Retired Members | JUNE 2026

# PSRS Benefit Check

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

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# 2026 Legislative Session Ends: No Legislation Passes that Directly Impacts PSRS/PEERS

During the 2026 Missouri legislative session that began Jan. 7, 2026, the General Assembly introduced more than 3,000 pieces of legislation. PSRS/PEERS closely monitored over 150 of them.

The session concluded on May 15, 2026. Lawmakers sent more than 100 bills to the governor's desk, including more non-appropriations bills than have been sent during last two legislative sessions combined. No legislation passed this session that directly impacts PSRS/PEERS.

> "With the close of the legislative session, I want to acknowledge the diligence, oversight, and advocacy efforts of our legislative team. They work tirelessly supporting our mission to provide retirement security and peace of mind for members of Missouri's education community."
>
> – Dearld Snider, PSRS/PEERS Executive Director

## Provisions We Tracked

PSRS/PEERS tracked several pieces of legislation that did not pass, including:

### PEERS Critical Shortage Expansion (HB 2091)

This House bill would have expanded the types and number of positions districts could fill using retired PEERS members under Critical Shortage Employment rules. It would have broadened employment options for retirees while maintaining employer contribution requirements.

### COLA Cap Changes (HB 2095 and SB 1779)

These bills proposed updates to the PSRS/PEERS COLA cap. Under current law, the COLA cap is fixed at 80% of a member's original benefit. These bills would have provided a 2% supplementary payment for COLA-capped retirees only in years when the PSRS/PEERS Board of Trustees granted a regular, inflation-based COLA and PSRS/PEERS earned 2% or more above its investment return goal of the year.

### PSRS Death Benefit Increase (HB 2144)

This House bill would have raised the one-time PSRS retiree death benefit to $10,000 for deaths occurring on or after Aug. 28, 2026.

### PSRS Critical Shortage and Working After Retirement Changes (HB 2396)

This House bill would have allowed districts to hire PSRS retirees without first declaring a critical shortage. It also would have:

- Removed limitations on the number of full-time positions that may be filled this way
- Required employer contributions
- Maintained that retirees continue receiving benefits without accruing new service
- Permitted districts to reduce the salary paid by a percentage equivalent to an active teacher's retirement contribution percentage

### SLPs Recognized as PSRS "Teachers" (HB 3079)

This House bill would have designated school speech language pathologists as "teachers" for PSRS membership, with DESE issuing the necessary certification.

### Higher Multiplier for PSRS 33+ Years (SB 1258)

This Senate bill would have increased the PSRS multiplier to 2.6% for members retiring with 33+ years of service.

## How a Bill Becomes a Law in Missouri

From the first draft to the governor's desk, Missouri bills follow a detailed path before they can become law. Here is an overview of how it works.

### Bill Drafting and Introduction

A bill begins when a Missouri legislator — either a state representative or a state senator — drafts a proposal to change Missouri law. Legislators work with legal staff to write the bill. Once introduced in the Missouri House of Representatives or Missouri Senate, the bill receives a number and is read for the first time. This formal reading starts the legislative process.

### Committee Assignment and Review

The bill is assigned to a committee that focuses on its subject matter, such as education, pensions, or appropriations. Committees often hold public hearings where citizens, advocacy groups, and state agencies can provide testimony.

After reviewing the testimony and discussing the bill, the committee may suggest changes, known as amendments. The committee then votes on whether to return the bill to the full chamber. Bills that do not pass committee do not continue.

### Floor Debate and Voting

If approved by the committee, the bill returns to the full House or Senate for debate. Legislators may discuss the bill, offer additional amendments, and vote. A bill must receive a constitutional majority to advance.

Once passed, it moves to the other chamber, where the same process — introduction, committee review, and floor debate — occurs again. Both chambers must pass the same version of the bill.

### Resolving Differences

If the House and Senate approve different versions, a conference committee may be formed. This small group of legislators works to agree on one final version. The compromise bill must then be approved again by both chambers.

### Governor's Action

After both chambers approve identical language, the bill is sent to the governor. The governor may:

- **Sign the bill,** making it law.
- **Veto the bill,** returning it to the legislature. Lawmakers may override a veto with a two-thirds vote in both chambers.
- **Take no action.** If the governor does not act within the constitutional time frame, the bill becomes law without a signature.

### Effective Date

Most new laws take effect on Aug. 28 of the same year unless the bill specifies a different date. Bills with an emergency clause take effect immediately upon approval.

# Steady Investing in an Uncertain Market

The fiscal year reporting period for the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) ends each June 30. Through the first 10 months of the fiscal year, the Systems' investments earned an estimated 9.9%. While this investment return is solid, the journey to achieving it was quite volatile. In early 2026, many U.S. and global stock markets dropped more than 10% due to geopolitical shocks, entering "correction" territory. However, markets rebounded significantly in April due to AI enthusiasm and resilient economic data. Although ongoing market volatility makes it difficult to predict results for the remainder of the fiscal year, the Systems remain well-positioned for long-term success.

Financial markets function best when the economic outlook is clear. When uncertainty rises, volatility often follows — and that has certainly been the case in 2026. Several powerful forces are pulling markets in different directions. On one hand, the AI revolution is delivering record-breaking gains in some technology sectors. On the other hand, global conflicts and changes in global monetary policy have led to unexpected market swings.

One major source of market turbulence is conflict in the Middle East, particularly involving Iran. Damage to important oil facilities and a temporary closure of the Strait of Hormuz caused oil prices to jump as high as $119 per barrel. Persistently high energy costs could reignite inflation and lead to less consumer spending and slower economic growth in the United States.

Domestically, the United States is managing several transitions at once. There is new leadership at the Federal Reserve, uncertainty surrounding tariffs, and signs of softening in the labor market. Layoffs at large companies have pushed unemployment to 4.3%. The growth of AI data centers is also straining power grids, raising concerns about future energy costs. All these issues have contributed to larger-than-normal market swings (both positive and negative).

Uncertainty may continue for a while, but history shows that volatile periods can lead to renewed stability — and opportunity. PSRS/PEERS uses a long-term investment approach designed to navigate challenging times like these.

## A Long-Term Investment Strategy

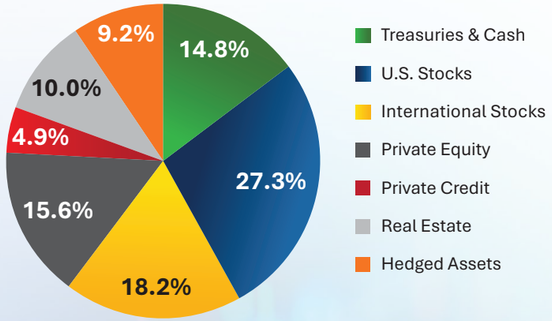
PSRS/PEERS invests with a long-term view. As a large institutional investor, we can invest over a 30-year time horizon because we have significant assets to cover current obligations. As a result, today's environment can present us with good opportunities. When stock prices fall (as in March, for example), we can buy strong companies at lower prices. When stock prices rise (as in April), we can sell companies to raise cash to aid in making benefit payments.

History shows that long-term, patient investing during both downturns and up markets can lead to solid results. We remain committed to this approach and confident it will support stable outcomes for our members and employers.

## Strength Through Diversification

We believe the best long-term results come from investing in many types of assets. This is called diversification, and it helps reduce risk. As the Nobel Prize-winning economist Harry Markowitz said, "Diversification is the only free lunch in investing." When investments do not all move the same way at the same time, losses in one area may be balanced by gains in another.

**PSRS/PEERS Asset Allocation as of April 30, 2026**




The PSRS/PEERS portfolio includes a wide mix of public and private investments from around the world. In 2026, this balance has been especially important as markets moved dramatically, both positively and negatively. For the fiscal year, publicly traded stocks have posted double-digit returns and the Systems have benefited from that ownership. Allocations to other asset classes, such as private credit and hedged strategies, have also been additive in smoothing the total PSRS/PEERS return for the year. This result shows the strength of a well-diversified portfolio.

Diversification, paired with a long-term focus, supports more stable results. It helps smooth market ups and downs and protects our ability to provide strong, dependable retirement benefits for our members.

## Proof of Resilience

Our steadfast investment strategy and commitment to diversification keep PSRS/PEERS on solid ground, even during uncertain times. Although we do not expect to meet our 7.3% long-term goal[1] every year, we stay focused on long-term results. Over the past 10 years, our annualized total return has been 9.5%, which is higher than both our long-term investment objective and our policy benchmark return[2] of 8.7%.

Through discipline, patience, and a focus on the future, we remain confident in our ability to support the retirement security of our members for years to come.

## By the Numbers

The market value of invested assets for PSRS and PEERS combined was approximately **$67 billion** on April 30, 2026. This makes the joint PSRS/PEERS entity larger than all other public retirement plans in Missouri combined and the 47th largest defined benefit plan in the United States.

For the latest PSRS/PEERS investment news, visit us on the web at **www.psrs-peers.org**.

[1] The Board of Trustees long-term investment return objective of 7.3% was adopted and became effective July 1, 2021.

[2] The plan policy benchmark is a standard to measure investment performance and indicates the return of the PSRS/PEERS asset allocation if passive market rates of return were achieved.

# Want to Work After Retirement? Here's What You Should Know

Retirement doesn't have to mean you stop working completely. Many PSRS retirees go back to work because they enjoy staying active, want extra income, or miss being part of a school community. If you're thinking about working after retirement, it's important to understand the rules so you don't lose any benefits.

## Working for a PSRS-Covered Employer

If you work for a PSRS-covered employer in a position that normally requires PSRS membership, there are limits on how much you can work and earn after retirement. The limits depend on whether the position requires a certificate from the Missouri Department of Elementary and Secondary Education.

If you go over a limit, you must repay to PSRS either the amount you earned over the limit or the entire amount of your monthly benefit for each month you went over the limit, whichever is less. In addition, your benefit may stop and you may be required to start contributing to PSRS again as an active member, if you meet eligibility requirements. Your new contributions can help you earn credit toward a second retirement benefit, or you can choose to take a refund later. Planning ahead helps you make the best decision for your situation.

## Exceptions to the Limits

You can work without limits on hours and salary under Critical Shortage Employment. If your employer certifies a role for Critical Shortage, you may work in that role for up to 48 months total, whether consecutive or not, without affecting your benefits.

Until June 30, 2030, part-time or temporary substitute teaching work is also exempt from work limits. For details on this exemption, see ***Working After PSRS Retirement***, a brochure available on our website.

## Other Work

Working for a private company or as an independent contractor usually doesn't affect your PSRS benefit. But if you contract directly with a PSRS-covered employer, those hours and earnings may count toward a limit.

## Why Limits Are Important

The rules are in place to protect your benefits and make sure they're there for generations to come.

Have questions? Visit **www.psrs-peers.org** or give us a call.

# Volunteering After Retirement

Many PSRS retirees choose to give back to their communities by donating their time and talents. If you're considering volunteering for a PSRS-covered employer, keep the following rules in mind.

Volunteering for PSRS-covered employers is allowed without limits, if you do not receive compensation. This means no salary, stipend, or other payment for your service.

However, if you receive any form of pay — even a small amount — it may count as employment and could trigger work limits. To stay in compliance, confirm with your employer that your role is truly unpaid.

**Important:** If you are also working after retirement for the same PSRS-covered employer, the rules change. Your volunteer and paid roles must not cover the same duties. If they do, the volunteer hours count toward your limits.

If you have questions, call us at **(800) 392-6848**. We're here to help you.

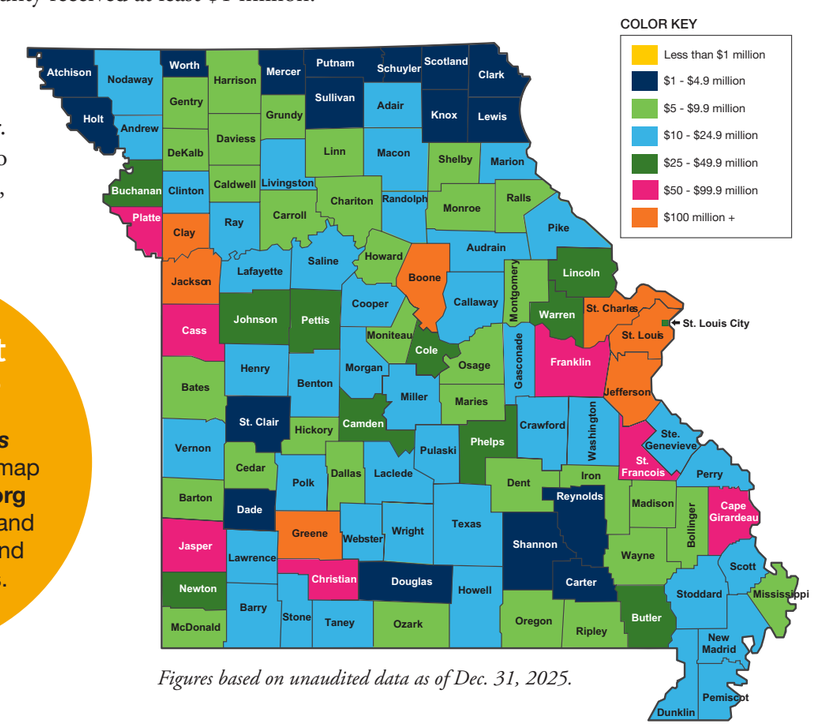
# $3.6 Billion in Retirement Benefits Boost Missouri Communities

Ever wonder how much retired school employees contribute to Missouri's economy? In 2025, the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) paid **$3.6 billion** in benefits to Missourians. Every county received at least $1 million.

"Retirement benefits strengthen communities by fueling local spending," said PSRS/PEERS Executive Director Dearld Snider. "The benefits we deliver flow into local businesses, housing markets, and services."

**Curious about Your County?**

Explore our ***Benefits by County*** interactive map at **www.psrs-peers.org** to see total recipients and benefits, and PSRS and PEERS breakdowns.




*Figures based on unaudited data as of Dec. 31, 2025.*

# What Happens to Your Survivor Benefit After Divorce?

If you chose a Joint-and-Survivor benefit plan at retirement, you named a beneficiary to receive lifetime monthly benefits after your death. For many retirees, that beneficiary is a spouse. But what happens if you divorce after retirement?

If you no longer wish to provide your ex-spouse with a monthly survivor benefit, you can apply for a divorce pop-up. A divorce pop-up increases your monthly benefit to what you would have received under the Single Life benefit plan at retirement, adjusted for any increases granted since then. After the pop-up, the only payment made to a beneficiary after your death is a lump-sum refund of any remaining contributions and interest in your membership.

If you remarry after a post-retirement divorce, you may be able to replace your ex-spouse with your new spouse on your Joint-and-Survivor benefit plan. This option is available for one year after your remarriage, regardless of whether you have taken the pop-up. Your new spouse will be covered under the same benefit plan you chose at retirement, with benefit amounts adjusted based on your new spouse's age.

## Legal Considerations

PSRS/PEERS benefits are considered non-marital property and are not divisible in a divorce. However, a court can consider your benefit and survivor rights when dividing other property. Removing your ex-spouse as beneficiary could affect the property division set in your divorce.

To remove an ex-spouse as beneficiary and receive a divorce pop-up, you must submit an application and legal documentation. The required documentation depends on the date of your divorce, but in all cases, your divorce decree or incorporated separation agreement must state that you have sole rights to the retirement benefit. If it does not, you must return to court for an amended decree.

## Required Documentation

- ***Application for Benefit Increase***
- Certified copy of your divorce decree or separation agreement
- If your divorce occurred before Sept. 1, 2017, and your decree gives you sole rights to the retirement benefit, you must also submit a ***Consent to Removal and Disclaimer of Joint-and-Survivor Benefit Rights*** form signed by your ex-spouse.
- If your decree does not give you sole rights, you must obtain an amended decree. For amended decrees acquired after Sept. 1, 2017, the consent form is not required.

## $5,000 Death Benefit

As a PSRS member, you also have a $5,000 Death Benefit to provide more financial protection to your loved ones. If you divorce, Missouri law automatically removes your ex-spouse as your beneficiary for this lump-sum payment. Your first contingent beneficiary becomes your new primary beneficiary. If you prefer, you can name a new beneficiary instead by logging into Web Member Services or using the ***$5,000 Death Benefit Beneficiary Designation*** form, available on our website.

**Need Help?**
**Get in Touch with Us!**

If you have questions or need the required forms, contact our experts at **(800) 392-6848** or email **psrspeers@psrspeers.org.**

You can also visit **www.psrs-peers.org** for more information.

# Understanding Taxes on Your Retirement Benefit

When you retire, your monthly benefit from PSRS is subject to federal income tax. The amount withheld depends on the tax withholding choices you make. You can update these at any time through Web Member Services or by submitting a completed IRS Form W-4P.

Missouri residents may qualify for a state income tax exemption on public pension benefits. This exemption is based on your income and filing status. For details, visit the Missouri Department of Revenue website or consult a tax professional.

Each January, PSRS mails IRS Form 1099-R to all benefit recipients. This form shows the total benefit paid and the taxable amount for the previous year. Keep it with your tax records.

PSRS cannot provide tax advice, but we're here to help with questions about your benefit. For more information, call us at **(800) 392-6848**. To use the IRS tax estimator, visit **www.irs.gov/W4App**.

## Coming in 2027: Electronic Delivery for Your 1099-R

You receive a mailed 1099-R Tax form from PSRS each January. Coming in 2027, you can choose to receive your 1099 exclusively online, saving resources and providing quick, secure access to your tax form. Watch for notifications in WMS to update your communication preferences.

# What Is a Durable Power of Attorney?

A *power of attorney* is an important legal tool that allows you to appoint someone you trust to act on your behalf. This appointed individual, known as your agent, can make decisions and take actions within the authority you grant — just as if you were doing so yourself.

For PSRS members, a power of attorney must be durable. A durable power of attorney remains valid even if you become incapacitated. With a durable power of attorney, you may authorize a trusted family member or friend to handle tasks such as arranging your direct deposit or signing documents related to your PSRS benefits. You also have the option to specify that this authority becomes effective only if you become unable to act on your own.

PSRS cannot provide legal advice or prepare legal documents, so be sure to consult your personal attorney to ensure your power of attorney accurately reflects your wishes. Even with one on file, you may continue to manage your own membership.

# Gassmann, Perschall Retain Board Seats

The PSRS/PEERS Board of Trustees will continue benefiting from the experience of Allie Gassmann and Amanda Perschall, who have retained their seats after running unopposed in this year's Board election.

Allie Gassmann

Amanda Perschall

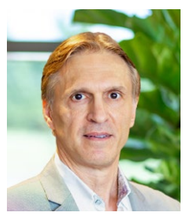
Gassmann's seat is designated for an active PEERS member, while Perschall's seat must be held by an active PSRS member.

To run for a Board seat, candidates are required to gather and submit petitions with at least 200 member signatures from at least four of Missouri's eight Congressional districts, as well as a total of at least 1,000 signatures.

An audit committee reviewed the nominating petitions received and certified to the Board of Trustees the names of the nominated candidates. Because no other candidates submitted certified petitions, Gassmann and Perschall retained their seats without an election. Their new four-year terms will run from July 1, 2026, through June 30, 2030.

# Knes, Park Re-Elected to Leadership Positions

Beth Knes


Dr. Eric Park

At its April meeting, the PSRS/PEERS Board of Trustees voted to re-elect Beth Knes as chair and Dr. Eric Park as vice chair for the 2026-2027 school year (July 1, 2026, to June 30, 2027).

Knes is a governor-appointed trustee who joined the Board in 2017. She retired from public education in 2014 with more than 20 years of service.

Dr. Park is a governor-appointed trustee who joined the Board in 2021. He is an investment professional with 30 years of experience and is co-founder of an LPL Financial office in Washington, Missouri.

"Beth and Eric have consistently demonstrated strong commitment and sound judgment in their roles," said PSRS/PEERS Executive Director Dearld Snider. "Their continued leadership will be invaluable as we work together to support the long-term strength and stability of the Retirement Systems."

**DID YOU KNOW?**

We post Board meeting summaries and official minutes on our website!

Visit **www.psrs-peers.org/About-Us/Board**.



# Board Maintains 3.5% Interest Rate on Contributions

The Board voted in April to maintain the interest rate for active members' contributions at 3.5% for the 2026-2027 school year.

## How Interest Works

Interest is added to memberships each year on June 30. It's calculated on the total amount in the membership as of the previous June 30. This total amount includes contributions plus any interest already earned. Interest continues to accrue until the member retires, takes a refund, leaves covered employment for five straight years without being vested, or passes away.

## Why the Interest Rate Matters

The interest rate does not affect the member's monthly retirement benefit. However, earned interest matters if the member:

- Takes a refund of their contributions and interest, paid as a lump sum, or
- Has a beneficiary who receives a lump-sum payment after your death.

## How the Rate Is Set

Each April, the Board reviews current interest rates on deposit accounts and short-term securities. This ensures the rate is similar to what you would earn with a savings account or something comparable.

## Interest on Reinstatements and Service Purchases

The Board also voted to keep the interest rate at 7.3% for reinstating forfeited service and certain service purchases. This rate matches the Systems' assumed rate of return and helps recover earnings PSRS/PEERS could have made if the member's original contributions had remained invested.

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# Get Started with WMS

Make the most of your retirement with Web Member Services (WMS). It's the easiest way to securely access and manage your PSRS benefit information anytime you need it.

- View your benefit payment details anytime.
- Update your contact information and tax withholdings.
- Quickly download important documents when you need them.
- Stay informed about cost-of-living adjustments — and more.

Getting started is simple. Visit **www.psrs-peers.org** and click *Member Login* to set up your WMS account today.

## Contact Us

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