Good Afternoon,

*Reminder: Service days are needed for salaried employees when completing your PSERS June work report: If service days for the fiscal year are not included, this will display a validation error on your work report for each record where it is missing. Please ensure that year end service is included in your file for all salaried employees before uploading the report.

Termination Records: Entering the correct termination date is a key element for PSERS to timely process retirement benefits for your retirees. The termination date for active members should represent the last day worked or the last day of active service. A benefit cannot be calculated or processed without a termination record. When PSERS receives a retirement application for a member without a termination record, a letter is system-generated and sent to the employer requesting a contract record be submitted.

PSERS prioritizes accounts based on the termination date entered in order to provide timely benefits to all retirees. Please do not wait until you make the final payment or report the final work report to enter the termination record.

Setting the Balance of Contract (BOC) and Service (Svc) Flags is also important.

- If a work report will be submitted for the month following the termination date, the BOC Flags should be set to "Yes". This will indicate that reporting will continue beyond that month of termination. If the BOC flags are set to "Yes", you will be prompted to enter the month that the member's final pay will be reported. This date should be entered as the last date of that month. Example: If July will be the last reporting month for a member who terminated in June, the BOC flag would be set to "Y" and the date 7/31/2024 would be entered.

- If all wages and service including any wages from extracurricular positions or part time earnings will be reported to PSERS within the same month as termination, the BOC flag can remain as "No" and there is no need to enter a date. PSERS technicians will know all reporting is completed with the monthly report of the term date. Termination and Deceased contracts are the only contract records where the employer should complete the BOC Flag, BOC Svc Report and Service flag fields.

Why are termination dates important? When a member applies for a retirement benefit within 90 days of terminating, PSERS will pay the benefit retroactively to the termination date provided by the employer. For instance, if the last day of work for an employee was June 6th and the employer placed a termination contract with a start date of June 30th, the member would essentially miss out on 24 days of pension benefits. If you believe than an incorrect termination date has been entered for one of your employees, please contact your ESC Representative so that it can be corrected.

Is there ever an occasion where a date other than the last day of active service would be used? The answer is yes, occasionally, the member and the employer agree upon some future date

for the termination date to reach some sort of milestone(ex. 62/65/67 birthday -- depending on membership class). In these instances, the employer would insert a LEAVEN record starting the day after the last day of active service and a termination contract will be entered with the agreed upon date.

Please feel free to reach out to your ESC Rep if you have any questions.

Thank you!

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