

## Contact Us

This brochure is not intended to serve as a legal document or a substitute for the law or regulations governing PEERS. For further information, please refer to the PEERS **Member Handbook**, contact us at our office in Jefferson City or visit us online.



PUBLIC EDUCATION EMPLOYEE  
RETIREMENT SYSTEM OF MISSOURI

P0 Box 268  
Jefferson City, MO 65102-0268

3210 W. Truman Blvd.  
Jefferson City, MO 65109

(573) 634-5290 or  
toll free (800) 392-6848

Email: [psrspeers@psrspeers.org](mailto:psrspeers@psrspeers.org)

Website: [www.psrs-peers.org](http://www.psrs-peers.org)

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# Protecting Those You Care About

Strength  
Stability  
Security



PUBLIC EDUCATION EMPLOYEE  
RETIREMENT SYSTEM OF MISSOURI

## Financial Protection for Your Family

In addition to the emotional stress caused by the loss of a loved one, it can also put significant stress on a family's finances, particularly when this occurs during the working years. To help ease this burden, PEERS offers valuable financial protection for your family if you die before retirement.

Two types of survivor benefits are provided for beneficiaries of members who die **before** PEERS retirement:

- One-time, lump-sum refund of your account balance, or
- Lifetime monthly retirement-based benefits.

Specific qualifications must be met in order to receive these benefits. Those qualifications are detailed in this brochure.

Benefits payable to beneficiaries, should you die **after** retirement, are based on the benefit plan you choose when you retire. These benefits are not addressed in this brochure. For more information, please refer to the **Member Handbook** available on our website or contact us.

Benefit payments may be subject to federal and Missouri income tax. Beneficiaries should consult the IRS at **(800) 829-1040**, the Missouri Department of Revenue at **(573) 751-3505**, or a tax professional for assistance in determining individual tax liability.



## Types of Survivor Benefits

### Lump-Sum Refund

If you die before retirement, your designated beneficiary has the right to a lump-sum refund of your PEERS account balance. No other survivor benefit is paid if a lump-sum refund is made.

#### *Who is Eligible?*

Your beneficiary can be:

- An individual,
- Multiple individuals,
- A legally established trust,
- Your estate, or
- Any other legal entity (church, school, organization, etc.).

If you name multiple individuals, payment will be split equally unless you specify otherwise.

#### *How Much is a Lump-Sum Refund?*

If a lump-sum refund is paid, your beneficiary receives the total of your accumulated contributions, any payments you made to reinstate or purchase credit, and the interest earned on your account balance as of the date of your death. Employer-matching contributions are not payable as part of a lump-sum refund.

In order to defer tax liability, your beneficiary may rollover the taxable amount of a lump-sum refund to a qualified retirement plan, such as an IRA.

Want to see your account balance? Log in to view your personal account information at [www.psr-peers.org](http://www.psr-peers.org), or call us at **(800) 392-6848**.

## Lifetime Monthly Retirement-Based Benefits

If you are vested (have five or more years of credit with PEERS) at the time of your death and name only one individual as your beneficiary, he or she may be eligible to receive immediate or future lifetime monthly benefits.

### Who is Eligible?

If your sole beneficiary is your spouse, child or parent, that individual automatically qualifies for lifetime monthly retirement-based benefits. Any other individual named as your beneficiary may also qualify by providing documentation showing that he or she was financially dependent on you.

This option is not available if you name as your primary beneficiary:

- More than one individual,
- Your trust,
- Your estate, or
- A legal entity(ies).

Your beneficiary may be eligible for immediate benefits if you are eligible for retirement at the time of your death, or future benefits when you would have reached retirement eligibility.

### How Much are Monthly Retirement-Based Benefits?

Monthly retirement-based benefits are based on the amount you would have received with no additional credit, had you lived to retirement eligibility and chose the Joint-and-Survivor 100% benefit plan. Calculation of these benefits is based on the benefit formula in effect at the time benefits begin. The benefit amount depends on your salaries and years of credit with PEERS at the time of your death. You can estimate Joint-and-Survivor 100% benefit amounts using the Benefit Estimate Calculator found on our website, or you can contact our office for assistance.

These benefits are eligible for cost-of-living adjustments (COLAs) beginning the fourth January after benefits begin.

## The Importance of Keeping Beneficiary Designations Up-to-Date

In order to provide your family with the best financial protection, it is important to designate your beneficiaries properly and keep them updated as life-changing events occur. A marriage, divorce, birth or adoption of a child automatically voids your beneficiary designation. Unless you file a new beneficiary designation, Missouri law will determine your beneficiaries when you die.

If you are unsure of your current PEERS beneficiary designation, you can view it by logging in to the secure portion of our website, [www.psr-peers.org](http://www.psr-peers.org). Your current beneficiary designation is also shown on your annual *Member Statement*, issued each fall.

You can change your designation at any time by completing a **Pre-Retirement Beneficiary Designation** form available from our office or on our website.

## What Happens if Your Beneficiary Designation is Invalid?

Missouri law determines your beneficiaries, if, at the time of your death:

- You do not have a valid beneficiary designation on file with PEERS.
- All designated beneficiaries have disclaimed the right to receive benefits.
- A change in your life status (marriage, divorce, birth or adoption of a child) has occurred since your beneficiary designation was made.

If one of these situations occurs, the following individuals are your designated beneficiaries, according to law, in this order of precedence:

1. Surviving spouse,  
↓
2. Surviving children,  
↓
3. Surviving parents, and  
↓
4. Estate.



## Tips for Designating Beneficiaries for Your PEERS Account

You may name as your beneficiary:

- An individual(s),
- A legal entity (church, school, organization, etc.),
- A trust, or
- Your estate.

Only a sole, individual beneficiary may be eligible to receive monthly benefits, which can be more advantageous than a lump-sum refund of your account balance.

Following are tips to help you provide the greatest financial protection for your surviving family members. **These suggestions are general in nature and may not fit all family situations. If you are in doubt as to the most appropriate designation, please contact us.**

### Married Members

Naming your spouse as your sole beneficiary provides the greatest financial protection. This gives your spouse the choice of either a lump-sum refund, or, if you are vested (have five or more years of credit with PEERS) at the time of your death, he or she can choose immediate or future lifetime monthly retirement-based benefits.

### Minors and Legally Disabled Beneficiaries

Benefits payable to a minor (a child under age 18), or a person who is legally disabled, must be made to the legally authorized representative of the individual. If your child is a minor and you want a specific individual to handle the survivor benefit payments on the child's behalf, indicate your beneficiary as "(name of individual) as Custodian for (name of child) under the Missouri Transfers to Minors Law."

### Naming a Sole Beneficiary

If you are vested at the time of your death and name your spouse, child or parent as your sole beneficiary, he or she can choose a lifetime monthly benefit. The same holds true for any other individual named as your sole beneficiary who can provide documentation showing that he or she was financially dependent on you.

### Naming Joint Beneficiaries

You should not name joint beneficiaries if you want to provide monthly benefits to your beneficiary. A beneficiary must be the sole beneficiary in order to choose monthly benefits.

### Naming a Trust

The only benefit payable to your trust is a lump-sum refund of your account balance. If you name your trust as beneficiary, your family members will not be able to choose monthly benefits. If you want your account balance paid to your trust, write the name of the trust as beneficiary, include the date it was established, and provide a copy of the title page. For a testamentary trust, you may use the phrase, "trustee under my last will" as the name of the beneficiary. Upon your death, your family will be asked to submit a copy of the trust agreement.

### Naming Your Estate

The only benefit payable to your estate is a lump-sum refund of your account balance. If you want your account balance paid to your estate in a lump sum, you should write "my estate" as your beneficiary. Upon your death, your family will be asked to submit certified court documents showing an estate has been opened.

## Reporting a Death

In the event of your death, your family should notify PEERS as soon as possible so we can update your account and provide information on benefits payable to your beneficiary(ies). We will need the following information:

- Your name, Social Security number or PEERS member number,
- Date of death, and
- Name, address and telephone number of a contact person.