

Spring 2011



Inside...

- From the Desk of the Executive Director
- Part-Time Employee Membership Qualifications
- Foundations for Your Future Schedule
- Information for You & Your Financial Planner
- New Deadline to Apply for Non-Qualifying Part-Time Service & More...

Active Certified Member Election

The PSERS Board of Trustees will conduct an active certified member election this fall. The election is for an active certified member to serve a three-year term on the Board beginning January 1, 2012.

Members desiring to run for election for the active certified member seat must:

- Be an active certified member of the System (certified voting status designated on the annual *Statement of Account*).
- Submit an affidavit and nominating petition with 500 or more valid signatures of other PSERS active certified members.
- Submit a completed biographical form.

To receive a nomination packet and more information on the duties and responsibilities of Board members, interested members may write to:

Donna Peterson
PSERS Election Coordinator
5 North 5th Street
Harrisburg, PA 17101

Please be sure to specify in your request that you want information on the active certified member seat because a School Board member election will be held also.

Your completed affidavit, nominating petition, and biographical form must be returned to Ms. Peterson at the above address by 4:30 p.m. on June 17, 2011. Late receipt will disqualify any candidate from the election ballot.

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

A Message from PSERS Executive Director, Mr. Jeffrey B. Clay...

These are times of great debate and economic concern both in the Commonwealth and throughout the nation. It seems that day in and day out, the news media floods us with articles about extravagant public pension benefits, unsustainable defined benefit pension plans, and significant unfunded liabilities at public pension funds across the country. This news can be quite alarming and has fueled a great controversy about public employee

compensation and pension benefits.



Mr. Clay

There is no shortage of experts on pension matters and with the use of the Internet, a great amount of research and statistics can easily be found. With that said, you may find yourself questioning some of the facts and numbers presented in the great pension debate.

For example, there are frequently articles about public employees receiving extravagant public pension benefits. While it may be true for a few individuals, it is not the average for public school employees in the Commonwealth. In fact, as of June 30, 2010, the average pension benefit for a PSERS member was \$23,466 a year. Unfortunately, these facts do not always make it into the debate.

Facts and figures can be used to create an attention-grabbing headline or to make an alarming or controversial statement. A fact may be taken out of context - not providing the entire picture - resulting in a statement that may not be entirely accurate.

What can you do? There are a number of reliable sources for public pension plan information. Some of these groups conduct national surveys, create fact sheets and policy papers, and track legislation. When you engage in debate and discussion on this great pension debate, it is important to arm yourself with the most accurate and complete information you can find. A few examples of some of these organizations and their website addresses follow:

NASRA - National Association of State Retirement Administrators - www.nasra.org - NASRA is a non-profit association whose members are the directors of the nation's state, territorial, and largest statewide public retirement systems. This organization conducts a survey of key characteristics of public retirement systems and maintains a clearinghouse of information and resources pertinent to public retirement system administration and policy.

NCPERS - National Conference on Public Employee Retirement Systems - www.ncpers.org - NCPERS is the largest national, nonprofit public pension advocate, and for more than 65 years has been the principal trade association working to protect the pensions of public employees. NCPERS focuses on Advocacy, Research, and Education for the benefit of public sector pension trustees, administrators and government officials.

NCTR - National Council on Teacher Retirement - www.nctr.org - NCTR is an independent association that provides guidance in the development and management of financially sound and equitable retirement plans for qualified career public employees and promotes benefit levels for members and beneficiaries that will assure economic security. They also provide a national forum for the discussion and resolution of public policy issues affecting public pension funds.

NIRS - National Institute on Retirement Security - www.nirsonline.org - The National Institute on Retirement Security is a not-for-profit organization established to contribute to informed policy making by fostering a deep understanding of the value of retirement security to employees, employers, and the economy through national research and education programs. NIRS seeks to encourage the development of public policies that enhance retirement security in America.

CII - Council of Institutional Investors - www.cii.org - CII is a nonprofit association of public, union and corporate employee benefit funds, and foundations/endowments and a leading voice for good corporate governance and strong shareholder rights.

(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
FAX 717-772-3860

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

Website Address:
www.psers.state.pa.us
Email Address:
contactPSERS@state.pa.us

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

PSERS Board of Trustee Meeting Schedule

June 10, 2011
August 11, 2011
October 7, 2011
December 9, 2011

PSERS Board meetings are held in Harrisburg at PSERS, located at 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.

From the Desk of the Executive Director (continued from page 2)

In addition to the sources mentioned above, PSERS also posts many documents on its website that contain pertinent facts and figures relevant to the great pension debate. You can find PSERS actuarial valuation, comprehensive annual financial report, and budget document online at www.psers.state.pa.us/Publications/pubs.htm.

Part-Time Employee Membership Qualifications

On November 23, 2010, PSERS membership qualification requirements changed for part-time employees with the signing of Act 2010-120.

Prior to Act 2010-120, part-time per diem employees had to work at least 80 days and part-time hourly employees had to work at least 500 hours within a single school year to become a member of PSERS and to have qualifying service credit. Each year thereafter, they had to meet the minimum amount of days and/or hours to have qualifying service credit.

Under Act 2010-120, part-time employees who meet PSERS membership qualifications only once retain their membership in all subsequent school years, regardless of the number of days or hours worked in those years. Employees who have a qualifying year remain qualified until his or her membership in PSERS is severed.

This means that once part-time employees meet the 80 day or 500 hour membership requirement, the employer will withhold PSERS contributions from their pay not only within the initial qualifying school year, but also in the subsequent school years.

If you now qualify for PSERS membership based on your 2010-2011 school year employment, you will receive a *Statement of Amount Due* for any contributions not already withheld and reported to PSERS. Receipt of this statement is based on when your employer submits any additional 2010-2011 school year service and salary information to PSERS. This is a mandatory purchase. Several methods for payment of these contributions are explained on the statement.

Submitting an Application for Retirement

For retirement benefits to begin promptly, PSERS must receive your *Application for Retirement* (PSRS-8) within 90 days of your termination date. If your *Application for Retirement* is received within 90 days of termination, your date of retirement will automatically become the day after your termination date.

If you select an alternate date of retirement, you may select any date **after** your date of termination, as long as PSERS has received your *Application for Retirement* within 90 days of your termination date. If your application is not received within 90 days of your termination date, your retirement date will default to the date PSERS receives your application or an alternate date of your choice, whichever is later. It is important to remember this information when submitting your *Application for Retirement*.

Information for You & Your Financial Planner

If you are planning for a future retirement and intend on meeting with a financial planner, here are some things you and/or your financial planner will need to know about PSERS:

Who Are We?

PSERS is defined under the Internal Revenue Code as a 401(a) governmental pension plan. We are not a private pension plan.

Your PSERS account is not covered by the *Employee Retirement Income Security Act of 1974* (ERISA). ERISA is a federal law that sets minimum standards for voluntarily established private industry pension plans.

Conditions to Withdraw Funds

Under the *Pennsylvania Retirement Code*, you may not transfer or access your PSERS contributions while you are still working. This means you cannot withdraw funds for any reason or roll them into a private investment. You have to terminate all public school service before you may receive any funds from PSERS.

If you earn enough credited service to meet a vested status and you terminate all Pennsylvania public school employment, you are eligible to receive a monthly benefit payment as long as you live.

A Class T-C or Class T-D member may, at retirement, elect to receive the money (employee contributions) he or she put into the plan, along with the earned interest. These employee contributions may be withdrawn and paid directly to you with 20 percent withheld for federal taxes on any taxable portion of these contributions. You also have the option to roll any portion of your employee contributions and interest into an Individual Retirement Account (IRA) or other eligible plan. Again, as a Class T-C or Class T-D member, this means you may choose to invest your contributions and interest and still receive a monthly retirement benefit that is payable for life. Your membership class is listed on your *Statement of Account*.

Financial Planner Endorsements

PSERS **does not** endorse, recommend, or have staff from private investment companies contact you. Any investment company who states that they are representing PSERS is misleading you. Only PSERS employees have the authority to act on behalf of PSERS. There are school districts that may choose

to work with private investment companies concerning the payout of an employee's unused leave.

PSERS never requires that your funds be rolled and never suggests investment companies for you to use if you do choose to roll funds. Rolling funds in either situation is **your** choice.

Before you invest your contributions and interest or your unpaid leave payout, it may be to your benefit to investigate the investment company and the investment plan. Information concerning investment products and investment company (solicitor) registrations (including any disciplinary history) is available at no charge from the Pennsylvania Securities Commission at 1-800-600-0007 (www.psc.state.pa.us), and the Pennsylvania Insurance Department at 1-877-881-6388 (www.ins.state.pa.us).

Completing PSERS Applications

Some financial companies may insist on using their own forms instead of PSERS forms. We will not process your retirement benefit, refund, or rollover using forms from private investment companies. As a government agency, our forms comply with the law and provide the specific information we require. Additionally, we do not require signature guarantees on our *Authorization For Direct Rollover* (PSRS-1264), nor will we provide a signature guarantee.

Never allow someone else to complete your *Application for Retirement* (PSRS-8) for you. Your application indicates choices that affect you for the rest of your life. PSERS does have highly trained counselors to assist you with the completion of your retirement application. It is in your best interest to attend a PSERS Exit Counseling session to have PSERS counselors review the completed forms for accuracy prior to submission.

One of the most common problems we experience with the processing of retirement applications is due to members allowing someone else to complete the applications for them or listening to someone other than a PSERS retirement counselor regarding PSERS benefit eligibility. Please keep in mind that it is not the job, nor is it the responsibility of your financial planner, to inform you of PSERS benefits or help you complete your *Application for Retirement*. It is the job and responsibility of PSERS retirement counselors to assist you.

(continued on page 5)

Authorizing 3rd Party Access to Your PSERS Account

In the spring and summer, PSERS starts to receive requests from financial planners regarding their “client’s” benefits. Your account information is available only to you, the member, unless you submit an *Authorization for Release of Information* (PSRS-1273) allowing us to provide account information to someone other than yourself. If you submit this authorization to PSERS, we highly suggest that you are very sure about to whom you are allowing access to your information.

We frequently see situations where a member was “shopping around” for investment opportunities only to change his or her mind before settling on a particular investment firm. The problem arises when a firm was not selected and remains under the impression the member did select their firm. We refer these firms back to the member for information. Can you imagine the problem that could arise if you signed a release for every firm you may have

contacted and did not specify a time limitation in which the firm may have access to your PSERS account information? Those with whom you have no business dealings would have access to your personal investment information. Submitting the *Authorization for Release of Information* should require as much care and concern as you would take in deciding to provide your personal information to another person.

PSERS Retirement Counseling Available

If you are planning on retiring, attending a PSERS Foundations for Your Future session would be beneficial to you. If you are retiring at the end of this school year, you should sign up for a PSERS Exit Counseling session where you will be assisted with the completion of your PSERS retirement application. You can locate your PSERS regional office contact information within this newsletter in the *Foundations for Your Future* article or on the PSERS website at www.psers.state.pa.us/regional/regindex.html. We look forward to helping you to achieve a smooth transition into retirement.

New Deadline to Apply for Non-Qualifying Part-Time Service

Effective with Act 2010-120, current contributing members of PSERS starting as of July 1, 2011, will have until July 1, 2014, to file a *Purchase of Former Part-Time Uncredited Service* (PSRS-100) application to purchase any non-qualifying part-time service (NQPT).

Those who are inactive and return to active contributing service after July 1, 2011, will have one year from their date of return to apply to purchase NQPT service.

NQPT service is any part-time hourly or part-time per diem school employment in which the service within a given school year (July 1 - June 30) was less than 500 hours if hired as an hourly employee or 80 days if hired as a per diem employee.

PSERS considers your NQPT application to be filed when these conditions are met:

- ✓ You complete Sections A - D of the application.
- ✓ Your employer(s) where the service was rendered completes their sections of the form (E-F) and date stamps your application.

School employers were not always required to retain records for NQPT service. Therefore,

employers may not have records available to complete your application(s). In this situation, the burden of proof will be on you to provide to the appropriate employer(s) sufficient documentation of your NQPT service. School employers may use your documentation to help them complete Section E of the application(s).

If the employer does not have records that certify this information, you may be able to help by providing to the employer one or more of the following:

- W-2s
- Social Security Detailed Earnings Statement
- Pay stubs
- Employer correspondence
- Time sheets
- Any other document(s) that provide evidence of your salary and service

Do not send any of the above documents to PSERS. Only your employer can certify your service. If an employer cannot certify salary and service, then you will not be eligible to purchase credit for the service.

Guidelines to purchase part-time service and an application are on the PSERS website at www.psers.state.pa.us/forms/f100.pdf.

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. During these programs, PSERS examines topics such as: benefit options, withdrawal of contributions, rollovers, taxes, and legislative actions affecting PSERS.

Listed below are seminars scheduled from June 2011 through August 2011 (not inclusive, more dates may be added in some areas). Seminars prior to June 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 locations, please contact your regional office, the PSERS Member Service Center at 1-888-773-7748, or access the PSERS website. 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 seminars. If you require an accommodation to participate, please contact your PSERS regional office.

As this printed schedule is subject to change due to weather or other unforeseen conditions, we highly suggest that prior to leaving for a meeting, you verify the dates and times listed through the schedule posted on the PSERS website. If a school location experiences an emergency/weather closing, the meeting will be canceled.

Southwest Region, Toll-Free 1-888-773-7748, extension 5775

Counties Served: Allegheny, Fayette, Greene, & Washington

County	City	Location & Address	Date	Time
Allegheny	Homestead	Allegheny I.U., McGuffey & Sullivan Rooms, 475 E. Waterfront Dr.	July 6, 2011	1:00 p.m.
			July 27, 2011	1:00 p.m.
Fayette	Uniontown	Holiday Inn Uniontown, Appalachian Ridge Room, 700 W. Main St.	July 14, 2011	1:00 p.m.
Greene	Waynesburg	Waynesburg Central High School, Auditorium, 30 Zimmerman Dr.	July 13, 2011	1:00 p.m.
Washington	Washington	Trinity Middle School, Auditorium, 50 Scenic Dr.	July 20, 2011	1:00 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	Quakertown	Quakertown Area High School, 600 Park Ave.	August 3, 2011	10:00 a.m.
Delaware	Morton	Delaware County I.U., Education Service Center, Rooms 171 & 172, 200 Yale Ave.	July 13, 2011	10:00 a.m.
			August 11, 2011	10:00 a.m.
Montgomery	Kulpsville	Holiday Inn at Towamencin, 1750 Sumneytown Pk.	July 14, 2011	10:00 a.m.
			August 18, 2011	10:00 a.m.
Philadelphia	Philadelphia	Philadelphia School District Education Center, Auditorium, 440 N. Broad St.	July 12, 2011	10:00 a.m.
			August 10, 2011	10:00 a.m.
Philadelphia	Philadelphia	Ramada Philadelphia Northeast, 11580 Roosevelt Blvd.	July 19, 2011	10:00 a.m.
			August 17, 2011	10:00 a.m.

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
Cumberland	Summerdale	Central Penn Conference Center College Hill & Valley Rd.	July 26, 2011	10:00 a.m.
Dauphin	Harrisburg	PA State Farm Show Building, 2300 N. Cameron St., Enter via Maclay St. Lobby, 2nd Floor Conference Room	July 12, 2011	10:00 a.m.

Foundations for Your Future (continued)

Southcentral Region, Toll-Free 1-888-773-7748, extension 5675 (continued)				
County	City	Location & Address	Date	Time
Lancaster	Lititz	Warwick Middle School, Auditorium 401 W. Maple St.	July 21, 2011	10:00 a.m.
York	York	York Suburban High School, Auditorium, 1800 Hollywood Dr.	July 11, 2011	10:00 a.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.	July 28, 2011	1:00 p.m.
Clarion	Clarion	Riverview I.U., 270 Mayfield Rd.	July 14, 2011	1:00 p.m.
Erie	Edinboro	Northwest Tri-County I.U., 252 Waterford St.	July 26, 2011	1:00 p.m.
Venango	Franklin	Rocky Grove Jr./Sr. High School Auditorium, 403 Rocky Grove Ave.	August 4, 2011	1:00 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

Clearfield	Hyde	Clearfield Area High School, Auditorium Old Route 879	June 16, 2011	1:30 p.m.
Elk	Kersey	Red Fern Banquet and Conference Center, 421 Old Kersey Rd.	July 14, 2011	1:30 p.m.
Lycoming	Williamsport	Holiday Inn Williamsport, 100 Pine St.	June 29, 2011	1:30 p.m.
Northumberland	Montandon	Central Susquehanna I.U., Main Building, Lawton Ln.	July 26, 2011	1:30 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

No meetings scheduled at press time. Check the PSERS website, www.psers.state.pa.us , for updates.				
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Centraleast Region, Toll-Free 1-888-773-7748, extension 5475				
Counties Served: Berks, Carbon, Chester, & Lehigh				
County	City	Location & Address	Date	Time

No meetings scheduled at press time. Check the PSERS website, www.psers.state.pa.us , for updates.				
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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, I-99, exit 31 (Plank Road)	August 5, 2011	10:00 a.m.
Cambria	Ebensburg	Admiral Peary AVTS, Room 204, 948 Ben Franklin Hwy.	August 8, 2011	10:00 a.m.
Indiana	Indiana	Quality Inn, 1545 Wayne Ave.	August 12, 2011	11:00 a.m.
Westmoreland	Youngwood	Westmoreland County Community College, Commissioners Hall, 145 Pavilion Ln.	July 22, 2011	11:00 a.m.

**PSERS
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Public School Employees' Retirement System
Important Information from the
Commonwealth of Pennsylvania