

Fall 2009

Inside...

- New Board of Trustees Member
- Property Tax Rebate Program
- Regional Office Relocation
- Program Approval Content Reviewers
and More...



Returning to School Service After Retirement

A Note of Caution...

The Public School Employees' Retirement Code generally does not permit school retirees to return to work in a Pennsylvania public school without suspending their monthly retirement benefits. Public schools include charter schools, community colleges, Penn State University (PSU) and state-owned universities in addition to local school districts, vocational technical schools, and intermediate units.

There are three exceptions under which a school retiree may work in a public school without a suspension of benefits:

- 1 Employment due to an emergency which increases the workload such that there is a serious impairment of service to the public.
- 2 Employment in the event of a shortage of appropriate subject certified teachers or other personnel.
- 3 Employment in an extracurricular position under a separate contract.

In either of the first two circumstances, an employment emergency or personnel shortage, a retiree may return to Pennsylvania public school service for a

period not to extend beyond the school year during which the emergency or shortage occurs.

A school retiree may return to work for a public school in an extracurricular position that is conducted primarily outside of regular instructional hours and is not part of the school's mandated curriculum. In other words, more than half of the extracurricular employment hours must be performed outside the school's regularly scheduled class hours.

This type of employment DOES NOT require emergency or shortage of personnel and does not have a time limit for the length of time in which a retiree may service in this capacity but DOES require a separate written contract. This type of employment is permitted in all public school entities, including community colleges and public universities. In fact, the law specifically allows for extracurricular administrative positions and positions that do not work directly with students (for example an athletic director is eligible for the extracurricular designation). You may view sample contract

Continued on page 2

The *PSERS Retired 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.

language on the PSERS website at

www.psers.state.pa.us/hotnews/Act%202004-63.pdf

This state law is consistent with the federal law that generally prohibits a school retiree from working for a public school employer after retirement.

If a retiree working for a public school does not meet one of the criteria outlined above, the

retiree's PSERS monthly benefit is suspended and the retirement account is subject to frozen annuity treatment. For details about returning to service and frozen annuities, refer to the PSERS Active Member and Retired Member Handbooks or visit the PSERS website at www.psers.state.pa.us.

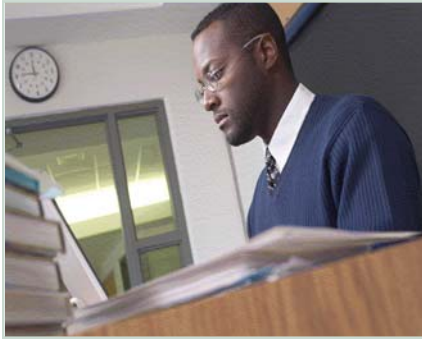
Employment in Community Colleges/Penn State University/State-Owned Universities

On occasion a school retiree may return to work for one of the state's community colleges, Penn State University or 14 state-owned universities (collectively referred to as "Colleges"). If that employment does not fall under the exceptions above, additional rules as indicated below may permit the member to return to service without a suspension of benefits.

Generally, a College employee may select a retirement plan

from among three choices:

1. PSERS
2. SERS (State Employees' Retirement System)
3. TIAA-CREF or other approved retirement plans.



PLEASE NOTE: If a school retiree becomes a member of SERS or other approved plan, then PSERS benefits are not affected. Different rules apply to a Multiple Service

retiree. The retiree will be automatically enrolled in SERS and PSERS benefits will be suspended.

If a multiple service member retires from PSERS and returns to service in a state agency they may continue to receive a monthly retirement benefit provided they meet the Employment Emergency or Personnel Shortage requirements under the SERS Code, which has a limitation of 95 days.

You might then be tempted to make the broad statement, "PSERS retirees may work for a College as long as they elect retirement coverage under SERS or another approved plan." This is a true statement only if PSERS retirees returning to work are eligible to make the election into SERS or another approved plan. Retirees might not be eligible to make the election because they do not work enough hours or days to meet the minimum membership requirements for

these plans. In this case, retirees' PSERS benefits would be suspended.

To determine the minimum membership requirements for other retirement plans, please contact that plan or your employer. PSERS does not have this information.

A Related Note

Many full-time employees of a local school district work part-time for a community college, Penn State University and/or state-owned universities (College). After retirement from the full-time position with the local school district, some retirees may wish to maintain or return to any College position(s). To continue receiving your PSERS retirement benefits while employed by any College, you must meet the following conditions:

1. First and foremost, you can have no prearranged agreement for a return to service with any College; and
2. You must terminate employment from all full-time and part-time employers. Generally, there must be a 90-day break in service to qualify as a termination; and
3. You must elect SERS or another approved plan membership when returning to employment with any College.

Admittedly, the rules governing the ability of a school retiree to

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

Phone Hours
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 happy to provide visually impaired readers with our publications in large print or audiocassette. Please contact PSERS to request either of these free services.

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

Returning to Service...Continued from page 2

work in a public school are complex. If you are already retired or considering retirement and think you may want to work for a public school (especially a College) after retiring, contact PSERS to discuss how your employment could affect your PSERS benefits.

Additional Information for Returning to Service

- It is the retiree's responsibility to notify the employer that he or she is a PSERS retiree.
- Those who retired under a disability retirement benefit **may not** return to Pennsylvania public school service for any

reason without stopping their PSERS monthly benefit payment.

- Retirees, prior to returning to Pennsylvania public school employment in the capacity of a consultant, should submit their request in writing to PSERS for review.

Any retiree returning to Pennsylvania public school employment for any reason should notify the employer that he or she is a PSERS retiree and send a letter to PSERS including the return to service date. PSERS will then stop the pension payment.

New Board of Trustees Member

In August 2009, Senator Patrick M. Browne (R), replaced Senator Robert C. Wonderling as one of the two members of the Senate appointed to the PSERS' Board by the President Pro Tempore of the Senate.

Currently, Senator Browne serves on the Senate Leadership Team as Caucus Administrator for the 2009-2010 Legislative Session. Senator Browne is also the chair of the Senate Finance Committee, which he has chaired since 2007. The Finance Committee reviews legislation affecting Pennsylvania's tax, fiscal and pension codes. In addition, he is also Vice Chairman of the Senate Education Committee and a member of the following Senate Committees: Appropriations, Banking and Insurance, and Judiciary.

Senator Browne won a special election in May of 2005 and was re-elected to his first full term in November of 2006 as the Senator of the Commonwealth of Pennsylvania's 16th District, serving constituents in portions of Lehigh, Northampton, and Monroe counties. Prior to winning his Senate seat, Senator Browne was a member of the state House of Representatives in the 131st District for 10 years.

Senator Browne received a bachelor's degree in Business Administration from the University of Notre Dame and a law degree from Temple University. Prior to his legislative service, he was employed with the accounting firms of Coopers & Lybrand and Price Waterhouse as a tax manager and senior tax associate, respectively. In addition to being a CPA, he is also a member of the Pennsylvania Institute of Certified Public Accountants.

Retiree Name & Address Changes

Please submit any name or address changes to PSERS in writing. You can do this either by letter or by completing the *Change of Address for PSERS Retirees (PSRS-1301)* form. You can print a *Change of Address for PSERS Retirees (PSRS-1301)* form from the PSERS website at www.psers.state.pa.us/forms/f1301.pdf.

Be sure to include your signature, social security number, and the effective date of the change.

PSERS will not accept address changes from an e-mail, by phone, or from anyone but the PSERS retiree. If you have named a Power-of-Attorney (POA) and the POA was approved by PSERS, the POA may make the address change request on your behalf.

If your monthly payment is mailed to your home address, please be sure to notify PSERS of your address change at least 8 weeks prior to moving, and be sure to file a forwarding order with the postal system, as well.

Centralwest Regional Office Relocation

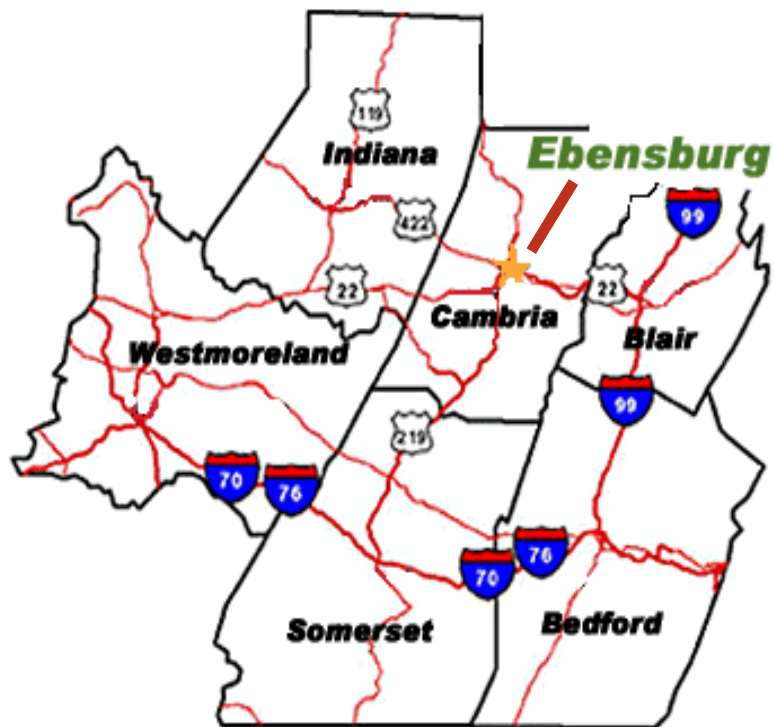
PSERS Centralwest Regional office has moved to a new location! The Centralwest office, which serves Armstrong, Bedford, Blair, Cambria, Indiana, Somerset and Westmoreland Counties, is now located in Ebensburg, Pennsylvania, in the heart of Cambria County.

The new office is conveniently reached from Routes 22, 422, and 219, and is located 24 miles from Johnstown, 27 miles from Altoona, 28 miles from Indiana, 44 miles from Somerset, and 55 miles from Ford City.

To contact the Centralwest Regional office at their new location, the address is:

PSERS Centralwest Regional Office
219 W High Street
Ebensburg PA 15931-1540

The office's toll-free number remains the same, 888-773-7748, ext. 5875. The local number is now 814-419-1180, and the new fax number is 814-419-1189.



PA Property Tax/Rent Rebate Program

If you reside in Pennsylvania, you may be eligible to receive a property tax or rent rebate from Pennsylvania's Property Tax/Rent Rebate program. This rebate program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities who are age 18 and older.

The program's income limit, which excludes half of Social Security income, for homeowners is:

Income	Rebate
\$0 to \$8,000	\$650
\$8,001 to \$15,000	\$500
\$15,001 to \$18,000	\$300
\$18,001 to \$35,000	\$250

The program's income limit, which excludes half of Social Security income, for those renting is:

Income	Rebate
\$0 to \$8,000	\$650
\$8,001 to \$15,000	\$500

There are supplemental rebates for seniors living in areas with a high tax burden. Homeowners in Pittsburgh, Scranton and Philadelphia, where local wage/income tax rates are very high, and have eligibility incomes of \$30,000 or less, will receive an additional payment equal to 50 percent of their base rebate.

Supplemental rebates also apply to homeowners in the rest of the state, with eligibility incomes of \$30,000 or less whose property tax bills equal more than 15 percent of their income, also receive an additional payment equal to 50 percent of their base rebate.

The deadline to apply for a rebate on property taxes or rent paid in 2008 has been extended to December 31, 2009.

If you think you may qualify to receive a rebate for property taxes or rent paid in 2008, you may download the form to apply for the rebate online at www.revenue.state.pa.us/revenue/lib/revenue/2008_pa-1000.pdf, or request a form be mailed to you through the Pennsylvania Department of Revenue's website at www.revenueptrr.state.pa.us/default.aspx. You can also call the Department of Revenue's toll-free number, 1-888-222-9190, to obtain a copy of the form or to obtain more information. Additional information is also available online at www.PaPropertyTaxRelief.com. Please direct all questions to the number listed above, as PSERS is unable to advise you on this issue.

Benefit Processing Time Frames

This notice is primarily intended to provide you with information about processing time frames for any benefits for which you may have applied. Processing timeframes at press time are:

Finalized recomputation of retirement benefits -

12 to 18 months from initial retirement

Premium Assistance Initial payment -

7 - 10 weeks from date application received

Premium Assistance Retroactive payment -

4 to 6 months from date application received

Replace lost monthly benefit payments -

Paper check mailed to your home:

- 2 - 3 weeks for a replacement
- 5 - 6 months if it was cashed

Electronic Transfer to financial institution:

- Up to 30 days

2009 IRS Form 1099-R Mailing Scheduled

PSERS automatically sends you *Form 1099-R* at the end of each January. The IRS *Form 1099-R* is used when preparing your annual federal income tax return.

The *Form 1099-R* shows the amount of money you received from PSERS during the previous calendar year and provides a breakdown of the following information:

- Gross Distribution,
- Taxable Amount,
- Federal Income Tax Withheld,
- Investment in Contract recovered during the year, and
- Distribution Code.



You may receive more than one IRS *Form 1099-R* for the tax year depending on your benefit selection. PSERS must report different types of retirement payments on separate forms. If you retired in 2009 and had PSERS roll over taxable contributions and interest for you, you should receive at least two (2) forms for the tax year in which the rollover occurred.

PSERS receives many calls inquiring as to why there is a difference in the Gross Distribution and the Taxable Amount on the *Form 1099-R*.

When you made contributions to PSERS, some of the money was pre-taxed (You already paid taxes on this money.). Some of the money was tax-deferred (You did not pay taxes on this money.). A difference occurs when you receive contributions on which you already paid taxes. There are two types:

▶ The pre-taxed money is also known as Pre-87 Investment-in-Contract. These include contributions paid into PSERS before December 31, 1983, and money you paid before January 1, 1987, to purchase service credit.

▶ Tax-deferred money, also known as Post-86 Investment-in-

Contract includes money paid to PSERS after December 31, 1986, to purchase service credit.

Monthly retirement benefit payments from PSERS are exempt from Pennsylvania state and local taxes. If you reside in another state, you must check with your state and local authorities to determine the taxability of payments made to you outside of Pennsylvania. If the state where you reside taxes your benefit, you must pay your taxes directly to your taxing authority.

PSERS Board of Trustees Meeting Schedule

October 2, 2009
December 11, 2009

These meetings are held in the 4th floor Boardroom of PSERS' headquarters at 5 North 5th Street in Harrisburg. In addition to these Board meetings, Committee meetings are held at various times 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.

Program Approval Content Reviewers

A Message from the Pennsylvania Department of Education...

The Pennsylvania Department of Education (PDE) is recruiting educators to serve as program reviewers for initial teacher certification program applications from institutions of higher education. The Department is required to conduct reviews of these applications as mandated by the PA School Code, Title 22, and Chapter 49. Recent changes in legislation and State Board regulations have resulted in the need for colleges and universities to prepare applications for new programs in Early Childhood Education, Elementary/Middle Level Education, Special Education, Principal K-12 and Superintendent's Letter of Eligibility. In order to conduct the reviews, educators from the higher education and K-12 community are being recruited at this time. PDE is in need of **PreK-4, 4-8 and Special Education** content reviewers to assist us in the program approval process.

The initial application review process will not require you to participate in an on-campus

review. The process will be electronic and allow you the ability to review the applications and support documents via the Internet. Your report will also be transmitted electronically. The Department will provide reviewers with a \$500 honorarium and ten (10) Act 48 hours for each review.

If you are interested in being considered for participation in this very worthwhile professional development activity, please submit a current vitae to Christina Baumer at ***cbaumer@state.pa.us***. You will be placed into the Department's databank and notified when training opportunities are available.

All inquiries should be directed to Christina Baumer at the Pennsylvania Department of Education. Ms. Baumer can be reached at 717-783-6720 or via e-mail at ***cbaumer@state.pa.us***.

PSERS cannot respond to any questions regarding this recruitment by the DPE or Act 48 questions.

**Contact the Pennsylvania
Department of Education
with any questions pertaining
to Act 48.**

Referencing PSERS & Trademarked Logo

While PSERS may be referenced in various forms of media across the Commonwealth, please remember that the contents of our publications may not be used for any commercial purpose without PSERS' prior written permission. Additionally, the PSERS logo is a trademarked logo. Use of the PSERS logo is prohibited without our written consent.

Outside sources referencing PSERS may be well-intentioned, but the information may be inaccurate and could be detrimental when making important decisions. The best authority for PSERS information is to receive it directly from PSERS.

Direct Deposit Electronic Transfer of Monthly Annuity

You must complete the ***Authorization for Direct Deposit - Electronic Transfer of Monthly Benefit*** (PSRS-116) form if you wish to have your monthly benefit payment sent directly to your financial institution.

The form can be printed directly from the PSERS website at ***www.psers.state.pa.us/forms/f116.pdf***, or you may contact PSERS to receive a copy of the form.

It may take up to 8 weeks or longer to make this change.

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

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

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