



## Employer Service Center Staff

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## Waiving Membership—New Process!

Qualified part-time salaried, part-time hourly, or part-time per diem employees may either waive membership or elect a membership class with PSERS within 90 days of qualifying for membership in PSERS. *Members are notified of their option to waive membership with PSERS when they receive their membership class election material. The waiver deadline is the same as the election deadline of 90 days.*

New members of PSERS who choose to waive membership must do so through the Member Self-Service (MSS) Portal on the “Class Election” tab. To qualify to waive membership with PSERS, the employee must have an Individual Retirement Account (IRA) or other eligible retirement plan such as a Traditional IRA, Roth IRA, Simplified Employee Pension (SEP), or a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA. Instead of certifying to the employer, the members must now certify that they have an IRA or other eligible retirement plan in the online election wizard. With members waiving and certifying online, employers are no longer required to submit or verify the waivers to PSERS.

Employees in Class T-C, Class T-D, Class T-E, or Class T-F who are returning to service and choose to waive membership must contact PSERS to receive the PSERS Membership Waiver for Part-Time Employees (PSRS-51) form. This form must be returned timely to PSERS to be eligible to waive membership. This option is only available to employees who are non-vested and who have previously refunded their contributions with PSERS.

When a member’s waiver is approved, DC participant contributions will be returned by Voya directly to the participant. The DC employer share contributions are not returned to the employer; they are placed in PSERS’ administrative account instead. The DB contributions are handled differently. The DB contributions are returned by PSERS through the Employer Statement of Account and can be identified by transaction within your accounts tab. They will show as a credit on the Account Tab and Statement of Accounts. The district will then be responsible for returning the member contributions back to the member.

## Statement of Account Season Ending— Kudos !!

At the close of 2019, PSERS has generated nearly 310,000 annual member Statements of Account for the 2018-2019 school year. The success was, in large part, due to your timely submission of monthly work reports and review of your annual Summary Report for accurate account data. We greatly appreciate the time that many of you have spent to ensure that our member records are as up to date and accurate as possible.

## Withholding for Part-Time Employees

**Part-time employees must be reported to PSERS even if they have not qualified for PSERS membership, but you can choose whether to withhold Defined Benefit (DB) contributions. Defined Contribution (DC) contributions, however, can only be withheld and submitted once the member qualifies for PSERS membership.**

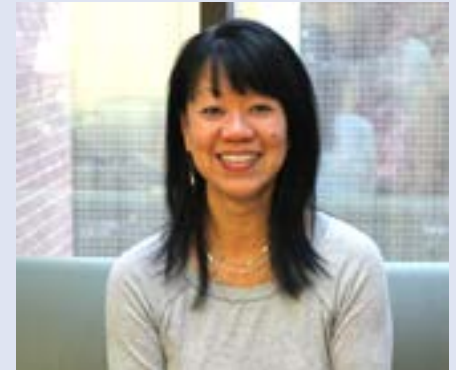
PSERS monitors the service reported for part-time employees who have not yet qualified for PSERS membership and determines if, and when, the service requirements for membership have been met. Once the employee qualifies for PSERS membership, PSERS will notify each employer on the Change in Member Class / Rate or Obtaining Qualification (CROQ) report.

If the employee qualified for membership and Defined Benefit (DB) contributions were not withheld from the first day of employment, PSERS will automatically send a Statement of Amount Due to both the employee and the employer. The cost will be the member contributions and the employer contributions due, respectively, plus 2% interest for the fiscal year the money was due PSERS.

**Reminder: Defined Contribution (DC) contributions can only be withheld and submitted once the member qualifies for PSERS membership.**

If DB contributions are withheld from the first day of employment, but the employee does not qualify for membership during that fiscal (school) year, PSERS will credit the employer contributions to your account automatically after the fiscal year reporting cycle is complete for all reporting units. The employee will receive a refund directly from PSERS for the member contributions withheld and reported during this non-qualifying fiscal year. No interest accrues on non-qualifying contributions for either the school employee or the employer. PSERS will send you a letter listing all non-qualifying part-time employees and the amount of funds to be credited to your account.

## Introducing Your New ESC Representative



PSERS is pleased to introduce Katie Pajtis as the new Employer Service Center Representative for Region 5. Katie looks forward to using her Marketing skills to help Pennsylvania's School districts in their PSERS reporting. Katie joined the Commonwealth in February 2018 working for the Department of Human Services as a Childline Caseworker. Katie has a bachelor's in Sociology from Lebanon Valley College, and she has worked in marketing/account management for print and online advertising.

She is a proud mother of two high school students, Hannah a sophomore and Ethan a Freshman. Katie loves to cook, travel, spend time with family and friends, and golf in her spare time.

Katie is excited to partner with her region's school districts to train, problem solve, and develop positive communication between PSERS and the districts. Katie hopes she and her employers can learn from each other and create an environment of shared education.

Katie's advice for employers is "Growth comes from learning and embracing change so let's grow together."

## Updated Employer Reference Manual Chapters

Employer Reference Manuals Chapter 2 "Membership – Mandatory, Optional, and Prohibited" and Chapter 7 "Reporting – Determining Member Contribution Rates" have been updated!

Chapter 2 now includes information about the new membership classes and PSERS Defined Contribution (DC) Plan.

Chapter 7 now includes updated information on PSERS DC Plan, the new contribution rate table, and how the shared risk/gain provision would be implemented.

## Introducing Your New ESC Representative



PSERS is pleased to introduce Deanna Brown as the new Employer Service Center Representative for Region 2. Before joining ESC, she was part of PSERS Account Verification Unit (reviewing reported data) and Exceptions Processing Unit (preparing estimates and benefit calculations for frozen annuity and multiple service accounts).

Deanna graduated from Penn State and worked in Chicago for a decade before returning to Pennsylvania to raise her family of four children. She worked as a teacher's aide at her local school district.

Her advice to Employers: "Accuracy of reported data is crucial for the accuracy of members' retirement benefits. By ensuring that reports are correct and complete, we will prevent future questions and problems when members are ready to retire."

## The Importance of Demographic Records: How PSERS and Voya use Demographic Records Entered by You

**Future-dated demographic records go to Voya a week after the employee's start date.**

### Timing

You control PSERS' notification to Voya of a participant record by submitting the member demographic information and the contract record to PSERS. The timing for uploading member demographic information to PSERS, therefore, matters now more than ever. Without this information, PSERS cannot timely notify Voya of a new participant, which will result in Voya rejecting that employee from your Voya payroll file if you attempt to report that employee to Voya. Voya reporting files are due per pay cycle. To timely report an employee to Voya, you must upload member demographic information to PSERS by the employee's start date. You should also keep in mind that, unlike a work report, which may only be uploaded once a month, Demographic and Contract files may be uploaded as soon as the information is available. If you are a district that has many new hires throughout the month, uploading more than one file per month may be easier than adding new demographic and contract information manually.

### Emails

All employees must be reported to PSERS. Also, an email address is now required in the Employer Provided Email field when entering member demographic information for new hires. A personal email address is preferred. If the member does not have a personal or professional email address, please contact your ESC representative.

### Membership Class Changes

PSERS will notify you if an employee elects a membership class that changes his or her DB and DC contribution rate through the weekly CROQ report. Upon notification, you must change the contribution rate in your payroll system so that the new rate will be effective in the next pay period after you are notified of the class change.

## Voya Contact Information

**Phone: Employer Payroll Help Line (9am-5pm): 877.806.5652**

**Email: ID-PSERSS@voya.com**

Please reference 4-digit Employer Code with the Subject Line

## Reminder

**Email conversations between employers and PSERS is not meant to be shared with members, including contact information. As an employer, you can relay the details of the situation, but please have members call PSERS Member Service Center at 1.888.773.7748 with questions regarding their account.**

## Shared Risk/Shared Gain Provision

Act 120 of 2010 and Act 5 of 2017 included an innovative risk-sharing program for all members who are new to PSERS after June 30, 2011. With the shared risk/shared gain provision, Class T-E, Class T-F, Class T-G, and Class T-H members benefit when investments of the fund are doing well but share some of the risk when investments underperform. The member contribution rate begins at the base rate within the specified range and is subject to an increase or decrease by a specified increment every three years, depending on the investment performance of PSERS.

Class	DB Base Rate	Shared Risk/Shared Gain Increment	Min	Max
<b>Class T-E</b>	7.50%	+/-0.50	5.50%	9.50%
<b>Class T-F</b>	10.30%	+/-0.50	8.30%	12.30%
<b>Class T-G*</b>	5.50%	+/-0.75	2.50%	8.50%
<b>Class T-H**</b>	4.50%	+/-0.75	1.50%	7.50%

**\*+2.75% DC Component; \*\*+3.00% DC Component**

The next evaluation period will be based on PSERS' previous nine years of investment experience, ending June 30, 2020. Eventually, the evaluation period will be based on ten years of investment experience, once a full ten years have passed since the passage of Act 120 of 2010.

So what's next? After the close of the June 30, 2020, evaluation period, PSERS investment performance will be finalized. The PSERS Board will certify the member rate at their December 2020 Board meeting.

- If the shared risk benchmark is not met, member contribution rates will increase for the next evaluation period to 8.0% for Class T-E members, 10.8% for Class T-F members, 9.00% for Class T-G members, and 8.25% for Class T-H members.
- If the shared risk benchmark is exceeded, member contribution rates will decrease for the next evaluation period to 7.0% for Class T-E members, 9.8% for Class T-F members, 7.50% for Class T-G members, and 6.75% for Class T-H members.

Any changes in the member contribution rate will be announced in the January 2021 newsletter and will go into effect July 1, 2021. If the member contribution rate changes, the new rate would remain in effect until after the next three-year evaluation period.

## Introducing Your New ESC Representative



PSERS is pleased to introduce Scott Rainey as the new Employer Service Center Representative for Region 4. Prior to joining ESC, Scott was a Retirement Technician for the Account Verification Unit at PSERS. He has a bachelor's in Psychology from Penn State. Scott has also worked as a counselor for court committed youth struggling with mental health issues.

Scott looks forward to learning about the employer side of PSERS and meeting new people. Outside of work, he enjoys playing ice hockey, rooting for the Steelers, Penguins, and Pirates, traveling, and spending time with his wife and four kids.

His advice for employers: "Please reach out to me if you have any questions or need assistance., My goal is to help you with anything PSERS-related and make reporting as easy as possible."