COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

PSERS
5 N 5th Street
Harrisburg PA 17101-1905

Toll-free: 1.888.773.7748 (1.888.PSERS4U)
Local: 717.787.8540
www.psers.pa.gov

March 27, 2023

PSERS ID:

Dear

The Public School Employees' Retirement System (PSERS) recently received new or updated personal information about you from your school employer.

Please log on to your Member Self Service (MSS) account with PSERS to verify this information. If you have not yet created your MSS account with PSERS, you may do so by selecting the Member Self Service icon on the PSERS website at *www.psers.pa.gov.*

You can view and update your PSERS information at any time via your MSS account on the PSERS website at *www.psers.pa.gov.* Your PSERS MSS account provides you with 24-hour access to view correspondence and newsletters, update your address and beneficiaries, view pension payment history, generate retirement estimates, and more.

By registering for MSS, you are automatically enrolled in Paperless Delivery. **You will now receive notices, documents, and correspondence (e.g., class election documents, *Statement of Account, Form 1099-R*, etc.) from PSERS electronically.** An email will be sent to you each time a document is posted and made available in your account. You can then log in to your MSS account to view and/or print the document. Please be sure to check your Spam folder to ensure you are receiving PSERS' emails.

You may change your Paperless Delivery preference at any time by visiting the Profile page in your MSS account and clicking Edit Paperless Status.

To ensure timely two-way communication with PSERS, it is vital that you keep your information current.

If you have questions or concerns regarding any information contained within this letter, please contact the PSERS Member Service Center within 30 days of the date of this letter by calling toll-free 1.888.773.7748 (1.888.PSERS4U) or by sending a secure message from your Member Self-Service (MSS) account. Harrisburg local callers use 717.787.8540. The call center is open on business days from 8:00 a.m. to 5:00 p.m. You can manage many aspects of your account, obtain information, or view documents through your MSS account with PSERS. To set up or access your MSS account, you may visit PSERS online at *www.psers.pa.gov.*

Sincerely,

Public School Employees' Retirement System

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

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August 20, 2022

PSERS ID:

Dear

Welcome to the Public School Employees' Retirement System (PSERS). Based on the information supplied by your employer(s), you qualify for membership in PSERS. As a new member, we would like to provide you with information about PSERS so you can make informed decisions about your retirement account.

As a member of PSERS, you are automatically enrolled in Class T-G and you do not need to take any action to retain this classification. You have an opportunity, however, to make a one-time choice of two other retirement plan options. **Your decision is permanent and irrevocable.**

All three plans have set employee and employer contributions. Two of the options have a defined benefit (DB) component that is based on a specific formula and a defined contribution (DC) component that is based on investment performance. The third option is a DC plan with no DB component. The DC component of your benefit may increase or decrease in value based on performance of the funds in which you invest your contributions. The retirement plan options for you to choose from are summarized as follows:

Membership Class	DB Member Contributions	DC Member Contributions	DC Employer Contributions
Class T-G (default)	6.25%	2.75%	2.25%
Class T-H (elective)	5.25%	3.00%	2.00%
Class DC (elective)	0.00%	7.50%	2.00%

If you are a Class T-G or Class T-H member, your DB member contribution rate is subject to change every three years, based on the investment performance of the DB Retirement Fund. The rate may change by .75%, but will never increase or decrease by more than 3%. Specifically, the total DB member contribution rate for Class T-G will not be less than 2.5% nor more than 8.5%. The total DB member contribution rate for Class T-H will not be less than 1.5% nor more than 7.5%.

PSERS highly recommends you take time to review the retirement plan options in the *Active Member Handbook*, on the PSERS website, and in this Welcome Packet. If you do not have access to the PSERS website, you may request a copy of the *Handbook* by calling the Member Service Center at the number listed below. The *Handbook* contains information regarding PSERS membership, the membership class options, obtaining service credit, the definition of multiple service membership, and other important benefit information so you can take the necessary action(s) to select and maintain your retirement account.

You will immediately begin to make DB and DC member contributions to the default Class T-G as a PSERS member. Class T-G provides a higher guaranteed retirement benefit. If you choose instead to become a Class

T-H or DC member, the election you make will be retroactive to your first day of qualifying membership. Excess contributions to the Class T-G DB account will be used to make your DC account whole, because the DC member contribution rate for Class T-H and Class DC is greater than the DC member contribution rate for Class T-G. The remaining excess DB contributions will be refunded to you directly.

You can view and update your PSERS information at any time via your MSS account on the PSERS website at *www.psers.pa.gov*. Your PSERS MSS account provides you with 24-hour access to view correspondence and newsletters, update your address and beneficiaries, view pension payment history, generate retirement estimates, and more.

By registering for MSS, you are automatically enrolled in Paperless Delivery. **You will now receive notices, documents, and correspondence (e.g., class election documents, *Statement of Account, Form 1099-R*, etc.) from PSERS electronically.** An email will be sent to you each time a document is posted and made available in your account. You can then log in to your MSS account to view and/or print the document. Please be sure to check your Spam folder to ensure you are receiving PSERS' emails.

You may change your Paperless Delivery preference at any time by visiting the Profile page in your MSS account and clicking Edit Paperless Status.

PSERS has offices throughout the Commonwealth of Pennsylvania. We have included a *PSERS Field Services Division* form to identify the locations of our regional offices. In addition to our regional offices, PSERS operates a call center to assist you on business days from 8:00 a.m. to 5:00 p.m.

Your action is required for the time-sensitive materials listed below. Please read carefully to ensure that you meet the **required deadlines** associated with the following:

- ***Election of Membership Class T-H or Class DC.*** As a new PSERS member, you are defaulted to the higher guaranteed retirement benefit of Class T-G. If choosing to elect a new membership class, you must do so through your PSERS MSS account. **You must complete your online election within 90 days or you will permanently remain a Class T-G member.** For more information on the retirement plan options, please refer to the Membership Class Overview document in the Welcome Packet.

- ***Purchase of Former Uncredited Part-time Service.*** If you worked as a part-time school employee prior to qualifying for PSERS membership, you may be eligible to purchase your former uncredited part-time service. The forms to purchase service credit may be acquired by contacting PSERS or by printing them from the PSERS website at *www.psers.pa.gov*. There are two types of former uncredited part-time service:

  - Qualifying - Part-time hourly or part-time per diem service equal to a minimum of 500 hours, 80 days, or an equivalent combination of hours and days in a school year (July 1 - June 30). Contact the employer(s) where the part-time service was rendered to determine if any applications need to be filed with PSERS. Your application to purchase service must be received while you are an active, contributing member.

  - Non-qualifying (NQPT) - Part-time hourly or part-time per diem service totaling less than 500 hours, 80 days, or an equivalent combination of hours and days in a school year (July 1 - June 30). While this service is not typically purchasable, as a new qualifying member of PSERS, you have a one-time opportunity to purchase service credit for NQPT service. **There is a one-year window to apply to purchase this service credit.** PSERS considers your NQPT application filed when you complete your sections (Sections A - D), file the application(s) with the employer(s) where the service was rendered, and when the employer(s) date stamps your application. **It must be date-stamped by August 20, 2023.**

Note: There are other types of service credit that may be purchased. Refer to the 'Obtaining Service Credit' section of the Active Member Handbook for service types, eligibility, and payment options.

- ***Application for Multiple Service Membership*** **(PSRS-1259). This form is not included in the Welcome Packet, but it is available via your MSS account.** Multiple service membership is the election to combine PSERS and State Employees' Retirement System (SERS) account information at retirement, which usually enhances the retirement benefit. If you have worked for the Commonwealth of Pennsylvania as a state employee and/or have been a member of SERS, you may apply for multiple service membership.

  To apply, submit the online application by August 20, 2023, or before the date of your termination of school/state service, <u>whichever is earlier</u>. If you are a returning member who previously was granted multiple service membership, <u>you must reapply</u>. PSERS must receive this application by the due date. Upon receipt of the application, PSERS will make the determination if you are eligible and will notify you accordingly.

  Note: Do not apply for multiple service membership if you have never worked for the Commonwealth of Pennsylvania as a state employee and/or been a member of the State Employees' Retirement System (SERS) through other qualifying employment; or if you DO NOT wish to elect multiple service membership. If you are unsure if you qualify to elect multiple service membership, please refer to the multiple service membership section of the Active Member Handbook or contact PSERS directly.

- ***Nomination of Beneficiaries*** **(PSRS-187). This form is not included in the Welcome Packet, but it is available to complete via your MSS account.** It is extremely important to complete your *Nomination of Beneficiaries*. Filing a properly completed nomination with PSERS will ensure that any benefits due to you are paid in accordance with your wishes upon your death. PSERS is legally obligated to pay any death benefit as designated on your most recent nomination. If you do not name a beneficiary, any benefits due to you will be paid to your estate.

Congratulations again on becoming a member of PSERS! You must act on the time-sensitive information. In addition, remember to complete and file your *Nomination of Beneficiaries* online as soon as possible. We encourage you to keep a copy of any document that you submit to PSERS. These copies can be used by you as references when contacting PSERS about your account.

If you have questions or concerns regarding any information contained within this letter, please contact the PSERS Member Service Center within 30 days of the date of this letter by calling toll-free 1.888.773.7748 (1.888.PSERS4U) or by sending a secure message from your Member Self-Service (MSS) account. Harrisburg local callers use 717.787.8540. The call center is open on business days from 8:00 a.m. to 5:00 p.m. You can manage many aspects of your account, obtain information, or view documents through your MSS account with PSERS. To set up or access your MSS account, you may visit PSERS online at *<u>www.psers.pa.gov</u>*.

Sincerely,

Public School Employees' Retirement System

Enclosure

5 N 5th Street
Harrisburg PA 17101-1905
Toll-free: 1.888.773.7748
Fax: 717.772.3860
www.psers.pa.gov

PSERS Field Services Division

Mail Center

Northwest Regional Ofc
Penn Wood Ctr Ste C
464 Allegheny Blvd
Franklin, PA 16323-6210

Toll-Free	Local	Fax
(888) 773-7748 ext. 5175	(814) 437-9845	(814) 437-5826

Serving: Beaver, Butler, Clarion, Clearfield (western region), Crawford, Erie, Forest, Jefferson, Lawrence, Mercer, Venango, and Warren counties

Northcentral Regional Ofc
Ste 201
300 Bellefonte Ave
Lock Haven, PA 17745-1903

Toll-Free	Local	Fax
(888) 773-7748 ext. 5275	(570) 893-4410	(570) 893-4414

Serving: Bradford, Cameron, Centre, Clearfield (eastern region), Clinton, Columbia, Elk, Lycoming, McKean, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, and Union counties

Northeast Regional Ofc
Ste 201
417 Lackawanna Ave
Scranton, PA 18503-2013

Toll-Free	Local	Fax
(888) 773-7748 ext. 5375	(570) 614-0269	(570) 614-0278

Serving: Lackawanna, Luzerne, Monroe, Northampton, Pike, Susquehanna, Wayne, and Wyoming counties

Southeast Regional Ofc
Ste 500
605 Louis Dr
Warminster, PA 18974-2825

Toll-Free	Local	Fax
(888) 773-7748 ext. 5575	(215) 443-3495	(215) 443-3487

Serving: Bucks, Chester, Delaware, Montgomery, and Philadelphia counties

Southcentral Regional Ofc
5 N 5th St
Harrisburg, PA 17101-1905

Toll-Free	Local	Fax
(888) 773-7748 ext. 6335	(717) 720-6335	(717) 783-9606

Serving: Adams, Berks, Carbon, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Lehigh, Mifflin, Perry, and York counties

Southwest Regional Ofc
Ste 301
300 Cedar Rdg Dr
Pittsburgh, PA 15205-1159

Toll-Free	Local	Fax
(888) 773-7748 ext. 5775	(412) 920-2014	(412) 920-2015

Serving: Allegheny, Fayette, Greene, and Washington counties

Centralwest Regional Ofc
219 W High St
Ebensburg, PA 15931-1540

Toll-Free	Local	Fax
(888) 773-7748 ext. 5875	(814) 419-1180	(814) 419-1189

Serving: Armstrong, Bedford, Blair, Cambria, Indiana, Somerset, and Westmoreland counties

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

PSERS
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Harrisburg PA 17101-1905

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Local: 717.787.8540
www.psers.pa.gov

August 20, 2022

PSERS ID:

Dear

Congratulations on becoming a member of the Public School Employees' Retirement System (PSERS). As a member of PSERS, you are required to make contributions and choose a membership class. In addition, each of your Pennsylvania public school employers will make employer contributions toward your PSERS retirement benefit. The amount of money withheld from your pay as well as the factors used to determine a retirement benefit for you when you retire are determined by your membership class.

Even if you currently are not a permanent or full-time employee, are no longer actively working for a Pennsylvania public school employer, or previously have received a refund of contributions and interest, you have qualified for PSERS membership, and you <u>must</u> review the enclosed materials and make a permanent membership class election decision now.

You are automatically enrolled in Class T-G <u>and you do not need to take any action if you choose to retain this classification</u>. Your defined benefit (DB) component of your retirement is based on your years of service times your final average salary times a 1.25% multiplier and any early retirement factors, as applicable. Your DB contribution rate is subject to change every three years, based on the investment performance of the fund. Based on investment returns, your DB contribution rate may change by .75% every three years but could never increase or decrease by more than 3% of your base rate. Specifically, the total member contribution rate for Class T-G will not be less than 2.5% nor more than 8.5%.

Please carefully review the enclosed handout to compare your membership options. ***Remember, your election is irrevocable.***

You must make your class election before November 18, 2022 by:

- Doing nothing. Taking no action will have you remain in the default option of Class T-G.
- Electing Class T-H or Class DC membership through your Member Self-Service (MSS) account on the PSERS website. If you have not yet created your MSS account with PSERS, you may do so by selecting the MSS icon on the PSERS website at www.psers.pa.gov
- If you are unable to access your MSS account, you may also request *Act 5 Membership Class Election Form Class T-G Members Only* (PSRS-1418) by contacting PSERS directly.

PSERS has included an informational handout to assist you in making this decision. **While PSERS cannot offer financial advice for your particular situation, you may contact PSERS if you have questions about the differences between Class T-G, Class T-H, and Class DC.**

At this time you should:

- Review the handout included in this packet.
- Access PSERS' website at www.psers.pa.gov to view additional information about Class T-G, Class T-H, and Class DC.
- Decide whether you wish to remain in Class T-G or elect Class T-H or the DC only plan.
    - If you wish to remain a Class T-G member, you do not have to take any action.
    - If you wish to elect Class T-H or Class DC, you may **make your election through your MSS account** by November 18, 2022. If you are unable to access your MSS account, you may also request the *Act 5 Membership Class Election Form Class T-G Members Only* by contacting PSERS directly. If the form is received after that date, you will remain in Class T-G and will not have the opportunity to elect Class T-H or Class DC in the future.

Your decision to remain Class T-G or to elect Class T-H or Class DC is final and binding.

If you have questions, contact PSERS by calling *1.888.773.7748 (1.888.PSERS4U)* or by sending a secure message from your Member Self-Service (MSS) account. Harrisburg local callers use 717.787.8540. The call center is open on business days from 8:00 a.m. to 5:00 p.m. *Note: Class T-G, T-H, or DC members can go to PSERSDC.Voya.com or contact 833.432.6627 (833.4DC.MMBR) for more information about their defined contribution account.* You can manage many aspects of your account, obtain information, or view documents through your MSS account with PSERS. To set up or access your MSS account, you may visit PSERS online at www.psers.pa.gov.

Sincerely,

Public School Employees' Retirement System

Enclosures

PSERS

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Welcome to PSERS

Membership Class Information

Use this information to help determine which PSERS membership class is right for you.

As a school employee who first became an active member of PSERS on or after July 1, 2019, you are automatically enrolled as a Class T-G member. Class T-G provides a hybrid retirement that has both a Defined Benefit (DB) and a Defined Contribution (DC) component for your retirement benefit. You have an election period to decide if you would like to remain Class T-G or elect another hybrid membership class with different contribution rates (Class T-H) or a defined contribution only membership class (Class DC).

No action is required to remain in Class T-G. Remember, your decision to remain Class T-G or elect Class T-H or Class DC is irrevocable.

What is the difference between PSERS' Defined Benefit (DB) and Defined Contribution (DC) Plans?

The **Defined Benefit** component of your retirement guarantees you a monthly benefit based on the following calculation.

Final Average Salary **x** Membership Class Multiplier **x** Years of Service **=** Annual Maximum Single Life Annuity

The **Defined Contribution** component of your retirement is based on the amount of contributions made by you and your employer and the investment performance on those contributions. Your contributions have the potential to grow based on investment earnings, but are not guaranteed against loss in declining investment markets.

Participant Contribution **+** Employer Contribution **+** Voluntary Contributions (after-tax, rollover) **+/-** Investment Performance of Your Account **=** Total Account Value

Important points to consider when making your membership class election decision

1. **Class T-G is the default Membership Class in which you contribute the most to your DB component of your retirement benefit for the guaranteed highest monthly benefit at retirement.**
2. Class T-G has the highest Employer DC Contribution Rate of the three Classes.
3. Will you work long enough to be eligible for a DB benefit with Class T-G or Class T-H by either:
   - Rendering 10 years of service, or
   - Working until age 67 with at least three years of service?
4. What Membership Class will better help you attain your expected retirement income and meet your retirement goals?
5. Do you want the ability to make the investment decisions for all or some of your retirement plan contributions?
6. In the PSERS DC Plan, you will not be able to purchase any service (e.g., Out-of-state and non-contributing approved leave of absence) except USERRA.

Election Insert

Membership Class Snapshot

Class T-G guarantees the highest monthly DB benefit at retirement. You also contribute to the DC component of your retirement, which allows you to potentially grow the money that you set aside for retirement based on the performance of the investment markets. Compared to Class T-H, Class T-G has a higher DB member contribution rate and a higher employer DC contribution rate, but a lower participant DC contribution rate. Because your DB contribution rate is subject to shared risk and shared gain, please visit ***psers.pa.gov*** for the most current contribution rates.

Class T-H guarantees a monthly benefit from the DB component that is lower than Class T-G. You also contribute to the DC component of your retirement, which allows you to potentially grow the money that you set aside for retirement based on the performance of the investment markets. Compared to Class T-G, Class T-H has a lower DB member contribution rate and a lower employer DC contribution rate, but a higher participant DC contribution rate. Because your DB contribution rate is subject to shared risk and shared gain, please visit ***psers.pa.gov*** for the most current contribution rates.

Class DC provides no guaranteed monthly benefit at retirement because there is no DB component to your retirement benefit. The value of your DC account is based solely on what you and your employer contribute to the DC Plan and the performance of those contributions in the investment markets based on the investment options you choose. The employer DC contribution rate is the same as Class T-H, which is lower than that of Class T-G.

	Your Default Option Class T-G (Hybrid of DB & DC Plans)	Elective Option Class T-H (Hybrid of DB & DC Plans)	Elective Option Class DC (DC Plan)
Total Member Contribution Rate*	9.00% (DB: 6.25% + DC: 2.75%)	8.25% (DB: 5.25% + DC: 3.00%)	7.50%
Employer Contribution Rate to Member's DC Account	2.25%	2.00%	
Vesting Period (When you qualify for a benefit)	10 years (or age 67 with 3 years of service) - DB Plan 3 eligibility points - DC Employer Contributions/Earnings		No DB Plan 3 eligibility points - DC Employer Contributions/ Earnings
Total Retirement Benefit	DB = 1.25% x FAS x Years of Service + Value in DC account at time of retirement	DB = 1.00% x FAS x Years of Service + Value in DC account at time of retirement	No DB Plan. Value in DC account at time of retirement
Your Total Retirement is based on...	Guaranteed monthly benefit (DB Plan) + Contributions (DC Plan) and the investment performance		Contributions (DC Plan) and the investment performance only
Purchasing Service, Disability Retirement, Electing Multiple Service	Yes		No, except for USERRA
Normal Retirement Age	For the DB Plan, earlier of: • Age 67 with 3 years of service • Combination of years and service equaling 97 with at least 35 years of service For the DC Plan, distribution upon termination of service	For the DB Plan, age 67 with 3 years of service For the DC Plan, distribution upon termination of service	N/A (Distribution upon termination of service)
Early Retirement Milestone	Age 57 with 25 years of service	Age 55 with 25 years of service	N/A

*The Member Contribution Rate is a percentage of your retirement-covered compensation that is withheld from your pay. This represents the current DB rate inclusive of Shared Risk and Shared Gain. The contributions you make to the PSERS DB and DC Plans lower your federal taxable income and increase your tax-deferred savings for retirement.

Membership Class Example

Member assumptions: $25,000 starting salary with 3% annual increases, working for 35 years (normal retirement)

PSERS DB Plan assumptions: Final average salary of $64,433 and earns a guaranteed 4% on contributions and interest. Member leaves these in for maximum pension benefit. The base DB contribution rate is 5.50% for Class T-G and 4.50% for Class T-H. Shared Risk/Shared Gain rate is not applied. Visit ***psers.pa.gov*** for the most current contribution rates.
PSERS DC Plan assumptions*: 26 pay periods per year and 6% rate of return.

	Your Default Option	Your Other Elective Options	
	Class T-G *Highest guaranteed retirement benefit*	**Class T-H** *Reduced guaranteed retirement benefit*	**Class DC** *Value of account at time of distribution*
Total Retirement Benefit	$590,258	$515,244	$408,861
Retirement Benefit Breakdown	$28,190 Annual Pension for life+ DC Plan Account of $215,190 at retirement	$22,552 Annual Pension for life+ DC Plan Account of $215,190 at retirement	No Annual Pension (You assume all investment risk) + DC Plan Account of $408,861 at retirement
First Year Member Contributions (based on a $25,000 starting salary)	$2,062.60 or $79.33 from bi-weekly pay	$1,875 or $72.11 from bi-weekly pay	
Total Member Contributions	$124,703	$113,366	
Total Employer DC Contributions	$34,010	$30,231	

Member assumptions: $40,000 starting salary with 3% annual increases, working for 35 years (normal retirement)

PSERS DB Plan factors: Final average salary of $103,093 and earns a guaranteed 4% on contributions and interest. Member leaves these in for maximum pension benefit. The base DB contribution rate is 5.50% for Class T-G and 4.50% for Class T-H. Shared Risk/Shared Gain rate is not applied. Visit ***psers.pa.gov*** for the most current contribution rates.
PSERS DC Plan assumptions*: 26 pay periods per year and 6% rate of return.

	Your Default Option	Your Other Elective Options	
	Class T-G *Highest guaranteed retirement benefit*	**Class T-H** *Reduced guaranteed retirement benefit*	**Class DC** *Value of account at time of distribution*
Total Retirement Benefit	$944,399	$824,388	$654,177
Retirement Benefit Breakdown	$45,103 Annual Pension for life + DC Plan Account of $344,304 at retirement	$36,083 Annual Pension for life + DC Plan Account of $344,304 at retirement	No Annual Pension (You assume all investment risk) + DC Plan Account of $654,177 at retirement
First Year Member Contributions (based on a $40,000 starting salary)	$3,300 or $126.92 from bi-weekly pay	$3,000 or $115.38 from bi-weekly pay	
Total Member Contributions	$199,525	$181,386	
Total Employer DC Contributions	$54,416	$48,370	

*These hypothetical examples assume a 6% effective annual interest rate and no withdrawals. For illustrative purposes only, to show how the contribution rate and number of years invested in the DC Plan could affect your account value. Not intended as a guarantee of past or future performance of any security. Hypothetical assumptions are not guaranteed. Your actual results may vary. Actual rate of return may be more or less than shown and will depend upon a number of different factors, including your choice of investment options.

Things to Consider

- If you wish to remain in Class T-G, ***no action is required.***
- When you retire, you have the option to withdraw your DB contributions and interest, although this reduces the value of your DB account and your monthly benefit from the DB component.
- If you would like to elect Class T-H or Class DC, you must timely log on to your PSERS Member Self-Service (MSS) account and follow the instructions on the *Class Election* tab prior to your deadline.
- If you choose Class DC, there will be no monthly DB benefit portion to your retirement benefit. You will also not be eligible for a PSERS disability retirement benefit, you will not be able to purchase service, including prior military service, and you will not be able to combine your PSERS credited service with service credited in the State Employees' Retirement System for one combined pension benefit.
- If you have any questions about making an election, please visit ***psers.pa.gov***, send a secure message from your Member Self-Service (MSS) account, or call PSERS at ***1.888.773.7748 (1.888.PSERS4U)***. The Member Service Center is staffed each business day from 8:00 a.m. to 5:00 p.m.

DC Plan Investment Choices

At enrollment into the PSERS DC Plan, your and your employer's contributions are automatically invested in a target date investment based on your estimated normal retirement age (67) as determined by your date of birth.

Your birth year:	Your default investment:
Prior to 1956	T. Rowe Price Target Date 2020
1/1/56 - 12/31/60	T. Rowe Price Target Date 2025
1/1/61 - 12/31/65	T. Rowe Price Target Date 2030
1/1/66 - 12/31/70	T. Rowe Price Target Date 2035
1/1/71 - 12/31/75	T. Rowe Price Target Date 2040
1/1/76 - 12/31/80	T. Rowe Price Target Date 2045
1/1/81 - 12/31/85	T. Rowe Price Target Date 2050
1/1/86 - 12/31/90	T. Rowe Price Target Date 2055
1/1/91 - 12/31/95	T. Rowe Price Target Date 2060
In 1996 or after	T. Rowe Price Target Date 2065

You can remain in your default target date investment or change how all or part of your account balance is invested at any time by accessing your PSERS DC Plan through your MSS account. You can select a different target date investment or choose from among 10 additional investment options. More information about the investment options in the PSERS DC Plan can be found by visiting your account through PSERS MSS Portal.

Stable Value
MissionSquare PLUS Fund R10

Bonds
BlackRock High Yield Bond K
PIMCO Total Return Instl
PIMCO Real Return Instl

Balanced
Calvert Balanced R6

Large Cap
Fidelity® 500 Index

Small/Mid/Specialty
Fidelity® Extended Market Index
Fidelity® Real Estate Index

Global/International
American Funds Europacific Growth R6
Invesco Developing Markets Fund R6

PSERS
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

With PSERS, you're on your way!

The T. Rowe Price target date trusts (the Trusts) are not mutual funds. They are common trust funds established by T. Rowe Price Trust Company under Maryland banking law, and their units are exempt from registration under the Securities Act of 1933. Investments in the Trusts are not deposits or obligations of, or guaranteed by, the U.S. government or its agencies or T. Rowe Price Trust Company and are subject to investment risks, including possible loss of principal.

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Attention Part-Time School Employees

If you are a part-time school employee, then you may be eligible to waive your membership in the Public School Employees' Retirement System (PSERS).

Before you waive membership, consider the following:

Requirements:

- You must waive membership during the 90-day class election window, or, if you later experience a break in PSERS service and return as a part-time employee, then you must waive within 90 days of qualifying for PSERS membership.
- You must maintain sole ownership of one of the following types of Individual Retirement Accounts (IRAs):
  - Traditional IRA
  - Roth IRA
  - Simplified Employee Pension (SEP)
  - Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA
- Once you waive membership, the waiver remains in effect until you accept a position for which membership is mandatory or you later elect to enroll in PSERS.

Benefits Waived:

- You can **never** purchase or receive credit for previously waived service.
- If you waive membership and are subsequently enrolled by choice or mandated because of a change in employment status, your waiver is voided *prospectively* from the date of enrollment.
- If you hold multiple part-time positions and are eligible to waive membership, you must waive membership for *all* positions.
- By waiving membership in PSERS, you will not be entitled to receive employer contributions for the defined benefit component or the defined contribution component.
  - Note that if you do **not waive** membership and work at least **three** years, you will be eligible to vest in your employer's defined contributions made on your behalf.
- You will not receive a guaranteed 4% interest on your defined benefit contributions.
- You will not have the ability to invest your contributions or your employer contributions in the School Employees' Defined Contribution Plan.

Please refer to the enclosed material for the benefits of a PSERS membership. Benefits include a defined contribution plan where you can rollover funds from eligible retirement accounts and choose your investment options.

Carefully consider the above. You have 90 days to choose a new membership class or to elect to waive membership in PSERS. If you take no action or choose to file a class election with PSERS, you will not be permitted to waive membership. If you choose to waive your membership with PSERS, you can do so through your membership class election tab in your PSERS Member-Self-Service (MSS) account at *psers.pa.gov*. For more information, please contact PSERS directly.

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

PSERS
5 N 5th Street
Harrisburg PA 17101-1905

Toll-free: 1.888.773.7748 (1.888.PSERS4U)
Local: 717.787.8540
www.psers.pa.gov

December 4, 2022

PSERS ID:

Dear :

As a new member of the Public School Employees' Retirement System (PSERS), you were recently given the opportunity to remain a Class T-G member or elect to become a Class T-H or Class DC member.

Membership Class
Congratulations on your choice to retain Class T-G membership, which is irrevocable. Class T-G provides a higher guaranteed retirement benefit and is a combination of a defined benefit (DB) and a defined contribution (DC) component. Your total contribution rate to your retirement will be 9.00% of your salary, with 6.25% attributable to your DB component and 2.75% to your DC component. In addition, your employer will contribute an amount equal to 2.25% of your salary to the DC component. You will be eligible to receive your employer's DC contributions when you terminate employment, provided you have at least three eligibility points. Because the value of the contributions credited to your DC component will fluctuate based on the performance of those investment(s), you will have an opportunity to determine where your DC contributions are invested.

DC Investment Choices
Please review the enclosed information that details the menu of investment options that are available for you to invest your DC contributions into. The performance of the investment(s) you select now and any changes you make to your investment allocations in the future will affect the total value of the DC Member and DC Employer contributions and earnings in retirement or upon withdrawal.

You will default into an age-based target date fund and need to take no action if you wish to remain in this investment selection. A target date fund provides a simple investment solution through a portfolio whose asset allocation mix becomes more conservative as the target date of retirement approaches. You can change your investment selection through Voya's secure site, which can be accessed through your PSERS Member Self-Service (MSS) account.

After-Tax Contributions
You may voluntarily contribute additional funds beyond the mandatory DC participant contribution rate on an after-tax basis. These additional, after-tax contributions would be withheld per pay by your employer and added to your DC account. Information about the after-tax contribution option is included. You can change your after-tax contribution percentage through Voya's secure site which can be accessed through your PSERS MSS account.

You may appeal this decision by writing to the Executive Staff Review Committee, at the above address.

Please include the following information with your request for an appeal.

1. Your name, address, telephone number and Social Security number.

2. A statement of facts that are the basis of your appeal. These should be in separate numbered sentences.

3. A statement of the relief you are requesting (in other words, what you want the Executive Staff Review Committee to do).

4. A complete statement of why the Executive Staff Review Committee should grant your request.

Your request for an appeal must be received by January 5, 2023.

If you have questions, contact PSERS by calling *1.888.773.7748 (1.888.PSERS4U)* or by sending a secure message from your Member Self-Service (MSS) account. Harrisburg local callers use 717.787.8540. The call center is open on business days from 8:00 a.m. to 5:00 p.m. *Note: Class T-G, T-H, or DC members can go to PSERSDC.voya.com or contact 833.432.6627 (833.4DC.MMBR) for more information about their defined contribution account.* You can manage many aspects of your account, obtain information, or view documents through your MSS account with PSERS. To set up or access your MSS account, you may visit PSERS online at www.psers.pa.gov.

Sincerely,

Public School Employees' Retirement System

Your PSERS Defined Contribution Plan Component

As a member of PSERS, you have a Defined Contribution (DC) component to your retirement. Your PSERS DC Plan benefit is based on the amount you and your employer contribute to your account and your account's investment experience. You may direct the investment of your account.

Your default investment option

At enrollment into the PSERS DC Plan, your and your employer's contributions are automatically invested in a target date investment based on your estimated normal retirement age (67) as determined by your date of birth.

If your date of birth is:	Your default target date investment is:
Prior to 1956	T. Rowe Target Date 2020
1/1/56 - 12/31/60	T. Rowe Target Date 2025
1/1/61 - 12/31/65	T. Rowe Target Date 2030
1/1/66 - 12/31/70	T. Rowe Target Date 2035
1/1/71 - 12/31/75	T. Rowe Target Date 2040
1/1/76 - 12/31/80	T. Rowe Target Date 2045
1/1/81 - 12/31/85	T. Rowe Target Date 2050
1/1/86 - 12/31/90	T. Rowe Target Date 2055
1/1/91 - 12/31/95	T. Rowe Target Date 2060
In 1996 or after	T. Rowe Target Date 2065

What is a target date investment?

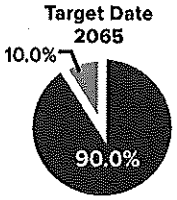
Target date investments are professionally managed and periodically adjusted with a specific target retirement date in mind. They are designed to adjust to changing needs *up to and throughout retirement* in a single investment option. Professional investment managers invest your money in a mix of funds across a variety of asset classes to create a diversified investment portfolio, guided by the number of years until retirement. The target date investment is automatically monitored and rebalanced to shift assets to more conservative investments as the retirement year draws near.

Changing your investment allocation

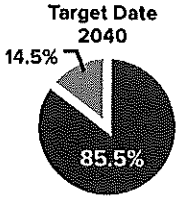
You can remain in your default target date investment or change how all or part of your account balance is invested at any time. You can select a different target date investment or choose from among 11 additional investment options from some of the most well-known investment managers. If you wish to change from your default target date investment to one or more of the other options in the investment lineup, please visit your PSERS DC account through PSERS Member Self-Service (MSS) Portal or call *1.833.432.6627 (1.833.4DC.MMBR).*

How target date investment are adjusted over time as each portfolio becomes more conservative

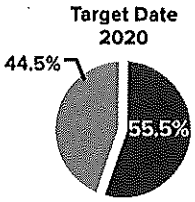
This illustration shows you how a target date investment adjusts over time. When you're further away from your expected retirement year, the investment in stocks is greater because you have more time to take advantage of market highs and recover from market lows. Over time, assets in the stock portfolio gradually shift to the bond portfolio, which are comprised of more conservative investments.



More Aggressive
Initially the portfolio will include a greater percentage of stocks.



The portfolio gradually begins to shift into the more income-oriented bond portfolio around 20 years from retirement.



More Conservative
Your bond portfolio size continues to increase into and through your expected retirement.

Portfolio Key: Bonds Stocks

As of March 31, 2020

The T. Rowe Price Retirement Trusts (the Trusts) are not mutual funds. They are common trust funds established by T. Rowe Price Trust Company under Maryland banking law, and their units are exempt from registration under the Securities Act of 1933. Investments in the Trusts are not deposits or obligations of, or guaranteed by, the U.S. government or its agencies or T. Rowe Price Trust Company and are subject to investment risks, including possible loss of principal.

Access your PSERS Defined Contribution Plan online

Your PSERS DC Plan has a number of online tools and resources to help you plan your financial future. You can access your DC account anytime through PSERS MSS Portal to view your balance and your investment allocations.

Your PSERS DC Plan is also mobile. Visit your favorite app store and search using the word "retire" for the Voya Retire mobile app. After downloading, visit *PSERSDC.voya.com* and click *Register Now* to create a username and password that you will need to use every time you log into the app.

Once you've entered your account through PSERS MSS Portal or the Voya Retire app, you can take advantage of myOrangeMoney®, an interactive educational experience that helps you estimate savings scenarios and stay on track for the retirement future you envision. You can also start your financial journey with the Financial Wellness Experience, which helps you think about your financial priorities and gives you personalized guidance that can lead to meaningful results.

Making voluntary after-tax contributions to the DC Plan

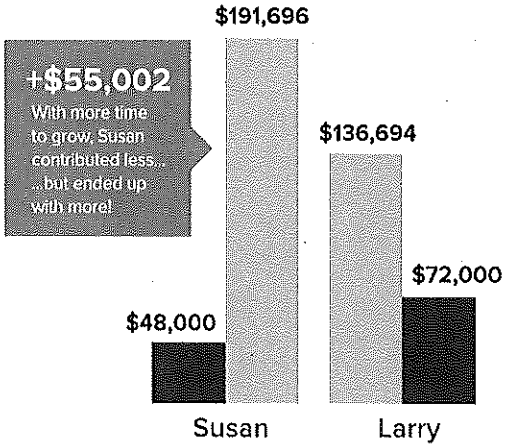
In addition to the mandatory contributions, you also have the option to contribute after-tax money from your paycheck to your PSERS DC Plan. For additional information about or to elect an after-tax deferral, please visit your DC account through PSERS MSS Portal or call *1.833.432.6627 (1.833.4DC.MMBR).*

The value of starting early

If you're thinking about adding after-tax contributions to your PSERS DC Plan, remember that waiting may cost you. Even if you contribute more to make up for lost time, it may not be enough. For example*:

Susan started saving an additional after-tax contribution of **$100** per month at age 25. After 40 years, she saved an additional **$48,000** that grew to **$191,696**.

Larry started saving an additional after-tax contribution of **$300** per month at age 45. After 20 years, he saved an additional **$72,000** that grew to **$136,694**.



* Assumes contributions are made at the end of each month, and earn a 6% rate of return compounded monthly. This illustration is hypothetical, is not guaranteed and is not intended to reflect the performance of any specific investment. Systematic investing does not ensure a profit nor guarantee against loss.

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With PSERS, you're on your way!

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