to the probability and timing of certain events occurring.

Age-Reduction Factor: A multiplier used in the calculation of PEERS age-reduced early retirement benefits. The age-reduction factor is based on a member's age at the time of PEERS retirement and is subject to change.

Basic Purchase Cost Calculation: The calculation used to determine the cost of most PEERS service purchases. The calculation multiplies the highest annual salary on record by the current total contribution rate (employee plus employer) to determine the cost for each year of service.

Beneficiary: A person(s) or legal entity(ies) named by a PEERS member to receive benefits when the member passes away.

Benefit Factor: A multiplier used in the calculation of PEERS benefits. The benefit factor is set by the Missouri Legislature and is based on a member's years of service and/or age, and eligibility for normal, 25-and-Out or age-reduced retirement formulas.

Benefit Plan: A payment option that allows a member to choose how lifetime monthly PEERS benefits will be paid to the member, and in some cases, to beneficiaries. PEERS offers six different benefit plans that fall into three categories: Single Life, Joint-and-Survivor, and Term-Certain plans. These benefit plans offer the flexibility to provide varying levels of financial protection for a beneficiary after the member's death.

Consumer Price Index for Urban Consumers (CPI-U): Measure of price changes for a basket of goods and services purchased by urban households. The CPI-U makes it possible to compare the relative cost of living over time. Considered a key indicator of inflation and deflation in the economy, the index is one of the factors considered by the PSRS/PEERS Board of Trustees when determining cost-of-living adjustments (COLAs) for benefit recipients. It is published monthly by the U.S. Bureau of Labor Statistics.

Contributions: Participating members and employers contribute an equal percentage of each member's salary to PEERS to help fund benefits. Member contributions are automatically deducted from salary pre-tax while working in covered employment and submitted to PEERS by the employer. The contribution rate is set each school year by the PSRS/PEERS Board of Trustees based on the recommendation of the System's actuary.

Cost-of-Living Adjustment (COLA): Adjustment of monthly benefits designed to offset changes in the cost of living, as measured by the Consumer Price Index for Urban Consumers (CPI-U) (see above).

Critical Shortage Employment: A legal provision under which PEERS service retirees of any age and disability retirees who are at least age 60 can work for a covered employer that has declared a critical shortage of employees, for up to 48 months without losing PEERS benefits.

Defined Benefit Plan: A plan that uses a definite formula by which employee benefits are calculated. Also called a DB plan. PEERS is a defined benefit plan.

Defined Contribution Plan: A plan that provides an individual retirement account for each participant with benefits based solely on the amount contributed to the participant's account plus any income, expenses, gains, losses and forfeitures by the participant. Contributions may be made by the employee and/or the employer. Defined contribution plans include 401(k), 403(b) and 457 plans. Also called a DC plan.*

Disability Retirement: A benefit plan for qualified PEERS members who have experienced termination of employment as a result of an illness or injury resulting in a total and permanent disability and the inability to earn a livelihood in any occupation.

Durable Power of Attorney: A legal document by which a person delegates to a trusted family member or friend the authority to act on his or her behalf with regard to financial or other matters. This authority can be restricted from becoming effective unless and until you become incapacitated.

Eligible Rollover Distribution: Under the Internal Revenue Code (IRC), funds that can be rolled over to an IRA or to another retirement plan that accepts rollovers. In general, only the "taxable portion" of pension plan funds is an eligible rollover distribution.

Employer Pick-up (EPU) Contributions: Under the Internal Revenue Code (IRC), pension plan contributions made by the member that are tax-deferred until they are paid to the member or to the member's beneficiary as a lump-sum refund or a monthly benefit. PEERS contributions made after June 30, 1989 are considered EPU contributions.

Family and Medical Leave Act (FMLA): Federal legislation that requires employers with more than 50 employees to provide eligible workers with up to 12 weeks of unpaid leave during any 12-month period if the employee is unable to work because of a serious health condition. The same unpaid leave is available for the birth of a child and newborn care, adoption, foster care placement, and care of an immediate family member (spouse, child or parent) with a serious health condition.*

Fiduciary: A person or institution legally responsible for the management, investment and distribution of a fund. The trustees and administrators who are responsible for the oversight of employee benefit trust funds are considered fiduciaries.*

Final Average Salary (FAS): A monthly salary figure used in the calculation of PEERS retirement benefits. Final Average Salary is determined by adding your three highest consecutive years of salaries (including employer-paid health, dental and vision insurance), and dividing the total by 36 months.

Final Average Salary (FAS) Cap: In determining Final Average Salary, PEERS disregards any increase in salary in excess of 20% from one year to the next in the Final Average Salary period. This cap does not apply to increases in salary that are due to a genuine change in position or employer, increases required by state statute or district-wide salary schedule adjustments for previously unrecognized education-related employment.

Independent Contractor (IRS definition): A self-employed person who has the right to control the manner and means of accomplishing the work for which he or she is responsible. Independent contractors cannot be covered by PEERS.

Insurable Interest: A person's financial interest in (financial dependence on) the continuing life of an individual as determined by PEERS. A spouse, child or parent has automatic insurable interest. Documentation of insurable interest must be provided for any other individual.

Internal Revenue Code (IRC): Federal tax law followed and enforced by the Internal Revenue Service (IRS).

Investment Earnings: The primary source of funding for PEERS benefits. PEERS professionally invests all contributions to the plan from members and their employers to help fund benefits.

IRS Form 1099-R: An IRS form mailed to all PEERS benefit recipients after the end of each calendar year, indicating the total benefits paid for the year, the taxable portion of those benefits, the tax-free amount recovered in the year, if any, and the amount of tax withheld during the year. This form is used when preparing tax returns.

Medical Advisor: A licensed physician retained by PEERS to review applications for PEERS disability benefits. The medical advisor makes recommendations on whether a member's medical condition meets the System's definition of disability and qualifies that person under Missouri law to receive, or continue to receive, those benefits.

Membership Status: The status of a membership depends on whether the member is working in PEERS-covered employment, and how much service he or she has. A membership is considered **active** as long as the member is employed in a position qualified for membership and contributes to PEERS. A membership is considered **inactive** if the member is employed in a position that does not qualify for membership, or ends covered employment but leaves his or her contributions with PEERS (does not take a refund).

Minimum Distribution Requirement: Required minimum distributions (RMDs) are minimum amounts that you must withdraw each year from most types of retirement accounts as mandated by the Internal Revenue Service (IRS). If you reached age 72 on or before December 31, 2022, these withdrawals must begin in the year you reached 72 or in the year you retire, whichever is later. If you reach age 72 after December 31, 2022, these withdrawals must begin the year you reach age 73 or in the year you retire, whichever is later.

Missouri Public Pension Exemption: A Missouri income tax provision that allows qualified Missouri residents to exempt all or part of their PEERS benefits from their adjusted gross income for Missouri income tax purposes.

Missouri Transfers to Minors Law: A Missouri law that covers how funds or property may be transferred to minors named as beneficiaries upon death.

Partial Lump Sum Option (PLSO): A benefit payment plan that allows qualified members of PEERS who work three years beyond normal retirement eligibility to choose to receive a one-time, lump-sum payment at the time of retirement in exchange for actuarially reduced lifetime monthly benefits.

Partial Lump Sum Option (PLSO) Factor: An actuarial factor used to determine the reduction in the lifetime monthly PEERS benefit of members who have chosen to receive a Partial Lump Sum Option (PLSO) payment at retirement. The amount of the reduction reflects the value of the PLSO payment and the member's age at retirement.

PSRS/PEERS Board of Trustees: This seven-member board is charged by law with the administration of PSRS/PEERS. The Board adopts rules to govern its own proceedings and to operate the Systems within the framework of the law. Four trustees are elected by members and three are appointed by the Missouri governor. All serve four-year terms. Trustees serve without compensation.

Public Education Employee Retirement System of Missouri (PEERS): The Public Education Employee Retirement System of Missouri (PEERS) is a defined benefit (DB) retirement plan established in 1965 to provide service retirement and disability benefits to qualified non-certificated Missouri public school employees, 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.

Public School Retirement System of Missouri (PSRS): The Public School Retirement System of Missouri (PSRS) is a defined benefit (DB) retirement plan established in 1946 to provide service retirement and disability benefits to qualified certificated Missouri public school employees, and survivor benefits to qualified beneficiaries.

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

Reciprocity: The ability to transfer service from one Missouri public retirement system to another based on signed, mutual agreements between the systems.

Recognition of Service: The ability to recognize qualified service from multiple Missouri public educational retirement systems to determine retirement eligibility and the benefit factor used in the retirement calculation.

Reinstatement: Buying back previous PEERS service forfeited by taking a refund of PEERS contributions and interest.

Retirement Incentive: A written or unwritten contract or agreement between an employer and employee which enables the employee to receive salary or other benefits such as health insurance in exchange for an agreement to retire. Some retirement incentives also include a requirement for post-retirement employment and would violate the requirement for termination of employment (see below.)

Rule of 80: Any combination of age and service that equals 80 used to determine normal retirement eligibility. Age and service are both rounded to five decimal places (80.00000).

Rule of 86: Any combination of age and service that equals 86 used to determine Partial Lump Sum Option (PLSO) eligibility. Age and service are both rounded to five decimal places (86.00000).

Salary: All earnings by a PEERS member as an employee of a PEERS-covered employer are subject to retirement contributions. Salary includes, but is not limited to, payments for extra duties, overtime payments, and employer-paid health, dental and vision insurance premiums for the member. This definition became effective July 1, 1997.

Service: Used in part to determine eligibility for PEERS retirement benefits. Years of service are also used to determine benefit amounts. In PEERS, service is earned through covered employment or, if a member meets eligibility requirements, service can also be reinstated, purchased and transferred.

Service Purchase: Eligible PEERS members may purchase service toward their retirement for time spent on military, sick or maternity leave, or other qualified employment not covered by PEERS.

Service Retirement: PEERS lifetime monthly retirement benefits provided, upon application, for members who properly terminate covered employment and meet minimum service and age requirements.

Statutory Succession of Beneficiaries: A Missouri law which, in the absence of a valid beneficiary designation by the member, defines which individuals will be designated beneficiaries, and in what order of precedence, for the purpose of receiving benefits.

Supplemental Service Purchase: Supplemental service may be purchased by members within five years of retirement eligibility. A purchase may be for up to five-tenths (0.5) of a year. This purchase does not require any prior employment, service or leave period, and does not count toward vesting PEERS membership. IRS regulations may limit the amount of supplemental service purchased if the member also purchases service for Social Security-covered employment.

Survivor Benefits: Benefits paid to the qualified, surviving beneficiaries of qualified PEERS members who pass away before retirement. Beneficiaries may also receive benefits upon a member's death after retirement, depending on the benefit plan selected.

Tax-Deferred Rollover: As defined by the IRS, a reinvestment made directly, or within 60 days of a lump-sum distribution, from one qualified retirement plan to another, as defined by the IRS. Income tax on the distribution is deferred until the benefits involved are finally distributed from the recipient plan. Sometimes used in the payment of reinstatements and service purchases.

Temporary Benefits: Under normal retirement, PEERS members who have at least 30 years of service or qualify for Rule of 80 automatically receive an additional temporary benefit of .8% added to their base formula until minimum Social Security retirement age, currently 62. This temporary benefit stops at the minimum Social Security retirement age.

Termination of Employment: IRS rules state that retirement systems must require a clear separation of service between the end of pre-retirement employment and the start of post-retirement work for covered employers. PEERS requires a separation period of one month from the PEERS retirement date. Proper termination also requires that no agreement, written or unwritten, for future employment with a covered employer be entered into until after receipt of the first benefit payment. Improper termination will cause the loss of retirement benefits.

Termination of Membership: PEERS membership is automatically ended when a non-vested member is out of PEERS-covered employment for five consecutive school years and does not purchase additional service. Active membership is also terminated by retirement, death or by the refund of the member's funds from PEERS.

Testamentary Trust: A trust that is set up in a will. The creator of the trust is the person who is no longer living and the trustee, as identified in the will, is the person who manages the property for one or more beneficiaries.

Trial Return to Work: PEERS disability retirees age 60 or younger may request to return to work on a trial basis while benefits are put on hold.

Trustee-to-Trustee Transfer: A transfer of funds from one qualified retirement plan to another qualified retirement plan, with no immediate tax consequences. Sometimes used in the payment of reinstatements and service purchases.

25-and-Out: An early retirement benefit set by Missouri law using a lower benefit factor in the benefit calculation. It provides reduced benefits to eligible service retirees with 25, but less than 30 years of service and do not qualify for Rule of 80 (see definition).

USERRA: The Uniformed Services Employment and Reemployment Rights Act. Under this federal law, a qualified member may purchase service for time spent on leave while serving in the U.S. Armed Forces, National Guard and other service categories designated by the president in times of war or emergency. The same employer must re-employ the member after the active duty. USERRA service can be granted or purchased.

Vesting: When a member has enough service to qualify for a future retirement benefit without additional PEERS-covered employment. In PEERS, vesting occurs with five years of eligible service.

Volunteering: Work you perform for which you receive no salary (including health insurance or other benefits) and with duties that are substantially different from any paid work you may perform for the same employer.

Web Member Services: A secure portion of the PSRS/PEERS website where members who have registered for access can view and update personal membership information, as well as estimate future benefits and purchase costs. Web Member Services can be found at www.psrs-peers.org.

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Index

A

Absence from Covered Employment	26
Accelerated Payment Plan (APP)	9, 45, 91
Active Membership	25
Administration	14
Executive Director.....	16
Law Governing PEERS	14
PSRS/PEERS Board of Trustees	14, 15
Age-Reduced Benefits.....	42, 44
Agreements for Post-Retirement Work or Volunteer Hours	78
<i>Annual Comprehensive Financial Report</i>	17
Annual Legislative Meeting	14
APP.....	9, 45, 91
Appeal Process.....	16
Applying for	
Disability Retirement	58–59
Service Retirement	53–55

B

Basic Purchase Cost Calculation.....	29
Basic Types of Service Purchases	28
Beneficiary Designation	21, 38–39, 47–50, 62, 83–86
Benefit Amount	
Accelerated Payment Plan (APP)	9, 45, 91
Age-Reduced.....	44
Disability Retirement	59
Early Retirement	43–44
Normal Retirement	43
Partial Lump Sum Option (PLSO).....	44–45
Survivor Benefits	36–37
25-and-Out.....	43

<i>Benefit Check</i> Newsletter.....	17
Benefit Estimator	46
Benefit Payments (Sample).....	52
Benefit Plans	46–51
The Joint-and-Survivor Benefit Plans	47–48
The Partial Lump Sum Option (PLSO)	44–45
The Single Life Plan	46–47
The Term-Certain Benefit Plans.....	48–49
Board of Trustees.....	14, 15
Board of Trustees, Members	15
Buying Service.....	28

C

Calculating Disability Benefits	60
Calculating Service Retirement Benefits	46
Benefit Formulas	42–45
Online Benefit Estimator	46
Calculating the Cost to Purchase Service	29
Online Purchase Calculator.....	29
Confidentiality of Member Information.....	20
Contacting the Public Education Employee Retirement System of Missouri	11
Office Visits	11
PEERS Website.....	11
Telephone and Fax	11
Written Communication.....	11
Contribution Rate.....	23
Contributions	13, 23–24
Employer Pick-Up.....	24, 92
Interest Earned On.....	24
Cost-of-Living Adjustments (COLAs).....	8, 56, 60, 66–67, 91

Disability Retirement	60
Service Retirement	56
Cost to Purchase Service.....	29
Critical Shortage Employment	75, 91

D

Death After Disability Retirement.....	62, 86
Death After Service Retirement	84–85
Death Before Retirement	
Beneficiary Designation	38–39
Income Taxes on Survivor Benefits	37
Lump-Sum Survivor Benefit.....	36
Monthly Retirement-Based Survivor Benefits	37
Death Benefits	
After Retirement	84–86
Before Retirement	36–39
Lump-Sum Survivor Benefit.....	36
Monthly Retirement-Based Survivor Benefits	37
Direct Deposit.....	66
<i>Direct Deposit Authorization</i> Form.....	66
Disability Benefits	
Applying for.....	58–59
Calculating Benefits	60
Cost-of-Living Adjustments (COLAs).....	8, 56, 60, 66–67, 91
Disability Retirement	58–64

Death After	63, 84
Durable Power of Attorney.....	64, 86, 92
Effect of Divorce On.....	63
Eligibility Requirements.....	58
Employer Health Insurance Coverage.....	82
Income Taxes On	61, 68
Payment of Benefits.....	60, 66–70
Recovery from Disability.....	62
Sample Benefit Calculation	60
Trial Return to Work.....	62
Working After	62–63, 72–80
Divorce	
After Retirement	63, 82–83
Before Retirement	21
Durable Power of Attorney.....	64, 88, 92

E

Early Retirement

Age-Reduced.....	44
25-and-Out (Modified).....	43
Educational and Counseling Opportunities.....	16–17
Eligibility Requirements	
Accelerated Payment Plan (APP)	45, 91
Disability Retirement	58
Early Retirement Benefits: 25-and-Out (Modified)	43
Early Retirement Benefits: Age-Reduced	44
Normal Retirement	43
Partial Lump Sum Option (PLSO).....	44–45
Refund of Contributions and Interest.....	24
Survivor Benefits	36–39
Lump-Sum Survivor Benefit.....	36

Monthly Retirement-Based Survivor Benefits	37
Temporary Benefits	43, 94
Employer Health Insurance Coverage	
After Disability Retirement	82
After Service Retirement.....	82
Employer Pick-Up (EPU) Contributions.....	24, 92
Employment After Disability Retirement	62–63, 72–80
Critical Shortage Employment	75, 91
Employment Definitions.....	73
Independent Contractor.....	76, 92
Record-Keeping Requirements	78
Terminating Employment	55, 72, 94
Temporary Waiver of Work Limit on Substitute Teaching	74
Working for PEERS-Covered Employers Part-Time or as a Temporary-Substitute.....	74
Working Full-Time for PEERS-Covered Employers	75
Employment After Service Retirement	72–80
Critical Shortage Employment	75, 91
Employment Definitions.....	73
Independent Contractor.....	76, 92
Pro-Rated Limits on Work in the Year You Retire.....	76
Record-Keeping Requirements	78
Temporary Waiver of Work Limit on Substitute Teaching	74
Terminating Employment	55, 72, 94
Volunteering.....	76, 95
Working for PEERS-Covered Employers Part-Time or as a Temporary-Substitute.....	74
Working Full-Time for PEERS-Covered Employers	75
Employment at Non-PEERS-Covered Schools.....	30
Employment Definitions.....	73
Executive Director.....	16

F

Fax Number	11
Federal Income Tax on Benefits	
Disability Retirement Benefits.....	60, 68
Refunds.....	25
Service Retirement Benefits.....	56, 68–70
Survivor Benefits	37
Final Average Salary (FAS).....	42–43
Fiscal Year.....	13
<i>For Your Benefit</i> Newsletter	17
Form 1099-R (IRS).....	70, 92
Full-Time Employment.....	20, 75
Funding	13

G

Glossary of Terms.....	91
------------------------	----

H

Health Insurance Coverage After Retirement.....	82
---	----

I

Inactive Membership.....	25, 93
Income Taxes	
Federal	68–70
Form 1099-R (IRS).....	70, 92
Missouri.....	69
On Disability Benefits.....	61, 68
On Refunds.....	25
On Service Retirement Benefits.....	56, 68–70
On Survivor Benefits.....	37
On the Partial Lump Sum Option (PLSO)	70
In-Service Trustee-to-Trustee Transfers	34, 95
Interest on Contributions.....	24
Is a Service Purchase the Best Decision?.....	32

J

Joint-and-Survivor Benefit Plans	47–48
--	-------

K

Kansas City and St. Louis (city) Service.....	32
---	----

L

Legislative Meeting.....	14
--------------------------	----

Lifetime Monthly Survivor Benefits.....	36
---	----

Lump-Sum Refund

Before Retirement	24
-------------------------	----

Refund of Your Contributions and Interest	24
---	----

To a Survivor.....	36
--------------------	----

M

Map to PEERS.....	11
-------------------	----

Maternity or Paternity Leave	30
------------------------------------	----

Medicare	88–89
----------------	-------

Part A - Hospital Insurance	88
-----------------------------------	----

Part B - Medical Insurance	89
----------------------------------	----

Part C - Medicare Advantage Plans.....	89
--	----

Part D - Prescription Drug Coverage.....	89
--	----

Meetings and Seminars.....	16–17
----------------------------	-------

Member Services

Counseling Sessions	16–17
---------------------------	-------

Educational Opportunities.....	16–17
--------------------------------	-------

Legislative Meeting.....	14
--------------------------	----

Publications.....	17
-------------------	----

<i>Annual Comprehensive Financial Report</i>	17
--	----

<i>Benefit Check</i> Newsletter.....	17
--------------------------------------	----

<i>For Your Benefit</i> Newsletter	17
--	----

Newsletters.....	17
------------------	----

<i>Retirement Planning Guide</i>	17
<i>Summary Report to Members</i>	17
<i>Your Retirement Benefit</i> (PEERS Retirement Packet)	17
Staff Appearances	16–17
Member Statement	21
Membership.....	20–26
Membership Eligibility.....	20
Membership Service	22–23, 93
Membership Status.....	25–26, 93
Active Membership	25, 93
Inactive Membership.....	25, 93
Vested Membership.....	25, 95
Membership Termination.....	26, 95
Absence from Covered Employment Before Vesting	26
Member Statement	21
Military Service	29, 31
Minimum Distribution Requirement.....	66, 93
Mission Statement.....	12
Missouri Educational Recognition of Service Between Systems	32
Missouri Income Tax on Benefits.....	69

N

Naming Beneficiaries.....	21, 38–39, 46–49, 62, 83–86
Newsletters.....	17
Non-Federal Public Employment	30–31
Normal Retirement	43
Not-for-Profit Educational Employment.....	31

O

Office Visits	11
Online Benefit Estimator	46
Online Purchase Calculator	29

P

Part-Time Certificated Employment	20, 31
Part-Time Employment After Retirement.....	75
Partial Lump Sum Option (PLSO).....	44, 95
Benefits	44–45
Taxes on	70
Payment Amounts, Sample Service Retirement Benefits	52
Payment of Benefits.....	66–70
Payment Options to Reinstate or Purchase Service	33–34
PEERS Membership.....	20–26
PEERS Retirement Packet (<i>Your Retirement Benefit</i>)	17
Plan Funding.....	13
Plan Information.....	12
Plan Year	13
PLSO	44–45, 93
Private School Service Purchase	30
Provisions of Law	14
PSRS/PEERS Board of Trustees	14–15
PSRS/PEERS Board of Trustees, Members.....	15
PSRS Service	30
Publications.....	17
Public School, College or University Service Purchase (Not PEERS-Covered).....	30
Purchase Cost Calculation (Basic)	29, 91
Purchase Cost Recovery Example	33
Purchasing Service.....	28–34

R

Reciprocity

Reciprocity Transfer/Purchase..... 31

With Other Missouri Public Retirement System..... 31

With PSRS, St. Louis (city) and Kansas City School Districts 32

Recognition of Educational Service 32

Recommendations for Beneficiary Designation 38–39

Recovery from Disability 62

Refund of Contributions and Interest..... 24

Income Taxes on..... 25

Reinstatements, Purchases and Service Transfers 28–34

Reinstating Forfeited PEERS Service..... 28

Retirement-Based Survivor Benefits..... 37

Retirement Incentives..... 55, 78, 80, 94

Rollovers (for payment of purchase/reinstatement)..... 33–34

Rules for Terminating Employment..... 55, 72

S

Sample Benefit Calculations

Disability Retirement 60

Service Retirement 42–45

Sample Benefit Payments

Service Retirement 52

Service..... 22–23, 94

Service Purchase Calculation 29, 91

Service Retirement 42–56

Applying for Benefits..... 53–55

Benefit Formulas 42–46

Calculating Benefits 46

Cost-of-Living Adjustments (COLAs)..... 8, 56, 60, 66–67, 91

Death After 84–85

Direct Deposit Authorization Form.....	66
Durable Power of Attorney.....	63, 86, 92
Eligibility	
Accelerated Payment Plan (APP)	45, 91
Early Retirement: 25-and-Out (Modified).....	43
Early Retirement: Age-Reduced.....	44
Normal Retirement	43
Partial Lump Sum Option (PLSO).....	44
Temporary Benefits	43, 94
Employer Health Insurance Coverage After.....	82
Employment After.....	72–80
Income Taxes on Benefits	
Federal	68–70
Missouri.....	69
On Partial Lump Sum Option (PLSO)	70
Joint-and-Survivor Benefit Plans	47–48
Payment of Benefits.....	66–70
Payment Plans.....	46–51
Joint-and-Survivor Benefit Plans	47–48
Partial Lump Sum Option (PLSO).....	44–45
Single Life Benefit Plan	46–47
Term-Certain Benefit Plans	48–49
Sick Leave Service.....	29
Single Life Benefit Plan	46–47
Social Security	88
Social Security and Railroad Benefits.....	88
Social Security-Covered Employment Purchase	30
State Income Tax on Benefits.....	69
Statement of Account (see Member Statement)	21
Summary Report to Members	17
Supplemental Service Purchase.....	30
Survivor Benefits	36–39

T

Tax-Deferred Rollovers.....	33
Taxes on Benefits	
Federal	68–70
Missouri	69
On Disability Benefits.....	61, 68
On Refunds.....	25
On Service Retirement Benefits.....	56, 68–70
On Survivor Benefits.....	37
On the Partial Lump Sum Option (PLSO)	70
Telephone and Fax	11
Temporary Benefits	43, 94
Temporary-Substitute Employment After Retirement	72–76
Temporary Waiver of Limit on Substitute Teaching.....	74
Term-Certain Plans	48–49
Terminating Employment	55, 72, 94
25-and-Out.....	43
Type of Plan.....	12
Types of Benefits	42

U

Uniformed Service Under the Federal USERRA Law	29, 95
Unpaid Sick Leave or Workers' Compensation Leave	29
USERRA.....	29, 95

V

Vesting	25, 95
Volunteering.....	77, 95
Vo-Tech Work Experience	31

W

Ways to Contact PEERS	11
Website	11
Website Benefit Estimator	46
Website Purchase Calculator.....	29
Withdrawal (see Refund of Contributions and Interest)	24
Income Taxes On	25
Workers' Compensation Leave	29
Working After Retirement	
After Service Retirement.....	72–80
As a Disability Retiree At or After Age 60.....	63, 72–80
As a Disability Retiree Prior to Age 60.....	62
As an Independent Contractor	76, 92
Critical Shortage Employment	75, 91
Employment Definitions.....	73
Full-Time for PEERS-Covered Employers.....	75
Part-Time or as a Temporary-Substitute	74
Pro-Rated Work Limits in the Year You Retire.....	76
Record-Keeping Requirements	78
Temporary Waiver of Work Limit on Substitute Teaching	74
Terminating Employment	55, 72, 94
Volunteering.....	76, 95
Written Communication.....	11

Y

<i>Your PEERS Benefit</i> (PEERS Retirement Packet)	17
--	----



PUBLIC EDUCATION EMPLOYEE
RETIREMENT SYSTEM OF MISSOURI

PO Box 268
Jefferson City, MO 65102-0268

3210 W. Truman Blvd.
Jefferson City, MO 65109

(573) 634-5290 or
toll free (800) 392-6848

Email: psrspeers@psrspeers.org

Website: www.psrs-peers.org

