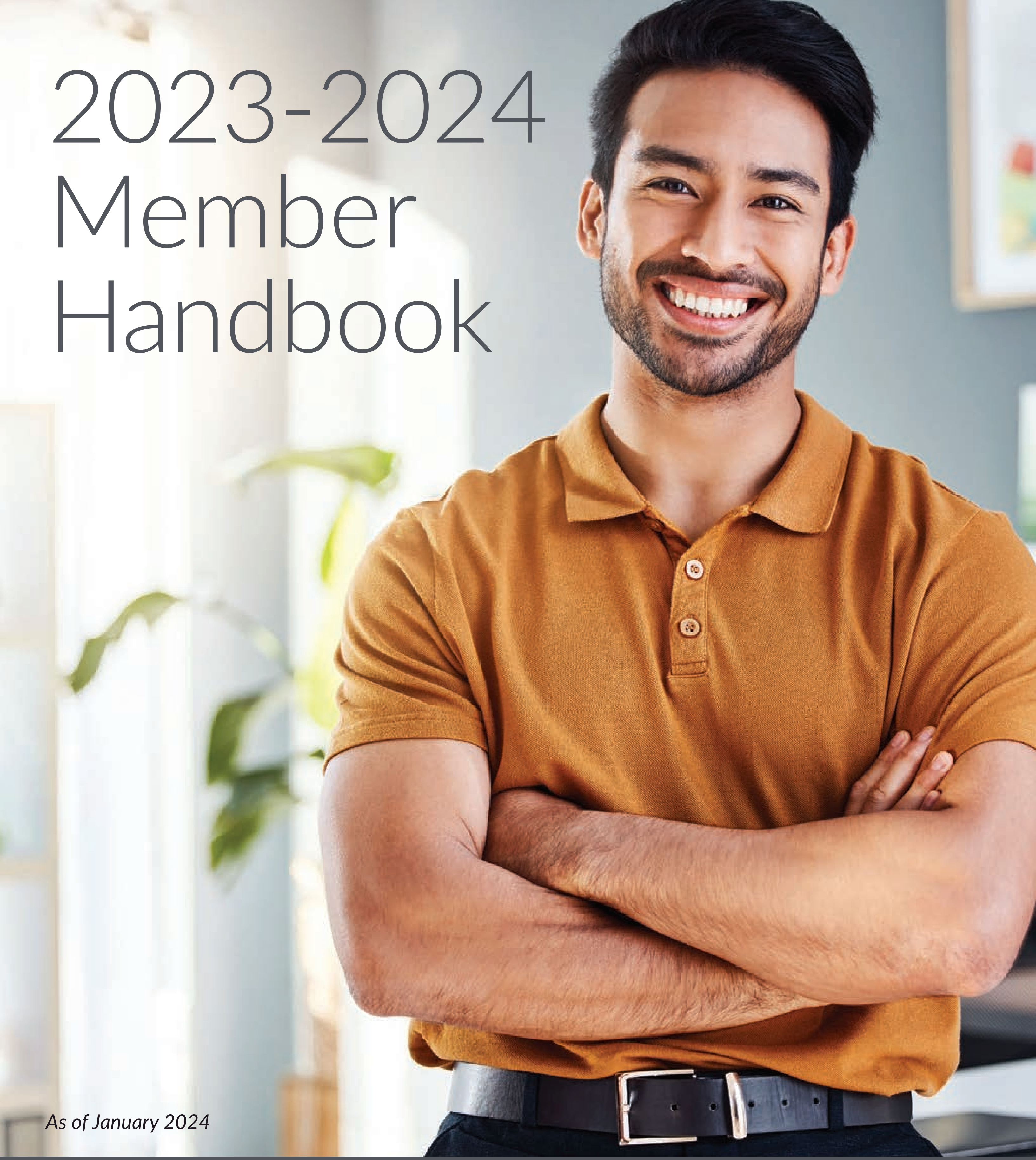

2023-2024 Member Handbook

As of January 2024

PSRS

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

Legal Disclaimer

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

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

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 PSRS members employed by public schools, public two-year colleges and statewide non-profit educational associations in PSRS. 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 PSRS.

Benefit Estimates

PSRS 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.

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PSRS at a Glance

Security of a Defined Benefit Plan

- 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.
- A $5,000 Death Benefit is payable upon your death as a retiree.

Professional Investments

- Investment decisions are handled by PSRS' professional investment staff and managers.
- PSRS is a long-term investor, pooling risk and professionally investing assets.
- Because PSRS invests total assets of the fund, investments are more cost-effective than those of individual investors.

Membership Eligibility

- Membership is required for certificated employees of covered employers who work the full school day, or at least the same number of hours as required for such a position and 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 PSRS members unless they choose within 90 days of first part-time employment to be a member of the Public Education Employee Retirement System of Missouri (PEERS).

Contributions

- 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.

Service Purchases

- 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 PSRS service by taking a refund can reinstate the service to their current membership.

Disability Benefits

- If you develop an illness or sustain an injury that prevents you from working in any capacity, you may be eligible for PSRS disability benefits.
- Specific qualifications must be met in order to receive these benefits.

Survivor Benefits

Three types of benefits are provided for beneficiaries of members who pass away before retirement:

- One-time, lump-sum survivor payment of your contributions and interest
- Monthly dependent-based survivor benefits
- Lifetime monthly retirement-based benefits

Specific qualifications must be met in order to receive monthly survivor benefits.

Taking a Refund

- 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.

Retirement Eligibility

You can retire with normal, or full, retirement benefits:

- 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)

You can retire with normal, or full, retirement benefits and a higher benefit factor:

- At any age with 32 or more years of service, and
- Your retirement is effective on or after September 1, 2023.

You can retire early under 25-and-Out if:

- 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.

You can retire with age-reduced early retirement benefits if:

- You do not qualify for normal retirement, and
- You are between the ages of 55 and 60 with at least five years of service.

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.

Benefit Plans

- When you reach retirement eligibility, you can choose from six different plans for the payment of your lifetime monthly PSRS benefits.
- These plans offer you the flexibility to provide varying levels of financial protection for your beneficiary after you are gone.

Working After Service Retirement

- After the proper termination of your pre-retirement PSRS-covered employment, you can work for a PSRS-covered employer, but the work is subject to limits that cannot be exceeded in order for the payment of your retirement benefits to continue.
- The work limits vary, depending on your employer and, in some cases, whether the position in which you work as a retiree requires a DESE-issued certificate.
- Work limits on part-time or temporary-substitute work as a substitute teacher are waived from July 1, 2022, through June 30, 2025.
- If you work after PSRS retirement for a third-party provider in any other position that requires a DESE-issued certificate and provide services at a PSRS-covered employer, your work is subject to limits that cannot be exceeded in order for the payment of your benefits to continue.
- In other cases, most work for employers that do not participate in PSRS has no effect on your benefits.
- In order to properly terminate employment, you must end all employment with PSRS-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 work that is subject to limits.
- Exceeding a limit will cause you to lose, at minimum, one full monthly benefit.
- In most cases, certificated, full-time employment for PSRS-covered employers after retirement will cause your benefits to stop.

Introductory Letter from the Executive Director

PSRS/PEERS
PUBLIC SCHOOL & EDUCATION EMPLOYEE
RETIREMENT SYSTEMS OF MISSOURI

Dear Member,

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

Your PSRS ***Member Handbook*** is an important source of information about your membership and PSRS. 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 PSRS 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, how Social Security benefits may be affected, and how and when you should apply for PSRS benefits.

In addition, you will find detailed information regarding working after retirement, and other information to consider during your PSRS 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 PSRS Web Member Services. Just click the member log in link on our website, **www.psrs-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.psrs-peers.org**, or by contacting our Information Center for assistance at **(800) 392-6848** or **psrspeers@psrspeers.org**.

Sincerely,

Dearld Snider
PSRS/PEERS Executive Director

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

How to Contact PSRS

Written Communication

When you write to PSRS, 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 School Retirement System of Missouri (PSRS)
PO Box 268
Jefferson City, MO 65102-0268

Unless you have a ***Release of Information Authorization*** form on file with our office, we will only release your PSRS 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 PSRS Website and Email Address

If you have questions or comments about PSRS, visit our website, **www.psrs-peers.org** or email **psrspeers@psrspeers.org**.

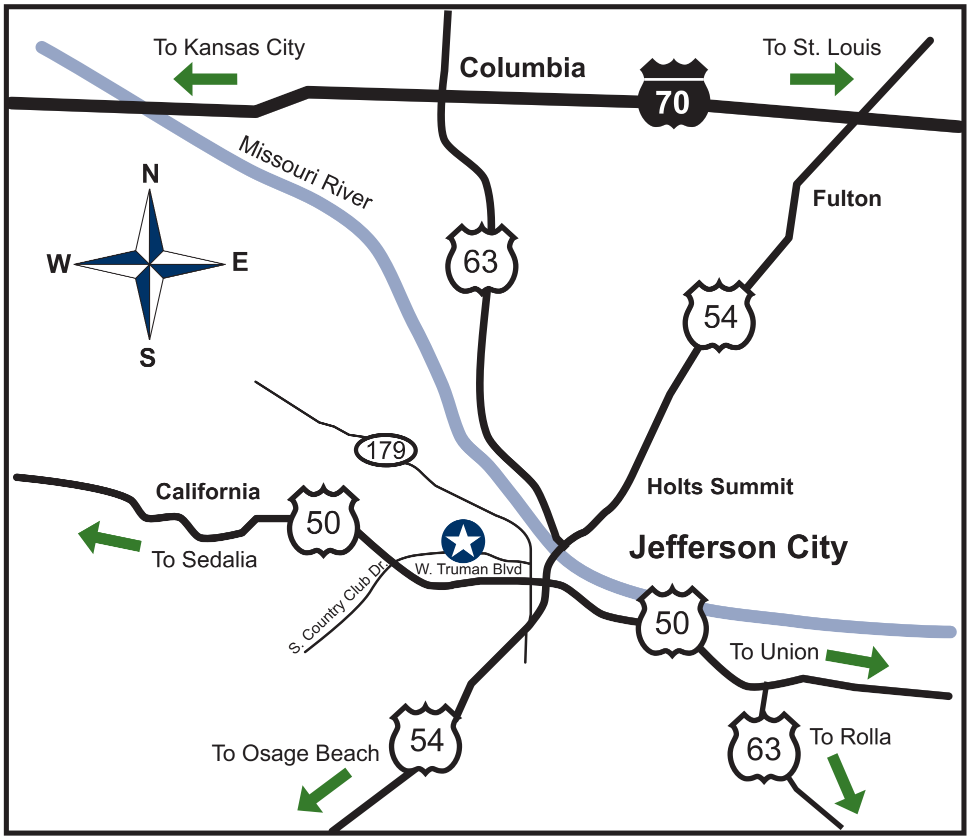
Telephone and Fax Numbers

Toll-free line: (800) 392-6848
Local line: (573) 634-5290
Fax: (573) 634-7934

Office Visits

You may visit PSRS 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 PSRS



About PSRS

PSRS was established in 1946 to provide certificated public school employees and their families with a significant and stable source of retirement income, disability and survivor benefits. PSRS has helped more than 102,000 Missouri educators 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 School Retirement System of Missouri (PSRS) is a defined benefit (DB) retirement plan that provides service retirement and disability benefits to qualified members, 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.

The Advantages of a Defined Benefit (DB) Plan

DB plans, such as PSRS, 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 46) based on a benefit factor which is set by law, your salaries (including employer-paid health, dental and vision insurance premiums for you, the member) and service that you earn and purchase.

Generally, the longer you work in PSRS-covered employment, the greater your benefit. However, the law limits your benefit to 100% of your Final Average Salary (see page 56).

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
- A $5,000 Death Benefit for a beneficiary if you pass away after retirement

As a PSRS member, you enjoy knowing that once you have earned five years of eligible service with PSRS, you are vested and can receive lifetime retirement benefits when eligible.

In most cases, the retirement benefits paid to PSRS members exceed the funds they contribute to the System while working. In fact, most PSRS 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 PSRS' professional investment staff and managers.

Your PSRS retirement benefits are paid for your lifetime. The amount of money in your PSRS 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 PSRS 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 PSRS 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.

Members who hold positions that require Social Security withholding contribute to PSRS at two-thirds the normal contribution rate (see pages 23, 98).

PSRS 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)
- 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 PSRS investment program is to achieve positive investment returns within acceptable levels of risk. This helps ensure that PSRS 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 PSRS investment portfolio represents all contributions to the plan from members and their employers, as well as all net earnings on those assets. PSRS 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 PSRS plan year, or fiscal year, is July 1 through June 30.

Law Governing PSRS

PSRS was created with the adoption of the Public School Retirement Act of Missouri, which became effective on July 1, 1946. 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, Chapters 1 through 5.

PSRS 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 PSRS and the Public Education Employee Retirement System of Missouri (PEERS) 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. PSRS 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.

PSRS 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 PSRS retirement benefit 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 consists 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 PSRS or a PEERS 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 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 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 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 PSRS 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 PSRS 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

PSRS 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 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 PSRS, 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 PSRS members, as well as those who are not retired and have funds with PSRS, but are not presently working in covered employment. It is emailed or mailed, and is also found on the PSRS 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 PSRS 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 PSRS 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 PSRS website.

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

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

Website

Our website, **www.psrs-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 PSRS Web Member Services, where you can view your current 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 form to update your beneficiary designation. You can also create and view service purchase cost estimates and benefit estimates, and file for retirement.

Visit **www.psrs-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 PSRS forms and publications.
- Stay up-to-date on legislative changes that affect your retirement system.

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

Find us on Facebook

Membership and Service

Membership and Service

Once you have earned five years of eligible service with PSRS you are vested and can receive lifetime retirement benefits when eligible. In most cases, the retirement benefits paid to PSRS members exceed the funds they contribute to the System while working. In fact, most PSRS retirees recover all their contributions within the first five years of retirement.

Membership Eligibility

PSRS membership is automatic, regardless of position, for certificated employees of the covered employers listed below in a position that normally requires the employee to:

1. Work at least 17 hours per week on a regular basis
2. Work at least 600 hours during the school term

If you meet eligibility requirements, you cannot opt out of PSRS 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)
- Statewide non-profit educational associations that have elected to join

The term "certificated" refers to full-time and part-time employees holding valid Missouri educator certificates 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.

The terms "teacher" and "employee" are synonymous in the retirement law. Any person covered by PSRS is a teacher as far as the law is concerned.

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 the Public Education Employee Retirement System of Missouri (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.

PEERS is a defined benefit retirement plan similar to PSRS, but for non-certificated public school personnel. For more information about PEERS, visit **www.psrs-peers.org.**

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 PSRS.

Confidentiality of Member Information

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

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

You can update your address, phone or email address online by logging in to Web Member Services at **www.psrs-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 PSRS. 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 PSRS beneficiaries using Web Member Services at **www.psrs-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 determines your beneficiaries if you pass away.

Keeping your designation current after PSRS retirement is also essential (see pages 50-53).

If you are unsure of your PSRS beneficiary designation, you can view it by logging in to Web Member Services at **www.psrs-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 PSRS 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 40).

For information on how PSRS benefits are treated in a divorce, and the effect of divorce while receiving PSRS benefits, see pages 92-93.

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 PSRS

Your statement also includes:

- Estimates of your future service retirement benefits and retirement eligibility dates
- Details of your PSRS-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 PSRS promptly. If you find an error in your salary, contributions or service, call your employer first. Your employer should contact PSRS 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.

PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

Member Statement
as of June 30, 2023

2022-2023 School Year

Salary Earned	Contributions Paid	Purchase Payments Received	Interest Earned	Service Earned	Service Purchased
$31,961.19	$4,634.36	$0.00	$0.00	0.86833	0.00000

Service Retirement

Upon application, lifetime monthly retirement benefits are available to members who properly terminate PSRS-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
Early (Age-Reduced)	05/01/2045	55.03288	24.70166	$4,820		**$1,947**	40.41%
Normal	07/01/2045	55.20000	24.86833	$4,836		**$3,006**	62.16%

- 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 PSRS Web Member Services at **www.psrs-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.psrs-peers.org
Phone (573) 634-5290 **Toll Free** (800) 392-6848 **FAX** (573) 634-7934 **Email** psrspeers@psrspeers.org

Online Membership Information

You can view your membership information anytime using PSRS Web Member Services at **www.psrs-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 PSRS at 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 PSRS-covered employment (earned during your current membership or reinstated from a previous membership)
- Purchased with PSRS

Service is allowed for employment, service or leave after July 1, 1946, for which retirement contributions are made or service is purchased.

Earned Service

You earn a year of service for each school year (July 1 - June 30) of PSRS-covered, full-time 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 full-time Annual Base Salary determined by your employer. In other words, service is calculated on a salary over salary basis. Service is calculated to five decimal places.

Example 1

A teacher is hired at an annual salary of $34,000.

She earns $34,000.

Therefore, she earns 1.00000 year of service ($34,000 ÷ $34,000).

Example 2

A teacher is hired at an annual salary of $34,000.

He earns $25,000.

Therefore, he earns 0.73529 of a year of service ($25,000 ÷ $34,000).

Special notes:

- 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.
- If you are a certificated, part-time employee as explained on page 20, you will earn proportional service with PSRS for any such employment.

Information for Members Contributing to PSRS at Two-Thirds the Full Contribution Rate

Members who hold positions that are covered by Social Security contribute two-thirds the full contribution rate to PSRS. These members will have benefits for affected years of employment calculated at two-thirds the normal benefit amount, and will also receive Social Security units based on their earnings. Age and service requirements for PSRS benefit eligibility, however, are the same for all members.

For a limited number of members who have PSRS service for employment after December 1987 with the Missouri Department of Mental Health, the Missouri Department of Corrections, or one of the state colleges or universities listed below, the portion of your benefit applicable to such employment will be two-thirds the value of the benefits based on public school employment.

- Harris Stowe State University
- Missouri Southern State University
- Missouri State University
- Missouri Western State University
- Northwest Missouri State University
- Southeast Missouri State University
- Truman State University
- University of Central Missouri

All members paying in at two-thirds the contribution rate will have benefits for affected years of service calculated at two-thirds the normal benefit amount.

Reinstated, Purchased and Transferred Service

One of the many advantages of PSRS 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 PSRS membership.

See the section, ***Reinstatements, Purchases and Service Transfers*** (pages 28-34), for more 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 PSRS-covered employment. Your employer contributes an equal amount and sends both employee and employer contributions to PSRS.

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 PSRS members and employers is 29%, with each paying 14.5%.

Salary includes, but is not limited to:

- Payments for extra duties
- Overtime payments
- Career Ladder payments
- Payments for overloads (for example, summer school, extra hours taught) and additional courses

- Employer-paid health, dental and vision insurance premiums for the member

The Internal Revenue Code (IRC) limits the amount of annual salary on which members who joined PSRS 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 PSRS-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 PSRS have been considered "employer pick-up" (EPU), or tax-deferred contributions under the Internal Revenue Code (IRC). You do not 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 PSRS.

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 page 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 PSRS.

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 PSRS-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 PSRS service **only** if you:

- Have ended PSRS-covered employment, and
- Are not under agreement for future employment with any PSRS-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 PSRS monthly disability retirement benefits. See the section entitled, ***Disability Retirement***, beginning on page 62, or contact us for more information.

You may request a ***Refund Application*** from PSRS at any time, but it cannot be filed until 30 days have passed since your last day of PSRS-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 receipt of your properly completed ***Refund Application*** by PSRS. The amount of time needed to process your application depends on whether you are employed in the current school year. If so, PSRS 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 is in July.**

If your membership ends by refund and you return to PSRS-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 reinstate or purchase service

Taxes **are not payable** on:

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

PSRS 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 PSRS 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.

PSRS 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 be included.

PSRS 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 PSRS-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 PSRS.

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 PSRS. 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 PSRS. The five years of service can include service for leave under PSRS, reinstated service and service purchased from qualified sources. However, the amount of purchased service cannot exceed the service earned and reinstated for PSRS-covered employment at the time of retirement.

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

Absence from Covered Employment

Before Vesting

If you leave PSRS-covered employment before you are vested (with fewer than five years of eligible service) and your contributions remain with PSRS, you retain your membership. Your funds continue to accrue interest for five years after your covered employment ends. 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 PSRS-covered employment, but think you may return, it may be to your advantage to leave your funds with PSRS and earn interest on them. You can take a refund at any time (see page 24) if you don't return to PSRS-covered employment.

If you leave your funds with PSRS 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 PSRS 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 PSRS-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 PSRS 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 PSRS-covered employment. Please contact us if you qualify for leave under these two laws.

After Vesting

If you leave PSRS-covered employment after you are vested (with five or more years of eligible service), you can leave your funds with PSRS 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 PSRS membership, your beneficiaries may be eligible for survivor benefits (see pages 36-42).

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 see pages 50-55.

Reinstatements, Purchases and Service Transfers

Reinstatements, Purchases and Service Transfers

All members are eligible to purchase some type of service with PSRS before PSRS 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 PSRS 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. In most cases, you will receive the reinstatement cost of any eligible service when you establish your new PSRS 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 PSRS membership.

Purchasing Service

In addition to reinstating previously forfeited PSRS 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.psrs-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 PSRS.

Types of Service Purchases

Service purchases fall into three major categories:

- Purchases based on a leave from PSRS-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 PSRS-Covered Employment

Three purchase provisions exist that may allow you to receive service based on a leave from PSRS-covered employment. Call PSRS 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 PSRS during the full period of leave. Your employer will send both employer and employee contributions to PSRS 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 PSRS.

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 PSRS 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.

3. A leave of absence with a PSRS-covered employer occurring in the current school year may be purchased if you are granted leave (other than sick leave) and your employer pays you at least 50% of your regular salary. Contact your employer to arrange payment of the employee contributions you would have made to PSRS on your full salary. Your employer will send both employer and employee contributions to PSRS so you receive full service for your leave of absence. This purchase must be completed during the school year the leave occurs.

Purchases Calculated Using the Basic Purchase Cost Calculation

Most PSRS service purchase costs are determined using the Basic Purchase Cost Calculation. You can estimate the cost for these purchases using the Purchase Calculator in Web Member Services. Log in at **www.psrs-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
29%	x	**$55,080**	=	**$15,973**

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 PSRS to be eligible to apply for most service purchases.
- You are required to return to PSRS-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 PSRS at the termination of your membership. According to law, membership is terminated by retirement, refund, death, or when you are 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 PSRS, 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 you make.
- 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 PSRS 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 PSRS 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 Education Employee Retirement System of Missouri (PEERS) may be purchased with a part of the cost offset by a transfer of the PEERS employer contributions to PSRS, not to exceed 50% of your purchase cost.

4. Maternity or paternity leave from a PSRS-covered employer may be purchased. You can 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-PSRS-covered schools that was 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 PSRS, your employment was in Missouri, for at least 17 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 PSRS-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 PSRS-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 PSRS and another Missouri public retirement system to be eligible to transfer funds from the other system and receive actuarially equivalent service with PSRS. A cooperative transfer agreement between both systems is required. The systems that currently have signed transfer agreements with PSRS 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 Education Employee Retirement System of Missouri (PEERS)
- The Public School Retirement System of the School District of Kansas City (KCPSRS)

If you transfer service from one of these systems to PSRS 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 PSRS 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 PSRS. You can purchase any remaining service in excess of the amount of the transfer.

Reciprocity Purchase

You must be vested with PSRS 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 used in your benefit calculation. However, your PSRS benefit is calculated using only your years of service and salaries on record with PSRS.

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

Participating Missouri educational retirement systems are:

- The Public School Retirement System of Missouri (PSRS)
- The Public Education Employee Retirement System of Missouri (PEERS)
- 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 PSRS member with 20 years of service with PSRS 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 PSRS benefit. The benefit is calculated using the 20 years of service and her salaries earned with PSRS. 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 PSRS, and does not meet the PSRS 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 unless you have reached 100% of your Final Average Salary, which takes approximately 40 years of service. 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 PSRS-covered employment, the more likely your salary may increase. The higher your highest annual salary on record with PSRS, 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 below, it will take approximately 12 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	$ 3,328
2	Monthly benefit without service purchase	$ 3,213
	Subtract Line 2 from Line 1.	
3	This is the increase in your monthly benefit due to the purchase.	$ 115
Step 2: Determine Time to Recover Purchase Cost		
4	Cost to Purchase Service	$15,973
	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.	139 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.	11.6 years

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 an IRA, 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.

PSRS 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 PSRS' 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 PSRS 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 PSRS
- The member, if the amount was distributed to the member from a qualified plan and is rolled over by the member to PSRS 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

PSRS 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

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, PSRS offers valuable financial protection for your family if you pass away before service retirement or while receiving PSRS disability benefits.

PSRS offers three 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 dependent-based benefits
- 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 50-55).

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. 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 PSRS-covered high school business teacher 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 Dependent-Based Survivor Benefits

Member Qualifications

- You must be vested (have five or more years of qualified PSRS service) at the time of your death, or
- You must have at least two years of PSRS service and pass away while in active PSRS-covered employment, or within one year of the onset of an injury or illness incurred while in PSRS-covered employment, or
- You pass away while eligible for PSRS disability retirement benefits.

Type of Dependent-Based Survivor Benefits and Beneficiary Qualifications

Monthly dependent-based survivor benefits can be paid to your spouse, children or parent(s) if your beneficiary is properly designated and certain criteria are met.

Spouse-Only Benefit

Your spouse is eligible if:

- He or she is designated as your sole beneficiary, and
- Is age 60 (or upon reaching age 60), and
- Married to you for at least three years, and
- Living with you at the time of your death.

Note: If your spouse is permanently disabled for at least five years immediately before your death, married to you for at least three years and was living with you at the time of your death, he or she could also qualify for monthly dependent-based survivor benefits.

Spouse and Child Benefit

Your spouse is eligible to receive a benefit for himself or herself and any unmarried, dependent children, including stepchildren and adopted children, if:

- He or she is designated as your sole beneficiary, and
- He or she is caring for your unmarried, dependent children.

A dependent child is defined as being under the age of 18, or age 24 if enrolled in school full-time and is not married.

If your spouse elects this type of survivor benefit, a benefit for all eligible children will be paid to your spouse, even though you may not have included them on the beneficiary designation.

If a child is mentally or physically disabled prior to age 18, unable to be gainfully employed and the disability continues after age 18, that child may be eligible for a dependent-based survivor benefit for the rest of his or her life. The benefit stops if the child recovers from the disability, marries or is adopted.

Any dependent child who is not in the care of your surviving spouse is entitled to a monthly benefit which is paid to the child's primary custodial parent or legal guardian.

Your spouse, if under age 60, is eligible to receive this benefit as long as there is an eligible child in his or her care. Once all children are no longer eligible, if your spouse meets the eligibility criteria listed in the Spouse-Only Benefit section, benefits to that spouse will resume when he or she reaches age 60, and are then payable for the rest of his or her lifetime.

Child-Only Benefit

Your unmarried, dependent child(ren) are eligible if:

- At least one eligible child is designated as primary beneficiary, or
- Your spouse and child were receiving benefits under the spouse and child benefit provision and your spouse passes away.

A dependent child is defined as being under the age of 18, or age 24 if enrolled in school full-time and is not married.

If this type of survivor benefit is elected, all eligible children are entitled to receive a benefit, regardless of whether they were designated as a beneficiary.

If a child is mentally or physically disabled prior to age 18, unable to be gainfully employed and the disability continues after age 18, that child may be eligible for a dependent-based survivor benefit for the rest of his or her life. The benefit stops if the child recovers from the disability, marries or is adopted.

If your beneficiary is someone other than your spouse or child, that individual can choose to direct benefits to your eligible children. For example, if your father is designated as beneficiary, he can authorize PSRS to pay dependent-based survivor benefits to all of your eligible children, in lieu of receiving benefits for himself.

Parent Benefit

Your dependent parent(s) is eligible if:

- He or she is designated as sole beneficiary, and
- Is age 65, or upon reaching age 65, and
- Was receiving at least 50% financial support from you at the time of your death.

If both your parents are financially dependent on you at the time of your death, both parents would be eligible to receive a dependent-based survivor benefit.

Benefit Amount

Monthly dependent-based survivor benefit amounts are calculated as a percentage of your last full year of salary, subject to minimum and maximum amounts set by Missouri law. Dependent-based survivor benefits are not eligible for cost-of-living (COLA) adjustments.

Dependent-based survivor benefits can only be paid under one membership. For example, if both you and your spouse are PSRS members, your children can only receive this type of survivor benefit under one of your memberships.

Monthly Dependent-Based Survivor Benefit Amounts

Beneficiary	Percent of Last Full Year's Salary	Minimum Monthly Benefit	Maximum Monthly Benefit
Spouse	20%	$575	$860
Spouse and Dependent Children	• 20% spouse • 10% per child	• $575 spouse • $300 per child	• $860 spouse • $430 per child • Up to $2,160 total for all eligible survivors
Dependent Children	16.667% per child	$500 per child	• $720 per child • Up to $2,160 total for all eligible children
Dependent Parents	16.667% per parent	$500 per parent	• $720 per parent • Up to $1,440 total for both eligible parents

These benefits are not eligible for cost-of-living adjustments (COLAs). The following is an example of an average monthly dependent-based survivor benefit payment for a spouse with two dependent children:

Example

Spouse payment	$ 730
Child payment	$ 365
Child payment	$ 365
Total monthly benefits (gross amount before taxes)	$ 1,460

Payment

Monthly dependent-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.psrs-peers.org**.

Example

Theresa is a PSRS-covered language arts teacher who passes away prior to retirement. She designated her spouse, Richard, as her pre-retirement beneficiary. Richard and Theresa have three young children. Richard elects the spouse and child dependent-based survivor benefit and receives a monthly benefit for himself, and a benefit for each child. He will continue to receive this benefit until all three children no longer meet the eligibility requirements. His spouse portion of the benefit will resume when he reaches age 60, and will then be payable for the rest of his life.

Monthly Retirement-Based Survivor Benefits

Member Qualifications

You must be vested (have five or more years of eligible service with PSRS) 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 47-49.

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 pages 51-52). This type of survivor benefit is eligible for cost-of-living adjustments (COLAs) beginning the second 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 PSRS Web Member Services at **www.psrs-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.psrs-peers.org**.

Example

Darren is a PSRS-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 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 die.

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

If you are new to PSRS, 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:

- A change in your life status (marriage, divorce, birth or adoption of a child) has occurred since your beneficiary designation was made.
- You do not have a valid beneficiary designation on file with PSRS.
- 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 eligible to receive dependent-based benefits
3. Surviving children **not** eligible to receive dependent-based benefits
4. Surviving parents eligible to receive dependent-based benefits
5. Surviving parents **not** eligible to receive dependent-based benefits
6. Estate

Tips for Designating Beneficiaries for Your PSRS 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 either type of monthly 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 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 survivor benefits, which can be more advantageous than a lump-sum refund 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 benefits to your beneficiary. A beneficiary must be the sole beneficiary in order to choose monthly benefits.

Also, in the case of dependent, unmarried children, if multiple children are named jointly and one of them is ineligible for dependent-based benefits, all children are ineligible.

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

Married Members With Dependent Children

To ensure that your designated beneficiaries can choose monthly benefits, you should, in most cases, name your spouse as primary beneficiary, your youngest dependent child as first contingent, and your next youngest dependent child as second contingent beneficiary.

In this case, at your death, your spouse and dependent children may be eligible for monthly dependent-based survivor benefits. Should both you and your spouse pass away while one of your children is eligible for monthly dependent-based survivor benefits, **all** of your dependent children are eligible, regardless of whether you have named them as your beneficiaries.

By naming the youngest child first, you provide the greatest beneficiary protection for your children, for the longest possible period of time.

Single Parents With Dependent Children

To ensure eligibility for immediate benefits payable to dependent children, you should, in most cases, name your youngest dependent child as primary beneficiary, your next youngest as first contingent, and so on.

If one of your children is eligible for monthly dependent-based benefits, all of your children are eligible, regardless of whether you have named them as beneficiaries.

By naming the youngest child first, you provide the greatest beneficiary protection for your children, for the longest possible period of time.

If your children are minors, please refer to the information below regarding naming minors as beneficiaries.

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 be able 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 PSRS 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 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 complete copy of the 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 PSRS 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 PSRS member ID
- A photocopy of a death certificate as proof of the date of death
- Name, address and telephone number of a contact person

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Service Retirement

Service Retirement

As a PSRS member, you enjoy knowing that once you have earned five years of eligible service with PSRS, you are vested and can receive lifetime retirement benefits when eligible. In most cases, the retirement benefits paid to PSRS members exceed the funds they contribute to the System while working. In fact, most PSRS retirees recover all their contributions within the first five years of retirement.

Upon application, lifetime monthly retirement benefits are available to you as a PSRS member if you properly terminate PSRS-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, certificated PSRS-covered employment or exceed the temporary-substitute or part-time employment limits described on pages 76-90.

As you work in PSRS-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 PSRS retirement date. You can apply online via PSRS 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 PSRS, 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 the **Partial Lump Sum Option (PLSO)** if you meet the eligibility requirements discussed on page 49.
2. **25-and-Out early retirement benefits** 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.

Members who contribute at two-thirds the full contribution rate will have benefits calculated at two-thirds the normal benefit amount. See page 47-48 for more information.

If you are considering retirement due to health reasons, you may be eligible for PSRS disability retirement. See the section entitled, ***Disability Retirement***, beginning on page 60.

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 PSRS. 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

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	$54,000
2022-2023	1.00000	$55,080
2023-2024	1.00000	$56,181
	3.00000	$165,261

Final Average Salary

$165,261 ÷ 36 = $4,590

Final Average Salary Caps

PSRS uses caps or limits on increases in salary during your Final Average Salary period. The caps help prevent salary spiking at the end of one's career for the purpose of increasing a retirement benefit.

Increases in salary as a result of pay for extra duties, overloads, additional courses and district-sponsored "career ladder" programs can cause your Final Average Salary to be capped. Assuming extra duties without a position change may result in a salary cap being applied to the salary that exceeds the limit.

These caps do 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.

School Year Salary Was Earned	Salary Cap for Calculating Final Average Salary
1997-1998 through 2006-2007	20%
2007-2008	12%
2008-2009 and after	10%

If you have questions about what constitutes a change in position or employer, please have your employer's business office contact a PSRS Employer Services Analyst.

Years of service include all service earned for employment with PSRS-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 PSRS-covered, full-time employment if they are a 9-, 10-, 11- or 12-month employee and serve the complete term required of the position. Refer to 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 2.5% 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)

You are eligible for normal (full) retirement benefits under the full benefit formula using a higher 2.55% factor when you reach the following criteria:

- Any age with 32 or more years of service, and
- Your retirement is effective on or after September 1, 2023.

Benefit Amount

Normal (full) retirement benefits are calculated as follows. This example is for a member who is age 60 and has 28 years of service.

Benefit Formula

Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
2.5%	x	$4,590	x	28	=	$3,213

Members Contributing at Two-Thirds the Full Contribution Rate

Eligibility

If you have PSRS service for employment after December 1987 with one of the state colleges or universities listed on page 23, the Missouri Department of Mental Health or the Missouri Department of Corrections, the portion of your benefit applicable to such employment will be two-thirds the value of the benefits based on public school employment.

Members who hold positions affected by changes in required Social Security withholding effective July 1, 2010 also contribute to PSRS and receive service at two-thirds the full amount for affected years of employment.

Benefit Amount

All members paying in at two-thirds the contribution rate will have benefits for affected years of employment calculated at two-thirds the normal benefit amount.

In the example below, the member has 25 years of service at the full amount, and five years of service at two-thirds the full amount.

Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
2.5%	**x**	**$4,590**	**x**	**25**	**=**	**$2,869**
2.5%	**x**	**$4,590**	**x**	**5 x 2/3**	**=**	**$ 383**
Total Lifetime Single Life Benefit					**=**	**$3,252**

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 Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit
2.2%	**x**	**$4,590**	**x**	**25**	**=**	**$2,525**

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

25-and-Out Factors

	Years of Service	
Benefit Factor	**At Least**	**But Fewer Than**
2.20%	25	26
2.25%	26	27
2.30%	27	28
2.35%	28	29
2.40%	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 18 years of service.

Benefit Factor	x	Final Average Salary	x	Years of Service	x	Age-Reduction Factor	=	Lifetime Single Life Benefit
2.5%	**x**	**$4,590**	**x**	**18**	**x**	**.6543**	**=**	**$1,351**

Age-Reduction Factors

Age at Early Retirement	Approximate Age-Reduction Factor
55	.6543
56	.7110
57	.7733
58	.8417
59	.9170

The factors shown are approximates. Age-reduction factors are based on your age in years and months (as of your PSRS retirement date), and are subject to change when certain actuarial assumptions change. Accurate reductions can only come from official PSRS 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 PSRS 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 50-55.

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
$3,213	**x**	**12**	**=**	**$38,556**

Benefit Amount: Reduced Lifetime Monthly Benefits

In addition to a lump-sum payment, you receive reduced lifetime monthly benefits. 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 61 years old and selected a 12-month PLSO. Therefore, her PLSO reduction factor is .9236.

Example

Lifetime Single Life Benefit	x	PLSO Reduction Factor	=	PLSO-Reduced Lifetime Single Life Benefit
$3,213	**x**	**.9236**	**=**	**$2,968**

PLSO Reduction Factors

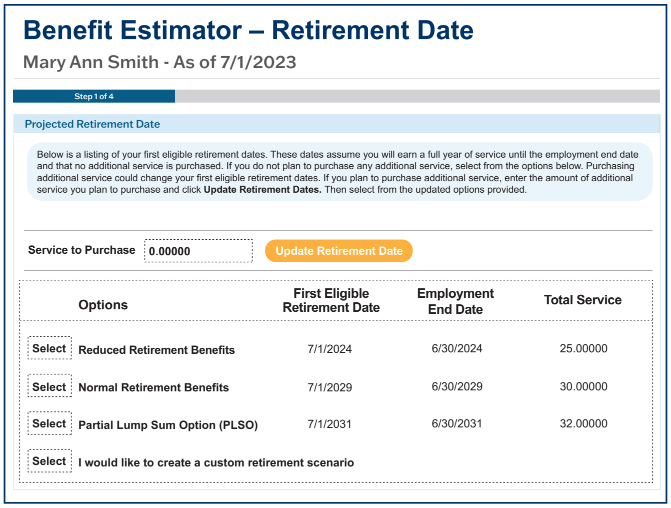
Retirement Age	12-Month Factors	24-Month Factors	36-Month Factors
50	0.9325	0.8649	0.7974
51	0.9319	0.8638	0.7956
52	0.9313	0.8625	0.7938
53	0.9306	0.8612	0.7918
54	0.9299	0.8597	0.7896
55	0.9291	0.8582	0.7873
56	0.9283	0.8567	0.7850
57	0.9275	0.8550	0.7825
58	0.9266	0.8532	0.7798
59	0.9257	0.8513	0.7770
60	0.9247	0.8493	0.7740
61	0.9236	0.8471	0.7707
62	0.9224	0.8448	0.7672
63	0.9211	0.8422	0.7634
64	0.9198	0.8395	0.7593
65	0.9183	0.8365	0.7548
66	0.9167	0.8333	0.7500
67	0.9149	0.8298	0.7448
68	0.9130	0.8261	0.7391
69	0.9110	0.8219	0.7329
70	0.9087	0.8174	0.7262

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.

Calculating Benefits

Online Benefit Estimator

You can log in to view your personal membership information using PSRS Web Member Services at **www.psrs-peers.org** and estimate your benefits using the Benefit Estimator. The estimator uses your current salaries and service on record with PSRS 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 0.00000 Update Retirement Date

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

Please note that PSRS 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 PSRS 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, 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 PSRS 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 PSRS 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 all, or some, 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 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 PSRS.

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. You must provide documentation of insurable interest for any other individual.

You must provide PSRS 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 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 PSRS Service Retirement Benefits***, on page 92-93 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. PSRS 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 on page 51.

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 payments 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 PSRS-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 PSRS.

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 52.

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. PSRS 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.

A Comparison of PSRS Benefit Plans

	Retiree Benefit	Beneficiary Benefit
Single Life Benefit Plan	• The Single Life plan pays the largest lifetime monthly retiree benefit.	• 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 PSRS retirement date.

Joint-and-Survivor Benefit Plans	• 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.
		• 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:
		  • 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	• These plans pay slightly smaller lifetime retiree benefits than Single Life.
	• Reduction is based on the term you select and your age.
		• 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.
		  • 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 plan selected, no payments are made to your beneficiary after your death.

Beneficiary Designation	Advantages/Disadvantages
• Beneficiary can be any person(s) or legal entity(ies). • Beneficiary can be changed at any time.	**Advantages:** • 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. **Disadvantages:** • Monthly benefits stop at your death. • No monthly benefits are provided to a beneficiary. • Health insurance for beneficiaries through your PSRS-covered employer may be subject to cancellation at the time of your death.
• 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.	**Advantages:** • 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. **Disadvantages:** • The monthly benefit you receive is reduced. • COLAs are calculated on the reduced benefit. • Beneficiary can only be changed under specific conditions.
• 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.	**Advantages:** • 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. **Disadvantages:** • Your monthly benefit is slightly reduced for your lifetime. • After the term ends, the beneficiary protection stops. • Health insurance for beneficiaries through a PSRS-covered employer may be subject to cancellation at your death. • COLAs are calculated on the reduced benefit.

Benefit Amounts

Benefit Estimates

PSRS 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.

PSRS 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 PSRS Web Member Services at **www.psrs-peers.org** and using our online Benefit Estimator or you can request estimates by contacting our office.

Minimum and Maximum Monthly Benefits

The law establishes the following minimum monthly benefit amounts based on your years of service at retirement.

Minimum Lifetime Single Life Benefit	Years of Service at Retirement	
	At Least	But Less Than
$ 600	15	20
$ 800	20	25
$1,000	25	30
$1,200	30 or more	

Minimum Single Life monthly benefits for 15 to 24.99999 years of service are reduced if you select a Joint-and-Survivor or Term-Certain benefit plan, and/or if an age-reduction factor is applicable due to early retirement.

Minimum Single Life monthly benefits for 25 or more years of service are reduced only if you select a Joint-and-Survivor or Term-Certain benefit plan. If an age-reduction factor applies due to early retirement and causes your monthly benefit to fall below the minimum, the minimum is payable.

The law also establishes the maximum monthly benefit you can receive. Your monthly benefit cannot exceed 100% of your monthly Final Average Salary, as described on pages 46-47.

Sample Monthly Benefits

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

- Retiree age: **58 years**
- Years of service: **28**
- Final Average Salary (FAS): **$4,590**
- Beneficiary age: **59 years**
- Lifetime Single Life Benefit Under Full Formula (Normal Benefits): **$3,213**

Sample lifetime benefit if PLSO *is not* selected:

Benefit Plan	Gross Monthly Benefit	
	Retiree	Beneficiary
Single Life	$ 3,213	$ 0
Joint-and-Survivor 100%	$ 2,982	$ 2,982
Joint-and-Survivor 75%	$ 3,037	$ 2,277
Joint-and-Survivor 50%	$ 3,093	$ 1,546
Term-Certain 120-Month	$ 3,190	$ 3,190*
Term-Certain 60-Month	$ 3,207	$ 3,207*

Sample lifetime benefit if PLSO *is* selected:		
	Gross Monthly Benefit	
Benefit Plan	Retiree	Beneficiary
12-Month Partial Lump Sum Option: $38,556		
Single Life	$ 2,976	$ 0
Joint-and-Survivor 100%	$ 2,763	$ 2,763
Joint-and-Survivor 75%	$ 2,813	$ 2,109
Joint-and-Survivor 50%	$ 2,865	$ 1,432
Term-Certain 120-Month	$ 2,955	$ 2,955*
Term-Certain 60-Month	$ 2,971	$ 2,971*
24-Month Partial Lump Sum Option: $77,112		
Single Life	$ 2,740	$ 0
Joint-and-Survivor 100%	$ 2,543	$ 2,543
Joint-and-Survivor 75%	$ 2,590	$ 1,942
Joint-and-Survivor 50%	$ 2,638	$ 1,319
Term-Certain 120-Month	$ 2,720	$ 2,720*
Term-Certain 60-Month	$ 2,735	$ 2,735*
36-Month Partial Lump Sum Option: $115,668		
Single Life	$ 2,504	$ 0
Joint-and-Survivor 100%	$ 2,324	$ 2,324
Joint-and-Survivor 75%	$ 2,366	$ 1,774
Joint-and-Survivor 50%	$ 2,410	$ 1,205
Term-Certain 120-Month	$ 2,485	$ 2,485*
Term-Certain 60-Month	$ 2,319	$ 2,319*

All amounts shown are before taxes.

**For remainder of guaranteed term only.*

PLSO factors for age 58 years: *12 months (.9266)*
24 months (.8532)
36 months (.7798)

Applying for Service Retirement Benefits

As soon as you decide to retire, log in to Web Member Services at **www.psrs-peers.org** to apply for service retirement online, or contact our office for the ***Service Retirement Application*** and other forms. Early notification of your intention to retire will allow sufficient time for PSRS 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 PSRS 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 PSRS-covered employment (see page 59), and
- File your PSRS ***Service Retirement Application***, whichever occurs last.

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

Example 2

You are eligible for PSRS retirement and your last day of PSRS-covered employment is December 15. You file your PSRS ***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 PSRS 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 PSRS website or by request from our office.

To file for service retirement online, visit our website, **www.psrs-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 50-55 for detailed information on the six benefit plans available. Your benefit plan cannot be changed after your PSRS 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 page 49.

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. All PSRS members must designate a beneficiary for the $5,000 Death Benefit, see page 60.

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 PSRS 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 PSRS-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 PSRS 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 your 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
- Identification cards that contain your date of birth or age as of a certain date, issued by a government entity (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 marriage certificate if you are 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 PSRS Web Member Services.

Acknowledgement of Your ***Service Retirement Application***

PSRS will acknowledge your ***Service Retirement Application***. Please call PSRS 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 documentation at least three months before your PSRS retirement date. By law, the application must be submitted online or postmarked before your PSRS retirement date.

For example, if your PSRS 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 PSRS 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 PSRS 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. **PSRS requires a separation period of one month from your PSRS retirement date.**

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

- End all employment with all PSRS-covered employers prior to your PSRS retirement date.
- Not return to work for a PSRS-covered employer in any capacity for a period of one month after your PSRS retirement date.

- Not enter into any agreement, written or unwritten, for future employment at a PSRS-covered employer in any capacity until after receiving your first PSRS 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 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 PSRS-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 PSRS service retirement, it is important to understand how working after retirement can affect the payment of your retirement benefits.

Some post-retirement work, including all work for PSRS-covered employers, is subject to limits in order for you to continue to receive your retirement benefits.

The limits vary, depending on your employer, and some cases whether the position in which you work as a retiree requires a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

You and your employer are required to track your work. If you exceed the limits that apply, you must notify PSRS immediately and your benefits will be put on hold. If you continue to work after exceeding a 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 limits, record-keeping requirements and more, see pages 76-88.

$5,000 Death Benefit

In addition to possible survivor benefits, a one-time, lump-sum death benefit of $5,000 is payable to the beneficiary you designate specifically for this benefit. You may designate an individual or individuals, a legal entity, an established trust or your estate. Your designation can be changed at any time using Web Member Services or by filing a new ***$5,000 Death Benefit Beneficiary*** form with PSRS. This form is available on our website or by contacting our office.

This is a taxable distribution. If your beneficiary is your spouse, he or she can roll it over 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 roll it to an IRA established as an inherited IRA.

Income Taxes on Service Retirement Benefits

Your PSRS 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 72-74.

Cost-of-Living Adjustments (COLAs)

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

For more information on COLAs, see pages 70-71.

Disability Retirement

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 PSRS membership is the financial security provided by PSRS disability retirement benefits. If your career is cut short because of permanent disability, PSRS 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 PSRS disability retirement benefits. The cause of your disability does not have to be work-related.

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

- End all PSRS-covered employment
- Have at least five years of PSRS-covered employment
- Be under age 60
- Become permanently disabled while working in PSRS-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 PSRS-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 PSRS.

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

Filing Your *Disability Retirement Application*

If you become disabled, contact PSRS 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 PSRS.

Step 2

Complete and return the following to PSRS:

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***
5. Tax withholding forms
6. ***$5,000 Death Benefit Beneficiary Designation*** form

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 PSRS.

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 PSRS 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
- Identification cards that contain your date of birth or age as of a certain date, issued by a government entity (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*

PSRS 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 PSRS, for continued consideration for disability retirement benefits.

Disability Retirement Benefit Amounts

The calculations used to determine the amount of your disability retirement benefits are determined by law. Your disability retirement benefit is based on your years of service, salary, and the service retirement benefit you would be eligible to receive if you continue your PSRS-covered employment to age 60.

Your disability retirement benefit is 50% of your salary for your last full year of PSRS service with minimum and maximum benefits payable.

Your disability retirement benefit:

- Must be at least 90% of the normal service retirement benefit based on your current salaries and years of service, and
- Cannot exceed the normal service retirement benefit you would receive if you continued to work until age 60 at the salary rate in effect at the time of your disability.

Sample Disability Retirement Benefit Calculation

Your disability retirement benefit is:

- 50% of your salary for your last full year of PSRS service, and
- No less than 90% of your normal service retirement benefit based on your current salaries and service, and
- No more than your normal service retirement benefit based on your current salaries and service to age 60

Example

A. Calculate 50% of your monthly salary for last full year of service.

Monthly Salary for Last Full Year of Service				Possible Monthly Disability Retirement Benefit
$4,682	**x**	**50%**	**=**	**$2,341**

B. Calculate your minimum disability retirement benefit, which is 90% of the normal service retirement benefit based on your current salaries and years of service.

Benefit Factor	x	Final Average Salary	x	Years of Service	=	Lifetime Single Life Benefit	x	90%	=	Possible Monthly Disability Retirement Benefit
2.5%	**x**	**$4,590**	**x**	**20**	**=**	**$2,295**	**x**	**90%**	**=**	**$2,066**

C. Calculate the maximum disability retirement benefit you could receive, which is the monthly service retirement benefit as though working to age 60, assuming you earn additional service until age 60 at the salary rate in effect at the time of your disability.

Benefit Factor	x	Final Average Salary	x	Years of Service at Age 60	=	Possible Monthly Disability Retirement Benefit
2.5%	**x**	**$4,590**	**x**	**30**	**=**	**$3,443**

Which is greater, the amount in Step A or in Step B?

In this example, A is greater: $2,341 per month.

Is this less than the amount in Step C - the service retirement benefit amount as though working to age 60?

The amount calculated in Step B is less than $3,443, so in this example, the monthly disability retirement benefit is $2,341, before taxes.

Payment of Your Disability Retirement Benefits

PSRS 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 is found on our website.

For more information, see ***Payment of Retirement Benefits*** beginning on page 70.

Cost-of-Living Adjustments (COLAs)

You are eligible for cost-of-living adjustments (COLAs) on your disability retirement benefits beginning the second January following your retirement date. For more information on COLAs, see pages 70-71.

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 PSRS 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. PSRS 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 72-73.

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 66)
- Return to employment in any capacity with a PSRS-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, certificated PSRS-covered employment
- Exceed the limits on post-retirement employment detailed on pages 76-88

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. PSRS 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 PSRS salaries and service as of the date of the disability are restored.

If you return to PSRS-covered employment prior to age 60, you will make contributions to PSRS 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 PSRS, your contributions are then credited to your membership. If you do not return to PSRS-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 benefits. Your benefits continue for your lifetime unless you exceed the limits on working after retirement or return to work full-time for a PSRS-covered employer. For more information, see below.

Working After Disability Retirement

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

Working As a Disability Retiree Prior to Age 60

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

Before age 60, your disability retirement benefits stop if:

- **You are employed in any capacity for a PSRS-covered employer.** Volunteering for a PSRS-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 PSRS disability retirement benefits.
- You are employed by a non-PSRS-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 only if:

- You are employed by a non-PSRS-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

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 PSRS, 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 PSRS-covered employer on a trial basis, you will make contributions to PSRS on your salary.

If you are unable to complete the full trial period, PSRS 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 PSRS to determine the status of your membership.

Working As a Disability Retiree At or After Age 60

Once you reach age 60, if you work after retirement for a PSRS-covered employer in any position, and you want to continue to receive your monthly benefits, your work is limited. If you exceed your limit(s), your retirement benefits stop.

Once you reach age 60, most work after retirement for an employer that does **not** participate in PSRS, or work as a consultant or independent contractor as defined by the IRS, has no effect on your PSRS benefits, regardless of hours worked or salary earned.

Exceptions occur when you work for a third-party provider or as an independent contractor providing services at a PSRS-covered school as a substitute teacher or in any other position that would normally require you to have a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE). See pages 76-88 for more information.

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

- Return to full-time, certificated, PSRS-covered employment*
- Exceed the limits detailed on pages 76-88

**Work performed after age 60 under the Critical Shortage Employment provision is not subject to the same limits. See page 83 for more information.*

Divorce While Receiving PSRS Disability Retirement Benefits

If you divorce after PSRS 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.psrs-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 PSRS as your beneficiaries. PSRS 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 monthly survivor benefits from PSRS.

Possible survivor benefits include:

- A lump-sum refund consisting of any remaining contributions and interest in your membership at the time of your death.
- Monthly dependent-based benefits may be payable to your qualified spouse, dependent children or dependent parents. These benefits are based on a percentage of your last full year of salary while working in PSRS-covered employment.
- Lifetime monthly retirement-based survivor 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 PSRS. These benefits may begin immediately or be delayed based on when you would become eligible for PSRS service retirement.

See pages 36-42 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 PSRS is notified, we will recover any benefits that are not payable.

$5,000 Death Benefit

In addition to possible survivor benefits, a one-time, lump-sum death benefit of $5,000 is payable to the beneficiary you designate specifically for this benefit. You may designate an individual, a legal entity, an established trust or your estate. Your designation can be changed at any time by logging in to Web Member Services at **www.psrs-peers.org** or by filing a new ***$5,000 Death Benefit Beneficiary*** form with PSRS. This form is available on our website or by contacting us.

This is a taxable distribution. If your beneficiary is your spouse, he or she can roll it over 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 roll it 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.**

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 apply before your resignation date.

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

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

Q. Do the limits on PSRS-covered employment after retirement also apply to disability retirees?

A. If you receive PSRS disability retirement benefits and are younger than age 60, you cannot be employed in any capacity by a PSRS-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 limits apply. This is also true if you work for a third-party provider or as an independent contractor providing services at a PSRS-covered school district in a position normally requiring a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE). Please note, work limits on substitute teaching are waived through June 30, 2025. See page 78 for more information.

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 PSRS-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 PSRS-covered employer.

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

A. Eligibility for long-term disability insurance benefits does not affect your PSRS disability retirement benefits. However, your PSRS 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

Payment of Retirement Benefits

Because PSRS 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 PSRS 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. PSRS requires direct deposit of all monthly benefits.

Example

If your PSRS 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.psrs-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 second 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 $1,000 per month, the most you can receive in total lifetime benefit increases from COLAs is $800 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 PSRS retirement benefits to stop. These situations are generally avoidable, if you are familiar with the rules for working after PSRS retirement, detailed on pages 76-88.

Service Retirees

Your **service retirement benefits stop** if:

- You work for a PSRS-covered employer full-time in a position that requires a DESE-issued certificate, in any capacity other than under Critical Shortage Employment (see page 83).
- You work in any position(s) subject to limits, and you exceed a limit that applies to you. See pages 76-88 for more information on limits on working after retirement.

Disability Retirees

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

- Are employed in any capacity for a PSRS-covered employer
- Recover from your disability (see page 66)
- Are employed by a non-PSRS-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, certificated, PSRS-covered employment (not including service under Critical Shortage Employment)

- Work in any position(s) subject to limits and you exceed any limit that applies to you. See pages 76-88 for more information on limits on working after retirement.

Income Taxes on Retirement Benefits

Your PSRS service or disability 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 PSRS. Tax withholding forms can be found online at **www.psrs-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. PSRS 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 your number of allowances.

When you retire, PSRS 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. PSRS will provide this information to you with your estimate of disability benefits.

Service and Disability Retirement Benefits	
Taxable	**Non-Taxable**
The following are taxable when paid as a retirement benefit, refund or survivor benefit: • Contributions made after June 30, 1989 • Purchases or reinstatements paid with tax-deferred rollovers • All interest credited to your membership	A small portion of each benefit may be excluded from tax and considered a return of any previously-taxed contributions. Non-taxable funds include: • 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	$3,189
Non-Taxable Portion of Monthly Benefit	$ 24
Total Lifetime Single Life Benefit	**$3,213**

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 income tax 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 PSRS 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.

PSRS 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, contact the taxing authority of that state for information on your PSRS benefits and state income tax.

Missouri Public Pension Exemption

Depending on a variety of factors, PSRS benefit recipients may be able to deduct up to 100% of their PSRS 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 PSRS. 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 "rollover" 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.**

PSRS 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 PSRS for rollover funds. PSRS is not required to withhold federal tax when funds are rolled over into a qualified retirement plan.

PSRS 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.

Income Taxes on the $5,000 Death Benefit

The $5,000 death benefit is not life insurance. It is a taxable distribution payable to the beneficiary you designate. If your beneficiary is your spouse, he or she can roll it over to a qualified retirement plan to avoid incurring an immediate tax liability. If your beneficiary is someone other than your spouse, they can roll it to an IRA established as an inherited IRA.

IRS Form 1099-R

After you retire, PSRS 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.psrs-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

Working After Retirement

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

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

Once you have met the termination requirements, you may choose to work after retirement. If you do, it is important to understand the limits that may apply to your work. You must stay within these limits in order for your retirement benefits to continue without interruption.

Work limits apply to:

- Work performed while employed by PSRS-covered employers
- Work performed while employed by a third-party provider (such as a staffing agency) in certain positions while performing duties at PSRS-covered employers
- Work performed as an independent contractor in certain positions while performing duties at PSRS-covered employers.

The work limits vary depending on your employer and, in some cases, whether the position in which you work as a retiree requires you to have a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

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

This section of your handbook applies to:

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

PSRS disability retirees who return to work before age 60 in any capacity for a PSRS-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 65 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.

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

To properly terminate pre-retirement employment, you must:

- End all employment with all PSRS-covered employers prior to your PSRS retirement date.
- Not return to work for a PSRS-covered employer in any capacity for a period of one month after your PSRS retirement date.
- Not enter into any agreement, written or unwritten, for future employment at a PSRS-covered employer in any capacity until after receiving your first PSRS 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 retirees July 1, she cannot be under any agreement, written or unwritten, for employment, and she may not work for a PSRS-covered employer during the entire month of July. She can agree to employment and begin work on August 1.

Agreement for Post-Retirement Work or Volunteer Hours

If a retirement incentive or separation agreement requires you to work in any capacity after retirement in return for salary, including health insurance benefits, you are not considered to have properly terminated your employment and you are ineligible to receive PSRS benefits. See page 76 or contact our office for more information.

Social Security Taxes

Your post-retirement salary at PSRS-covered employers may be subject to Social Security taxes. Contact your prospective employer for information.

Employment Definitions

Under PSRS working after retirement rules, the following definitions apply:

- **Full-time employment:** Employment in a position that normally requires at least 600 hours during the school year and requires the employee to either work the full school day or work at least the same number of hours per week as required for such a position.
- **Part-time employment:** Employment for fewer hours than is required of a full-time employee for the same position.
- **Salary:** Financial compensation you receive for covered employment, including employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.
- **School Year:** For retirement purposes, a school year is July 1 through June 30.
- **Substitute Teaching (for a PSRS-Covered K-12 School District or Third-Party Provider):** 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 PSRS-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.
- **Temporary-substitute employment:** Employment in a position that is temporarily vacant.
- **Third-Party Provider:** An employment or staffing agency that employs PSRS retirees to provide services at PSRS-covered schools.
- **Volunteering:** Work you perform for which you receive no salary (including health insurance or other benefits).

Working After Retirement Limits

Post-retirement work for PSRS-covered employers, as well as some work as an independent contractor or for third-party employers, is limited by law if you want to continue to receive your retirement benefits. The limits vary depending on your employer and, in some cases, whether the position in which you work as a retiree requires you to have a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

PSRS-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)
- Statewide non-profit educational associations that have elected to join

If your work is subject to limits, you must track your work. If you exceed the limits that apply to you, you are no longer eligible to receive your PSRS service retirement benefits, and your benefits will be put on hold effective the month the limit is exceeded and until the month after your work ends or a new school year begins on July 1, whichever comes first.

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

Determining Your Limits

When your employer reports to us that you are working after retirement, we will send you individualized information regarding the limits that apply to your work situation. However, it may be helpful to consider in advance what limits will apply to work you are considering. You can start by asking the following questions:

- Is the work performed for a PSRS-covered employer?
- Is that employer a K-12 public school district?
- Is that employer a public, two-year (community) college?
- Is the work performed as an employee of a third-party provider or staffing agency and providing a service at a PSRS-covered employer?
- Does the position in which you work require a DESE-issued certificate?
- Are you a substitute teacher?
- Do you meet the IRS definition of an independent contractor?

For more detailed information, see the following pages.

Temporary Waiver of Work Limits on Substitute Teaching

Work limits on part-time or temporary-substitute work as a substitute teacher are waived from July 1, 2022 through June 30, 2025.

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

- **For a PSRS-Covered K-12 School District or Third-Party Provider:** 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 PSRS-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.

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 feel free to contact any of our trained specialists for assistance at **(800) 392-6848**.

Part-Time Work for PSRS-Covered K-12 School Districts

The limits on part-time or temporary substitute work for PSRS-covered K-12 school districts and educational associations depend on whether or not the position requires a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

Certificated Part-Time Work

Unless you are working under Critical Shortage Employment (see page 83) or substitute teaching (see page 78), DESE-certificated part-time work for a PSRS-covered K-12 school district or educational association is subject to the following limits on hours and salary.

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).
- Hours that you volunteer while also working for the same employer in a paid position that is subject to limits on hours and salary will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different.** See page 85 for more information on volunteering.

Limit on Salary

- You can earn up to **50% of the annual compensation payable** under the PSRS-covered employer's salary schedule for the position or positions, given your level of work experience and education.
- If the position is not subject to the employer's salary schedule, please contact your employer for information on how to determine your salary limit.
- If you fill more than one position subject to limits on both hours and salary, the 50% salary limit is based on the annual salary of the **highest paid** position in which you work **at least 20%** of your total hours during the year.
- For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

Example 1

Amy is retired and returns to work for a PSRS-covered K-12 school district as a part-time teacher. Her work is not considered that of a substitute and does not fall under the temporary substitute teaching work limit waiver. Because teachers are required to have a DESE-issued certificate, her work is subject to the working after retirement limits on hours and salary.

Amy has worked as a retiree with the district for 10 years, and has reached her limit for annual leave days that can be carried over. The district will be paying out those days over her limit, in the amount of $900.

The annual compensation payable for the teaching position is $40,000.

50% x $40,000 = $20,000

Her 50% salary limit is $20,000.

The $900 annual leave payout will count toward her limit, so she can effectively earn $19,100 during the school year.

Her hourly limit is 550.

Example 2

John is retired and returns to work for a PSRS-covered K-12 school district as a part-time teacher. His work is not considered that of a substitute and does not fall under the temporary substitute teaching work limit waiver. Because teachers are required to have a DESE-issued certificate, his work is subject to the working after retirement limits on hours and salary.

The annual compensation payable for the teaching position is $40,000. His employer pays $3,000 per year toward health insurance premiums for active, full-time employees, and this amount should be included in the full-time annual base salary, even though the employer is only paying $2,000 toward John's health insurance.

$40,000 + $3,000 = $43,000

50% x $43,000 = $21,500

$21,500 - $2,000 (John's insurance) = $19,500

Therefore, he may earn $19,500 for the school year.

His hourly limit is 550.

Non-Certificated Part-Time Work

Unless you are working under Critical Shortage Employment (see page 83), non-DESE-certificated part-time work for a PSRS-covered K-12 school district or educational association is subject to the following salary limit.

Limit on Salary

- You can earn up to $28,249.20 during the 2023-2024 school year (July 1 – June 30).
- If you fill more than one non-certificated position at a covered K-12 school district or educational association, your combined, total salary limit is still $28,249.20.
- All salary you receive, including employer-paid health, dental and vision insurance premiums paid for you, payouts for unused leave, and any other payments or incentives received as a result of the employment, counts toward the $28,249.20 limit, unless you are working for the same employer in a position subject to limits on both hours and salary. In such case, your insurance premiums will count toward your salary limit for that position.

Example

Jane is PSRS retiree who returns to work for a PSRS-covered K-12 school district as a school bus driver. Because school bus drivers are not required to have a DESE-issued certificate, her work is subject to the $28,249.20 2023-2024 school year salary limit. At the district where she works, the annual compensation payable for a school bus driver is $14,000. Her employer is not paying anything toward her health insurance. Therefore, Jane will be able to work the entire school year as a bus driver without impact on her service retirement benefits.

Full-Time Work for PSRS-Covered K-12 School Districts

The limits on full-time work for PSRS-covered K-12 school districts and educational associations depend on whether or not the position requires a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

Certificated Full-Time Work

If you work full-time for a PSRS-covered K-12 school district in a position subject to limits on hours and salary, you are no longer eligible for PSRS 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.

Non-Certificated Full-Time Work

Because there is no limit on hours worked in non-DESE-certificated positions at K-12 school districts, your work may be full-time until you reach your salary limit. See the previous section for more information.

Work for a PSRS-Covered Community College

Part-Time Work

Unless you are working in Critical Shortage Employment (see page 83) or substitute teaching (see page 78), any part-time or temporary-substitute work for a PSRS-covered public two-year (community) college is subject to limits on both the number of hours you can work each school year and the salary you can earn each school year.

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).
- Hours that you volunteer while also working for the same employer in a paid position that is subject to these limits on hours and salary will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different.** See page 85 for more information on volunteering.
- If you teach at a PSRS-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.

Limit on Salary

- You can earn up to **50% of the annual compensation payable** under the PSRS-covered employer's salary schedule for the position or positions, given your level of work experience and education.
- If the position is not subject to the employer's salary schedule, please contact your employer for information on how to determine your salary limit.
- If you fill more than one position subject to limits on both hours and salary, the 50% salary limit is based on the annual salary of the **highest paid** position in which you work **at least 20%** of your total hours during the year.
- For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

Example

Collin is retired and returns to work for a PSRS-covered community college as an adjunct professor, part-time. His work is subject to the working after retirement limits on hours and salary.

The annual compensation payable for the position is $40,000. His employer pays $5,000 toward Collin's health insurance.

$40,000 + $5,000 = $45,000

50% x $45,000 = $22,500

His 50% salary limit is $22,500.

The $5,000 his employer pays toward his health insurance premiums counts toward this limit, so he can earn $17,500 before reaching his salary limit.

$22,500 - $5,000 = $17,500

His hourly limit is 550.

Because he is paid by the credit-hour, he will use the following conversion to determine the clock hours he will track against his hourly limit.

1 credit hour = 30 clock hours.

Full-Time Work

If you work full-time for a PSRS-covered community college in a position subject to both hourly and salary limits, you are no longer eligible for PSRS 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.

Work for Third-Party Providers or as an Independent Contractor

Certificated Part-Time Work

Unless you are substitute teaching (see page 78), part-time or temporary-substitute work in a position normally requiring a DESE-issued certificate, for a third-party provider (such as a staffing agency) or as an independent contractor with work performed at a PSRS-covered school district is subject to limits on both the number of hours you can work and the salary you can earn each school year.

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).

Hours that you volunteer while also working for the same employer in a paid position that is subject to these limits on hours and salary will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different.** See page 85 for more information on volunteering.

Limit on Salary

- You can earn up to $16,500 each full school year (July 1 – June 30).
- If you work for **both** a third-party provider and also directly for a PSRS-covered employer, your salary limit may be calculated differently. Please contact us for more information.
- For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

Non-Certificated Part-Time Work

Work for a third-party provider or as an independent contractor in positions that are not DESE-certificated is not limited by law. However, if you work as an independent contractor, it is important to be sure you meet the IRS requirements to qualify, see page 83-84.

Other Working After Retirement Considerations

Critical Shortage Employment

Critical Shortage Employment is a legal provision that allows PSRS retirees to return to work for PSRS-covered employers while continuing to receive PSRS 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 PSRS-covered employer that has declared a critical shortage, you can work for up to 48 months without losing your PSRS 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 PSRS 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 Critical Shortage Employment as certified by your employer, the additional position(s) is subject to the separate limit(s) that apply, based on whether that position requires a DESE-issued certificate. See previous pages of this section for more information on those limits.

Example

Gary is retired and returns to work for a PSRS-covered school district as a physics teacher under Critical Shortage Employment. In addition, he will coach volleyball.

Under the Critical Shortage provision, Gary is limited to working a maximum of 48 months as a physics teacher.

His additional duty as a coach is subject to an annual salary limit of $28,249.20 for the 2023-2024 school year, since it is a non-certificated position and not part of his Critical Shortage Employment.

An employer can hire up to 1% of the total certificated and non-certificated staff, or five individual PSRS retirees, whichever is greater, to work under this provision. Employers must meet certain requirements and cannot use Critical Shortage Employment to fill the position of superintendent.

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

- 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

What is the difference between an employee and 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.

If you work after retirement as an independent contractor for a PSRS-covered employer in a position that does not normally require a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE), your work **does not** count toward the PSRS working after retirement limits.

However, unless you are substituting teaching (see page 78), work performed as an independent contractor for a PSRS-covered employer in a position normally requiring a DESE-issued certificate **does** count toward the PSRS working after retirement limits.

Working as a Consultant

Whether a position is referred to as "consulting" does not determine whether PSRS 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 PSRS 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 Limits

Working in Multiple Positions Subject to Limits

As a retiree, you may work simultaneously in more than one position subject to working after retirement limits.

If you work after retirement in multiple positions subject to different limits, you must track your work for those positions separately. You will receive information on each limit and the appropriate ***Working After Retirement Record*** forms to use for each.

Example

Wade is a PSRS retiree. He works as a part-time teacher for a PSRS-covered K-12 school district. His work is not considered that of a substitute and does not fall under the temporary substitute teaching work limit waiver. Because teachers are required to have a DESE-issued certificate, Wade's work in this position is subject to a limit of 550 hours per school year and an annual salary limit of no more than 50% of the annual compensation payable under the employer's salary schedule for the position, given his level of work experience and education.

The annual compensation payable for the teaching position is $40,000.

50% x $40,000 = $20,000

His 50% salary limit is $20,000.

His hourly limit is 550.

He also drives a school bus for the same employer. This is a non-certificated position. For this work, he is subject to a separate salary limit of $28,249.20 for the 2023-2024 school year with no limit on his hours.

Because the annual compensation payable for a school bus driver is $14,000 at the school district where Wade works, and his employer is not paying anything toward his health insurance, Wade will be able to work the entire school year as a bus driver without impact on his service retirement benefits.

He must track this work as a teacher separately from his work as a bus driver, against the specific limits for each.

Pro-Rated Limits on Work in the Year You Retire

During your first year of work after retirement, your limit(s) 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(s) for the school year.

Work Subject to Hours and Salary Limits
Pro-Rated Limits During First School Year After Retirement

Retirement Date	Maximum Hours You Can Work for the School Year	Maximum Salary Allowed for the School Year
July 1	550	50%
August 1	504	46%
September 1	458	42%
October 1	413	38%
November 1	367	33%
December 1	321	29%
January 1	275	25%
February 1	229	21%
March 1	183	17%
April 1	138	13%
May 1	92	8%
June 1	0	0%

Work Subject to Only a Salary Limit
2023-2024 Pro-Rated Limits During First School Year After Retirement

Retirement Date	Maximum Salary Allowed for the School Year
July 1	$28,249.20
August 1	$25,895.10
September 1	$23,541.00
October 1	$21,186.90
November 1	$18,832.80
December 1	$16,478.70
January 1	$14,124.60
February 1	$11,770.50
March 1	$9,416.40
April 1	$7,062.30
May 1	$4,708.20
June 1	$0.00

Volunteering for Covered Employers May Count Toward Limit on Hours

You can volunteer for a PSRS-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 PSRS-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.

Because you receive no salary for volunteer work, it will not have any impact on the payment of your benefits if your work is subject only to the $28,249.20 per school year salary limit.

What Happens if You Exceed a Limit?

If you exceed any of your working after retirement limits:

- You must notify PSRS immediately.
- Your benefits will 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 again ends or when a new school year begins on July 1.
- If you meet membership eligibility requirements, you must establish a subsequent PSRS membership and pay contributions to PSRS. See the next section for more information.

If you exceed a 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 PSRS Retiree

- If your post-retirement work for a PSRS-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

You are not eligible to receive retirement benefits for any month in which you earn service for employment at a PSRS-covered employer.

If you earn a full year of service, PSRS must recover any benefits paid during that school year.

Example

Mark is retired. If Mark begins teaching full-time in August, his benefits stop beginning with the August benefit payment and PSRS 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, PSRS will repay his July benefit.

It is important to notify PSRS of the start and end dates of your PSRS-covered employment. PSRS 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 ***Proper Termination of Pre-Retirement Employment*** on page 76 for more information.

Reimbursing PSRS 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 PSRS 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 any limit that applies to you while working after retirement, you forfeit your benefits effective the month you exceed either 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 PSRS disability retirement benefits and are younger than age 60, you cannot be employed in any capacity by a PSRS-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 allowed, you forfeit your disability benefits and must be re-certified as disabled for them to resume. After age 60, you can work for a covered employer or for a third-party provider providing services at a covered school district, but applicable limits apply.

Record-Keeping Requirements

All PSRS 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 PSRS.

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 PSRS website.

If you work after retirement in multiple positions that are subject to different limits, you will need to track your work for those positions separately. You will receive information on each limit and receive the appropriate ***Working After Retirement Record*** forms to use for each.

You should not send a record form to PSRS 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 PSRS-covered employer, that employer reports the hours you work and salary you earn to PSRS each payroll period. Third-party providers also provide this information to PSRS on a regular basis.

Use PSRS Web Member Services to view your progress toward working after retirement limits 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 PSRS, so you may have worked more hours and/or earned more salary than what is reported online.

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

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

Record-Keeping Forms

You will receive a personalized record-keeping form that applies to your working after retirement situation. Blank forms can be found on our website, **www.psrs-peers.org**.

Frequently Asked Questions

Q. If I work in a position subject to the 550-hour limit, how many days in a school year can I work?

A. The law does not limit the number of days you can work as a retiree. If your work is subject to the 550-hour limit, 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 by employer. 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, including if you are:

- Required to have a planning period
- Given a lunch break and must remain at the school
- Required to grade papers
- Responsible for supervising students between events and when traveling

Q. The class I teach is only 50 minutes long. Do I count that as an hour (60 minutes) toward the 550-hour limit?

A. If you are only required to work 50 minutes, and you only work 50 minutes, then it is appropriate to count 50 minutes toward your 550-hour 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. 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 my limits?

A. The salary you receive for a paid holiday counts toward your salary limit. If you are also subject to a limit on your hours, the hours paid for that day do not count because you did not "work" the hours.

Q. What counts toward my salary limit?

A. For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment, including such things as gift cards and conference registration fees.

Q. If I exceed my working after retirement limit(s), when do my benefits stop?

A. Your benefits are put on hold effective the month you exceed a limit. Benefits do not resume until the month after your employment ends or 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 my working after retirement limit, how much of my benefits will I lose?

A. The entire benefit for the month you exceed the limit(s) 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 your employment or on July 1 at the start of a new school year.

Q. If I accept a coaching position at a covered K-12 school district, what is my working after retirement limit?

A. Post-retirement work as a coach (a non-certificated position) is subject to a $28,249.20 salary limit for the 2023-2024 school year and no limit on hours.

Q. Do working after retirement limits also apply to disability retirees?

A. If you receive PSRS disability retirement benefits and are younger than age 60, you cannot work in any capacity for a PSRS-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 PSRS retirement date, you cannot be under a written or unwritten agreement for employment at a PSRS-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 PSRS benefits.

Q. If I work in a non-certificated position for one K-12 school district and also in a certificated position for another K-12 school district, what are my limits?

A. In this case, you would have separate limits for each position. Work in certificated positions for PSRS-covered K-12 school districts is subject to the 550-hour and 50% of salary limits, while work for PSRS-covered K-12 school districts in non-certificated positions is subject to a salary limit with no limit on hours. The work for the two jobs must be tracked separately.

The same holds true if you work for the same PSRS-covered K-12 school district in two positions, one certificated and one that is not.

Example

Faye is a retired teacher who works as a regular part-time teacher at a PSRS-covered K-12 school district. Her work is not considered that of a substitute and does not fall under the temporary substitute teaching work limit waiver. Because this is a certificated position, her work is subject to a limit of 550 hours per school year and an annual salary limit of no more than 50% of the annual compensation payable under the employer's salary schedule for the position, given her level of work experience and education.

She also drives a school bus for the same school district. This is a non-certificated position. For this work, she is subject to a separate salary limit with no limit on her hours.

Q. Can I work in a non-certificated position for a PSRS-covered K-12 school district and also work at a covered school while employed by a third-party provider in a position that requires a DESE-issued certificate?

A. Yes. You could work in a certificated position for a third-party provider at a PSRS-covered K-12 school district under the 550-hour/50% of salary limits, and also work directly for a PSRS-covered K-12 school district in a non-certificated position with the separate salary limit and no limit on hours worked in that position.

Q. If I work in both a certificated position and a non-certificated position concurrently for the same PSRS-covered K-12 school district, toward which of my salary limits is my employer-paid insurance counted?

A. In this case, any employer-paid insurance premiums for you, the member, will count toward your 50% salary limit for work in the certificated position and not toward your salary limit for the non-certificated position.

Q. On what is the salary limit for work in non-certificated positions based?

A. Starting August 28, 2023, the annual salary limit for PSRS retirees working in non-certificated positions has increased to 133% of the Social Security earnings limit for persons under full retirement age. For the 2023-2024 school year, that means you can earn up to $28,249.20 as a PSRS retiree working in a non-certificated position at a covered employer. Please note, this limit is subject to change each school year.

Q. If I work in more than one non-certificated position subject to only a salary limit, does the salary limit increase?

A. No. No matter how many eligible positions are worked the total, annual limit on salary is the same.

Q. What are some examples of non-certificated positions in which a PSRS retiree might be employed and be subject to a salary only limit?

A. Possible positions include:

- Coach
- School bus driver
- Paraprofessional/teacher aide
- Speech-language pathologist
- Audiologist
- School psychologist
- School nurse
- Occupational therapist
- Interpreter for the deaf
- Language translator
- School/home coordinator
- Career education teacher aide

This is not a complete list. Please check with your employer to be sure you understand whether your position requires a DESE-issued certificate.

Other Post-Retirement Considerations

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 PSRS 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 PSRS retiree is the option to participate in your last PSRS-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 PSRS-covered employer for specific information about the health insurance coverage available to retirees and their family members. PSRS 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?

PSRS and Divorce

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

PSRS is a public pension fund and, unlike private pension funds, PSRS 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, PSRS 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, PSRS funds also cannot be divided in a divorce. However, while PSRS 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, PSRS will prepare an affidavit providing the current value and status of the member's retirement benefits for use in divorce proceedings. In all cases, PSRS will honor only rulings, orders and directives concerning PSRS retirement benefits that are made in accordance with Missouri law.

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

Divorce While Receiving PSRS Service Retirement Benefits

Beneficiary Removal

If you divorce after PSRS 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
- The $5,000 death benefit

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 PSRS.

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 PSRS.

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.

PSRS 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 and you divorce after you retire, and 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 PSRS Disability Retirement Benefits

If you divorce after PSRS 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 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 on our website or by contacting our office.

Staying Informed about Your Retirement System

Annual *Benefit Statement*

Before receiving your first benefit payment, you will receive notice from PSRS 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 PSRS Web Member Services at **www.psrs-peers.org**. Access to your membership information online requires you to 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 PSRS 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 PSRS, 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 PSRS.

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 PSRS 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 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 PSRS, 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 PSRS 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 a Joint-and-Survivor benefit plan if you designated your spouse at retirement, your spouse dies, and you remarry. In this case, you can designate a new spouse as 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 are 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 PSRS 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 PSRS as your beneficiaries. Your beneficiary may be eligible for one of the following types of PSRS 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
- Monthly dependent-based benefits may be payable to a qualified spouse, dependent children or dependent parents. These benefits are based on a percentage of your last full year of salary while working in PSRS-covered employment, or
- Lifetime monthly retirement-based 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 PSRS. These benefits may begin immediately or be delayed based on when you would have become eligible for PSRS service retirement.

See pages 36-42 for more information.

$5,000 Death Benefit

At PSRS service or disability retirement, you can designate a beneficiary to receive a one-time, lump-sum death benefit of $5,000. You may designate an individual(s), a legal entity(ies), an established trust or your estate. Your designation can be changed any time by filing logging in to Web Member Services or by submitting a new ***$5,000 Death Benefit Beneficiary*** form, available on our website or from our office.

The $5,000 death benefit is not life insurance. It is a taxable distribution payable to a beneficiary you designate. If your beneficiary is a spouse, he or she can roll it to a qualified retirement plan to avoid incurring an immediate tax liability. If your beneficiary is someone other than a spouse, he or she can roll it to an IRA established as an inherited IRA.

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 to provide the greatest financial protection for your family. See pages 50-55 for more information on designating beneficiaries under the different benefit plans, or contact us.

If you do not have a valid beneficiary designation on file with PSRS, 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.

PSRS 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

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.

PSRS Members and Social Security

As a member of PSRS, you are a member of a defined benefit, or DB, retirement plan that, upon retirement, will provide you with predictable retirement income for life, no matter how long you live. Your PSRS retirement is funded through investment earnings of the System, and contributions made by you and your employer.

Most PSRS members employed by public school districts and two-year public colleges covered by PSRS **do not** contribute to the federal Social Security program on their PSRS-covered earnings. There are no provisions of law that allow individual PSRS members to choose to participate in Social Security. Social Security participation is based on the school district you work for and your position.

You may qualify for Social Security benefits based on other, non-PSRS-covered employment, or through a spouse or ex-spouse. These Social Security benefits may be reduced if you also qualify for PSRS benefits.

PSRS Positions Covered by Social Security

A limited number of members have PSRS service and Social Security credit for employment at the five state regional universities, the three state colleges, the Missouri Department of Mental Health and the Missouri Department of Corrections (see page 23). The PSRS contributions and benefits applicable to such employment are two-thirds the value of those stated herein for public school service.

In some cases, if your employer and the State Social Security Administrator determine that your position is subject to Social Security contributions, your earnings are subject to Social Security taxes and two-thirds of the normal PSRS contribution rate, as required by law. Attainment of PSRS retirement eligibility, calculation of your final average salary and service are not affected by the Social Security coverage.

Members paying into PSRS at two-thirds the normal PSRS contribution rate will have benefits for affected years of employment calculated at two-thirds the normal benefit amount, and will also receive Social Security units based on their earnings. Age and service requirements for PSRS benefit eligibility, however, are the same for all members.

If you are unsure whether your position is affected, contact your employer.

Possible Reductions in Your Social Security Benefits

You may qualify for Social Security benefits if you have 40 units (a minimum of 10 years) of Social Security-covered employment. You may also be eligible for benefits from Social Security through your spouse or ex-spouse (living or deceased).

If you qualify for PSRS retirement benefits and also for Social Security benefits either because you have sufficient Social Security-covered employment or through a spouse, two Social Security laws could cause a reduction in your Social Security benefit. These laws are the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These laws apply beginning with the first month you receive both a PSRS and a Social Security benefit.

Your Social Security benefits may also be reduced if you take a refund of your contributions and interest while eligible for PSRS service retirement benefits.

The Windfall Elimination Provision (WEP)

Who is affected? The WEP affects individuals who earn a pension from work not covered by Social Security (like most PSRS members) and also work at other jobs that are covered by Social Security long enough to qualify for Social Security benefits.

How does it work? The Social Security program is designed to give lower-paid workers a higher percentage of their pre-retirement income. PSRS members who do not pay Social Security taxes on their income appear to be lower-paid workers on their Social Security records. Their Social Security benefits are, therefore, calculated giving them a higher percentage of their pre-retirement income, resulting in a "windfall" or unintended gain. The WEP prevents this windfall by reducing their Social Security benefits. The benefit is usually reduced about 50%, but it cannot be reduced to zero.

Are there exceptions? The WEP does not apply to members who have 30 years of "substantial" Social Security earnings.

The Government Pension Offset (GPO)

Who is affected? The GPO affects individuals who earn a pension from work not covered by Social Security (like most PSRS members) and who also qualify for spousal Social Security benefits.

How does it work? Spousal Social Security benefits are designed to compensate spouses who are financially dependent on their working spouse. Spouses who work and earn wages are not considered dependents, and they have a reduction applied to their spousal benefits based on their own wages reported to Social Security. Similarly, for PSRS members who have not paid Social Security taxes, the GPO applies a reduction that equals two-thirds of their PSRS benefits which typically eliminates their entire spousal Social Security benefit.

Are there exceptions? For PSRS members who work their last five calendar years paying two-thirds the PSRS contribution rate and also pay Social Security taxes, the GPO may not apply.

WEP and GPO At a Glance

	Windfall Elimination Provision (WEP)	Government Pension Offset (GPO)
Who is Affected	WEP affects individuals who earn a pension from work not covered by Social Security (like most PSRS members) and **also work at other jobs that are covered by Social Security** long enough to qualify for Social Security benefits.	GPO affects individuals who earn a pension from work not covered by Social Security (like most PSRS members) and who **also qualify for spousal Social Security benefits**.
How it Works	The Social Security program is designed to give lower-paid workers a higher percentage of their pre-retirement income. PSRS members who do not pay Social Security taxes on their income appear to be lower-paid workers on their Social Security record. Their Social Security benefits are, therefore, calculated giving them a higher percentage of their pre-retirement income, resulting in a "windfall" or unintended gain. The WEP prevents this windfall by reducing their Social Security benefits. **The benefit is usually reduced about 50%, but it cannot be reduced to zero.**	Spousal Social Security benefits are designed to compensate spouses who are financially dependent on their working spouse. Spouses who work and earn wages are not considered dependents, and they have a reduction applied to their spousal benefits based on their own wages reported to Social Security. For PSRS members who have not paid Social Security taxes, the GPO applies a reduction that equals two-thirds of their PSRS benefit which **typically eliminates their entire spousal Social Security benefit**.
Exceptions	The WEP does not apply to members who have 30 years of "substantial" Social Security earnings. Keep in mind, the GPO may still apply to a spousal benefit calculation.	For PSRS members who work their last five calendar years paying two-thirds the PSRS contribution rate and also pay Social Security taxes, the GPO may not apply.

We recommend that you contact Social Security at **(800) 772-1213**, visit their website, **www.socialsecurity.gov**, or visit your local Social Security office to determine how the WEP and GPO laws affect you. To get an accurate estimate of your Social Security benefit, you must inform them you will be receiving a PSRS benefit.

Questions to Ask Social Security About WEP and GPO

When you receive a benefit estimate from the Social Security Administration, or use their online benefit estimator, your Social Security benefit amount is not reduced by either the WEP or GPO formulas. You should specifically ask Social Security to calculate your benefits for you considering these laws.

When you contact the Social Security Administration, have the following information available:

- Your Social Security number and your spouse's, if married; and your previous spouses', if widowed or divorced
- PSRS ***Benefit Estimate***
- Expected PSRS retirement date

Ask the following questions:

- Can you please explain WEP (the Windfall Elimination Provision)?
- Can you please explain GPO (the Government Pension Offset)?
- Will my Social Security benefit be reduced because I am (or will be) receiving a non-Social Security-covered pension? If so, how much?
- Is this reduction avoidable?
- Am I eligible for spousal benefits from Social Security while receiving a public pension?

Request the following relevant fact sheets from the Social Security Administration or find them on the Social Security website:

- "The Windfall Elimination Provision," SSA Publication No. 05-10045 (relates to your own work experience)
- "Government Pension Offset," SSA Publication No. 05-10007 (relates to spouse's or widow's benefits)

Medicare Benefits for PSRS 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. The real question for PSRS members is whether or not you will have to pay a premium for Medicare coverage.

If you were hired by a PSRS-covered employer before April 1986 and have not changed employers since that time, you do not pay into Medicare on your PSRS-covered wages.

If you were hired by a PSRS-covered employer or have changed PSRS-covered employers since April 1986, 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.

If you are unsure if you have sufficient Medicare service on your record, or your spouses' records, to qualify for Medicare benefits, please contact them at 1-800-MEDICARE.

Important notes regarding Medicare:

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

There are four parts to Medicare:

- 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).

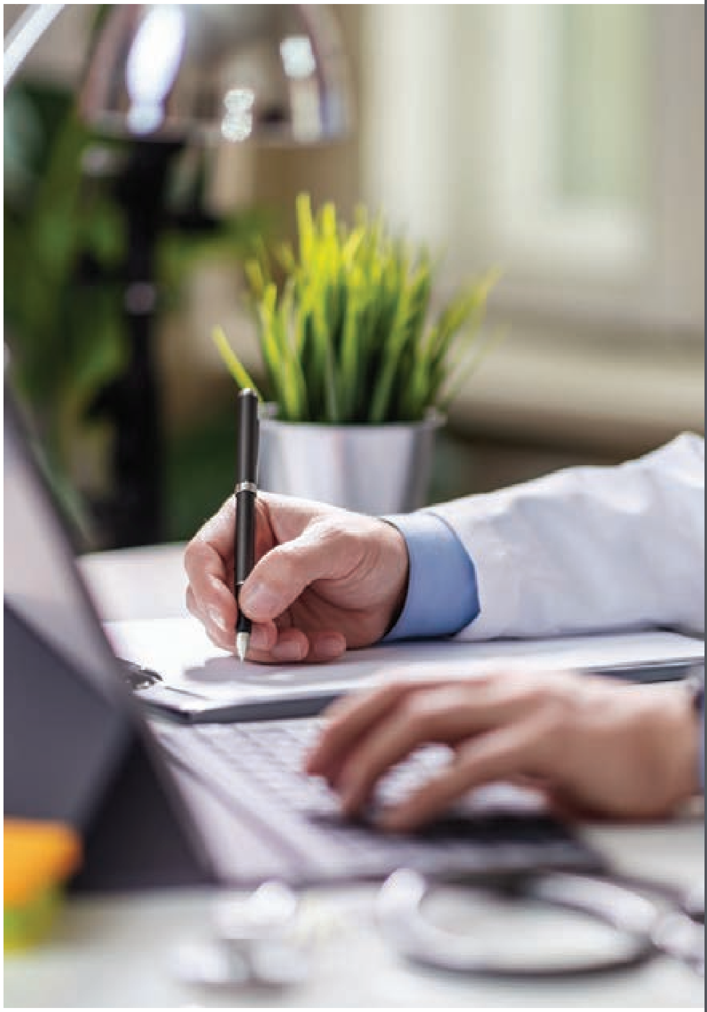
Part D - Prescription Drug Coverage

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

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

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

Medicare benefits may be payable under special circumstances 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.



Frequently Asked Questions

Q. If I am eligible for Social Security and Medicare benefits, at what age will they begin?

A. Reduced Social Security benefits are available at age 62; full benefits begin based on the year of your birth and no earlier than age 65. Medicare benefits begin at age 65 for most individuals.

Q. Can I avoid some of the reduction in my Social Security benefit based on my years of Social Security-covered employment?

A. If you have between 21 and 29 years of "substantial" Social Security earnings, the reduction under the WEP is applied on a sliding scale with each additional year of earnings giving you a higher percentage of your full benefit. With 30 years of substantial Social Security earnings, the WEP is totally eliminated. Keep in mind, the GPO may still apply to a spousal benefit.

Q. How will my Social Security benefit be affected if I take a refund of my PSRS contributions and interest in a lump sum and forfeit PSRS monthly benefits?

A. Social Security benefits may still be reduced if you take a refund of your PSRS contributions and interest.

Q. Is it to my advantage to take a refund of my PSRS contributions and interest and forfeit PSRS lifetime monthly benefits in order to receive Social Security?

A. You should weigh this decision carefully and consider factors such as:

- The amount of your benefits from PSRS and Social Security
- If the WEP or GPO will still apply to your Social Security benefits
- Possible cost-of-living adjustments from PSRS or Social Security
- The PSRS $5,000 Death Benefit
- Eligibility for health insurance through your PSRS employer

Q. If I name my spouse to receive PSRS benefits after I die, will his or her Social Security benefit be reduced?

A. In most cases, the answer is no, unless your spouse also receives a pension which he or she earned from a non-Social-Security-covered pension plan.

Q. Can I voluntarily choose to pay the full contribution rate to PSRS, rather than two-thirds the full rate, if I am also paying into Social Security based on my position?

A. No. There are no provisions within the law to allow individuals this choice.

Q. Is it possible that the WEP and GPO will be repealed?

A. Yes. However, according to Social Security, elimination of the WEP and GPO would have a 10-year cost of approximately $90 billion.

Social Security and Railroad Benefits

PSRS benefits, in almost all cases, are not affected by Social Security or railroad pension eligibility. However, Social Security and railroad pensions are often reduced because of PSRS benefits. If you qualify for Social Security or a Railroad Retirement pension, you may want to contact those offices to determine if your PSRS benefit will affect that pension.

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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).

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 PSRS age-reduced early retirement benefits. The age-reduction factor is based on a member's age at the time of PSRS retirement and is subject to change.

Basic Purchase Cost Calculation: The calculation used to determine the cost of most PSRS 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 PSRS member to receive benefits when the member passes away.

Benefit Factor: A multiplier used in the calculation of PSRS 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 PSRS benefits will be paid to the member, and in some cases, to beneficiaries. PSRS 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 PSRS to help fund benefits. Member contributions are automatically deducted from salary pre-tax while working in covered employment and submitted to PSRS by the employer. The contribution rate is set each school year by the PSRS/PEERS Board of Trustees based on the recommendation of the Systems' 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 PSRS 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 PSRS benefits.

Defined Benefit Plan: A plan that uses a definite formula by which employee benefits are calculated. Also called a DB plan. PSRS 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 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. PSRS 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 PSRS 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) Caps: In determining Final Average Salary, PSRS disregards any increase in salary in excess of 20% from one year to the next for school years 1997-1998 through 2006-2007. This changed to 10% for salary earned after August 28, 2007, resulting in a blended cap of 12% for the 2007-2008 school year, and a 10% cap from the 2008-2009 school year forward. These caps do 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.

$5,000 Death Benefit: A one-time, lump-sum taxable distribution payable to a designated beneficiary at the death of a PSRS retiree.

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 PSRS.

Insurable Interest: A person's financial interest in (financial dependence on) the continuing life of an individual as determined by PSRS. 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 PSRS benefits. PSRS 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 PSRS 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 PSRS to review applications for PSRS 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 PSRS-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 PSRS. 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 PSRS (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 PSRS 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 option that allows qualified members of PSRS 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 PSRS 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 PSRS service forfeited by taking a refund of PSRS 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 PSRS member as an employee of a PSRS-covered employer are subject to retirement contributions. Salary also includes, but is not limited to, payments for extra duties, overtime payments, career ladder payments, payments for overloads (e.g. extra hours taught) and additional courses, 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 PSRS retirement benefits. Years of service are also used to determine benefit amounts. In PSRS, service is earned through covered employment or, if a member meets eligibility requirements, service can also be reinstated, purchased and transferred.

Service Purchase: Eligible PSRS members may purchase service toward their retirement for time spent on military, sick or maternity leave, or other qualified employment not covered by PSRS.

Service Retirement: PSRS 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 PSRS 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 PSRS 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. 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.

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. PSRS requires a separation period of one month from the PSRS 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: PSRS membership is automatically ended when a non-vested member is out of PSRS-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 PSRS.

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: PSRS 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 eligible service to qualify for a future retirement benefit without additional PSRS-covered employment. In PSRS, 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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