

## Fall 2010

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## James Sando Reelected to Board Seat

There will be no active certified member election in 2010, as only one candidate submitted the required election forms and petitions for the election.

Mr. James Sando is thereby “elected by acclamation” by the PSERS Board of Trustees, in accordance with Section 46 of Robert’s Rules of Order. Mr. Sando will fill the seat on the Board for a three year term.

Since 1987, Mr. Sando has been a fifth grade teacher at the Wissahickon School District. He received his Masters of Education from East Stroudsburg University.

He has served on the Pennsylvania State Education Association (PSEA) Board of Directors since 1999. Mr. Sando has been a member of the National Council on Teacher Retirement (NCTR) since 2007 and is a member of the Council of Institutional Investors (CII Delegate).

Mr. Sando has served on PSERS Board since 2007. He currently serves as Chairman of the Corporate Governance Committee. Mr. Sando also sits on the Appeals/Member Services Committee, the Bylaws/Policy Committee, and the Personnel Committee.

He was named Montgomery County Elementary Science Teacher of the Year in 2005.



Mr. James Sando

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...***

### ***Update on the Pension Funding Issue and the Employer Contribution Rate Recertification***

In my last column I discussed the extensive educational efforts PSERS has undertaken over the past year to explain the employer contribution rate spike and the funding issues facing PSERS to various employer and member organizations and to the Legislature.



Mr. Clay

Traveling across the Commonwealth and giving over 60 presentations over the last year and a half to various school boards, school business officials, active and retired member groups, and legislators gave me the opportunity to hear firsthand the concerns and comments of PSERS members and employers.

As legislators and school officials achieved a better understanding of the funding issue, the focus has now turned towards finding a solution to this issue. Thus, a number of pieces of legislation have been introduced to address the funding issue. More legislation or amendments to pending bills can be expected as we get closer to the employer contribution rate spike in Fiscal Year 2012/2013. Examples of some of the bills already introduced in the current Legislative session include:

**Senate Bill 566** – Introduced by Senator Patrick Browne, *and...*

**House Bill 1174** – Introduced by Representative Scott Boyd

These are identical bills that have been introduced in both chambers of the General Assembly. The bills propose the establishment of a Defined Contribution Plan for all new members enrolling in PSERS.

**Senate Bill 1185** – Introduced by Senator Yaw, *and...*

**House Bill 2135** – Introduced by Representative Glen Grell

These are identical bills that have been introduced in both chambers of the General Assembly. The bills propose the establishment of a Hybrid Pension Plan for all new members enrolling in PSERS. The Hybrid Plan would have components of both a Defined Benefit Plan and Defined Contribution Plan.

**House Bill 2497** – Introduced by Representative Dwight Evans

This bill proposes a series of actuarial changes to PSERS and SERS and includes eligibility and benefit changes for new PSERS and SERS members hired after the effective date of the legislation.

Of all pension funding legislation that has been introduced, House Bill 2497 is the only piece of legislation addressing the funding issue that has passed one chamber of the General Assembly, that being the House of Representatives. Passed on June 16, 2010, the bill was sent to the Senate, where it was referred to the Senate Finance Committee. As of the date this article was written, the bill still resides in this Senate committee without having been acted upon.

This fall when the Legislature returns to session, PSERS will continue to closely monitor pension legislation and provide analytical and technical support for new bills and/or amendments to the existing bills.

If no legislation to resolve the pension funding issue passes this fall, PSERS will continue its educational efforts on this important issue, particularly in light of the expected changes to take place in the Office of the Governor and the General Assembly due to the November elections.

The pension funding issue also remains a top issue for the PSERS Board of Trustees (PSERB). As a consequence of passage of the Fiscal Code Bill (Act 2010-46) that accompanied the Commonwealth's General Fund Budget

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

## PSERS Board of Trustee Meeting Schedule

October 8, 2010  
December 10, 2010  
January 21, 2011  
March 11, 2011  
April 29, 2011  
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)

(Act 2010-1A), the PSERB met in July 2010 and recertified the employer contribution rate for Fiscal Year 2010-2011. The rate was decreased from 8.22 percent down to 5.64 percent as directed under the provisions of Act 46.

Unlike past recertifications of the employer contribution rate by the PSERB, this recertification was not the result of either a modification of PSERS' funding methodology or any other change made to the Public School Employees' Retirement Code. Therefore, the PSERB passed a resolution that voiced its concern and stated that the mandated recertification of the employer contribution rate not only fails to address the serious long-term under-funding of PSERS, but increases the unfunded liability of PSERS.

To read the resolutions passed in conjunction with the recertification of the employer contribution rate, go to PSERS' website at:

[www.psers.state.pa.us/org/board/resolutions/2010/2010index.htm](http://www.psers.state.pa.us/org/board/resolutions/2010/2010index.htm)

and click on PSERB Resolution 2010-26 and PSERB Resolution 2010-27.

For more information on the PSERS funding challenges, go to PSERS' website at:

[www.psers.state.pa.us/press/pension\\_funding\\_issues/index.html](http://www.psers.state.pa.us/press/pension_funding_issues/index.html).

## Your PSERS Active Member Newsletter

Please keep in mind when you read your PSERS *Active Member Newsletter* that PSERS represents a wide range of Pennsylvania public school employees with various backgrounds. PSERS makes every attempt to make sure that information is supplied to the members in a format that effectively conveys important information pertaining not only to a member's account, but informs members of their legal rights, as well.

On occasion, we receive requests to send only one issue of the newsletter from members who share the same address. For our records, we do need to record that every member was sent a copy of the newsletter addressed specifically to that member. Therefore, we will not send a single copy of a newsletter to a multiple member household.

# 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 November 2010 through February 2011 (not inclusive, more dates may be added in some areas). Seminars prior to November are listed on the PSERS website at [www.psers.state.pa.us/regional/FFYF\\_Schedule\\_Overview.htm](http://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 Rms., 475 E. Waterfront Dr.	November 17, 2010	4:30 p.m.
			January 12, 2011	4:30 p.m.
Allegheny	Monroeville	Community College of Allegheny County, Boyce Campus, South Wing, Room 440 (Auditorium/ Lecture Hall), 595 Beatty Rd.	December 2, 2010	4:30 p.m.
Allegheny	Pittsburgh	Clarion Hotel and Conference Center, Ambassador Ballroom, 401 Holiday Dr.	December 15, 2010	4:30 p.m.
			February 16, 2011	4:30 p.m.
Allegheny	West Mifflin	Community College of Allegheny County, South Campus, Multi Purpose Room (Room A-306) 1750 Clairton Rd.	February 2, 2011	4:30 p.m.
Fayette	Uniontown	Holiday Inn Uniontown, Appalachian Ridge Room, 700 W. Main St.	February 3, 2011	4:30 p.m.
Greene	Waynesburg	Waynesburg Central High School, Auditorium, 30 Zimmerman Dr.	January 19, 2011	4:30 p.m.
Washington	Charleroi	Mon Valley Career and Technology Center, Classrooms 1 and 2, 1 Guttman Blvd.	December 16, 2010	4:30 p.m.
Washington	Washington	Trinity Middle School, Auditorium, 50 Scenic Dr.	November 10, 2010	4:30 p.m.
			January 5, 2011	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.	November 17, 2010	4:30 p.m.
Delaware	Morton	Delaware County I.U., Education Service Center, Rooms 171 & 172, 200 Yale Ave.	November 9, 2010	4:30 p.m.
Montgomery	Ft. Washington	Holiday Inn Philadelphia North, 432 Pennsylvania Ave.	November 23, 2010	4:30 p.m.

Foundations for Your Future (continued)

<b>Southeast Region, Toll-Free 1-888-773-7748, extension 5575 (continued)</b>				
<b>County</b>	<b>City</b>	<b>Location &amp; Address</b>	<b>Date</b>	<b>Time</b>
Montgomery	Kulpsville	Inn at Towamencin, 1750 Sumneytown Pk.	November 18, 2010	4:30 p.m.
Philadelphia	Philadelphia	Philadelphia Ramada Northeast, 11580 Roosevelt Blvd.	November 30, 2010	4:30 p.m.
Philadelphia	Philadelphia	Philadelphia School District Education Center, Auditorium, 440 N. Broad St.	November 16, 2010	4:30 p.m.
<b>Southcentral Region, Toll-Free 1-888-773-7748, extension 5675</b> <b>Counties Served: Adams, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, &amp; York</b>				
<b>County</b>	<b>City</b>	<b>Location &amp; Address</b>	<b>Date</b>	<b>Time</b>
Lancaster	Lancaster	Lancaster-Lebanon I.U., 1020 New Holland Ave.	November 15, 2010	4:30 p.m.
Perry	Millerstown	Greenwood High School, Auditorium, 405 East Sunbury St.	November 9, 2010	4:30 p.m.
<b>Northwest Region, Toll-Free 1-888-773-7748, extension 5175</b> <b>Counties Served: Beaver, Butler, Clarion, Clearfield (DuBois Area School District only), Crawford, Erie, Forest, Jefferson, Lawrence, Mercer, Venango, &amp; Warren</b>				
<b>County</b>	<b>City</b>	<b>Location &amp; Address</b>	<b>Date</b>	<b>Time</b>
Beaver	Monaca	Community College of Beaver County, Learning Resource Center, 103 Conference Room, 1 Campus Dr.	November 2, 2010	4:30 p.m.
Butler	Butler	Butler Area SD Intermediate School 120 Campus Ln.	November 9, 2010	4:30 p.m.
Clarion	Clarion	Riverview I.U., 270 Mayfield Rd.	November 4, 2010	4:30 p.m.
Crawford	Saegertown	Penncrest SD Saegertown High School, Auditorium, Mook Rd.	November 18, 2010	4:30 p.m.
Venango	Franklin	Rocky Grove Jr./Sr. High School Auditorium, 403 Rocky Grove Ave.	November 15, 2010	4:30 p.m.
<b>Northcentral Region, Toll-Free 1-888-773-7748, extension 5275</b> <b>Counties Served: Bradford, Cameron, Centre, Clearfield (all districts except DuBois Area), Clinton, Columbia, Elk, Lycoming, McKean, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, &amp; Union</b>				
<b>County</b>	<b>City</b>	<b>Location &amp; Address</b>	<b>Date</b>	<b>Time</b>
Clearfield	West Decatur	Central I.U., Clinton Room, 345 Link Rd.	February 17, 2011	4:30 p.m.
Clinton	Lock Haven	Best Western, 101 E. Walnut St.	February 9, 2011	4:30 p.m.
Columbia	Berwick	Berwick Area Senior High School, Auditorium 1100 Fowler Ave.	November 9, 2010	4:30 p.m.
Lycoming	Williamsport	Holiday Inn Williamsport, 100 Pine St.	February 15, 2011	4:30 p.m.
Northumberland	Montandon	Central Susquehanna I.U., Main Building, Lawton Ln.	February 2, 2011	4:30 p.m.
Tioga	Mansfield	Mansfield Junior/Senior High School Auditorium, 73 W. Wellsboro St.	November 3, 2010	4:30 p.m.
Union	New Berlin	SUN Area Career & Technology Center, Large Group Instructional Room, Market St., (Rt. 304) and 21st Century Dr.	January 11, 2011	4:30 p.m.



<b>Northeast Region, Toll-Free 1-888-773-7748, extension 5375</b> <b>Counties Served: Lackawanna, Luzerne, Monroe, Northampton, Pike, Susquehanna, Wayne, &amp; Wyoming</b>				
County	City	Location & Address	Date	Time
Lackawanna	Archbald	Valley View Jr-Sr High School, Auditorium, 1 Columbus Dr.	November 18, 2010 February 16, 2011	4:30 p.m. 4:30 p.m.
Luzerne	Nanticoke	Luzerne County Community College, Educational Conference Center, Auditorium 132, 1333 S. Prospect St.	December 14, 2010 February 2, 2011	4:30 p.m. 4:30 p.m.
Monroe	Stroudsburg	Pocono Inne Town, 700 Main St.	January 6, 2011	4:30 p.m.
Northampton	Easton	The Eastonian Banquet and Convention Center at the Holiday Inn Express, 90 Kunkle Dr.	November 9, 2010 February 10, 2011	4:30 p.m. 4:30 p.m.
Pike	Matamoras	Best Western at Hunts Landing 120 Routes 6 & 209	November 4, 2010	4:30 p.m.
Susquehanna	Montrose	American Legion Gardner-Warner Post 154, RR 4, Elk Lake Rd.	December 9, 2010	4:30 p.m.

<b>Centraleast Region, Toll-Free 1-888-773-7748, extension 5475</b> <b>Counties Served: Berks, Carbon, Chester, &amp; Lehigh</b>				
County	City	Location & Address	Date	Time
Berks	Reading	Reading-Muhlenberg Career & Technology Center, Warren Rd.	November 23, 2010	4:30 p.m.
Chester	West Chester	J. R. Fugett Middle School, Auditorium, 500 Ellis Ln.	November 9, 2010	4:30 p.m.
Lehigh	Allentown	Rodeway Inn & Conference Center, 1151 Bulldog Dr.	November 18, 2010	4:30 p.m.

<b>Centralwest Region, Toll-Free 1-888-773-7748, extension 5875</b> <b>Counties Served: Armstrong, Bedford, Blair, Cambria, Indiana, Somerset, &amp; Westmoreland</b>				
County	City	Location & Address	Date	Time
Bedford	Bedford	Arena Restaurant, 4407 U.S. 220 Business	November 8, 2010 February 17, 2011	4:30 p.m. 4:30 p.m.
Blair	Altoona	Ramada Inn-Altoona, I-99, exit 31 (Plank Road)	November 3, 2010	4:30 p.m.
Cambria	Ebensburg	Admiral Peary AVTS, Room 204, 948 Ben Franklin Hwy.	January 19, 2011	4:30 p.m.
Indiana	Indiana	Quality Inn, 1545 Wayne Ave.	January 27, 2011	4:30 p.m.
Westmoreland	Youngwood	Westmoreland County Community College, Commissioners Hall, 145 Pavilion Ln.	December 6, 2010	4:30 p.m.

Detailed directions to *Foundations For Your Future* sessions are available on the PSERS website at [www.psers.state.pa.us/regional/FFYF\\_Schedule\\_Overview.htm](http://www.psers.state.pa.us/regional/FFYF_Schedule_Overview.htm).

## Eligibility & Waiving Membership

Participation with PSERS is a requirement for all full-time employees. This means that these employees must have contributions withheld beginning with the first day of public school service. Full-time employment is described as employees who work 5 or more hours a day, 5 days a week or its equivalent of 25 or more hours a week.

Part-time employees must work a minimum of 500 hours (if hired on an hourly basis) or 80 days (if hired on a per diem basis) in a school year (July 1 through June 30) to qualify for membership. When a part-time employee meets the minimum membership requirement, employers must begin to withhold PSERS contributions. Employers do have the option to begin withholding contributions for part-time employees from the first day of employment if the employer believes that the employee will work the necessary time to meet the minimum membership requirements.

Employers must offer the option of waiving membership in PSERS to all part-time salaried, part-time hourly, and part-time per diem employees. **PSERS recommends that this process occur within the first 30 days of the employee being hired in order to avoid the unnecessary withholding of retirement contributions.** The employee has until the end of the school year in which he or she wishes to waive membership to exercise this option, but waiting can result in deductions being withheld unnecessarily and delays in the return of contributions.

To qualify for the waiver, a part-time employee must maintain one of the following types of Individual Retirement Accounts (IRA) as defined by Section 408 in the Internal Revenue Code:

- Traditional IRA
- Roth IRA
- Simplified Employee Pension (SEP)
- Savings Incentive Match Plan for Employees of Small Employers (Simple) IRA

It is up to the employee to contact the employer should the employee decide to waive membership in PSERS. The employer will request IRA verification from the employee and report the waiver request to PSERS. Once the request is received by PSERS, we mail a *Welcome Waiver Packet* to the employee. Part of this packet includes a *PSERS Membership Waiver (PSRS-51)* form. **The employee must complete and return this form to PSERS by the end of the current school year in order to qualify for the membership waiver.**

Submission of the completed waiver is binding for the entire school year in which membership is being waived unless the employee becomes a full-time school employee.

If a waiver request is denied or if the employee does not return the waiver form prior to the end of the current school year, PSERS will contact the employee to explain the reason for the denial.

It is important to note that once part-time membership is waived and the employee later becomes a member of PSERS, the waived service becomes ineligible for purchase as PSERS credited service.

## Planning for Retirement

If you are planning to retire at the end of this school year, by now you should have:

- Applied to purchase any uncredited service (POS), if applicable.
- Attended a PSERS *Foundations For Your Future* program.
- Received a PSERS *Retirement Estimate*.
- Contacted your employer to discuss benefits available through them such as payment for unused vacation, sick leave, sabbatical leave, and health insurance.
- Consulted with a financial planner or a tax consultant, if appropriate.
- Contacted the Social Security Administration regarding your benefits.

By November, you should have:

- Investigated your employer's guidelines for retiring, terminating, and resigning.
- Scheduled a PSERS *Exit Counseling* session through your PSERS Regional Office.

Between January and prior to your termination, you should:

- Attend a scheduled PSERS *Exit Counseling* session.
- Notify your public school employer(s) of your termination and date.

If you have questions as you prepare for retirement, contact your PSERS regional office. Regional office contact information is located within this newsletter as part of the *Foundations for Your Future* schedule or is available on the PSERS website at [www.psers.state.pa.us/regional/regindex.html](http://www.psers.state.pa.us/regional/regindex.html).

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