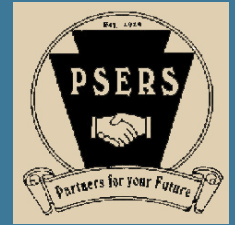


Summer 2009

Inside...

- *New Board of Trustee Members*
- *Preparing for Retirement*
- *Requesting a Refund*
- *Foundations for Your Future*
- *Working for Colleges & Universities and More...*



From the Desk of the Executive Director

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

It is late April and we have now begun the fourth and final quarter of PSERS' fiscal year 2008-2009. I am hesitant to comment on the current state of the investment markets. Since October 2008, as I write this update the markets appear to have stabilized somewhat. While the markets have shown some improvement in March and April, it is important to note that we are a long way from a recovery. The losses experienced by investors, including PSERS, have been of a historic proportion.

PSERS and its sister system, the State Employees' Retirement System (SERS) are still facing significant funding issues. These issues are due primarily to the current economic decline and the previous recession earlier this decade when the technology bubble burst. It has been a difficult decade for investors across the country, with significant investment losses both in the beginning and at the end of the decade.

As mentioned in previous articles and presentations, PSERS is funded by three sources: employee (member) contributions, employer contributions, and investment earnings. Most of the

fund's income has come from investment earnings. That has begun to change; however, as the investment markets have experienced significant losses. Since member contributions are fixed by statute, the source that is impacted when investment earnings decline is the employer contribution rate. This is part of the basic structure of how a defined benefit pension plan, like PSERS, works. The employer benefits when the investment earnings increase and they have to put less into the system. When the investments do not increase, the employers have to put more funding into the system.

There already has been media coverage of the rising employer contribution rate and, in particular, the significant rate increase anticipated in fiscal year 2012-2013. I would expect



Jeffrey B. Clay

Continued on page 2

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.

the coverage to increase as we move closer to that time. We are currently exploring options and working with legislators to look at potential ways to address the increasing employer contribution rate. Stay tuned for future updates on the situation.

In closing, you may have heard rumors or seen media coverage regarding decreasing benefits or changing the structure of the pension system. I would like to remind our members that your pension benefit is secure and it is

our belief that any such changes would have to be prospective only to new employees to avoid the Pennsylvania Constitution's prohibition against the impairment of a contract (Article I, Section 17). In particular, the courts have ruled that PSERS' and SERS' pension benefits are contracts with the existing members of the System, regardless of vesting, and thus subject to the constitutional impairment of contract prohibition.

New Members on the PSERS Board of Trustees

PSERS Board of Trustees welcomes three new Board members

The beginning of 2009 has brought changes to the PSERS Board of Trustees.

Senator Shirley M. Kitchen (D-Philadelphia County) has replaced Senator Vincent J. Fumo as one of the two members of the Senate appointed to the PSERS' Board by the President Pro Tempore of the Senate. She joins Senator Robert C. Wonderling (R-Bucks, Lehigh, Montgomery, and Northampton Counties) who was appointed to the Board in January 2007.

Representative Glenn R. Grell (R-Cumberland County) has

replaced Representative Steven R. Nickol as one of the two members of the House of Representatives appointed to the PSERS' Board by the Speaker of the House. He joins Representative Dwight Evans (D-Philadelphia County) who was appointed to the Board in January 1991.

In addition, Treasurer Robert M. McCord was elected State Treasurer in November 2008. He serves as a member of the PSERS Board of Trustees (ex officio).

PSERS Board of Trustees Meeting Schedule

August 13, 2009
October 2, 2009
December 11, 2009

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

Name & Address Changes

If you are an active member of PSERS, please report any change of your name or address to your employer(s). It is up to your employer to notify PSERS of any changes.

If you are a vested member who terminated active employment, please submit any name or address changes in writing to PSERS. Be sure to include your name, social security number, and your signature in the letter.

To ensure your security, e-mailed name and address changes will not be accepted.

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

Website Address:
www.psers.state.pa.us
E-mail Address:
ra-ps-contact@state.pa.us

Toll-Free
1-888-773-7748
Local Calls
717-787-8540
TTY (Text)
717-772-5379

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

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

Tips When Preparing for Retirement

- √ It's never too early to attend a *Foundations for Your Future* session. These pre-retirement sessions explain the System and your benefits. You should attend these sessions throughout your PSERS-covered employment.
- √ Applications to purchase service credit must be submitted to PSERS while you are an active contributing member. Typically, it is best to apply early in your career. Please refer to the PSERS website at, www.psers.state.pa.us/publications/pamphlets/credit.htm, for more information.
- √ You must provide a notice of resignation to your employer (exceptions may apply for those applying for a disability retirement).
- √ Your employer must submit to PSERS your termination date through online reporting. If your termination date is not provided to PSERS by your employer(s), we cannot process your *Application for Retirement*.
- √ During peak retirement time, the payment of the initial benefit may exceed the expected 8 to 10 week processing time. It may be beneficial to you to be financially prepared for not only the normal processing time, but any unexpected delay, as well. Processing time frames will be addressed at your *Exit Counseling* session.

Preparing for Retirement - What You Need to Know

Being prepared can make the transition from the work world to retirement much easier for you. PSERS can serve you better if you approach your retirement adequately prepared by following these steps:

- 1** Attend a *Foundations for Your Future* meeting which provides a general overview of your PSERS benefits. Meetings are listed in this newsletter and on the PSERS website, www.psers.state.pa.us.
- 2** Use the PSERS online Web estimator (retirement benefit calculator), available at www.psers.state.pa.us/calculators.htm, to create an unlimited number of estimates. You can create an estimate using different retirement dates, options, and final average salaries to see how it might affect your retirement benefit. Just remember, however, your estimate is only as accurate as the information used to generate it. Even though you can create many estimates, you will still need an estimate prepared by PSERS staff before your *Retirement Exit Counseling* meeting.
- 3** **Twelve months prior to your date of retirement,** request a detailed estimate prepared by PSERS staff. Estimate requests received more than 12 months prior to the date of retirement will be returned with information on obtaining a preliminary retirement estimate by using the online estimator.
- 4** After you receive your retirement estimate, you may choose to meet with your financial planner.

Please Note: PSERS will not advise you on which option to choose. It is up to you to make that determination.

- 5** After you have made the decision to retire, call your PSERS Regional Office to schedule a *Retirement Exit Counseling* appointment. When you schedule your meeting, PSERS will send you:
 - A *Retirement Worksheet* to prepare **before** attending the meeting to ensure that you have all necessary information to complete your *Application for Retirement* (PSRS-8).
 - An *Authorization for Direct Rollover* (PSRS-1264) form.
- 6** Come prepared for your *Retirement Exit Counseling* meeting. Bring your Retirement Estimate and completed *Retirement Worksheet*. If you wish to rollover your contributions and/or interest, bring your completed *Authorization for Direct Rollover* (PSRS-1264). At this meeting, you will complete and file your *Application for Retirement* (PSRS-8). If you are choosing Option 2, 3, or the Customized Option, bring proof of birth required for the survivor annuitant.

Don't forget to speak to your employer about your termination of employment. It is important that your employer is aware of your resignation, as your employer needs to confirm with PSERS your termination from employment.

Your employer may also have additional resignation requirements based on your employment contract. Please contact your employer to discuss their requirements.

Working for Community Colleges, Penn State University, and State-owned Universities

Employees working for a community college, Penn State University, or other state-owned university may generally select a retirement plan from among PSERS, SERS (State Employees' Retirement System), TIAA-CREF or other approved retirement plans.

If you work full-time for a local school district and part-time for a community college, Penn State and/or other state-owned university, retirement contributions may be made to PSERS from both employers; or you may contribute to another approved retirement plan for the college employment provided you qualify to do so. If you do not qualify for membership in another approved retirement plan, enrollment in PSERS and withholding of retirement contributions is mandatory for the part-time employment.

Combined salaries from a full-time PSERS-covered position and a part-time PSERS-covered position are used to calculate a PSERS benefit at the time of retirement.

Termination of employment is required from both the full-time and part-time PSERS-covered positions in order to receive a PSERS benefit.

Refund or Retirement?

Refund Eligibility

If you have terminated your Pennsylvania public school employment and you are under age 62 with less than 5 years of service, you qualify to receive a refund of your contributions and interest. **Please note that after termination from all Pennsylvania public school employment, contributions do not continue to accrue interest.** Therefore, it may be beneficial to apply to receive a refund of your accumulated contributions and interest.

You have two choices when you refund your money:

- Directly receive your contributions and interest. PSERS must deduct the mandatory 20% federal withholding tax from the payment.
- Directly roll over your contributions and interest into a qualifying IRA or other plan. Your refund amount must be at least \$100 to be eligible to roll over the money.

Complete the *Application for Refund* form to withdraw your contributions and interest. If you choose to roll over your money, you must also complete the *Authorization for Direct Rollover (Refund)* (PSRS-1243).

Retirement Eligibility

If you are at least age 62 at the time of termination of employment with at least one year of credited service, or you are any age with at least 5 years of credited service, you are eligible to receive not only your contributions and interest, but in addition you may receive a monthly benefit payment for life. To receive both your contributions and interest and a monthly benefit payment,

you need to complete and submit to PSERS an *Application for Retirement* (PSRS-8). Please contact your PSERS Regional Office for assistance.

Vesting Eligibility

With at least 5 years of service, you may also have the option to vest your account until a later date. If you choose to vest your account and receive a benefit at a later date, you do not need to do anything until you want to start to receive your benefit payments. At that time, you must submit an *Application for Retirement* (PSRS-8). Your account will continue to earn interest until your retirement date.

Forms & Additional Information

The *Application for Refund* is available on the PSERS website (www.psers.state.pa.us) along with an *Authorization for Direct Rollover (Refund)* and information for submitting the application(s) at www.psers.state.pa.us/forms/f99600.pdf.

More detailed information pertaining to leaving PSERS employment and the benefit options available to you is also available on the PSERS website at www.psers.state.pa.us/publications/pamphlets/planning.htm, or contact PSERS for more details.

Prior to completing an *Application for Retirement* (PSRS-8), we highly suggest that you contact your PSERS Regional Office to schedule an *Exit Counseling* session with one of our retirement counselors.

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. These programs review PSERS related topics such as: benefit options, withdrawal of contributions, rollovers, taxes, employment after retirement, legislative actions affecting PSERS, and health insurance.

Listed below are meetings scheduled from July 2009 through October 2009 (not inclusive, more dates may be added in some areas). Meetings prior to July 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 meeting sites, please contact your regional office, the PSERS Member Service Center at 1-888-773-7748, or access the PSERS website at www.psers.state.pa.us/regional/FFYF_Schedule_Overview.htm. 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 programs. 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.

Regional Office Relocation!
The PSERS Centralwest Regional Office is moving in August to Ebensburg, PA.
Check the PSERS website for details!

Southwest Region, Toll-Free 1-888-773-7748, extension 5775				
Counties Served: Allegheny, Fayette, Greene, & Washington				
County	City	Location & Address	Date	Time
Washington	Charleroi	Mon Valley Career and Technology Center, Classrooms 1 and 2, 1 Guttman Blvd.	August 5, 2009 October 8, 2009	1:00 p.m. 4:30 p.m.
Allegheny	Green Tree	Ramada Inn and Conference Center, Ambassador Ballroom, 401 Holiday Dr.	October 21, 2009	4:30 p.m.
Allegheny	Homestead	Allegheny IU, McGuffey and Sullivan Rooms, 475 East Waterfront Dr.	September 30, 2009	4:30 p.m.
Allegheny	Pittsburgh	Community College of Allegheny County, North Campus, 3 rd Floor Conference Room (Room 3002) 8701 Perry Hwy.	October 7, 2009	4:30 p.m.
Allegheny	Pittsburgh	Pittsburgh Federation of Teachers Building, 10 South 19 th St.-at the river	July 8, 2009 July 22, 2009	1:00 p.m. 1:00 p.m.
Washington	Washington	Trinity Middle School, Auditorium, 50 Scenic Dr.	July 21, 2009 September 23, 2009	1:00 p.m. 4:30 p.m.
Greene	Waynesburg	Waynesburg Central High School, Auditorium, 30 Zimmerman Dr.	July 29, 2009 October 14, 2009	1:00 p.m. 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.	October 5, 2009	4:30 p.m.
Bucks	Jamison	Middle Bucks Institute of Technology, 2740 Old York Rd.	July 30, 2009	10:00 a.m.
Montgomery	Kulpsville	Best Western Inn at Towamencin, 1750 Sumneytown Pk.	July 9, 2009 August 19, 2009 October 8, 2009	10:00 a.m. 10:00 a.m. 4:30 p.m.

Foundations for Your Future (continued)

Southeast Region, Toll-Free 1-888-773-7748, extension 5575 (continued)				
County	City	Location & Address	Date	Time
Delaware	Morton	Delaware County IU, Education Service Center, Rooms 171 & 172, 200 Yale Ave.	July 7, 2009	10:00 a.m.
			August 5, 2009	10:00 a.m.
			October 14, 2009	4:30 p.m.
Montgomery	Pottstown	Pottstown Senior High, N. Washington St.	October 22, 2009	4:30 p.m.
Philadelphia	Philadelphia	Philadelphia Ramada Northeast, 11580 Roosevelt Blvd.	July 8, 2009	10:00 a.m.
			August 13, 2009	10:00 a.m.
			October 7, 2009	4:30 p.m.
Philadelphia	Philadelphia	Philadelphia SD Education Center, Auditorium, 440 N. Broad St.	July 23, 2009	10:00 a.m.
			August 25, 2009	10:00 a.m.
			October 13, 2009	4:30 p.m.
Bucks	Quakertown	Quakertown Area High School, 600 Park Ave.	August 11, 2009	10:00 a.m.
			October 20, 2009	4:30 p.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
Lancaster	Lancaster	Lancaster-Lebanon IU, 1020 New Holland Ave.	October 6, 2009	4:30 p.m.
Lancaster	Lititz	Warwick Middle School, Auditorium, 401 W Maple St.	August 11, 2009	10:00 a.m.
Adams	New Oxford	Lincoln IU, 65 Billerbeck St.	October 12, 2009	4:30 p.m.
York	York	York Suburban High School, Auditorium, 1800 Hollywood Dr.	October 15, 2009	4:30 p.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	Bulter Area SD Intermediate School, 120 Campus Ln.	October 15, 2009	4:30 p.m.
Clarion	Clarion	Riverview IU, 270 Mayfield Rd.	July 28, 2009	1:00 p.m.
			October 6, 2009	4:30 p.m.
Erie	Edinboro	Northwest Tri-County IU, 252 Waterford St.	July 23, 2009	1:00 p.m.
			September 28, 2009	4:30 p.m.
Venango	Franklin	Rocky Grove Jr/Sr High School, Auditorium, 403 Rocky Grove Ave.	August 4, 2009	1:00 p.m.
Lawrence	New Castle	Lawrence Co. Career Tech Center, 750 Phelps Way	October 13, 2009	4:30 p.m.
Crawford	Saegertown	Penncrest SD Saegertown High School, Auditorium, Mook Rd.	October 19, 2009	4:30 p.m.
Centraleast Region, Toll-Free 1-888-773-7748, extension 5475				
Counties Served: Berks, Carbon, Chester, & Lehigh				
County	City	Location & Address	Date	Time
Lehigh	Allentown	Rodeway Inn & Conference Center, 1151 Bulldog Dr.	August 19, 2009	10:30 a.m.
			October 6, 2009	4:30 p.m.
Carbon	Jim Thorpe	Jim Thorpe Area High School, 1100 Center St.	August 5, 2009	10:30 a.m.
			September 24, 2009	4:30 p.m.
Chester	Kennett Square	Hilton Garden Inn, 815 E Baltimore Pk.	September 30, 2009	4:30 p.m.
Chester	Malvern	Great Valley Middle School, Choral Room, 255 N. Phoenixville Pk.	July 9, 2009	10:30 a.m.
			October 15, 2009	4:30 p.m.
Berks	Reading	Reading-Muhlenberg Career & Technology Center, Warren Rd.	July 29, 2009	10:30 a.m.
			September 17, 2009	4:30 p.m.

Foundations for Your Future (continued)

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
Lackawanna	Archbald	Valley View Jr-Sr High School Auditorium, 1 Columbus Dr.	August 26, 2009	10:30 a.m.
Northampton	Easton	The Eastonian Banquet and Convention Center at the Holiday Inn Express, 90 Kunkle Dr.	August 13, 2009 October 14, 2009	10:30 a.m. 4:30 p.m.
Wayne/Pike	Hawley	Wallenpaupack High School, Library, HC 6	August 19, 2009	10:30 a.m.
Susquehanna	Montrose	American Legion Gardner-Warner Post 154, RR 4, Elk Lake Rd.	October 15, 2009	4:30 p.m.
Luzerne	Nanticoke	Luzerne County Community College, Educational Conference Center, Auditorium 132 1333 S. Prospect St.	September 2, 2009	10:30 a.m.
Monroe	Stroudsburg	Quality Inn, Ballroom, 1220 W. Main St.	August 5, 2009	10:30 a.m.
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, Plank Road exit	August 14, 2009	10:00 a.m.
Cambria	Ebensburg	Comfort Inn, 111 Cook Rd.	August 3, 2009	10:00 a.m.
Cambria	Ebensburg	The Cottage Inn, 4554 Admiral Peary Hwy., Route 22 West.	October 22, 2009	4:30 p.m.
Armstrong	Ford City	Lenape Heights Country Club 950 Golf Course Rd.	October 8, 2009	4:30 p.m.
Indiana	Indiana	Quality Inn, 1545 Wayne Ave.	August 7, 2009 October 5, 2009	11:00 a.m. 4:30 p.m.
Somerset	Somerset	Quality Inn, 215 Ramada Rd.	October 15, 2009	4:30 p.m.
Westmoreland	Youngwood	Westmoreland County Community College, Commissioners Hall, 145 Pavilion Ln.	July 24, 2009 October 6, 2009	11:00 a.m. 4:30 p.m.
Northcentral Region, Toll-Free 1-888-773-7748, extension 5275 Counties Served: Bradford, Cameron, Centre, Clearfield (eastern region), Clinton, Columbia, Elk, Lycoming, McKean, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, and Union				
County	City	Location & Address	Date	Time
Schuylkill	Mar Lin	Schuylkill IU, Education Center for Exceptional Children Gymnasium, 17 Maple Ave., Pottsville-Minersville Hwy.	October 28, 2009	4:30 p.m.
Northumberland	Montandon	Central Susquehanna IU, Main Building, Lawton Ln.	October 27, 2009	4:30 p.m.
Union	New Berlin	SUN Area Career & Technology Center, Large Group Instructional Room, 21 st Century Dr.	September 9, 2009	4:30 p.m.
McKean	Smethport	Smethport Area Junior/Senior High School, Auditorium 412 S. Mechanic St.	September 29, 2009	4:30 p.m.
Centre	State College	State College Area High School South, Auditorium, 650 Westerly Pkwy.	September 17, 2009	4:30 p.m.
Clearfield	West Decatur	Central IU, Clinton Room, 345 Link Rd.	October 6, 2009	4:30 p.m.

**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