

### Inside...

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- Impact of Divorce on a Beneficiary or Survivor Annuitant
- Updating Your Name and Address

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

## **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,

## **Q & A... (continued from page 2)**

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.

## **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.

**Continued on page 4**

## **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.

## Impact of Divorce... (continued from page 3)

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.

## 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.

## 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.

## 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.



## Direct Deposit for Your Monthly Payments

Direct deposit is a safe, reliable way to receive your PSERS monthly payments. To sign up for direct deposit or to make changes to your current banking information, you must complete the *Authorization for Direct Deposit – Electronic Transfer of Monthly Benefit* (PSRS-116) form. The form can be printed from the PSERS website under Forms; or you can call PSERS at 888.773.7748 to request a copy of the form. It is recommended that you enclose a voided check from the account to which you want to deposit your funds.

It may take two to three months for direct deposits to become effective. A confirmation letter is sent when your direct deposit request is processed. PSERS strongly recommends that you do not close the old account until your monthly benefit payment is deposited successfully into your new account.

## 2016 Monthly Benefit Payment Dates

PSERS pays monthly retirement benefits on the last working day of the month for which they are due. Because PSERS' group health insurance premiums are payable in advance, your medical deduction is for the following month. For example, PSERS will pay your January benefit on January 29, but the medical deduction is for February.

### 2016

Benefit for Month of:	In 2016 Paid on:	Medical Deduction for Month of:
January	January 29	February
February	February 29	March
March	March 31	April
April	April 29	May
May	May 31	June
June	June 30	July
July	July 29	August
August	August 31	September
September	September 30	October
October	October 31	November
November	November 30	December
December	December 30	January 2017

### Missing Payments

Payments sent via electronic transfer to your financial institution should be in your account by 9:00 a.m. on the last business day of the month. If your electronic deposit is not in your financial institution by that time, ***you should contact your financial institution to make sure the delay was not within the financial institution.*** If no record of the transfer is found, ask them to verify your account number and the institution's routing number; you should then verify this information against the form(s) you submitted to PSERS.

Payments mailed to your home address may take additional time to reach you. ***Contact PSERS if your check does not arrive by the 10th of the following month*** (e.g. your January check has not arrived by February 10th). Waiting until the 10th of the month allows the post office sufficient time to forward your check to you or reroute misdirected mail. You should contact PSERS immediately if you know that your check was stolen or destroyed.

## Updating Your Name and Address

Please submit any name or address changes to PSERS in writing. You can do this either by letter or by completing the *Change of Address for Retirees* (PSRS-1301) form. You can print the form from the PSERS website at [www.psers.state.pa.us/forms](http://www.psers.state.pa.us/forms).

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.

PSERS will not accept address changes by email, phone, or changes requested by anyone other than the PSERS retiree. If you have named a Power-of-Attorney (POA) and the POA was approved by PSERS, your agent may make an address change request on your behalf.

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.

If your monthly payment is mailed to your home address, please be sure to notify PSERS at least 8 weeks in advance of your address change; be sure to file a forwarding order with the Postal Service, as well.

**Reminder!** Failure to keep PSERS informed of your current address may result in the temporary suspension of your monthly annuity. This suspension may occur whether your payment is mailed to you directly, or sent via electronic transfer to your financial institution.

Many of our retirees periodically relocate to flee hot and/or cold weather. Remember to change your address with PSERS each time you wish to begin receiving your mail at a new location. If PSERS receives notification from the post office that your mail is forwarded to a different location, your monthly benefit payment will stop until PSERS receives written confirmation from you of your current address.

## Submitting Documents to PSERS

When submitting documents to PSERS, whether it is an application, a form, or supporting documents, they can be mailed, faxed, or hand delivered. When mailing documents, PSERS will consider the day the document is received by PSERS as the receipt date.

PSERS does not use the date stamped on the envelope by the post office. You may wish to consider using certified and registered mail services to ensure PSERS receives your important document. If you use these services, keep in mind that it may slow down the delivery process. You may also fax or hand-deliver your documents to PSERS. Our fax number is 717.772.3860. PSERS headquarters is located at 5 N 5th Street, Harrisburg PA 17101-1905. PSERS Regional Offices are conveniently located throughout the state. Addresses and contact information for our Regional Offices are found on the PSERS website. Emailing your documents as attachments is not permissible at this time.

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

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