

Understanding Your PSERS Statement of Account

For Class T-C, Class T-D, Class T-E, and Class T-F Members

REV. 11/2020

Welcome to “Understanding Your *Statement of Account*,” a presentation of the Public School Employees’ Retirement System (PSERS).

The purpose of this presentation is to provide you with a general overview of the information presented on your annual *Statement of Account*. It also provides answers to more common questions, but does not include a review of every detail.

Agenda



When are Statements Sent?



Statement of Account



Information on Obtaining Copies of your Statement



What we'll cover today is when statements are provided, what information is on them, and additional information on obtaining extra copies of your statement, creating your own estimates, and the Verification of Deposit form.

When Are Statements of Account Sent?

- Mailed in the late fall, after all of your employer(s) report your salaries, contributions, and days and/or hours worked for the July 1 - June 30 school year
- Reasons for not receiving a *Statement of Account*
 1. You are retired or have refunded your contributions and interest.
 2. You have an incorrect address on file with PSERS.
 3. You terminated employment more than two school years ago, prior to being vested.*

**Vesting for Class T-C and Class T-D members is at least five years of credited service or age 62 with one year of credited service at termination of employment.*

Vesting for Class T-E and Class T-F members is at least ten years of credited service or age 65 with at least three years of credited service at termination of employment.



All active and vested members receive an annual Statement of Account. **Vesting requirements are on the bottom of this slide.** Non-vested members who terminated school service within the last two school years and have a balance in their retirement account also receive a Statement of Account.

PSERS will mail your statement usually in the late fall after all of your employer(s) report your salaries, contributions, and days and/or hours worked for that school year. This gives the employers the opportunity to report year-end information and make any necessary adjustments, as well as allowing PSERS time to process this information.

The main reasons you might not receive a statement would be if you are retired or have refunded your contributions and interest, have an incorrect address on file, or your account is inactive. If you left employment prior to being vested, your account would be inactive.

If you are still working in a Pennsylvania public school and you are not receiving your statement, please contact PSERS.

Statement of Account

- Demographic Information
- Breakdown of Service
- Available Benefits
- Debt

UNDERSTANDING YOUR STATEMENT OF ACCOUNT



Next, we'll be reviewing the information contained in the actual Statement of Account.

Page 1 – Personal Data, Beneficiaries, and Reported by Employer

Personal Data

Beneficiary Information

Reported by Employer

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
PSERS PERS 11120 Street Harrisburg PA 17101-1505 Toll-free: 1 888 773 7749 (1 888 PSERS4U) Local: 717 297 2543 www.psers.pa.gov
 Form PSERS-4310 August 6, 2020
Statement of Account for School Year Ending June 30, 20XX

Defined Benefit Primary Beneficiary(ies)
 SMITH, JANE

Personal Data

ALEX ACTIVE
 123 HAPPY LANE
 CITYTOWN PA 12345

Personal Data

PSERS ID	123456
Date of Birth	11/08/1962
Gender	Male
Membership Class	TD
Contribution Rate	6.50 %

Defined Benefit Primary Beneficiary(ies): This section designates to receive a benefit in the event of your death. If your beneficiary is shown on this statement, please check to make sure the information is up to date. If your statement reads "Beneficiary Not Shown at Your Request" and you want this information listed on future statements, you can opt to display your beneficiary information through the Member Self Service (MSS) Portal or complete a new Nomination of Beneficiaries (PSERS-187) form. If "No Beneficiary on File" is shown in the block above, PSERS encourages you to name a beneficiary via our Member Self Service (MSS) Portal, which can be accessed from the PSERS website at www.psers.pa.gov.

Reported for 20XX - 20XX by Employer

Employer(s)	Wages Without Contributions Withheld	Wages With Contributions Withheld	Contributions	Days Worked	Hours Worked
CITYTOWN ED	\$0.00	\$59,231.11	\$3,893.03	0.00	2,271
Total	\$0.00	\$59,231.11	\$3,893.03	0.00	2,271

This section lists the wages and service reported (Days Worked and/or Hours Worked) and the contributions credited for the 2019 - 2020 school year. It also displays detailed information for up to eight employers; the "Total" line summarizes the information from all your employers.

Wages With Contributions Withheld: Salary or wages reported to PSERS for which contributions were made. If you qualify for membership, the days/hours worked will calculate into credited service up to the maximum of 1.00 year and are listed in the Breakdown of Your Account section. If you did not qualify for membership during the 2019 - 2020 school year, the days/hours worked will not calculate into credited service and your contributions for this service will be automatically refunded to you in the spring.



Page one contains demographic information including your personal data, beneficiary information, and information reported by your employer(s).

Page 1 – Personal Data

**ALEX ACTIVE
123 HAPPY LANE
CITYTOWN, PA 12345**

Incorrect Address

You may update your address through PSERS Member Self-Service (MSS) Portal

Personal Data	
Social Security Number	XXX-XX- 1234
Date of Birth	11/28/1957
Gender	Female
Current Membership Class	TD
Current Contribution Rate	7.50 %

Incorrect SSN, Date of Birth, or Gender

You must contact PSERS to update your personal data.



It is important to review the information listed in the “Personal Data” section. For example, if your date of birth is incorrect, your vesting schedule may be inaccurate which affects your calculation of benefits and important notices.

If any of the information in this section besides your address is inaccurate, you must contact PSERS to correct it. If your address is inaccurate, you may update it in the PSERS Member Self-Service (MSS) Portal.

Page 1 – Beneficiary Information

Defined Benefit Primary Beneficiary(ies)
SMITH, JANE

Need to change your beneficiaries?
You may update your beneficiaries through PSERS Member Self-Service (MSS) Portal



Your primary beneficiary is listed unless you requested confidentiality when you completed a *Nomination of Beneficiaries* form. Space is limited to ten beneficiaries, so a complete list of your beneficiaries may not appear if you exceed this number. Secondary beneficiaries are not displayed. In the event of your death, PSERS will refer to the most recent *Nomination of Beneficiaries* to determine the payment of any death benefit.

A misspelling of a beneficiary's name or any other changes can be corrected through PSERS Member Self-Service (MSS) Portal or you may also submit a new *Nomination of Beneficiaries* form to PSERS.

Note: Your Statement of Account will list up to 10 beneficiaries. If you have more than 10 beneficiaries, please log into your MSS account to view the complete list.

Page 1 – Reported by Employer

Reported for 20XX - 20XX by Employer					
Employer(s)	Wages Without Contributions Withheld	Wages With Contributions Withheld	Contributions	Days Worked	Hours Worked
CITYTOWN SD	\$0.00	\$59,231.11	\$3,850.03	0.00	2,271
Total	\$0.00	\$59,231.11	\$3,850.03	0.00	2,271

Information Reported By Your Employer

- Information from your employer(s) during the past school year
- Displays detailed information for up to eight employers
- The “Total” line summarizes the information from **all** of your employers.

School year: work performed between July 1 and June 30.



To assist in your understanding of the information being presented, PSERS defines a school year as work performed between July 1 and June 30. Compensation is credited in the school year during which the work was performed, not the school year that the compensation is received.

This section shows the details for up to eight employers. The total line summarizes the information reported to PSERS from all of your employer(s) during the past school year, even if you exceed eight employers. *If you have more than eight employers, you may see the breakdown for all employers on PSERS Member Self-Service (MSS) Portal. Please contact your employer if you believe the reported information is not accurate.*

Wages Without Contributions Withheld is wages reported to PSERS for which no retirement contributions were withheld from your pay by your employer. You will not receive service credit for any days and/or hours associated with these wages unless you are eligible for PSERS membership, at which point PSERS will send you a *Statement of Amount Due*. Refer to the *Active Member Handbook* for information on membership eligibility requirements.

Wages With Contributions Withheld is salary or wages reported to PSERS for which contributions were withheld by your employer for which service credits will be calculated.

Contributions are the monies withheld by your employer based on your contribution rate times the dollar amount identified under Wages With Contributions Withheld.

Days Worked/Hours Worked are the days and hours reported by your employer for you for the school year.

Page 2 – Breakdown of Account, Total Credits by Class, Investment in Contract

Breakdown of Account

Breakdown of Your Account			
	Contributions	Interest	Contributions & Interest
Beginning Balance July 1, 2014	\$37,411.18	\$20,584.91	\$57,996.09
2014 - 2015 Information	\$1,875.00	\$2,370.41	\$4,245.41
Adjustments	\$0.00	\$0.00	\$0.00
Purchase of Service	\$0.00	\$0.00	\$0.00
Purchase of Service Adjustments	\$0.00	\$0.00	\$0.00
Ending Balance June 30, 2015	\$39,286.18	\$22,955.32	\$62,241.50

Total Service Credits by Class as of June 30, 2015	
Class	TD
Total	26.73

Investment in Contract	
Investment in Contract Post-87 Contributions	\$349.98
Investment in Contract Post-88 Contributions	\$0.00

Total Credits Reported by Class

Investment in Contract



Page two contains the breakdown of your service including your breakdown of account, total credits reported by membership class, and any investment in contract (if applicable).

Page 2 – Breakdown of Account

Breakdown of Your Account				
	Contributions	Interest	Contributions & Interest	Service
Beginning Balance July 1, 2019	\$84,034.46	\$73,148.28	\$157,182.74	38.65
2019 - 2020 Information	\$3,850.03	\$6,364.31	\$10,214.34	1.00
Adjustments	\$0.00	\$0.00	\$0.00	0.00
Purchase of Service	\$186.31	\$3.73	\$190.04	0.00
Purchase of Service Adjustments	\$0.00	\$0.00	\$0.00	0.00
Ending Balance June 30, 20XX	\$88,070.80	\$79,516.32	\$167,587.12	

Breakdown of Your Account

- 2% interest on your current year's contributions
- Prior contributions and interest in your account earns 4% interest annually
 - Non-vested members who are terminated will not receive interest



The statement reflects the value of your account at the end of the school year. The exception is that purchases and adjustments are reflected as of the date your statement is printed. This date is displayed at the top right corner of your *Statement of Account*.

Because not all of your contributions were in your account for the full year, PSERS prorates the interest on the current year's contributions at a rate of 2% for the entire school year, regardless of when PSERS receives the money in the current year. All prior contributions and interest in your account earns 4% compounded annually.

Page 2 – Total Service Credits Reported by Class

Total Service Credits by Class as of June 30, 20XX	
	TD
	39.65

Service Credit by Class

- You may not receive more than one year of service within a single school year (July 1 – June 30).
- There are two reasons why a partial year of credit may be reflected on your statement: you worked less than a full school year or you purchased service that equaled less than a year.



Members of PSERS earn eligibility points (credits) for service as follows:

- Salaried or per diem employees must work 180 days to earn one eligibility point or one full year of service.
- Hourly employees must work at least 1,100 hours to earn one eligibility point or one full year of service. *
- Employees with more than one position must work a combination of days and/or hours where the service credit calculation is equal to 1.00 to earn one eligibility point or one full year of service.

* If you work 9 or 10 months per school year in a full-time hourly position which requires you to work 900 to 1,100 hours, your service credit is calculated using the actual hours you worked divided by your expected work hours.

Full-time service is defined as working 5 hours or more a day for 5 days a week or its equivalent of 25 or more hours a week. Members who work less than full time are considered to be part-time and will receive credit based on a proportion to full-time service. Salaried employees who work less than 5 hours per day and/or 5 days per week are reported in days or a portion of a 5-hour day. You may not receive more than one year of credited service within one school year (July 1 – June 30).

There are two reasons why a partial year of credit may be reflected on your statement: you worked less than a full school year or you purchased service that equaled less than a year.

Page 2 – Investment in Contract

Investment in Contract Pre-87 Contributions	\$175.27
Investment in Contract Post-86 Contributions	\$1,429.19

Investment in Contract

- Investment in Contract Pre-87 Contributions consist of regular contributions made before January 1, 1983, and purchase of service payments made before January 1, 1987.
- Investment in Contract Post-86 Contributions include purchase of service payments made after December 31, 1986.



The table highlighted here will not show on everyone's statement. The table will only appear if you have contributions considered to be "Investment in Contract" which is defined on the statement. These values are already included in the totals reported in the "Breakdown of Your Account" section.

Pre-87 Investment in Contract includes all regular retirement contributions received by PSERS prior to January 1, 1983, and all purchase of service payments received by PSERS prior to January 1, 1987. This amount of money, which was contributed on an after-tax basis, is eligible to be withdrawn at retirement as a single tax-free payment if certain conditions are met. Otherwise, federal tax law requires that these after-tax dollars be recovered by the member over his or her lifetime.

Post-86 Investment in Contract includes all purchase of service payments received by PSERS after December 31, 1986 and through June 30, <Year>. These payments were made on an after-tax basis. Federal tax law requires that these after-tax dollars are recovered by the member over his or her lifetime.

Page 3 – Final Average Salary, Retirement Date, Estimated Benefits

Final Average Salary & Retirement Date

Estimated Benefits

Estimated Retirement Benefits	
Member: RITA RETIREE Social Security Number: XXX-XX-1234	
Estimated death, disability, and/or regular retirement benefits are shown below for those options for which you are eligible.	
Your estimated final average salary (FAS) is normally the average of your three highest school year salaries.	
The estimated FAS used in these calculations is: \$32,977	
Normal Retirement Date: November 28, 2017	
Listed below are your basic options. Under the basic options, you may name one or more beneficiaries and may change beneficiaries at any time. Additional options are available upon request. Contact PSERS at 1-888-773-7748 or check the Online Estimate Calculator at www.psers.state.pa.us	
As of June 30, 2015	
Death Prior to Retirement	\$351,012
This amount is equal to the total value of your retirement account and will be paid to your beneficiary(ies) should you die before you retire.	
Disability Retirement	\$1,973
This disability retirement option provides you with the maximum monthly benefit payable to you while you meet the disability eligibility requirements. If you die before receiving payments equal to the total value of your retirement account, any remaining balance will be paid to your beneficiary(ies).	
Maximum Single Life Annuity	\$1,712
This regular retirement option provides you with the maximum monthly benefit for life. If you die before receiving payments equal to your contributions and interest, any remaining balance will be paid to your beneficiary(ies).	
Option 1	\$1,662
This regular retirement option provides you with the maximum monthly benefit for life, reduced to protect a death benefit based on the total value of your account. If you die before receiving payments equal to the total value of your retirement account, any remaining balance will be paid to your beneficiary(ies).	
Regular Retirement Options - Monthly Benefit with a TOTAL Withdrawal of Your Contributions and Interest (Available only to Class T-C and Class T-D Members)	
Contributions and Interest Eligible for Withdrawal	\$36,477
Maximum Single Life Annuity Reduced for Withdrawal of Your Contributions and Interest	\$248
This regular retirement option provides you with the maximum monthly benefit for life, reduced by the withdrawal of your contributions and interest. If you die before receiving payments equal to the total of your contributions and interest, any remaining balance will be paid to your beneficiary(ies).	
Option 1 Reduced for Withdrawal of Your Contributions and Interest	\$248
This regular retirement option provides you with a monthly benefit for life, reduced by the withdrawal of your contributions and interest and to protect a death benefit based on the total value of your account. If you die before receiving payments equal to the total value of your retirement account, any remaining balance will be paid to your beneficiary(ies).	
Statement of Account Page 3 of 4	

Death & Disability Benefits



Page three contains information on your available benefits including your estimated final average salary, normal retirement date, death & disability benefits, and your estimated benefits.

Page 3 – Final Average Salary & Retirement Date

Your **estimated** final average salary (FAS) is normally the average of your three highest school year salaries.

The estimated **FAS** used in these calculations is: **\$32,977**

Normal Retirement Date: November 28, 2017

Normal Retirement Date

- Your Normal Retirement Date is the earliest date that PSERS estimates you will be eligible for normal retirement as of the close of this statement year.
- Normal retirement is a no-penalty benefit where all age and/or service requirements are met.



The *Statement of Account* calculates your final average salary using the average of your three highest school years' salaries as reported by your employers. The final average salary used in this estimate is not necessarily the final average salary that will be used at the time of your retirement. Your final average salary will be calculated when your retirement benefit is being finalized. With few exceptions such as an annualized amount for part-time members, ***your final average salary will never be more than what you have earned per year. Please report any errors in the final average salary to PSERS.***

Your normal retirement date is when there is a no-penalty benefit where all age and/or service requirements are met. More information regarding normal retirement eligibility can be found in the *Active Member Handbook*.

Page 3 – Estimated Death and Disability Benefits

Listed below are your basic options. Under the basic options, you may name one or more beneficiaries and may change beneficiaries at any time. Additional options are available upon request. Contact PSERS at 1.888.773.7748 or check the Online Estimate Calculator at www.psers.pa.gov .	As of June 30, 20XX
Death Prior to Retirement This amount is equal to the total value of your retirement account and will be paid to your beneficiary(ies) should you die before you retire.	\$919,260
Disability Retirement This disability retirement option provides you with the maximum monthly benefit payable to you while you meet the disability eligibility requirements. If you die before receiving payments equal to the total value of your retirement account, any remaining balance will be paid to your beneficiary(ies).	\$4,690

Estimated Retirement Benefits

- An estimate of the monthly benefit will be included if you are currently eligible to receive a regular or disability retirement benefit.
- An estimate may not be included if:
 - Data is incomplete for the calculation of final average salary.
 - Your total service credit does not qualify you for a retirement benefit.
 - You are a former PSERS retiree who has returned to service.



What you see on page three depends on your membership class. Information displayed on this page is as of June 30 of the end of the last school year.

The Death Prior to Retirement amount is equal to the total value of your retirement account. Should you die before you retire, this amount less any debts displayed on page four of your statement will be paid to your beneficiary(ies).

If you are currently eligible to receive a regular or disability retirement benefit, your statement includes an estimate of the monthly benefit. For a regular retirement benefit, Maximum Single Life Annuity and Option 1 are displayed. For a disability retirement benefit, Maximum Single Life Annuity is displayed. For additional options, use the Retirement Estimate Calculator in the Member Self-Service (MSS) Portal. If you are within 12 months of retirement, PSERS strongly suggests that you request an official PSERS staff-prepared estimate by submitting a *Request for Retirement Estimate* (PSRS-151) form or calling PSERS at 1.888.773.7748.

There may be several reasons a benefit calculation was not provided: data may be incomplete for the calculation of your final average salary, your total service credit may not qualify you for a retirement benefit, or you may be a former PSERS retiree who has returned to service.

Page 3 – Estimated Benefits (continued)

Regular Retirement Options - Monthly Benefit with NO Withdrawal of Your Contributions and Interest	
Maximum Single Life Annuity This regular retirement option provides you with the maximum monthly benefit for life. If you die before receiving payments equal to your contributions and interest, any remaining balance will be paid to your beneficiary(ies).	\$4,690
Option 1 This regular retirement option provides you with the maximum monthly benefit for life, reduced to protect a death benefit based on the total value of your account. If you die before receiving payments equal to the total value of your retirement account, any remaining balance will be paid to your beneficiary(ies).	\$4,474
Regular Retirement Options – Monthly Benefit with a TOTAL Withdrawal of Your Contributions and Interest (Available only to Class T-C and Class T-D Members)	
Contributions and Interest Eligible for Withdrawal	\$167,587
Maximum Single Life Annuity Reduced for Withdrawal of Your Contributions and Interest This regular retirement option provides you with the maximum monthly benefit for life, reduced by the withdrawal of your contributions and interest. If you die before receiving payments equal to the total of your contributions and interest, any remaining balance will be paid to your beneficiary(ies).	\$3,835
Option 1 Reduced for Withdrawal of Your Contributions and Interest This regular retirement option provides you with a monthly benefit for life, reduced by the withdrawal of your contributions and interest and to protect a death benefit based on the total value of your account. If you die before receiving payments equal to the total value of your retirement account, any remaining balance will be paid to your beneficiary(ies).	\$3,657

Retirement Options

- For additional options other than those shown on your *Statement of Account*, use the *Retirement Calculator at psers.pa.gov*.
- If you are within 12 months of retirement, request an official PSERS staff-prepared estimate.



You have the option to withdraw your contributions and interest at retirement. The benefit estimate with a TOTAL withdrawal of your contributions and interest is currently only displayed for Class T-C and Class T-D members.

Due to the passage of Act 5 of 2017, Class T-E and Class T-F members are now eligible to withdraw contributions and interest at retirement; however, this is not yet reflected on the statement.

If you are nearing retirement, contact PSERS for a staff-prepared retirement estimate.

Page 4 – Debt Summary

Additional Account Information

Debt Summary as of June 30, 20XX					
Name	Original Principal	Adjustment(s)	Interest	Payments	Ending Balance
Non Qualified Part Time	\$155.57	\$0.00	\$45.77	-\$201.34	\$0.00

Note: The debts appearing above have been incorporated into the calculation of your Estimated Retirement Benefits.

The Debt Summary table displays any money you owe to PSERS due to the purchase of service credits, elimination of the effects of a frozen annuity (FA), or overpayment of benefits. The summary shows the activity of the debt(s) from its creation to the close of the statement year. You should have previously received a *Statement of Amount Due* or a letter explaining the debt(s).

For more information regarding debts, visit our website at www.psers.pa.gov or see the *Active Member Handbook*.

Debt Summary

A Debt Summary will be displayed if you owe any money to PSERS. It includes:

- Purchase of service credits
- Overpayment of benefits
- Elimination of the effects of a frozen annuity
- Multiple Service Election



A Debt Summary will be displayed if you owe any money to PSERS. It includes:

- Purchase of service credits
- Overpayment of benefits
- Elimination of the effects of a frozen annuity
- Multiple Service Election

For more information on any of these topics please refer to the *Active Member Handbook*.

Additional Information

- You can obtain additional copies of your *Statement of Account* through PSERS Member Self-Service (MSS) Portal.
- You can produce an unlimited number of estimates using PSERS' online retirement calculator.
- You may generate a more current verification of your PSERS account balance through your MSS account or by contacting PSERS.



Once your statement is generated, a copy of that statement is available through PSERS Member Self-Service (MSS) Portal. All you have to do is log into your MSS account to view your statement of account. You can also produce an unlimited number of estimates using PSERS' online retirement calculator.

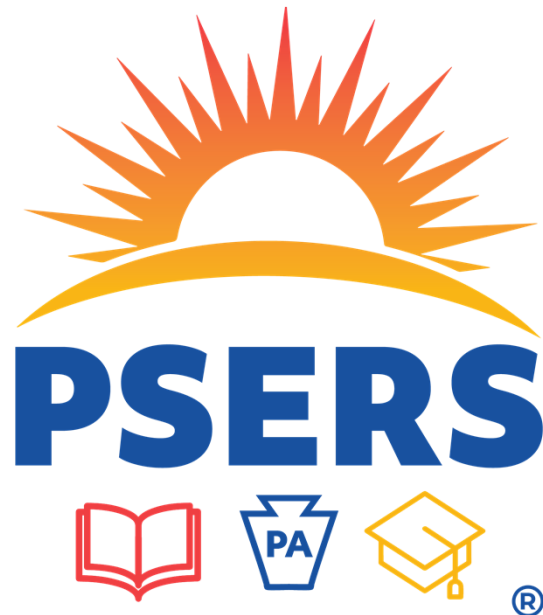
If applying for a loan, your financial institution may insist on more current information than what appears on your most recent *Statement of Account*. You may generate this verification through your MSS account or by contacting PSERS.

Thank you

ContactPSERS@pa.gov

1.888.773.7748

With PSERS, you're on
your way!



We hope you found this presentation to be helpful. For more information, please call or email PSERS.