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Spring 2012

From the Desk of the Executive Director

"Behind the Scenes at PSERS"

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

PSERS continues its series of "Behind the Scenes at PSERS" articles with a tour of the Bureau of Benefits Administration (BBA).

BBA is responsible for administering PSERS' comprehensive pension benefits program and provides professional and technical services to 279,152 active PSERS members and to 194,622 retired PSERS members and their beneficiaries. For example, if you are an active member who has purchased service or applied for a refund, or a retired member who receives a pension benefit from PSERS, then your account has had some interaction with BBA staff.

The Bureau has approximately 70 staff and is organized into three divisions: the Benefit Processing Division, the Benefit Policy and Specialized Service Division, and the Exception Processing Division.

The Benefit Processing Division consists of the Retirement Processing Center and Purchase of Service and Refund Center. In 2011, the division received nearly 29,000 new applications for retirements, purchase of service credit, and refunds. The Division processed over 37,000 transactions.

The Retirement Processing Center determines eligibility and verifies information in member accounts in order to process benefit payments and direct rollovers.

The Purchase of Service and Refund Center determines eligibility and calculates the cost to the members and employers for the purchase of additional service credit. Staff also processes applications for a refund of contributions

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Southcentral Regional Office - Note New Location

In March 2012, the PSERS Southcentral regional office moved from Mechanicsburg, Pennsylvania, to the PSERS headquarters building at 5 N 5th Street in Harrisburg, Pennsylvania.

Directions to the regional office may be found through our website, www.psers.state.pa.us, under the Regional Offices button on the left-hand side of the web page, or contact the office at its toll-free phone number, 1-888-773-7748, extension 6335. Local callers please use the office's new local phone number, (717) 720-6335.

The new fax number for the Southcentral regional office is (717) 783-9606.

Onsite parking is limited and on a first-come, first-served basis. Preference is given to those with scheduled appointments. Nearby garage and metered on-street parking is also available.

The Southcentral office serves PSERS members who currently work or worked for employers in Adams, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry, and York Counties.

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and interest for school employees who terminate and are ineligible for a retirement benefit.

The Benefit Policy and Specialized Service Division consists of the Benefit Policy Center and Specialized Service and Quality Assurance Center.

The Benefit Policy Center focuses on the first level of the administrative appeal process, which involves presenting recommendations, supporting legal analyses, and relevant documents to the PSERS Executive Staff Review Committee. In addition, the Center reviews salary contracts that may include non-retirement covered compensation and reviews atypical requests for membership eligibility.

The Specialized Service and Quality Assurance Center is responsible for both processing complex benefit requests and for quality assurance. Much of the work is generated by the review and implementation of portions of Domestic Relations Orders that address the distribution of pension benefits when a divorce occurs. This area also calculates benefits for members affected by Section 415(b) of the IRS code and is responsible for the calculation of a workers' compensation offset. A team of auditors reviews and approves retirement and death benefit calculations, requests for payment, and purchase of service calculations.

The Exception Processing Division is responsible for a variety of benefit requests which involve manual or special processing. It houses the Manual Processing and Multiple Service Membership Center and the Disability and Death Benefit Center.

The Manual Processing and Multiple Service Membership Center is responsible for a variety of benefit requests such as frozen annuity calculations, intent to change recalculations, and the calculation of retirement benefits for Multiple Service (MS) members who are retiring from the State Employees' Retirement System (SERS) or PSERS. MS Membership processes requests for MS membership eligibility and the calculation of purchase of service requests.

The Disability and Death Benefit Center handles all requests for disability benefits. Medical examiners work with BBA staff to obtain sufficient and current medical information. BBA staff review annual earnings affidavits and calculate both initial and final disability retirement benefits. Staff calculate and arrange for payment of death benefits when members die prior to or subsequent to retirement, including the return of checks issued after death and the collection of premium assistance.

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The System Support Center is comprised of a team of management analysts who serve as the BBA's link to information technology (IT). The analysts work closely with IT consultants and PSERS entire staff to ensure the effectiveness of business processes. They are also responsible for project management, training, system design, workflow analysis, and user acceptance testing as well as the implementation of new business processes, new systems and system enhancements.

PSERS, including BBA, is not immune from these difficult economic times. Like many others, PSERS staff is "doing more with less." By streamlining processes, leveraging technology through computer system enhancements, and cross-training staff, BBA is able to maximize all of its resources to provide timely service to PSERS members.

PSERS last increase in staff complement was in 2008 when four positions were added. Since that time, PSERS has experienced a significant increase in workload due to the implementation of recent legislation that increased the complexity of the System and a large increase in the number of retirements over the past year.

During calendar year 2011, PSERS saw a 34% increase in retirement applications processed over 2010 (Over

13,000 in 2011 and over 9,000 in 2010). Nearly 55% of the retirement applications were received between April 2011 and June 2011.

PSERS' efforts to increase efficiency have continued to positively impact PSERS' operations and in particular, BBA's processing of retirement benefits. In 2011, nearly 85% of the retirement applications processed were finalized in one-step as compared to nearly 70% in 2010. This means most retiring members are now able to receive final payments in a matter of weeks and not months as in years past.

Historically, PSERS paid retirement benefits in two steps: a reduced initial benefit within about 10 weeks of retirement based on information on file with PSERS at that time and then a final benefit with retroactive monies within about 18 months of the retirement date using final information. Over the past few years PSERS staff has worked closely with employers to improve accuracy and timeliness of reporting, which allows BBA to process more retirements as one-step. The one-step benefits are being paid in an average of less than four weeks after all the necessary information is received from school employers.

PSERS Board of Trustees Meeting Schedule

April 27, 2012
June 22, 2012
August 9, 2012
October 5, 2012
December 7, 2012

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 Book, PSERS Executive Office at 1-888-773-7748, extension 4617.

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

**Toll-Free
1-888-773-7748
Local Calls
717-787-8540
FAX
717-772-3860**

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

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

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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The direct result of these improved efficiencies is a reduction in duplicated work that enables BBA staff to process higher volumes without increasing staff size. In particular, August 2011 was a peak month for BBA staff as over 4,000 retirement applications were processed by BBA staff.

Efforts to prevent and reduce existing backlogs in other areas have also continued. In 2009, there were more than 25,000 Purchase of Service (POS) applications to be processed by BBA staff. At the end of calendar year 2011, there were approximately 5,000 POS applications remaining to be processed. This reduction occurred despite 10,732 new

POS applications being received that year.

In closing, I greatly appreciate the comments and feedback members have shared about the "Behind the Scenes" series of newsletter columns. Notwithstanding the challenges that face both the Commonwealth and PSERS, we will continue to operate the System for the exclusive benefit of our members and work diligently on your behalf behind the scenes at PSERS. Efforts to improve processes and the efficiency of PSERS' operations will continue. We will provide more information in upcoming "Behind the Scenes" articles in future newsletters.

Upcoming PSERS Board Election

The PSERS Board of Trustees will conduct two elections this fall. Neither of these Board of Trustees elections will affect PSERS retirees.

One election is for an active certified member and the other election is for an active non-certified member. Each one of these elected members would serve a three-year term on the Board beginning January 1, 2013.

While active contributing members of PSERS will receive ballots to vote for these positions, you, as a retiree, will not receive a ballot. Therefore, it is possible for those in households with multiple members of PSERS, one who is currently working



in a Pennsylvania public school will receive a ballot and the member **who is retired will not receive a ballot.**

Mailer-Daemon - Failure Notice

“Your message did not reach some or all of the intended recipients” is an email message that is becoming a common sight in the email inboxes at PSERS. We are receiving a greater number of requests for information via email, but when we respond, the member’s email service provider rejects our responses.

As email filters become increasingly more restrictive, some Internet Service Providers (ISP) and email service filters route emails from PSERS to your junk or spam email files, or fail to deliver our return responses at all. This situation not only holds true for responses to your email inquiries, but also when you cannot remember your Interaction password and you initiate the step for your password information to be emailed to you.

If you do not directly receive an email from PSERS containing your password information in your in-box, please be sure to check your junk or spam mail email boxes. If you know how to adjust settings in your email and have done so to prevent

junk or spam mail, you may want to temporarily remove those settings before resetting your PSERS password or while waiting for a response to the email you sent to PSERS. You can simply turn those settings back on after receiving the email containing your new password or our response.

Email other than password email returned to PSERS as undeliverable will be emailed a second time. If the second email is returned, we will send a letter containing the response if we can positively identify the sender. We receive many emails that are unsigned, or we may have several members with the same name or a similar name, making it extremely difficult to make a positive identification.

Password email cannot be resent, nor will a follow-up letter be sent, as password email is automatically generated. Please keep in mind when emailing PSERS, if you don’t receive a response, it may be your junk and/or spam mail filters preventing you from receiving our reply.

Federal Withholding Calculator

Now that the rush of the tax season has passed, you may have discovered that you elected to withhold too much or too little federal tax withholding. You may change your federal withholding rate at any time. To change your withholding amount, you must complete, sign, and submit a *W-4P* form to PSERS.

The *W-4P* form is available online from the PSERS website, www.psers.state.pa.us (located under Forms), or from the Internal Revenue Service (IRS) website, www.irs.gov (search "*W-4P*"). Mail your completed *W-4P* form to: PSERS, 5 N. 5th St., Harrisburg, PA 17101-1905. Due to payroll processing time frames, it can take up to 8 weeks for the change to go into effect.

If you need assistance with determining your federal withholding, the PSERS website, www.psers.state.pa.us, has an online Federal Withholding Calculator to assist you (click on Tax Calculator to access the withholding tax calculator). While the use of the calculator does not replace having to complete and submit a *W-4P* form to PSERS, it helps to ensure you select the marital status and allowances (exemptions) you need to achieve the federal withholding amount that will be beneficial to you.

Non-Driver Identification Cards Available

As most business and medical providers require photo identification, such as a driver's license, the Commonwealth of Pennsylvania offers an official identification card for non-drivers. This identification card is similar in appearance to a Pennsylvania driver's license, and is accepted as a bona fide form of identification.

The non-driver identification card and the application to apply is available from the Pennsylvania Department of Transportation (PennDOT). You may obtain a copy of the form through the PennDOT website, www.dmv.state.pa.us (search "dl-54"), contact your nearest PennDOT Driver License Center, or call PennDOT at their toll-free number, 800-932-4600.

Any Pennsylvania driver who voluntarily surrenders his/her driver's license for medical reasons may obtain a photo identification card free of charge. For those who are applying for a photo ID to use for voting purposes, there is no charge (Contact PennDOT for additional details and requirements). For all others, including those who never received a license, there is at press time, a \$13.50 fee.

Reporting a Death & Reimbursements

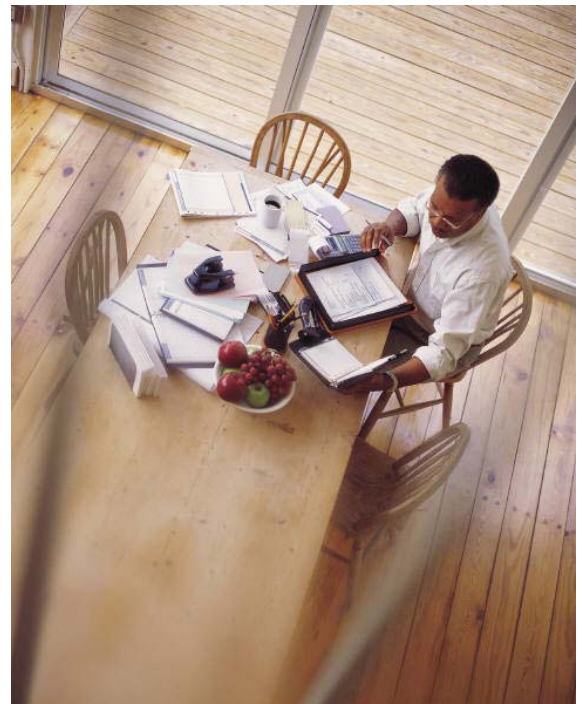
To report the death of a PSERS retiree, alternate payee, survivor, or beneficiary receiving a monthly payment from PSERS, a family member or person responsible for handling your estate would contact PSERS by calling us toll-free at 1-888-773-7748. The caller should have available the deceased's name, social security number, and date of death, as well as the name, address, and telephone number of the person handling the estate.

PSERS must also receive a copy of the death certificate. Additionally, any payments received after the date of death must be returned to PSERS. The death certificate and retirement payment(s) made payable after the date of death should be sent to:

DPC
Public School Employees' Retirement System
5 N. 5th St.
Harrisburg PA 17101-1905

Payments sent via wire transfer and received after the date of death must also be returned to PSERS. Monthly annuity payments are made on the last business day of the month. By contacting the bank and providing notification of death prior to the last business day of the month, the bank has the chance to reject the payment and it will be returned to PSERS. If the payment isn't returned, the estate must return the payment to PSERS.

After PSERS has received the death certificate, we will review the decedent's account and contact the beneficiary(ies) or estate and provide the necessary forms and information to



Reporting a Death & Reimbursements (continued from page 6)

close the account. ***This information will not be released over the phone or by email.***

While PSERS has a responsibility to close the retiree's or survivor's account fairly, accurately, and compassionately, PSERS also has a fiduciary responsibility to our members as a whole. This requires us to ensure that we recoup as much of any outstanding overpayments as possible and as soon as possible. While it may be a small amount of money in an individual member's account, this is compounded when you examine the sheer number of payments made prior to notification of a member's death.

PSERS will not provide information pertaining to a retiree's death benefit prior to receiving any overpayments and the account is made whole. Once the owed monies are returned to PSERS, this type of information will be released.

PSERS is required by the law to seek collection of the funds owed to the agency. At times, even the Commonwealth's attorney general will get involved and seek legal recourse against the person or persons who have chosen not to repay funds owed to PSERS.

We realize that your family members may not be aware of what funds are being deposited into your financial institution on your behalf or even who to contact in the event of your death. Sharing this article with them may help in some small way as your loved ones work through a difficult time.

More detailed information about death benefit payments for those retirees who die is available in the PSERS publication, *Let's Talk About Death Benefits During Retirement*. This publication is available in print by contacting PSERS and on the PSERS website, www.psers.state.pa.us, under the Publications tab.

Direct Deposit or Electronic Transfer of Monthly Annuity

You must complete the ***Authorization for Direct Deposit - Electronic Transfer of Monthly Benefit*** (PSRS-116) 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 can be printed directly from the PSERS website, www.psers.state.pa.us, or you may contact PSERS to receive a copy of the form.

It may take up to 8 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
5 N 5th Street
Harrisburg PA 17101-1905

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Important Information from the
Commonwealth of Pennsylvania