



# PSERS Retired Member Newsletter

Volume I - 2022

A publication of the Commonwealth of Pennsylvania's Public School Employees' Retirement System

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Publication #9454

## Your Form 1099-R is Arriving Soon

*Form 1099-R* reflects the total payments you received from PSERS during the calendar year. The form should be used to prepare your annual federal income tax return. PSERS issues *Form 1099-R* during the month of January, usually starting the middle of the month with all forms being sent by January 31.

If you typically receive documents from PSERS via USPS, watch your mailbox for delivery of your 1099-R.

Instead of watching a physical mailbox, members enrolled in Member Self-Service (MSS) should watch their email inbox for notification of the paperless (electronic) delivery of their 1099-R. Upon registering for MSS, members are automatically enrolled in paperless delivery, unless they choose to opt out. This means that you will not receive a paper *Form 1099-R* in the mail. Your *Form 1099-R* will be available exclusively through your MSS account. Members with paperless delivery will receive an email on the day their *Form 1099-R* is available.

If you do not receive your *Form 1099-R* by February 10, 2022, log in to your MSS account or contact PSERS for a duplicate copy. In addition to your *Form 1099-R*, PSERS will include a month-by-month breakdown of the payments you received and any deductions from those payments in 2021.

### New Phone Menu to Request Copies of your Form 1099-R

Beginning in February, PSERS will introduce new phone menu options to decrease wait times. If you have not received your 1099-R or need additional copies, you simply select the option on the phone menu to request a paper copy of your *Form 1099-R*.

This phone menu option is ONLY for callers who have either not received or need a replacement copy of their *Form 1099-R*. If you are calling for any other reason, please do not select this menu option. Staff will be unable to assist you and your call will be placed back in the main phone queue, resulting in a longer overall wait time.

Please note, copies of *Form 1099-R* will be sent to the address PSERS has on file.

## PSERS Chief Investment Officer Announces Retirement

On November 18, 2021, the PSERS Board accepted the future retirement of its Chief Investment Officer, Jim Grossman.

Mr. Grossman has been an integral part of the PSERS Investment Office for more than 24 years, including service as PSERS' Chief Investment Officer since 2013. During his tenure as CIO, the Fund's total net assets have grown from \$49 billion to \$72 billion. Mr. Grossman's guidance and leadership have been important over the last several years as the Fund has continued to recover from the Great Financial Crisis (2007-2008) and improve its funding status. He has been responsible for managing and administering the investment program, advising the Board in the development of an asset allocation policy, and leading the investment office. He also has overseen PSERS' external investment advisors, developed key fund performance indicators, and met with outside constituencies on investment matters, including the Pennsylvania General Assembly.

Mr. Grossman transitioned to the position of Senior Advisor on December 9, 2021, and will assist in the transition to a new Chief Investment Officer until May 1, 2022, when his retirement will be effective. The PSERS Board has commenced a search for the Chief Investment Officer position.

## PSERS Executive Director Announces Retirement

On November 18, 2021, the PSERS Board accepted the future retirement of its Executive Director, Glen Grell, who celebrated his 65th birthday at the end of December 2021.

Mr. Grell has served as PSERS Executive Director since 2015, after having served on the Board as a Trustee during his time in the Pennsylvania House of Representatives. Mr. Grell has always been a fierce advocate for fully funding PSERS. One of his many accomplishments has been successfully working with members of the General Assembly and the Governor's Office to secure 100% of the annual required contribution each year since 2016. He led the implementation of a new defined contribution plan as required under legislation passed in 2017, as well as substantial technical upgrades to the pension administration system. Under Mr. Grell's leadership, the Member Self-Service Portal continues to advance in design to become more user friendly.

Mr. Grell also shepherded the agency through an unprecedented global pandemic. This included swiftly and efficiently transitioning staff to a remote work platform without missing a single monthly payment to any of its 243,000 annuitants.

Mr. Grell transitioned to the position of Senior Advisor on January 1, 2022, and will assist in the transition to a new Executive Director until February 28, 2022, when his retirement will be effective.

## PSERS Board of Trustees Names Acting Chief Investment Officer

On December 9, 2021, PSERS Board of Trustees named Bob Devine as Acting Chief Investment Officer.

The Board selected Mr. Devine, a 23-year PSERS employee, to temporarily lead the agency's investment office while the Board conducts a nationwide search to find a permanent Chief Investment Officer. As Acting CIO, Mr. Devine, formerly the Fixed Income Managing Director, will report directly to the Board. Mr. Devine succeeds Chief Investment Officer Jim Grossman, who transitioned to a Senior Advisor position and will retire on May 1, 2022.

Mr. Devine, 48, is a life-long Pennsylvanian. He grew up in Centralia, Schuylkill County, and graduated from Villanova University with a bachelor's degree in political science in 1994. Two years later, he earned a master's degree in business administration from Bloomsburg University. In 2004, Mr. Devine earned a Chartered Financial Analyst designation.

Mr. Devine joined PSERS in 1998 as an investment analyst in the Private Equity division. In 2000, he moved to PSERS' Fixed Income unit, where he held several positions until becoming the managing director of the four-member team that manages \$19 billion in assets.

## Disability Annual Earnings Statements Due in April

If you are receiving a disability retirement benefit and have not yet reached normal retirement age, you are required to submit an *Annual Earnings Statement for Disability Benefits* (PSRS-1266) to verify the gross amount of income you earned during the 2021 calendar year. If your annual earnings plus your annual disability retirement benefit exceed your annual earnings limitation based on your last fiscal year salary, you must return the overpaid disability supplement.

PSERS sends the *Annual Earnings Statements for Disability Benefits* in January of each year for you to complete, verify, and return timely. **If you have a Member Self-Service (MSS) account with paperless delivery, your statement will not be mailed. You will receive an email when your *Annual Earnings Statement for Disability Benefits* is available on the “My Documents” page of your MSS account.**

If you fail to timely submit an *Annual Earnings Statement for Disability Benefits* to PSERS, your disability benefit will be suspended until receipt of the verification that is required by law. Continued failure to submit the statement will result in the permanent forfeiture of the disability portion of your retirement benefit. As part of this process, PSERS may verify your reported earned income from other sources, including other Commonwealth agencies. If there is a discrepancy in reporting, then additional proof of your annual earnings (e.g., W-2s, pay stubs, etc.) will be required. Failure to provide proof, upon request, will result in your benefit being suspended and/or the disability portion of your retirement benefit being permanently forfeited.

## PSERS Board of Trustees Meeting Schedule

**January 13, 2022**  
**March 10-11, 2022**  
**June 16-17, 2022**  
**August 4-5, 2022**  
**October 17-18, 2022**  
**December 15-16, 2022**

PSERS Board meetings are held in Harrisburg at PSERS, located at 5 N 5th Street.

In addition to 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 contact Tivia Danner, PSERS Executive Office at [tidanner@pa.gov](mailto:tidanner@pa.gov).

## USPS Mail Delays

In late 2021, the United States Postal Service announced a change to their standards that may result in delays in mail delivery. To avoid delays in receiving correspondence from PSERS, PSERS offers Paperless Delivery through our Member Self-Service (MSS) Portal to ensure that you receive your PSERS correspondence timely. You are automatically enrolled with Paperless Delivery when you register for an MSS account, and you can manage your Paperless settings at any time in your account.

If you are mailing documents to PSERS through USPS, please allow for additional time for the mail to reach PSERS. Alternatively, you may fax documents to PSERS at 717.772.3860 or drop your documents off at a PSERS regional office.

### **Have Paperless Delivery? Be Sure to Check Your Email for Notification when You Receive Important Documents from PSERS**

You are automatically enrolled in Paperless Delivery when you register for a Member Self-Service (MSS) account. This means that you will receive documents from PSERS in your MSS account instead of through physical mail. It is very important that you sign into your MSS account and check your “My Documents” page when you receive an email notifying you that a document is available. For example, you will receive an email when your *Form 1099-R* and disability renewal documents are available.

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

**Toll-Free:**  
**1.888.773.7748**

**Local Calls:**  
**717.787.8540**

**FAX:**  
**717.772.3860**

**Website Address:**  
*psers.pa.gov*

**Email Address:**  
*ContactPSERS@pa.gov*

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

## Follow PSERS on Social Media

Follow PSERS on social media for retirement information, educational videos and fact sheets, PSERS investment highlights, and more! PSERS is on Twitter, Facebook, and YouTube (PA Public School Employees' Retirement System)!

 @PA\_PSERS

 @PennPSERS

## 2022 Payment Calendar

PSERS pays monthly retirement benefits on the last business 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 next month. See chart below:

Benefit for Month of:	In 2022 Paid on:	Deduction of Medical Premium for:
January	January 31	February
February	February 28	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 2023

### Missing Payments

Payments sent via electronic transfer (direct deposit) to your financial institution should be in your account on the last business day of the month. If your electronic deposit is not in your account on that date, **you should contact your financial institution to make sure the delay was not within its system.** If you are new to direct deposit or recently submitted a change to where your benefit is being deposited, please verify the account number and routing number with your financial institution.

Payments mailed to your home address may take additional time to reach you. Contact PSERS if your check does not arrive by the 20th of the following month (e.g., your January check has not arrived by February 20). Waiting until the 20th 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 believe that your check was stolen or destroyed.

# The Health Options Program Can Help You Start the Year Healthy

If you spent the last two months pushing aside your healthy habits for dinner parties and cocktails, that's okay—let's get back on track this January. If you are enrolled in the HOP Medical Plan or the Pre-65 Medical Plan, you have access to the SilverSneakers exercise program.

Being physically active and eating healthy foods can benefit everyone. Refocus on your health with these quick tips:

- **Limit portion size:** Be mindful of what a portion size is. It is often less than we realize.
- **Add healthy snacks throughout the day:** Choose an apple or a handful of peanuts instead of those crunchy chips.
- **Engage in physical activity:** Even a little bit can go a long way.
- **Talk to your doctor** if you are concerned about your weight.

## Benefits of exercise

Having an active lifestyle has many benefits, not just on the scale. Exercise can help lower the risk of heart disease, diabetes, stroke, high blood pressure, osteoporosis, and certain cancers. Regular exercise may help you with your daily activities and help you keep up with grandchildren, prevent falls, and stay independent.

## How much exercise do you need?

The Centers for Disease Control and Prevention recommends that adults get 150 minutes of moderate-intensity activity, or 75 minutes of vigorous-intensity activity, each week. Using the “talk test,” moderate-intensity exercise is when you're breathing hard but can still have a conversation. Vigorous exercise is when you can only say a few words before having to take a breath. But remember, you can start small and build up. Many exercises can be done in a seated position, so you can stay active at any level.

## Get started with SilverSneakers and the Health Options Program

SilverSneakers is available to members enrolled in the HOP Medical Plan or the HOP Pre-65 Medical Plan. In fact, members enrolled in these plans average more than seven gym visits a month! Health Options Program members enrolled in a Medicare Advantage plan may also have access to a wellness program. Contact the Medicare Advantage plan directly, or visit [SilverSneakers.com](https://www.silversneakers.com) for more information. Always consult with your physician before beginning a physical activity program.

*Sources: [nia.nih.gov/health/maintaining-healthy-weight](https://nia.nih.gov/health/maintaining-healthy-weight), [hsph.harvard.edu/obesity-prevention-source/obesity-causes/physical-activity-and-obesity](https://hsph.harvard.edu/obesity-prevention-source/obesity-causes/physical-activity-and-obesity), [health.gov/sites/default/files/2019-11/PAG\\_MYW\\_Adult\\_FS.pdf](https://health.gov/sites/default/files/2019-11/PAG_MYW_Adult_FS.pdf), [cdc.gov/physicalactivity/basics/adults/index.htm](https://cdc.gov/physicalactivity/basics/adults/index.htm)*

*SilverSneakers is a registered trademark of Tivity Health, Inc. SilverSneakers On-Demand, SilverSneakers LIVE, and SilverSneakers GO are trademarks of Tivity Health, Inc. © 2021 Tivity Health, Inc. All rights reserved. SSFP2125\_0821*

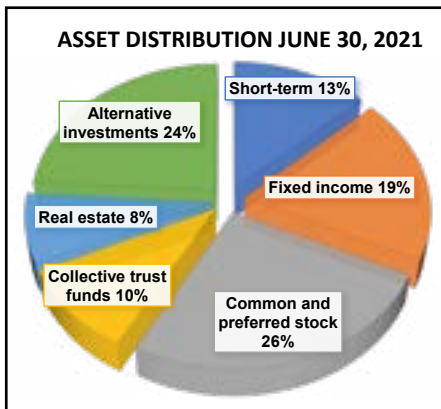
# Public School Employees' Retirement System as of June 30, 2021

Highlights of PSERS' funding as of June 30, 2021, are provided below. More detailed information is available in the *Annual Comprehensive Financial Report as of June 30, 2021* (ACFR) and the *Summary Annual Financial Report* (SAFR), which are available on the PSERS website, [psers.pa.gov](http://psers.pa.gov), under "Financial Publications."

**PSERS' Total Net Position**  
(as of fiscal year ended June 30, 2021)  
**\$72.5 Billion**

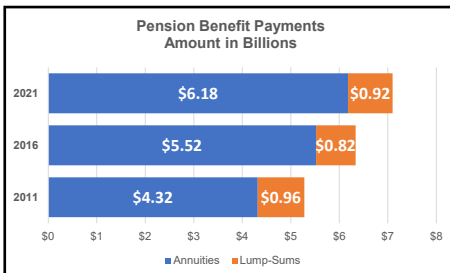
## Net Position Held in Trust

The fair value of PSERS' fiduciary net position totaled \$72.5 billion as of June 30, 2021. Strong investment returns resulting in record net investment gains helped push the System's total net assets up to an all-time high of \$72.5 billion.



## Investments

- In FY 2021, PSERS earned a positive 24.58% net of fees return and added net investment income of \$14.8 billion to the Fund.
- FY 2021 will be remembered for the COVID-19 pandemic which dominated the headlines and affected everyone globally. With the advent of vaccines which received emergency approval, the economy transitioned from rolling lockdowns to being close to fully reopened in the U.S. As a result of easing monetary policies, stimulative fiscal policies, and re-opening of global economies, global equities and global risk markets continued their upward march since the beginning of the 2021-2022 fiscal year.
- Long-term returns remain above PSERS' return assumption. PSERS posted positive returns of 8.04% for the 10-year and 7.70% for the 25-year period ended June 30, 2021.



## Pension Benefit Payments

- PSERS paid \$6.9 billion in pension benefit payments for the fiscal year ended June 30, 2021.
- Of this amount nearly 94%, or \$6.7 billion, went directly into state and local economies. PSERS pension benefits are a significant economic driver that benefit the economy of the Commonwealth.

## Total Membership - Active & Retired

As of June 30, 2021, PSERS had approximately 248,000 active members and 769 school employers with an employer payroll of \$14.2 billion. In FY 2021, members contributed more than \$1 billion in contributions to the Fund. PSERS also had approximately 243,000 retirees and beneficiaries. The average yearly benefit paid to retirees is \$25,992.

## Reducing Costs

- Based on the most recent international benchmarking survey, PSERS had a 13% lower pension administration cost per member than the average cost for its peer group. By running a lean and efficient operation, PSERS saves the Commonwealth and school employers approximately \$6.4 million annually in administrative expenses compared to its peers.
- The Investment Office currently manages approximately 51%, or \$40.3 billion of the gross assets (inclusive of leverage), in-house. PSERS Investment Office continued the process of filling vacant positions with very capable investment professionals which will allow PSERS to continue its efforts to bring additional assets in-house, provide additional depth to the investment team, and/or enhance risk management, compliance, and operational practices. The estimated savings from managing those assets in-house is over \$40 million per year.

**Comparison of Total Accrued Liabilities to Total System Assets**  
For Valuation Year 2021 (\$ Amounts in Billions)

Year	(A) Accrued Liabilities*	(B) Actuarial Value of Assets	(A) - (B) (Unfunded) Funded Accrued Liability**	(B) / (A) Funded Ratio***
2021	\$ 112.7	\$ 67.2	\$ (45.5)	59.6%
2020	\$ 108.0	\$ 63.9	\$ (44.0)	59.2%

\* Accrued Liabilities - Generally PSERS' benefit obligations to current retirees and future benefits to be paid to active members who eventually retire.

\*\* Unfunded Accrued Liability - Shows the portion of the accrued liabilities not covered by assets available to PSERS at the end of the valuation year.

\*\*\* Funded Ratio - Measurement used to show PSERS' progress toward funding benefit obligations.

**Condensed Statement of Fiduciary Net Position as of June 30, 2021 (\$ Amounts in Millions)**

**Assets:**

Receivables:

Contributions due from members and employers	\$ 1,734
Investment receivables and other miscellaneous	812
<b>Total Receivables</b>	<u>2,546</u>

Investments (at fair value)	72,161
Securities lending collateral pool	7,862
Capital assets	17
Miscellaneous	37
<b>Total Assets</b>	<u>82,623</u>

**Liabilities:**

Benefits and other accounts payable	839
Investment purchases and other liabilities	1,222
Obligations under securities lending	7,862
Other Liabilities	167
<b>Total Liabilities</b>	<u>10,090</u>

**Net Position - restricted for pension, DC, and postemployment healthcare benefits** \$ 72,533

**Condensed Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2021 (\$ Amounts in Millions)**

Net Position - restricted for pension and postemployment

healthcare benefits at beginning of year, July 1, 2020	\$ 59,030	A
Additions during the year:		
Contributions, DC Participant premiums, and Centers for Medicare & Medicaid Services	6,461	
Net investment income	14,764	
<b>Total Additions</b>	<u>21,225</u>	B
Deductions during year:		
Benefits and refunds paid to members	7,631	
Administrative expenses	91	
<b>Total Deductions</b>	<u>7,722</u>	C
Change in Net Position restricted for pension and postemployment healthcare benefits (B - C)	13,503	D
<b>Net Position - restricted for pension, DC, and postemployment healthcare benefits</b>		
<b>at end of year, June 30, 2021 (A + D)</b>	<u>\$ 72,533</u>	

Detailed information regarding the financial statements is available in the PSERS' ACFR and SAFR. The ACFR financial statements are presented in conformity with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

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**Harrisburg PA 17101-1905**

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