MSRS Minnesota State Retirement System

Judges
RETIREMENT PLAN
— Overview —

Appointed or Elected
After June 30, 2013

Judges Retirement Plan

The Judges Plan is administered by the Minnesota State Retirement System (MSRS). This plan provides retirement, survivor and disability coverage for eligible employees. You can access your benefit information on the MSRS website, your benefit statements or by contacting one of our retirement counselors. You will also receive newsletters and have opportunities to attend educational retirement seminars.

The Judges Plan is a defined benefit pension plan that rewards longevity to public service. Employees who become vested are eligible for a lifetime retirement benefit when they reach the retirement age for the plan. Employees and the employer contribute a percentage of salary. At retirement, the lifetime benefit is calculated using a formula defined in Minnesota law. This type of benefit is valuable because the retiree cannot outlive retirement savings.

How Your Retirement Plan Works

As a Judges Plan member, you contribute 7% of your salary. The courts contribute 22.5%.

You are eligible for monthly benefits, or what we call vested, after five years of service. Vested members are eligible to collect a full retirement benefit at age 66. Judges can begin collecting a reduced monthly benefit at age 60 or later. Judges have mandatory retirement age of 70.

Your retirement benefit can add up to a substantial amount of money. After you retire, you may receive post-retirement increases over your lifetime. Survivor benefits are also eligible for increases.

> **If you are considering leaving state service, either at retirement or going to another employer, contact MSRS to discuss your options.**

Combined Service

Many employees have worked for a Minnesota city, county or school district. If you were covered by another Minnesota public retirement plan, this may combine with your Judges Plan service. We call this a Combined Service Annuity (CSA).

Your service with other plans counts toward vesting in the Judges Plan. In addition, we use the same high-five salary to calculate the monthly retirement benefit from all plans, which can increase the overall value of your retirement benefit.

Reinstating Service With Another Public Retirement Plan

Many state employees who had service with another Minnesota public retirement plan forfeited that other service by taking a refund of the contributions. If you are currently working for a Minnesota public employer, you may be able to reinstate this time by repaying the refund to the other public retirement plan. By repaying the refund, your service is reinstated and the other fund will use that service to calculate their benefit. To repay a refund, contact the plan from which you received the refund.

DIVORCE & YOUR RETIREMENT BENEFIT

Contact MSRS for information on how divorce may affect your retirement benefit. We can provide sample language for use in a divorce decree.

Calculating Your Retirement Benefit

Calculating your retirement benefit is a simple formula defined in Minnesota law. The calculation is more specific to your circumstances if you choose to retire early or provide survivor coverage after retirement. Let's walk through the base calculation.

1 | Allowable Service Credit

Service credit, or allowable service, is defined as the credit you earn each month towards retirement that is deducted from your salary. We use the amount of service credit you have in a formula to determine your retirement benefit.

One of the advantages of your continued employment is to increase the value of your retirement benefit for each additional year and month of service. The more service you have and the higher your annual pay, the higher your monthly retirement benefit.

A number of factors may impact your length of service, such as part-time employment, a leave of absence, or working for another governmental unit.

2 | Benefit Multiplier

The next component used to calculate your monthly retirement benefit is the benefit multiplier. Judges Plan members receive 2.5% per year of service. We take your years and months of service and convert these to a percentage through a retirement formula.

3 | High-Five Salary

The third part of the calculation used to determine your retirement benefit is your highest five years of gross salary within your last ten years of service. For most employees, the high-five salary is the last five years of employment.

Sample Calculation

20 years x 2.5% = 50%

$150,000

x 50%

$75,000 per year ÷ 12 =

$6,250 per month retirement benefit

This example provides an estimate of a retirement benefit paid after a 20-year career in the plan. Assumptions are made for illustrative purposes only.

Plan Benefits

Beneficiary and Survivor Benefits

The Judges Plan provides automatic survivor benefits for your spouse and dependent children upon your death. If you have no spouse or dependent children, your estate will receive a lump sum payment of your contributions to the plan plus interest. You may name a beneficiary if you prefer that a specific individual, institution or trust receives the money. To learn more about beneficiary and survivor options:

Go online to:
www.msrs.state.mn.us/judges-plan

Contact MSRS:
1.800.657.5757 or 651.296.2761

Disability Benefits are Available

As a member of the Judges Plan, you have disability protection. This is important protection since it will pay you disability benefits for your lifetime, or until you are no longer disabled. Your age at the time of your disability is not a factor.

To qualify for disability benefits, you must be vested and meet the definition of disability. The governor determines your eligibility for a disability benefit using medical reports. If you are no longer able to perform your judicial duties, the governor may grant you a disability benefit. Contact MSRS for more information about the disability application process.

Review online:
www.msrs.state.mn.us/disability-benefit

Retirement Timetable

It's important to map out a retirement planning strategy well in advance of your retirement date, but it's never too late to start planning or saving. MSRS retirement counselors are available to assist you along the way.

Throughout Your Career

- Enroll and take advantage of the Minnesota Deferred Compensation Plan (MNDCP). You may receive a yearly match from your employer. The match is a union bargained benefit.
- Establish savings goals that will generate income you want to have when you retire.
- Evaluate your personal finances periodically as they relate to meeting your financial needs at retirement.
- Research purchasing eligible service credit as soon as possible. This includes any active military service or time worked in other covered retirement plans.
- Stay informed! Review your retirement plan information online or contact MSRS.

Mid-Career

- Review your savings goals to determine if you're still on track.
- If you're not enrolled in MNDCP, contact MSRS to enroll and determine your investment allocation to make sure you carry the right amount of risk.
- If you are age 50 or older, consider maximizing your MNDCP contribution amount. The IRS permits you to contribute more than the standard contribution amount.
- Continue to pursue prior pension service credit purchases.

3-5 Years From Retirement

- Attend a free MSRS pre-retirement seminar. More information about seminars is available at: **www.msrs.state.mn.us**
- Determine MNDCP Catch-Up eligibility. The Catch-Up Provision allows you to contribute up to double the standard maximum contribution limit for three consecutive calendar years prior to reaching your normal retirement age. Contact MSRS to find out if you are eligible.
- Prepare a retirement budget. Compare your budget against your MSRS retirement benefit, Social Security, MNDCP and any other retirement income to see if you may need to save more.

IMPORTANT!

Review your pension benefit statement and contact MSRS if you find any discrepancies.

About MSRS

MSRS Minnesota State Retirement System

The Legislature established the Minnesota State Retirement System (MSRS) in 1929 to provide retirement benefits for state employees.

MSRS administers multiple retirement plans that provide retirement, survivor and disability benefit coverage for Minnesota state employees, the Metropolitan Council, and many non-faculty employees at the University of Minnesota and the Minnesota State university system.

This overview is a general summary of the benefit provisions of the retirement plan. The benefits described apply to active members of the plan at the date this overview was issued. Unless otherwise stated, if there is any difference between the information provided in this overview and the law or policies that govern MSRS, the law and policies will prevail. Plan provisions may be subject to law changes.

Other MSRS Plans

MNDCP Minnesota Deferred Compensation Plan

The Minnesota Deferred Compensation Plan (MNDCP) is a voluntary savings plan intended for long-term investing for retirement. MNDCP offers planning tools and investment options to supplement your retirement income from your pension plan and Social Security benefits.

HCSP Health Care Savings Plan

The Health Care Savings Plan (HCSP) is an employer-sponsored program that allows employees to save money tax-free to use after they terminate employment to reimburse eligible health care expenses.

Employees can choose among investment options offered by the plan. Assets in the account accumulate tax-free and because they are used to reimburse eligible health care expenses, they remain tax-free.

Contact Us - We're Here To Help!

Questions?

Contact the MSRS Service Center:
1-800-657-5757 or 651-296-2761

Go online:
www.msrs.state.mn.us

Email us:
info@msrs.us

Schedule an appointment with a retirement specialist:
www.msrs.state.mn.us/request-appointment
or call the MSRS Service Center.

Locations

St. Paul - Main Office

60 Empire Drive, Suite 300
St. Paul, MN 55103
Monday – Friday
8 a.m. - 4:30 p.m.

Additional Offices

Addresses and hours of operation available online.

- Duluth
- Mankato
- St. Cloud
- Detroit Lakes

Our Mission

We empower Minnesota public employees to build a strong foundation for retirement.