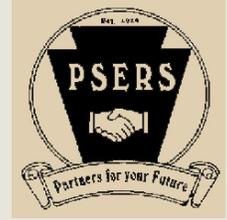


Fall 2008

Inside...

- *From the Executive Director*
- *Notice to Charter School Administrators*
- *Mailer-Daemon Failure Notice*
- *Borrowing From Your Account and More...*



Melva Vogler Returns to Active Certified Seat on Board



Melva Vogler returns to the Active Certified Seat on the PSERS Board of Trustees. She was “elected by acclamation” by the PSERS Board of Trustees, in accordance with Section 46 of *Robert's Rules of Order*, for a term of three years. No active certified member election will occur in 2008 as only one candidate, Melva Vogler, submitted the required election forms/petitions for the election.

Ms. Vogler, current PSERS Board Chairman, has served as a trustee since 1994. She teaches mathematics at Wallenpaupack High School, earned a Bachelor's Degree at Susquehanna University, and a Master's at Marywood University.

Ms. Vogler is currently President of the National Council on Teacher Retirement (NCTR) and on the Executive Committee of the National Institute on Retirement Security (NIRS). She has served on PSEA's Board of Directors and as the Northeastern Region President for fifteen years. She is currently President of the Wallenpaupack Education Association.

Melva Vogler and her husband, Harold, have two children, Robert, a teacher and Carol, an auditor.

PSERS Financial Reporting Acknowledged

As a member, you can be assured that PSERS keeps accurate and detailed records of the money you have invested for your retirement. For the 25th consecutive year, PSERS has qualified for the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the PSERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2007. This report provides an in-depth review of the financial, actuarial, and investment status of the Retirement Fund. The CAFR was graded “proficient” in all grading categories.

The *PSERS Active Member Newsletter* is intended for general informational purposes and to alert members about important deadlines, changes, and developments in the law or retirement policy. It should not, however, be relied on as providing legal advice or as the basis for individual retirement planning and decisions. The Public School Employees' Retirement System provides personalized retirement information and counseling services that can be accessed by calling toll-free, 1-888-773-7748. The contents of this newsletter may not be used for any commercial purpose without PSERS' prior written permission.

From the Desk of the Executive Director...

Dear Members,

Below is an article about a recently released report from the National Institute of Retirement Security (NIRS). NIRS is a not-for-profit organization established to help foster a deeper understanding of the value of retirement security to employees, employers, and the economy through national research and education programs.

As you know, defined benefit plans, like PSERS, continue to be criticized as being too costly. This report provides evidence to the contrary.

While the examples stated within the article are not figures specific to PSERS, I hope you find this article and link to the attached report helpful in your understanding of defined benefit pension plans.

Sincerely,

Jeffrey B. Clay

PSERS Executive Director

New Report Calculates Pensions Half the Cost of Individual Accounts

A new report finds that a defined benefit (DB) pension plan can deliver the same level of retirement income to a group of employees at 46% lower cost than an individual defined contribution (DC) account. The report finds that certain built-in features of DB plans enable the systems to be the most fiscally efficient way to provide retirement income.

The analysis calculates that DB pension plans:

- Avoid the problem of “over-saving” by pooling the longevity risks of large numbers of individuals – resulting in a 15% cost savings.
- Are ageless and therefore can perpetually maintain an optimally balanced investment portfolio rather than the typical individual strategy of down-shifting over time to a lower risk/return asset allocation – resulting in a 5% cost savings.
- Achieve higher investment returns as compared to individual investors because of professional asset management and lower fees – resulting in a 26% cost savings.

The study, “A Better Bang for the Buck: The Economic Efficiencies of Defined Benefit Pension Plans,” was published by the National Institute on Retirement Security on August 14, 2008.

“The analysis is somewhat of a myth buster when it comes to conventional wisdom on the cost of retirement plans,” said Beth Almeida, report author and Executive Director of the National Institute on Retirement Security. “The analysis clearly indicates that the qualities inherent in DB plans – particularly, the pooling of risks and assets – fuel their fiscal efficiency. Importantly, the report provides a new lens for policymakers, employers and employees, who are all struggling to ensure adequate retirement income with the fewest dollars possible.”

“The model makes an ‘apples to apples’ calculation of the actual dollar contributions required for a DB and DC plan to achieve the same target retirement benefit,” said William (Flick) Forna, report author and

Continued on page 3

PSERS
5 North 5th Street
PO Box 125
Harrisburg PA
17108-0125

Toll-Free
1-888-773-7748
Local Calls
717-787-8540
TTY (Text)
717-772-5379

Weekdays
(except holidays):
7:30 a.m. - 5:00 p.m.

Website Address:
www.psers.state.pa.us
E-mail Address:
ra-ps-contact@state.pa.us

**PSERS is proud to be an
equal opportunity
employer supporting
workforce diversity.**

PSERS Board of Trustees Meeting Schedule

December 12, 2008

PSERS' Board meetings are held in Harrisburg at PSERS, located on 5 North 5th Street. In addition to these Board meetings, Committee meetings are held throughout the year. All PSERS Board meetings are open to the public.

For exact meeting times or if you would like to attend and require an accommodation to participate, please call Barbara Flurie, PSERS Executive Office at 1-888-773-7748, extension 4617.

PSERS Mission Statement

The Board of Trustees and the employees of the Public School Employees' Retirement System ("System") serve the members and stakeholders of the System by:

- Providing timely and accurate payment of benefits.
- Maintaining a financially sound System.
- Prudently investing the assets of the System.
- Clearly communicating members' and employers' rights and responsibilities.
- Effectively managing the resources of the System.

Updated:

June 20, 2008

Originally Adopted:

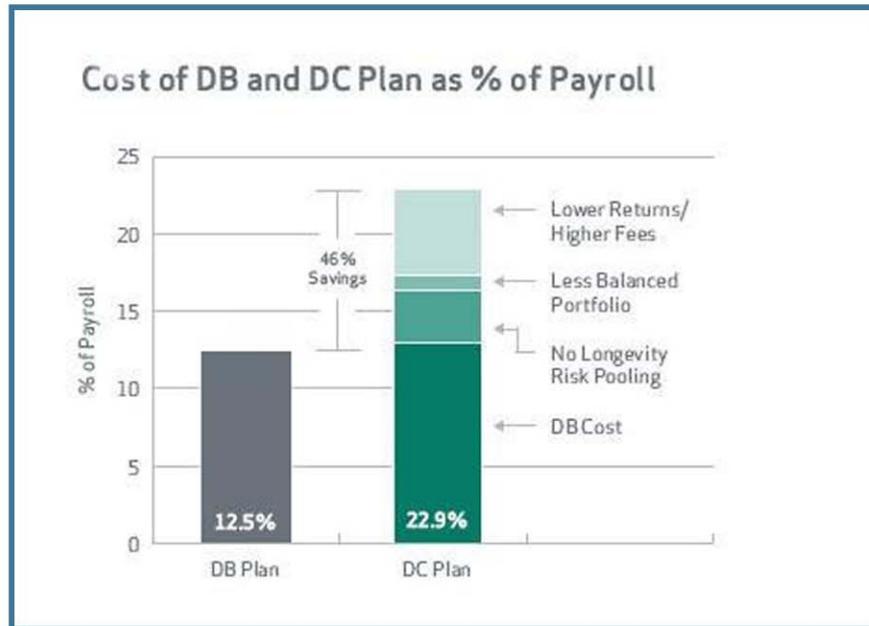
May 25, 2000

From the Desk...

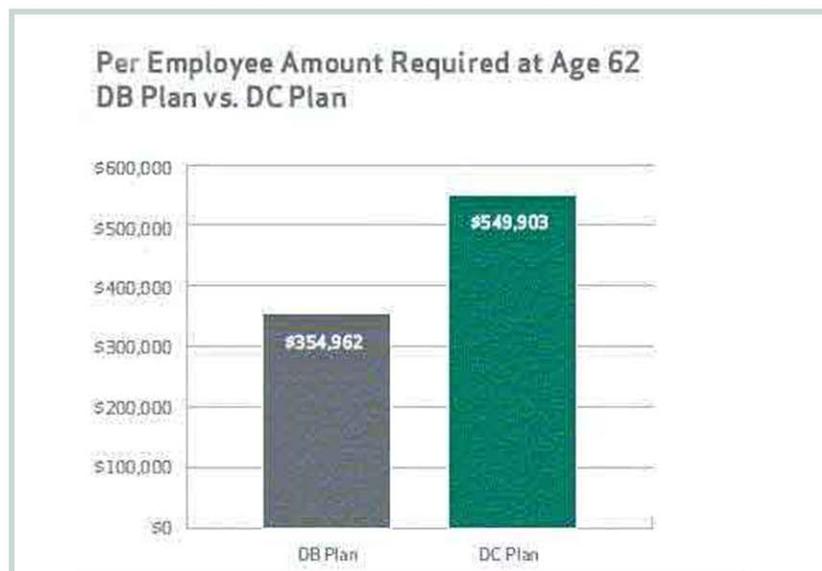
Continued from page 2

Senior Vice President with Aon Consulting. He added, "The efficiencies of DB plans already are well documented. This report, however, is important in terms of quantifying the magnitude of those efficiencies."

The model calculates that the cost to fund the target retirement benefit of \$26,684 annually, or \$2,224 monthly with cost of living adjustments. Under the DB plan, contributions of 12.5% of payroll are required each year, while the cost to provide the same target retirement benefit under the DC plan is 22.9% of payroll each year. In other words, the DB plan can provide the same benefit at a cost that is 46% lower than the DC plan as depicted below:



In dollar terms, to achieve the target retirement income, the DB plan needs to have accumulated approximately \$355,000 for each participant in the plan by the time the worker turns 62, while the DC plans must accumulate almost \$550,000 per participant as outlined in the figure on the graph below. This difference – almost \$200,000 per participant – illustrates the large dollar savings that DB plans yield for employers, employees, and taxpayers.



Continued on page 4

Borrowing From Your PSERS Account?

The Pennsylvania Public School Employees' Retirement System Retirement Code (Act 96 of 1975) not only establishes the rules for PSERS to manage your retirement account, but protects your PSERS benefit as well.

Under this law, PSERS may not loan you money. Your funds in PSERS may neither be used for collateral nor attached or assigned. The only way PSERS members can receive their contributions and interest from their account is to terminate employment with all public school employers and apply for benefits.

These provisions under the law help to ensure that once you have retired, your benefit is protected well into your future.

Name & Address Changes

If you are an active member of PSERS, please report any change of your name or address to your employer. It is up to your employer to notify PSERS of any changes.

If you are a vested member who terminated active employment, please submit any name or address changes in writing to PSERS. Be sure to include your name, social security number, and your signature in the letter.

To ensure your security, e-mailed name and address changes will not be accepted.

From the Desk...

Continued from page 3

The report also indicates that DC plans are essential to the retirement security equation. DC plans enable workers to save for retirement in a manner that reflects their individual situations.

To read a copy of the report "A Better Bang for the Buck: The Economic Efficiencies of DB Plans," please visit the National Institute for Retirement Security's website at www.nirsonline.org, or the pdf version can be printed from the NIRS website by selecting Research, then selecting Reports, and accessing the report from the menu. If you do not have Internet accessibility, the NIRS can be reached at:

NIRS
Suite 207
1730 Rhode Island Ave NW
Washington DC 20036

Additional Information About NIRS - The NIRS organization was founded in 2007 by the Council of Institutional Investors, the National Association of State Retirement Administrators, and the National Council on Teacher Retirement.

Notice to Charter School Administrators

House Bill 1067, which was signed into law by Governor Ed Rendell on July 9, 2008 as Act 61 of 2008, provides that charter school administrators are limited in the number of charter school positions they may hold at one time. Act 61 amends §1715-A of the Public School Code (Act 96 of 1975), and states:

"...A person who serves as an administrator for a charter school shall not receive compensation from another charter school or from a company that provides management or other services to another charter school. The term 'administrator' shall include the chief executive officer of a charter school and all other employees of a charter school who by virtue of their positions exercise management or operations oversight responsibilities. ..."

While Act 61 specifically mentions the chief executive officer, the interpretation of this Act would also include principals and business managers, as well as other management positions.

This law prevents charter school management employees from working in one charter school and holding any other position in another charter school, regardless of the job duties performed in the additional position.

Act 61 is retroactively effective to July 1, 2008, making the law apply to the 2008-2009 school year, as well as all future school years. While the law went into effect July 1, this law does not, however, prevent PSERS from reviewing cases in previous years to determine if multiple positions represented genuine employment.

Foundations for Your Future (FFYF)

As a part of its educational outreach, PSERS provides Foundations for Your Future seminars for active members. PSERS regional representatives present these seminars throughout the school year to provide all active members with general information about PSERS' benefits and services. Attendance at a Foundations for Your Future seminar will help you begin to plan for your retirement early in your career. These programs review PSERS related topics such as: benefit options, withdrawal of contributions, rollovers, taxes, employment after retirement, legislative actions affecting PSERS, and health insurance.

Listed below are meetings scheduled from December 2008 through March 2009 (not inclusive, more dates may be added in some areas). Meetings prior to December are listed on the PSERS website at www.psers.state.pa.us/regional/FFYF_Schedule_Overview.htm. If you need directions to any of the meeting sites, please contact your regional office, the PSERS Member Service Center at 1-888-773-7748, or access the PSERS website at www.psers.state.pa.us/regional/FFYF_Schedule_Overview.htm. If there is a demand for additional seminars during the year, PSERS may add seminars and post them to the PSERS website. PSERS employers in the area will receive seminar notices as well.

Please Note: Advance registration is not required to attend any of these programs. If you require an accommodation to participate, please contact your PSERS regional office.

Southwest Region, Toll-Free 1-888-773-7748, extension 5775				
Counties Served: Allegheny, Fayette, Greene, & Washington				
County	City	Location & Address	Date	Time
Washington	Charleroi	Mon Valley Career and Technology Center, Classrooms 1 and 2, 1 Guttman Blvd.	December 3, 2008 February 5, 2009	4:30 p.m. 4:30 p.m.
Allegheny	Monroeville	Community College of Allegheny County, Boyce Campus, South Wing, Room 440 (Auditorium/Lecture Hall), 595 Beatty Rd.	December 9, 2008	4:30 p.m.
Allegheny	Pittsburgh	Pittsburgh Federation of Teachers Building, 10 South 19 th St.-at the river	December 17, 2008 January 21, 2009 February 25, 2009 March 11, 2009	4:30 p.m. 4:30 p.m. 4:30 p.m. 4:30 p.m.
Washington	Washington	Trinity Middle School, Auditorium, 50 Scenic Dr.	January 6, 2009 March 10, 2009	4:30 p.m. 4:30 p.m.
Greene	Waynesburg	Waynesburg Central High School, Auditorium, 30 Zimmerman Dr.	January 21, 2009	4:30 p.m.
Allegheny	West Mifflin	Community College of Allegheny County, South Campus, Multi Purpose Room (Room A-306), 1750 Clairton Rd.	February 3, 2009	4:30 p.m.
Southeast Region, Toll-Free 1-888-773-7748, extension 5575				
Counties Served: Bucks, Delaware, Montgomery, & Philadelphia				
County	City	Location & Address	Date	Time
Bucks	Bensalem	Bensalem High School, North Wing Audion, 4319 Hulmeville Rd.	March 10, 2009	4:30 p.m.
Bucks	Jamison	Middle Bucks Institute of Technology, 2740 Old York Rd.	March 31, 2009	4:30 p.m.
Montgomery	Kulpsville	Best Western Inn at Towamencin, 1750 Sumneytown Pike	March 5, 2009	4:30 p.m.
Delaware	Morton	Delaware County Intermediate Unit, Education Service Center, Rooms 171 & 172, 200 Yale Ave.	March 11, 2009	4:30 p.m.
Philadelphia	Philadelphia	Philadelphia Ramada Northeast, 11580 Roosevelt Blvd.	March 26, 2009	4:30 p.m.
Philadelphia	Philadelphia	Philadelphia School District Education Center, Auditorium, 440 N. Broad St.	March 12, 2009	4:30 p.m.
Bucks	Quakertown	Quakertown Area High School, 600 Park Ave.	March 17, 2009	4:30 p.m.

Foundations for Your Future (continued)

Southcentral Region, Toll-Free 1-888-773-7748, extension 5675 Counties Served: Adams, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, & York				
County	City	Location & Address	Date	Time
Franklin	Chambersburg	Chambersburg Area Middle School, Auditorium, 1151 E. McKinley St.	March 25, 2009	4:30 p.m.
Adams	Gettysburg	Gettysburg Middle School, Large Group Room, 37 Lefever St.	March 4, 2009	4:30 p.m.
Lancaster	Lititz	Warwick Middle School, Auditorium, 401 W. Maple St.	March 12, 2009	4:30 p.m.
Dauphin	Lykens	Upper Dauphin Middle School, Auditorium, 5668 State Rt. 209	March 24, 2009	4:30 p.m.
Cumberland	Summerdale	Central Penn Conference Center, College Hill & Valley Rds.	March 11, 2009	4:30 p.m.
Northwest Region, Toll-Free 1-888-773-7748, extension 5175 Counties Served: Beaver, Butler, Clarion, Clearfield (DuBois Area School District only), Crawford, Erie, Forest, Jefferson, Lawrence, Mercer, Venango, & Warren				
County	City	Location & Address	Date	Time
Butler	Butler	Butler Area SD Intermediate School, 120 Campus Ln.	December 16, 2008 March 10, 2009	4:30 p.m. 4:30 p.m.
Clarion	Clarion	Riverview IU, 270 Mayfield Rd.	February 12, 2009	4:30 p.m.
Clearfield	Dubois	Dubois Area Middle School, Auditorium, 404 Liberty Blvd.	February 24, 2009	4:30 p.m.
Erie	Edinboro	Northwest Tri-County IU, 252 Waterford St.	December 2, 2008 March 17, 2009	4:30 p.m. 4:30 p.m.
Venango	Franklin	Rocky Grove Jr/Sr High School, Auditorium 403 Rocky Grove Ave.	March 5, 2009	4:30 p.m.
New Castle	Lawrence	Lawrence Co. Career Tech Center, 750 Phelps Way	March 30, 2009	4:30 p.m.
Mercer	Mercer	Mercer Jr/Sr High School Auditorium, West Butler St.	February 25, 2009	4:30 p.m.
Beaver	Monaca	Community College of Beaver County, Library Resource Center, 103 Conference Room, 1 Campus Dr.	December 11, 2008	4:30 p.m.
Warren	Warren	Warren Area High School, Auditorium, 345 E. 5 th Ave.	March 3, 2009	4:30 p.m.
Centraleast Region, Toll-Free 1-888-773-7748, extension 5475 Counties Served: Berks, Carbon, Chester, & Lehigh				
County	City	Location & Address	Date	Time
Lehigh	Allentown	Days Inn & Conference Center, 1151 Bulldog Dr.	January 22, 2009 March 17, 2009	4:30 p.m. 4:30 p.m.
Carbon	Jim Thorpe	Jim Thorpe Area High School, 1100 Center St.	March 3, 2009	4:30 p.m.
Chester	Malvern	Great Valley Middle School, Choral Room, 255 N. Phoenixville Pk.	December 3, 2008	4:30 p.m.
Berks	Reading	Reading-Muhlenberg Career & Technology Center, Warren Rd.	February 19, 2009	4:30 p.m.
Chester	West Chester	J.R. Fugett Middle School, Auditorium, 500 Ellis Lane	March 5, 2009	4:30 p.m.
Northeast Region, Toll-Free 1-888-773-7748, extension 5375 Counties Served: Lackawanna, Luzerne, Monroe, Northampton, Pike, Susquehanna, Wayne, & Wyoming				
County	City	Location & Address	Date	Time
Lackawanna	Archbald	Valley View Jr-Sr High School Auditorium, 1 Columbus Dr.	December 4, 2008 February 10, 2009	4:30 p.m. 4:30 p.m.
Monroe	E. Stroudsburg	Elks Lodge #319, 206 Washington St.	March 17, 2009	4:30 p.m.
Northampton	Easton	Eastonian Banquet & Convention Center at the Holiday Inn Express, 90 Kunkle Dr.	January 22, 2009 March 18, 2009	4:30 p.m. 4:30 p.m.
Wayne	Hawley	Wallenpaupack High School, Library, 2552 Route 6	January 8, 2009	4:30 p.m.
Susquehanna	Montrose	American Legion Gardner-Warner Post 154, RR 4, Elk Lake Rd.	February 4, 2009	4:30 p.m.
Luzerne	Nanticoke	Luzerne County Community College, Educational Conference Center, Auditorium 132, 1333 S. Prospect St.	January 14, 2009 March 10, 2009	4:30 p.m. 4:30 p.m.

Centralwest Region, Toll-Free 1-888-773-7748, extension 5875				
Counties Served: Armstrong, Bedford, Blair, Cambria, Indiana, Somerset, & Westmoreland				
County	City	Location & Address	Date	Time
Blair	Altoona	Ramada Inn-Altoona, Plank Road exit	March 4, 2009	4:30 p.m.
Bedford	Bedford	Arena Restaurant, RR 220	February 9, 2009	4:30 p.m.
Cambria	Ebensburg	Comfort Inn, 111 Cook Rd.	January 22, 2009	4:30 p.m.
Westmoreland	Greensburg	Mountain View Inn, Route 30 East of Greensburg	December 8, 2008 March 12, 2009	4:30 p.m. 4:30 p.m.
Indiana	Indiana	Best Western University Inn, 1545 Wayne Ave.	January 15, 2009	4:30 p.m.
Armstrong	Kittanning	Belmont Complex, 415 Butler Rd.	March 2, 2009	4:30 p.m.
Somerset	Somerset	Quality Inn, 215 Ramada Rd.	March 16, 2009	4:30 p.m.
Northcentral Region, Toll-Free 1-888-773-7748, extension 5275				
Counties Served: Bradford, Cameron, Centre, Clearfield (all districts except DuBois Area), Clinton, Columbia, Elk, Lycoming, McKean, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, & Union				
County	City	Location & Address	Date	Time
Clinton	Lock Haven	Best Western, 101 E. Walnut St.	December 9, 2008	4:30 p.m.
Northumberland	Montandon	Central Susquehanna IU, Main Building, Lawton Ln.	March 17, 2009	4:30 p.m.
Union	New Berlin	SUN Area Career & Technology Center, Large Group Instructional Room, 21 st Century Dr.	February 3, 2009	4:30 p.m.
Centre	State College	State College Area High School South Auditorium, 650 Westerly Pkwy.	February 12, 2009	4:30 p.m.
Clearfield	West Decatur	Central IU, Clinton Room, 345 Link Rd.	March 26, 2009	4:30 p.m.
Lycoming	Williamsport	Holiday Inn Williamsport, 100 Pine St.	February 17, 2009	4:30 p.m.

Mailer-Daemon - Failure Notice

“Your message did not reach some or all of the intended recipients” is an e-mail message that is becoming a common sight in the e-mail inboxes at PSERS. We are receiving a greater number of requests for information via e-mail, but when we respond, the member’s e-mail service provider rejects our responses.

As e-mail filters become increasingly more restrictive, some Internet Service Providers (ISP) and e-mail service filters route e-mails from PSERS to your junk or spam e-mail files, or fail to deliver our return responses at all.

This situation not only holds true for responses to your e-mail inquiries, but also when you cannot remember your **Interaction** password and you initiate the step for your password information to be e-mailed to you. If you do not directly receive an e-mail from PSERS containing your password information in your in-box, please be sure to check your junk or spam filter e-mail boxes.

If you know how to adjust settings in your e-mail and have done so to prevent junk or spam mail,

you may want to temporarily remove those settings before resetting your PSERS password or while waiting for a response to the e-mail you sent to PSERS. You can simply turn those settings back on after receiving the e-mail containing your new password or our response.

E-mails, other than those containing password information that are returned to PSERS as undeliverable, will be e-mailed a second time. If the second e-mail is returned, we will send a letter containing the response if we can positively identify the sender. We receive many e-mails that are unsigned, or we may have several members with the same name or a similar name, making it extremely difficult to make a positive identification.

Password e-mail cannot be resent, nor will a follow-up letter be sent, as password e-mail is automatically generated. Please keep in mind when e-mailing PSERS, if you don’t receive a response, it may be your junk and/or spam mail filters preventing you from receiving our reply.

PSERS
5 N 5th Street
PO Box 125
Harrisburg PA 17108-0125

PRSRT STD
U.S. Postage Paid
Harrisburg PA
Permit No. 254

Mailing of 2007-2008 Statements

Beginning in late fall, all PSERS active members will be sent their *Statement of Account* for the 2007-2008 school year. Please take a moment to verify the information on your statement. Verify your birth date, years of service, spelling of first and last name, your mailing address, and beneficiary information (if you elected to have your beneficiary information appear on your statement).

If corrections need to be made to your information, please notify your employer of the corrections and your employer will forward the information to PSERS. If there is an error in your date of birth, you will need to provide us with a copy of your birth certificate or other proof of birth. Beneficiary changes must be submitted to PSERS on a new *Nomination of Beneficiaries* (PSRS-187) form from the PSERS website at **www.psers.state.pa.us/forms/f187.pdf**. You may also contact PSERS for a copy of the form.

If you are no longer an active school employee, any correction to your personal information must be sent to PSERS in writing, along with a copy of the appropriate proof. Any change to your address information must be submitted in writing and the letter must contain your signature.