

Exploring your distribution options



As a Public School Employees' Retirement System (PSERS) member, PSERS can help prepare you for your future during and after your public school employment. The following is helpful information and an explanation of the available distribution options for your PSERS Defined Contribution (DC) Plan account. Once you separate from public school employment or retire, you should review your PSERS DC account and consider your distribution options.

Benefits of Staying in the PSERS DC Plan

Keeping your savings in the Plan may be your easiest option. You will continue to enjoy the potential for tax-deferred growth, and continue to receive account statements and PSERS DC Plan information. You can continue to access and manage your account through the PSERS Member Self-Service (MSS) Portal. You will also retain access to managing investments, retirement income estimations through myOrangeMoney®, and financial education through the Financial Wellness Experience, along with the other Voya® tools and resources.

You will always maintain control over your PSERS DC account balance. You don't have to start withdrawing money from your PSERS DC account until you reach your Required Beginning Age. See the Required Minimum Distributions section for more information.

Distribution Payments

If you are a former public school employee with a balance over \$5,000 in the PSERS DC Plan, you may choose from the following distribution options. Partial distributions and full distributions may be taken as a direct distribution or a rollover to an individual retirement account or another employer retirement plan. Direct distributions are subject to 20% federal withholding taxes and if under age 59½ or a non-resident alien, additional federal withholding taxes will be withheld unless an exception applies.

- Full distribution – take a one-time lump-sum payout for the entire amount of your vested account balance.
- Partial distribution – take a portion of your vested account balance.
- Installments – have payments distributed monthly, quarterly, semi-annually, or annually. Installments can be changed and you may request a lump-sum distribution at any time. You may not roll over these distributions.
- Annuity – you may use the distribution of your account to purchase an annuity that will provide you with a guaranteed payment for a specified period of time. You have a variety of payout choices, frequencies, and durations.

Automatic Rollovers and Payouts

If you are a former public school employee with a balance of \$5,000 or less in the PSERS DC Plan at the time of termination, you have up to 90 days after the date you are eligible for distribution to request a distribution or rollover of your vested PSERS DC account balance to another qualified plan (subject to that plan's rules and restrictions) or to an individual retirement account (IRA). If you do not request a distribution or rollover, the following will automatically occur based on the balance in your account:

- More than \$5,000 – retained in your PSERS DC Plan account
- \$1,000.01 to \$5,000 – rolled over to a Voya IRA in your name, where it will retain its tax-deferred status
- \$1,000 or less – paid out directly to you in a lump-sum less applicable federal withholding taxes

Note: The rules governing distribution provisions may be different than the distribution rules in other qualified plans. A plan's withholding rules for distributions may apply to rollover money from other plans. Prior to rolling money over, you should check with the plan receiving the money about any changes that may affect the distribution options of the rolled-in money.

Premium Assistance

Premium Assistance is available to PSERS retirees to pay for health coverage through the PSERS Health Options Program, a Commonwealth public school employer, or district health plan. For more information about Premium Assistance, call PSERS Premium Assistance Unit at 1.866.483.5509.

To be eligible for Premium Assistance, you must have terminated school service and

- If a Class DC member:
 - Attained Medicare eligibility with 24.5 or more eligibility points, and have received all or part of your distributions or
 - Age 67 or older on your date of termination from school employment with at least 15 eligibility points and have received all or part of your distributions
- If a Class T-G or Class T-H member:
 - Have 24.5 or more eligibility points, or
 - Terminated and retired at or after reaching age 67 or older with at least 15 eligibility points, or
 - Receiving a disability pension from PSERS

Required Minimum Distributions

The Required Minimum Distribution (RMD) rules of the Internal Revenue Service (IRS) mandate that retirement benefits begin to be distributed by April 1 of the calendar year following the year in which a terminated vested member reaches age 73, unless you were previously subject to RMD rules at ages 70½ and 72. If you do not begin receiving your RMD, the IRS may impose a penalty tax on the amount not distributed.

Applying for a Distribution

After separating from public school employment, it's important to remember the following:

- Once your employer submits your termination record, PSERS will share the information with Voya.
- Voya cannot process a distribution request until the later of 30 days **after** the termination date reported by your employer or the last day of the month in which a balance of contract is reported by your employer.
- To discuss your PSERS DC Plan distribution options and ensure that you have all of the information needed to make an informed decision, please contact Voya at 1.833.432.6627 (1.833.4DC.MMBR).
- For distributions via check, the check will be placed in the mail two business days after your distribution request is processed. Checks will be mailed directly to your address of record.
- For distributions via ACH direct deposit, the processing time to deposit the distribution into your bank account on file varies by financial institution.

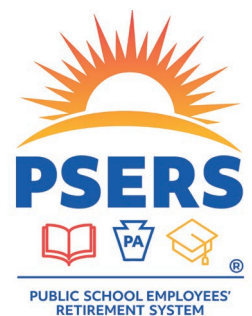
Set Up Online Banking

To set up your online banking information, access your PSERS DC account through the PSERS MSS Portal and go to your profile in the upper right hand corner. Click *Personal Information* and go to the Banking Information section to add or edit your banking information. You are restricted from requesting distributions via ACH direct deposit for seven calendar days following any banking information updates. If you request a distribution during the seven calendar day wait period, a check will be issued instead.

Questions about Your DC Distribution Options

Contact Voya at 1.833.432.6627 (1.833.4DC.MMBR) to speak with a Customer Service Associate weekdays from 8:00 a.m. to 8:00 p.m., ET, excluding stock market holidays. Spanish-speaking Customer Service Associates are also available.

With PSERS, you're on your way!



Not FDIC/NCUA/NCUSIF Insured • Not a Deposit of a Bank/Credit Union • May Lose Value • Not Bank/Credit Union Guaranteed • Not Insured by Any Federal Government Agency

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