

# PSERS Active Member Newsletter

## Volume 1 - 2025

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

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Publication #9299

## Message from the Executive Director

On behalf of PSERS and PSERS' Board of Trustees, I want to wish you and your loved ones a very happy and healthy New Year.

As part of our mission to partner with our members to fulfill the promise of a secure retirement, PSERS distributed \$7.6 billion in total pension benefits in fiscal year 2023-24. Of this amount, \$6.8 billion, or nearly 90%, went to retired members residing within Pennsylvania. These hard-earned benefits directly support the retirements of our members in communities throughout the Commonwealth and play a pivotal role in stimulating local economies.

I am exceedingly pleased to share with you that the fund is on a healthy trajectory toward a fully funded status. We are encouraged by the positive progress of our funded ratio, which for the 7th consecutive year has improved, rising from 63.6% to 64.8% in the last fiscal year. This progress toward a fully funded status is due in large part to strong employer payroll growth and the financial commitment of Governor Shapiro, the General Assembly, and school boards through continued payment of the actuarially required funding. Being fully funded helps provide our members with the promised benefits to which they are entitled, in the most cost-effective way.

In furtherance of our mission, vision, and values, PSERS' Board and staff will continue to diligently work through the New Year by partnering with members, employers, and all of our stakeholders to fulfill the promise of a secure retirement.

Our promise to you is that *our members are at the heart of everything we do*. Whether you are just getting started in your career or are already enjoying a well-deserved retirement, we are committed to improving your satisfaction as you interact with the system.



Respectfully

Terrill (Terri) J. Sanchez  
PSERS' Executive Director

## Active Certified Board Member Departs PSERS' Board Following 7 Years of Service

PSERS active certified Trustee Jason Davis, who chaired the Investment Committee of the PSERS Board of Trustees, announced his departure from the Board at his final scheduled public meeting on Friday, December 20, 2024. He has dutifully served on the board since January 2017 as an elected member by the active certified members and participants. Before becoming chair of the Investment Committee in 2020, Davis led the Budget/Finance Committee, now the Finance and Actuarial Committee.

“After a great deal of careful consideration, I have decided to step down as a PSERS trustee to pursue other professional opportunities,” Davis said. “It has been a privilege to serve in this capacity, working alongside the talented and dedicated staff at PSERS. I am proud of what we have accomplished together, and I have full confidence that the board and staff will continue to thrive in its important work.”

Davis worked at Mellon Bank in institutional trust for 4 years focusing on various trusts and pensions before coming to PSERS. He is a 20-year veteran educator, teaching economics, AP microeconomics, and macroeconomics.

“I know I speak for the entire board in extending my gratitude to Jason for his outstanding leadership and dedication to PSERS as Chair of the Investment Committee,” Board Chairperson Richard Vague added. “Jason’s expertise, vision, and steadfast commitment has been invaluable in guiding and securing the long-term success of this organization. We are deeply grateful for his service and the exceptional work he has done in support of PSERS’ mission.”

### Special Election Will Be Held in Early 2025

Davis’ term would have expired on December 31, 2025. In early 2025, PSERS will conduct a special election for the remainder of his term and for a subsequent three-year term per the board’s Elections Procedures and Guidelines Policy.

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.

Additional details on the schedule for the special election, including the distribution of nomination packets, will be forthcoming.

## Important Security Changes to Your PSERS Member Self-Service (MSS) Account

In February, PSERS will eliminate the option of receiving your multi-factor authentication (MFA) code through email when signing into your PSERS MSS account as part of its ongoing effort to enhance security. The unique MFA code needed to access MSS will only be provided by phone, via voice call or text message.

The security of your PSERS retirement account and personal information is extremely important to us. Because hackers can often gain access to email accounts, using email to verify your identity carries a higher risk. Phone authentication requires a phone for a voice call or a cellular phone to receive a text message. This MFA method for your MSS login is more secure because such devices are typically in your physical possession.

If you have not already done so, please sign into your MSS account to ensure your phone number is up to date.

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## Active Non-Certified Board Member Election Result

Incumbent Trustee Ann Monaghan has been re-elected to a new term on the PSERS Board of Trustees receiving approximately 75% of the vote. Monaghan's new term began January 1, 2025.

"It was an honor to receive the support of so many during this election," Monaghan said. "It reinforces my dedication to ensure PSERS remains a reliable resource for all beneficiaries, fostering growth and security for years to come. I am grateful for the trust placed in me by our members."

Monaghan, a former registrar, homeless liaison, foster care point-of contact, and attendance officer for the Wallenpaupack Area School District serving Wayne and Pike Counties, currently holds the position of principal secretary. She earned a bachelor's degree in history and a master's degree in secondary education from Queens College in New York City, having started her career teaching grades six through eight in Brooklyn, NY.

Additionally, Monaghan serves on the Hawley Borough Council and Hawley Sewer Authority Board. She is also an officer for Hawley Forward at the Hawley Hub, a nonprofit community center for after school programs.

## PSERS Board of Trustees Meetings

Visit the 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](mailto:tidanner@pa.gov).

# Retirement Checklist

If you are planning to retire within the next 12 months, be sure to:



## Attend Foundations For Your Future

Foundations for Your Future (FFYF) educational programs are designed to give public school employees an overview of their retirement benefits. These programs are conducted in person and via webinar. The recorded presentation is also available on our website under *Member Resources > Foundations for Your Future Programs*.



## Request A Staff-Prepared Estimate

Request a staff-prepared estimate by calling PSERS at 1.888.773.7748 or by submitting a *Request for Retirement Estimate* (PSRS-151), which is available on the PSERS website and on the MSS Portal. PSERS will perform a thorough account review for your estimate so please allow 4 – 6 weeks for processing.



## Attend Retirement Exit Counseling

Schedule and attend a small group Retirement Exit Counseling session. Our dedicated and specialized retirement representatives can help guide you and your financial planner, if you have one, in ensuring your *Application for Retirement* (PSRS-8) is completed correctly and timely filed. Be sure to bring your staff-prepared estimate to your counseling session. Retirement Exit Counseling sessions are available in person and online. Attending a Retirement Exit Counseling session is proven to eliminate errors in your *Application for Retirement* that will delay the processing of your retirement.



## Research

- Review helpful resources on the PSERS website such as the online estimate calculator, pamphlets and handbooks, and the Countdown to Retirement checklist.
- Research your employer's guidelines for terminating and resigning.
- Contact your employer to discuss employer-provided benefits, such as payment for unused vacation and sick leave, severance payments, and health insurance.
- PSERS also sponsors a health insurance plan and a Premium Assistance Program for PSERS retirees. For more information, contact the Health Options Program (HOP) at 1.800.773.7725 or visit the HOP website at [hopbenefits.com](http://hopbenefits.com).
- Consult with a financial planner or tax consultant, if needed.
- Contact the Social Security Administration regarding your benefits, if applicable.

*Continued on next page*

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@PA\_PSERS



### **Purchase Service, If Applicable**

If you have purchasable service, make sure to submit a completed purchase of service request to PSERS while you are an active, contributing member of PSERS. Once you terminate PA public school employment, it will be too late to purchase service credit. Additional time restraints and requirements may apply depending on the type of service purchased.



### **Submit Your Application For Retirement**

Timely submit your completed *Application for Retirement*. To preserve a date of retirement following your last paid day of employment, you **MUST** file a correctly completed Application for Retirement within 90 days of your termination date. You can confirm receipt and track the status of your *Application for Retirement* through the Status Tracker function available in your MSS account.



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.

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## **Advice from PSERS' Retirees**

Last year, PSERS asked retirees what they wish they would have known about retirement before they retired. Their responses may be helpful for you as you plan for retirement:

- "I am thankful that I knew that it takes time to receive your first PSERS check and also your first Social Security check so plan ahead and bank money to cover 3-4 months of bills prior to retirement. "
- "What worked for me was (1) Attending multiple PSERS presentations...I learned a lot from each. It's good to go with a friend so you have someone to debrief with afterwards. (2) Having a financial advisor who is a certified financial planner review options and attend the actual retirement meeting with me and (3) Do not hesitate to call PSERS and ask to review your information reflected on your statements is correct. Better to correct any missing information well ahead of time. I was very impressed with every PSERS representative I spoke with along the way and they were all very helpful!"

## Misconceptions About Retirement

The choices you make while deciding to retire will be some of the most important decisions you have ever made. For the most part, your decision is irrevocable. Over the course of this year, we will cover some of the most common misconceptions PSERS members have when preparing for retirement.

### Misconception: 55/25 is Normal Retirement

Normal retirement means there is no reduction to your pension benefit due to when you retire. Your retirement benefit is permanently reduced by about 4% - 7% per year, for each year less than the closest point of your normal retirement.

For most membership classes, a special early retirement is available if you are at least age 55 and have 25 or more years of credited service ("55/25"). For Class T-G, a special early retirement is available if you are at least age 57 with 25 or more years of credited service. With a special early retirement, the early retirement reducing factor goes down to a maximum of 3% per year.

Eligibility for early and normal retirement differs depending on your membership class with PSERS. Please refer to the *Active Member Handbook* on the PSERS website to see the requirements for normal retirement.

### Misconception: It is Always Advantageous to Defer Retirement Until There Are No Early Reducing Factors

Some members choose to delay receiving their retirement benefit so the penalty for retiring early is reduced. Members should carefully consider both the possible gains (and possible losses) involved in delaying their benefit. Completely avoiding the early retirement reduction may not be worth it if working those few extra months might not make much of a difference in your monthly benefit. Your life factors and employment terms along with reviewing your retirement estimates should guide your decision of when to retire.

### For Example:

Joan terminates employment in June but will reach normal retirement on her birthday next March. She considers delaying beginning to receive her retirement benefits until her birthday to avoid an early retirement reduction to her pension.

For the retirement option Joan plans on selecting, she would be eligible to receive a monthly benefit of \$4,175 effective as of a June retirement date. This includes the reduction for an early retirement.

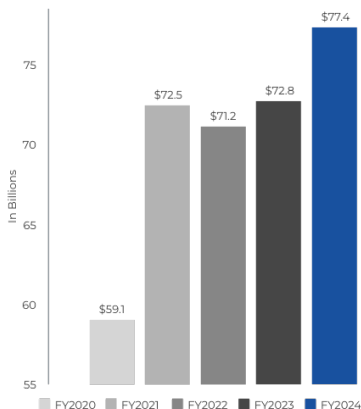
She could delay beginning to receive her retirement benefit until her birthday in March when she reaches normal retirement. Without the early retirement reduction, her monthly benefit would be \$4,271. The \$96 difference sounds pretty substantial, right?

BUT, what exactly does Joan give up to gain this additional \$96 per month?

Joan delayed receiving 9 months of pension benefits by waiting until her normal retirement or \$37,575 ( $\$4,175 \times 9$ ). It would take 391.40 months ( $\$37,575 / \$96 = 391.40$ ) or 32.61 YEARS for Joan to catch up to the money she didn't receive for 9 months!

# Public School Employees' Retirement System as of June 30, 2024

Highlights of PSERS' funding as of June 30, 2024, are provided below. More detailed information is available in the *Annual Comprehensive Financial Report as of June 30, 2024 (ACFR)* and the *Summary Annual Financial Report (SAFR)*, which are available on the PSERS website, [www.pa.gov/PSERS](http://www.pa.gov/PSERS)



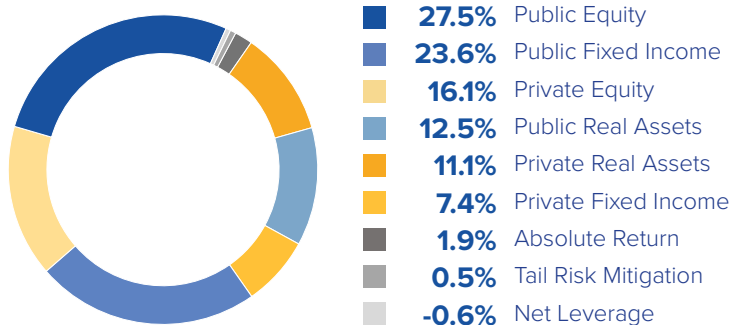
## \$77.4 Billion

PSERS' Total Net Position  
as of June 30, 2024

(Increased by \$4.5 billion during FY 2024)

## INVESTMENT ASSET ALLOCATION as of June 30, 2024

Total investment portfolio: \$75.2 Billion



In FY 2024, PSERS earned a positive 8.14% net of fees return.

Long term, PSERS posted positive returns of 6.82% for the 10-year period ended June 30, 2024.

## DC Plan

### 80K

DC Plan Participants  
account for nearly 16% of  
Total Membership

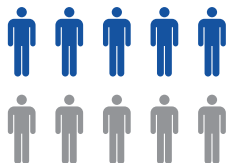


### \$356 Million

Total DC Plan Balance



## MEMBERSHIP



### 256k Active

### 254k Retired

## BENEFITS PAID IN FY 2024



### \$7.6 Billion

Benefits Paid

### \$26,392

Average Yearly Benefit

## REDUCING COSTS

Based on the most recent international benchmarking survey, PSERS had a 18% lower pension administration cost per member than the average cost for its peer group.

### \$11.5 Million

Saved in administrative expenses  
compared to peers

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

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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**



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through your MSS Account!**

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