

DISABILITY RETIREMENT GUIDE

(for members hired before 1/1/19)



pennsylvania
STATE EMPLOYEES' RETIREMENT SYSTEM

www.SERS.pa.gov | 1.800.633.5461

TABLE OF CONTENTS

Disability Retirement Basics

Introduction	01
Overview of the Disability Retirement Process	02
Disability Retirement	04
General Steps to Prepare for Disability Retirement	07
Disability Retirement Preparation Checklist	08
SERS Regional Counseling Centers	10
Disability Retirement Benefit Calculation	12

Your Important Retirement Decisions

Can I Purchase Previous Service?	17
Disability Plan Options	18
Special Circumstances	20
Who Will I Name as My Beneficiary?	21
Do I Want Money Withheld for Federal Income Taxes?	22
What Are My Health Care Options in Retirement?	23

After You Have Been Approved for Disability Retirement

Requirements of Disability Retirement	29
Recertification Requirements	30
Return from Disability Retirement	30
Keep Your Beneficiary Form Up-To-Date	31
SERS Provided Services	32

Additional Information and Resources

Divorce and Domestic Relations/Support Orders	35
Taxes	37
Other Retirement-Related Contacts	38
Common Disability Retirement FAQs	39

DISABILITY RETIREMENT BASICS

INTRODUCTION

If you are unable to perform your job because of injury or illness, you may be eligible to receive a SERS disability retirement, which is different from other state and federal disability programs. This guide is intended to provide you resources and information to help you through qualifying, applying, and receiving a disability retirement.

If you are considering a disability retirement the first thing you should do is call 1.800.633.5461 for more information before leaving your job. If you terminate state service before applying, you will no longer be eligible.

To be eligible to receive SERS disability retirement benefits you must:

- Be an active employee, on paid leave, or on leave without pay when you apply
- Have at least five years of credited service (with some differences associated with certain types of military leave); if you are a state police or enforcement officer as defined by the Retirement Code, there is no minimum service requirement
- Be determined by an independent medical examiner retained by SERS to be physically or mentally incapable of performing the duties of the position for which you are regularly employed

Meeting the eligibility criteria above does not guarantee that you will be approved, but you must meet these factors to be considered.

Prior to your last day of employment, you must make arrangements to meet with a SERS retirement counselor to complete a Disability Retirement Application that documents all of your final answers to important retirement decisions. Simply leaving state employment will not start the process and will make you ineligible to receive a disability retirement benefit. You must apply specifically for a disability pension in order to receive it.

The time it takes to process a disability retirement application can vary greatly. The best way to ensure that things move smoothly is to submit current, accurate, and complete medical documentation. Independent medical examiners retained by SERS must evaluate your disability without the benefit of a personal examination. They rely solely on the information provided by you from your physician. It is in your best interest to ensure that your physician provides sufficient detail and evidence to help our independent medical examiners make an independent judgment regarding the effective date, severity, and duration of your disability claim.

OVERVIEW OF THE DISABILITY RETIREMENT PROCESS

To be eligible to apply for disability retirement you must be in an active payroll status, or on paid or unpaid leave. If you have already been terminated or resigned, contact your SERS counselor for information about early/regular retirement, or a refund of contributions and interest (if not vested).

Contact your SERS counselor to request a disability estimate, early/regular retirement estimate, and related disability retirement materials. This contact is confidential and will not be reported to your agency.

If you have service to purchase and currently are NOT on leave without pay, discuss with your SERS counselor how to request to buy back time. Update your active beneficiary form with SERS if needed.

Contact your Human Resource office to discuss Family Medical Leave Act (FMLA) absences, obtain information about your current leave balances, inquire about employment status change if you apply for disability retirement, and to request your latest position description.

Set up a disability counseling session with a SERS retirement counselor. If you sign an application your agency will be notified once you have applied for disability retirement.

In order for an application to be considered complete and forwarded for review, the following documents are required: Proof of birth documents for member and survivor (if applicable), *Direct Deposit Form*, *SERS Initial Medical Report*, other additional medical documents, Position Description, signed disability application (you will sign this with a SERS retirement counselor), beneficiary information-names, dates of birth, addresses. If this is a work-related disability and you are receiving a payment from Workers Compensation, you will need to provide documentation.

Once your application has been forwarded to the physician's panel for review, it can take 2-3 weeks to receive the panel's determination. A letter will be mailed to you stating the type of approval, denial, or if additional medical documentation is required. If your application is denied, directions for the appeal process will be included in the letter.

After receiving the panel's determination (if approved) contact your Human Resource office to inform them you are accepting the disability retirement and make arrangements to hand in any equipment. Check with HR to determine if you have any agency debts.

OVERVIEW OF THE DISABILITY RETIREMENT PROCESS

Getting the 1st payment from your disability retirement

After receiving the notification letter from physician's panel of determination (assuming it is approved), it can take 6-8 weeks to receive your first pension payment assuming you DO NOT have an agency debt. If you have an agency debt it will take approximately 12 weeks from the day you received the panel's determination to see your first retroactive pension payment. You will receive a letter detailing that first pension payment approximately a week before it is to be disbursed.

Additional information

You may wish to put power of attorney paperwork on file with your SERS account.

You may apply for social security disability in addition to applying for disability retirement. These are separate processes. For more information about social security disability, contact the Social Security Administration.

If on leave without pay (LWOP) with benefits, you will need to contact Pennsylvania Employees Benefit Trust Fund (PEBTF) to settle up any payments owed to them after receiving your physician's panel determination approval letter from SERS. Your retiree health insurance benefits will not begin until this amount owed has been paid to the PEBTF.

You also can apply to continue your state paid life insurance. This is a separate application from your disability retirement and is your responsibility. Contact MetLife at 1.855.972.5433 for details.

DISABILITY RETIREMENT

There is no age limit for disability retirement; however, you must apply for disability retirement benefits before you terminate State service to be eligible. Agencies under the governor's jurisdiction require that the member go on paid or unpaid leave, or terminate State service while the application is pending. Contact your agency's human resources office for information about your agency's requirements.

Some independent employers have specific rules regarding termination. Employees of agencies not under the governor's jurisdiction should contact their HR office regarding their agency's policy. Other employers require that you go on leave at the time you file your disability retirement application. Again, contact your HR office regarding your agency's policy.

If your disability is service-connected and you are considered disabled under the Pennsylvania Workers' Compensation laws, you could be eligible for special benefits under the Retirement Code. Visit the PA Bureau of Workers' Compensation website for information about the Pennsylvania's Workers' Compensation Program.

Disability retirement may qualify you for Majority State Paid retiree health insurance that you may not otherwise qualify for.

Those approved for disability retirement prior to their SERS normal retirement age (age 50/60 or 35 years of service for Class A and AA members, age 55/65 for Class A3 and A4 members) will receive a larger retirement benefit under disability because their benefit will include both their early retirement benefit and a disability supplement benefit.

You are not permitted to withdraw your contributions and interest when applying for disability retirement.

How Do I Apply?

To apply for a disability retirement you must be an active member of SERS -or be on paid or unpaid leave- when the application for disability benefits is filed. Be sure that you complete your application with your SERS retirement counselor while you are actively working, on paid sick leave or leave without pay. **Applications that are not submitted during such periods will not be accepted.**

Working with your SERS retirement counselor, you will complete a *Disability Retirement Application - Vested or Non-Vested*, whichever is appropriate.

DISABILITY RETIREMENT

Medical Information Needed

SERS will not process disability retirement applications without appropriate and sufficient medical information. Your physician must complete a *Disability Medical Report*, which your counselor will provide you, or can be found on the SERS website, www.sers.pa.gov.

It is your responsibility to secure and provide medical information to SERS. This information is important and allows an independent medical examiner to make a recommendation of disability or non-disability.

SERS retains independent medical examiners to review disability retirement applications and make recommendations to grant either a temporary or permanent disability.

The medical examiners' recommendations are based on the review of the medical information that you submit to SERS. When disability benefit applications include complete and current medical information, the medical examiners are able to provide a faster review of the request for Disability Retirement. The medical examiners may request specific additional medical information.

The following supporting documentation, if any, should be submitted with the *Disability Medical Report**:

- Doctor's explanation/evaluation of the limitations on your ability to perform the duties listed in your current Position Description
- Hospital records
- Physical and diagnostic findings of the attending physicians
- Clinical study reports
- Laboratory and special study reports
- Reports of X-rays and MRIs as read by an examining doctor
- EKG tracings, if appropriate
- Diagnosis and treatment/therapy responses
- Other documents SERS requests based on individual circumstances

***Medical documentation must be no more than 60 days old to be considered for review.**

SERS is not responsible for any costs associated with obtaining necessary medical information.

DISABILITY RETIREMENT

Please provide your doctor with a copy of your Job Description with Essential Job Functions, so that he or she will know exactly the type of work you do and what supporting medical documentation would assist the medical examiners in reviewing your application and making a recommendation about granting you a disability retirement benefit.

Psychiatric Condition

SERS will grant a disability retirement benefit for a psychiatric condition if, based on the reviewing psychiatrist's recommendation, it determines that a member is not able to perform his or her employment duties. In most cases, the reviewing psychiatrist's recommendation depends upon a finding of significant functional impairment. The Medical Report completed by your psychiatrist should include the patient's thorough case history and the findings from any psychiatric evaluation, including but not limited to symptoms and severity and Global Assessment of Functioning (GAF) score.

If the Disability is Approved

You must resign from service no later than the end of the pay period in which SERS gives notice of approval of disability retirement.

Approvals are determined by the SERS Medical Staff to be either "Temporary" or "Permanent". Temporary disability annuitants must complete and submit a SERS *Continuation Medical Report* on an annual basis to have their disability considered for continuance for another year.

Applicants who are approved for a permanent disability are not required to submit any further medical documentation.

The primary reason for a denied or delayed disability application is insufficient medical documentation.

If the Disability is Denied

SERS will notify you of your right to appeal and explain the administrative appeal process.

GENERAL STEPS TO PREPARE FOR DISABILITY RETIREMENT

If you are considering retirement due to health issues, discuss the SERS disability retirement benefit with your retirement counselor **before** you terminate employment. Contact your retirement counselor for regular and disability retirement benefit estimates and counseling.

Prior to your counseling appointment

- Review your retirement benefit estimates thoroughly.
- Consider all of your benefit payment, health insurance, and tax withholding options.
- Prepare a list of questions.
- Gather necessary proof of date of birth documentation and bring it to your appointment. If you are eligible for a vested disability, and will be selecting a benefit payment option that provides a monthly payment to a survivor after your death (Option 2 or 3) also know your designated survivor's Social Security number and bring date of birth documentation for your designated survivor.

Acceptable Date of Birth Documentation

An original or certified copy of either a birth certificate, passport, or baptismal certificate is preferred. If none is available, certified copies of any two items from the date of birth documentation listed in this guide will be accepted.

Employer Notification

Once you sign your retirement application, SERS will notify your employer. While we send notification to your employer, it is your responsibility to give your employer written notice of your retirement in accordance with its policies.

Do You Have Overdrawn Leave or Other Debts?

Contact your HR Office to see if you have overdrawn leave or any other debt to your employer and work to satisfy those debts before you terminate employment.

Overdrawn leave, unreturned equipment or uniforms, or other debts to your employer will significantly delay payment of your SERS benefit.

DISABILITY RETIREMENT PREPARATION CHECKLIST

List of questions

If you have any questions about information in this guide, write them down and discuss them with your retirement counselor **before** completing your retirement application. Feel free to bring your spouse, or other trusted person to your appointment.

Date of birth documentation

The original or a certified copy of your birth or baptismal certificate or passport is preferred. If you do not have one of those, bring two other documents, in order of preference:

1. Selective service record
2. Armed forces discharge
3. School record
4. Life insurance policy
5. Naturalization record
6. Alien registration record
7. Marriage record listing birth date or age and the date of the record
8. Estimate letter from the Social Security Administration showing birth date
9. Federal census record (taken as close to age five as possible)
10. Physician's or midwife's record of birth
11. Valid driver's license
12. State-issued non-driver photo identification card
13. Bible or other family record

If you bring an original document, we will certify a copy and return the original to you.

If you are eligible for a vested disability, and plan to select a payment option that provides a monthly payment to someone after your death (monthly payment Option 2 or 3) you will also need to bring date of birth documentation for your designated survivor, as well as their Social Security number.

Federal income tax information

Be prepared to complete a W4-P form indicating your income tax filing status (married or single and the number of dependents) and withholding instructions so that we know how much money, if any, you want withheld from your pension payments for federal income tax purposes.

DISABILITY RETIREMENT PREPARATION CHECKLIST

Direct deposit form

Pension payments are made by direct deposit. Your SERS retirement counselor will provide you with a direct deposit form prior to or at your counseling appointment.

Dependent information

If you will be enrolling in the Retired Employees Health Program (REHP) medical coverage and including dependents on your coverage, you will need the list of dependents, their addresses, dates of birth, Social Security numbers, and information on other health insurance coverage you or they may have.

If you are adding dependents who were not listed on your active employee health coverage, you will also need their birth certificate.

If you or any of your dependents are covered by Medicare, you will need to bring your Medicare cards to your signing appointment.

Medical documentation

Current position description (including essential functions)

Beneficiary dates of birth and addresses

Verification of Medicare enrollment (if applicable)

SERS REGIONAL COUNSELING CENTERS

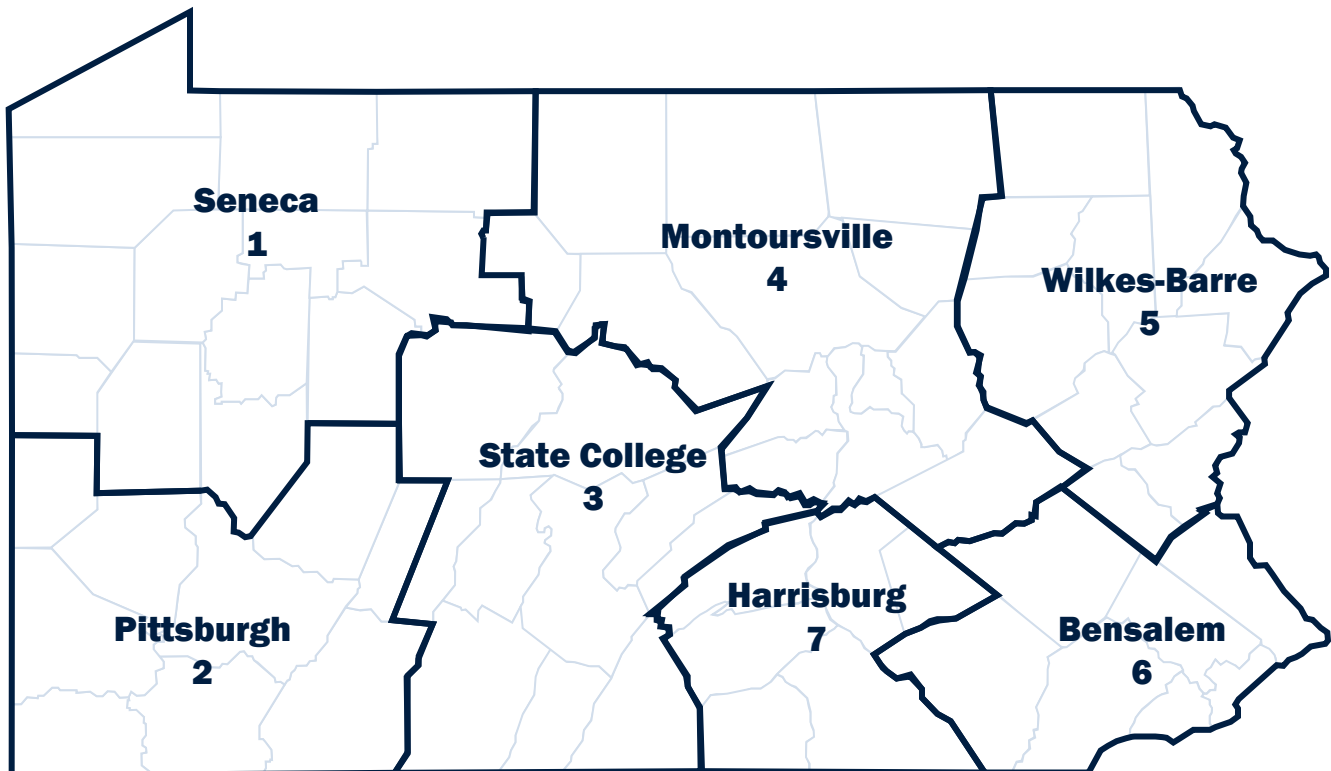
SERS has seven regional retirement counseling centers throughout the commonwealth, assisting members with their retirement-related needs. Our centers serve active members based on their work locations and retirees based on their home addresses. Centers are accessible to people with disabilities and are open 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding state holidays.

All SERS retirement counseling matters are confidential. If you contact your retirement counselor, please provide your contact information on all communications.

If you don't live in Pennsylvania, please call 1.800.633.5461.

Protect Your Personal Information

Please do not e-mail sensitive personal or financial information, including your Social Security number. SERS will only send you general information through e-mail.



SERS REGIONAL COUNSELING CENTERS

Region 1: Seneca

3224 State Route 257 | Duawl Professional Plaza
P.O. Box 1561 | Seneca, PA 16346
Ph: 814.677.0741

Counties Served:

Armstrong, Butler, Clarion, Crawford, Elk,
Erie, Forest, Jefferson, Lawrence, McKean,
Mercer, Venango, Warren

Region 2: Pittsburgh

Foster Plaza 6 | Suite 330
681 Andersen Drive | Pittsburgh, PA 15220
Ph: 412.770.1148

Counties Served:

Allegheny, Beaver, Cambria (Western),
Fayette, Greene, Indiana, Somerset,
Washington, Westmoreland

Region 3: State College

2525 Green Tech Drive | Suite AA
State College, PA 16803
Ph: 814.863.6505

Counties Served:

Bedford, Blair, Cambria (Eastern), Centre,
Clearfield, Franklin, Fulton, Huntingdon,
Juniata, Mifflin

www.SERS.pa.gov
1.800.633.5461

Region 4: Montoursville

93 Pierce Lane
Montoursville, PA 17754
Ph: 570.368.5680

Counties Served:

Bradford, Cameron, Clinton, Columbia,
Lycoming, Montour, Northumberland, Potter,
Schuylkill, Snyder, Sullivan, Tioga, Union

Region 5: Wilkes-Barre

15 Public Square | Suite 410
Wilkes-Barre, PA 18701
Ph: 570.829.0632

Counties Served:

Carbon, Lackawanna, Lehigh, Luzerne,
Monroe, Northampton, Pike, Susquehanna,
Wayne, Wyoming

Region 6: Bensalem

3331 Street Road
Two Greenwood Square, Suite 420
Bensalem, PA 19020
Ph: 215.244.6592

Counties Served:

Berks, Bucks, Chester, Delaware, Lancaster,
Montgomery, Philadelphia

Region 7: Harrisburg

30 North 3rd Street | Suite 319
Harrisburg, PA 17101
Ph: 717.783.9065

Counties Served:

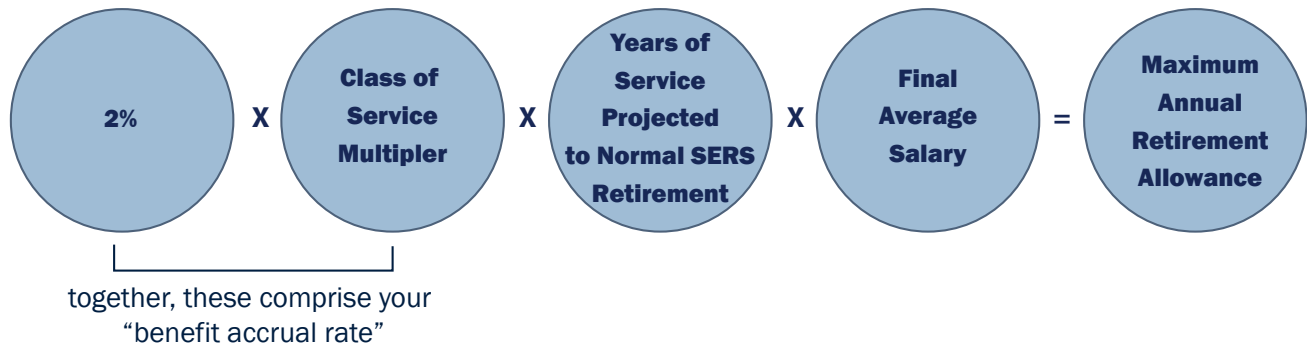
Adams, Cumberland, Dauphin, Lebanon,
Perry, York

DISABILITY RETIREMENT BENEFIT CALCULATION

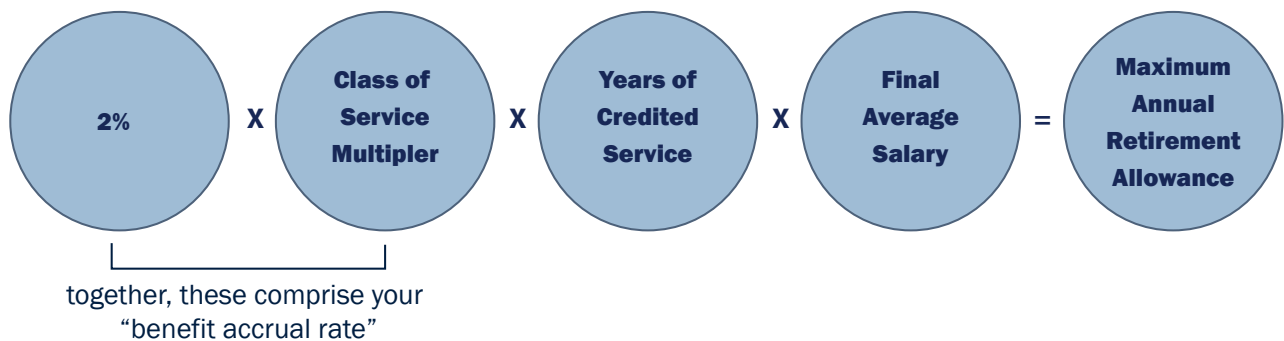
As a member of SERS, you belong to a defined benefit pension plan. That means the amount of your pension is defined by a calculation that considers your years of service, salary, age, and job or class of service in the pension system.

SERS Annual Maximum Disability formula is:

Calculation for a Class A or A-3 member with less than 16 2/3 years of service or a Class AA or A-4 member with less than 13 1/3 years of service, is the lesser of 1/3 of Final Average Salary (FAS) or:



Calculation for a Class A or A-3 member with at least 16 2/3 years of service or a Class AA or A-4 member with at least 13 1/3 years of service is



DISABILITY RETIREMENT BENEFIT CALCULATION

Class of Service Multiplier

Your class of service is determined largely by when you were hired and the work that you do. In most cases, your class of service will be determined by when you were first hired as a state employee. Your class of service is listed on your annual member statement.

If you leave state service and later return, it is very important that you let your HR Office know.

Your class of service multiplier x 2% equals your ***benefit accrual rate***. This is one of the most common sources of confusion about SERS' pension benefits. In short hand, people will often say, "I have a 2.5% multiplier." In fact, the law provides a class of service multiplier of 1.25 that, when plugged into the formula and multiplied by 2%, yields a benefit accrual rate of 2.5%.

Years of Credited Service

You are credited with one year of service when you work 1,650 hours or more in a calendar year. If you work less than 1,650 hours, you are credited with a fraction of a year equal to the number of hours you worked divided by 1,650.

Final Average Salary

Your final average salary is the highest amount you earned during any "three non-overlapping periods of four consecutive calendar quarters." For most employees, it is the average of your last three years' salary.

Your estimated final average salary is listed on your annual member statement.

No Automatic COLAs

It is important to keep in mind that the Retirement Code does not provide for automatic COLAs or cost of living adjustments. As a result, you should plan that your pension payments will never increase in retirement.

**YOUR IMPORTANT
RETIREMENT DECISIONS**

CAN I PURCHASE PREVIOUS SERVICE?

You might have service that you could purchase towards your SERS pension. Have you ever served in the military or were on active duty with the National Guard? Were you a member of SERS in the past, but you left state service before you were eligible for a pension so you withdrew your contributions? Have you ever worked for a Pennsylvania public university or community college or an out-of-state public educational institution?

If you have, you may be able to purchase that service as “credited service” toward your SERS pension.

One factor in the formula used to determine the amount of your pension is “years of credited service.” Service credit is used to determine when you become eligible for monthly payments and other benefits, like a SERS disability retirement.

The Retirement Code allows members in an active pay status (not on leave without pay) to purchase several types of service toward their SERS pension.

You can pay for your service purchase in one lump sum, partial lump sum with payroll deductions, payroll deductions over one to six years, or through a debt to your total pension benefit.

Discuss your work history with your retirement counselor to determine if your prior service can be purchased toward your SERS benefit. If so, you can request an invoice for that service and your retirement counselor will provide you with retirement estimates calculated with and without purchasing the service and payment options so that you can determine if purchasing the service will benefit you.

If you purchased service toward your SERS pension from another pension system, you will be asked to complete special forms on which you and your other pension system certify that you are not eligible to receive retirement benefits from that other retirement system.

DISABILITY PLAN OPTIONS

Your retirement counselor will explain the various payment plan benefit provisions under the Disability Retirement options. Review each option carefully, as all option elections are final and binding and you cannot change them at a later date (some exceptions apply).

Maximum Disability (Vested Account)

This is the basic SERS Disability Retirement benefit payment option and it provides the maximum monthly amount to which you are entitled for as long as you live and continue to be eligible for a disability benefit. If you are vested, when you die, your beneficiaries will receive the present value of your benefit at retirement, less all payments you received. If the total payments you received exceed the present value of your benefit at retirement, no death benefit will be paid to your beneficiaries. If you are NOT vested, your beneficiaries will receive your accumulated deductions less one-third of the disability retirement benefit payments you received.

Under Disability Maximum Single Life Annuity if at the time of your death the amount of the payment due any beneficiary is less than \$10,000, it will be paid in a lump sum. If the amount due a beneficiary is \$10,000 or more, the beneficiary may choose to receive a lump sum or select one of several monthly payment plans. The choice of payment plan will be up to your beneficiaries.

Full Disability (Non Vested Account)

This disability allowance will provide you with a monthly disability benefit and upon your death, your beneficiaries will receive your accumulated deductions (as of the date of retirement) **MINUS** one third (1/3) of the total payments received. You may name one or more beneficiaries at any time.

DISABILITY PLAN OPTIONS

Disability Option 2 (Vested Members Only)

This option provides you with a smaller monthly benefit than Disability Maximum Single Life Annuity because benefits are provided for two persons. You receive a monthly benefit and upon your death, your designated survivor receives for life, the same amount you would have been eligible to receive under a non-disability retirement.

The Option 2 benefit is computed using both your age and the age and gender of your designated survivor at the time of your retirement. Proof of date of birth documents are required under Option 2 for you and your designated survivor. The younger your designated survivor, the more severe the reduction to your monthly benefit.

Disability Option 3 (Vested Members Only)

This option also provides you with a smaller monthly benefit than the Disability Maximum Single Life Annuity because benefits are provided for two persons.

You receive a monthly benefit and upon your death, your designated survivor receives for life, one-half of the amount you would have been eligible to receive under a non-disability retirement.

The Option 3 benefit is computed using both your age and the age and gender of your designated survivor at the time of your retirement. Proof of age documents are required under Option 3 for you and your designated survivor. The younger your designated survivor, the more severe the reduction of your monthly benefit.

SPECIAL CIRCUMSTANCES

If you elected Disability Option 2 or 3 at the time of retirement, you also listed a person as your designated survivor to receive monthly benefits after your death.

Under Option 2 and Option 3 you may only have one person named as your designated survivor and you may only make a change if one of the following events takes place after you retire:

- **Your designated survivor predeceases you**

When this event occurs, your monthly benefit will not change but no death benefit will be payable. You may, however, create a new death benefit by electing a new option. The election of another option to provide a new survivor death benefit will reduce your monthly benefit.

- **You get divorced**

Whether your pre-divorce designation of your spouse as your survivor annuitant would be effective under the Pennsylvania Probate, Estates and Fiduciaries Code will depend on the date of your designation and your state of residency at the time of death. You should contact SERS for more information about changing or preserving your survivor annuitant designation following a divorce.

- **You get married**

In all of the cases above, you must notify SERS within seven years of the event to ensure that your account is up to date.

WHO WILL I NAME AS MY BENEFICIARY?

Beneficiaries

If you choose the MSLA, it is important that you designate one or more beneficiaries to receive any remaining benefit after your death by listing them on your application for annuity. This beneficiary nomination will become effective on your retirement date.

It is also important to keep your beneficiary designation up-to-date, especially after a change in your life such as the birth or adoption of a child, marriage, divorce, or death of a spouse. In the absence of a beneficiary nomination form, the remaining benefit will be paid to your estate where it will likely be subject to estate taxes.

If you currently do not have a beneficiary form on file with SERS or your current form does not reflect your wishes, you can download an *Beneficiary Nomination Form* from SERS' website, www.SERS.pa.gov.

Guardian

If you name a beneficiary or survivor under the age of 18, you must also list his or her guardian, including the guardian's name and address on your application for annuity.

Beneficiary Form

Take a moment to ensure that your beneficiaries are listed as you wish. You can visit www.SERS.pa.gov to download a new form or contact a counselor at 1.800.633.5461 if you have any questions.

DO I WANT MONEY WITHHELD FOR FEDERAL INCOME TAXES?

Generally, all payments from SERS are subject to federal income tax; however, payments are exempt from Pennsylvania state and local income taxes. If you move out of Pennsylvania, your payments may be subject to state and local taxes.

If you want money withheld from your monthly payments for federal income taxes, you will list your withholdings on your application for annuity, including, for instance, the number of allowances, your marital status and any additional amount you want withheld.

You can change your income tax withholding information at any time by filing a completed W4-P form with SERS.

Important Deferred Compensation Deadlines

Leave payouts are eligible for deferral into the commonwealth's Deferred Compensation Program (DCP), within current IRS annual deferral and catch-up limits.

If you are considering a leave payout deferral into the DCP, talk with your HR Office as soon as possible to determine when your leave payout will occur.

DCP participants must submit a signed Salary Deferral Agreement to the DCP administrator before the first day of the month in which you will receive your leave payout.

If you are not a DCP participant, you must first enroll in the program, which will require additional processing time, and then meet the above deadline.

WHAT ARE MY HEALTH CARE OPTIONS IN RETIREMENT?

In most cases, your active employee health coverage will end at midnight on your last day of employment. While different employers handle retiree health benefits in different ways, agencies under the Governor's jurisdiction and a few other employers offer the Retired Employees Health Program (REHP), run by the Governor's Office of Administration.

If you are enrolled or eligible to enroll in the Active Employees Health Program (AEHP), administered by the Pennsylvania Employees Benefit Trust Fund (PEBTF), you may be eligible to enroll in REHP upon approval of your disability. Premiums are subject to collective bargaining. The commonwealth retains the right to modify the benefits provided under the REHP at any time, regardless of your retirement date.

REHP enrollment dates are often retroactive to the last compensable day on the payroll, and cannot be implemented until all AEHP debts are satisfied.

REHP does not include dental, vision, or hearing aid coverage. If you participated in the PEBTF's active employee coverage, those additional benefits will terminate at midnight on your last day of employment.

Because eligibility is based on your disability approval, your retirement counselor can help you by:

- Researching your service record to see if you qualify for REHP coverage
- Enrolling you in REHP as part of the retirement process, if appropriate
- Withholding money from your pension payments for premiums
- Enrolling and/or changing dependents assigned to your coverage
- Canceling coverage
- Verifying the amount of your premium at the time you retire, which is subject to change during retirement, due to collective bargaining

If you work for an employer outside the Governor's jurisdiction, contact your HR office for information about your health care options.

WHAT ARE MY HEALTH CARE OPTIONS IN RETIREMENT?

Medicare & REHP

If you are enrolled or eligible to enroll in the Active Employees Health Program, administered by the PEBTF and you are planning to enroll in the REHP and are 65 years old or older, contact the Social Security Administration three months prior to your retirement to enroll in Medicare Part B.

REHP will not pay for any claims that are eligible for payment under Medicare Part B, so it is important that you and your eligible dependents are enrolled in both Medicare Part A (hospital insurance) and Part B (medical insurance) on the first day of the month in which you retire.

Dependant Coverage Loss

REHP coverage is limited to living retirees and their dependents. As a result, your REHP-enrolled dependents might not qualify for coverage:

- After your death
- In the case of a dependent spouse/domestic partner, after your divorce/termination of your domestic partnership
- In the case of dependent children, after they reach the maximum age limit

COBRA Continuation Coverage Rights

In certain instances when coverage ends, you and your eligible dependents have the right to a temporary extension known as "COBRA" coverage. The premium costs for this coverage are different and coverage may continue for up to three years, depending on the qualifying event.

Your Right to Defer REHP Coverage

If you qualify for REHP coverage, you have the option to defer enrollment to a later date or decline your right to enroll.

If you defer enrollment, you have only one opportunity to enroll at a later date.

REHP Resources:

- For general questions about REHP, contact the Governor's Office of Administration at ra-REHP@pa.gov
- For questions about insurance provider options, or claims, contact the PEBTF – www.PEBTF.org or 1.800.522.7279.

WHAT ARE MY HEALTH CARE OPTIONS IN RETIREMENT?

Social Security Disability

Members applying for a SERS disability may also contact the U.S. Social Security Administration and apply for a federal disability benefit, which has a separate and independent medical review process. If you are approved for Social Security disability you are required to forward a copy of the Social Security award letter to SERS upon receipt.

If any of your eligible dependents are on Social Security disability:

- **You must bring a copy of their Medicare card to your counseling appointment**
- **They must be enrolled in Medicare Part B on the first day of the month in which you retire**

**AFTER YOU HAVE BEEN
APPROVED FOR DISABILITY
RETIREMENT**

AFTER YOU HAVE BEEN APPROVED FOR DISABILITY RETIREMENT

After you have signed and submitted your disability retirement application, SERS will notify your employer. You are responsible for submitting a letter of resignation to your employer in accordance with its policies.

Here are a few things you should be aware of as you enter retirement.

Requirements of Disability Retirement

In the case of a temporary disability, SERS will send you medical forms for completion on an annual basis. All temporary disability annuitants, regardless of age, are required to submit medical information for reexamination unless SERS determines the disability to be permanent based on the recommendation of the medical examiner.

If SERS discontinues your disability retirement benefit, your payments will be reduced to your early retirement benefit amount and your majority state paid health care coverage will be cancelled (provided you do not also qualify for majority state paid coverage under normal or early retirement.) If that happens, the following will apply:

- You may try to regain employment with the State; however, there are no guarantees.
- If you ARE eligible for an early retirement, you will receive a benefit estimate for the available options. You will have 90 days from the date of that estimate to complete an application for early retirement. If you do not complete a new application within 90 days, your early retirement benefit will be paid under the option you selected for your disability retirement, and will be actuarially reduced for payments received.
- If you are not vested and eligible for early retirement, you will only be entitled to any remaining portion of your contributions and interest.
- PEBTF will send a COBRA notification.

AFTER YOU HAVE BEEN APPROVED FOR DISABILITY RETIREMENT

Recertification Requirements

In some cases, SERS' independent medical examiners will recommend and the State Employee's Retirement Board will grant, disability retirement benefits of a temporary nature.

If you are approved for a temporary disability retirement, it is your obligation to submit relevant, current, and complete medical information to SERS annually. If you fail to do so, your disability retirement benefits will end, including REHP (if applicable).

Annual Earnings Statements Filing Requirement

As a general rule, you cannot receive more in SERS disability retirement payments and other earnings than your salary at the time you retired.

If your employment earnings are in excess of your earnings limit, your disability benefit could be reduced but not below your early retirement benefit amount. If you fail to complete an annual earnings statement, you forfeit your disability retirement benefit.

If your disability retirement application is approved, SERS will send you a letter to notify you of your earnings limit. Then you must complete and submit an Annual Earnings Statement for Disability Benefits to SERS for each year that you receive disability retirement benefits until you reach what would have been your SERS normal retirement age.

Failure to fully complete or timely submit this form will result in having your disability retirement payments reduced or stopped.

Discontinuance of Disability

If your disability retirement application is granted and then subsequently discontinued, you will receive an early or normal retirement benefit, but you may not elect vestee status until after a bona fide return to service and subsequent termination.

If your disability is discontinued, you are strongly encouraged to immediately contact your SERS retirement counselor.

Return from Disability Retirement

If you return to state service directly from receiving SERS disability retirement payments, your SERS member record will be restored as if you had not received disability payments. When you again retire, your pension will be based on your total service – the service you earned both before and after your disability retirement.

KEEP YOUR BENEFICIARY FORM UP-TO-DATE

It is important to keep your beneficiary designation up-to-date, especially after a change in your life such as the birth or adoption of a child, marriage, divorce, or death of a spouse.

SERS must pay any remaining benefit according to the most recently filed *Beneficiary Nomination Form*. The form is available on our website, www.SERS.pa.gov or by calling 1.800.633.5461.

In the absence of a *Beneficiary Nomination Form*, the remaining benefit will be paid to your estate where it will likely be subject to estate taxes.

Whether your pre-divorce designation of your spouse as a beneficiary would be effective under the Pennsylvania Probate, Estates, and Fiduciaries Code will depend on the date of your designation and your state of residency at the time of death. If you designate your spouse as a beneficiary and later divorce, you should file a new form.

Direct Deposit Forms

Pension payments are made by direct deposit. If you work for an agency under the Governor's jurisdiction and you are paid by direct deposit, you can easily have your monthly pension payments paid according to the same direct deposit instructions. Your retirement counselor will provide you with a form that is preprinted with the direct deposit instructions currently on file in the SAP/IES payroll system. Please review that form for accuracy.

If you do not have direct deposit established within the SAP/IES payroll system, or you want to change your direct deposit instructions, your retirement counselor will provide you with a direct deposit form to complete and return to SERS. In this case, your first monthly pension payment will be mailed to your home address. This allows the state Treasury to send a test transaction to your financial institution to verify the accuracy of the direct deposit instructions. After a successful test transaction, your following pension payment will be sent by direct deposit to your financial institution.

SERS PROVIDED SERVICES

- Provide beneficiary forms, direct deposit forms, federal income tax withholding forms, and change of address forms upon request; and provide information and assistance to complete the forms.
- Provide you with an annual Personal Statement of Pension Payments detailing the retirement option you selected at retirement, the gross annuity payments you received, and the amount you instructed SERS to withhold for taxes, if any, that year.
- Provide proof of your monthly pension income, often referred to as “pension verification,” by calling a SERS retirement counselor at 1.800.633.5461.
- Process dependent changes on your Retired Employees Health Program (REHP) coverage and answer questions about the amount withheld from your pension for premiums. If you have questions about your coverage or claims, contact the administrator of that benefit, the PEBTF, at 1.800.522.7279.
- Investigate pension payments not received at your financial institution.
- Provide resource speakers for groups or associations.
- Provide counseling to your beneficiary or survivor regarding death benefits.
- Help you through the process of changing your monthly payment option if you selected a survivor benefit payment option and your survivor predeceases you, you divorce or you marry after you submit your retirement application.
- Provide a 1099-R tax document annually.

ADDITIONAL INFORMATION AND RESOURCES

DIVORCE AND DOMESTIC RELATIONS/SUPPORT ORDERS

A court may issue an official order requiring payment from your SERS retirement benefit for spousal and child support, or for equitable distribution of marital assets.

The portion of a SERS retirement benefit earned during marriage is marital property. A SERS-approved DRO will specify how much of your retirement benefit (a portion or all) we are to pay to an alternate payee for the equitable distribution of marital assets. It will also specify in what form these payments are to be made.

Court-ordered payments will stop if you return to work for an employer that offers the SERS benefit, if you forfeit your pension, if you are receiving a temporary SERS disability benefit and your disability benefit is discontinued, or if you die.

Support Orders

The court's order must include your name, Social Security number, amount of attachment, Pennsylvania Automated Child Support Enforcement System case number (when support is for a minor), judge's signature, and the date.

The court must send the order to:
SERS-Membership Services Division
30 North 3rd Street, Suite 150
Harrisburg, PA 17101-1716
Fax: 717.237.0393

After SERS receives the order, we will send payments directly to the Pennsylvania State Collection and Disbursement Unit, which then forwards the payments to the appropriate county Domestic Relations Office or Family Court Division, or to the address stated on the support order.

A support order cannot exceed 50% of your retirement income, unless support payments are more than 12 weeks past due at the time the order is filed by the court.

The cost to administer a support order is a one-time \$50 deduction, which is deducted from the first impacted annuity payment.

DIVORCE AND DOMESTIC RELATIONS/SUPPORT ORDERS

Qualified Domestic Relations Orders (DRO)

Download the *Guidelines for Drafting a SERS-approved DRO and Sample DRO* from www.SERS.pa.gov as a resource for you and your attorney to use in drafting your DRO. All DROs must be approved by SERS for compliance with the Retirement Code before they become effective. Your attorney is encouraged to send a draft of your DRO to SERS - Legal Office for review before filing with the court:

SERS-Legal Office

30 North 3rd Street, Suite 150

Harrisburg PA 17101-1716

Fax: 717.787.5751

Requirements contained in federal pension statutes such as the Employee Retirement Income Security Act (ERISA) and the Retirement Equity Act of 1984 regarding qualified domestic relations orders (QDROs) and spousal consent do not apply to governmental pension plans like SERS.

Unlike ERISA plans, this means that in the absence of an appropriate court order, you may take any action with regard to your SERS benefit without providing notice to or requesting consent from any person, including your spouse.

Power of Attorney

If you have appointed someone to act on your behalf as your agent under a Power of Attorney (POA), you should submit the POA for approval by SERS. A POA can be an invaluable document in the event that you become incapacitated and are unable to make decisions related to your retirement benefit. A POA form regarding SERS retirement benefits is available on our website, www.SERS.pa.gov or by calling 1.800.633.5461.

TAXES

In general, SERS pension payments are subject to federal income tax but exempt from Pennsylvania state and local income tax for PA residents. If you live outside of Pennsylvania, you'll need to be aware of the state and local income tax rules where you live.

We Send You A Tax Form Each January

Each January, we will send you at least one 1099-R tax form listing the total benefit you received and other tax information that you will use to file your federal income tax return.

You could receive more than one 1099-R from us in any one tax year if you retired that year and any of your contributions and interest are distributed in a lump sum to satisfy an agency debt; if you received a payment from your own SERS pension and also received a survivor or beneficiary payment from a deceased SERS member's pension; or if you turned 59 1/2 during that tax year.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM 30 NORTH THIRD STREET, SUITE 150 HARRISBURG, PA 17101-1716		<input type="checkbox"/> CORRECTED (if checked)	OMB No. 1545-0119 2017 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		1 Gross distribution \$5,299.74	2a Taxable amount \$5,289.20	
PAYER'S Federal ID number 23-1732438	RECIPIENT'S ID number XXX-XX-6789	4 Federal income tax withheld \$501.23	5 Employee contributions \$10.54	COPY B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.
RECIPIENT'S name, street address, city or town, province or state, country, and ZIP or foreign postal code 1123456 JOHN Q MEMBER C/O JANE MEMBER		7 Dist. code(s) 7	9a Your total dist. %	
		9b Total employee contributions \$343.11		

Form 1099-R Department of the Treasury - Internal Revenue Service

You Tell Us How Much To Withhold

If you would like us to withhold money from your monthly pension payments for federal income tax, let us know. You can authorize SERS to start, stop, or change the amount by completing an Annuitant Federal Income Tax Withholding form.

You can estimate the amount of money that will be withheld from your gross monthly pension payments based on current IRS tax tables and various tax filing options using our Federal Income Tax Withholding Calculator.

Delinquent Tax Bills

If you have delinquent tax bills, the IRS may seize a portion of your pension for payment of the outstanding bills.

OTHER RETIREMENT-RELATED CONTACTS

Pennsylvania Employees Benefit Trust Fund (PEBTF)

www.pebtf.org
150 South 43rd Street
Harrisburg, PA 17111-5700
717.561.4750 or 1.800.522.7279

Pennsylvania Public School Employees' Retirement System (PSERS)

www.psers.state.pa.us
5 N 5th Street
Harrisburg, PA 17101-1905
717.787.8540

Pennsylvania State Employees' Credit Union (PSECU)

www.psecu.com
PO Box 67013
Harrisburg, PA 17106-7013
Member Service Line: 1.800.237.7328
Self Service Telephone: 1.800.435.6500

Social Security Administration/ Medicare

www.ssa.gov
1.888.327.1176 or 1.800.772.1213

Pennsylvania Association of Retired State Employees (PARSE)

www.parseofpa.org
2929 Gettysburg Road, Suite 1
Camp Hill, PA 17011
1.888.809.7429
717.731.9522
For information on dental and vision benefits, call 1.800.382.1352

Program of All-Inclusive Care for the Elderly (PACE)

1.800.225.7223

The Commonwealth of Pennsylvania Deferred Compensation Program

www.sers457.com
Empower Retirement
212 Locust Street
Suite 410 Harrisburg, PA 17101
1.866.SERS457 (1.866.737.7457)

HR Service Center*

Monday-Friday 7AM-5PM EST
Call: 866.377.2672
PA Relay: 711
Interpreter services available

*Employees of the Liquor Control Board, Office of Attorney General, Gaming Control Board, Public Utility Commission, Auditor General and all other agencies not under the Governor's jurisdiction should contact their local HR office for assistance.

MetLife

1.855.972.5433

Bureau of Commonwealth Payroll Operations (BCPO)

1.717.772.5340

COMMON DISABILITY RETIREMENT FAQs

Are there stipulations as to when I am allowed to apply for disability retirement?

An employee may apply for disability retirement while on a paid or unpaid absence; however, the application must be received by a SERS regional counseling field office location before employment is terminated.

If I am under the Governor's jurisdiction, can I continue to work once I complete an application for disability retirement?

No. Once a disability retirement application has been submitted to SERS, the employee must select one of the following options:

- An employee may resign. The resignation cannot be withdrawn without approval of the agency head. Management Directive 530.24 Page 8-9
- An employee may request to use paid or unpaid absence and resign later; however, the resignation must be effective no later than the end of the pay period in which SERS gives notice of approval of disability retirement benefits. The resignation cannot be withdrawn without approval of the agency head.

What types of medical documentation can be provided?

This guide outlines appropriate forms of medical documentation. If a doctor wants to type a letter or submit medical records only they also must sign and date the SERS *Initial Medical Report* and write, "see attached".

How long does it take to know if I am approved or denied for disability retirement?

It may take up to three weeks for SERS medical staff to send an approval/denial letter. Approvals will be for temporary (one year up for re-examination), or permanent disability retirement.

Can I apply for social security disability at the same time I am applying for disability retirement with SERS?

Yes. Contact the U.S. Social Security Administration at 1-888-327-1176, or www.ssa.gov to apply for regular or disability Social Security benefits. The amount you receive if granted a social security disability payment will not impact your disability retirement benefit from SERS. The amount you receive from SERS disability retirement may impact the amount you receive from social security disability.

COMMON DISABILITY RETIREMENT FAQs

How long will it take to start receiving my disability retirement payment?

Assuming there are no agency debts, it may take up to three months to start receiving payment.

What do I need to do when I get the notice from SERS medical staff stating I was approved or denied?

If approved:

1. You will resign your position by contacting your agency and submitting something in writing stating "You are resigning your position due to being approved for disability retirement with SERS." Coordinate returning all commonwealth property to your agency.

If denied:

1. You can notify SERS and submit additional medical documentation within 30 days.
2. You can appeal the decision.
3. You can apply for a non-disability retirement benefit (contact your SERS counselor in order to do this).
4. If your agency agrees, you may be able to resume working.
5. You can resign your position, become a vestee, and defer receipt of your monthly benefit.

How will having an agency debt impact my disability retirement processing?

Agency debts usually are a result of taking anticipated leave.

If you have a debt to your employer and are unable or unwilling to satisfy the debt through other sources, Section 5953 (b) of the Retirement Code authorizes SERS to attach all or a portion of your accumulated deductions to satisfy the debt at the time of retirement. You should be aware that the process of satisfying a debt to the employer through the attachment of accumulated deductions will result in a substantial delay (an additional four to six weeks) in processing your retirement application, there can be possible tax consequences and it will reduce your monthly annuity benefit. If at all possible, you are encouraged to satisfy the debt by other means.

If you were on leave without pay with benefits and have not paid the amount due to the Pennsylvania Employee Benefit Trust Fund to cover the cost of your active health insurance, you will not be enrolled in the retiree health insurance plan until the debt has been paid.

COMMON DISABILITY RETIREMENT FAQs

What are my responsibilities while receiving disability retirement?

1. Members receiving disability retirement are required to complete an earnings statement each year by March 31, until they reach normal retirement age. If your employment earnings are in excess of your earnings limit, your disability benefit could be reduced but not below your early retirement benefit amount. If you fail to complete an annual earnings statement, you forfeit your disability retirement benefit. Members receiving disability retirement from SERS cannot work for a SERS participating employer, cannot work as a 95-day annuitant, and cannot work for the Public School Employees' Retirement System, if a multiple service member.
2. In the case of a temporary disability, you have the sole burden of establishing continued disability. All temporary disability annuitants, regardless of age, are required to submit medical information for reexamination unless or until SERS determines the disability to be permanent based on the recommendation of the medical examiner. (SERS will mail a letter requesting an updated *SERS Continuation Medical Report*).

What happens if SERS discontinues the disability retirement benefit?

Your disability benefit payments will be reduced to your early retirement benefit amount and your majority state paid health care coverage will be cancelled (provided you do not also qualify for majority state paid coverage under normal or early retirement). If that happens, you have the following options:

1. You may try to regain employment with the State; however, there are no guarantees.
2. If you are eligible for an early retirement, SERS will provide you with a benefit estimate for the available options. You will have 90 days from the date of that estimate to complete an application for early retirement. If you do not complete a new application, your early retirement benefit will be paid under the option you selected for your disability retirement.
3. If you are NOT eligible for early retirement, you will only be entitled to any remaining portion of your contributions and interest.

COMMON DISABILITY RETIREMENT FAQs

What happens if I discontinue my disability retirement benefit on my own and then return to a SERS participating employer?

If you return to service (employment with a SERS-participating employer) your pension payments will stop as of the date of your return to employment, and upon your subsequent retirement, your benefit will be calculated without regard to payments you received from SERS during your disability retirement. If you are enrolled in REHP, this health insurance will also stop on the date of your return to service.

How do I apply for a disability premium waiver for my commonwealth paid life insurance?

If you would like to apply for the waiver, contact MetLife at 1.855.972.5433, and request an application. If granted, the commonwealth will continue paying for the state paid life insurance while you are retired.

Does the commonwealth offer supplemental benefits (eye, dental and hearing) to retirees?

No. Members retiring can pick up insurance from private insurance providers and are responsible for setting that up on their own.

COUNSELORS ARE
HERE TO HELP
CALL 1.800.633.5461

Pennsylvania State Employees' Retirement System
30 North 3rd Street, Suite 150 | Harrisburg PA 17101
SERS.pa.gov