



DIRECTIONS for Members of Defined Benefit Retirement Plans: Public Employees' (PERS) , Judges' (JRS), Highway Patrol Officers' (HPORS), Sheriffs' (SRS), Game Wardens' and Peace Officers' (GWPORS), Municipal Police Officers' (MPORS) and Firefighters' Unified (FURS).

July 2014

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MPERA'S NEW EXECUTIVE DIRECTOR

The Montana Public Employee Retirement Administration is committed to providing secure and sustainable retirement benefits to our nearly 57,000 members and retirees. While the agency is small in size, our values, responsibilities and mission are immense. I understand it is our responsibility to be accountable to those we serve and, as the new executive director, I believe the staff at MPERA are our greatest asset.

Our staff and your Board of Trustees strive to provide exceptional customer service and seek continuous improvement. With the future implementation of a new operating system and an updated website, there will be easy access to information about the retirement plans and options for saving such as the 457(b) Deferred Compensation plan, as well as enhancements to our self-service benefit calculators.

Over the next several months, I hope to meet face-to-face with retirees, members, beneficiaries, stakeholders and other interested parties. I look forward to getting to know each of you and hearing your comments and suggestions about MPERA and its mission.

My door is always open.

Best regards,
Dore Schwinden

RETIREMENT BENEFIT PAYMENT OPTIONS

When you retire as a member of PERS, JRS, GWPORS or SRS, you will have a choice of benefit payment options. The option you choose determines whether or not your benefit continues to someone else (that person is known as a **contingent annuitant**) after your death.

Option 1 provides a monthly benefit for your lifetime only and is the largest monthly amount you can choose. Upon your death, your designated beneficiary will receive the balance of any contributions and interest you made in your account. Option 1 monthly benefit payments end when you die.

Option 2 provides a monthly benefit to you for your lifetime. When you die, your contingent annuitant will receive the same monthly benefit for the rest of their life. Please note that if the age difference between you and your non-spouse contingent annuitant is greater than ten years, you may not select Option 2. This limit does not apply to a spouse.

Option 3 provides a monthly benefit to you for your lifetime. When you die, your contingent annuitant will receive **one-half of that amount** for the rest of their life. Because the contingent annuitant receives only one-half of your benefit, your Option 3 benefit would be larger than the Option 2 benefit.

Option 4 may provide a continuing benefit to one or more contingent annuitants. If you die before the end of a guaranteed period of time (10 or 20 years), your contingent annuitant will receive the benefit for the amount of time remaining in the guaranteed period. As with all options, you will receive the monthly benefit for your life. Payments to the contingent annuitant(s) will stop when the guaranteed period ends. This benefit has two alternatives:

- ◆ **10-year period certain.** You must be **age 75 or younger** when you retire to be eligible for this lifetime benefit.
- ◆ **20-year period certain.** You must be **age 65 or younger** when you retire to be eligible for this lifetime benefit.

You can change your Option 4 contingent annuitant designation after retirement at will. Contingent annuitant(s) receiving the Option 4 benefit may, in turn, designate their own contingent annuitants.

Changing Your Option

You may not change an Option 1 or Option 4 benefit to a different option once you begin receiving benefits. However, you can change either an Option 2 or Option 3 payment to a different option following either of these two circumstances: if your original contingent annuitant dies; or you and your contingent annuitant divorce, and there is no **Family Law Order** in place giving your contingent annuitant the right to receive part of your benefit.

Under these conditions, you may:

- ◆ revert to the original Option 1 retirement benefit that was available at the time of your retirement, plus any guaranteed annual benefit adjustments (GABA) you have received ; or
- ◆ change your benefit Option and name a new contingent annuitant; or
- ◆ keep the same Option and name a new contingent annuitant.

To change your payment option or contingent annuitant, you must submit your request in writing, within 18 months of the death of or divorce from the contingent annuitant. Also, if you select a new contingent annuitant, your benefit amount will change because the calculations are based on your age and your new contingent annuitant's age at the time of the election. Please note, eligibility for Option 2 is subject to the limit explained in the Option 2 summary above.

Please remember, we are here to help you understand your retirement benefit options. Don't hesitate to call MPERA with any questions.

ANNUAL BENEFIT STATEMENTS WILL BE MAILED IN JULY

Your Annual Benefit Statement will be mailed mid-July. Your statement will come in a windowed envelope with MPERA's return address. When you receive it, review all of your information, including your beneficiary(ies).



PERIS UPDATE

The Public Employee Retirement Information System (PERIS) replacement project is past the halfway mark and proceeding on schedule. All the files of approximately 33,000 active members of retirement systems (members who are currently contributing) have been converted from paper to electronic records. This allows for easier access to records by staff and improved customer service. We are now scanning inactive member files and older records which are on microfiche.

The analysis and cleansing of our current system's data continues in preparation for the conversion to the new system.

We are scheduled to go live with the new system July 2015. A Member Self Service portal is scheduled to be released a few months later, and will provide members with secured access to their personal information and greater ability to plan for retirement.



REMEMBER TO UPDATE YOUR BENEFICIARIES

Please remember to keep your beneficiary information updated with us. It is extremely important that we have your current beneficiary information on file. In the event of your death, we must distribute your retirement funds to the beneficiary we have on file.

To update your information, and download a Membership Card /Change of Beneficiary Designation form from our website. Complete the form and give it to your payroll clerk or human resource person. They will send it to us.

If you have any questions about your account information, please contact us.

If you participate in the State of Montana's 457(b) Deferred Compensation Plan, you will need to update your beneficiary(ies) with our record keeper Great-West Financial. You can update your 457(b) by either:

- ◆ Logging on to mperadcplans.gwrs.com to access your online account with Great-West Financial®. You can update your beneficiary information by clicking on the "Beneficiary" link under "My Profile" on the home page. If you have not previously accessed your account online you will need to obtain a Personal Identification Number (PIN) and register a personal log-in ID. To get a temporary PIN you may call 877-699-4015.
- ◆ Calling Great-West Financial® at 1-800-981-2786 (449-2408 in Helena) for the Beneficiary Designation form.

DESIGNATED ROTH ACCOUNTS AVAILABLE FOR 457(b) PARTICIPANTS!

The State of Montana has added the ability to contribute to a Roth account within the 457(b) Deferred Compensation Plan. If you participate in the 457(b) Deferred Compensation Plan, you can now make after-tax contributions to your account up to the IRS limits when combined with any pre-tax contributions. The Roth 457(b) offers you another option that you may wish to consider, depending on your individual circumstances. You pay taxes on Roth deferrals at the time deferrals are made, rather than at the time you take an account distribution and at the tax rate then in effect. This may be an advantage if you expect to be in a higher tax bracket when you retire.

Deferred Compensation Plan participants can choose to contribute pre-tax amounts, after-tax amounts, or both. Simply log on to your account at mperadcplans.gwrs.com and download the Payroll Contribution Election form. Complete the form and mail or fax to the address or fax number shown.

If you haven't begun participating in the 457(b) Deferred Compensation Plan and want more information, please call one of our Account Representatives at 1-800-981-2786 or 449-2408 in Helena.

MOVING? BE SURE TO UPDATE YOUR ADDRESS

While you are working in a position covered by an MPERA-administered retirement system, you just need to contact your payroll clerk to update your address. Any changes to your address made by your payroll clerk will automatically be updated in our system.

If you leave your covered position but keep your retirement contributions on account with us, you can update your address by downloading a Change of Address form from our website at mpera.mt.gov.

If you do not have access to the internet, contact our office and we will mail you a copy of this form to complete and return.

MPERA'S NEW CALL CENTER

We are happy to announce that in April we implemented a call center. Our call center staff will answer your questions about your account and beneficiary information, help you with retirement benefit estimates and send you any forms you require. If you have questions about your retirement plan, call 1-877-275-7372 or 444-3154 in Helena and our Customer Service Representatives will be happy to help you.

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