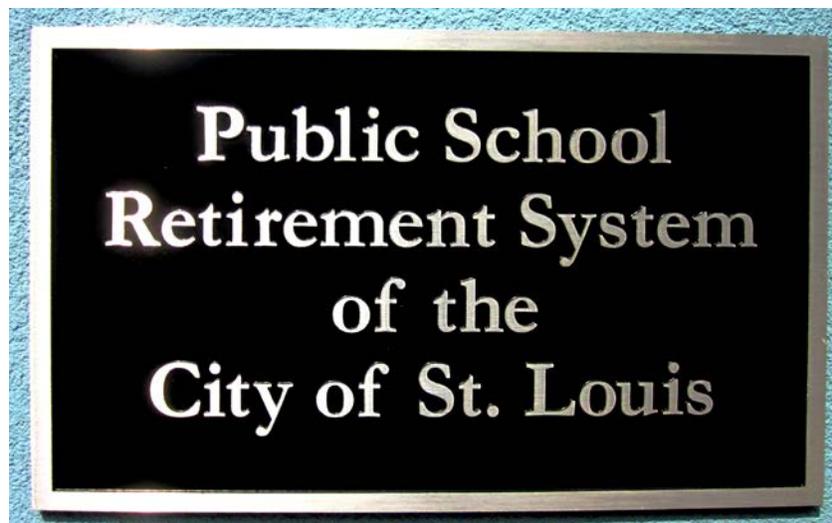


# Member Handbook



**Public School Retirement System  
of the City of St. Louis**

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## Introduction

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The Public School Retirement System of the City of St. Louis (PSRSSTL) was established January 1, 1944. PSRSSTL provides Retirement Benefits for Employees of the St. Louis Public School District, PSRSSTL, Charter Schools located in the St. Louis Public School District, and certain past Employees of Harris-Stowe State College.

PSRSSTL Members are covered by and eligible for Social Security benefits in addition to PSRSSTL Pension Benefits.

Pension Benefits are funded by member contributions, Employer contributions and investment earnings on PSRSSTL assets. All eligible Employees of the St. Louis Public School District, PSRSSTL, and Charter Schools located in the St. Louis Public School District are required to participate.

This Member Handbook contains a summary of the Plan's primary benefit provisions. These provisions apply to all Active Members with exception of a few members electing to remain under statutory provisions of the State of Missouri in effect on October 13, 1961 (the "Old Plan").

The details of eligibility for PSRSSTL Retirement Benefits are described in the Missouri Revised Statutes and the PSRSSTL Rules and Regulations. In any circumstance where there appears to be a discrepancy between this Member Handbook and the Missouri Revised Statutes or the PSRSSTL Rules and

Regulations, Missouri law and the PSRSSTL Rules and Regulations will govern the outcome.

In today's world of uncertainty and increasing life expectancy, retirement planning has become more important than ever. We hope this Member Handbook will be useful to you during your retirement planning efforts.

As you read this Member Handbook, you will notice some terms written with the first letter of a word capitalized. This means that the term has specific importance, unique to PSRSSTL, which may be different from its common interpretation. To ensure you reach a clear understanding of the information in this Member Handbook, please refer to the definitions provided in Appendix A.

For additional information about PSRSSTL, please visit us online at [www.psrstl.org](http://www.psrstl.org).

It is important to remember to update your PSRSSTL Beneficiary designation when you experience a change in your personal status. For convenience sake, we have included a Beneficiary Designation Form at the end of this Member Handbook. If you ever need to update your Beneficiary designation, please complete a copy of the form, sign it, date it and return it to PSRSSTL at your earliest opportunity.

Please direct questions or concerns about this Member Handbook or inquiries about PSRSSTL Retirement Benefits to:

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**Public School Retirement System  
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## Eligibility for Benefits

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### Normal Pension

You will be eligible for unreduced Pension Benefits as a Vested member under a Normal Pension if:

- you have reached your 65<sup>th</sup> birthday, or
- the sum of your age plus your years of Credited Service equals 80 or greater. This is commonly referred to as the “Rule of 80.”

### Disability Pension

If you are an Active Member unable to perform your job duties due to physical or mental incapacity, you may be eligible for unreduced Pension Benefits under a Disability Pension if you meet all of the following conditions:

- ✓ you do not qualify for a Normal Pension, and
- ✓ you are Vested with at least five (5) years Credited Service, and
- ✓ you are recommended for a Disability Pension by the Medical Board, and
- ✓ your Disability Pension is approved by the PSRSSTL Board of Trustees.

Your Disability Pension Benefits will be subject to routine verification of your Disability status and limitations on your earnings from gainful employment.

### ❖ Disability Verification

If you are receiving Disability Pension Benefits, you must re-certify your Disability status once each year during the first five years and once in every three-year period thereafter until such time as you would have become eligible for a Normal Pension if you had continued to work.

If your Disability improves sufficiently enough for you to return to employment in your previous capacity, you should contact PSRSSTL immediately to discuss your situation with a retirement benefits counselor.

### ❖ Earnings Limitation

Your Disability Pension Benefit will be reduced if you are engaged in, or able to engage in, gainful employment that pays more than the difference between your monthly Disability Pension Benefits and the current rate of monthly Compensation for the position you held at the time of your retirement. For purposes of this Earnings Limitation provision, your monthly Disability Pension Benefits will include the PSRSSTL Disability Pension Benefits plus any Social Security disability benefits payable to you and your family due to your disabling condition.

### Early Pension

You will be eligible for reduced Pension Benefits under an Early Pension if:

- you are at least age sixty (60), and
- you are Vested with at least five (5) years Credited Service, and
- you do not qualify for a Normal or Disability Pension.

## **Amount of Benefits**

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### **Normal Pension**

If you were an Active Member on June 29, 1999 and you retire on or after June 30, 1999, or if you were hired after June 29, 1999, your Normal Pension Benefit will be equal to your number of years of Credited Service multiplied by your Average Final Compensation multiplied by 2.0%. If you were not an Active or Inactive Member on December 31, 2017, and you were hired on or after January 1, 2018, your Normal Pension Benefit will be equal to your number of years of Credited Service multiplied by your Average Final Compensation multiplied by 1.75%. Normal Pension Benefits will never exceed 60% of your Average Final Compensation.

Regardless of the provisions above, if you retire at or after attaining age 65 with at least five (5) years Credited Service, you will be entitled to a monthly Pension Benefit equal to \$10 for each year of Credited Service up to \$150.00 per month.

For an estimate of your Normal Pension Benefit, refer to your Annual Member Statement but remember that the benefit in your annual statement is merely an estimate. It will not reflect credit for Unused Sick Leave, and it may not reflect any period(s) of absence or other situations that could require an adjustment to your years of Credited Service.

### **Disability Pension**

If you qualify for a Disability Pension, your Pension Benefits would be equal to the greater of either (a) your Normal Pension calculated using your actual Credited Service on the disability retirement date as if you were age 65, or (b) one-fourth ( $\frac{1}{4}$ ) of your Average Final Compensation. Method (b) applies to Employees with five (5) to 12.5 years of actual Credited Service on the disability retirement date. Disability Pension Benefits will never exceed the amount a member would receive if they continued to work until Normal Retirement.

### **Early Pension**

If you elect an Early Pension (not to be confused with a Disability Pension), the amount of your monthly Pension Benefit will be calculated as if it were a Normal Pension but will be reduced by five-ninths of 1% (0.005556) for each month by which the date of your Early Pension precedes your Normal Retirement Date.

### **Payment Options**

If you do not elect one of the seven Payment Options (listed on the next page) at the time of your retirement, you will receive equal monthly Pension Benefits over your lifetime and no monthly Pension Benefits will be paid to a Beneficiary after your death.

As an alternative, you may elect a Payment Option that will coordinate your Pension Benefits with your estimated Social Security Benefits and/or that will pay you a reduced amount so that payments can continue to an Option Beneficiary after your death. Pension Benefits paid to your Option Beneficiary will continue for the remainder of their lifetime.

Usually, a member names their spouse as Option Beneficiary. However, you may name another individual, such as a child or parent. You may *not* choose an Option Beneficiary whose age would cause your Pension Benefit to be reduced by more than 50%. (See the Payment Option Reduction Table provided in Appendix B.)

### **Considerations in Naming an Option Beneficiary**

- Only one person can be named as your Option Beneficiary.
- The reduction in your monthly Pension Benefit will be determined by the age difference between you and your Option Beneficiary. The younger your Option Beneficiary, the greater the reduction in your monthly Pension Benefit.

## Amount of Benefits

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- After retirement, you may never change your Option Beneficiary under any circumstances.

### Benefit Payment Options

**Option 1** provides that upon your death for your monthly Pension Benefit to continue to your Option Beneficiary for the remainder of their lifetime.

**Option 2** provides that upon your death for one-half of your monthly Pension Benefit to continue to your Option Beneficiary for the remainder of their lifetime.

**Option 3** is like Option 1 except upon the death of your Option Beneficiary your monthly Pension Benefit will increase to what it would have been if you had not elected a Benefit Payment Option.

**Option 4** is like Option 2 except upon the death of your Option Beneficiary your monthly Pension Benefit will increase to what it would have been if you had not elected a Benefit Payment Option.

**Option 5** increases your monthly Pension Benefit prior to age 62 to an amount where your monthly Pension Benefit prior to age 62 will be approximately equal to the sum of your monthly Pension Benefit after age 62 plus your estimated Social Security Benefit.

**Option 6** is a combination of Options 1 and 5. Option 6 provides you an adjusted monthly Pension Benefit according to your estimated Social Security Benefits on the date you will attain age 62, or would have attained age 62. This option provides your Option Beneficiary upon your death with an adjusted monthly Pension Benefit for the remainder of their lifetime.

**Option 7** is a combination of Options 2 and 5. Option 7 provides you an adjusted monthly Pension Benefit according to your estimated Social Security Benefits on the date you will attain age 62, or would have attained age 62. This option provides your Option Beneficiary upon your death with one-half of an adjusted monthly Pension Benefit for the remainder of their lifetime.

Note: A Payment Option Reduction Table for Payment Options 1 through 4 is included as Appendix B of this Member Handbook. To obtain quotes for Payment Options 5, 6 or 7, you will need to provide PSRSSTL with an estimate from Social Security of your monthly Social Security benefit at age 62. If you do not provide an estimate from Social Security and choose Payment Option 5, 6 or 7, your benefits will be based on your final Compensation and age at the time of your retirement. If you choose one of the Social Security Payment Options, you should understand that your Pension Benefits will be reduced when you reach age 62 as if you had not selected one of these options. Survivor benefits payable to a Beneficiary under Options 6 & 7, other than the spouse of the Retired Member, shall not exceed 50% of the Actuarial Equivalent of the pension determined at the time of retirement.

### Retirement Effective Date

Your Retirement Effective Date will usually be the first day of the month following the month of your last compensated workday. However, your Retirement Effective Date cannot be earlier than the first day of the month following fifteen (15) days after the date on which PSRSSTL receives your completed Retirement Application or Disability Pension Application. An Application is considered complete when each Section of the Application is properly filled-out, signed and dated.

### Monthly Pension Payments

Monthly pension payments will be the amount of your monthly Pension Benefit less deductions you authorize such as premiums for health insurance coverage and withholdings for federal or state income taxes. Pension Benefits are paid one month in arrears on the 1<sup>st</sup> business day of the month. If there is a delay in processing your first pension payment, the first payment will equal an amount based on your Retirement Effective Date.

## Amount of Benefits

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### **Cost of Living Adjustments (COLA)**

The Plan does not provide Retired Members with a scheduled COLA. The Board of Trustees and Board of Education may at times grant ad hoc increases in monthly Pension Benefits to Retired Members and their Beneficiaries when there are viable funding sources available.

### **Purchasing Credited Service**

You may be eligible to purchase Credited Service with PSRSSTL that would permit you to retire earlier or receive an increased Pension Benefit. If you are interested in purchasing Credited Service, you should contact a retirement benefits counselor to request additional information and a price quote to determine the purchase cost for specific periods of service.

To be included as Credited Service in the calculation of your Pension Benefit, all purchases must be completed and paid prior to your retirement date.

#### *Types of Service that may qualify are:*

- Credit for service after converting from the Old Plan to the New Plan.

- Credit for service rendered in another public school district in Missouri or in another state.
- Credit for service rendered in a private school district in the State of Missouri.
- Credit for a period of involuntary layoff due to a staff reduction.
- Withdrawn Credited Service with PSRSSTL for which you received a Refund or Rollover.
- Credit for involuntary military service that interrupted your Credited Service with PSRSSTL.
- Credit for service that was not classified as Membership Service when it was rendered but would be classified as such under later statutes.
- Credit for up to five-tenths of a year of Credited Service if you are within five years of retirement eligibility and need additional Credited Service to qualify for an Early Pension.

## Death & Survivor Benefits

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### **Death of an Active Member with Five or More Years Credited Service**

#### Survivor Benefits

To be eligible for monthly survivor Pension Benefits, a Beneficiary must be a Dependent Beneficiary, which is defined as a:

- surviving spouse, or
  - person who was receiving one-half of his/her support from the deceased member when the member died.
- ❖ *If a Dependent Beneficiary is a surviving spouse, they may elect:*
- ✓ a Refund or Rollover of the member's Accumulated Contributions, or
  - ✓ an Option 1 lifetime benefit calculated as if the member had been age sixty (60) at death, plus \$60 per month for each unmarried dependent child of the deceased member who is under age twenty-two (22) and in the care of the surviving spouse, up to a maximum of \$180 per month.
- ❖ *If a Dependent Beneficiary is not a surviving spouse, they may elect:*
- ✓ a Refund of the member's Accumulated Contributions, or
  - ✓ an Option 1 lifetime Pension Benefit as if the member had been age sixty (60) at death.
- ❖ *Health Insurance for Dependent Beneficiaries*

Subject to applicable insurance plan eligibility provisions, a Dependent Beneficiary who elects an Option 1 lifetime monthly Pension Benefit may be eligible to enroll in health insurance coverage through PSRSSTL. If the Dependent Beneficiary electing an Option 1 lifetime monthly Pension Benefit is a surviving spouse, they may

also be able to enroll otherwise eligible children of the deceased member for medical, dental and/or vision insurance.

#### Death Benefits

If the person the deceased member has designated as their Beneficiary is not a Dependent Beneficiary, the Beneficiary will be entitled to a Refund of the member's Accumulated Contributions.

### **Death of an Active Member with at Least 18 Months Credited Service**

#### Survivor Benefits

To be eligible for survivor Pension Benefits, a survivor must be an Eligible Beneficiary, defined as a:

- surviving spouse, or
- Dependent Child: an unmarried dependent child of the deceased member who is under age twenty-two, or
- Dependent Parent: a parent receiving one-half of their support from the deceased member when the member died.

An Eligible Beneficiary may elect a Refund or Rollover of the member's Accumulated Contributions as permitted by applicable tax law, or

- (1) A surviving spouse who was married to the deceased member for at least one year may elect to receive a lifetime Pension Benefit of \$60 per month beginning at age sixty-two (62). A surviving spouse may receive this benefit after receiving the benefits described in (2) below.
- (2) A surviving spouse who is caring for dependent children may elect to receive \$60 per month plus \$60 per month for each Dependent Child who is in their care up to a maximum of \$180 per month or a total monthly Pension Benefit of \$240.

## Death & Survivor Benefits

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- (3) If no Pension Benefits are payable under (2), a Dependent Child may elect to receive \$60 per month. A maximum of \$180 per month may be paid to dependent children and divided evenly among them.
- (4) If no Pension Benefits are payable under (1), (2), or (3), a Dependent Parent, upon attaining age sixty-two (62), may elect to receive \$60 per month (if not remarried), or if there are two Dependent Parents, the benefit of \$60 per month will be shared.

### Death Benefits

If the person the deceased member designated as their Beneficiary is not an Eligible Beneficiary, the Beneficiary is entitled to a Refund of the member's Accumulated Contributions.

### **Death of an Active Member with Credited Service of Fewer than 18 Months**

The designated Beneficiary is entitled to a Refund or Rollover of the deceased member's Accumulated Contributions as permitted by applicable tax law.

### **Death of a Retired Member**

If a Retired Member who has not elected a Payment Option dies before receiving cumulative Pension Benefit payments which equal to or that exceed the amount of their Accumulated Contributions at retirement, the difference between the Accumulated Contributions and cumulative Pension Benefit payments shall be paid in a lump sum to their designated Beneficiary, otherwise, the contributions shall be paid to the estate of the Retired Member.

If a Retired Member and their Option Beneficiary die before receiving cumulative Pension Benefit payments equal to or that exceed the amount of the Member's Accumulated Contributions at retirement, the difference between the Accumulated Contributions and the cumulative Pension Benefit payments shall be paid in a lump sum to the Beneficiary of the person last entitled to the benefits, otherwise, the contributions shall be paid to the estate of that person.

## Miscellaneous Information

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### Contributions

In addition to investment earnings on assets, the Plan is funded by contributions based on Employee Compensation from Active Members and Employers. Prior to Plan year 2018, Employer contribution rates were determined annually by an independent actuarial valuation that measures the relative financial condition of the Plan. Beginning in calendar year 2018, the State of Missouri implemented set contribution rate schedules for both Active Members and Employers. For Active or Inactive Members hired on or before December 31, 2017, the Active Member contribution rate schedule is 5% for 2017, 5.5% for 2018, 6% for 2019, 6.5% for 2020, 7% for 2021, 7.5% for 2022, 8% for 2023, 8.5% for 2024, and 9% for 2025 forward. For Employees, who are not Active or Inactive Members on December 31, 2017, and who are hired on or after January 1, 2018, the Active Member contribution rate is 9%.

The amount of your contributions will not affect the amount of your monthly Pension Benefit under the Plan. Rather, your monthly Pension Benefit will be determined by the provisions that were in effect at the time of your retirement or employment separation. PSRSSTL maintains a detailed record of your account for income tax reporting after you retire or in the event you separate from employment and elect a Refund or Rollover of your Accumulated Contributions.

See the employment separation section on the next page of this Member Handbook for information regarding distributions of your Accumulated Contributions upon separation of employment.

- General History of Active Member Contributions

- ❖ Effective June 14, 1989, the Active Member contribution rate increased from 3% to 4% of Compensation. Employer contributions were determined on an annual basis and defined as the difference between the total contribution

required by the actuarial valuation and Active Member contributions.

- ❖ Since April 13, 1990, pursuant to Internal Revenue Code §414(h)(2), Active Member contributions have been collected on a before-tax basis as an Employer pick-up of Employee contributions.
- ❖ Effective July 1, 1998, the Active Member contribution rate increased from 4% to 4.5% of Compensation and Employer contributions were fixed for three years (1999-2001) at a rate of 8.03% of Compensation.
- ❖ Effective July 1, 1999, the Active Member contribution rate increased from 4.5% to 5% of Compensation.
- ❖ Effective January 1, 2018, the Active Member contribution rate increased for newly hired Employees from 5% to 9%, and began increasing in 0.5% annual increments from 5% to an eventual 9% cap in 2025 for current Employees.
- Member contributions are credited annually with interest earned at a rate established by the Board of Trustees. The current interest rate is 5% and subject to change.
- Members do not have access to their Accumulated Contributions while employed by a participating Employer or retired.
- Refund distributions of any Accumulated Contributions are only permitted after a Member's employment separation or death.

## Miscellaneous Information

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### Leave of Absence

Except as described below, you will not earn Credited Service during an unpaid leave of absence.

Therefore, an unpaid leave of absence during your employment may reduce your Credited Service and your Pension Benefit.

- *Sabbatical Leave.* You will earn Credited Service during a sabbatical leave with reduced pay; however, if your sabbatical leave occurs during the three-year period used to calculate your Average Final Compensation (AFC), your Pension Benefit will be adversely affected due to a lower AFC. To avoid this situation, you are allowed to make contributions to PSRSSTL, through a coordinated effort with your Employer, based on your unreduced Compensation at the time of your sabbatical leave.
- *Sick Leave or Workers' Compensation.* You may continue to earn Credited Service for a period of leave under the provisions of your Employer's sick leave or Workers Compensation programs provided your Employer pays PSRSSTL your required contributions during your absence as if you were actively working.

### Employment Separation

If you cease employment, other than for reason of death or retirement,

- you may withdraw your Accumulated Contributions in a lump sum (a "Refund"), or
- you may retain the tax-deferred status of the eligible portion of your Accumulated Contributions by electing to transfer ("Rollover") your eligible Accumulated Contributions to a traditional Individual Retirement Account (IRA), a 403(b) Tax Sheltered Account, a 401(k) or 457 Deferred Compensation Account or another plan qualified under Internal Revenue Code Section 401(a) as

permitted under applicable tax law at the time of your election, or

- you may elect to take part of your Accumulated Contributions as a Refund and part as a Rollover, or
- if you are not Vested and you do not request a Refund or Rollover of your Accumulated Contributions within thirty (30) days of receiving the Distribution Form mailed to you upon your employment separation, PSRSSTL reserves the right to process an involuntary Refund of your Accumulated Contributions in accordance with applicable tax law, or
- if you are not Vested at the time of your employment separation, PSRSSTL in most cases will maintain your Accumulated Contributions and credit interest on those Accumulated Contributions until such time as you request a Refund or Rollover. Upon your death, PSRSSTL will distribute your Accumulated Contributions to your Beneficiary. However, unless you become Vested, you will not be eligible for a monthly Pension Benefit, or
- if you are Vested at the time of employment separation, you may elect a Refund or a Rollover, or you may elect to become a Vested Inactive Member by leaving your Accumulated Contributions in the Plan.

### Becoming a Vested Inactive Member

- You will become entitled to Normal or Early Pension Benefits at any time after you satisfy the minimum eligibility requirements.
- The monthly Pension Benefit you receive will be based on your Credited Service, Average Final Compensation, and the benefit provisions that were in effect at the time of your employment separation.

## Miscellaneous Information

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- Interest will be credited on your Accumulated Contributions annually until you begin to receive your monthly Pension Benefits.
- If you die prior to receiving your monthly Pension Benefits, your Accumulated Contributions will be paid to your designated Beneficiary, if living, otherwise, your Accumulated Contributions will be paid to your estate.
- If you change your mind and decide to withdraw your Accumulated Contributions, you may do so at any time prior to beginning your monthly Pension Benefits. You will, of course, forfeit any future benefits upon the withdrawal of your Accumulated Contributions.

### Working after Retirement

- *Returning to Work from Normal or Early Pension*

If you are receiving Normal or Early Pension Benefits and become a contributing Active Member of PSRSSTL, your Pension Benefits will be suspended during such time and will resume upon your re-retirement. Your re-retirement Pension Benefits will include any benefits accrued under the Plan during this active membership period.

You may work as a part-time or temporary employee for up to sixty (60) days in any calendar year without having your Pension Benefits suspended and without becoming a contributing Active Member. For purposes of determining a day worked under this provision, any part of a day worked shall count as one day.

- *Returning to Work from Disability Pension*

If you retire with Disability Pension Benefits and you are restored to service as an Employee, your Disability Pension Benefits will cease and you will again become a contributing Active Member. Your subsequent retirement will include any benefits accrued under the Plan during any active membership period.

- ❖ If you are younger than age sixty (60) when you return to employment, your Credited Service at the time you began receiving Disability Pension Benefits will be restored, and the excess of your Accumulated Contributions at retirement over the cumulative Pension Benefit payments you received will constitute your new Accumulated Contributions.
- ❖ If you are age sixty (60) or older when you return to employment, your Disability Pension Benefits will cease. Pension Benefits will resume upon your subsequent retirement subject to a recalculation of benefits.

- *Retired Teacher Return to Work Program*

An Employer *may allow a teacher* receiving Normal or Early Pension Benefits to teach within the School District or teach or be an administrator in a Charter School for up to four (4) years without the Plan suspending Pension Benefits. To emphasize, an Employer should only place a retired teacher of the Plan in a position that improves student reading, including but not limited to remedial reading, the *Read to be Ready Program*, math, science and special education when there is no other candidate.

### Amending the Plan

Authority to implement benefit improvements and contribution increases rests with the Board of Education, subject to approval by the Board of Trustees.

### Claims for Benefits

Claims for Pension Benefits from the Plan must be submitted in writing on forms provided by PSRSSTL. If a properly filed claim for Pension Benefits is denied, the claimant will be advised in writing as to the reason for denial, the statute or regulation on which the denial was based, and, if appropriate, what action may be taken to perfect the claim. Claims for Pension Benefits that have been denied may be appealed in writing to the Board of Trustees.

## Income Taxes

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### Monthly Pension Benefit Payments

- Federal Income Tax. Except for any portion of your Pension Benefit that is attributable to after-tax contributions (generally, contributions you made prior to April 13, 1990 or Credited Service you purchased with after-tax funds), your Pension Benefits will be subject to federal income tax as ordinary income.
- Missouri Income Tax. Because PSRSSTL is a political subdivision of the State of Missouri, subject to certain earnings limits, up to 100% of your Pension Benefits will probably be excluded from Missouri income tax.
- Other States and Domiciles. Tax codes vary in other states and domiciles. If you live outside of Missouri, you should seek professional tax advice about the income taxability of Pension Benefits in your state or domicile.
- Federal Income Tax Withholding. Under the current IRS Tax Code, Pension Benefit payments are subject to federal income tax withholdings unless you elect in writing not to withhold federal income taxes.

For the purpose of applying federal income tax withholding requirements, your Pension Benefit payments will be treated as wages. In this regard, if you do not complete Form W4P, federal income taxes will be withheld from your Pension Benefit payments as if you were a married individual claiming three (3) withholding allowances.

You may change your income tax withholding at any time by filing a new Form W4P.

If you elect not to withhold federal income taxes, or if the amount withheld is insufficient, you may be subject to penalties under estimated tax payment rules.

- State Income Tax Withholding. Because your Pension Benefits may be excluded from state income tax, there is no requirement to withhold these taxes from your Pension Benefit payments; and, PSRSSTL will only withhold Missouri state income taxes from your Pension Benefit payments upon your written request.

### Lump Sum Distributions

If you become eligible for a lump sum distribution (a “Refund” or “Rollover”) of your Accumulated Contributions due to employment separation, or your Beneficiary becomes eligible to receive a distribution of your Accumulated Contributions due to your death, PSRSSTL will provide you, or your Beneficiary, with detailed information about federal income tax and withholding requirements. The information will include the amount of the distribution that might be eligible for Rollover to an Individual Retirement Account (IRA), another retirement plan or another employer’s pension plan and instructions for making such a Rollover. Taking advantage of any Rollover opportunities that might be available may enable tax-favored treatment of the distribution.

### Form 1099-R

No later than January 31st each year (or as required by federal law), PSRSSTL will provide you or your Beneficiary with Form 1099-R for any distributions from the Plan during the prior year. Form 1099-R will contain the amount of taxable payments made by the Plan as well as any income taxes withheld during the prior year.

## Health Care Benefits

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### Medical Insurance

Medical coverage is available to Retired Members and their eligible dependents. To better assist you during your transition to becoming a Retired Member, especially with regard to Medicare coverage, you should discuss your coverage options with PSRSSTL at least two months prior to retiring. This is important in order to coordinate benefits with Medicare or any other insurance provisions you may have to avoid any adverse affects on the continuity of your insurance coverage during the transition.

### Dental and Vision Insurance

Dental and vision insurance are also available to Retired Members and their eligible dependents but the plans offered by PSRSSTL may differ from the plans offered to active Employees.

### Enrollment

During the retirement process, PSRSSTL will assist you in completing the necessary forms to assure that you and your eligible dependents are properly enrolled in the insurance plans. Your enrollment for medical, dental and/or vision insurance will remain in force until you notify PSRSSTL in writing of your desire to cancel or change coverage.

If you do not enroll in PSRSSTL medical, dental or vision coverage at the time of your retirement, there are only two instances where you will be permitted to enroll at a later date. (1) You may enroll for medical coverage during the annual Open Enrollment Period in the year in which you become eligible for Medicare. (2) You may enroll within sixty days of an involuntary loss of other qualified and continued group coverage you have had while receiving Retirement Benefits.

#### Please Note

All PSRSSTL-sponsored insurance Retirement Benefits are subject to provisions of the PSRSSTL Group Insurance Enrollment and Dependent Eligibility for Medical, Dental and Vision Coverage Policies, federal and state law, and all other insurance plan documents such as the certificate of coverage.

### Costs and Plan Changes

PSRSSTL does pay a portion of the cost for your healthcare insurance Retirement Benefits. This means you pay the remaining cost, if any, for your own insurance and the total cost for any enrolled dependent(s).

Your share of the cost for any PSRSSTL coverage in which you enroll will be deducted from your monthly Pension Benefit payments; or, if your insurance costs exceed your monthly Pension Benefit payments, you must arrange to pay PSRSSTL directly. Premiums from “direct pay” members are due on the first day of each month of coverage and become delinquent on the last day of each month of coverage.

Each year, usually after the PSRSSTL Open Enrollment Period, medical, dental and vision insurance costs and benefit provisions are subject to change. You will receive advance written notice of any changes in costs or benefit provisions. PSRSSTL reserves the right to discontinue its healthcare insurance programs at any time upon a thirty-day written notice to its members.

### Survivor Coverage

Subject to verification by PSRSSTL of federal and state laws as well as other insurance plan eligibility provisions, surviving dependents covered under your medical, dental, and/or vision insurance Retirement Benefits at the time of your death may be eligible to continue coverage. In addition, such dependents may be able to change plans, for example, from one medical plan to another, during the annual Open Enrollment Period. Unless your surviving dependents had other qualified group coverage at the time of your death and enroll for PSRSSTL coverage within sixty days of involuntary loss of the other coverage, surviving dependents not covered under your medical, dental and/or vision insurance at the time of your death may not enroll for coverage going forward. Surviving dependents that do not receive monthly PSRSSTL Pension Benefits (or who are not legally dependent on a Beneficiary who does) are not eligible for survivor coverage but have certain continuation rights under federal and state law.

## **Definitions**

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### **Accrued Benefit**

A member's earned Pension Benefit under the Plan as of the date at which the determination of the Accrued Benefit was made, payable as an annual Pension Benefit beginning at Normal Retirement Age. The Accrued Benefit shall include the Plan's eligibility provisions, factors, and any optional forms of payment with which it is associated.

### **Accumulated Contributions**

The sum of Plan contributions deducted from a member's Compensation and credited to the member's individual account plus contribution payments made to purchase allowed service credit together with allowed interest credited to the member's account.

### **Active Member**

A person who is an Employee

### **Actuarial Equivalent**

An actuarially equivalent benefit is a benefit of equal value when computed on the basis of interest and mortality tables adopted by the Board of Trustees.

### **Average Final Compensation**

The highest average annual Compensation a member receives for any three consecutive years of their last ten years of Membership Service, or, if a member has fewer than three years of Membership Service, average Compensation over the entire period of Membership Service. In no event shall the average of the three consecutive years of service be fewer than thirty-six (36) months.

### **Beneficiary**

A beneficiary is a person other than the Retired Member who is designated to receive a Pension Benefit or other benefits of the Plan.

### **Board of Education**

The Board of Education or corresponding board of the School District

### **Board of Trustees**

The board responsible for administration of PSRSSTL

### **Charter School**

Any Charter School established pursuant to sections 160.400 to 160.420 of the Revised Statutes of the State of Missouri, and located, at the time it is established, within the School District.

### **Compensation**

The regular wages a member earns as an Employee, excluding any wages earned by a person who became a member after December 31, 1995 which exceed the annual limit set forth in §401(a)(17) of the Internal Revenue Code.

Generally, Compensation is deemed regular if it is expected to continue until retirement; however, Compensation includes temporary (but not total or permanent) payments made to an Active Member under the Workers' Compensation Act of Missouri. Compensation also includes extra Compensation to department heads and the Employer-paid cost of an Active Member's health and welfare benefits, but does not include overtime pay, the lump sum payout of unused vacation or sick leave, compensation for compensatory time off accruals, or special pay for services rendered in connection with extracurricular activities or summer school.

### **Credited Service**

Credited Service is computed on a calendar year basis and includes Membership Service, approved Prior Service, approved Military Service, purchase of service credit and credit for accumulated and Unused Sick Leave.

### ***Service to Employers Reporting Days-Paid***

Except for first and last years of service, Credited Service earned prior to January 1, 2001, is granted at a rate of one (1) year for any year during which a member received Compensation for at least one hundred (100) days. Credited Service for the first and

## Definitions

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last years of employment and for all years after December 31, 2000 is computed by adding the number of days for which a member received Compensation during the respective calendar years and allowing Credited Service for that proportion of a year or years that the sum bears to:

- a. one hundred and eighty (180) days for a member expected to work less than 211 days in a year, including holidays and vacation;
- b. two hundred and five (205) for a member expected to work 211 or more days, but less than 245 days in a year, including holidays and vacation;
- c. two hundred and thirty (230) for a member expected to work 245 days or more in a year, including holidays and vacation.

### Service to Employers not Reporting Days-Paid

Credited Service is based on compensation earned divided by annual compensation expected for a calendar year.

### Disability

A condition on which the Medical Board has granted certification that an Active Member is unable to perform their duties due to mental or physical incapacity, that such incapacity is likely to be permanent and that such member should be retired.

### Disability Pension Benefit

A monthly Pension Benefit payable to an Active Member who does not qualify for Normal or Early Pension Benefits, who is unable to perform their job duties due to a physical or mental incapacity and whose Disability is deemed likely to be permanent by the Medical Board. In a matter regarding Disability Pension Benefits, the determination of the Board of Trustees shall be final and conclusive.

### Distribution Form

A form prepared by PSRSSTL and mailed to a member upon their employment separation to advise them about the amount of their Accumulated

Contributions and options for distribution of the funds.

### Early Pension Benefit

A monthly Pension Benefit payable to an Active or Inactive Member who does not qualify for Normal or Disability Pension Benefits but satisfies the service and age eligibility requirements necessary for a reduced lifetime Pension Benefit.

### Employee

Any person regularly employed by the Board of Education, Board of Trustees or a Charter School. Employee shall also mean any person who is regularly employed by Harris Stowe State University, provided that person was employed at Harris Stowe State University prior to September 1, 1978 and did not become a member of the Missouri State Employees' Retirement System.

### Employer

The Board of Education, the Board of Trustees, a Charter School, and, for persons employed prior to September 1, 1978 who did not become members of the Missouri State Employees' Retirement System, Employer means Harris Stowe State University.

### Form W4P

A federal form used by members and Beneficiaries receiving monthly Pension Benefits and monthly Supplemental Pension Benefits to advise PSRSSTL of the amount of federal income taxes to withhold from their monthly benefit payments.

### Inactive Member

A former Active Member who has Accumulated Contributions and Credited Service on account with PSRSSTL.

### Medical Board

Physicians engaged by the Board of Trustees to provide determinations of Disability with respect to the provisions of the Plan.

## **Definitions**

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### **Member Handbook**

This Plan document is published by PSRSSTL with the intent to explain Retirement Benefits, provisions and procedures to Employees and Employers.

### **Membership Service**

Service granted to a member that is credited under the Plan; generally, service granted to an Employee after making the required member contributions.

### **Normal Pension Benefit**

A monthly Pension Benefit payable to an Active or Vested Inactive Member who satisfies the age or service and age eligibility requirements necessary for unreduced lifetime Pension Benefits.

### **Normal Retirement Age**

The age of the member on their Normal Retirement Date.

### **Normal Retirement Date**

The earlier of the date on which a member attains age 65 or on which a member satisfies the Rule of 80.

### **Option Beneficiary**

A contingent annuitant named by a member upon the election to have their Pension Benefits paid under one of the survivor Payment Options. The Option Beneficiary receives lifetime monthly survivor Pension Benefits after the death of the member.

### **Open Enrollment Period**

A time period offered, usually once each calendar year, in which eligible participants are permitted to make changes to their coverage in the PSRSSTL insurance plans.

### **Option Factor**

The percentage of a member's monthly Pension Benefit that will be payable if the member elects a survivor Payment Option.

### **Payment Option**

An alternative method of Pension Benefit payments elected by a member at the time of retirement which results in a different, yet Actuarial Equivalent, monthly Pension Benefit amount than what would have been paid had the member not elected the Payment Option.

### **Pension Benefit**

Pension Benefit means the monthly lifetime payments to a Retired Member or to a Beneficiary who becomes entitled to the payments.

### **Plan**

The Public School Retirement System of the City of St. Louis (PSRSSTL)

### **Prior Service**

Service rendered before PSRSSTL became operative on January 1, 1944.

### **PSRSSTL Office**

This is the location where staff conducts routine administrative functions for PSRSSTL and where any notice or communication with PSRSSTL or the Board of Trustees should be directed.

### **Contact Information**

Public School Retirement System  
of the City of St. Louis  
3641 Olive Street, Suite 300  
St. Louis, MO 63108-3601

Voice: (314) 534-7444  
Fax: (314) 533-0531  
Website: [www.psrssl.org](http://www.psrssl.org)

### **Public School**

A school of elementary, secondary or higher education that is open to the public, supported and maintained by public funds, and operated by the Board of Education, the Board of Regents or as a Charter School.

## Definitions

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### **Qualified Domestic Relations Order (QDRO)**

A legal judgment, decree or order issued in the property settlement of a marriage dissolution that assigns a portion of an individual's Pension Benefits to an alternate payee, generally the former spouse of the individual. Pursuant to §169.572 of the Revised Statutes of Missouri, which includes a reference to case law, a public school employee's Pension Benefits are not marital property subject to division by the court in a dissolution of marriage action. Therefore, PSRSSL does not recognize, accept or honor a QDRO related to a member's Pension Benefits.

### **Refund**

A cash distribution of Accumulated Contributions made to a member or Beneficiary due to employment separation or death.

### **Retired Member**

A former Active Member who is retired and receiving Pension Benefits

### **Retirement Benefit**

Retirement Benefit means the monthly lifetime Pension Benefit paid to a Retired Member or a Beneficiary who becomes entitled to the payments or any other benefit of the Plan.

### **Rollover**

A member or a member's Beneficiary who is eligible for and elects a distribution of the member's Accumulated Contributions may be able to retain the tax-deferred status of the eligible portion of those Accumulated Contributions by electing to transfer (Rollover) eligible Accumulated Contributions to a traditional Individual Retirement Account (IRA), a 403(b) Tax Sheltered Account, a 401(k) or 457 Deferred Compensation Account or another plan qualified under Internal Revenue Code Section 401(a) as permitted under applicable tax law at the time of the distribution.

### **Rule of 80**

When the sum of a member's age plus Credited Service equals 80 or greater, the member is deemed to have satisfied the Rule of 80 and becomes eligible for full Retirement Benefits under Normal Pension provisions.

### **School District**

The St. Louis Public Schools

### **Supplemental Pension Benefit**

A separate monthly benefit paid to Retired Members who qualify for the School District's Sick Leave Conversion Program. At the Retired Member's discretion, Supplemental Pension Benefits are paid over annualized periods of 36, 48, 60, 72, 84, 96 or 120 months.

This program was a limited offer to Employees of the School District who satisfied certain requirements to convert Unused Sick Leave deemed unnecessary to satisfy eligibility requirements for an unreduced Normal Pension to a Supplemental Pension Benefit. Employees should contact the School District for information about this program.

### **Unused Sick Leave**

If an Employer provides sick leave and permits members to accumulate sick leave days, upon retirement, death or separation from service, Unused Sick Leave, if any, will be added to Credited Service *and* age.

### **Vested**

"Vested" means the right to receive a Pension Benefit from the Plan by reaching the point in time when an Active or Inactive Member has earned five (5) years of Credited Service with PSRSSL or when an Active Member still employed by a Plan Employer reaches the age of 65.

# Payment Option Reduction Table

# Appendix B

### TO USE THIS TABLE

1. Calculate or estimate the amount of your monthly Pension Benefit.
2. Determine the difference in age between you and a potential Option Beneficiary. Disregard partial years in determining the difference in your ages.
3. From the table below, select the appropriate Age Difference to identify the Option Factor you would use for each Payment Option.
4. Multiply your estimated monthly Pension Benefit by the appropriate Option Factor to determine what your monthly Pension Benefit would be under each of the Payment Options.

### EXAMPLE

1. You have estimated that your pension benefit will be \$1,200 per month.
2. You want to name your spouse as your Option Beneficiary. Your spouse is 4 years, 8 months, and 11 days younger than you are, which would be equal to four full years.
3. After your death, you want your spouse to receive monthly payments in an amount equal to half of what you were receiving (Payment Option 2).
4. From the table below, use the Option Factor under Payment Option 2 where the Age Difference is 4 years. Your monthly Pension Benefit under Payment Option 2 would be \$1,200 multiplied by 87.9% ( $\$1,200 \times .879$ ) = \$1,054.80 per month.

- Payment Option 1:** The amount of your reduced Pension Benefit will be paid to your Option Beneficiary for life.
- Payment Option 2:** One half the amount of your reduced Pension Benefit will be paid to your Option Beneficiary for life.
- Payment Option 3:** Like Option 1, except, if your Option Beneficiary predeceases you, your monthly Pension Benefit will increase to what it would have been if you had not elected a Payment Option.
- Payment Option 4:** Like Option 2, except, if your Option Beneficiary predeceases you, your monthly Pension Benefit will increase to what it would have been if you had not elected a Payment Option.

Age Difference		Option Factors			
		Payment Option 1	Payment Option 2	Payment Option 3	Payment Option 4
<b>Option Beneficiary is younger by:</b>	10 years	73.6%	84.9%	72.8%	84.6%
	9 years	74.4%	85.4%	73.5%	85.0%
	8 years	75.2%	85.9%	74.2%	85.4%
	7 years	76.0%	86.4%	74.9%	85.8%
	6 years	76.8%	86.9%	75.6%	86.2%
	5 years	77.6%	87.4%	76.3%	86.6%
	4 years	78.4%	87.9%	77.0%	87.0%
	3 years	79.2%	88.4%	77.7%	87.4%
	2 years	80.0%	88.9%	78.4%	87.8%
	1 year	80.8%	89.4%	79.1%	88.3%
<b>Option Beneficiary is same age:</b>		81.7%	89.9%	79.8%	88.7%
<b>Option Beneficiary is older by:</b>	1 year	82.5%	90.4%	80.5%	89.1%
	2 years	83.3%	90.9%	81.2%	89.6%
	3 years	84.2%	91.4%	81.9%	90.0%
	4 years	85.0%	91.9%	82.6%	90.4%
	5 years	85.9%	92.4%	83.3%	90.8%
	6 years	86.7%	92.9%	84.0%	91.2%
	7 years	87.5%	93.4%	84.7%	91.6%
	8 years	88.3%	93.9%	85.4%	92.0%
	9 years	89.1%	94.4%	86.1%	92.4%
	10 years	89.9%	94.9%	86.8%	92.8%
<b>Factor to add or subtract for each year over 10 years</b>		0.8%	0.5%	0.7%	0.4%

### ADDITIONAL INSTRUCTIONS & INFORMATION

1. In no event will the Option Factor be greater than 99.0%.
2. If the Option Beneficiary is ten (10) or more years younger than the member, the Option 3 Factor will be equal to the Option 1 Factor less 0.8% and the Option 4 Factor will be equal to the Option 2 Factor less 0.4%.
3. Except in naming a spouse, a member may not name an Option Beneficiary who would cause a benefit reduction of more than 50%.
4. This table is only being provided as an estimator and is not intended to guarantee or warrant pension benefits.

**BENEFICIARY DESIGNATION FORM**

Complete this form in ink. Print or type every entry except your signature which is required at the bottom of the form.

**PRIMARY BENEFICIARY(IES)**

NAME (FIRST, MIDDLE, LAST)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP
STREET ADDRESS	CITY	STATE	ZIP CODE
NAME (FIRST, MIDDLE, LAST)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP
STREET ADDRESS	CITY	STATE	ZIP CODE
NAME (FIRST, MIDDLE, LAST)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP
STREET ADDRESS	CITY	STATE	ZIP CODE

**CONTINGENT BENEFICIARY(IES)**

NAME (FIRST, MIDDLE, LAST)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP
STREET ADDRESS	CITY	STATE	ZIP CODE
NAME (FIRST, MIDDLE, LAST)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP
STREET ADDRESS	CITY	STATE	ZIP CODE
NAME (FIRST, MIDDLE, LAST)	SOCIAL SECURITY NUMBER	DATE OF BIRTH	RELATIONSHIP
STREET ADDRESS	CITY	STATE	ZIP CODE

**TRUSTEE / ESTATE INFORMATION** complete the following information only if you named your trustee as a beneficiary.

NAME OF TRUSTEE / ADMINISTRATOR	TELEPHONE NUMBER OF TRUSTEE / ADMINISTRATOR
TITLE OF TRUST DOCUMENT	DATE OF TRUST DOCUMENT

**MEMBER INFORMATION**

PLEASE PRINT YOUR NAME (FIRST, MIDDLE, LAST)	YOUR SOCIAL SECURITY NUMBER	YOUR DATE OF BIRTH	YOUR TELEPHONE NUMBER
YOUR STREET ADDRESS	CITY	STATE	ZIP CODE

**I understand that this beneficiary designation**

- **revokes any prior beneficiary designation and may be changed at any time,**
- **is made pursuant to the statutes of the State of Missouri and the Rules and Regulations of the Retirement System in effect on the day of my death, and**
- **is not valid as a beneficiary designation with respect to the Benefit Payment Options available under the Retirement System.**

**X**  
YOUR SIGNATURE

**X**  
DATE OF SIGNATURE

**RETIREMENT SYSTEM USE ONLY**

DATE RECEIVED	RECORDED BY	DATE DUPLICATE RETURNED
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**Public School Retirement System  
of the City of St. Louis**

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