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 89,000 Missouri educators and their families achieve financial security during retirement.

Mission Statement

The Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS) 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 die 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 die 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

20-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 late summer 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

Jason Hoffman  
Chair  
Elected PEERS  
Member

Jason Steliga  
Vice Chair  
Elected PSRS  
Member

Dr. Kyle Collins  
Elected PSRS  
Member

Scott Hunt  
Appointed  
Member

Sharon Kissinger  
Appointed  
Member

Beth Knes  
Appointed Retired  
Member

Dr. Melinda Moss  
Elected PSRS  
Member
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.

Pre-Retirement Planning Seminars are geared to members who are within five years of retirement, but all members, as well as 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 file paperwork. Registration is required since space is limited.

Seminars are held throughout the year, across the state at various locations. Additionally, seminars are held on a smaller scale (up to 15 members) on the third Friday of every month at the PSRS office in Jefferson City. A personalized retirement packet, including 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.

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

**Retirement Education Webinars** are held at different times during the school year providing information on a variety of retirement-related topics. Information and online registration is available on our website.

**In-School District Programs**

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

**Early/Mid-Career Meetings** provide members who are just starting out, or who are in the middle of their careers, with a general overview of PSRS, including the many advantages of being a part of a defined benefit plan.

**Pre-Retirement In-Service** meetings are for those within seven to 10 years of retirement eligibility, but all members are welcome to attend. These meetings give a more in-depth overview of information related to preparing for retirement, including the types of benefit plans offered, when to file paperwork and considerations for working after 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 15-minute, individualized session with one of our retirement counselors at their school district. A list of available appointments is provided by school officials so members can choose the slot best for them.

**Publications**

The following publications are available to PSRS members and retirees by calling (800) 392-6848 or emailing psrspeers@psrspeers.org. Many publications are available on our website, including this handbook.

**For Your Benefit** – This newsletter informs members who have not yet retired about legislation, benefits and retirement-related news. It is emailed or mailed to all actively employed PSRS members, as well as those who are not retired, have funds with PSRS, but are not presently working in covered employment. It is also available 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 available on the PSRS website.

**Comprehensive Annual 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 annual report includes membership and retiree statistics, information about PSRS/PEERS’ investments, a statement of plan net assets, System expenses and revenues, and actuarial information. It is available on the PSRS website.

**PSRS Retirement Planning Guide** – This booklet contains detailed information about retirement planning, understanding a PSRS Benefit Estimate, purchasing service and working after retirement. It is distributed to individuals who attend Pre-Retirement Planning Seminars, visit our office for retirement counseling or request a Benefit Estimate.

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

**Website**

Our website, [www.psrs-peers.org](http://www.psrs-peers.org), provides access to many PSRS publications, forms and videos on a variety of retirement-related topics, as well as a live chat feature to contact our Information Center.

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.

You can update your contact information 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.
- Go green and sign up to receive your PSRS information electronically by updating 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, using the live chat on our website www.psrs-peers.org, or by phone at (800) 392-6848.