DEFINED BENEFIT PLAN

Traditional Pension

DEFINED BENEFIT PLAN HANDBOOK

pennsylvania

STATE EMPLOYEES' RETIREMENT SYSTEM

Retirement Counselors are Here to Help

1.800.633.5461 - www.SERS.pa.gov

SERS' mission is to provide retirement benefits and services to our members through sound administration and prudent investments.

SERS' Board

Chairman, David R. Fillman – AFSCME Council 13 Executive Director

Glenn E. Becker – Managing Director, Birch Run Investments

John M DiSanto – State Senator

Dan B. Frankel – State Representative

Vincent J. Hughes – State Senator

Gregory K Jordan – Former Executive Director Senate Appropriation Committee

Mary A. Soderberg – Former Budget Secretary and Retired Member

Gregory C. Thall – Attorney and Special Assistant to the Budget Secretary

Michael G. Tobash – State Representative

Joseph M. Torsella – State Treasurer

Richard Vague – Acting Secretary of Banking and Securities

SERS is not responsible for any inaccurate or incomplete information provided to you by your employer or other entity about the SERS benefit. Accordingly, it is very important that you read all SERS-provided information. If you have questions about SERS benefits or inconsistencies between information provided by SERS and another entity, please contact a SERS Retirement Counselor.

CONFIDENTIALITY OF SERS MEMBER INFORMATION

All SERS retirement counseling matters are confidential, including your personalized retirement estimates.

Certain information about you and your SERS retirement benefit are subject to release pursuant to a subpoena or a Right-To-Know Law request. That information includes, among other things, your SERS-participating employer, years of service, and retirement-covered compensation. As a result of a Pennsylvania Supreme Court Order, all home addresses generally are considered to be private information. If you are a judge or law enforcement officer, your home address is specifically exempted from release under the Right-To-Know Law. If you have any documented personal security issues or Protection from Abuse (PFA) orders, you should send a copy of your written statement or court order detailing the specific threat to your personal security to the State Employees' Retirement System, 30 North 3rd Street, Suite 150, Harrisburg PA 17101-1716 Attn: SERS-Office of Member Services or e-mail it to ra-sersretc@pa.gov.

We may provide certain information from your SERS record to a SERS-participating employer upon the employer's request to be used for business purposes.

If You Want Us to Release Information to a Third Party

If you choose, you may authorize us to release certain information from your SERS record to a third party. Your authorization must be in writing, dated, and signed by you. You can access an *Authorization to Release Account Information* form or *Authorization to Release Death Beneficiary Information* form on SERS' website at www.SERS.pa.gov, or request the forms by calling 1.800.633.5461.

Beneficiary Information

Absent a properly completed authorization form, information about your designated beneficiary will be released to no one but you, except as required by subpoena or other court order before a payment is issued to that beneficiary. However, death beneficiary information will be released pursuant to a subpoena.

TABLE OF CONTENTS

How your defined benefit plan works:

About SERS 01

Membership 01

Employee Contributions 02

Service Credit & Eligibility Points 03

Multiple Service 04

Class of Service 05

Purchasing Service 08

Transferring Into And Out Of Law Enforcement And Security Positions 09

Retirement Benefit Forfeiture 10

Appeals & Hearings 10

State Police Retirement Benefits 11

Eligibility for Monthly Pension Payments 12

Pension Benefit Limitations 12

Basic Pension Calculation 13

Pension Payment Options 14

Eligibility for a SERS Disability Retirement Benefit 18

Domestic Relations & Support Orders 18

Leaving State Employment 20

Pension Death Benefit 21

Taxes 22

Return to Service 24

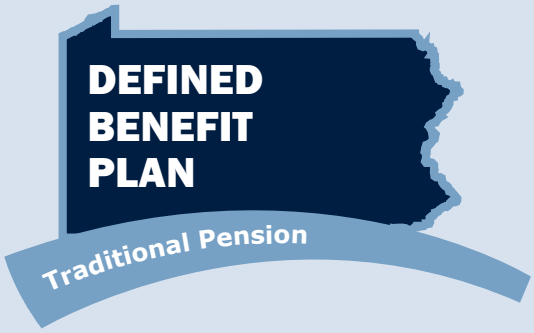
SERS Social Security Integration (SSI) Coverage 26

It's Never too Early to Prepare for Retirement:

Retirement Planning 29

Regional Counseling Centers 33

Deferred Compensation Plan 36



HOW YOUR SERS DEFINED BENEFIT PLAN WORKS:

ABOUT SERS

Established in 1923, SERS is one of the nation's oldest and largest statewide retirement plans for public employees. Acting on behalf of the State Employees' Retirement Board, SERS administers four retirement plans - a defined benefit pension plan, a defined contribution investment plan, a hybrid plan that is a combination of the pension and investment plans, and a voluntary supplemental Deferred Compensation Plan.

The pension, investment, and hybrid plans are administered according to the State Employees' Retirement Code.

The pension benefits are funded through a combination of member and employer contributions, and investment earnings from the professionally managed SERS Fund.

Administration of the SERS fund and the fiduciary responsibility for its management is vested in an 11-member board.

The investment plan benefits are funded through a combination of member and employer contributions, and the investment earnings from the participant's personal investment choices.

Day-to-day management of SERS is the responsibility of the executive director who, with the approval of the board, employs needed staff, and contracts for professional services.

The supplemental Deferred Compensation Plan is funded by a participant's voluntary contributions and the investment earnings from their personal investment choices. See pg. 34 for more information.

MEMBERSHIP

Welcome to the State Employees' Retirement System. As part of your public employment, you receive a retirement benefit. While you may not be thinking about it right now, there are some things you should consider for your future. This handbook outlines your retirement benefit and your responsibilities.

With a few exceptions specified in the State Employees' Retirement Code, if you are a permanent full-time or permanent part-time state employee or an employee of certain independent agencies, you are a mandatory SERS member. Your employer automatically enrolled you in SERS when you were hired, began withholding employee contributions, and started paying employer contributions toward your SERS retirement benefit.

If you are a part-time employee paid by the hour or the day, you are required to join SERS after earning compensation for 750 hours or 100 days in a calendar year.

Retirement is not necessarily a "set it and forget it" exercise, but it doesn't have to be complicated. The choices you make now are important and will benefit you in the future. Please take the time to review this material. We have plenty of resources available to you to help you along the way. Whether in-person, by phone or online, SERS is available to answer all of your SERS retirement-related questions.

EMPLOYEE CONTRIBUTIONS

You contribute a percentage of your pay toward your SERS pension benefit each pay period. Your employer automatically deducts your contribution from your pay and forwards it to us. The amount you contribute is set by the State Employees' Retirement Code and is largely determined by your class of service, with rates currently varying between 5% and 9.3% of your pay.

If you first entered SERS membership after January 1, 2011, your contribution rate may change depending on the performance of the SERS fund over time, according to the "shared-risk"/"shared-gain" provision in the Retirement Code. Your rate may change by 0.5% every three years and by no more than 2% overall.

Your pension benefit contributions earn 4% statutory interest compounded annually.

As a member of the defined benefit plan, you will receive an annual pension statement each March listing your contributions toward your pension and the interest earned on those contributions in the prior calendar year and over your entire membership with SERS.

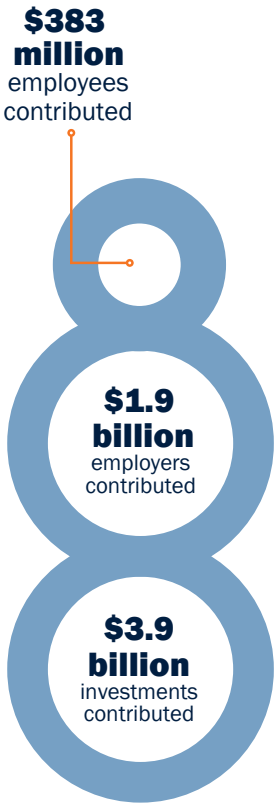
Please review your statements for accuracy and file them with your other important records. Your statements are helpful tools in planning for retirement and may be useful in calculating your federal income tax liability when you retire or leave state service.

Your contributions toward your pension benefit, excluding those made for the purchase of service, are tax-deferred and reduce your federally taxed earnings each year. They will be subject to federal taxation when you receive them in the form of pension payments.

Can I take a loan from my SERS retirement plans?

No. You may receive money from your SERS pension only after leaving state employment.

2017 Contributions to the SERS Fund



SERVICE CREDIT AND ELIGIBILITY POINTS

Your years of credited service are a major component in the calculation that determines the amount of your pension. Eligibility points determine when you qualify for a pension.

When you work for a SERS-participating employer and we receive employee and employer contributions toward your pension for the time worked, we credit your member record with the service.

In general, most SERS members are credited with one year of service and one eligibility point for every 1,650 hours worked in a calendar year. If you work more than 1,650 hours in a calendar year, you earn just one year of service credit and one eligibility point. If you work less than 1,650 hours in a calendar year, you are credited with a fraction of a year's credit and a fraction of an eligibility point based on the hours you worked.

While in most cases your total service credit and eligibility points will match, there are limited instances when they will not. For instance, if you take USERRA military leave, you will earn eligibility points for that leave time; however, you will not earn service credit unless you purchase the service after you return from leave.

Work Completed on a Term Basis

If you are employed on a term basis, for instance as a member of the legislature, or as a judge, magisterial district judge, department head, or faculty member, your service is credited based on your term in office or the term of your employment.

Work Completed Before 1976

If you worked prior to January 1, 1976, special rules regarding your service credit may apply. Contact a SERS retirement counselor to discuss your specific circumstances.

Long-Service Pension Supplement

If you retire with 41 or more years of credited service, you are eligible for a supplemental benefit that increases your maximum annual pension by 2% for each additional year to a maximum 110%.

Total Years of Credited Service	Percentage of Maximum Annual Pension
35-40	100%
41	102%
42	104%
43	106%
44	108%
45 +	110%

MULTIPLE SERVICE

Have you ever worked for a PA public school district?

If you have previously worked for a public education employer in Pennsylvania or have credited service with the Public School Employees' Retirement System (PSERS), you may be able to combine your school and state service toward one pension when you retire. This is called "multiple service."

Your decision to elect multiple service is voluntary. To elect multiple service, you must be actively contributing toward a SERS pension and you must elect within the established timeframes.

It's possible that one combined pension calculated on your total service credit from both systems will be larger than the payments you would have received from each system individually. When you elect multiple service, your pension is paid by the retirement system in which you were last an active member.

You must elect multiple service within 365 days of joining SERS. If you do not elect within the first year, you will lose your opportunity to do so unless you leave state service for two weeks or more and later return. In that case, you would have 365 days from the date you re-join SERS to make the election. The election of multiple service may include the purchasing of past service that is required to complete the election.

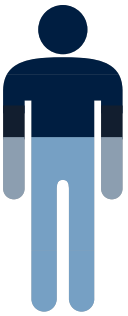
If you ever worked in a Pennsylvania public school system or for another public education employer in Pennsylvania – such as an intermediate unit, a community college, a school associated with the State System of Higher Education, or Penn State, for example – you may already be a member of PSERS. Your work could be in any capacity: teacher, counselor, aide, administrator, physical plant manager, bus driver, cafeteria worker, or other positions. However, you still must elect multiple service within the established timeframes.

If you worked for any of these types of organizations but did not belong to PSERS, you still may be able to purchase the service and elect multiple service.

If you have questions concerning multiple service such as eligibility, the effect it may have on your total pension, or any other questions, please contact your Regional Retirement Counseling Center at 1.800.633.5461.

If I leave state service, can I continue to contribute to my SERS retirement plans on an individual basis?

No, all contributions must be made through a SERS-participating employer.



In 2017 SERS retired **4,775** members and welcomed **9,901** new members

239,266 MEMBERS

129,473 receiving benefits

102,978 paying into the system

6,815 vested but not receiving benefits

CLASS OF SERVICE

Your SERS class of service is among the most important factors in your pension calculation and therefore is one of the most important pieces of information to know about your pension plan. It is set by the Retirement Code and determines how quickly your pension grows, how much you contribute toward your pension, the age at which you can retire without penalty, and how long you must work before becoming eligible for monthly pension payments, among other things.

SERS has more than a dozen classes of service. Your class of service is determined largely by when you became a SERS member.

Generally, if you first entered SERS membership:

- Between January 1, 2011, and December 31, 2018, or you were hired on or after January 1, 2019 into a law enforcement or security position (state police, corrections, etc.) after that period you entered SERS in the A-3 class of service, with a 45-day window to join the A-4 class.

- Before January 1, 2011, you are a member of the A or AA class of service.

While there are other classes of service that cover legislators elected before December 2010, judges, and magisterial district judges; the most common classes of service are detailed in the following table.

CLASS OF SERVICE

	A-3	A-4
Who is a Member of the Class	Employees who became members on or after 1/1/11 Legislators who became members on or after 12/1/10 but before 1/1/19. State police officers who became members on or after 7/1/12	Class A-3 members who, within the first 45 days of SERS membership, voluntarily elected to contribute more to earn a higher class of service multiplier
Member Contribution Rate	6.25% of salary	9.3% of salary
Member Rate Can Rise if Investment Performance is Poor	Yes	Yes
Class of Service Multiplier	1.00 (x 2% in the pension formula yields benefit accrual rate of 2%)	1.25 (x 2% in the pension formula yields benefit accrual rate of 2.5%)
Vested	After 10 years of service	After 10 years of service
SERS Normal Retirement Age	Age 65 for most members Age 55 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers Age 55 for capitol police officers and park rangers who have 20 or more years of service in those jobs	Age 65 for most members Age 55 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers Age 55 for capitol police officers and park rangers who have 20 or more years of service in those jobs
Eligible for Unreduced Retirement	SERS normal retirement age with 3 years of credited service Any age if you have 35 years of service and your years of service plus your age equals at least 92	SERS normal retirement age with 3 years of credited service Any age if you have 35 years of service and your years of service plus your age equals at least 92
Member Can Withdraw Contributions upon Retirement	Yes with reduced monthly payments	Yes with reduced monthly payments
Cost to Purchase Non-State Service	Most service based on cost to provide benefits Military service based on salary when you became a member	Most service based on cost to provide benefits Military service based on salary when you became a member

A	AA
Most employees who became members prior to 7/1/01 who did not elect AA during the specific timeframe specified in Act 2001-9	Most employees who became members between 7/1/01 and 1/1/11 Class A members who, during a specific timeframe specified by Act 2001-9, voluntarily elected to contribute more to earn a higher class of service multiplier
5.0% of salary	6.25% of salary
No	No
1.00 (x 2% in the pension formula yields benefit accrual rate of 2%)	1.25 (x 2% in the pension formula yields benefit accrual rate of 2.5%)
After 5 years of service	After 5 years of service
Age 60 for most members Age 50 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers Age 50 for capitol police officers and park rangers who have 20 or more years of service in those jobs	Age 60 for most members Age 50 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers Age 50 for capitol police officers and park rangers who have 20 or more years of service in those jobs
SERS normal retirement age with 3 years of credited service Any age if you have 35 years of service	SERS normal retirement age with 3 years of credited service Any age if you have 35 years of service
Yes with reduced monthly payments	Yes with reduced monthly payments
Based on salary when you became a member	Based on salary when you became a member

Things to consider:

If you are eligible to elect membership in the optional A-4 class, you will lock yourself into contributing a higher percent of your pay toward your retirement benefit –- more than 3% higher -- for as long as you are an active member of SERS.

If you run into unexpected financial problems in the future, you will NOT be able to reduce the amount of money withheld from your pay for your retirement benefit.

As a member of either class, your member contribution rate could increase.

You are strongly encouraged to consider all of your alternatives to save additional money for retirement before making a **final and binding decision** to elect membership in the A-4 class.

PURCHASING SERVICE

One factor in the pension calculation is "years of credited service." The more years of credited service you have, the greater your maximum annual pension will be when you retire.

There are specific situations in which the Retirement Code allows you to purchase service and increase the amount of service credited toward your pension. You can only purchase service while you are an active, contributing member of the SERS pension plan; you cannot purchase service after you leave state employment, while you are on a leave without pay, or if you are enrolled in the straight defined contribution plan.

When you purchase service, you pay the contributions that you would have made toward your SERS pension. If you are interested in purchasing service, call your retirement counselor at 1.800.633.5461. Information here provides only a broad overview. There are a number of specific situations – such as purchasing USERRA-covered military service, for example – that require special consideration, and **in every instance, the cost of any purchase must be determined by SERS.**

Payment Options

Purchasing service can involve significant sums of money. You have several options for making payments.

- Lump sum
- Partial lump sum with payroll deductions
- Payroll deductions up to six years
- Debt to your total pension benefit

Final and Binding Decision

After you submit your service purchase form, we will send you an *Invoice of Amount Due*. You have 30 days from the date of the invoice to select a payment option, to notify SERS that you no longer wish to purchase the service, or if no response a debt is automaticaly applied to your total pension benefit.

Types of Purchasable Service

U.S. Military service

Out-of-state educational service

Previous state service not currently credited in SERS (like part-time service or optional service)

In state educational service (community college or public university service)

SERS average active member

46 years old | **12** years of service

SERS average retired member

72 years old | receives **$28,352** per year

TRANSFERRING INTO AND OUT OF LAW ENFORCEMENT AND SECURITY POSITIONS

Certain law enforcement and security positions are exempt from the defined contribution and hybrid retirement plans. As a result, employees in those positions automatically enter the defined benefit pension plan.

If you became a SERS member on or after 1/1/19 as an employee in one of the law enforcement or security positions listed here, you automatically became a member of the pension plan in the A-3 class of service with the option to choose the A-4 class within the first 45 days of SERS membership.

If you later switch jobs transferring out of a law enforcement or security position, or you leave service and later return to work for a SERS-participating employer in a non-law enforcement or security position, you will automatically enter the hybrid plan A-5 class of service with the option to choose the hybrid plan A-6 class or the straight defined contribution plan within the first 45 days of SERS membership.

If you formerly were a member of the defined contribution or hybrid retirement plans and then you switched into one of the law enforcement or security positions listed here, and then later switch out of that law enforcement or security position, you will automatically return to your prior hybrid or defined contribution plan.

If you are considering switching out of a law enforcement or security job, contact a SERS retirement counselor at 1.800.633.5461 or ra-sersretc@pa.gov to discuss your options.

Law Enforcement/ Security Positions Exempt From The Defined Contribution & Hybrid Plans

Sworn Police Officers

Enforcement Officers

Wildlife Conservation Officers (Not Deputy Wildlife Conservation Officers)

Delaware River Port Authority Policemen

Park Rangers

Capitol Police Officers

SSHE Campus Police Officers

Community College Campus Police Officers

Penn State University Campus Police Officers

Police Officers at Fort Indiantown Gap

Corrections Officers

All other positions currently with age 50 or 55 retirement except members of the General Assembly

RETIREMENT BENEFIT FORFEITURE

Pennsylvania has laws in place to penalize public employees who violate the public's trust, by forfeiting the retirement benefits of employees. The Public Employee Pension Forfeiture Act 1978-140 (Act 140) applies to all SERS members who commit certain crimes in relation to their employment. Enforcement of Act 140 is mandatory. Pennsylvania courts have held that SERS has no discretion in its application. It does not matter if the crime is relatively minor compared to the value of the retirement benefits; if Act 140 is triggered, it must be applied.

The Pennsylvania Constitution and Judicial Code also contain forfeiture provisions that apply to members of the judiciary who are removed or barred from office by the Court of Judicial Discipline. Judicial forfeiture can occur even if no crime has been committed.

Retirement benefit forfeiture details are available at www.SERS.pa.gov

General Appeal Rights

1. Appeal to SERS in writing.

2. If staff denies your appeal, appeal to the Appeals Committee.

3. If your appeal is denied, appeal to the SERS Board.

APPEALS AND HEARINGS

If you feel that a SERS decision about your retirement benefit is wrong and you have been denied a right or benefit to which you feel you are entitled under the Retirement Code, you can appeal that decision.

Appeals must be in writing, and the legal process involves strict deadlines.

Once your initial appeal is received by SERS, staff will review your appeal and send you a response either granting your request or denying your request. If your request is denied, you will be given appeal rights to the SERS Appeals Committee.

If the Appeals Committee does not rule in your favor, you have the right to appeal to the SERS Board.

Depending on the nature of your appeal, this may involve written legal arguments and an administrative hearing in Harrisburg before an independent hearing examiner.

STATE POLICE RETIREMENT BENEFITS

State police officers with at least 20 years of credited state police service regardless of age qualify for an alternative pension calculation.

The calculation is defined by the collective bargaining arbitration award known as the DiLauro Award, and is based on years of service:

- State police officers with 20 – 24.99 years of state police officer service are eligible for 50% of their highest one-year earnings, excluding the year in which the officer leaves state service.

- State police officers with 25 or more years of state police officer service are eligible for 75% of their highest one-year earnings, excluding the year in which the officer leaves state service.

Service credited for work in positions other than state police officer, including non-intervening military service, is not eligible for the DiLauro Award calculation or threshold. Service for positions other than state police officer will be calculated according to the basic pension formula and added to the DiLauro Award calculation for one total monthly pension.

The DiLauro Award calculation for state police officers who first entered SERS membership before 1/1/19 includes all state service.

ELIGIBILITY FOR MONTHLY PENSION PAYMENTS

You are eligible to receive monthly pension payments after you are "**vested**" in the system.

If you retire before reaching the **SERS retirement age** for your class of service, your pension will be reduced for early retirement. The early retirement reduction varies by class and generally increases for each year you are away from the SERS retirement age. The earlier you retire, the greater the reduction.

First Became a SERS Member	Vested Period	SERS Retirement Age	Eligible for Unreduced Pension
Between 1/1/11 and 1/1/19 and law enforcement and security[1] hired after 1/1/19	10 years	65 or 55 depending on your class of service	At SERS retirement age after working 3 years Or After working 35 years when the sum of your years of service and age equals at least 92
Before 1/1/11 **(Before 1/1/10 for members of the General Assembly)**	5 years	60 or 50 depending on your class of service	At SERS retirement age after working 3 years Or After working 35 years

[1]Sworn Police Officers, Enforcement Officers, Wildlife Conservation Officers (Not Deputy Wildlife Conservation Officers), Delaware River Port Authority Policemen, Park Rangers, Capitol Police Officers, SSHE Campus Police Officers, Community College Campus Police Officers, Penn State University Campus Police Officers, Police Officers at Fort Indiantown Gap, Corrections Officers, & all other positions currently with age 50 or 55 retirement except members of the General Assembly.

PENSION BENEFIT LIMITATIONS

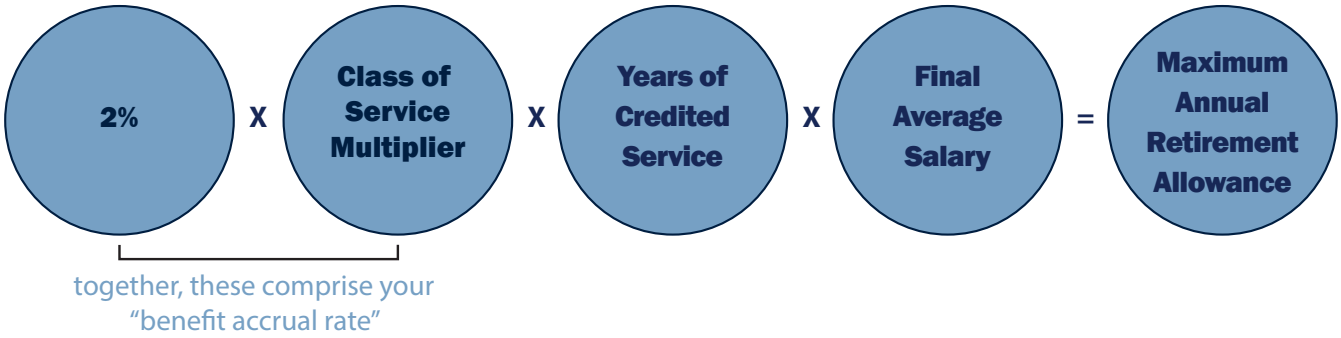
The Retirement Code Section 5702(c) limits the amount you may receive in annual pension payments to no more than the highest compensation you received during any 12-month period as an active employee.

The Internal Revenue Code Section 415(b) limits the amount you may receive in annual pension payments to a specific dollar amount set by the IRS each year and adjusted according to certain factors including your age at retirement and the benefit payment option you select at retirement, among others. In 2019, the base limit is $225,000; however, your total benefit will not be less than you would have received prior to passage of Act 2001-9.

BASIC PENSION CALCULATION

The amount of your pension is determined by a calculation set forth in the Retirement Code that takes into account your class of service multiplier, years of credited service, and final average salary. The monthly payment you will receive is not influenced by how much your employer contributes or the performance of SERS investments. It will, however, be reduced if you choose to retire before the SERS retirement age for your class of service.

The basic pension formula is:



Class of Service Multiplier

Your class of service is determined by when you entered SERS membership and the work that you do. In most cases, your class of service will be determined by when you first began contributing to a SERS retirement benefit. Your class of service multiplier x 2% equals your benefit accrual rate.

Years of Credited Service

In general, most SERS members are credited with one year of service for every 1,650 hours worked in a calendar year. If you work more than 1,650 hours, you are not credited with more than one year of service. If you work less than 1,650 hours, you are credited with the fraction of a year's credit based on the hours you worked.

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 salary of your last three years.

PENSION PAYMENT OPTIONS

After you meet certain vesting criteria, your SERS membership entitles you to receive a pension payment every month for as long as you live. The annual amount of the payment is determined by the basic pension formula on the prior page and any applicable early retirement reduction. **The payment is not influenced by how much your employer contributes or the performance of the SERS Fund.** It will, however, be reduced if you choose to retire before the SERS retirement age for your class of service.

You have the option to withdraw your contributions and interest at retirement in addition to receiving monthly pension payments in retirement. If you withdraw your contributions and interest, your lifetime monthly pension payments will be reduced.

When you retire, you must elect one of the following monthly payment plans.

Maximum Single Life Annuity (MSLA)

This provides the highest monthly payment for as long as you live. Payments stop when you die. Your estate (or next of kin) will be paid the portion of your monthly benefit for the number of days that you were alive during the month in which you die. If you do not withdraw your contributions and interest at retirement, the balance of that amount – minus any payments that were made to you – will be paid to your beneficiaries. If you choose this option, you cannot change it later for any reason.

Option 1

This provides you with a monthly payment that is smaller than the MSLA option for as long as you live. Payments stop when you die. If the sum of all payments SERS makes to you is less than the initial present value of your SERS benefit at the time you retired, then the difference – or "remaining present value" – will be paid to your beneficiaries. Some people find it helpful to think about this like a checking account; you start with a set amount and it is reduced by each monthly payment. Payments continue for your lifetime, even if SERS pays you the full initial present value of your benefit.

If the sum of all payments totals more than the initial present value of your SERS benefit at the time you retired, then your estate (or next of kin) will be paid the portion of your monthly benefit for the number of days that you were alive during the month in which you die. If you choose this option, you cannot change it later for any reason.

Option 2

This provides you with a monthly payment for as long as you live. Then, when you die, it pays a person of your choosing - a "survivor" - the same amount that you were receiving each month for as long as he or she lives.

If you select this option, your monthly payment will be smaller than the MSLA option because we calculate the amount that would be necessary to pay specified payments for both of your expected lifetimes, taking into account both of your ages at the time of your retirement. If you choose this option, you cannot change it later unless your survivor dies, or you get married or divorced.

PENSION PAYMENT OPTIONS

Option 3

This provides you with a monthly payment for as long as you live. Then, when you die, it pays a person of your choosing - a "survivor" - half of the amount that you were receiving for each month for as long as he or she lives.

If you select this option, your monthly payment will be smaller than the MSLA option because we calculate the amount that would be necessary to pay specified payments for both of your expected lifetimes, taking into account both of your ages at the time of your retirement. If you choose this option, you cannot change it later unless your survivor dies, or you get married or divorced.

Option 4

This provides you with an option to craft your own monthly payment scenario, provided that it is certified to be actuarially equivalent to your MSLA and is approved by SERS prior to your retirement. If you are interested in this option, you are strongly encouraged to contact SERS at least 45 to 90 days prior to your desired retirement date.

This option is most commonly used to provide a survivor benefit that is different from 100% or 50% of your monthly pension amount and in those cases when a member must share his or her monthly pension with a former spouse in accordance with a SERS-approved Domestic Relations Order.

SPECIAL NOTES:

- All option selections require proof of age documentation.
- An option selection is final and binding, and may not be changed for any reason except as stated above.
- No matter which benefit payment option you select, you may withdraw your contributions and interest in a lump sum or in up to four installments. Your monthly annuity will be reduced actuarially to reflect that withdrawal.
- 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.

PENSION PAYMENT OPTIONS

Monthly Benefit Comparison -- Class A-3 and A-4

(Approximated)

Assumptions:

- You are retiring at age 65 and your designated survivor is age 65.
- You have 25 years of credited state service (Class A-3).
- Your final average salary is $50,000.
- Your contributions and interest total $90,675.

Option	Monthly Pension for Life		Death Benefit		Survivor Benefit
	Class A-3	Class A-4	Class A-3	Class A-4	
MSLA (Maximum Single Life Annuity)	$2,083	$2,604	Balance of your contributions and interest		None
Option 1 Initial Present Value at Retirement: A-3 Member - $331,878 A-4 Member - $389,848	$1,881	$2,351	Balance of the Initial Present Value at Retirement Less Annuity Payments		None
Option 2	$1,734	$2,167	$1,734 monthly	$2,167 monthly	Yes
Option 3	$1,893	$2,366	$946 monthly	$1,183 monthly	Yes
Option 4	(You decide to withdraw your contributions and interest at retirement)				
Adjusted MSLA	$1,297	$1,818	None	None	None
Adjusted Option 1 Initial Present Value at Retirement: A-3 Member - $194,188 A-4 Member - $272,158	$1,171	$1,642	Balance of the Initial Present Value at Retirement Less Annuity Payments		None
Adjusted Option 2	$1,080	$1,513	$1,080 monthly	$1,513 monthly	Yes
Adjusted Option 3	$1,178	$1,652	$589 monthly	$826 monthly	Yes

NOTE: **The above estimated benefit amounts are intended for illustrative purposes only.** If you became a member before August 1, 1983, SERS will calculate your benefit using both the 1971 Group Annuity Mortality (GAM) actuarial tables and the 1983 GAM unisex actuarial tables and will pay you the higher benefit. If you became a member on or after August 1, 1983, SERS will calculate your benefit using the 1983 GAM tables.

PENSION PAYMENT OPTIONS

Monthly Benefit Comparison -- Class AA

(Approximated)

Assumptions:

- You are retiring at age 60 and your designated survivor is age 60.
- You have 25 years of credited state service (Class AA).
- Your final average salary is $50,000.
- Your contributions and interest total $50,400.

Option	Monthly Pension for Life	Death Benefit	Survivor Benefit
MSLA (Maximum Single Life Annuity)	$2,604	Balance of your contributions and interest	None
Option 1 Initial Present Value at Retirement: $446,400	$2,432	Balance of the Initial Present Value at Retirement Less Annuity Payments	None
Option 2	$2,231	$2,231 monthly	Yes
Option 3	$2,402	$1,201 monthly	Yes
Option 4	(You decide to withdraw your contributions and interest at retirement)		
Adjusted MSLA	$2,310	None	None
Adjusted Option 1 Initial Present Value at Retirement: $396,000	$2,157	Balance of the Initial Present Value at Retirement Less Annuity Payments	None
Adjusted Option 2	$1,980	$1,980 monthly	Yes
Adjusted Option 3	$2,132	$1,066 monthly	Yes

NOTE: **The above estimated benefit amounts are intended for illustrative purposes only.** If you became a member before August 1, 1983, SERS will calculate your benefit using both the 1971 Group Annuity Mortality (GAM) actuarial tables and the 1983 GAM unisex actuarial tables and will pay you the higher benefit. If you became a member on or after August 1, 1983, SERS will calculate your benefit using the 1983 GAM tables.

ELIGIBILITY FOR A SERS DISABILITY RETIREMENT BENEFIT

If you are unable to perform your job because of injury or illness, you may be eligible to receive a SERS disability retirement benefit, which is different from other state and federal disability programs.

Call 1.800.633.5461 for more information before leaving your job. If you leave state service before applying, you will no longer be eligible to apply for disability retirement.

SERS retains independent medical examiners to review disability retirement applications and make recommendations to the State Employees' Retirement Board. When the recommendation is to grant a disability retirement, the medical examiners also recommend that the board deem the disability as either permanent or temporary.

To be eligible, you must apply for a SERS disability retirement benefit before you terminate employment.

Make Sure You Qualify

To be eligible to receive a SERS disability retirement benefit, you must:

- Be contributing to the SERS defined benefit plan
- 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

If you meet these eligibility requirements, you can apply for a SERS disability retirement benefit. Meeting the eligibility criteria above; however, does not guarantee that you will be granted a SERS disability retirement benefit. An independent medical examiner will review your medical documentation to determine if you are physically or mentally incapable of performing the duties of the position for which you are regularly employed.

DOMESTIC RELATIONS AND SUPPORT ORDERS

A court may issue an order requiring payment from your SERS pension for spousal and child support, or for equitable distribution of marital assets. While courts may order payment when you are actively contributing toward your pension, payments cannot be made until your pension enters a "pay status" -- in other words, payments cannot be made until you retire or die.

Court-ordered payments will stop if you return to work for a SERS-participating employer or you forfeit your pension as the result of a criminal conviction of certain crimes.

Domestic Relations Orders (DRO)

The portion of a SERS pension earned during marriage is marital property. A SERS-approved DRO will specify how much of your pension (a portion or all) will be subject to the equitable distribution of marital assets.

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 regarding your SERS benefit without providing notice to or requesting consent from any person, including your spouse.

Guidelines for drafting a SERS-approved DRO and a Sample DRO are provided on our website to use in drafting your DRO. All DROs must be approved by SERS for compliance with the Retirement Code before they become effective. As such, we encourage you or your attorney 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

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 order to:

SERS-Benefits Determination Division
30 North 3rd Street, Suite 150
Harrisburg PA 17101-1716
fax: 717.237.0393

Once an order is received by SERS, we send payments directly to the Pennsylvania State Collection and Disbursement Unit, which then forwards the payment 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 pension, 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 2% of the attachment, which is deducted from your gross monthly pension payment.

LEAVING STATE EMPLOYMENT

You will have a number of decisions to make regarding your SERS pension when you leave state employment.

Generally, if you entered SERS membership:

On or After Jan. 1, 2011, you are eligible for monthly pension payments, or "vested" in the system, after working 10 years. If you have already reached SERS retirement age or the age at which you are eligible for a pension that is not reduced for early retirement -- age 65, or 55, depending on your class of service -- you are eligible for monthly pension payments after working three years.

Before Jan. 1, 2011, you are eligible for monthly pension payments, or "vested" in the system, after working five years. If you have already reached SERS normal retirement age or the age at which you are eligible for a pension that is not reduced for early retirement – age 60 or 50 depending on your class of service – you are eligible for monthly pension payments after working three years.

What happens to my contributions if I leave state employment before I'm eligible for my pension?

You can request a refund of your contributions and interest.

If You Aren't Eligible for Monthly Pension Payments
You have two choices:

1. **You can choose to do nothing.** Your contributions remain in the SERS fund and they will stop earning interest 90 days after your employment termination date. In addition, your total service credited toward your pension will remain on your SERS record and will count toward vesting should you ever return to work for a SERS-participating employer.

2. **You can request a refund** of the contributions you made toward your benefit and the interest earned on those contributions while you were working for a SERS employer by calling 1.800.633.5461. A refund removes all service credit from your SERS record. If you return to work for a SERS-participating employer, you will begin accruing service credit from zero. You will have the ability to reinstate this time while an active contributing member.

LEAVING STATE EMPLOYMENT

If You Are Eligible for Monthly Pension Payments
You have two choices:

1. **You can apply for your pension now.** If you haven't reached SERS retirement age, your benefit will be reduced for early retirement. The further you are from SERS retirement age, the greater the reduction.

2. **You can delay applying for your pension until you are older.** Your contributions will remain in the SERS fund and continue to accrue interest until you choose to apply for your pension. You will not earn service credits unless you return to work for a SERS-participating employer; however, your pension will increase in value as you approach SERS retirement age. SERS retirement age is 65, 60, 55, or 50, depending on your class of service.

If you choose to delay your application for your pension, remember that you must submit it within seven years after reaching SERS retirement age or you waive your right to monthly payments. If you waive your right to monthly payments, you will only be eligible for a refund of your contributions and interest.

PENSION DEATH BENEFIT

As a SERS member, one of your most important responsibilities is to ensure that you always have an up-to-date beneficiary form on file with us. We are legally bound to honor the last properly filed beneficiary form in our possession. Unlike other retirement plans, your SERS pension does not include any spousal rights. If we have no form on file when you die, we will pay any owed death benefit to your estate and it will likely be subject to estate taxes. If the form on file with us is out-of-date, we may be forced to pay someone whom you would no longer want to receive your death benefit.

If You Die While an Active Employee

If you are not yet eligible for a monthly pension (in other words, you aren't "vested" in the system) when you die, we will refund the contributions you made toward your pension with 4% interest to your beneficiary or estate.

If you are eligible for a monthly pension ("vested" in the system - see page 12) when you die, the death benefit is calculated as if you actually retired and selected benefit payment option 1 the day before you died. That amount will be paid to your beneficiary or estate. If the amount is more than $10,000, your beneficiary can choose to receive the payment in a lump sum or monthly installments.

If you Die While Receiving a SERS Pension

The death benefit amount, if any, will depend on the choices you make when you retired including the benefit payment option you choose.

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 Pennsylvania, you'll need to be aware of the tax laws where you live.

Each January, we will send you an IRS Form 1099-R tax document detailing the payments you received from SERS in the prior calendar year for use as you file your annual income tax forms. You could receive more than one Form 1099-R in any tax year depending on your age that year, the benefit payment option you choose when you retire and if you receive payments from another person's SERS pension as well as your own.

As you plan for retirement, we recommend that you work with a qualified tax or financial advisor.

If you have general questions about taxes on your SERS pension, contact a retirement counselor at 1.800.633.5461. For more specific questions relating to death benefits and estates, contact the IRS or a professional tax advisor.

Are my SERS retirement plan contributions subject to federal income tax?

Yes, your tax-deferred contributions and interest are subject to federal income tax at the time your benefit is paid to you or to your beneficiaries.

If You Leave State Service Before You are Eligible for Monthly Payments

If you leave state service before becoming eligible for monthly pension payments, you will be eligible to withdraw your contributions and interest in a lump sum.

Federal tax laws require us to withhold 20% of the taxable portion of your withdrawal for federal income tax and send you an IRS Form 1099-R for your annual income tax filing purposes.

You also have the option to roll over all or part of the taxable portion of your withdrawal into a traditional IRA or other eligible plan, like the commonwealth's Deferred Compensation Plan. A rollover allows you to delay paying federal income tax on the money until you withdraw it from the IRA or other qualified plan, when your tax liability may be lower.

TAXES

If You Retire and Are Eligible to Withdraw Your Pension Contributions

You are eligible to withdraw the contributions you made toward your pension and the interest on those contributions when you retire.

Federal tax laws require SERS to withhold 20% of the taxable portion of your withdrawal for federal income tax and send you an IRS Form 1099-R for your annual income tax filing purposes.

You have the option to roll over all or part of the taxable portion of your withdrawal into a traditional IRA or other eligible plan, like the commonwealth's Deferred Compensation Plan (DCP). A rollover allows you to delay paying federal income tax on the money until you withdraw it from the IRA or other qualified plan, when your tax liability may be lower.

You may also choose to roll your withdrawal into a Roth IRA, however, the tax consequences are different for those plans. If you do not choose a rollover at retirement, you may be able to recover the 20% we are required to withhold for federal income tax when you file your federal income tax return, so long as you roll the money into a qualified plan within 60 days after you receive it.

Special Considerations If You Leave State Service or Retire Before Age 55

If you retire or leave state service prior to the calendar year in which you turn age 55 (50 for qualified public safety employees as defined by the IRS) and you do not roll the taxable portion of that pension withdrawal into an IRA or qualified plan, it will be subject to an additional 10% federal excise tax penalty. That penalty may also apply if you roll the taxable portion of your withdrawal into a qualified plan but then withdraw the money from that plan **before** you turn age 59½.

Age 70½ or Older?

If you reach age 70½ or older in the year you retire and you choose to withdraw any of your contributions and interest at retirement, federal tax law requires that you take a minimum amount or "minimum distribution" at retirement. The minimum distribution is calculated according to IRS tax tables and is not eligible for rollover to a qualified plan.

RETURN TO SERVICE

Generally speaking, a "return to service" occurs after a break of at least two weeks.

Generally, your pension payments stop when you return to work for a SERS-participating employer.

Returns From Retirement

Generally, if you retire and then return to work for a SERS-participating employer, your monthly pension payments stop. The same is true if you choose to work for a public school district in Pennsylvania, as a member of the Public School Employees' Retirement System (PSERS), and you choose to combine your SERS and PSERS service for one state pension payment by electing "multiple service," -- your pension payments stop.

The amount of your pension when you retire again will depend largely on how long you work after your return. In rare circumstances, the monthly pension amount you receive when you retire in the future **could be less than** the payments you received during your earlier retirement. **Contact a SERS retirement counselor before committing to return to work for a SERS-participating employer, to discuss what impact that could have on your pension.**

If you return to employment for less than three years, you will be entitled to the sum of:

- The remaining value of your pension benefit at the time of your return to work, based on the payment option you elected when you first retired, the monthly pension payments you received before your return, and your age;
- A separately calculated amount based on your class of service and years of service during your second term of employment

If you return to employment for more than three years, you will be entitled to the better of either:

- A pension calculated as described above
- A pension calculated combining both periods of employment. In this case, your future pension will be reduced by the total payments you received while retired, plus interest.

Returns From Disability Retirement

If you return to state service after receiving SERS disability retirement payments, your SERS member record is restored as if you had not received those 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.

RETURN TO SERVICE

Returns After Requesting A Refund

If you decide to no longer work for a SERS-participating employer and you request a refund of the contributions you made toward your SERS pension, and then you later return to service for any SERS-participating employer, you will return to the defined benefit pension plan and in most cases depending on job title, hire date, and class of service that you contributed to during your prior service.

As a member of the defined benefit plan, you will have the option to purchase your prior service so that it counts toward your future pension.

Returns From Involuntary Termination

If you appeal your termination and it is reversed, you must return any pension contributions you withdrew and any pension payments you received from SERS between your termination and reinstatement dates. If you receive a back-pay award, the amount you need to return to SERS will be deducted. If you do not receive a back-pay award or your award isn't large enough to cover the amount you need to return, an invoice will be sent to you. You are welcome to pay in a lump sum or to set up payroll deductions to repay over time.

Limited Exceptions

There are three cases in which you may return to work for a SERS-participating employer while continuing to receive your pension payments. You will not, however, accrue additional service credit or increase your **monthly pension during your work as:**

- **An emergency rehire** – If an emergency increases an employer's workload causing serious impairment of service to the public, you may return to work for up to 95 days per calendar year. You must be over 60 or have been separated for one year. Employers under the Governor's jurisdiction must obtain the Governor's approval for your return.

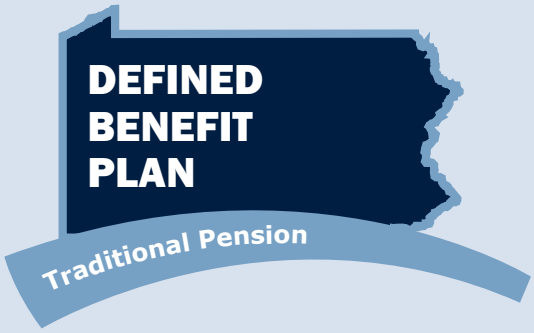
- **A salaried member of an independent board or commission** – If you have been retired for at least six months, are appointed by the Governor and approved by the Senate, and you will earn less than $35,000 annually you may return to service and collect your pension.

- **An Independent contractor** – Any person compensated on a fee basis pursuant to an approved contract.

SERS SOCIAL SECURITY INTEGRATION (SSI) COVERAGE

Judges and magisterial district judges hired prior to January 1, 2019, may choose SERS SSI coverage at any point while they are active contributing members. The coverage is also available to those members who chose to participate in the program between August 1, 1968 and March 1, 1974, so long as they haven't had a break in state service or have chosen to discontinue the coverage.

Separate and distinct from the federal Supplemental Security Income program administered by the federal Social Security Administration, SERS' SSI coverage starts where federal Social Security taxes leave off. Participants make an additional contribution toward their benefit, an amount totaling 5% of their earnings that exceed the federal Social Security taxable wage base each year, in return for an SSI benefit that is in addition to their regular SERS benefit.



IT'S NEVER TOO EARLY TO PREPARE FOR RETIREMENT:

RETIREMENT PLANNING

Along with Social Security and private investment earnings, your SERS pension is one of your major sources of income in retirement.

As you prepare for retirement, please be aware that different aspects of your retirement planning are addressed by you, your SERS retirement counselor, and your employer's HR office.

As a member of the SERS defined benefit pension plan, you contribute to one of the largest, most stable pension funds in the United States. While you can count on the stability of the fund, your SERS membership is not responsibility-free. Your biggest responsibilities are keeping yourself informed about your benefit and notifying us of changes in your life that affect your pension benefit.

- We will mail you a *Statement of Account* each spring. Please examine that statement carefully to ensure that your personal information is accurate, including your years of credited service, Social Security number, and date of birth. The Retirement Code requires us to correct errors upon discovery of inaccurate information.

- Keep your home address current with your employer. We mail important information, including your annual *Statement of Account*, to your home address and that address comes from your employer each time they send us payroll information related to your SERS retirement benefit.

- Be sure you understand your pension payment options.

- Stay informed by reading the materials we mail to you.

- Keep your beneficiary information up to date in your SERS member record.

- Retiring at the end of a calendar quarter could increase your final average salary.

- Retiring at the end of the year causes your leave payouts and your retirement lump-sum withdrawals to occur early in the next year. Receiving retirement money in the same year that you have a full year of wages could move you into a higher tax bracket.

- Retiring at the end of a pay period does not delay the payment process.

- Contact your Regional Retirement Counseling Center several months in advance of your anticipated retirement date to request a pension estimate and to discuss your pension payment options with a SERS retirement counselor.

RETIREMENT PLANNING

- Review your pension estimate letter thoroughly and contact your retirement counselor to make a counseling appointment.

- If you choose to withdraw the contributions you made toward your pension and the interest on those contributions, and you wish to transfer that money directly into another qualified plan for tax purposes, take your *Authorization for Direct Rollover of Taxable Payment* form to your financial institution. Your financial institution will complete the form and it can be returned to your Regional Retirement Counseling Center.

- Schedule an appointment with your retirement counselor to sign your defined benefit plan retirement documents approximately 30-60 days prior to your date of retirement.

- Review all your options prior to your counseling session. If desired, consult your accountant, lawyer, or financial advisor. Make sure you prepare a list of your questions. Bring birthdate documentation, and if you are selecting an option 2, option 3, or option 4 joint and survivor pension payment option, also bring birthdate documentation for your designated survivor.

- Submit your request to purchase state or non-state service credit at least six months prior to your retirement date.

- If you elect health insurance coverage through the Retired Employees Health Program (REHP) administered by the PEBTF, and you and/or your eligible dependent are Medicare eligible, you will need to provide a copy of each person's Medicare card.

- Leave payouts are eligible for deferral into the Deferred Compensation Plan (DCP), commonly referred to as "deferred comp." Both the current IRS annual deferral limit, and any applicable catch-up limits may affect the actual amount of the leave payout that you can defer into your deferred comp account.

    - If you are currently a deferred comp participant, you **must** submit a signed *Salary Deferral Agreement* to the plan administrator before the first day of the month in which you will receive your leave payout. You also need to be aware of your employer's payroll processing schedule. Because payroll processing schedules differ by employer and processing may take several weeks, please contact your HR office as soon as possible to determine your deadline.

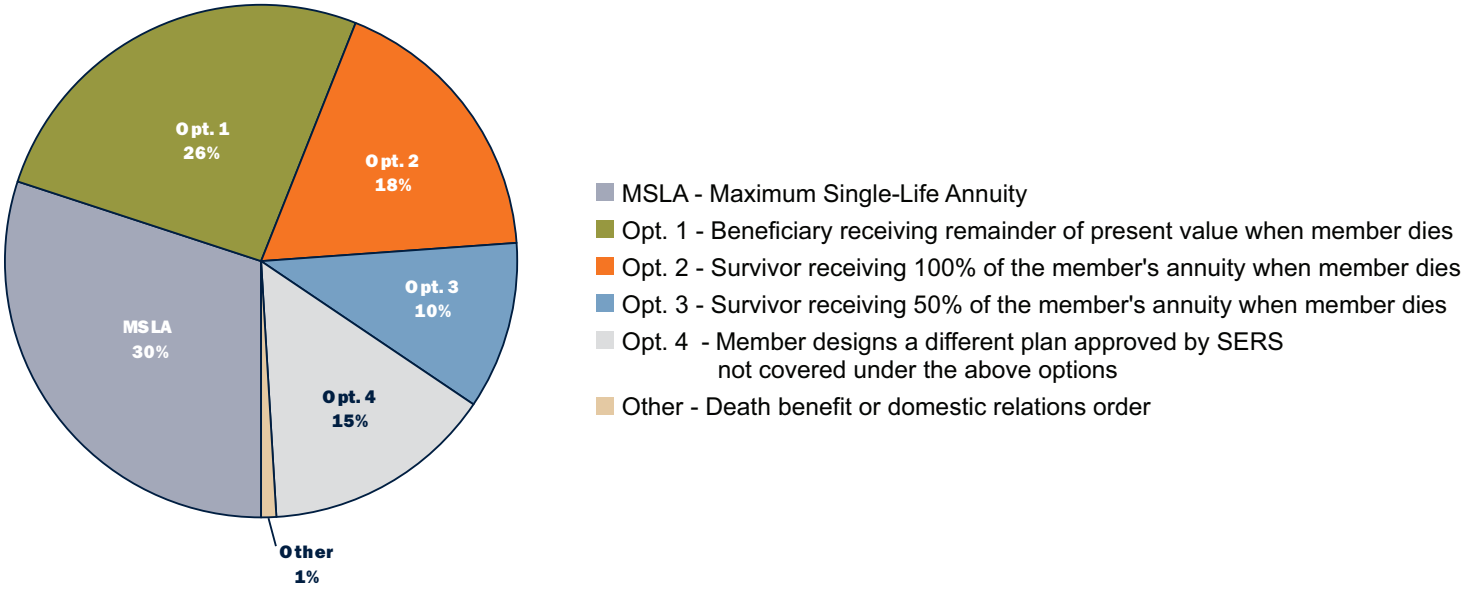
    - If you are not a deferred comp participant, you **must** first enroll in the plan, which will require additional processing time, and once enrolled, you must meet the deadlines mentioned above. The entire process could take up to two months.

RETIREMENT PLANNING

When you attend your retirement counseling session, you are welcome to bring your spouse, domestic partner, financial planner, or any other trusted person with you. Keep in mind the pension payment option you'd like to choose and make sure you ask questions about anything you do not understand.

If you are confident that you understand the retirement documents and process, and are ready to make your decision, your counselor will assist you in completing your defined benefit retirement application package. If you want time to review the counseling information provided or seek advice from others, you may schedule another appointment to return to sign your documents.

Retired Members by Benefit Plan Option



RETIREMENT PLANNING

After You Have Signed Your Retirement Documents

After you have signed your defined benefit retirement documents, SERS will send an *Agency Notification Letter* to your employer. You are responsible for submitting a letter of resignation to your employer. It takes approximately eight weeks from your termination date to receive your initial pension payments.

Your last pay for employment ("after-the-fact" pay, if applicable) is normally received two weeks after your last day of employment.

You should contact your HR office regarding the amount and timing of any payout you are due for accrued sick and annual leave, or to arrange for reimbursement to the commonwealth for any overdrawn leave or agency debts.

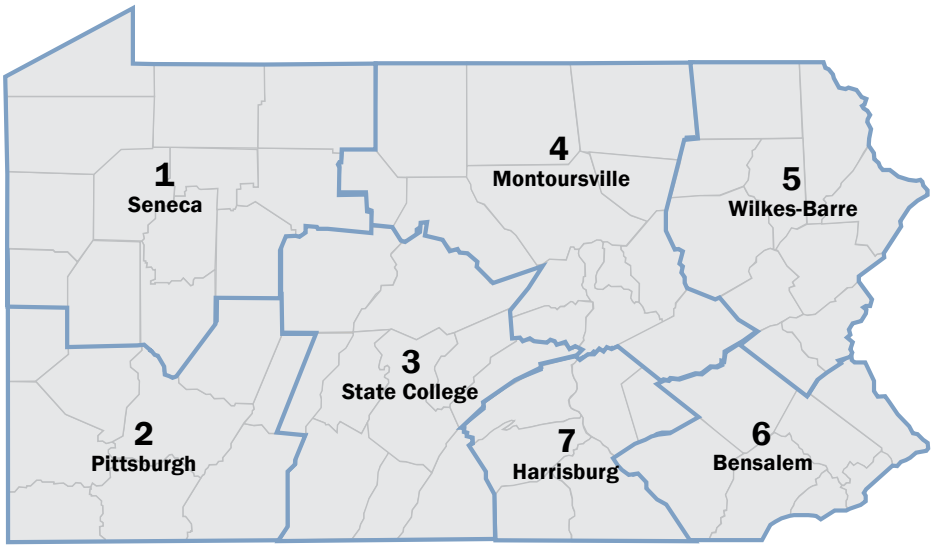
Your first monthly pension payment is sent approximately eight weeks after your last day of employment. Overdrawn leave and agency debts will have a significantly adverse impact on this time frame.

Your Responsibilities

- Contact SERS in a timely manner, typically at least two weeks prior to retirement.
- Give your employer written notice in accordance with its policies.
- Seek professional tax or financial advice.
- Contact the Social Security Administration regarding benefits (including Medicare), if applicable at 1.800.772.1213 or www.ssa.gov.
- Contact the administrator of the commonwealth's DCP regarding the DCP payout, if applicable at 1.800.633.5461 or www.sers.pa.gov.

REGIONAL COUNSELING CENTERS

SERS has seven Regional Retirement Counseling Centers throughout the Commonwealth of Pennsylvania, assisting members with their SERS retirement benefit. 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 from 8 a.m. to 4:30 p.m., Monday through Friday, excluding state holidays. If you don't live in Pennsylvania, please call 1.800.633.5461 or 1.717.787.6293.



All SERS retirement counseling matters are confidential. If you contact your retirement counselor, please provide your contact information on all communications. Electronic mail is not secure. 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.

Individual retirement counseling is available to any member by calling 1.800.633.5461 to schedule an appointment.

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 320
681 Andersen Drive
Pittsburgh, PA 15220
Ph: 412.770.1148

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

RETIREMENT COUNSELING SERVICES

Services to Active Members:

- Calculate personalized defined benefit pension, disability retirement benefit, and vesting estimates.
- Provide one-on-one counseling for members of the defined benefit pension plan who are considering retirement.
- Provide you with an annual *Statement of Account* detailing the contributions you made and the service credit you earned for the year, and during your SERS membership. This statement also provides you with pension estimates calculated for several payment options.
- Provide counseling to your beneficiaries or survivor annuitant after your death.
- Conduct group information sessions, including question and answer sessions and pre-retirement seminars.
- Provide resource speakers for various agency or association informational sessions.
- Provide estimates and counsel members on the purchase of creditable state and non-state service.
- Provide information on your eligibility for retiree health benefits if you are retiring from an AEHP/REHP participating agency.

Your HR office is responsible for providing information on your leave payments, life insurance conversion, and final pay transactions.

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

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

REGIONAL COUNSELING CENTERS

Services to Retired Members:

- Provide 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 beneficiary forms and assistance in the completion of forms.
- Provide you with your annual *Personal Statement of Pension Payments* detailing the pension payment 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.
- Take information and process Retired Employees Health Program (REHP) dependent coverage changes. Inquiries regarding your state retiree health insurance coverage and claims should be directed to the PEBTF at 1.800.522.7279.
- Investigate missing pension checks and place stop payment transactions on checks not located after ten working days.
- Provide resource speakers for group or association informational seminars.
- Receive and process notifications of death and serve as a contact for beneficiaries and survivors.
- Provide option change counseling for members when their designated survivor predeceases them, the retiree obtains a divorce, or when the retiree marries after the date of their retirement.

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

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

DEFERRED COMPENSATION PLAN

Employees for most SERS-participating employers also have access to the Deferred Compensation Plan (DCP), which is a voluntary supplemental investment plan with tax deferred benefits.

"Deferred comp" makes it easy to set aside more money for retirement by allowing you to have some of your pay automatically deducted on a pre-tax basis and invested.

You select the amount you want to invest, from as little as $5 per pay to no more than $19,000 per year, which is the IRS limit for 2019. ("Catch-up" provisions allow some participants to contribute more in certain situations. See the Deferred Compensation Plan Features And Highlights at www.SERS.pa.gov for more information.)

You also decide which of the available funds to invest in -- with aggressive, moderate, and conservative options to choose from.

You can easily change the amount you withhold from your pay and your investments whenever you choose.

Deferred comp accounts have certain tax advantages as outlined in Section 457(b) of the IRS tax code. The SERS board has contracted with Empower Retirement as the third-party administrator of this investment plan.

Empower Retirement operates an office in downtown Harrisburg and offers individual and group counseling sessions at work locations around the state.

To enroll in the program, learn more about it, or to access free educational videos on finance, investment and retirement, visit www.SERS.pa.gov or call 1.800.633.5461

Defer From Your Leave Payouts

According to the IRS, leave payouts are eligible for deferral into deferred comp accounts. Current IRS limits affect the actual amount you can defer.

If you do not yet participate in deferred comp, there may be time to establish a new account; however, there are a number of HR, payroll, and retirement system deadlines involved that could take up to two months. (You need to have at least one payroll deferral into your new deferred comp account in order to roll over your leave payout.)

Your first step is to contact your HR office to learn if you are eligible for a leave payout and the amount. Then, contact a deferred comp representative at 1.800.633.5461 to discuss the rollover process.

DEFERRED COMPENSATION PLAN

Investment Options

Average Annual Performance as of 06/30/2020

Fund Name	Inception Date	1 Yr	5 Yrs	10 Yrs	Since Inception
Post Retirement Date Fund	08/2005	6.15%	5.23%	6.19%	5.38%
2025 Retirement Fund	07/2006	4.88%	5.77%	7.72%	5.64%
2030 Retirement Fund	08/2005	3.88%	5.99%	8.20%	5.88%
2035 Retirement Fund	07/2006	2.93%	6.19%	8.64%	5.85%
2040 Retirement Fund	08/2005	2.04%	6.32%	9.00%	6.08%
2045 Retirement Fund	07/2006	1.50%	6.40%	9.32%	5.91%
2050 Retirement Fund	10/2007	1.22%	6.41%	9.56%	4.86%
2055 Retirement Fund	05/2010	1.24%	6.41%	9.70%	8.96%
2060 Retirement Fund	11/2014	1.23%	6.41%	N/A	6.06%
2065 Retirement Fund	11/2014	N/A	N/A	N/A	0.08%
Global Non-U.S. Stock Index Fund	03/2009	-4.43%	2.58%	5.23%	7.83%
U.S. Small/Mid Company Stock Index Fund	08/1998	1.05%	6.77%	12.39%	8.59%
U.S. Large Company Stock Index Fund	12/1994	7.53%	10.75%	14.01%	9.92%
U.S. Bond Index Fund	02/1995	8.82%	4.29%	3.78%	5.61%
Short-Term Investment Fund	10/1988	1.61%	1.34%	0.77%	1.89%
Stable Value Fund	06/1995	2.50%	2.22%	2.59%	N/A

Past performance cannot guarantee comparable future results. An investment in the program is not insured or guaranteed by the U.S. government and is not an obligation of, or insured by, any bank or the FDIC and is subject to risk disclosed in the program materials, including the possible loss of principal. For additional information on the investment options, including fees and expenses, contact Empower Retirement. Read all program materials before joining the program. For specific program requirements and definitions, please see the Plan Document.

Investment options could change between publication dates of this handbook. Please see the Deferred Compensation Plan Investment Information page on the SERS website for the current list.

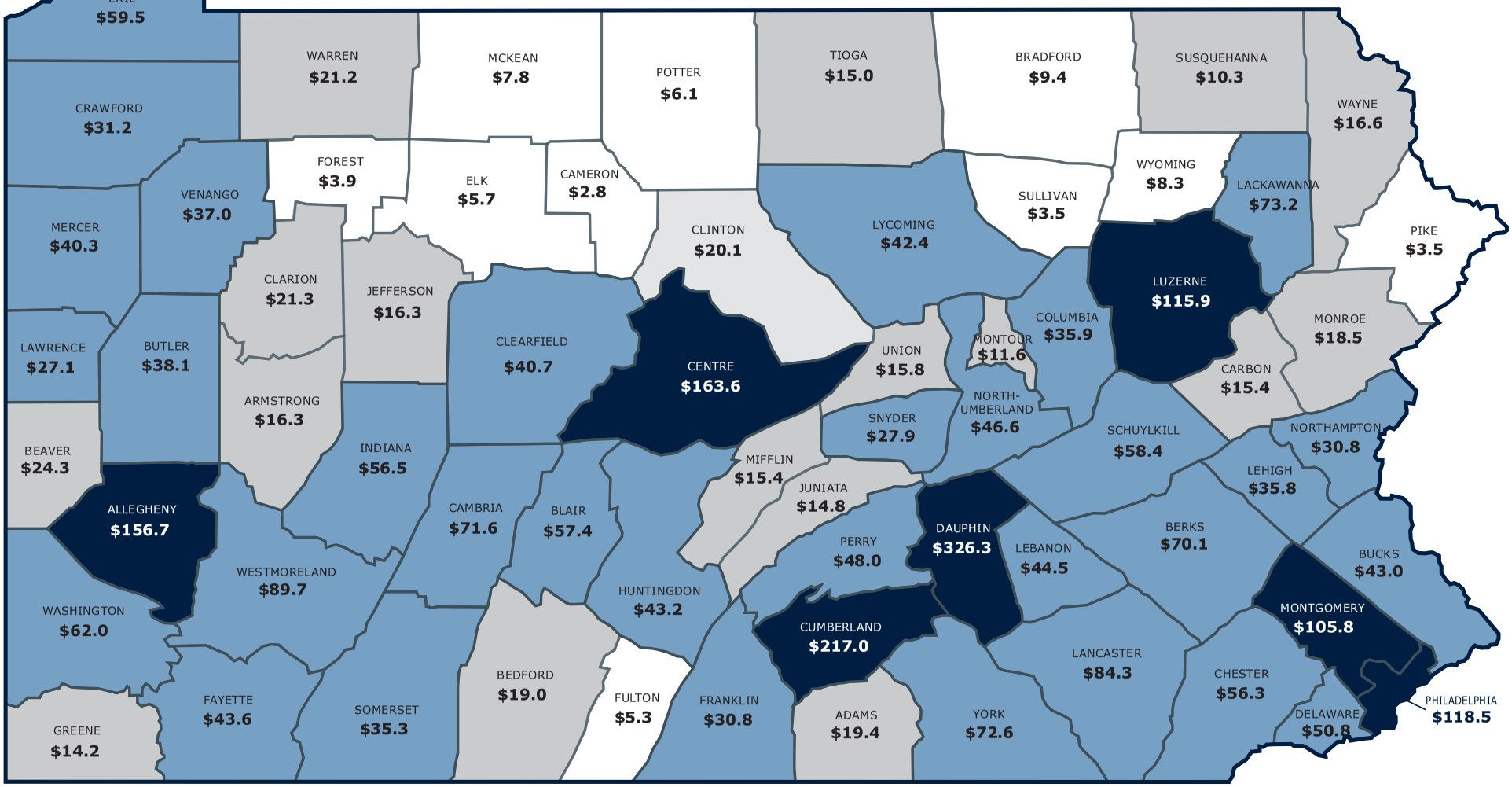
Growth of the Program

Employees made their first contributions to the plan in October 1988. Since then, the plan has grown to $3.9 billion in assets, invested by nearly 58,000 participants, as of July 31, 2020.

The number and types of investment options have also grown, from four to 11 different options that include three profile funds geared to various levels of risk, a self-directed brokerage account with more than 8,500 mutual fund choices, and a Roth option.

2019 Pension Payments By County ($ millions)

SERS pension payments positively impact the state's economy. In 2019, SERS made nearly $3.5 billion in pension payments, nearly $3.2 billion went to Pennsylvania addresses.



$0 - $9.9 million	$10 - $24.9 million	$25 - $99.9 million	$100 million +

Out of State $332.1 million Out of Country $1.4 million

pennsylvania
STATE EMPLOYEES' RETIREMENT SYSTEM

SERS.pa.gov | 1.800.633.5461

02.07.2020

1.800.633.5461 | www.SERS.pa.gov

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

08-25-2020