
CITY OF ST. LOUIS



EMPLOYEES RETIREMENT SYSTEM HANDBOOK



FRANCIS G. SLAY
MAYOR, CITY OF ST. LOUIS

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**EMPLOYEES RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**

Suite 900
1114 Market Street
St. Louis, MO 63101

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INTRODUCTION

This handbook is designed to help you understand your Retirement System. The fundamental purpose of this handbook is to provide reliable material as well as answer many of the questions most often asked by members. You will find this handbook to be a comprehensive source of information regarding the various aspects of the Retirement System.

A member who is considering retirement should be prepared emotionally, psychologically and financially. It is never too early to start thinking about retirement. The earlier you prepare for your retirement the better chance you have of assuring your financial obligations are met after retirement begins.

When you are preparing to retire, you should be sure to check all benefits available to you including Social Security. Benefits from the Retirement System and Social Security will be your total retirement income from your employment with an Employer of the System.

This handbook is only a general description of the ordinances and laws establishing the Employees Retirement System. It answers many of the questions you may have about your retirement plan. The laws themselves are the final authority in all cases of interpretation and should be consulted for specific details. The laws in effect at the time of retirement, death, or termination of membership determine benefits payable.

If you still have questions after reading this handbook, you may contact:

Employees Retirement System
Suite 900
1114 Market Street
St. Louis, MO 63101
(314) 622-3560

HIGHLIGHTS OF THE SYSTEM

Participation

All regular employees of the City of St. Louis and participating Employers, whose job is at least half-time annually, become members of the Retirement System upon employment.

Income for Life After Retirement

Benefits are paid monthly as long as the retiree lives.

In Addition to Social Security

Retirement benefits paid by the System plus Social Security will be your total retirement income from your employment with an Employer of the System.

Income Based on Earnings and Service

Retirement benefits are determined using your final average compensation and your years of service.

Retirement Age

You may retire with full benefits at age 65 or when your age and years of service total 85. Early retirement with reduced benefits is also available.

Benefits for Disability

Benefits may be payable following total and permanent disability.

Income for Your Spouse or Beneficiary

At time of retirement, you may elect to receive a reduced pension which will continue to your spouse or beneficiary following your death.

Survivor Benefits

Your spouse may qualify for benefits following your death.

Deferred Retirement Option Plan (DROP)

Benefits are available to members eligible for retirement who wish to continue in active employment.

Paying for Your Benefits

Your Employer and earnings on investments fund the full cost of your Retirement System. You are not required to contribute.

ADMINISTRATION OF THE SYSTEM

The Employees Retirement System of the City of St. Louis became operative April 1, 1960 by a municipal ordinance establishing the Retirement System under the authority of Senate Bill No. 329 of the 70th General Assembly of the State of Missouri. Since it's establishment, the System has been improved and modified by various legislation.

The Retirement System is operated under policies established by a six-member Board of Trustees consisting of:

1. The Comptroller of the City of St. Louis, ex officio;
2. Two Trustees appointed by the Mayor of the City of St. Louis for a term of two years;
3. Two Trustees elected by the members of the System for a term of two years;
4. One Trustee elected by and from the retirees of the System for a term of two years.

The Chairman of the Board of Trustees is elected by the Trustees by majority vote. The Director of Personnel of the City of St. Louis serves as Secretary of the Board of Trustees and is responsible for the day-to-day operation of the System with the assistance of staff.

The Board of Trustees is responsible for the establishment of policy and rules as may be necessary for the administration and operation of the Retirement System. Trustees are fiduciaries who shall discharge their duties solely in the interest of the participants and the beneficiaries. Among their responsibilities are determining investment strategy, establishing investment policy and selecting investment managers; retaining consultants on various technical aspects of operations; adopting actuarial assumptions such as interest rates and mortality tables; reviewing and ruling on applications for benefits.

MEMBERSHIP

All regular employees of the specified Employers whether performing city or county functions become members of the Retirement System upon employment, subject to exceptions noted hereafter. The following employees do not become members:

- Employees paid on an hourly or per performance basis;
- Training positions, as determined by the Department of Personnel;
- Annual employment of less than 50%;
- Members of other state or city retirement systems;
- Limited-term or other non-regular appointments.

Membership ceases upon termination of employment by resignation, discharge, death, retirement, layoff, or if, for any reason except military service, you are not on the payroll for more than twelve consecutive months.

MEMBER CONTRIBUTIONS

Prior to 1977, the plan required employee contributions. However, since 1977 the System is non-contributory. You do not contribute to the System.

EMPLOYER CONTRIBUTIONS

Each Employer of the Retirement System contributes at a rate established annually by the Board of Trustees. Employer contributions and earnings on investments cover the full cost of your benefits.

EXPLANATION OF THREE IMPORTANT TERMS

In order to understand the benefits payable by the Retirement System, three important terms must be understood first:

1. **FINAL AVERAGE COMPENSATION (FAC):** One-half the sum of (a) basic compensation for the two consecutive years of Creditable Service with the highest compensation and (b) the value of 25% of your sick leave balance at time of retirement.

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2. **CREDITABLE SERVICE:** Number of years and completed months of eligible service during which you receive compensation, beginning on the first day of the month following employment. Creditable Service may include service before April 1, 1960 for all employed on that date. Various ordinances apply if you have more than one period of employment. Your sick leave balance (in full months only) at time of retirement, not used in calculating your final average compensation or paid by your Employer, is converted to additional Creditable Service.

You may elect to use your sick leave balance to qualify for retirement.

3. **BENEFIT COMPENSATION BASE (BCB):** Amount of annual compensation based on the current Social Security Act. This is a means acceptable to the government for properly coordinating benefits of the System with benefits under Social Security. Under the benefit formula, the Final Average Compensation is divided between the part below and that part in excess of the BCB. The amount of your BCB depends upon your year of birth and the year in which you retire or terminate employment.

BENEFITS PAYABLE TO MEMBERS

NORMAL SERVICE RETIREMENT

You may begin normal service retirement on the first day of any month following your 65th birthday. The length of Creditable Service, the amount of your Final Average Compensation (FAC) and the amount of your Benefit Compensation Base (BCB) will determine the amount of your retirement benefit. Your benefit is computed in the following manner:

- (a) 1.30% of the FAC up to the BCB;
- (b) 2.05% of any FAC in excess of the BCB.

The sum of (a) and (b) is multiplied by the years of Creditable Service, and divided by 12 to determine the monthly pension payable during your lifetime.

The following examples are computed using \$41,712 as a BCB, which is in effect for members reaching normal retirement age during calendar year 2004.

EXAMPLE A: Member "A" worked from December 7, 1972 to January 31, 2004, thus having 31 years and 1 month of Creditable Service (31.08 years). His Final Average Compensation (FAC) was \$35,000.

EXAMPLE B: Member "B" worked from November 20, 1972 to February 29, 2004, thus having 31 years and 3 months of Creditable Service (31.25 years). Her Final Average Compensation (FAC) was \$45,000.

<u>EXAMPLE</u>		
	MEMBER "A"	MEMBER "B"
1. FAC up to BCB	\$35,000.00	\$41,712.00
2. Multiply by 1.30%	x .013	x .013
3. Total	<u>455.00</u>	<u>542.26</u>
4. FAC that is above BCB	None	3,228.00
5. Multiply by 2.05%	x .0205	x .0205
6. Total	None	<u>67.40</u>
7. Total lines 3 and 6	455.00	609.66
8. Multiply by years of Creditable Service	x 31.08	x 31.25
9. Annual Pension	\$14,141.40	\$19,051.88
10. Monthly Pension (Line 9 divided by 12)	\$1,178.45	\$1,587.66

EARLY SERVICE RETIREMENT

Early service retirement is age 60 with at least 5 years of Creditable Service, age 55 with at least 20 years of Creditable Service, or any age with at least 30 years of Creditable Service. You may defer your full benefit to age 65 or you may take a reduced benefit before age 65. If you begin your pension before age 65, your benefit will be reduced by 4% for each year prior to your normal service retirement date.

RULE OF 85 RETIREMENT

A special early retirement benefit without the usual reduction is available if your age plus Creditable Service at time of termination equals or exceeds 85. Your benefit is computed in the same manner as normal service retirement.

DISABILITY RETIREMENT

You are eligible for a disability pension if you have at least 5 years of Creditable Service and are totally disabled as determined by the Medical Board of the Employees Retirement System. Total disability is defined as being wholly prevented from engaging in any occupation for wage or profit. Your disability pension is computed in the same manner as normal service retirement.

VESTED ACCRUED BENEFIT

If you have at least 5 years of Creditable Service at time of termination of employment and not eligible for retirement, you will have a Vested Accrued Benefit determined and payable under the provisions of early retirement. You may elect pre-retirement death benefit coverage, provided that such election is made within six months following termination of employment. (See *SURVIVOR BENEFITS, TERMINATED MEMBERS.*)

MONTHLY BENEFIT OPTIONS

At time of retirement, you may elect one of the following three options. Your election is irrevocable after retirement.

1. **Life Only Benefit** - The regular pension benefit payable during your lifetime only.
2. **Joint and Survivor Annuity** - A reduced pension payable during your lifetime and which continues to your spouse for his/her lifetime following your death. Should your spouse predecease you, the **reduced** pension will continue for your life.
3. **Ten (10) Year Certain and Life Annuity** - A reduced pension payable during your lifetime, but in no case less than 120 monthly payments. If you should die before the guaranteed monthly payments have been paid, the **remaining** monthly payments will continue to your designated beneficiary until a **total** of 120 monthly payments have been paid.

SURVIVOR BENEFITS

ACTIVE MEMBERS

If you are eligible to retire at the time of your death, a monthly pension is payable to your spouse, calculated as if you had retired on the day of your death and elected the Joint and Survivor Annuity.

If you die as an active employee after completion of 5 years of Creditable Service but prior to your early retirement date, your spouse shall receive a pension on the date that you would have reached your early service retirement date.

TERMINATED MEMBERS

Within six months following your date of termination you may elect pre-retirement death benefit coverage in one of the benefit forms outlined below if you have at least five years of Creditable Service at time of termination:

1. **Surviving Spouse Coverage** - A reduced pension payable to your spouse for his/her lifetime.
2. **Ten (10) Year Certain Coverage** - A reduced pension payable to your designated beneficiary for 120 months.

Your election of pre-retirement death benefit coverage will have the following effect should you die before retirement:

- If your death occurs after you would otherwise be entitled to retire, your surviving spouse or 10-year certain beneficiary shall receive your pension as if you had retired on the day of your death and elected the surviving spouse or 10-year certain optional form of pension.
- If your death occurs prior to your early retirement date, your surviving spouse or 10-year certain beneficiary shall receive a pension on the date you would have reached your early retirement date. The pension shall be determined as if you had reached your early retirement date and elected the surviving spouse or 10-year certain optional form of pension.

The cost of pre-retirement death benefit coverage is borne entirely by you through a reduction in your pension benefit as detailed below:

Your pension would be reduced by 0.25% for each year that the coverage is in effect for ages prior to 55 plus 0.50% for each year the coverage is in effect for ages after 55. Your accrued benefit would be reduced by the amount of reduction accumulated while the coverage is in effect. This reduction is applicable even if you do not die before retirement.

For example, a member who terminates employment at age 40 and elects pre-retirement death benefit coverage then dies at age 60 would have his pension reduced by 6.25% to cover the cost of such coverage. This reduction represents 15 years of coverage at 0.25% plus 5 years of coverage at 0.50% per year $[(15 \times 0.25\%) + (5 \times 0.50\%) = 6.25\%]$.

In addition to the reduction factor noted above, the pension benefit may be further reduced by an early retirement factor and a surviving spouse or 10-year certain reduction factor.

If you decline to elect pre-retirement death benefit coverage and die before retirement, there are no pension benefits payable.

COST OF LIVING ADJUSTMENTS AFTER RETIREMENT

The monthly pension benefits of all retirees or beneficiaries will be adjusted according to the changes in the Consumer Price Index (U.S. city average index) as compiled by the U.S. Department of Labor. The first such adjustment will be made as of the second January 1 following retirement and will be based upon the CPI change for the previous 12 months ending September 30th. Subsequent adjustments will be made as of January 1 of each year.

Increases are limited to 5% each year, with total increases limited to 25%. If the CPI should decrease, pensions may be reduced, but not below what they were at retirement. No increase is made if the CPI increased by less than 1% since the previous adjustment.

REFUND OF MEMBER CONTRIBUTIONS

You may receive a refund of your accumulated contributions prior to retirement. At time of retirement, you may elect a refund or use this sum to purchase additional pension benefits. Your accumulated contributions are always refundable to you or your beneficiary.

DEFERRED RETIREMENT OPTION PLAN (DROP)

The DROP allows members who have reached retirement eligibility to begin receiving a pension benefit while continuing to work. The benefit is paid to a member's DROP account where it earns interest. No Creditable Service is earned during DROP participation. A member can participate in the DROP for a maximum of five years. Upon terminating from the DROP, the member can immediately retire or continue to work and resume earning Creditable Service. You may contact the Retirement System for a copy of the DROP Policy and Procedure.

TRANSFER/PURCHASE OF CREDITABLE SERVICE

You may purchase an additional period of creditable service if you are vested in the City Retirement System. You may acquire this service by: 1) using your own money and/or 2) using the value of your retirement benefit from a prior plan, if that plan has an agreement with the City. Contact the Retirement System for additional information.

APPLYING FOR BENEFITS

All applications for benefits must be made in person or by mail to:

**Employees Retirement System
Suite 900
1114 Market Street
St. Louis, MO 63101**

Customer service representatives are available Monday through Friday from 8:30 a.m. to 4:30 p.m. Limited service is available from 12:00 p.m. to 1:00 p.m. each day.

Retirements and participation in DROP are always effective the first day of the month. Your application for benefits must be made not less than 30 days and not more than 90 days prior to the effective date.

If you are insured under one of the City's health care plans, you may continue this coverage with deductions from pension payments.

FREQUENTLY ASKED QUESTIONS

The following questions and answers are provided for your information and guidance. If you are uncertain about any question or the answer to it, you may contact:

**Employees Retirement System
Suite 900
1114 Market Street
St. Louis, MO 63101
(314) 622-3560**

ADMINISTRATION OF THE SYSTEM

1. Q. ***Who operates the Retirement System?***
A. Policies and final decisions are made by a six-member Board of Trustees. The Secretary and staff handle the day-to-day administration.
2. Q. ***Who comprises the Board of Trustees?***
A. The Mayor appoints two Trustees, the Comptroller is an ex officio member, two are elected by and from the active membership and one Trustee is elected by and from the retirees of the System.
3. Q. ***How long is a Trustee's term?***
A. Two years.

MEMBERSHIP

4. Q. ***What "Employers" are covered by the Employees Retirement System?***
A. The City of St. Louis, as a city and as a county
St. Louis Public Library
St. Louis Art Museum
St. Louis Zoological Park
St. Louis Water Division
Lambert-St. Louis International Airport
Tower Grove Park
Mental Health Board
St. Louis Metropolitan Taxicab Commission
Metropolitan Police Department Civilian Employees
Police Retirement System of St. Louis
Firemen's Retirement System of St. Louis
Employees Retirement System of St. Louis

5. Q. ***What employees are eligible for membership in the City of St. Louis Retirement System?***

A. All employees of the specified Employers, except those excluded under the *MEMBERSHIP* section.

6. Q. ***When does a new employee become a member of the Retirement System?***

A. An eligible employee becomes a member of the Retirement System upon employment.

7. Q. ***When does membership terminate?***

A. Membership ceases upon termination of employment by resignation, discharge, death, retirement, layoff or if, for any reason except military service, you are not on the payroll for more than twelve consecutive months.

COST OF THE SYSTEM

8. Q. ***How is the Retirement System funded?***

A. The Retirement System is funded by Employer contributions and earnings on investments.

9. Q. ***How much does an Employer contribute to the Retirement System?***

A. Employers contribute at a rate determined annually by the Actuary and certified by the Board of Trustees.

10. Q. ***What deductions are made from my salary for the Retirement System?***

A. None. The Retirement System has been non-contributory since 1977.

11. Q. ***What is done with the money the Retirement System receives?***

A. The money is used to pay benefits and expenses, and to build accumulated reserves for future liabilities of the Retirement System.

CREDITABLE SERVICE

12. Q. ***What constitutes Creditable Service?***
- A. Creditable Service is the number of completed months of eligible service during which you receive compensation, beginning on the first day of the month following employment.
13. Q. ***If I have several periods of employment, do these count towards Creditable Service?***
- A. Once you accrue five years of continuous Creditable Service following re-employment, your prior period(s) of service will be combined. Various ordinances may apply allowing you to combine service sooner.
14. Q. ***Will I get Creditable Service while on approved Family Medical Leave (FMLA)?***
- A. Yes, but only for eligibility purposes.
15. Q. ***Will I get Creditable Service while on a non-FMLA leave of absence?***
- A. No.
16. Q. ***Can I get Creditable Service while in the Military Service?***
- A. Yes, if you enter the military service directly from your job and return to your employment within 90 days after being discharged.
17. Q. ***Will I receive Creditable Service for my sick leave balance at termination of employment?***
- A. Yes, if you are eligible for retirement at time of termination of employment and you have not been otherwise compensated for your sick leave, it will be converted to Creditable Service. Your sick leave balance does not affect Creditable Service if you are not eligible for retirement at time of termination of employment.
18. Q. ***Can I use sick leave to qualify for retirement?***
- A. Yes.

19. Q. ***Can I receive Creditable Service for prior employment covered under another retirement plan?***

A. Yes, if you are vested in the City Retirement System, you may purchase service credit for prior non-federal, public sector employment in the state of Missouri by using your own money and/or using the value of your retirement benefit in your prior retirement plan, if that plan has an agreement with the City.

NORMAL SERVICE AND EARLY RETIREMENT

20. Q. ***What is my Normal Service Retirement date?***

A. The first day of the month following your 65th birthday.

21. Q. ***Do I have to retire upon attaining Normal Service Retirement age?***

A. No, there is no mandatory retirement age.

22. Q. ***Can I retire before reaching age 65?***

A. Yes, providing certain age and service requirements are met. You may retire after attaining age 60 with a minimum of 5 years of Creditable Service, age 55 with at least 20 years of Creditable Service, any age with 30 years of Creditable Service, or when years of Creditable Service and age total or exceed 85.

23. Q. ***If I terminate employment before I am eligible for early retirement, can I receive retirement benefits later?***

A. Yes, if you have at least 5 years of Creditable Service at termination of employment, you will have a vested benefit payable under provisions of early retirement.

DISABILITY RETIREMENT

24. Q. ***Does the Retirement System provide for disability retirement?***

A. Yes, if you have 5 years of Creditable Service and are permanently and totally disabled, you may receive disability retirement benefits. The determination of disability will be made by the Retirement System Medical Board.

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25. Q. ***Must a disability result from an on-the-job accident or occupational disease?***
- A. No, if for any reason you are wholly prevented from engaging in any occupation for wage or profit as determined by the Retirement System Medical Board, you qualify for disability benefits.
26. Q. ***When do disability benefits begin?***
- A. Disability retirement benefits begin after approval of the application by the Board of Trustees. No disability benefits are payable while you are receiving compensation from your Employer.
27. Q. ***How long is a disability pension paid?***
- A. A disability pension is paid as long as you live provided you remain totally disabled to age 65. Benefits may continue to your spouse or beneficiary depending on form of pension elected.
28. Q. ***Once approved for disability benefits, are periodic medical examinations required?***
- A. Yes, you may be required to undergo a medical examination once a year during the first five years and once in every three-year period thereafter.
29. Q. ***Who comprises the Medical Board?***
- A. The Medical Board is composed of three physicians designated by the Board of Trustees.
30. Q. ***What are the functions of the Medical Board?***
- A. The Medical Board makes all medical examinations required by the Retirement System, certifies disability, and reviews the physical conditions of persons on disability retirement when requested by the Board of Trustees.

MONTHLY BENEFIT OPTIONS

31. Q. ***May I reduce my pension in order to provide a benefit for my spouse or a designated beneficiary?***
- A. Yes, at time of retirement you may elect a joint and survivor pension or a 10-year certain pension.

The joint and survivor pension is a reduced pension payable during your lifetime and continuing to your spouse following your death.

The 10-year certain pension is a reduced pension payable during your lifetime and continuing to your designated beneficiary following your death until a total of 120 monthly payments have been made to the retiree and beneficiary.

32. Q. ***If I elect the joint and survivor form of pension and my spouse predeceases me, will my pension be adjusted?***
- A. No, you will continue to receive the reduced pension.
33. Q. ***If my spouse predeceases me following my retirement with a joint and survivor pension and I later remarry, are survivor benefits payable?***
- A. No, survivor benefits are payable only to the spouse you were legally married to at time of your retirement.
34. Q. ***If I elect the 10-year certain option, will my pension be adjusted once I have received 120 monthly payments.***
- A. No, you will continue to receive the reduced pension.
35. Q. ***If I terminate employment for reasons other than retirement, what options are available?***
- A. If you have at least five years of Creditable Service at time of termination of employment, you may elect pre-retirement death benefit coverage. For more information see the ***SURVIVOR BENEFITS*** section relating to terminated members.

AMOUNT OF BENEFITS

36. Q. ***What facts are considered in computing my pension?***
- A. Your age, Creditable Service, Final Average Compensation, Benefit Compensation Base, and for Joint Survivor benefits, the age of your spouse.
37. Q. ***Will sick leave be used in calculating my pension?***
- A. Yes, if you are eligible for retirement at time of termination of employment and you have not been otherwise compensated for your sick leave, a maximum of 25% of your sick leave balance will be used in determining your final average compensation and the remaining balance will be converted to Creditable Service.

Sick leave will not be used in calculating your pension if you are not eligible for retirement at time of termination of employment.

38. Q. ***How is my Final Average Compensation (FAC) determined?***

A. Add together your wages (including shift differential and excluding overtime and bonuses) from your two (2) highest consecutive years of creditable service plus the value of 25% of your sick leave balance if applicable, then divide the entire sum by two (2). For example, if your two highest consecutive years total \$80,000 and the value of 25% of your sick leave balance is \$4,000, your FAC would be \$42,000 ($\$80,000 + \$4,000 = \$84,000 \div 2 = \$42,000$).

39. Q. ***How can I determine my Benefit Compensation Base?***

A. The amount of your Benefit Compensation Base depends upon your year of birth and the year in which you terminate employment. Contact the Retirement System to determine your Benefit Compensation Base.

40. Q. ***Do payments received from Social Security affect my retirement allowance?***

A. No.

41. Q. ***What happens to my accumulated contributions at time of retirement? (Applicable only to members contributing in 1977.)***

A. You may:

a) elect a refund, or

b) elect to use this sum to purchase a supplemental benefit. The amount of this supplemental benefit is based upon interest and mortality tables adopted by the Board of Trustees.

42. Q. ***Are pension benefits adjusted after retirement?***

A. Yes, according to the Consumer Price Index (U.S. city average index) as compiled by the U.S. Department of Labor. The pensions are adjusted annually beginning with the second January 1 following retirement. Annual increases are limited to 5% each year with a cumulative maximum of 25%.

ABOUT YOUR RETIREMENT BENEFITS

43. Q. ***What documents are required?***

A. You must provide verification of your birthdate. A birth certificate is preferred. Other acceptable documents include a passport, military discharge form, a religious record of birth or baptismal record established or recorded before your first birthday, or verification from the Social Security Administration.

If you elect the joint and survivor option, you must provide verification of your spouse's birthdate and your marriage license.

All documents must be originals or certified copies.

44. Q. ***When should I apply for retirement benefits?***

A. Your application for retirement must be made not less than 30 days and not more than 90 days in advance of the month you wish your retirement to become effective. Retirements are always effective the first day of the month.

45. Q. ***When will I receive my retirement benefits?***

A. Benefits are payable on the last business day of each month either by direct deposit or check.

46. Q. ***How long are retirement benefits paid?***

A. For the life of a retiree, and may continue to his spouse or beneficiary depending on form of pension elected.

47. Q. ***As a retiree, may I continue my City-sponsored health insurance?***

A. Yes, if you are enrolled in a medical plan through the City of St. Louis at time of retirement, you may continue coverage through the retiree group.

48. Q. ***May I have dues for my City-sponsored health insurance deducted from my retirement check?***

A. Yes, as long as you elect at time of retirement to continue your insurance through the City.

49. Q. ***May I have taxes withheld from my retirement checks?***

A. Yes, you may have Federal and State of Missouri tax withheld.

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50. Q. ***Does the Retirement System recognize court orders?***
- A. In certain cases, your pension may be reduced by court orders pertaining to matters such as taxes, domestic relations, and child support.
51. Q. ***Is my retirement benefit affected by reemployment?***
- A. Your pension will be suspended if you return to work in a position covered by the Retirement System, unless you receive a disability pension, in which case it will be terminated if you work in any capacity, public or private, prior to age 65.
52. Q. ***Is there any residency restriction on a retiree?***
- A. No. It should be noted, however, that only retirees residing in the City of St. Louis qualify as candidates for the Board of Trustees.

SURVIVOR BENEFITS

53. Q. ***What survivor benefits are available from the System?***
- A. There are many survivor options available to you. They are:
- If you die after you are eligible for retirement, but while you are still employed, your spouse will receive a monthly pension. Benefits are payable only to a spouse.
 - If you die as an active employee after completion of 5 years of Creditable Service, but prior to your early service retirement date, your spouse will receive a pension on the date you would have reached your early service retirement date. Benefits are payable only to a spouse.
 - If you retire with the Joint and Survivor option, your pension will continue to your spouse following your death.
 - If you retire with the 10-Year Certain option and die before the guaranteed 120 monthly payments have been paid, the remaining monthly payments will continue to your designated beneficiary until a total of 120 monthly payments have been made.
 - If you terminate employment, elect pre-retirement coverage, then die prior to retirement, your spouse or designated beneficiary will receive a monthly pension on the later to occur of the date of your death or your early service retirement date.

REFUND CONTRIBUTIONS

54. Q. ***How can I withdraw my contributions when my membership in the Retirement System ends?***

A. You may file an application for refund with the Retirement System.

55. Q. ***Can I withdraw my contributions, if any, while still an active employee?***

A. Yes, by filing a refund application with the Retirement System.

56. Q. ***On what basis is interest paid?***

A. The interest rate is determined by the Board of Trustees. Interest is computed and paid annually on the total accumulated contributions that are on deposit for the entire calendar year, provided you are a member for that entire year.

57. Q. ***Are my contributions always refundable?***

A. Yes, either to you or your beneficiary.

DEFERRED RETIREMENT OPTION PLAN (DROP)

58. Q. ***When am I eligible for the DROP?***

A. When you are eligible for retirement as follows:

Normal Retirement: Age 65 with at least 5 years of Creditable Service

Early Retirement: Age 60 with at least 5 years of Creditable Service
 Age 55 with at least 20 years of Creditable Service
 Any age with at least 30 years of Creditable Service
 Rule of 85 (age + Creditable Service = 85 or more)

59. Q. ***How long may I participate in the DROP?***

A. While there is no minimum participation, five years is the maximum. You may elect to enter the DROP only once.

60. Q. ***Does DROP participation affect my vacation leave, sick leave, salary or any other aspect of active employment.***

A. No.

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61. Q. ***How does DROP participation affect my pension?***
- A. You do not earn Creditable Service during DROP participation which may affect your Final Average Compensation.
62. Q. ***Must I retire at the end of DROP participation?***
- A. No, when your DROP participation terminates, you may either retire or continue to work and resume earning Creditable Service.
63. Q. ***When will I have access to my DROP funds?***
- A. At time of retirement.
64. Q. ***What happens to my DROP funds if I die?***
- A. Your DROP funds are payable to your designated beneficiary, or to your estate if there is no surviving beneficiary.

TRANSFER/PURCHASE OF CREDITABLE SERVICE

65. Q. ***May I acquire Creditable Service for prior public employment?***
- A. If you are vested in the City Retirement System, you may acquire service credit for prior, nonfederal, public sector employment in the state of Missouri by purchasing that service.
66. Q. ***How is the purchase price for prior public employment determined?***
- A. Upon receipt of a non-binding request to purchase service credit for prior public employment, the System's actuary will determine the cost based on the following factors:
- Years and months of City service;
 - Years and months of prior public employment to be purchased;
 - Current age and salary;
 - Assumptions regarding mortality; and
 - Assumptions regarding interest, pay increases, and cost-of-living increases.

NOTES

This handbook is only a general description of the ordinances and laws establishing the Employees Retirement System. It answers many of the questions you may have about your retirement plan. The laws themselves are the final authority in all cases of interpretation and should be consulted for specific details. The laws in effect at the time of retirement, death, or termination of membership determine benefits payable.
