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Authorization for Release of Information Form

"The form (Authorization) will not revoke or serve as a substitute for designation of a Power of Attorney (POA) or legal guardian."

There may come a time when you need to assign temporary access to your account information to a financial planner, attorney, or family member. You can give others access to your PSERS account information by completing the ***Authorization for Release of Information*** (PSRS-1273) form. The form is found on the PSERS website under Forms or by calling the PSERS' Member Service Center.

When completing the form, make certain to clearly provide the name of a person or persons, not the name of a company. You must indicate if the assigned person(s) will have access to your account for one-time only or provide the length of time the authorization is valid.

The authorization will remain valid until the time frame you select expires or until you send a letter to PSERS rescinding the authorization.

It is important to note that the authorization will not allow the named person(s) the authority to make changes to your PSERS account on your behalf. The form will not revoke or serve as a substitute for designation of a Power of Attorney (POA) or legal guardian. To file a POA with PSERS, you need to complete and submit a *Power of Attorney* (PSRS-248) form. You can also submit a POA prepared by an attorney; however, we prefer you use the PSERS form.

Lastly, make certain to sign and date the authorization before submitting it to PSERS. If any parts are incorrectly completed or if the form is illegible, the form will be rejected. The security of your information is of utmost importance to PSERS. We want to make sure that only those you wish to have access to your information are able to do so.

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.

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

PSERS Board of Trustees Meeting Schedule

August 8, 2013
October 4, 2013
December 6, 2013

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.

Return to Service Exceptions It's Your Pension in Jeopardy

As a PSERS retiree, you are not permitted to work for a Pennsylvania public school employer without risking the loss of your monthly retirement pension *unless* you qualify for specific exceptions. For more information about these exceptions, please refer to the PSERS publication, ***PSERS Return to Service Guidelines*** (PSRS-9682) found on the PSERS website or by calling PSERS.

It is very important that you familiarize yourself with this publication if you plan to work after retirement, particularly with a Pennsylvania public school employer. If PSERS finds that you do not qualify for any of the return to service exceptions, **your monthly payment will be suspended** and, you will again become an active contributing member of PSERS. You will also be required to pay back the benefit you received while you were a PSERS retiree and working for a Pennsylvania public school employer. This result may not be beneficial to you because your future pension payments may likely be reduced.

Let's take for example Bob Smith. Bob is an administrator working for Pennsylvania School District. In the middle of his four-year contract, Bob decides to retire immediately but agrees to continue to work the remainder of his contract as an emergency

annuitant. The school district agrees to the deal because Bob's sudden retirement has caused a personnel shortage. Bob's particular scenario may seem like a legitimate return to service exception but, in actuality, it is not. You cannot create the personnel shortage by your own retirement. Also, even if the school district approves your employment, you should consult with PSERS. Remember it is your benefit in jeopardy, not the employer's. Bob decides to stop working and will again have to go through the retirement process. He now has a debt consisting of the monthly pension checks he received while retired and working, the contributions he should have made to his PSERS account while working, and interest on these monies.

Keep in mind the many other employment opportunities for PSERS retirees such as private industry, parochial schools, or third party contractors that will not jeopardize your PSERS pension. Suspension of your monthly benefits is not anyone's desired outcome.

Please refer to the PSERS publication, *PSERS Return to Service Guidelines* (PSRS-9682) found on the PSERS website.

Premium Assistance & Non-Taxed Premium Payments

Premium Assistance cannot be used to reimburse retirees for pre-tax premium payments. While pre-tax premium payments are not generally available to retirees, it can happen if the retiree is covered as a spouse/dependent of an active employee and that employee has his or her salary “reduced” to pay premiums. When this happens, PSERS cannot pay Premium Assistance to a retiree whose health insurance premium is paid using non-taxed dollars. There are two primary reasons why this is the case:

1. Premium Assistance is a reimbursement of an eligible retiree's out-of-pocket expense for health insurance. If a retiree is a dependent (spouse) of an active employee and the premium is paid through a pre-tax, salary deduction from the active employee, the premium payment is viewed by the Internal Revenue Service (IRS) as an employer payment. Thus, the retiree does not have an out-of-pocket expense.
2. Premium Assistance is a non-taxable reimbursement. The IRS does not permit a non-taxable reimbursement for a non-taxable insurance premium payment. The IRS only allows “one bite of the tax-free apple.”

It is understandable that a retiree may feel unduly “penalized” by these tax rules. In many cases, the \$100 Premium Assistance benefit is of greater value than the tax savings produced by paying health insurance premiums through a salary reduction plan. PSERS cannot pay Premium Assistance as taxable income to the retiree without jeopardizing the tax status of the entire program. A school employer or other employer cannot mingle pre-tax and post-tax premiums for family coverage without an elaborate administrative mechanism and multiple plans.

The best advice for retirees eligible for Premium Assistance is to weigh the financial consequences of participating in a health insurance plan as a dependent of an active employee and participating in HOP as a retiree.

In cases where a retiree has been receiving Premium Assistance during a period of time premiums were paid through an active employee's salary reduction plan, PSERS must collect these overpayments.

Direct Deposit or Electronic Transfer of Monthly Annuity

Some PSERS members may have received a letter containing a PSERS **Authorization for Direct Deposit – Electronic Transfer of Monthly Benefit** (PSRS-116) form. You must complete this 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 is always available on the PSERS website, www.psers.state.pa.us or by calling PSERS to receive a copy of the form.

It may take up to eight 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.

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.

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