



PSERS Active Member Newsletter

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

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Active Certified Board Member Election: Pennsylvania Educator Re-Elected

Incumbent Trustee Brian Reiser has been re-elected to a new term on the Board of Trustees of the Pennsylvania Public School Employees' Retirement System (PSERS).

Reiser, a math teacher at Mercer County's Grove City Area School District, ran unopposed for his seat and was re-elected by acclamation at the PSERS Board of Trustees' public meeting on Friday, August 16, 2024. His new three-year term begins January 1, 2025.

Reiser joined the board in October 2022 when he was elected by acclamation to serve the remainder of the term for another active certified trustee who had retired from teaching. Reiser has been a math teacher since 1993. He holds a bachelor's degree in mathematics from Grove City College.

Reiser serves on the Board of Directors of the Pennsylvania State Education Association (PSEA) as president of the PSEA Midwestern Region. He previously held other PSEA leadership positions and served as a Stoneboro Borough Councilman.

"These last two years have been quite a learning experience, which I have greatly enjoyed," Reiser said after the meeting. "I look forward to the next three years."

Active Non-Certified Board Member Election:

The results for PSERS Active Non-Certified Board Member election will be announced at the October 25, 2024 PSERS Board meeting.

The PSERS Website Has a New Look!

PSERS launched a redesigned website on August 5, 2024.

The new pa.gov/PSERS will connect you with information through an improved navigation design. PSERS' web migration is part of a commonwealth-wide digital transformation initiative which aims to make commonwealth services easier to find and available on one site.

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PSERS Board of Trustees Meetings

Regular 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 Board and Committee meeting schedules, agendas, and the live stream link.

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.

PSERS' Website has a New Look!...continued

Has the URL changed?

Yes. The URL to our public site is now: pa.gov/PSERS

The link to the Member Self-Service (MSS) Portal has not changed.

Will redirects be in place from psers.pa.gov?

Yes. The psers.pa.gov web address redirects to our new web address at pa.gov/PSERS. Existing bookmarks to specific pages also will redirect to the appropriate pages on the new site.

What's new?

PSERS' website still offers the same valuable retirement information, with a different look and feel, and improved navigation.

Attending Retirement Exit Counseling Helps Avoid Costly Errors

Retirement counseling is available for all public school employees, from part-time support staff such as cafeteria workers to full-time teachers and administrators...every public school employee who is a member of PSERS!

If you are planning to submit your application for retirement within the next twelve months, we strongly encourage you to attend PSERS' Retirement Exit Counseling. These retirement education sessions are designed to help members understand the important retirement choices available.

Did you know? More than 25% of members who waive counseling have an error on their retirement application.

When you attend a Retirement Exit Counseling session, trained PSERS retirement representatives will provide an overview of your PSERS retirement options and answer your questions. Our retirement representatives will also assist you in the completion of your retirement paperwork. Sessions are offered in-person and online and you are welcome to bring along your financial advisor or family member.

Once you have requested a PSERS staff-prepared estimate, you can schedule a Retirement Exit Counseling session. You must contact PSERS to make your appointment for this small-group counseling session by calling 1.888.773.7748. If you need immediate assistance or if you cannot request an estimate in time, please contact PSERS for options.

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Request Your Staff-Prepared Estimate

To attend a Retirement Exit Counseling session, you must have a current, PSERS staff-prepared retirement estimate. You can request one by calling PSERS Monday through Friday, 8 a.m. - 5 p.m., or completing a *Request for Retirement Estimate* (PSRS-151) form. Because PSERS will perform a thorough account review for your estimate, please allow 4 – 6 weeks for processing.

You can confirm receipt and track the status of your estimate request through the Status Tracker function available in your Member Self-Service (MSS) account.



Watch for Communications from PSERS

Stay tuned for important information. PSERS will communicate with you about errors found on your application. Errors on your retirement application can delay the processing of your benefit. Keep your contact information with PSERS current as you transition to retirement and watch for correspondence from PSERS based on your selected communications delivery preference (email or U.S. mail).

Counseling Provides Important Information

Example: Gene is planning to retire from public school employment. After submitting his application for retirement, he and his wife decide to sell their Pennsylvania home and move to Florida where they have already found a home to purchase. The mortgage company for the Florida home, however, was denying their application without proof of income in retirement. The retirement benefit letter, which is proof of income from PSERS, is not issued until the employer submits its final reporting to PSERS and the benefits are processed. Gene did not go to PSERS retirement counseling, so he did not know how the final reporting by his employer may impact the timeline and processing of his retirement benefits. PSERS retirement counseling helps you avoid these types of pitfalls and ensures you understand time frames and the retirement process.

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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 access minutes and resolutions from previous meetings.

6-Step Action Guide to Secure a Future ‘Paycheck’

Courtesy of the PA Department of Banking and Securities

STEP 1: Shift investing and withdrawal strategies

The closer you are to retirement, the more you will likely want to shift your investment focus from growth to wealth preservation. With less time to recover from market downturns, a move toward less volatile holdings will help keep your portfolio steady.

STEP 2: Get trustworthy advice to stay on track

Financial planning can get more complex as you approach retirement, so you may need additional professional guidance. A trusted financial adviser can help navigate the best choices for your situation, without jeopardizing the assets you’ve built up so far.

Look for a Fiduciary. For the most reliable service, you’ll want to work with a fiduciary. Fiduciary professionals are legally and ethically obligated to put you first and avoid any conflicts of interest. A fiduciary financial adviser can help you ensure that your financial plan fits your retirement goals. Because these advisers work for fee-only compensation, their pay is the same no matter which investments you make.

STEP 3: Plan for Social Security and Medicare

As retirement draws closer, it’s crucial to understand the rules for the Social Security and Medicare programs. This includes learning about how and when to apply for benefits.

STEP 4: Understand the pros and cons of annuities

As a member of PSERS Defined Benefit Plan, you will receive a lifetime annuity when you retire.

Annuities are also available to be purchased in the open market. Participants in the PSERS Defined Contribution Plan have access to an annuity shopping service provided through Voya. Annuities have a reputation for being expensive and confusing. But the trick is to understand available options and determine if they’re right for your situation. In simple terms, an income annuity works like a DIY pension plan. You give an insurance company a pool of money and get back a guaranteed “paycheck” either for a set number of years or for the rest of your life.

STEP 5: Get more value from your home equity

Your home may be your biggest source of wealth, and tapping into that equity can help fill in any retirement-savings gaps.

Downsizing your home for a smaller, less expensive place, which in most cases results in lower property taxes, insurance, utilities, and upkeep, is one way to take advantage of this asset. Such a move frees up some extra money for retirement, which can be used to cover expenses or to bolster savings.

STEP 6: Explore a phased retirement

As you envision your ideal retirement, have you considered keeping one foot in the workforce? Here are three reasons it may make financial sense to transition gradually into full retirement.

1. A fatter nest egg
2. A bigger pension
3. A heftier Social Security check



Pennsylvania
Department of Banking
and Securities

Information provided by the Pennsylvania Department of Banking and Securities.
It is not legal advice or regulatory guidance.

Reference: "Getting Closer to Retirement: 6-Step Action Guide to Help You Secure a Future 'Paycheck'"

Key Retirement Milestones

50

Begin making catch-up contributions to your retirement accounts

55

If you leave a job during the year you turn 55 or after, you can take penalty-free withdrawals from that employer's retirement plan (taxes still apply)

59½

Make penalty-free withdrawals from all traditional IRAs and employer retirement plans (taxes still apply)

62

Earliest age at which you can claim Social Security retirement benefits

65

Enroll in Medicare Part A even if you have workplace coverage; also enroll in Part B if you do not

66

67

Full retirement age for Social Security, depending on the year you were born

70

Claim the maximum benefit from Social Security

70½ - 75

Begin taking required minimum distributions (RMDs) from traditional retirement accounts by your Required Beginning Age

The IRS determines the Required Beginning Age based on your date of birth.

PSERS Health Options Program: Bright Smiles and Clear Sight for Retirement

As you transition into retirement, you will be invited to join the PSERS Health Options Program for PSERS retiree health benefits. The health care options include medical, dental and vision, and/or prescription drug coverage. See below for a spotlight on the dental and vision benefits. Visit discoverHOPbenefits.com for information on the other plans.

Who is eligible

Participants can enroll in the MetLife Dental and EyeMed Vision Option if they enroll in either the HOP Medical Plan or the HOP Value Medical Plan. Dental and vision coverage cannot be elected separately.

How it works

Dental coverage: You can visit any dentist you want, but choosing one that's part of the MetLife network (an in-network dentist) provides higher benefits and discounted rates. With an in-network dentist, you pay nothing for preventive care (exams and cleanings), and there is no deductible for restorative care. Each year you can receive up to the maximum in dental services; this does not include preventive and diagnostic care. After you reach the maximum benefit, you continue to receive services at discounted prices, as long as you use in-network dentists.

Vision coverage: The vision benefit covers eye examinations, prescription eyewear, and/or contact lenses once every other calendar year. You have the option to see a provider in the EyeMed Insight network or an out-of-network provider; however, you will always pay less for in-network services. For example, in-network routine eye exams are covered 100%; however, if you go out of network, you will have to pay the full cost and file a claim for reimbursement up to \$30.

Do not miss the opportunity. It is important to note that enrollment in dental and vision coverage is not usually an annual option. If you do not enroll when you are first eligible (e.g., turning age 65 or experience a qualifying life event), you may not be able to enroll in this coverage in the future, unless there's an open enrollment.

Requirement for One Full Year of Service Credit

Act 56 of 2023 (House Bill 1507) amended the Public School Code's requirement for annual instruction time. Starting in the 2023-24 school year, Act 56 of 2023 permits a school entity to set the instruction time at 180 days or 900 hours for the elementary level or 990 hours for the secondary level. The prior law set instruction time at 180 days and 900 and 990 hours, respectively, for the elementary and secondary levels.

Act 56 of 2023, however, did not change the calculation of retirement service credit in the Retirement Code, which does not distinguish between instructional days and days worked. Full-time and part-time salaried and per diem employees are reported in days and receive a year of service credit in proportion to 180 days; i.e. actual days worked divided by 180 = service credit. Full-time and part-time hourly employees are reported in hours and receive a year of service credit in proportion to 1100 hours; i.e. actual hours worked divided by 1100 = service credit.

Accordingly, to receive one full year of service credit with PSERS, salaried and per diem members must work and be paid for at least 180 full days, and hourly members must work and be paid for at least 1,100 hours from July 1 to June 30, regardless of the number of instructional days or hours. 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.

Note: Because a full-time employee is defined for retirement purposes as "an employee employed at least 5 hours per day or 25 hours per week or its equivalent," full-time hourly employees, who are expected to work for 9 to 10 months between 900 and 1100 hours (180 days x 5 hours per day = 900 hours), are reported in hours but will receive a year of service credit in proportion to their actual hours worked divided by their expected units (900-1099). Hours more than the five hours are still credited as one day of service credit.

Pension Maximization

"Pension maximization" is a term used by financial advisors and insurance agents. It is a strategy where a person takes a higher monthly pension and purchases a life insurance policy in lieu of taking a reduced monthly pension to guarantee a benefit for their survivor.

To fully understand pension maximization of your PSERS benefit, it is important to understand your annuity options. PSERS offers Single Life Annuities, which provide a benefit based on a single lifetime (yours), and Joint and Survivor Annuities, which provide a benefit based on two lifetimes (yours and your designated survivor's).

The following are the different PSERS monthly payment options of the Single Life and Joint Survivor Annuities:

- **Maximum Single Life Annuity:** This provides the maximum monthly benefit amount available. If at the time of your death, you have not received an amount equal to your contributions and interest, then the balance is paid to your beneficiary(ies).
- **Option 1:** Your monthly benefit is reduced, and a "Present Value" is assigned to your account. Upon death, if you have not yet received monthly benefits totaling an amount equal to your account's present value, the balance is paid to your beneficiary(ies).
- **Option 2 or 3 (Joint Survivor Option):** Your monthly benefit is reduced based on your age and the age of your survivor annuitant at retirement. At the time of your death, Option 2 provides 100% of your monthly benefit while Option 3 provides 50% to your survivor annuitant throughout his or her lifetime.

Withdrawing Contributions & Interest

All members have the option of withdrawing their contributions and interest when retiring. This will reduce your monthly benefit. How much your benefit is reduced depends on your membership class and the amount you withdraw. If you are within 12 months of your potential date of retirement, you may request a PSERS staff-prepared retirement estimate to see how withdrawal of your contributions and interest will affect your monthly benefit.

Example of the Difference between Maximum Single Life Annuity and Option 2

Rita Retiree can choose to receive a monthly benefit of \$2,000 by electing Maximum Single Life Annuity, or Rita can choose Option 2 and receive \$1,800 (\$200 less than the Maximum option) per month. If Rita chooses Option 2 and names her husband as a Joint and Survivor, upon Rita's death, PSERS will provide to Rita's husband for the rest of his life the same monthly benefit payment of \$1,800 that Rita was receiving at the time of her death. If Rita chooses the Maximum Single Life Annuity, Rita may be able to use all or part of the \$200 difference to purchase a life insurance policy on herself and name her husband as the beneficiary. The proceeds of the insurance are available for her husband if Rita dies first.

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



Website
pa.gov/PSERS

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!**

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Complete the Contact Form on our
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