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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.

Benefit factors are set by law and can only be

Basic Benefit Calculation

Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
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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
2018-2019	1.00000	\$30,000
2019-2020	1.00000	\$30,600
2020-2021	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	Final Average Salary	x	Years of Service	x	Age- Reduction Factor	=	Lifetime Single Life Benefit
1.61%	x	\$2,550	x	13.9	x	.6368	=	\$363

Age-Reduction Factors

Age at Early Retirement	Approximate Age-Reduction Factor
55	.6368
56	.6956
57	.7604
58	.8322
59	.9117

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 .9146.

Example			
Lifetime Single Life Benefit	x	PLSO Reduction Factor	= PLSO-Reduced Lifetime Single Life Benefit
\$755	x	.9146	= \$691

PLSO Reduction Factors

Retirement Age	12-Month Factors	24-Month Factors	36-Month Factors
50	.9283	.8566	.7849
51	.9276	.8553	.7829
52	.9269	.8539	.7808
53	.9262	.8524	.7786
54	.9254	.8508	.7761
55	.9245	.8490	.7735
56	.9236	.8471	.7707
57	.9226	.8451	.7677
58	.9215	.8430	.7644
59	.9203	.8406	.7609
60	.9190	.8381	.7571
61	.9177	.8354	.7530
62	.9162	.8324	.7486
63	.9146	.8292	.7438
64	.9129	.8258	.7387
65	.9110	.8221	.7331
66	.9091	.8182	.7272
67	.9070	.8139	.7209
68	.9047	.8094	.7140
69	.9022	.8044	.7066
70	.8995	.7990	.6985

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	\$1,291	\$615
At Age 62		
PEERS Benefit	\$491	\$615
Estimated Social Security Benefit	\$800	\$800
Estimated Total Combined Income	\$1,291	\$1,415

The normal benefit for this member without APP is \$615 per month. With APP, the PEERS benefit is increased by \$676 per month to \$1,291 until the member reaches age 62. At age 62, the PEERS benefit is decreased by \$124 to \$491 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 7/1/2021

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="radio"/> Reduced Retirement Benefits	7/1/2022	6/30/2022	25.00000
<input type="radio"/> Normal Retirement Benefits	7/1/2027	6/30/2027	30.00000
<input type="radio"/> Partial Lump Sum Option (PLSO)	7/1/2029	6/30/2029	32.00000
<input type="radio"/> 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 dies 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.

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 85 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 die 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 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 for a specific period of time after your PEERS retirement date. The reduction is based on the term selected and your age at retirement. The beneficiary receives monthly benefits only if your death occurs within the term chosen.

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

If you live beyond the term of the 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 your death occurs within 120 months from your PEERS retirement date, your named beneficiary receives monthly benefits for the remainder of the 120-month term.

Example

You choose the Term-Certain 120-month benefit plan, which provides beneficiary protection for 120 months after your PEERS retirement date, and you die after you receive 100 monthly payments. Your beneficiary receives the remaining 20 monthly payments in the term. If, however, you live beyond the term (in this case 120 months) your benefits continue for your lifetime, but your beneficiary does not receive any monthly payments after your death.

Term-Certain 60-Month Benefit Plan

If your death occurs within 60 months from your PEERS retirement date, your named beneficiary receives monthly benefits for the remainder of the 60-month term.

“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.

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 during the term.

If both you and your named beneficiary die before the total of all payments in the selected term are made, the difference will be paid to your surviving contingent beneficiary in a lump sum. If no contingent beneficiary is named, this amount is paid 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.

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. After the guaranteed payment period ends, 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 terms for beneficiary coverage under the Term-Certain plans start from the date of your retirement, not the date of your death.

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 die 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 dies 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 die 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 time period only. If you die 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 monthly payments Term-Certain 60 monthly payments If you live longer than the term 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 dies 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 die 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 dies 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. The terms for beneficiary coverage are measured starting from the date of your retirement, not the date of 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.

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 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: **63 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%	\$ 666	\$ 666
Joint-and-Survivor 75%	\$ 686	\$ 514
Joint-and-Survivor 50%	\$ 707	\$ 353
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	\$ 690	\$ 0
Joint-and-Survivor 100%	\$ 609	\$ 609
Joint-and-Survivor 75%	\$ 627	\$ 470
Joint-and-Survivor 50%	\$ 646	\$ 323
Term-Certain 120-Month	\$ 675	\$ 675 *
Term-Certain 60-Month	\$ 685	\$ 685 *
24-Month Partial Lump Sum Option: \$18,120		
Single Life	\$ 626	\$ 0
Joint-and-Survivor 100%	\$ 552	\$ 552
Joint-and-Survivor 75%	\$ 568	\$ 426
Joint-and-Survivor 50%	\$ 586	\$ 293
Term-Certain 120-Month	\$ 612	\$ 612 *
Term-Certain 60-Month	\$ 621	\$ 621 *
36-Month Partial Lump Sum Option: \$27,180		
Single Life	\$ 561	\$ 0
Joint-and-Survivor 100%	\$ 495	\$ 495
Joint-and-Survivor 75%	\$ 510	\$ 382
Joint-and-Survivor 50%	\$ 525	\$ 262
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 (.9120)
 24 months (.8239)
 36 months (.7359)

Applying for Service Retirement Benefits

As soon as you decide to retire, log in to Web Member Services at www.psrp-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 15. As suggested, to make sure all your paperwork is done on time, you file your PEERS **Service Retirement Application** on March 13. 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 18. 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.psr-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.

Also, if you wish to choose the Accelerated Payment Plan (APP), do so in this step. NOTE: If you choose the APP, you cannot choose the Partial Lump Sum Option (see pages 44-45).

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
PO Box 570
Jefferson City, MO 65102
(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 72-81.

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.

