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Summer 2012

& More...

From the Desk of the Executive Director

"Behind the Scenes at PSERS"

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

PSERS continues its series of "Behind the Scenes at PSERS" articles with a tour of the Bureau of Administration (BOA). BOA is responsible for maintaining PSERS' facilities, purchasing and contracting, documenting administrative policies and procedures, business continuity, maintaining PSERS automobiles, mail services, imaging, printing, and other administrative services necessary to support agency functions.

The Bureau, one of the smallest in PSERS, has approximately 19 staff and 4 additional staff contracted for security and building maintenance. BOA is organized into three divisions: the Purchasing and Contracting Division, the Administrative Services Division, and the Security and Business Continuity Division. Though a small bureau, PSERS could not function on a daily basis without BOA. BOA impacts all areas of PSERS from making sure the mail is delivered, to printing the forms needed by members to retire, to maintaining the safety and operations of PSERS' facilities.

Purchasing and Contracting

This division procures materials, supplies, and services needed to support the organizational goals. The division also develops, monitors, processes and evaluates contract usage in the agency. In 2011, this division processed over 800 purchase transactions.

Administrative Services

This division manages buildings and grounds for the agency, both at headquarters and at the seven regional locations. It also provides mail, imaging, printing and copying services to the agency, in addition to asset management, automotive and other administrative services.

All member correspondence and forms sent to PSERS are electronically imaged and made available for PSERS business units, generally within 72 hours of receipt. In 2011, PSERS' Mail and Imaging Center processed 151,792 pieces of incoming mail and 462,174 pieces of outgoing mail, and imaged 692,358 documents. This is in addition to the over 974,000 documents that were mailed and

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The Public School Employees' Retirement System (PSERS) provides this document for educational and informational purposes. Information in this document is general in nature, does not cover all factual circumstances, and is not a complete statement of the law or administrative rules. The statements in this document are not binding. In any conflict between the statements in this document and applicable law or administrative rules, the law and administrative rules will prevail. This document is designed solely to provide an overview of benefits available to PSERS members and is not intended to be a substitute for retirement counseling. The contents of this newsletter may not be used for any commercial purpose without PSERS' prior written permission.

Direct Deposit or 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 or if you wish to change accounts and/or financial institutions.

PSERS can deposit your monthly benefit payment into your checking or savings account. We cannot deposit your payment into a money market account.

The form can be printed directly from the PSERS website, www.psers.state.pa.us, 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. If you are changing accounts and/or financial institutions, **PSERS strongly recommends that you do not close the old account until your monthly benefit payment is deposited into your new account.**

From the Desk of... (continued from page 1)

processed during 2011 which included: Member *Statement of Accounts*, 1099's, check change letters, and Non-Qualifying Part-Time purchase of service notification letters.

Security and Business Continuity

This division develops and implements policies, programs, and procedures that are necessary to ensure that PSERS' human, technology, and capital resources are secure. This division is also responsible to ensure that PSERS is prepared to quickly recover and continue critical operations, like in the event of a disaster, processing benefit payments, and investing assets.

PSERS has developed a Continuity of Operations Plan (COOP) to minimize the effect an unscheduled interruption would have on operations and to provide for the prompt and effective continuation or resumption of critical business functions in the event of an emergency. PSERS holds annual exercises to ensure that our planned recovery processes will function in the event they are ever needed. These exercises are valuable tools that can improve individual performance, reveal planning weaknesses, or identify gaps in resources.

For example, one of our recurring COOP exercises is designed to assess the ability of essential PSERS staff to

work from home. Teleworking is a significant element of PSERS Investment Office and Office of Financial Management continuity planning.

During or after an event that would cause the PSERS headquarters to be unreachable or uninhabitable, essential employees may be required to work from home. These employees must be prepared to carry out critical agency business functions from home using Commonwealth laptop computers or home computers until such time as they are notified to report to a location designated by their supervisor.

PSERS continues to increase the efficiency of its operations and BOA is one area where we have seen results.

In 2012, the division completed the relocation of the Mechanicsburg Field Office to PSERS' headquarters for an estimated savings of \$50,000+ in rental fees per year. Additionally, PSERS overhauled its agency vehicle program and reduced the number of agency vehicles to 12 and reassigned vehicles based on the Agency's mission and staff travel requirements.

In the next newsletter, the "tour of PSERS operations" will continue and will focus on another area of PSERS' operations that is not as well known or recognized by PSERS' members.

New Board Members Named

As only one candidate submitted the required election forms and petitions for each respective Board of Trustees seat, there will be no active certified member election or active non-certified member election in 2012.

Glen S. Gallante and Deborah J. Beck will be "elected by acclamation" by the PSERS Board of Trustees, in accordance with Section 46 of Robert's Rules of Order at the December 7, 2012, board meeting. Both Mr. Gallante and Ms. Beck are to serve a three-year term on the Board beginning January 1, 2013.

This will be Mr. Gallante's third term as a PSERS Trustee. He will hold the seat as the active certified member. This will be Ms. Beck's first term as a PSERS Trustee. She will hold the seat as the active non-certified member.

Mr. Gallante is an Instructional Support Teacher in the Stroudsburg Area School District. He has taught second and third grades as well as high school health and physical education.

He currently serves on the Pennsylvania State Education Association's (PSEA) Board of Directors (Northeast Region President). He has been his local PSEA president since 2001. In addition, he has served on PSEA's Professional Rights and Responsibilities Committee, Property Committee, Constitution and Bylaws Committee, and Budget Committee.

Mr. Gallante is currently chair of the PSERS Audit/Budget Committee and also serves on the Health Care and the Technology Steering Committees.

Mr. Gallante is an avid golfer and motorcyclist.

Ms. Beck is a high school principal secretary at Upper Darby High School in Delaware County. She previously was the office manager at a family-owned business and was responsible for purchasing, account management, and customer service.

She has a bachelor's degree in Early Childhood Education from Ohio Wesleyan University.

Ms. Beck currently serves as the Vice President of UDESPA (Upper Darby Education Support Professional Association) and has attended National Education Association and Pennsylvania State Education Association training sessions.

She was Home and School President, served on the After Prom Committee for Upper Darby High School, and on the Parent Involvement Committee and District Strategic Planning Committee for the Upper Darby School District.

Ms. Beck resides with her husband Bill in Drexel Hill, PA and has three children. She enjoys travel and creating stained glass art.

PSERS Board of Trustees Meeting Schedule

August 9, 2012
October 5, 2012
December 7, 2012

PSERS Board meetings are held in Harrisburg at PSERS, located at 5 N 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 Book, PSERS Executive Office at 1-888-773-7748, extension 4617.

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Website Address:
www.psers.state.pa.us
Email Address:
ContactPSERS@pa.gov

PSERS is happy to provide visually impaired readers with our publications in large print or a CD. Please contact PSERS to request either of these free services.

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

Returning to School Employment

Retired members of PSERS often ask about working after retirement in a Pennsylvania public school, charter school, community college, or public university. The Retirement Code states that after the retiree has a bona fide break in employment, a PSERS retiree may be employed in a Pennsylvania public school without affecting the retirement benefit under one of two conditions:

1. In an emergency or shortage of personnel situation.
2. A defined extracurricular situation.

A bona fide break in service is one factor in determining what is truly emergency employment, as an immediate return may be considered a continuation of active employment. In such cases, the emergency may be alleviated by simply delaying one's retirement. A true break in service between termination and re-employment without a pre-arranged termination and re-employment agreement should exist.

Emergency or Shortage of Personnel

An emergency or shortage of personnel is: a situation in which there is an increase in the workload that creates a serious impairment of service to the public; or there is a

shortage of appropriate subject certified teachers or other personnel. If this exists:

- ✓ The retiree may work throughout the school year (July 1 – June 30) provided the emergency or shortage remains in effect and the employer is unable to fill the position with a non-retiree.
- ✓ The emergency employment cannot exceed the current school year. If an emergency situation exists beyond one school year, the employer must demonstrate that there was an unsuccessful attempt to fill the vacant position with a non-retiree. PSERS would require proof of recruitment efforts for the vacant position, including copies of job postings and advertisements, before emergency employment would be approved beyond one school year.

With any case of emergency employment, regardless of the number of days or hours involved, PSERS expects the employer to make a good faith effort to fill a position with a non-retired individual before employing a retiree.

Employment in an Extracurricular Position

Extracurricular position is defined as a position in which

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the job duties must be performed primarily outside regular instructional hours and not as part of the mandated educational curriculum. Additional rules apply:

- ✓ The employment must be under a separate contract.
- ✓ The written contract must include a waiver of any potential retirement benefits.

Employment in an extracurricular position does not require the existence of an emergency or shortage. The Retirement Code 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.)

Employment in a Community College or Public University

Emergency employment at any of the state's community colleges, Penn State University, or the 14 state-owned universities is not common as there are generally many qualified people to fill the vacancy. The college or university can simply choose not to offer the course that semester.

The same emergency rules apply with regards to recruitment efforts and the length and nature of emergency. There must also be a bona fide break in service from all Pennsylvania public school employers and no pre-arrangement for

employment with the college or university prior to retirement.

Approved post-retirement employment with one of these employers is based on a retiree's eligibility to elect an alternate retirement plan. Some plans, such as State Employees' Retirement System (SERS) and TIAA-CREF, have membership requirements based on the number of hours or days the employee works.

If you do not meet the requirements to join, or you do not join SERS, TIAA-CREF, or other retirement plan, your PSERS benefit payment will stop.

If you are receiving a retirement benefit based on combined SERS and PSERS service credit (multiple service), you may not return to employment in a community college or university where SERS is offered as a retirement plan. If you do so, your benefit payment will stop.

A retiree should contact the proposed employer to determine the minimum membership requirements for other retirement plans. PSERS does not maintain membership eligibility requirements for other retirement plans.

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Online DD-214 Access for Veterans & Next of Kin

Military veterans and the next of kin of deceased former military members may now use a new online military personnel records system to request documents, including the Report of Separation (DD-214), by using the US government website, National Archives, at their direct link, www.vetrecs.archives.gov.

Other individuals requiring the documents must still complete the the National Archives' *Standard Form 180*, which can be downloaded from the online website.

The intention of the website and *Form 180* option should make it faster and easier for most veterans and their families to verify military service for veteran's benefits, and for membership eligibility in service organizations.

Please note that these records become public record 62 years after the service member's military separation. This is a rolling date. When requesting a record in 2012, records with a discharge date of 1950 or prior are open to the public. Records with a discharge date of 1950 or after are non-archival (non-public), maintained under the Federal Records Center program, and are subject to access restrictions.

Property Tax/Rent Rebate Deadline Extended

The deadline to apply for Pennsylvania's Property Tax/Rent Rebate Program for older adults and residents with disabilities has been extended from June 30, 2012 to December 31, 2012.

The rebate program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older. The income limit is \$35,000 a year for homeowners and \$15,000 annually for renters, and half of Social Security income is excluded.

The maximum standard rebate is \$650, but supplemental rebates for qualifying homeowners can boost rebates to \$975.

As of May 31, the Revenue Department reports that it had received 529,023 rebate applications, though more than 600,000 are expected to benefit from the program.

Applicants may obtain Property Tax/Rent Rebate claim forms (PA-1000) and related information online at www.revenue.state.pa.us or by calling the Department of Revenue's toll-free number, 1-888-222-9190. Forms are also available at Department of Revenue district offices (listed in the government section of phone directories), and state legislators' offices.

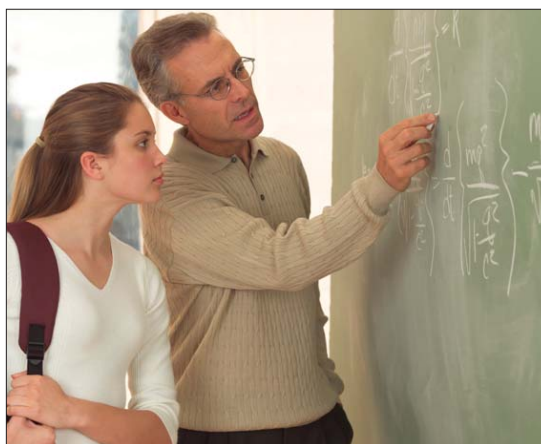
Returning to School Employment (continued from page 5)

Employment in a Charter School

Returning to employment after retirement in a charter school is based on the enrollment of the retiree in a retirement plan.

Under the Charter School Law (CSL), employees of a charter school must be enrolled in PSERS unless the employer provides an alternate plan.

Some charter schools offer



membership in PSERS to some of their employees and provide an alternate plan to other employees. If you are employed in a non-emergency capacity, you will need to be in the charter school's alternate retirement plan; otherwise, your monthly pension will stop.

Questions about returning to service should be directed to PSERS prior to accepting employment. Submit the facts surrounding the terms of employment by letter to PSERS. We will then advise the employer and retiree wheth-

er the employment complies with the Retirement Code.

Further Questions and Returning to School Employment

The information contained in this article is meant to serve as a guide addressing many of the typical circumstances or questions that may arise when one considers returning to school employment. It does

not cover all possible issues and situations. Additional information is available on the PSERS website at www.psers.state.pa.us.

Further questions not addressed in this article should be directed in a letter to PSERS.

Please Note - If a PSERS retiree returns to employment without meeting the criteria for the emergency or shortage of personnel or extra-curricular position, the retiree becomes an active member of PSERS. Monthly pension payments will stop. Once all public school employment is terminated, one must reapply for retirement (complete and submit a new retirement application) to PSERS.

Criminal Activity & Pension Forfeiture

The right of a person to receive retirement benefits from PSERS is subject to forfeiture as provided by the Public Employee Pension Forfeiture Act ("Pension Forfeiture Act"). The Pension Forfeiture Act states that all service and benefits payable to a PSERS member must be forfeited if the member is convicted of, pleads guilty or no defense to any of the crimes listed under the Pension Forfeiture Act when the crime is committed through the member's position as a public employee or when the member's public employment places the member in a position to commit the crime(s).

The Pennsylvania crimes listed under the Pension Forfeiture Act are:

- ◆ Theft by deception
- ◆ Theft by extortion
- ◆ Theft of services
- ◆ Theft by failure to make required disposition of funds received
- ◆ Forgery
- ◆ Tampering with records or identification
- ◆ Misapplication of entrusted property and property of government or financial institutions
- ◆ Bribery in official and political matters
- ◆ threats and other improper influence in official and political matters
- ◆ Perjury
- ◆ False swearing
- ◆ Unsworn falsification to authorities
- ◆ False reports to law enforcement authorities
- ◆ Witness or informant taking bribe
- ◆ Tampering with or fabricating physical evidence
- ◆ Tampering with public records or information
- ◆ Intimidation of witnesses or victims
- ◆ Retaliation against witness, victim or party
- ◆ Obstructing administration of law or other governmental function
- ◆ Official oppression, speculating or wagering on official action or information
- ◆ The following crimes when committed by a school employee against a student: rape, statutory sexual assault, involuntary deviate sexual intercourse, sexual assault, aggravated indecent assault, indecent assault, and indecent exposure

The Pension Forfeiture Act also includes all Federal criminal offenses that are substantially the same as the above listed crimes.

The Pension Forfeiture Act requires that a member's contributions and interest be used to pay any court ordered restitution, provided the monies have not been withdrawn by the member. If there is no restitution payable, the PSERS member is only eligible to receive a return of contributions without interest.

This article is intended to give a general overview of the Pension Forfeiture Act. To the extent there is a conflict between what is stated here and the Pension Forfeiture Act, the terms of the Pension Forfeiture Act, the Retirement Code, and PSERS' administrative interpretations and court decisions will govern the payment of benefits, and not any conflicting statements made in this article.

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