Welcome to “Foundations for Your Future”, the general information program of the Public School Employees’ Retirement System (PSERS).

This program will provide you with an overview of your PSERS retirement benefits and is designed for anyone who is working in a public school in Pennsylvania and will last approximately 90 minutes.

In the packet provided, you will find information that will help you to become better informed about PSERS retirement benefits.

Enclosed are:
Copy of today’s presentation
List of PSERS Publications
Health Insurance and Premium Assistance Information
Countdown to Retirement Checklist
PSERS policy prohibits the filming, videotaping or audio recording a PSERS meeting. In addition, any solicitations for business are also prohibited and any such action will require the offender to be dismissed.

Private businesses -- including but not limited to financial planners – occasionally attempt to solicit business at FFYF sessions. Please be aware that these businesses are not affiliated with PSERS, and PSERS does not sponsor, authorize or endorse any private business.
The Foundation for Your Future presentation includes general information about the benefits available under the Public School Employees' Retirement Code ("Code"). The presentation may not represent or include every provision of the Code and/or rules that govern PSERS and is not intended to amend or extend the provisions of the Code.
The purpose of this program is to provide you with information regarding your retirement system to help you better understand the benefits you have as a member of PSERS and the important decisions you must make when you retire.

Today, we’ll explain:
• your PSERS retirement plan and how your benefit is calculated;
• the retirement milestones;
• how you may increase your retirement benefit through the purchase of qualifying service;
• the decisions you must make regarding your retirement benefits; withdrawing your personal contributions and interest, if applicable, and the monthly benefit payment plan choices;
• the steps you need to take as you plan your retirement;
• the additional resources available for more information about your retirement
PSERS is a governmental, cost-sharing, multiple employer defined benefit pension plan administered by a Pennsylvania state agency.
PSERS is a defined benefit plan. Your retirement benefits are determined by a formula which we will address shortly. Unlike defined contribution retirement plans, the amount of your future PSERS monthly benefit is not directly dependent on the amount of your contributions and investment earnings. Your PSERS benefits are set by state law and guaranteed by the Commonwealth of Pennsylvania. If vested, you are guaranteed to receive a lifetime monthly annuity. PSERS is a qualified trust under Section 401(a) of the Internal Revenue Service Code.

You may have many questions and concerns about how any pension reforms may impact you, whether you should retire now, etc. PSERS will keep you updated via newsletters and other mailings, if any pension legislation is passed. If you have internet access you should monitor PSERS’ website.
The amount of your retirement benefits are determined by a formula that takes into consideration your final average salary, your membership class, and your years of credited service. If you are vested and not eligible for normal retirement benefits, an early retirement reducing factor is also applied.

Generally, the final average salary is the average of a member's highest compensation received during any three school years. Additional information on the final average salary will be provided later in the program.

Credited service accrual is based on a school or fiscal year, i.e. from July 1 to June 30. Early retirement factors are based on age and/or service.

Membership class will be defined on the next slide.
Class of Service for members prior to July 1, 2011:
Class T-C credited service of a member, an annuity equal to 2% of the final average salary, multiplied by the total number of years of credited service.
Class T-D credited service of a member, an annuity equal to 2.5% of the final average salary, multiplied by the total number of years of credited Pennsylvania school service.

Class of Service for new members on or after July 1, 2011:
Class T-E credited service of a member, an annuity equal to 2% of the final average salary, multiplied by the total number of years of credited service.
Class T-F credited service of a member, an annuity equal to 2.5% of the final average salary, multiplied by the total number of years of credited service.
The basic retirement formula used to calculate your retirement benefit is your final average salary times the membership Class multiplier times your years of service credit. This basic formula gives you the maximum single life annuity if you do not withdraw your contributions and interest. If you are not eligible for normal retirement, this amount would then be multiplied by a reducing factor. Later in the program, we will explain how you can select different partial lump sum withdrawals (T-C & T-D membership class only) and monthly payment options based on this maximum benefit.

If you are a class T-D member who has T-C service, keep in mind that the years of T-C service credit will be calculated with a 2.0% multiplier

Taking this formula into consideration, there are two ways to enhance your retirement benefit. The first is to increase your Final Average Salary and the second is to increase your credited service years either by working longer or purchasing service.
You need to be aware of the different retirement milestones, or points in your career where your retirement benefit may significantly increase or you may qualify for additional benefits due to reaching an age or service threshold.
It is important to understand that there are different categories of retirement benefits. The type of retirement benefit that you qualify for directly impacts your benefits.

There are three types of retirement:
   Normal
   Early
   Disability
Normal retirement means no early retirement reducing factors are applied to your monthly benefit.

**Class T-C and T-D Normal Retirement can be attained in three ways:**

- 35 years of service, regardless of your age.
- Age 60 with 30 or more years of service.
- Termination at age 62 with at least one year of service.

**Class T-E and T-F Normal Retirement can be attained in two ways:**

- Termination at age 65 with 3 years of service
- Any age/service combination that totals 92 (“Rule of 92”) with a minimum of 35 years of credited service
When you attain five years of credited service for Class T-C and T-D or ten years of credited service for Class T-E and T-F, your retirement account becomes vested. As an active employee your PSERS death benefit will now increase from just your personal contributions and interest to the total value of your account. If you are a Class T-C and T-D member and terminate employment, you have the choice of not only withdrawing your personal contributions and interest from PSERS, but also a reduced monthly payment for the rest of your life. A reduction, based on your age and the number of years of service you have, is applied to the benefit in early retirement. You can elect to receive that early retirement benefit immediately upon termination of employment or you can leave your contributions in the retirement system and defer the receipt of a monthly benefit until a later date. Prior to making this decision, request estimates of your benefits and have a thorough understanding of the choices available to you.

If you are not vested, you are only eligible to refund your contributions and interest. Your monies will no longer earn interest after you terminate employment if you are not eligible for a monthly retirement benefit. For all membership Classes, your monies will no longer earn interest after you terminate employment.

**Early Retirement:**

An early retirement is a reduced retirement benefit; the younger you are and the less service you have, the more your benefit is reduced. With an early retirement, your benefit will be reduced 4-7% per year for each year under your nearest point of normal retirement. There is no cap on the reduction.

**Age 55/25 Years of Service (Special Early Retirement):**

When you are at least age 55 and have at least 25 years of credited service with PSERS, you become eligible for a special early retirement. With this early retirement benefit, the maximum reduction is 15% if you are a Class T-C or Class T-D member. Your benefit is reduced 3% for each year (.25% for each month) you are under normal retirement. For Class T-E and T-F, the maximum years under 55/25 special early retirement to meet normal retirement would be ten years thus the maximum reduction is 30%. You must meet both conditions—the age (55) and the service (25 years) to qualify for this benefit. If you are planning to terminate employment under age 55 with 25 years of credited service, you may vest your account until age 55 to receive the lower reducing factor.
If you become unable to perform your current job duties because of a mental or physical condition, you may be eligible for a monthly disability retirement benefit if you have at least five years of credited service with PSERS. You must be disabled as of your last day of work or paid leave and be disabled on your date of application. You must apply within two school years from the last qualifying school year in which you were paid and made contributions to PSERS. For part-time workers, it is extremely important to know the last year that you have qualified for membership to ensure you apply by the end of the two school year time limit. You must provide supporting medical documentation that you are unable to perform your job. This will be reviewed by physicians from PSERS who will make the decision regarding your disability.
There are advantages and disadvantages of a Disability Retirement. Unlike a regular retirement, you are not permitted to withdraw your contributions an interest even if your membership class is T-C or T-D. However, your monthly benefit on disability may be greater than an early retirement.

PSERS does not require that you resign from your position when you apply for a disability retirement; however, your school employer may have a different policy. You must check with your own employer regarding their policy. If you are leaving school employment for health reasons, request a disability estimate and schedule an individual counseling appointment.

Your Disability Application will not be processed until your school employer notifies PSERS that you are no longer making contributions to PSERS because you are on an unpaid leave or have terminated employment.

You may receive a disability retirement benefit from PSERS and receive a disability benefit from another plan such as Worker’s Compensation, Social Security, and/or an independent insurance company. Your PSERS disability retirement benefit will not be affected; however, be sure to check with these other plans to see if they will be affected by your PSERS disability benefit.
Another consideration when planning your date of retirement is your eligibility for Premium Assistance.

To assist our retired members with their health care costs, the Pennsylvania legislature established Premium Assistance. Premium Assistance provides you with a non-taxable reimbursement toward the cost of the retiree’s basic health care premium. The amount of the reimbursement is set by legislation and is a maximum of $100 per month for eligible retirees. Premium assistance is not payable for premiums for prescription drug and/or supplemental benefits. It is also not payable for your spouse’s and/or dependent’s coverage.

If you meet the eligibility requirements, premium assistance will be added to your monthly PSERS retirement benefit.

To qualify, you must meet one of the following requirements:

- Retire at any age with 24 ½ years of credited service; or
- Class T-C and Class T-D members: Terminate employment on or after age 62 with 15 years of credited service; or
- Class T-E and Class T-F members: Terminate employment on or after age 65 with 15 years of credited service; or
- Receive a PSERS disability retirement.

If you leave employment prior to age 62 for Class T-C & T-D or age 65 for Class T-E & T-F and you have at least 15 years of credited service but less than 24.5 years of credited service, simply by delaying your retirement date until your 62nd birthday will not make you eligible for premium assistance. In this situation, to become eligible for Premium Assistance, you must not terminate your employment until your 62nd birthday for Class T-C & T-D or age 65 for Class T-E & T-F. If your employer is willing, you may be placed on an unpaid leave from your last day of employment until your 62nd birthday for Class T-C & T-D or age 65 for Class T-E & T-F, but the unpaid leave cannot exceed 24 months in duration.

To be eligible, you must have your health insurance with a Pennsylvania school employer or PSERS sponsored plan. Also to be eligible, you must have an out-of-pocket premium expense for the member’s basic health insurance coverage. Premium Assistance is not payable for separate dental, vision, or stand alone prescription drug plans and it is not payable for out-of-pocket premium expenses for the retiree’s spouse or other dependents.
You may be able to increase your retirement benefit by the purchase of qualified service.
You must be an active, contributing member to apply to purchase service. An application to purchase service will not be accepted after you terminate employment or in a year in which you do not qualify for membership. You may only purchase the types of service allowed by PSERS Retirement Code.

We encourage you to research and/or apply to purchase service early in your career. Service is credited to your retirement account immediately upon eligibility and as an active member, this may increase your death benefit. Often if a member waits to purchase service, records are lost or difficult to locate or the member forgets to file an application while actively contributing to PSERS. Also, there is no need for cash outlay.
There are two categories of service you may purchase if you are eligible. The first is the purchase of school service which uses the 2.5% multiplier if you are a Class T-D or T-F member.

**Return of Withdrawn Contributions:** If you worked for a Pennsylvania public school and withdrew your contributions and interest when you left employment, you lost service credit for those years when you received your refund. The service credit will be restored to your account when you return these withdrawn contributions plus interest.

**Uncredited Full-Time School Service:** If you worked for a Pennsylvania public school and that school failed to enroll you into PSERS.

**Part-Time School Service:** Similar to the purchase of uncredited full-time school service; once your become a member of PSERS, you may purchase prior part-time service. Part-time service of less than 80 days or 500 hours in a school year may be considered non-qualifying and can only be purchased if it is followed by a school year in which you qualify for membership and within time limits specific to your date of membership). Individuals who first qualify for membership after July 1, 2011 have a one year window from the date they become an active member to purchase NQPT. The service may be in multiple districts in one school year. Also, if you are hired full-time in any school year, then any part-time service in that year can be purchased.

**Approved Leave of Absence:** You may be able to purchase credit for an approved leave of absence for professional study or work as an exchange teacher.

**Special Sick Leave** where you received at least fifty percent of your salary from workers’ compensation or a school sponsored (employer paid) insurance plan may also qualify for purchase. Sabbatical leave is not a purchase; service and salary are credited in full while you are on this type of leave and remain in your account as long as you return from that leave as required by the School Code. Questions regarding leaves of absence and sabbaticals should be addressed to your employer.

**Activated Military Service:** If you were ordered to active duty from the guard or reserves different tiers of purchase eligibility exist. Speak to a PSERS representative for more details. After June 30, 2013, special rules apply for purchasing and retaining Activated Military Leave service credit.
The second category of service you may purchase is non-school service. Non-school service credit purchased continues to use the 2.0% multiplier in the retirement formula for all membership Classes except T-F.

Non-Intervening Military:
Minimum of three years of credited service, as well as three full contract years of salary, with PSERS is required prior to application.
Maximum: 5 years of military service may be purchased.
Total years purchased cannot exceed the number of years of current service in PSERS.
This type of service would typically be prior to your school employment.

Maternity:
Leave or termination of employment prior to November 1, 1978 due to pregnancy.

Out-of-State:
Must be in a public school.
Minimum of one year of credited service with PSERS prior to application.
Minimum: 1 FULL year; Maximum: 12 Years (combined with Government Service)
Cannot exceed number of years of current service in PSERS.

Government Service:
Service as an administrator, teacher, or instructor in the field of public school education for the federal government.
Minimum: 1 FULL year; Maximum: 12 Years (combined with out-of-state school service)
Example: Peace Corps, Military Dependent Schools.
How to Purchase:

Complete appropriate PSERS application for type of service to be purchased. Due to the volume of purchase of service requests received by PSERS there may be a delay in processing your application; however, you will receive an acknowledgement letter.

If you are eligible to purchase the service, PSERS will calculate the cost. There is a different formula to calculate the cost based on the type of service and your membership class. Member must pay their contributions and interest, calculated at the rate of 4% per year, for all purchases and the employer share plus interest for some purchases. Interest will continue to accrue daily on any outstanding balance.

In addition, Class T-E and T-F members must pay the full actuarial cost for some types of service. In other words, when you purchase service credit, you are paying an amount for the purchase that will result with you self-funding your future PSERS retirement benefit. Please see our website for additional information.

Once the cost of the purchase has been calculated, the service will be added to your account immediately and a Statement of Amount Due will be sent to you.
Upon receipt of the Statement of Amount Due, as an active member, you must make a decision.

You have three choices:
Lump sum payment – send a check directly to PSERS in Harrisburg.
Payroll deductions – make arrangements through your employer. Your employer will withhold payments and forward to PSERS.
Actuarial reduction – If any debt remains at the time of your retirement an actuarial reduction will be applied. This is a permanent reduction. This is the default option, no action required if this is your choice. At retirement any remaining debt will be deducted from the present value of your account.

Visit our website to use the PSERS Retirement Calculator. You can produce estimates to help you make a decision regarding your service purchase and the payment options. With the exception of qualifying part-time or full-time Pennsylvania school service which cannot be rescinded, you have only 90 days from the date of the Statement of Amount Due to rescind your purchase; therefore, you should take advantage of the Retirement Calculator by producing estimates with and without the service and/or payment in full or actuarial reduction. This should be explored immediately upon receipt of your Statement of Amount Due.
Multiple Service membership is available to individuals who have public school service with PSERS and qualified membership in the State Employees’ Retirement System as a Commonwealth of Pennsylvania employee. If you elect Multiple Service, both retirement accounts will be combined at retirement and will pay you one monthly benefit.

You must apply for Multiple Service membership (if eligible) within one year of beginning qualifying school employment.
An annual Statement of Account as of each June 30th is issued by PSERS to every active member after their school employer submits all salary and service reports. You may normally expect to receive your statement sometime near the end of the calendar year.

Your Statement of Account provides you with a summary of information that your employer has submitted to PSERS for the prior school year.

Please verify the information on your Statement of Account. Any corrections must be submitted to PSERS through your school employer.

School Year Credits:

   Years of Service:
   - Salaried or Per Diem: 180 days = 1 year
   - Hourly: 1100 hours = 1 year

Part-time per diem and part-time hourly workers must qualify for membership. To qualify, a part-time per diem employee must work at least 80 days in a school year and a part-time hourly employee must work at least 500 hours in a school year. Once you qualify for membership within a single school year, all subsequent school years will be considered “qualified” service until there is a break in your membership, regardless of the number of days or hours worked within that subsequent school year.

Contributions: T-C

   5.25% of salary if hired before 7-22-1983
   6.25% of salary if hired or rehired on or after 7-22-1983

Contributions: T-D

   6.50% of salary if hired before 7-22-1983
   7.50% of salary if hired or rehired on or after 7-22-1983

Contributions: T-E

   7.50% (base rate) with “shared risk” provision that could cause your total contribution level to fluctuate between 7.50% and 9.50%

Contributions: T-F

   10.30% (base rate) with “shared risk” provision that could cause your total contribution level to fluctuate between 10.30% and 12.30%

Interest: 4% per year - set by law

If vested, you will be provided with an estimate of your retirement benefits on your Statement of Account. This estimate will give you an idea of what your monthly benefits would be if you retired at the end of that school year under the single life annuities. However, the Statement of Account uses an automated calculation that could result in an inflated Final Average Salary. Also, the Statement of Account does not show the Joint Survivor Options. Therefore, if you are retiring this school year, you should request an estimate from PSERS which will be projected to your date of retirement and will provide you with all of the monthly payment options.

If you are not retiring during the current school year, you can produce an unlimited number of estimates, projected to your planned date of retirement, using the online retirement on the PSERS website. PSERS encourages you to register online to create your personal account to access the estimate calculator. If you do not wish to create an online account you can still use the online retirement calculator as a guest, you only need information from your most recent Statement of Account.
It is very important that you keep your address and beneficiary information up-to-date.

While an active member, address changes should be submitted through your employer. Once you have retired, address changes should be sent in writing with your signature directly to PSERS.

Your beneficiary is the person or persons who will receive your retirement benefits in the event of your death prior to retirement. You may change your beneficiary at any time by completing and submitting the proper form to PSERS, the Nomination of Beneficiaries (PSRS-187). Your most recent Nomination of Beneficiaries form will supersede all previous forms on file with PSERS. You may elect whether or not to have your beneficiary(ies) shown on your Statement of Account. It’s a good idea to check if your beneficiary is up-to-date at least annually and especially any time there is a marriage, divorce, death or birth in your immediate family.
The next segment of the program will be especially helpful to those members who are taking the final steps toward retirement. We will now provide detailed information regarding your PSERS retirement benefit.
When you decide to retire, there are important decisions you must make.

You must select a monthly payment plan by choosing a retirement option. No matter what option you select, you will receive a monthly benefit for the rest of your life.

Once you terminate employment and your Application for Retirement is filed, you have a short time period to make any changes to these decisions. This is called the Intent to Change process and, if you do not file the necessary form by the deadline given to you, then your withdrawal and option selections become a final and binding decision. Any changes made during the Intent process will be retroactive to your date of retirement. The right to request a change by you or your legal representative terminates with your death.

For Class T-C and T-D members, you must decide if you want to withdraw any or all of your personal contributions and interest. If you leave your contributions and interest in your PSERS account, you will receive a higher monthly benefit. If you elect to withdraw your contributions and/or interest, you will have the opportunity to determine what you do with this money.
One of the first steps as you plan for your retirement is to get an estimate of your projected benefits.

If you are not planning to retire within the next 12 months, PSERS encourages you to use our online retirement estimate calculator. You can produce an unlimited number of estimates, projected to your planned date of retirement, using the online retirement on the PSERS website. PSERS encourages you to register online to create your personal account to access the estimate calculator. If you do not wish to create an online account you can still use the online retirement calculator as a guest, you only need information from your most recent Statement of Account.
If you are planning to retire within the next 12 months, complete a *Request for Retirement Estimate*, form PSRS 151, giving PSERS your name, Social Security number, projected date of retirement, current or last school year’s salary and the birth date and gender of your survivor annuitant. Submit this form to PSERS and allow 4 to 6 weeks for processing. Allow more time for special estimates such as Multiple Service, Frozen Annuities, Divorces and Customized Options. The staff prepared estimate will estimate your benefits under all the monthly payment plans and withdrawal options, if applicable.
This is an example of an estimate for a Class T-D member which would apply to the majority, if not all, of the members in attendance today. The first page of the PSERS prepared estimate will be similar to the information on this screen. Everything will be projected to your planned date of retirement. Review your personal information for accuracy.

TYPE OF RETIREMENT: Early, Normal, or Disability. If early retirement, reducing factors are already incorporated into the estimate.

DATE OF RETIREMENT: Everything projected to the planned date of retirement that you provided to us. Actual date of retirement will be determined by termination information provided electronically by your employer unless you select a later date. Your date of retirement is normally the day following your termination date provided PSERS receives your Application within 90 days of that date. You may choose to delay your retirement to qualify for benefits that require age attainment, such as age 55/25 years of service early retirement.

PERSONAL/SURVIVOR INFORMATION: Review your personal/survivor annuitant information for accuracy. Survivor annuitant information must be provided to calculate joint survivor options. These are based on member’s age and survivor annuitant’s age at retirement.

FINAL AVERAGE SALARY (FAS): Average of three highest school years. Included in the calculation of your final average salary is any extra compensation received for performing additional duties such as overtime, work as a coach or department head, etc. Payment for unused sick or personal leave or bonuses received because of your retirement are NOT included in the calculation of the final average salary. It is important to note that the final average salary used on the estimate is not necessarily the member’s actual FAS—this will be calculated at the time their retirement benefit is finalized.

YEARS OF SERVICE: Projected to date of retirement broken down by Class.

CLASS T-D: 2.5% multiplier – Pennsylvania public school service and intervening and activated military service.

CLASS T-C: 2.0% multiplier – Purchased non-school service (non-intervening military; maternity; out-of-state; government) and non-converted and/or “Locked” school service.
TAX-FREE CONTRIBUTIONS

Pre-87 Investment-In-Contract funds may be included in your account. These are previously taxed contributions withheld from your salary prior to January 1, 1983 and/or payments you made prior to January 1, 1987 to purchase service credits. This amount of money is eligible to be withdrawn as tax free lump-sum payment if taken with the initial payment at retirement. Tax-free contributions may be directly rolled over into certain qualified retirement plans--Individual Retirement Account (regular), 401(a), Simplified Employee Plan, Safe Harbor 401(k), or Tax Sheltered Annuity/403(b).

Effective January 1, 2008, IRS regulations allow you to roll over your Pre-87 tax-free contributions to a ROTH IRA as long as you meet IRS income limitations. However, PSERS will not roll over your tax-free contributions directly to a ROTH IRA. Please consult with your tax advisor or financial institution regarding eligibility. If not withdrawn these monies are treated like Investment in Contract Post-86.

TAXABLE WITHDRAWALS

Post-86 Investment-In-Contract represent payments you may have made after 1986 for the purchase of service with PSERS. This money was previously taxed but it is not eligible for a lump-sum tax-free withdrawal. For tax purposes, these funds will be excluded from taxable income on your monthly pension spread over your expected lifetime using the IRS Simplified General Rule.

Taxable contributions, also known as pick-up contributions, represent non-taxed contributions withheld from your salary after 1982. This amount will include any payments you have made for a Purchase of Service with PSERS through a direct rollover using taxable funds.

Interest represents the non-taxed interest paid on your account at four percent per year.

Direct Payment To Member: The IRS requires that PSERS withhold 20 percent federal income tax from the taxable portion paid directly to you and remit it to the IRS. Ultimately, you will be taxed in accordance with your personal federal income tax bracket. You have 60 days to roll over to an IRA or other qualified plan any taxable money paid directly to you; however, PSERS will not return the 20 percent tax withheld. If you are under age 55 in the year you terminate employment and do not roll over your taxable withdrawal, you are responsible to pay an “Additional 10% Income Tax on Early Distribution” directly to the IRS.

Direct Rollovers: You may roll over any portion of your money into an eligible retirement plan. Taxes will not be withheld from any money that PSERS sends to an eligible retirement plan as a direct rollover. The IRS has special rules about rollovers and distributions when you reach age 70 ½. You may not be able to rollover 100 percent of your contributions and interest; PSERS will rollover only the amount allowed by IRS regulations.
This applies to Class T-C and T-D members only. For each option, different conditions concerning withdrawing your contributions and interest are provided with the estimate. These conditions are the same for all monthly payment plans:

**First condition** is leaving all of your contributions and interest in PSERS, providing you with a higher monthly benefit.

**Second condition**, if applicable, is withdrawing only your tax-free funds (Pre-87), reducing your monthly benefit.

**Third condition** is withdrawing all of your contributions and interest eligible for withdrawal, reducing your monthly benefit further.

**Fourth condition** is withdrawing a specific amount up to the total of your contributions and interest.

The more you withdraw, the greater your monthly benefit is reduced.
This applies to Class T-C and T-D members only.

TAX-FREE CONTRIBUTIONS
If you were a contributing member of PSERS prior to January 1, 1983, and/or you purchased service credit prior to January 1, 1987, part of the contributions in your account were already taxed and may be withdrawn in a tax-free lump sum at the time of your retirement. These already taxed contributions may be directly rolled over into certain qualified retirement plans, and are identified as Pre-87 Investment In Contract (Pre-87-IIC) funds.

To receive Pre-87-IIC monies without any tax liability this portion of your contributions must be withdrawn ASAP. If not withdrawn, these monies are treated like Investment in Contract Post-86.

Tax-free contributions may be directly rolled over into certain qualified retirement plans (IRA (regular), 401(a), Simplified Employer Plan, Safe Harbor 401(k) as well as a 403(b) – Tax Sheltered Annuity.

IRS regulations allow you to roll over your Pre-87-IIC contributions to a ROTH IRA as long as you meet IRS income limitations. Please consult with your tax advisor or financial institution regarding eligibility. However, PSERS will not roll over your tax-free contributions directly to a ROTH IRA.
This applies to Class T-C and T-D members only. Contributions made to PSERS on or after January 1, 1983, were tax deferred (not previously taxed) and are taxable at the time of withdrawal. Also, any Investment In Contract Post-86 monies are taxable at time of withdrawal.

If you elect to have these contributions paid directly to you, they are taxable immediately and PSERS is required by federal law to withhold 20% and remit that amount to the Internal Revenue Service (IRS) for you. The 20% federal income tax withheld by PSERS may or may not be enough as ultimately you will be taxed in accordance with your tax bracket. If you are under age 55 in the calendar year that you terminate your employment, an additional 10% early retirement tax may apply. PSERS does not deduct this additional tax, but you must pay it when filing your annual federal tax return.

You may defer the payment of federal income taxes by electing a Direct Rollover to Qualified Plan. A direct rollover also allows you to avoid the 10% additional tax if you are under age 55 in the calendar year in which you terminate employment. Please consult the financial institution of your choice for more information about establishing a qualified plan and making a direct rollover.

Examples of Qualified Plans are as follows:

1. IRA--regular (Individual Retirement Account)
2. SEP (Simplified Employee Plan)
3. 401(a)
4. Safe Harbor 401(k)
5. 403(b) – TSA (Tax Sheltered Annuity)
6. Governmental 457(b) (Deferred Compensation Plan)
SINGLE LIFE ANNUITY

Provides you, the member, with a monthly payment for your lifetime. Payment stops upon the member’s death. Guarantees a specific sum of money be paid to you and/or your beneficiary(ies).

MAXIMUM

Highest monthly benefit available to the member based on the formula. Member receives a monthly payment for his/her lifetime. Declining, limited death benefit. You are protecting your contributions and interest only. Once you have received this amount, there is no money remaining for your beneficiary(ies).
SAMPLE – MAXIMUM SINGLE LIFE ANNUITY

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<td>1 1/2%</td>
<td>1 1/2%</td>
<td>9.00,260</td>
<td>9.06,180</td>
<td>90.27%</td>
</tr>
<tr>
<td>Without any disability</td>
<td>1 1/2%</td>
<td>1 1/2%</td>
<td>9.00,260</td>
<td>9.06,180</td>
<td>90.27%</td>
</tr>
</tbody>
</table>
OPTION 1

Reduced monthly benefit based on your age at retirement.
Member receives a monthly payment for his/her lifetime.
Increased death benefit; protecting larger sum of money for longer period of time.
Guaranteed amount equal to present value of account. Present Value = money needed to fund account throughout your expected lifetime. [Actuarial figure based on a dollar annuity.]
Declining death benefit – the present value is reduced each month by the monthly benefit amount. Normally, death benefit will be depleted in 12 to 18 years from retirement.
If you select the Maximum Single Life Annuity or Option 1, you can name as many beneficiaries as you like and you can change your beneficiaries at any time.
## SAMPLE – OPTION 1

<table>
<thead>
<tr>
<th>Condition</th>
<th>Monthly Fee</th>
<th>Deck Hour</th>
<th>Vehicle-Listed Rate</th>
<th>Percent of Deck Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Noise Abatement</td>
<td>$1,110</td>
<td>$401,720</td>
<td>520 hours</td>
<td>96.3%</td>
</tr>
<tr>
<td>Without Noise Abatement</td>
<td>$1,110</td>
<td>$401,720</td>
<td>520 hours</td>
<td>96.3%</td>
</tr>
<tr>
<td>Without Noise Abatement</td>
<td>$1,172</td>
<td>$573,394</td>
<td>720 hours</td>
<td>92.7%</td>
</tr>
<tr>
<td>Without Noise Abatement</td>
<td>$1,050</td>
<td>$622,700</td>
<td>720 hours</td>
<td>92.7%</td>
</tr>
</tbody>
</table>

**SAMPLE – OPTION 1**
JOINT SURVIVOR ANNUITY

Provides member with a monthly payment for his/her lifetime.

Upon member’s death, one other person, your designated survivor, receives a monthly payment for his/her lifetime.

OPTION 2

Reduced monthly benefit based on the life expectancies of the member and the survivor annuitant. The younger the survivor, the greater the member’s benefit is reduced.

Provides lifetime monthly payment for member.

Upon member’s death, provides lifetime monthly payment to survivor--100% of member’s benefit.

Protects an individual; not a specific dollar amount.

Benefits payable to survivor annuitant may be limited if providing for a survivor other than a spouse.

CHANGE IN OPTION/SURVIVOR ANNUITANT

OPTION 2, 3, or SPECIAL SELECTED: You may change option or select a new survivor annuitant only under certain conditions. If the survivor annuitant predeceases you or your marital status changes, you may change your survivor annuitant or change your option, and you should report this status change to PSERS immediately. Request estimates prior to making a decision. Changing your Survivor Annuitant or Option will usually result in your monthly benefit being reduced.

Divorce: By operation of law, if a member chooses a survivor option naming their spouse and subsequently are divorced; the spousal Survivor Annuitant designation is automatically revoked by PSERS. In this situation, if there is no domestic relations order and the member does nothing (i.e. does not remove the ex-spouse as survivor annuitant/change option pursuant to the divorce or the Domestic Relations Order does not specifically grant the payment of the benefit to the ex-spouse), then the survivor annuitant will not receive a monthly benefit and it is considered by PSERS as if the survivor annuitant had predeceased the member.
<table>
<thead>
<tr>
<th>Condition</th>
<th>Healthy Child</th>
<th>Shrivelled/Dwarfed</th>
<th>Percent of Rough Surface</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawn No Rain</td>
<td>5.208</td>
<td>5.208</td>
<td>99.6%</td>
</tr>
<tr>
<td>Withdrawn No Plant</td>
<td>5.296</td>
<td>5.296</td>
<td>99.7%</td>
</tr>
<tr>
<td>Withdrawing &amp; Rain</td>
<td>5.215</td>
<td>5.215</td>
<td>99.7%</td>
</tr>
<tr>
<td>Withdrawing &amp; Plant</td>
<td>5.216</td>
<td>5.216</td>
<td>99.7%</td>
</tr>
</tbody>
</table>

SAMPLE – OPTION 2
OPTION 3

Same concept as Option 2 - provides a monthly benefit for another person.

Provides lifetime monthly payment for member--higher amount for member than Option 2.

Upon member’s death, the survivor receives 50% of member’s benefit.

Protects an individual; not a specific dollar amount.

OPTION 3
Joint Survivor Annuity

- Reduced retirement plan based on your life expectancy and that of your designated survivor (survivor annuitant)
- Only one person can be named
  - Can be changed only due to death, divorce or marriage
- Death Benefit – Upon your death, survivor annuitant will receive 50 percent of your monthly benefit for their lifetime
## SAMPLE – OPTION 3

<table>
<thead>
<tr>
<th>Condition</th>
<th>Healthy Child</th>
<th>Healthy Best Outcome</th>
<th>Percent of Repeated Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawal No Reason</td>
<td>8.722</td>
<td>8.536</td>
<td>99.64%</td>
</tr>
<tr>
<td>Withdrawal Non-Physical Reason</td>
<td>8.122</td>
<td>5.751</td>
<td>99.64%</td>
</tr>
<tr>
<td>Withdrawal All Non-Physical Reason</td>
<td>8.798</td>
<td>8.053</td>
<td>99.77%</td>
</tr>
<tr>
<td>Withdrawal &amp; Specific Behavioral Reason</td>
<td>7.283</td>
<td>5.406</td>
<td>99.79%</td>
</tr>
</tbody>
</table>
SPECIAL OPTION
Same concept as Option 2 and 3, to provide a monthly benefit for another individual. Member’s request for a different payment plan; i.e. different percentage or specific dollar amount.

*Example:* Shows survivor annuitant receiving 75% of member’s monthly benefit. Benefits payable to survivor annuitant may be limited if providing for a survivor other than a spouse.

CUSTOMIZED OPTION
May be requested if none of the other retirement options suit your needs.

Must provide for payment of level monthly benefits.

PSERS requires a letter from member providing complete information regarding:
- Beneficiary or Survivor Annuitant
- Method of Distribution

Must be pre-approved by PSERS’ actuary.

*Example:* Protect two people; i.e. provide monthly income for two survivors following member’s death.

If you are considering a customized option, it is suggested that you make your request in writing to PSERS at least six months prior to your retirement since extra processing time is involved.
SAMPLE – SPECIAL OPTION

<table>
<thead>
<tr>
<th>Condition</th>
<th>Monthly Check</th>
<th>Monthly Check (Discounted)</th>
<th>Amount of Benefit / Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift: 44</td>
<td>5.360</td>
<td>5.294</td>
<td>99.47%</td>
</tr>
<tr>
<td>Shift: 44</td>
<td>5.360</td>
<td>5.287</td>
<td>99.77%</td>
</tr>
<tr>
<td>Shift: 44</td>
<td>5.160</td>
<td>5.195</td>
<td>98.56%</td>
</tr>
<tr>
<td>Shift: 44</td>
<td>5.164</td>
<td>5.163</td>
<td>98.78%</td>
</tr>
</tbody>
</table>

SAMPLE – SPECIAL OPTION
Your monthly benefit is subject to federal income tax. If you live in Pennsylvania, your check is not subject to state or local taxes. If you live in another state or move to another state, you must check with that state regarding taxes due on your monthly retirement benefit. Federal income tax is the only tax that PSERS will withhold from your check.

This now completes the information on the choices and decisions you must make on your retirement benefits from PSERS.
By your attendance here today, you have shown that you are at least thinking of retiring. As you begin to plan, there are a few things you need to consider in preparation for retirement. Included in your handout is a Countdown to Retirement Checklist to help you plan for your future retirement.
First, if you have any service to purchase, submit your application now. PSERS must receive your completed POS application while you are an active contributing member and prior to your termination of employment.

Second, if you have made an inquiry to PSERS regarding your account for a divorce proceeding, ensure that we have received the appropriate documents so that your retirement benefit can be paid out in a timely manner.

You may find it necessary or advisable to designate another person as your agent to handle your personal affairs. A power of attorney (POA) would give your agent the authority to change your address, change or start electronic transfer, change your federal tax withholding status, change or stop your medical insurance coverage, change beneficiary designations, etc., with PSERS. Before you consider filing a POA with PSERS, you may want to discuss this matter with your family, friends, or an attorney. To designate a person or persons to act as your agent with PSERS, you can complete a PSERS Power of Attorney form (PSRS-248). Submitting the PSRS-248 provides specific POA authorization for PSERS transactions only and would usually not be accepted by other organizations for their POA requirements. You may submit a POA document other than the PSERS POA form. However, PSERS attorneys must carefully review the information on the submitted document, ensure it meets all legal requirements, and possibly investigate another state’s laws to ensure its legality. This takes additional time to review and may significantly delay your agent’s ability to conduct business with PSERS. For this reason, PSERS prefers members to complete the form PSRS-248. You may revoke the POA at any time by providing written notice to PSERS and to your agent.

Third, when you retire, you MUST discuss your employer requirements with your Human Resources and/or Business Office well in advance. Discuss your employer’s requirements including their notification timeframes, healthcare, payments for unused leave, and your options for balance of contract payments. If possible in your last school year of employment, consider lump sum payment of salary from your employer in June instead of having balance of contract salaries spread out over the summer months.

For those planning to retire by the end of the school year, you will need a retirement estimate, prepared by PSERS staff, for your counseling session. So if you don’t have one, complete the Request for Estimate (PSRS 151), which can be obtained from the web site or by calling PSERS. Submit the form to PSERS and your personalized estimate will be returned to you in
4 to 6 weeks. Allow more time for special estimates such as Multiple Service, Frozen Annuities, Legal Matters (Divorce or Court Orders) and Customized Options. It’s very important that you understand your estimate. Check key inputs of the estimate: Final Average Salary, service, and Survivor Annuitant’s birthdate. Please call us if you have any questions.
When you retire, PSERS will provide you with Retirement Exit Counseling in a small group. After you have reviewed your estimate and determined that you will be retiring during the current school year, make an appointment for Retirement Exit Counseling by calling your local PSERS regional office. Appointments are available throughout the year at various locations and times, but we suggest that you make your appointment as far in advance as possible. Please note that the majority of these sessions are scheduled during the regular work day, so you may need to take time off to attend.

Although financial advisors/planners are a great source of information regarding money matters, they should encourage school employees to attend the PSERS Retirement Exit Counseling meeting. PSERS staff reviews each member’s account before the retirement exit counseling. This familiarity with their history, as reported by all of the member’s employers, helps to ensure a smooth process for the member and addresses any issues before the member actually retires. At the session, not only is the application reviewed, but the process, the timeframes, and what a member can expect to receive from PSERS is also covered. In addition, PSERS covers many topics that are pertinent to the retirement process that the financial advisor/planner may not know about or have the current information. This can vary from topics such as premium assistance for health insurance, working in retirement, etc.
At your Retirement Exit Counseling PSERS staff will provide an overview of all the option choices and fully explain the retirement process. PSERS staff will provide the Application for Retirement. It is unnecessary to use third parties (i.e. financial planner) to complete the Application for Retirement. Part of the session will be spent actually completing your retirement forms and, of course, we will answer any questions you may have.

We will also explain the benefit processing timeframes and review several items that will be important to you as a retiree such as working after retirement and health care.

Health care has become very complicated and very costly so you may want to begin researching your health care options now. There is an informational handout in your packet regarding the PSERS Health Options Program that is available to all PSERS retirees.

Additionally at your Retirement Exit Counseling, we will review the Premium Assistance Program and explain the application process.
Your Application for Retirement must be received by PSERS no more than 90 calendar days after your termination date in order to receive retroactive retirement benefits. Even in those situations where there is a pending divorce action or purchase of service, in order to preserve retroactive benefits, the Application for Retirement must still be submitted within the 90 day time frame.

The month that your employer plans to report your final salary and service information to PSERS will determine when you will receive your first benefit payment from PSERS. Generally, your benefit will be paid four to six weeks after your employer has reported your final salary and service information. This information is due on the 20th of the month following the month in which you receive your final pay from your employer.

Typically, if your employer reporting is timely and complete, your benefit will be a finalized benefit processed in one step. If not, then it will be an initial estimated benefit processed in two steps. If it is processed in two steps, your monthly benefit amount may not match your retirement estimate and may be 10% - 15% less than what is shown on the estimate. Also, if eligible and you withdraw your total contributions and interest, the amount of your contributions paid may be lower than what is indicated on the estimate. Within 12 months, your benefit will be recalculated after PSERS receives all information from your employer and your account has been audited. You will then receive an adjusted benefit based on the final calculations retroactive to your retirement benefit effective date.

Payments are issued once a month and are directly deposited to your account on the last business day of the month.
You may find information about PSERS and your retirement benefits in a variety of formats.
Electronically, the PSERS website is filled with information including all of the agency’s printed publications. Again, if you are not planning to retire by the end of the school year, PSERS encourages you to use our online retirement estimate calculators.

You can produce an unlimited number of estimates, projected to your planned date of retirement, using the online retirement on the PSERS website. PSERS encourages you to register online to create your personal account to access the estimate calculator. If you do not wish to create an online account you can still use the online retirement calculator as a guest, you only need information from your most recent Statement of Account.
Remember, contact us at PSERS any time you have a concern or question. Retiring is a big step and a process that can be a bit overwhelming. We at PSERS are here to assist you.

If you contact us in writing, be sure to include identifying information in case we need to look at your account. Include your name and last four digits of your social security number and if you have a common last name, your birthdate, on any correspondence.
The Public School Employees' Retirement System (PSERS) sponsors the Health Options Program for PSERS annuitants (retirees), spouses of annuitants, survivor annuitants and their dependents. Those individuals participating in the Health Options Program pay the premium cost for coverage. PSERS does provide a Premium Assistance benefit to eligible retirees (please see the back of this page for additional information regarding the Premium Assistance Program).

**TYPES OF COVERAGE AVAILABLE THROUGH THE HEALTH OPTIONS PROGRAM**

The Health Options Program provides coverage for individuals eligible for Medicare. For individuals not eligible for Medicare, coverage is provided through the Pre-65 Program. Both Programs offer various coverage options to best suit your health care needs and financial resources. The HOP Medical Plan (for retirees eligible for Medicare) and the Pre-65 Medical Plan (for retirees not eligible for Medicare) provide fee-for-service hospital, medical/surgical, Major Medical, and optional prescription drug coverage and are available regardless of where you live. Medicare Advantage and managed care plan coverage are available within specified service areas throughout Pennsylvania and other states.

Comprehensive descriptive material is available upon request to explain the details of each option and monthly premium cost. You can obtain this information by calling 1.800.773.7725.

**ENROLLING IN THE HEALTH OPTIONS PROGRAM**

If a PSERS annuitant (retiree), spouse of an annuitant, survivor annuitant or their dependents needs health care coverage, they may enroll in the Health Options Program within 180 days of a Qualifying Event. The following is a list of Qualifying Events:

- The annuitant’s retirement or loss of health care coverage under a school employer’s health plan.
- The involuntary loss of health care coverage under a non-school employer’s health plan.
- An annuitant, survivor annuitant, or spouse attains age 65 or becomes eligible for Medicare.
- An annuitant experiences a change in family status (including divorce, your death or death of a spouse, addition of a dependent through birth, adoption, or marriage, or loss of a dependent through loss of eligibility).
- An annuitant becomes newly eligible for Premium Assistance due to a change in legislation.
- The loss of coverage due to the termination of a plan approved for Premium Assistance or moving out of the service area of a plan approved for Premium Assistance.

During annual option selection periods (conducted in the fall), individuals participating in HOP will be able to change their coverage option for the following calendar year, regardless of their health.

**PAYMENT OF PREMIUMS**

When a PSERS retiree or survivor annuitant enrolls in the Health Options Program, PSERS deducts the premiums for coverage from the monthly retirement benefit. If the monthly retirement benefit does not cover the premium cost, premiums must be paid directly to the PSERS HOP Administration Unit. The premium rates for each Health Options Program plan or option are set each calendar year. The premium rates for the coming year are provided to Health Options Program participants during the option selection period, and at which time participants may change plans.
The Public School Employees' Retirement System (PSERS) provides health insurance Premium Assistance as a full or partial reimbursement for an eligible retiree’s out of pocket premium expense from approved plans. To be eligible for Premium Assistance you must satisfy both the Service, Age and Service, or Retirement Type Requirements and the Approved Plan Requirements. These requirements are as follows:

**SERVICE, AGE AND SERVICE, OR RETIREMENT TYPE REQUIREMENTS**
- You have at least 24.50 years of credited service.
- You have at least 15.00 years of credited service provided your public school employment terminated and retirement occurred on or after superannuation age. Superannuation age is 62, or age 65 if you first became a school employee and an active member on or after July 1, 2011 (Membership Class T-E or Class T-F).
- You are receiving a disability retirement benefit from PSERS.

**APPROVED PLAN REQUIREMENTS**
- You must have an out-of-pocket premium expense for your basic health insurance coverage from: PSERS' Health Options Program.
- A Commonwealth school employer's (PSERS' reporting unit) group health insurance plan providing hospital, medical, and major medical coverage.

**BENEFIT**
The Premium Assistance benefit will reimburse eligible retirees up to $100 per month for their out of pocket premium expenses paid to an approved plan. It is not payable for premium expenses for the retiree’s spouse or dependents. As a reimbursement, Premium Assistance cannot exceed the retiree’s actual out-of-pocket premium expense and is not treated as taxable income. PSERS adds Premium Assistance payments to the eligible annuitant's monthly retirement benefit.

**OUT-OF-POCKET EXPENSE**
An out-of-pocket expense must be paid by the retiree for the retiree's health insurance coverage. Payments from a school employer that are not taxable to the retiree are not eligible for Premium Assistance. For example, if the school employer agrees to provide ongoing health insurance coverage in lieu of accumulated sick leave and the retiree does not pay taxes on the value of the sick leave, the retiree does not have an out of pocket expense and is not eligible for Premium Assistance. If the retiree is covered under his or her spouse’s school employer plan and premiums are paid pre-tax, the retiree does not have an out-of-pocket expense and is not eligible for Premium Assistance.

**VERIFICATION OF OUT-OF-POCKET EXPENSES**
Each year PSERS must verify that Premium Assistance recipients have an actual out of pocket expense from an approved plan. For retirees participating in their school employer’s plan, PSERS requests that the school employer verify the retiree’s premium payment. Unverified payments must be returned to PSERS by the recipient. (See “Overpayments.”)

**TERMINATION OF PREMIUM ASSISTANCE**
It is the responsibility of the Premium Assistance recipient (retiree) to notify PSERS if they no longer have an out of pocket premium expense from an approved plan. If a Premium Assistance recipient terminates their coverage under a Commonwealth school employer’s plan, it is the responsibility of the retiree, not the school employer, to notify PSERS to discontinue Premium Assistance payments. The Premium Assistance Election Form signed by the retiree clearly states this responsibility.

If the retiree enrolls in the Health Options Program immediately following the termination of coverage in the school employer’s plan, there will be no interruption in Premium Assistance payments.

**OVERPAYMENTS**
If a retiree receives Premium Assistance for a month he or she does not have an actual out of pocket expense from an approved plan or their Premium Assistance benefit exceeds the amount of their actual out of pocket premium expense, that overpayment must be returned to PSERS. Commonwealth law limits PSERS authority to waive a debt payable to the Commonwealth. Once it is determined that a Premium Assistance overpayment has been made, PSERS will request that the recipient return the Premium Assistance overpayment. If a recipient cannot or will not return overpayments to PSERS, monthly deductions will be made from the retiree's monthly retirement benefit in an amount determined by PSERS until the debt is paid. PSERS will not charge interest against the unpaid balance of the debt.

If a retiree dies prior to the full repayment of a Premium Assistance debt, the outstanding amount will be deducted from any prorated retirement benefit or death benefit due the estate or beneficiary of the deceased retiree.

**TAX STATUS OF PREMIUM ASSISTANCE PAYMENTS**
Premium Assistance benefits are deemed to be reimbursements of actual out-of-pocket premium expenses. As such, the 1099-R issued by PSERS does not reflect Premium Assistance payments as taxable income. (PSERS notifies recipients by letter after the end of the calendar year advising them of the amount of Premium Assistance paid during the preceding year. Retirees may use this information if they itemize their annual medical expenses.)

If you have questions about Premium Assistance or need an application, please call toll-free 1.866.483.5509.
**Active Member Handbook** (9752) – This publication contains an overview of information needed to understand participation in the Public School Employees’ Retirement System (PSERS). The handbook covers membership requirements, membership class and contribution rate information, how to obtain service credit, options when leaving service, information sources and other information needed throughout PSERS membership.

**Active Member Newsletter** – This newsletter is published every spring, summer, and fall for active members of the Public School Employees’ Retirement System (PSERS). It provides updates on benefits, legislation, Foundations for Your Future meetings, PSERS Board of Trustees actions, and other relevant information.

**Comprehensive Annual Financial Report (CAFR)** – This publication provides financial, investment, actuarial and statistical information of the Public School Employees’ Retirement System (PSERS) within one fiscal year (July 1 to June 30).

**Death Benefits During Employment** (9520) – This publication will provide active members of the Public School Employees’ Retirement System (PSERS) with information on how to nominate and change beneficiary(ies). It also contains information about how the death benefit is calculated and paid.

**Death Benefits During Retirement** (9620) – This publication will provide retirees of the Public School Employees’ Retirement System (PSERS) with information about the different death benefits options and how these options are disbursed. It also contains information on how to choose a beneficiary or survivor annuitant.

**Disability Benefits** (9540) – This publication will provide members of the Public School Employees’ Retirement System (PSERS) with information on PSERS disability benefits such as eligibility, how to apply for a disability, how the disability benefit is calculated, different payment options, health insurance information, working while on a disability benefit and other important information.

**Divorce Guidelines and Forms** (9681) – This publication provides general information needed by a member of the Public School Employees’ Retirement System (PSERS) and/or his or her attorney regarding divorce and PSERS benefits. This publication also contains an example Domestic Relations Order.

**Employer Bulletin** – This e-newsletter is sent via email to employers and employer related personnel. It contains updates and important information for PA public school entities participating with the Public School Employees’ Retirement System (PSERS).

**Employer Reference Manual** (9907) – This informational publication was created to assist employers participating with the Public School Employees’ Retirement System (PSERS) with every aspect of providing pension information to PSERS.

**Health Options Program** (1165) – This handout provides information on PSERS Health Options Program (HOP). HOP is a PSERS sponsored health care coverage for PSERS annuitants, spouses of annuitants, survivor annuitants and their dependents. This handout contains information on coverage, enrollment, premiums and premium assistance.
Important Information for New School Employees (9800) – This sheet contains vital information needed by new members of the Public School Employees’ Retirement System (PSERS) such as membership eligibility, membership classes, contribution rates, benefit eligibility, naming beneficiaries, multiple service election, and the importance of keeping your home address current.

Online Estimate Calculators (9680) – This publication supplies members of the Public School Employees’ Retirement System (PSERS) with instructions on how to prepare retirement estimates using the PSERS online system. It also contains a checklist for members to use when going through the retirement process.

PSERS Budget Hearing Information – This is a report presented to the PA Senate Appropriations Committee. This report contains a summary of financial, actuarial, and investment operations of the Public School Employees’ Retirement System (PSERS) and the budgetary projections for fiscal years (July 1 to June 30).

PSERS Update – This newsletter is published annually each winter for all members of the Public School Employees’ Retirement System (PSERS). It provides updates on benefits, legislation, healthcare, Foundations for Your Future meetings, PSERS Board of Trustees actions, and other relevant information.

Quarterly Financial Reports – These reports show the total quarterly net summary of additions and deductions of the Public School Employees’ Retirement System (PSERS).

Retired Member Handbook (9775) – This publication contains information for the Public School Employees’ Retirement System (PSERS) retiree. The handbook covers information needed for new retirees, retirement options, disability retirement benefit, monthly benefits, returning to school service after retirement, information for survivors, and other resources.

Retired Member Newsletter – This newsletter is published every spring, summer, and fall for retired members of the Public School Employees’ Retirement System (PSERS). It provides updates on benefits, legislation, healthcare, PSERS Board of Trustees actions, and other relevant information.

Return to Service Guidelines and Clarification (9682) – This publication provides clarification regarding the eligibility for a Public School Employees’ Retirement System (PSERS) retiree to be employed by a public school entity.

Taxes and Your Retirement Benefit (9600) – This publication provides a general description of the taxation methods applicable to the Public School Employees’ Retirement System (PSERS). It contains information on member contributions and interest, taxes on refunds, lump-sum payments, rollovers and monthly payments. This pamphlet also covers IRS W-4P and 1099-R forms. (PSERS does not provide tax advice. We recommend that you contact a local Internal Revenue Service (IRS) or a qualified tax advisor.)

Your Benefits and Leaving Employment (9580) – This publication will provide members of the Public School Employees’ Retirement System (PSERS) with the different options available to them when no longer employed by a Pennsylvania public school employer; among these options are refunding, vesting, or retiring. This pamphlet also contains information on health insurance and returning to public school employment after retirement.
PLANNING FOR RETIREMENT MORE THAN 12 MONTHS AWAY

☐ Review your annual Statement of Account for accuracy of information every year.
  ➢ Make sure you agree with service credited (cumulative and current year).
  ➢ Verify contribution rate and contributions/salary reported for year.
  ➢ Report discrepancies to PSERS.

☐ Apply to purchase any uncredited service, if applicable.

☐ If you have divorced and your PSERS benefit is classified as marital property in the Domestic Relations Order (DRO) and never submitted a copy of the DRO, consider doing it now. Not having an approved DRO (ADRO) on file with PSERS can delay the processing of your retirement benefit. PSERS needs to review the terms of the DRO to ensure it meets PSERS distribution requirements.

☐ Consider designating someone as your Power of Attorney (POA). You may find it necessary or advisable to designate another person as your agent to handle your personal affairs. A Power of Attorney (POA) would give your agent the authority to change your address, change or start electronic transfer, change your federal tax withholding status, change or stop your medical insurance coverage, change beneficiary designations, etc., with PSERS. To designate a person or persons to act as your agent with PSERS, you can complete a PSERS Power of Attorney form (PSRS-248). You may revoke the POA at any time by providing written notice to PSERS and to your agent.

☐ Consider setting aside funds to cover your living expenses during your retirement benefit processing time frame. Current benefit processing time frames are available on PSERS’ website.

☐ Use the PSERS online retirement calculator to obtain a personalized retirement estimate. You may also want to use the online federal tax withholding calculator to determine the net monthly retirement benefit.

☐ If you have questions as you prepare for retirement, contact your PSERS Regional Office.
COUNTDOWN TO RETIREMENT CHECKLIST

PLANNING FOR RETIREMENT WITHIN THE NEXT 12 MONTHS

☐ Request a PSERS staff prepared retirement estimate.
  ➢ Submit form PSRS-151 Request for Retirement Estimate.
    o Available on website (www.psers.state.pa.us) or call PSERS to request by mail.
  ➢ Be sure to answer all pertinent questions on form and fax or mail (keep in mind it may take up to 6 or more weeks to receive your estimate – PSERS is committed to providing accurate projections).

☐ Contact your employer to discuss benefits available through them such as health insurance and payment for unused vacation, personal or sick leave and balance of contract salary.
  ➢ Investigate your employer’s guidelines for retiring, terminating, or resigning. Be sure to follow your employer’s requirements concerning the notification of retirement. Failure to notify your employer of your resignation will delay the processing of your retirement benefit.

☐ Consult with a financial service representative or a tax professional, if appropriate. (PSERS does not endorse any financial service representatives for our membership. Although most individuals in the financial services field are competent and trustworthy there are businesses that seek to prey upon PSERS’ membership. We urge you to give careful consideration to the selection of a financial service representative. The Pennsylvania Department of Banking and Securities provides informative and noncommercial resources. Visit www.psc.state.pa.us for informative brochures and other publications.)
  ➢ Things that should be discussed or given thought to:
    o Do I want to withdraw a lump sum?
      ▪ How much do I want to withdraw?
      ▪ Do I need to withdraw a portion or total lump sum?
      ▪ Do I need funds sent to me (you may be required to pay certain taxes upon withdrawal)?
      ▪ Should I directly rollover a portion or total amount of funds?
      ▪ Which financial institution shall I consider?
    o Which monthly payment plan do I want?
      ▪ What kind of income do I need to live on now?
      ▪ What kind of death benefit do I need?
      ▪ If I die first, how much income will my survivor need?
      ▪ How is my health and that of my survivor?
      ▪ Do I have any life insurance or other investments?

☐ Schedule a PSERS Exit Counseling session through your PSERS Regional Office. Be prepared when you attend the session to choose your retirement option so the PSERS Regional Representative can show you how to properly complete the Application for Retirement (PSRS-8) and any additional applications or forms.

☐ Attend the PSERS Exit Counseling session, complete and submit necessary applications or forms to PSERS.