

# PSERS Active Member Newsletter

## Volume 2 - 2024

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

### Inside this Issue:

- PSERS Board of Trustees Elects Chair and Vice Chair
- Requirement for One Full Year of Service Credit
- Shared Risk/ Shared Gain Contribution Rate Update: Member Contribution Rate Decrease

& More...

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## We want to hear from you!

PSERS is seeking your advice to help your fellow school employees. Share your tips and insights with us so others can benefit as well.

### What retirement-related advice would you give your younger self?

Scan the QR code or visit <https://www.surveymonkey.com/r/ActiveNewsletter> to tell us your thoughts!



## PSERS Active Certified and Active Non-Certified Board Member Election

The PSERS Board of Trustees will conduct active certified and active non-certified board member elections this year. The elected board members will serve a three-year term on the Board beginning January 1, 2025.

Members who would like to run for the active certified board member seat must:

- Be an active certified member of PSERS. Certification is issued by the Department of Education. Please contact the Department of Education if you have questions regarding your certification status.
- Submit an affidavit and nominating petition with 500 or more valid signatures from among the PSERS active certified members. Five different employers must be represented by no less than 25 signatures each.
- Submit a completed biographical form.

Members desiring to run for election for the active non-certified board member seat must:

- Be an active non-certified member of PSERS. Certification is issued by the Department of Education. Please contact the Department of Education if you have questions regarding your certification status.
- Submit an affidavit and nominating petition with 250 or more valid signatures from among the PSERS active non-certified members. Five different employers must be represented by no less than 15 signatures each.
- Submit a completed biographical form.

*continued on next page*

Members may request to receive a nomination packet and more information on the duties and responsibilities of Board members starting April 15, 2024. Interested members may write or email to:

PSERS Election Coordinator

PSERS Executive Office

5 North 5th Street Harrisburg, PA 17101

[RA-PSELECCOORDINATOR@pa.gov](mailto:RA-PSELECCOORDINATOR@pa.gov)

Your completed affidavit, nominating petition, and biographical form must be received by PSERS' Election Coordinator by June 7, 2024 using the contact information above.



Visit our website to stay up to date on upcoming board meetings and to see who is on the PSERS Board of Trustees, view the meeting schedule, and view minutes and resolutions from previous meetings.

## PSERS Board of Trustees Elects Chair and Vice Chair

*PSERS' 15-member Board of Trustees is an independent administrative board of the Commonwealth. The Board stands in a fiduciary relationship to the members of PSERS and oversees the operational and investment activities of the funds.*

PSERS Board of Trustees elected Richard Vague as Chairperson and retired teacher Susan Lemmo as Vice Chairperson at the annual public organizational meeting on January 5, 2024. The chair and vice chair lead the 15-member PSERS Board, and their terms are for one year.

Mr. Vague, a Philadelphia resident, is Governor Josh Shapiro's Board appointee and until recently served as the Board's Vice Chair. From 2020 until 2022 he served on the PSERS board in his previous capacity as Secretary of the Pennsylvania Department of Banking & Securities as a member of the Wolf Administration.

Ms. Lemmo, a Clearfield resident, is in her first 3-year term representing annuitants and Class DC participants. Prior to retiring from a 32-year career as an art teacher in the Curwensville Area School District, she served three terms (2014 to 2022) on the PSERS Board representing Active Certified Members and Participants. During that time, she earned the Certified Public Pension Trustee accreditation from the Pennsylvania Association of Public Employee Retirement Systems. Ms. Lemmo has also held leadership roles with the Pennsylvania State Education Association, the National Council on Teacher Retirement, and the Clearfield, Cameron, Elk, and Jefferson Central Labor Council.

## Requirement for One Full Year of Service Credit

To receive one full year of service credit, salaried or per diem employees must work and be paid for at least 180 days, and hourly employees must work and be paid for at least 1,100 hours from July 1 to June 30.

A full day for purposes of receiving retirement credit is defined in the law as at least 5 hours worked in one day, even if an employer defines a full day differently. The employer must report the school employee's days based on PSERS' definition.

PSERS cannot waive the statutory requirements when calculating service credits. Employees who do not work the 180 days or 1,100 hours required to obtain one full year of service credit from July 1 to June 30 will receive partial service credit for that year. Any days missed, regardless of the reason, e.g. weather closings or a strike, must be made up prior to June 30 in the school year that the days were missed. Any days made up after June 30 will be credited in the next school year.

## PSERS Board of Trustees Meetings

### Board Meeting Schedule:

January 5, 2024

February 1, 2024

March 21-22, 2024

May 30-31, 2024

August 15-16, 2024

October 24-25, 2024

December 19-20, 2024

Visit PSERS' website for the detailed schedule of Board and Committee meetings.

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 live streamed and 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).

## Follow us

on Facebook and Twitter for the latest!



@PennPSERS



@PA\_PSERS

# Shared Risk/Shared Gain Contribution Rate Update: Member Contribution Rate Decrease

At the December 2023 meeting, the PSERS Board certified the member contribution rates for Class T-E, Class T-F, Class T-G, and Class T-H members, effective July 1, 2024, to June 30, 2027. Because PSERS' investment performance met the shared risk target range for the 10-year evaluation period ending June 30, 2023, **the amount Class T-E, Class T-F, Class T-G, and Class T-H members contribute towards the PSERS Defined Benefit (DB) component will decrease starting July 1, 2024.**

## What is Shared Risk/Shared Gain?

With a "shared risk/shared gain" contribution rate, Class T-E, Class T-F, Class T-G, and Class T-H members can benefit when PSERS' investments are doing well and share some of the risk when PSERS' investments underperform.

Because PSERS' investment performance exceeded the target range for the ten-year evaluation period ending June 30, 2023, the DB member contribution rates will decrease by 0.50% or 0.75%, depending on a member's membership class within PSERS (see chart below) until the next evaluation period in three years. This decrease will bring the total DB rate back to the base rate for these membership classes.

### Example:

A Class T-E member earning \$45,000 a year (or \$1,725 every two weeks), who gets paid every other week, would see an approximate \$8.65 decrease in the amount withheld from each paycheck for their PSERS DB component.

## Next Evaluation

The next evaluation will be based on PSERS' investment experience for the period ending June 30, 2026, and will impact the DB member contribution rate for impacted members beginning July 1, 2027.

The rate change only applies to what is required to be paid toward the DB component. The mandatory Defined Contribution (DC) rate for Class T-G, Class T-H, and Class DC members will not change.

Class	Current DB Contribution Rate	Shared Gain Decrease	Total DB Contribution Rate Starting July 1, 2024
Class T-E	8.00%	-0.50%	7.50%
Class T-F	10.80%	-0.50%	10.30%
Class T-G*	6.25%	-0.75%	5.50%
Class T-H**	5.25%	-0.75%	4.50%

\*+2.75% DC Contribution Rate; \*\*+3.00% DC Contribution Rate

# When is Normal Retirement?

## What is Normal Retirement?

Normal retirement for the PSERS defined benefit (DB) component (also known as full retirement or superannuation) means that you can receive an unreduced annuity at retirement.

## Eligibility

You must reach a certain age and/or service requirements as of when you terminate employment to be eligible for normal retirement with PSERS. Those requirements are determined by your membership class:

Class	Eligibility for Normal Retirement
T-C*	<ul style="list-style-type: none"> <li>Age 62 with one year of service, or</li> <li>Age 60 with 30 years of service, or</li> <li>35 years of service regardless of age.</li> </ul>
T-D	
T-E	<ul style="list-style-type: none"> <li>Age 65 with a minimum of three years of service credit, or</li> <li>Any combination of age and service that totals 92 with at least 35 years of credited service.</li> </ul>
T-F	
T-G**	<ul style="list-style-type: none"> <li>Age 67 with a minimum of three years of service credit, or</li> <li>Any combination of age and service that totals 97 with at least 35 years of credited service.</li> </ul>
T-H**	<ul style="list-style-type: none"> <li>Age 67 with a minimum of three years of service credit.</li> </ul>

## What if I retire before being eligible for a normal retirement?

Vested members are eligible for early retirement, which is a reduced annuity available to members who do not meet the normal retirement requirements.

The chart below identifies the eligibility requirements for vesting and the early retirement reduction factor(s) used to calculate your monthly benefit.

Class	Eligibility to Vest	
T-C*	5 years of service	The normal retirement benefit is reduced by an early retirement factor so that the “present value” of the account is actuarially equivalent. The reduction correlates to how far away the member is from superannuation age. In effect, the member receives less each month because the benefit will be received over a longer period of time.
T-D		
T-E	10 years of service	Same factors as above if: (1) retiring between age 62-67; or (2) any age below age 62 if 25 years of service. If retiring prior to age 62 with less than 25 years of service, then the current reduction factor from age 62 to 67 plus a different reduction factor from actual retirement age to age 62
T-F		
T-G**	10 years of service	Same factors as above if: (1) retiring between age 62-67; or (2) any age below age 62 if 25 years of service. If retiring prior to age 62 with less than 25 years of service, then the current reduction factor from age 62 to 67 plus a different reduction factor from actual retirement age to age 62
T-H**		

If you are considering retirement within the next 12 months, PSERS encourages you to request a staff-prepared estimate which shows the potential monthly benefit you would receive at retirement for a normal, early, vested, or disability benefit. To request a staff-prepared estimate, call us at 1.888.773.7748 during normal business hours, or complete and submit a *Request for Retirement Estimate* (PSRS-151) form. PSERS also offers an online retirement estimate calculator that can be used at any time prior to retirement.

## Special Early Retirement

For Class T-C, Class T-D, Class T-E, Class T-F, and Class T-H members, a special early retirement is available if you are at least age 55 and have 25 or more years of credited service (“55/25”). A “55/25” retirement is reduced by one quarter of one percent per month for each month you are under normal retirement requirements. Class T-G members have a special early retirement available if you are at least age 57 with 25 years of service.

\* Special rules apply if you terminated service before July 1, 2001. Contact PSERS for more information.

\*\*Normal and early retirement eligibility applies to only the DB component of a Class T-G or Class T-H member’s benefit.

# Join PSERS Member Self-Service (MSS) Portal

Over 250,000 members have registered for PSERS Member Self-Service (MSS) Portal since its launch in 2018. Those MSS members have completed over 500,000 transactions online instead of filling out a paper form. The most common actions taken are creating their own retirement estimates, updating their address, updating their beneficiaries, and generating their own income verification.

## Saving Money with Paperless Delivery

As of February 29, 2024, PSERS has sent more than 6.7 million pieces of correspondence electronically! PSERS has saved more than \$2 million in printing and mailing costs through MSS' Paperless Delivery option.

If you do not receive your correspondence electronically, PSERS encourages you to register for an MSS account and select Paperless Delivery. You can change your Paperless Delivery preferences at any time.

## Future Enhancements

PSERS continues to enhance the MSS Portal to improve user experience and offer new functionality. Work is underway to enable members to submit a refund application online, expediting the process and reducing the need for manual intervention.

PSERS is also in the process of moving to a cloud-based pension administration system which is anticipated to enhance system performance and provide the opportunity for improved services to our members and employers.




## Common transactions on MSS:

 **241,386**  
Retirement Estimates

 **104,514**  
Address Changes

 **78,333**  
Income Verifications

 **36,929**  
Nominations of Beneficiaries

*As of 2/29/2024*

## Paperless Delivery:

Nearly 91% of all members on MSS elected to receive information from PSERS electronically. This has generated **more than \$275k/annually and \$2 Million in cumulative savings** since inception in 2018.

# Keep Your Contact Information Updated

It is important to keep your personal information at PSERS up to date. You can update your information with PSERS online in your Member Self-Service (MSS) account.



## Mailing Address

Because there are a few documents that PSERS cannot deliver electronically, it is essential for PSERS to have a valid mailing address on file for you even if you have paperless delivery through the MSS Portal. We need to make sure that our communication will reach you if PSERS needs to contact you via mail.

To change your address without an MSS account, submit your address change to PSERS in writing. Be sure to include your signature, your PSERS ID or last four digits of your social security number, and the effective date of the change when you write to us.



## Email Address

If you have Paperless Delivery, you must keep your email address current with PSERS to ensure that you will continue to receive time-sensitive documents and correspondence from PSERS.

**Tip:** PSERS strongly recommends you use a personal email address instead of an employer-provided email address to avoid problems accessing your MSS account or PSERS contacting you if you change employers or retire.



## Phone Number

It is also important to keep your phone number current with PSERS. Not only is your phone number used as a part of the authentication process for logging into your MSS account, it is needed for PSERS staff to contact you if necessary.

## Don't have an MSS Account? Register today!

You only need the following to get started:

- PSERS ID
- Social security number
- Date of birth
- A valid email address

Need Your PSERS ID? If you do not have your PSERS ID, you can connect with PSERS at 1.888.773.7748 to have your ID mailed to you.

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

**PRSRT STD**  
**U.S. Postage Paid**  
**Harrisburg PA**  
**Permit No. 254**

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



**Website**  
[www.psers.pa.gov](http://www.psers.pa.gov)

Register for PSERS' Member Self-Service (MSS) Portal to access your retirement account online, anytime!



**Call or Fax**

**Toll-Free: 1.888.773.7748**

**Local Calls: 717.787.8540**

**FAX: 717.772.3860**



**Send us a Secure Message  
through your MSS Account!**

Don't have an MSS Account?  
Complete the Contact Form on our  
website.

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