

## Inside...

- Q & A with PSERS New Executive Director
- Telephone Scams
- Updating Your Name and Address
- Impact of Divorce on a Beneficiary or Survivor Annuitant & More...

## Glen R. Grell named Executive Director of PSERS

On May 1, 2015, Glen R. Grell became the Executive Director of the Public School Employees' Retirement System (PSERS). PSERS former Executive Director Jeffrey B. Clay retired on April 6, 2015.

Prior to being named Executive Director, Mr. Grell served as the elected State Representative for the 87th District in the Pennsylvania House of Representatives, which includes several communities in Eastern Cumberland County. He was first elected to the Pennsylvania House of Representatives in 2004.



During his tenure in the House of Representatives, Mr. Grell was the prime sponsor or House floor leader on legislation addressing many important matters, including: the 2010 public pension reform; eminent domain; the 2012 Justice Reinvestment Initiative for corrections reform; revisions to the Uniform Commercial Code on secured transactions; a recodification of the Notary Public Law; and tort reform.

He also served as the House Republican Caucus' representative as a member of the PSERS Board of Trustees from 2009 to 2015 and was Chairman of the 25 member South Central (GOP) Caucus.

A lifelong Cumberland County resident, Mr. Grell earned a Bachelor of Arts degree from The Johns Hopkins University in 1978, as well as his J.D. from the Dickinson School of Law in 1981. He and his wife, the former Elaine Sanzotto, reside in Hampden Township. They have two children: Cory, a graduate of Penn State University, and Alyssa, a graduate of Millersville University.

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## PSERS

5 N 5th Street  
Harrisburg PA  
17101-1905

### Toll-Free

1.888.773.7748

### Local Calls

717.787.8540

### FAX

717.772.3860

### Phone Hours

#### Weekdays

(except holidays):

8:00 a.m. - 5:00 p.m.

### Website Address:

[www.psers.state.pa.us](http://www.psers.state.pa.us)

### Email Address:

[ContactPSERS@pa.gov](mailto:ContactPSERS@pa.gov)

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## Board Elections

There will be no active certified or active non-certified member elections in 2015 as only one candidate for each position submitted the required forms and petitions for the election. Deborah J. Beck and Susan C. Lemmo were “elected by acclamation” by the PSERS Board of Trustees, in accordance with Section 46 of Robert’s Rules of Order. Ms. Beck and Ms. Lemmo will serve for a term of three years on the Board beginning January 1, 2016.



Ms. Beck has served on the PSERS Board of Trustees since 2013. She 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 Educational Support Professionals 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 traveling and creating stained glass art.



Ms. Lemmo is an art teacher with the Curwensville Area School District in Clearfield County and has held that position since 1990. She earned a Bachelor of Fine Arts with art education certification, summa cum laude, from Indiana University of Pennsylvania and a Master of Fine Arts from the Pennsylvania State University.

She has served on the PSERS Board of Trustees since 2014. She has been the president of Pennsylvania State Educators Association (PSEA) Central Region since 2013 and is a member of the PSEA Board of Directors. She has served as the treasurer of the Clearfield, Elk, Cameron, and Jefferson Central Labor Council since 2005 and served as the secretary of PSEA’s Political Action Committee for Education (PSEA-PACE) from 2009 through 2010.

Ms. Lemmo resides in Clearfield, PA. She is married with two daughters. Her hobbies include reading historical fiction and attending auctions.

## Q & A with PSERS New Executive Director

### **What are some of your goals for PSERS in the next 5 years?**

One of my top priorities is to work with policy-makers to reverse years of underfunding PSERS and to improve PSERS' funded status from the current 62% level. Since 2001, various pieces of legislation were passed that allowed school employers and the Commonwealth to underfund PSERS. It is imperative that the Fund continues to receive the actuarially required funding that is necessary to pay for benefits currently being earned and to pay down the existing debt.

Another priority of mine is to continue with the implementation of PSERS' on-going technology initiatives. This multi-year technology effort will upgrade PSERS' entire core pension administration system, which will better serve our membership and result in operating efficiencies.

### **What do you see as the greatest challenge facing PSERS in the next 5 years?**

PSERS faces an ongoing challenge to earn favorable investment returns during difficult and volatile economic times without exposing PSERS to undue investment risk. PSERS has been underfunded by school employers and the Commonwealth for a long period of time and that impacts not only the amount we have to invest but HOW we invest. PSERS can no longer take as much investment risk as we did in the past because of the damage done by the underfunding.

Other challenges include assuring PSERS receives the necessary amount of funding required each year from school employers and the Commonwealth and providing information to members and policy-makers as vigorous debate continues on public pension policy.

### **What is PSERS' role in the pension reform debate?**

PSERS serves as a trusted partner with policy-makers as they consider various "pension reform" proposals. PSERS provides volumes of actuarial data and significant legislation drafting expertise to the General Assembly and Governor's Administration on Retirement Code and pension funding issues. PSERS will continue to advocate for our members, especially if future efforts are made to return to prior practices of underfunding employer contributions to the System.

### **Will a Cost of Living Adjustment (COLA) be granted to PSERS retirees in the future? The last COLA was in 2002.**

While I sympathize with PSERS' retirees regarding rising costs and the absence of a COLA, only the General Assembly and Governor can grant a COLA. In addition, benefit enhancements, like COLAS, require additional funding, which adds to PSERS' Unfunded Accrued Liability (UAL). Prospects for a COLA remain dim until the General Assembly addresses the current \$35 billion UAL that already exists.

## PSERS Board of Trustees Meeting Schedule

**December 8, 2015**

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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.

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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.

## Gifts to PSERS Employees

On occasion, grateful members of the Public School Employees' Retirement System (PSERS) offer or send without notice, gifts to PSERS employees. These gifts are either meant to thank a PSERS employee for exceptional service or as a remembrance during the holidays or other special occasions. Although we thank you for the recognition of good service, PSERS is a commonwealth agency that must abide by the Governor's Code of Conduct and therefore cannot accept these gifts.

Our employees are here to serve you. We appreciate the fact that you regard the service you received as worthy of special attention; but sending any commonwealth employee a gift can be problematic for the employee. For this reason, we request that you refrain from sending any gifts to PSERS employees. Letters of appreciation are welcome, however, and if requested by the staff member will be placed in his or her official personnel file.

## Telephone Scams

In today's world, telephone scams have become more prevalent and more sophisticated. PSERS' members should remain alert to these types of telephone scams. Members may have been contacted by individuals claiming to be with the U.S. Treasury Department, the Internal Revenue Service (IRS), PSERS, and other government departments. These types of scams should be reported to the Federal Trade Commission (FTC) at 1.888.382.1222.

Recently, a member reported that he received a call from the 'Premium Assistance Unit'. The caller stated that the member won a \$100 gift card from PSERS; all he had to do was pay \$1 with a credit card to have the gift card issued to him. Members should be aware that PSERS does not award \$100 gift cards. Members should record potential identifying information, such as the number from which the call originated. PSERS received notice about another scam in which members were contacted by individuals claiming to be with the U.S. Treasury or Internal Revenue Service. These callers stated that there was an issue with their PSERS benefit. These callers can be aggressive and may call multiple times. It is important to never give out any personal or account information.

This telephone scam is very similar to a well-known IRS scam. More information on the IRS scam can be found at: [http://www.treasury.gov/tigta/press/press\\_tigta-2015-01\\_home.htm](http://www.treasury.gov/tigta/press/press_tigta-2015-01_home.htm)

Protect yourself by not speaking with the caller. Simply hang up. Other tips for avoiding phone or email scams:

- Never give out personal information over the telephone.
- Never give out billing information over the phone, especially if you receive an unsolicited telephone call.
- Never forget that you are in control. You can always hang up, find a company's number and call it directly.
- Remember this rule of thumb: never give out sensitive information to anyone on the phone unless you initiated the call to a company that you are certain is legitimate.



## Updating Your Name and Address

It is important to make sure that you always keep your address up to date with PSERS. Throughout the year, PSERS mails newsletters and other important, time-sensitive information to our members.

If you are currently working in a Pennsylvania public school, report any change of address to your employer. Your employer will submit the information to PSERS. PSERS does not update the name or address information for an active contributing member. Your employer will not only update its records but will also report the change to PSERS. If PSERS were to update the information and your employer records are not updated, the new information could be overwritten by outdated information.

If you left employment and deferred to receive your retirement benefit until later, submit your address change to PSERS in writing. Please include your name, the last four digits of your social security number, former address (or name), new address (or name), current telephone number, the effective date of the change, and your signature. If you have named a Power-of-Attorney (POA) and the POA was approved by PSERS, the POA may change your address on your behalf.

Name and address changes should not be submitted any earlier than 90 days prior to the effective date of the change. If you change your name you must provide proof of that change to PSERS.

If you are changing your name, PSERS may require additional verification, such as a copy of the court order granting the name change. This is especially true for any name change resulting from anything but a marriage. PSERS will not accept address or name changes by phone, email, or anyone but you, except your agent named in a POA document.

Remember: You must include your signature and at least the last four digits of your social security number in the letter to assure proper identification of your account.

Our mailing address is –

**PSERS**  
**5 N 5th Street**  
**Harrisburg PA 17101-1905**

## Borrowing from 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, nor can you borrow from your account. Your funds in PSERS may neither be used for collateral nor attached or assigned.

The only way PSERS members can receive any funds from their account is to terminate employment with all public school employers and apply for benefits.

When you are retired, this same law prevents the liquidation of your monthly benefit in a lump-sum payment. This guarantees that you will receive a monthly benefit payment for the rest of your life.

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

## Members Not to Rely on Employers Regarding PSERS Benefits

Retirement can be a complex puzzle. Your PSERS account comprises a big piece of that puzzle, so it is especially vital — and never too early in your career — to gain and maintain an understanding of the benefits for which you may qualify and your responsibilities as a PSERS member.

You should direct questions or concerns specific to your PSERS account and your retirement benefit options directly to PSERS, not your employer. Benefit calculations, milestones and options can vary based on when you became a member of PSERS or the type of retirement for which you apply. Although your employer regularly reports information to PSERS, your account is separate from other benefits connected to your employment and is not administered by your employer. Your retirement account may involve a lifetime benefit for you as a PSERS retiree, as well as money or monthly benefits for those who survive you, so gaining reliable information from the correct source is a critical planning step.

PSERS can review all facets of your account and provide accurate information about your options, including estimated monthly payments and potential withdrawal amounts, as well as information regarding the steps in applying for retirement and the time frames for processing your benefit.

Remember, there may be aspects of your PSERS account of which your employer is unaware, or that do not pertain for their purposes. For example, your enrollment date for pension membership may not coincide with your hire date with your employer; or the retirement date referenced in communication from your employer may be based on your contract and may not coincide with the retirement date used by PSERS, which is typically the day after your last day of actual service. The difference in those aspects can have an impact on benefit calculation, eligibility for retroactive monthly payment and qualification for additional benefits such as Premium Assistance.

*Translation:* Knowing the correct go-to source for information can save hassle, headaches, and missed opportunities. For account-specific matters, that source is PSERS. It's never too soon to tap that well of information.

Early in your career, you may be responsible to submit documentation to PSERS or to make decisions affecting your account, such as applying to purchase additional service credit, making a membership enrollment election, nominating beneficiaries or electing multiple service membership. Take note of any deadlines, as communicated by PSERS, and be sure to submit all needed forms directly to PSERS timely.

PSERS offers a multitude of tools and informational sources to help you keep up to date on the values in your account as well as to stay on track with your retirement planning. Review your annual *Statement of Account* carefully. Valuable information is also available in the *Active Member Newsletter* and on the PSERS website to assist you both on individual concerns and matters affecting the plan on a wider scale.

Foundations for Your Future programs are offered locally to help you gain an overview on both short-term and long-term planning as it relates to your PSERS account. As you near retirement, you are strongly encouraged to attend PSERS Retirement Exit Counseling to help understand your options and for assistance with completing the *Application for Retirement*.

Keep in mind, your employer may use criteria that differs from your PSERS service for employer- or contract-related benefits, so it is important to know the distinctions.

Retirement is a career-long quest. As you pilot along the way, consulting with the correct sources is a critical responsibility toward an overall successful navigation. PSERS is your vital source for information directly involving the benefits you will receive, your options, steps, and the time frames involved.

## Impact of Divorce on a Beneficiary or Survivor Annuitant

Your retirement from PSERS involves a lifetime benefit, so careful planning and consideration of all of your current and likely future circumstances rest at the core of making solid retirement decisions.

Sometimes, however, even the most astute of planners among PSERS members may encounter unexpected left turns. And the consequences for not fully knowing the impacts of decisions that you make can be chilling.

That surprising and unfortunate reality recently transpired for one couple.

To protect the couple's privacy, they will be referenced in this article as Nancy and Paul. Nancy, who was a PSERS member, was diagnosed with a terminal illness. Upon retiring, she selected Option 2 as her monthly benefit option, naming Paul as her survivor annuitant. Nancy knew that option would guarantee Paul a steady lifetime income of approximately \$5,000 per month upon her death, matching what Nancy would receive monthly while alive. Secure in that knowledge but facing an uphill battle financially and medically, the couple faced some hard decisions.

Nancy needed long-term medical care. With the possibility that long-term care may dwindle their financial resources, the couple opted to divorce as a financial move to preserve some of their assets. Heartbreakingly, the couple overlooked one important detail.

Under Pennsylvania law, if a divorce occurs after retirement, a former spouse is not automatically retained as a beneficiary or a survivor annuitant, unless otherwise indicated by a court order or specified in writing to PSERS by the member. Nancy had never specified to PSERS that she desired Paul to remain as her survivor annuitant after the divorce; the divorce decree did not specify that condition either. The result: In accordance with Pennsylvania law, Paul, now a former spouse, was not retained as survivor annuitant. Tragically, Nancy passed and Paul was not eligible for the \$5,000 monthly benefit that the couple believed would come.

The example above illustrates the critical importance not just of sound financial planning but also of fully understanding the effect that a divorce can have after your death. Had Nancy realized the divorce nullified Paul as her survivor annuitant, she could have taken measures to protect either him or someone else financially after the divorce. Unfortunately, upon her passing it was too late.

When you retire, you make binding decisions regarding your PSERS benefit. Therefore, it is strongly recommended you attend PSERS Retirement Exit Counseling to gain a thorough understanding of each option and choice available. You should also contact PSERS for information on how changes in your life can affect your benefit or the possible benefits to your beneficiaries and/or survivors. Don't let a life-altering financial mistake affect the financial security of you and your loved ones.

## Statement of Account Survey

PSERS is in the process of sending out annual *Statements of Account*. Look for a survey on the home page of the PSERS website regarding these statements. The purpose of the survey is to improve how we provide you with your account information to ensure it is in the best and most understandable manner possible. Your opinions/comments will assist PSERS in providing better service for all of our members. Please take the time to respond to this short survey.

## Phones Set to Block Anonymous Calls

If you have your telephone set to block anonymous callers, you may not be able to receive phone calls from PSERS. Depending on your telephone carrier, calls from PSERS may or may not be blocked. PSERS is working with the various telephone companies to address and correct this issue.

This issue does not affect calls that you make to PSERS; only outgoing calls from PSERS are affected.

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