

Active Member Handbook

With PSERS, You're On Your Way!

Managing Your Account with PSERS

PSERS' Member Self-Service Portal: Your Pension Account – Online, Anytime

The PSERS Member Self-Service (MSS) Portal offers you secure, convenient, 24/7 access to your pension account information. With the MSS portal, you can conduct many pension plan-related transactions online instead of filling out paper forms or contacting PSERS staff. Plus, you will receive instant confirmation for all of your transactions, instead of waiting for confirmation to be mailed to you.

MSS offers features allowing you to:

- Manage and update your personal information—phone numbers, email address, and mailing address. If you will be moving or will be living elsewhere for an extended period of time, you can set your address change to take effect on a future date.
- Nominate or update beneficiary(ies), (if eligible).
- Elect a membership class (if eligible).
- Elect multiple service membership (if eligible).
- Receive an email notification when your documents are available on the MSS Portal (e.g., Statement of Account, newsletters, purchase of service, statements of amount due, and other PSERS-specific correspondence).
- View a summary of your account.
- Print important documents (e.g., Statement of Account, staff-prepared estimates).
- Create retirement estimates.
- Track the status of your Retirement Application, Request for Estimate, or Refund Application.
- Stay current with PSERS-related news.

Register for your MSS account today! All you need is your PSERS ID and a valid email address.

*If you are new to PSERS, your PSERS ID is printed on the materials in your Welcome Packet. Otherwise, look for your PSERS ID on the top of any recent PSERS correspondence. You may also connect with PSERS at ContactPSERS@pa.gov or 1.888.773.7748 to have your ID mailed to you. For more information on the MSS Portal and how-to videos, please visit our website psers.pa.gov.

PSERS Goes Green!

Members with an MSS account are automatically enrolled in paperless delivery, which means that they will receive their communications electronically. Members with an MSS account are sent an email notifying them when documents are generated and available on the “My Documents” tab on MSS.

You can manage your Paperless Settings at any time through the “Paperless Option” tab. Ensure you receive important updates from PSERS by:

1. Checking your Spam folder.
2. Adding the following email addresses to your email contacts:
 - RA-PSERS_Alert@pa.gov
 - RA-PSV3_Email@pa.gov
 - RA-PSERSNews@pa.gov

Need help? Visit psers.pa.gov for instructions on adding email addresses to your contacts.

Access Your PSERS Defined Contribution (DC) Plan Online

As a participant in PSERS Defined Contribution (DC) Plan, you can access a number of online tools and resources to help you plan your financial future. You can access your PSERS DC Plan account anytime through the PSERS MSS Portal to view your balance and your investment allocations.

Your PSERS DC Plan is also mobile. Visit your favorite app store and search using the word “retire” for the Voya Retire mobile app. After downloading, visit *PSERSDC.voya.com* and click “Register Now” to create a username and password that you will need to use every time you log into the app.

A Voya PIN is required to conduct transactions with Voya over the phone and create a username and password online at *PSERSDC.voya.com*. You will also need the PIN to log in through Voya’s mobile app, or if you access your account without going through your PSERS MSS account. You should receive a letter from Voya with a PIN to access your DC account when you first became a PSERS member. If you have misplaced it or require another PIN, please call Voya at 1.833.4DC.MMBR (432.6627) to request that a new PIN be sent to your address of record.

Once you enter your account through MSS or the Voya Retire app, you can take advantage of myOrangeMoney®, an interactive educational experience that helps you estimate savings scenarios and stay on track for the retirement future you envision. You can also start your financial journey with the Financial Wellness Experience, which helps you think about your financial priorities and gives you personalized guidance that can lead to meaningful results.

PSERS Selects Voya Financial® as Service Provider of the DC Plan

Voya Financial, Inc. (NYSE: VOYA), helps individuals plan, invest and protect their savings – to get ready to retire better. With a clear mission to make a secure financial future possible – one person, one family, one institution at a time – Voya’s vision is to be America’s Retirement Company.

Since 1967, Voya has been installing, administering, and servicing employer-sponsored retirement programs across the United States. Today, Voya provides retirement products and services for plans in all 50 states and to more than 2.6 million government employees. As a top-five retirement plan provider based on number of plans and participants, Voya is focused on guiding Americans to greater retirement readiness through employer-sponsored savings plans and holistic retirement and income guidance.

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Introduction to PSERS

PSERS is a governmental, cost-sharing, multiple-employer retirement plan to which the public school employers, the Commonwealth, and school employees (members) contribute. Depending on your membership class, you may have a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, or a hybrid with both DB and DC components.

- In PSERS DB Plan, the retirement benefit is based on a formula. The formula used by PSERS includes a pension multiplier, your credited years of service, and your final average salary. Class T-C, Class T-D, Class T-E, and Class T-F are defined benefit only plans.
- In PSERS DC Plan, the retirement benefit is based on the amount of contributions in your account and investment performance. Your DC contributions and earnings, if any, are available for you to withdraw when you terminate your employment or retire. Class DC is a defined contribution only plan.
- PSERS also offers membership classes with a hybrid of both DB and DC components. Class T-G and Class T-H have a retirement benefit based on a formula and a separate benefit based on DC contributions and investment earnings, if any.

For more information on the membership classes, refer to the “PSERS Membership Class and Contribution Rates” section in this handbook.

PSERS is managed and controlled within applicable state and federal laws by a 15-member Board of Trustees. The Board is comprised of the following:

- The Secretary of Education
- The State Treasurer
- The Secretary of Banking and Securities
- The Executive Director of Pennsylvania School Boards Association
- One member appointed by the Governor
- Three representatives elected from the active certified members
- One representative elected from the active non-certified members
- One representative elected from the retired members
- One representative elected from the members of Pennsylvania Public School Boards
- Two State Representatives
- Two State Senators

All Board meetings are open to the public. You can find a meeting schedule published in PSERS newsletters and on the website at psers.pa.gov.



Membership with PSERS

PSERS membership is mandatory for qualifying employees of Pennsylvania public school entities. Qualification is determined by employment type and the amount of service rendered during a school year (July 1 – June 30) as defined by PSERS, not the employer.

Full-Time Employees

PSERS considers you full time if you are reported in one of the following ways:

- Salaried –works at least five full days per week for a stated salary.
- Hourly –works at least 25 hours per week, not including overtime hours, and paid based on the number of hours worked.
- Per Diem –works at least five full days per week and is paid on a daily basis. A workday must include a minimum of five hours to be considered a full day.
- Adjunct –works at least 30 credit hours in a fiscal year.

Members who work full time must contribute a percentage of their salary toward a retirement benefit from the first day of employment.



Part-Time Employees

PSERS considers you part time if you are reported in one of the following ways:

- Salaried –works fewer than five full days a week for a stated salary
- Hourly –works fewer than 25 hours a week and paid based on the number of hours worked
- Per Diem –works fewer than five days a week and is paid on a daily basis. A workday must include a minimum of five hours to be considered a full day.
- Adjunct –works fewer than 30 credit hours in a fiscal year.

Part-time salaried employees are eligible for membership from the first day of employment. If you are hired as a part-time hourly or per diem employee, you must initially meet certain qualifications to become a member of PSERS.

- Part-time hourly employees must work at least 500 hours in a school year to become eligible for membership.
- Part-time per diem employees must work at least 80 days in a school year to become eligible for membership.
- Employees with more than one part-time position must work a combination of days and/or hours where the service credit calculation is equal to 0.44 to become eligible for membership.

Part-time employees who do not meet the minimum criteria above do not qualify for membership.

If you are a part-time non-salaried employee, your employer may begin withholding DB contributions from your first day of employment, or delay withholding until you qualify for membership. If DB contributions were withheld and you did not qualify for PSERS membership by the end of the school year, PSERS will automatically refund the DB contributions to you. DC contributions are not withheld until you qualify for PSERS membership.

Once you qualify for membership, contributions are mandatory unless there is a break in membership. A break in membership occurs when:

- A member terminates employment and refunds all contributions and interest.
- A non-vested member terminates employment without refunding contributions and interest and does not return to active service for a period of two school years.
- A non-vested member is not reported by a Pennsylvania public school employer for a period of two full fiscal years from June 30 of the last fiscal year of the member's last day of paid service, unless the member was granted multiple service membership and is active with the State Employees' Retirement System (SERS).

Waiving Membership (for Part-Time Employees)

If you are a qualified part-time salaried, part-time hourly, or part-time per diem employee, you may waive membership with PSERS within 90 days of qualification. To qualify to waive membership with PSERS, you 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.

If you choose to waive membership with PSERS, you must do so through the Member Self-Service (MSS) Portal on the "Class Election" tab. You must certify that you have an IRA or other eligible retirement plan. If you are returning to service and choose to waive membership, you must contact PSERS to waive and complete a *PSERS Membership Waiver for Part-Time Employees* (PSRS-51) form.

You have 90 days to waive membership with PSERS.

Working in a Charter School

Charter schools are not required to offer PSERS membership to employees. If you are a member of PSERS based on employment with an entity other than a charter school, then you may want to consider the following before accepting employment with a charter school:

- Some charter schools do not offer PSERS, only alternate retirement plans.
- Some charter schools offer PSERS only to certain employee classifications; your position may determine your eligibility to continue participation with PSERS, or you may be required to participate in an alternate retirement plan.
- Some charter schools may permit you to elect an alternate retirement plan, instead of PSERS, provided you meet the specific eligibility criteria of the alternate retirement plan.
- If you do not qualify for membership in an alternate retirement plan for your charter school employment, you must be enrolled in PSERS if you qualify for membership in PSERS.

If you are a PSERS member because of your employment with a charter school, you may only elect an alternate retirement plan for employment with a different charter school if you qualify for the different school's alternate retirement plan and if one of the following applies to you:

- You have a bona fide break in service prior to your employment with the different charter school.
- You did not elect into PSERS when you started employment at your current charter school, i.e. you were required to participate in PSERS, and you are now employed by a charter school that offers you the ability to elect into an alternate retirement plan.

Working for Employers as defined by Section 8301 (a) of the Retirement Code

(e.g., Community Colleges, State-Owned Universities, Pennsylvania State University, and Department of Education)

If you work for an employer defined by Section 8301(a) of the Retirement Code, such as community colleges, Pennsylvania State University, or a Pennsylvania state-owned university, you may qualify as a member of PSERS but also may be eligible to elect membership in SERS or an alternate retirement plan.

If you do not qualify for SERS or an approved alternate retirement plan, you will default to PSERS.

If you are a PSERS member who currently works for an employer as defined by Section 8301(a), you may only elect an alternate retirement plan for employment with a different school employer if you qualify for the alternate retirement plan and at least one of the following applies to you:

- You have a break in service prior to your employment with the different school employer.
- You did not qualify for SERS or an approved alternate retirement plan at your current employer and defaulted into PSERS.
- Your new employment is with a charter school.

If you are working concurrently in two positions for two different employers through which you are a member of PSERS for one employer and a member of an alternate retirement plan for the other employer, then contributions are separately made to PSERS and to the approved retirement plan.

PSERS Membership Classes and Contribution Rates

Membership Class

PSERS has seven membership classes. Your membership class is listed on your annual Statement of Account, which PSERS provides to members in late fall or early winter each year. Your membership class is determined as follows:

Class	Rules for Eligibility
Class T-C (Act 1975-96)	Members who first qualified for membership prior to July 1, 2001, and did not elect to convert to Class T-D via the provisions of Act 2001-9 and who have not returned after a break in service.*
Class T-D (Act 2001-9)	Members who first qualified for membership prior to July 1, 2001, and elected to convert from Class T-C to Class T-D via the provisions of Act 2001-9.
	Members who first qualified for membership between July 1, 2001, and June 30, 2011, or Members who had a break in service prior to July 1, 2001, and then returned to service on or after July 1, 2001, and earned 3 eligibility points.
Class T-E (Act 2010-120)	Members who first qualified for membership on or after July 1, 2011, and did not elect to convert to Class T-F via the provisions of Act 2010-120.
Class T-F (Act 2010-120)	Members who first qualified for membership on or after July 1, 2011, and elected to convert from Class T-E to Class T-F via the provisions of Act 2010-120.
Class T-G (Act 2017-5)	Members who first qualify for membership on or after July 1, 2019, and do not elect to convert to Class T-H or Class DC via the provisions of Act 2017-05.
Class T-H (Act 2017-5)	Members who first qualify for membership on or after July 1, 2019, and elect to convert to Class T-H via the provisions of Act 2017-05.
Class DC (Act 2017-5)	Members who first qualify for membership on or after July 1, 2019, and elect to convert to Class DC via the provisions of Act 2017-05.

*Special rules apply if you terminated service before July 1, 2001. Contact PSERS for more information.



Contribution Rate

Your membership class and employment history determine your contribution rate. The “Member Contribution Rates” table below shows the various rates at which members contribute to PSERS.

For the most current contribution amounts, please visit psers.pa.gov. Contribution rates for Class T-E, Class T-F, Class T-G, and Class T-H members are subject to change as required by the shared risk/shared gain provision. More information on shared risk/shared gain is available below and on our website.

Member Contribution Rates				
Membership Class	Continuous Employment Since	DB Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk/shared gain provision	N/A	7.50%
T-F	On or after July 1, 2011	10.30% base rate with shared risk/shared gain provision	N/A	10.30%
T-G	On or after July 1, 2019	5.50% base rate with “shared risk/shared gain” provision	2.75%	8.25%
T-H	On or after July 1, 2019	4.50% base rate with shared risk/shared gain provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk/Shared Gain

With a “shared risk/shared gain” provision, Class T-E, Class T-F, Class T-G, and Class T-H members benefit when investments are doing well and share some of the risk when investments underperform. Your DB contribution rate may increase or decrease by 0.50% or 0.75% within the specified range once every three years.

Membership Class	DB Base Rate	Shared Risk/Gain Increment	Min	Max	
Class T-E	7.50%	+/- 0.50%	5.50%	9.50%	
Class T-F	10.30%	+/-0.50%	8.30%	12.30%	
Class T-G	5.50%	+/-0.75%	2.50%	8.50%	+ 2.75% DC Component
Class T-H	4.50%	+/-0.75%	1.50%	7.50%	+ 3.00% DC Component

Naming Beneficiaries

All members should name a beneficiary. A beneficiary is the person(s) or entity(ies) you wish to receive your retirement benefits upon your death, if applicable. You may nominate beneficiaries through your MSS account. Alternatively, you may submit the *Nomination of Beneficiaries* (PSRS-187) form that is available on the PSERS website or by contacting PSERS.

You may name one or more primary beneficiaries and one or more secondary beneficiaries. You should designate a guardian for each minor child who is named as a beneficiary. A guardian is the person designated to handle the minor child's financial affairs only with PSERS.

Keeping your beneficiary information up to date will ensure that, if any death benefits are owed, the benefits are paid promptly and in accordance with your wishes. If you do not name a beneficiary or your beneficiary predeceases you, any benefits payable will be paid to your estate or next of kin, if permitted.

At a minimum, you should review your beneficiary information if:

- You marry or divorce.
- One of your beneficiaries changes his or her name or address.
- One of your beneficiaries reaches age 18.
- You have a child or adopt a child.
- One of your beneficiaries dies.

You may nominate beneficiaries at any time before applying for retirement. The new nomination will supersede all previous nominations.

Class T-G and Class T-H members may choose to nominate different beneficiaries for the DB and DC components of their retirement benefit.



Annual Statement of Account

Active, inactive, and vested members receive an annual Statement of Account. The statement shows a high-level overview of your DB and DC accounts (if applicable). This includes total contributions, interest, years of credited service, wages, hours and days worked in that fiscal year, a summary of debts against your account (if applicable), an estimate of your monthly retirement benefits (if eligible), and your vested and non-vested DC account balances. Any adjustments or purchases of service credit that are transacted after the statement generation date will appear on the following year's statement.

In the fall, PSERS will send your statement after all of your employer(s) report your wages, contributions, and annual service for that school year. Only one statement is sent to members who work for more than one school employer during the school year (July 1 through June 30). PSERS must first receive all the employer information (reports) to generate the statement. Because your statement is based on employer reporting, you should review it for accuracy and resolve any discrepancies in salary or service with your employer as soon as possible.

The statement will also list your primary beneficiary(ies), unless you requested to omit the beneficiary information. You may choose to omit your beneficiary information from your statement through the MSS Portal or by indicating your choice to omit that information from your statement on any Nomination of Beneficiaries form you submit to PSERS.

Members with an MSS account are automatically enrolled in paperless delivery, which means that they will receive their statements electronically. Members with an MSS account are sent an email notifying them when their statement is generated and available on the "My Documents" tab on MSS.

Divorce

As a retirement benefit may be one of the largest financial assets a member may have, the division of the pension benefit may become an important issue in a divorce agreement.

The retirement benefits payable to a member of PSERS are sometimes classified as marital property that can be divided in a divorce. The division of marital property in a divorce is known as equitable distribution.

Any attachment of a member's retirement benefit for the purpose of equitable distribution must be accomplished through the terms of an Approved Domestic Relations Order (ADRO), as set in the Retirement Code.

PSERS requires the submission of a Domestic Relations Order (DRO) for review and approval. If, as written, the DRO is acceptable to, and approved by, PSERS and signed by both parties and the court, the DRO is then considered an ADRO.

If there is no equitable distribution of the PSERS account, the former spouse must submit a *Waiver of Pension Benefits* (PSRS-1286) form to PSERS. This form is available on the PSERS website or by calling PSERS.

For more information, including a sample ADRO, refer to the PSERS publication *Divorce Guidelines and Forms* (Publication #9681).

Taxes on Your Retirement Benefit

Your PSERS retirement benefits are subject to federal income tax, but are not subject to Pennsylvania state or local income tax. You may elect to have PSERS withhold federal income tax. PSERS will not withhold state or local taxes from your benefit payments. If you are planning to live outside Pennsylvania, you should contact state and local tax agencies in that location to determine whether your benefit is taxable.

For more information about the tax consequences when withdrawing your retirement funds, refer to the PSERS publication *Let's Talk About Taxes on Your Retirement Benefits* (Publication #9600) or the PSERS website.

Points to Remember Prior to Retirement

While an active member of PSERS, there are some things you can do to ensure you remain well-informed about your PSERS account.

- 1. Make sure your email and mailing addresses are always up to date in PSERS' records.** – PSERS sends active, inactive, and vested members an annual Statement of Account to the email or mailing address PSERS has on file. Members also receive the Active Member Newsletter, as well as other account-related information via email or mail. You can change your address at any time through your MSS account.

Using the MSS Portal is the easiest way to keep your information current with PSERS. If you are employed with a Pennsylvania public school, you should also notify your employer of any change or correction of address.

You can manage your Paperless Settings at any time through the "Paperless Option" tab.

Ensure you receive important updates from PSERS by:

- 1. Checking your Spam folder.*
- 2. Adding the following email addresses to your email contacts:*
 - RA-PSERS_Alert@pa.gov*
 - RA-PSV3_Email@pa.gov*
 - RA-PSERSNews@pa.gov*

Need help? Visit psers.pa.gov for instructions on adding email addresses to your contacts.

- 2. Review your Statement of Account.** – Your Statement of Account is sent annually in the late fall. When you receive your statement, be sure to review all of the information provided. If your beneficiary information is not up to date, please update your beneficiary information through the MSS Portal, or submit a new Nomination of Beneficiaries form. If you do not agree with salary or service reported by your employer, please contact your employer to resolve any discrepancies. All other inquiries should be directed to PSERS.
The information for the DC component of your retirement, if applicable, will be a snapshot in time as of June 30. This information may not match your most recent quarterly financial statement.
- 3. Keep your beneficiary information up to date.** - Keeping your beneficiary information up to date ensures that benefits are paid according to your wishes.
You may update your nomination at any time through your MSS account or by submitting a Nomination of Beneficiaries form. The most recently received Nomination of Beneficiaries will supersede all previous nomination.
- 4. Use the Online Retirement Calculator.** – You can create your own estimates for your DB benefit using the Retirement Estimate Calculator available through your MSS account. If you do not have an MSS account and use the estimate calculator on PSERS website, you will need a copy of your most recent Statement of Account.
Note: At this time, the Online Retirement Estimate Calculator is only available to Class T-C, Class T-D, Class T-E, and Class T-F members.
- 5. Take advantage of PSERS' online resources.** – Whether you are a new, active, or retired member, the answer to most of your retirement-related questions can be found on the PSERS website. News, board information, forms, processing time frames, publications, and information about every phase of your membership life cycle is easily accessible online at psers.pa.gov.
The MSS Portal offers you secure, convenient, 24/7 access to your pension account information. There, you can conduct many pension plan-related transactions online instead of filling out paper forms or contacting PSERS staff. Plus, you will receive instant confirmation for all of your transactions, instead of waiting for confirmation to be mailed to you.
- 6. Note that you may not borrow from your DB or DC account.** – Under the law, you must terminate all Pennsylvania public school employment to receive any funds from your DB or DC account. Upon termination, you may defer retirement, retire, or request a refund or distribution. You cannot request a loan or borrow funds from your DB or DC account. Additionally, your funds in PSERS may not be attached, assigned, or used for collateral, and are also generally excluded from bankruptcy proceedings.

Preparing for Retirement

Retiring is one of the most important choice you will make. PSERS strongly recommends all members do the following:

- 1. Attend a Foundations for Your Future (FFYF) program.** – PSERS retirement representatives present FFYF seminars throughout the school year in numerous locations to review critical information about your retirement system. A list of scheduled meetings and locations is available on the PSERS website. Please contact the regional office associated with the seminar if you require an accommodation to participate.
- 2. Request a staff-prepared DB retirement estimate.** – If you are within 12 months of your retirement date, you can request an estimate of your benefit by submitting a *Request for Retirement Estimate* (PSRS-151) form that can be found on the PSERS website or requested by contacting PSERS. If you are more than 12 months from your retirement date, use the online Retirement Calculator application available on the PSERS website.
- 3. Schedule a Retirement Exit Counseling session.** – After receiving a PSERS estimate and making the decision to retire, you should call your PSERS regional office to schedule an appointment for a Retirement Exit Counseling session. At the session, PSERS will review your options with you and provide important information about retiring, as well as assist you in filling out your Application for Retirement. You will also receive post-retirement information such as returning to service, premium assistance, and the Health Options Program. Retirement representatives schedule sessions to accommodate a small group.
- 4. Visit your PSERS DC Plan account online.** - Log into your PSERS DC Plan through Member Self-Service and use the myOrangeMoney® web experience. The resource is designed to help you focus on what matters most – how your accumulated savings translates into estimated monthly income in retirement. Make sure to add outside accounts and assets, like your anticipated PSERS DB monthly benefit, to get a complete picture of your future in retirement. You can also schedule an individual virtual counseling session with a Voya representative by using the online scheduling tool on the PSERS website. For more information about your DC account, refer to the “PSERS Defined Contribution (DC) Plan” section in this handbook.



Employment in Pennsylvania Public Schools After Retirement

The Retirement Code prohibits PSERS retirees from returning to work for a Pennsylvania public school employer unless they qualify for specific exceptions. If a retiree returns to work and does not fit within an exception, the law mandates that the retiree's DB monthly annuity cease immediately and the retiree receive no further distributions from the PSERS DC Plan until the retiree experiences a termination of school service. For more information on returning to public school employment exceptions, refer to the PSERS publication *PSERS Return to Service Exceptions* (Publication #9682).

Pension Forfeiture Overview

The right of a person to receive any retirement benefit from PSERS is subject to forfeiture as provided by the Public Employee Pension Forfeiture Act ("Forfeiture Act"). The law mandates that all service and benefits payable to a PSERS member be forfeited if the member is found guilty of, or enters a plea of guilty or nolo contendere to, any crime identified in the Forfeiture Act, when the crime is committed through the member's position as a public employee or official, or when the member's public employment places the member in a position to commit the crime(s).

All Pennsylvania criminal offenses that are classified as felonies or punishable by a term of imprisonment exceeding five years are forfeitable offenses. Several misdemeanor crimes are also forfeitable offenses. By way of example, the list of forfeitable Pennsylvania crimes includes, but is not limited to: theft by unlawful taking or disposition; theft by deception; theft of services; theft by failure to make required disposition of funds received; forgery; tampering with records; bribery; perjury; misapplication of entrusted property and property of government or financial institutions; tampering with public records or information; criminal attempt, solicitation and conspiracy; murder; voluntary manslaughter; involuntary manslaughter; aggravated assault; retail theft; identity theft; corruption of minors; unlawful contact with minor; distribution of computer virus; bomb threats; and the sexual offenses listed in Chapter 31, Subchapter B of the Pennsylvania Crimes Code. In addition, any crime set forth in Federal law or the laws of any other state is a forfeitable offense, if the crime is substantially the same as any forfeitable Pennsylvania crime.

Upon forfeiture, a member is entitled to a return of the member's DB contributions *without* interest. A member's DB contributions and interest shall be used to pay any court-ordered restitution, provided the monies have not been withdrawn by the member prior to forfeiture. If a member is receiving a benefit, the member will owe PSERS any amounts that were paid to the member after forfeiture. Forfeiture is not stayed or affected by the filing of an appeal or an attack on a plea, verdict, or order.

Upon forfeiture, a member forfeits all accumulated employer contributions and investment earnings, if any, on those contributions in the member's PSERS DC Plan account. A member's contributions to the PSERS DC Plan, including all mandatory employee contributions, voluntary contributions, and all amounts rolled-over into the PSERS DC plan with all investment earnings, if any, on all such contributions, shall be available for restitution.

PSERS Appeals Process

A member of PSERS who disagrees with a determination rendered by PSERS staff may appeal the determination to the PSERS Executive Staff Review Committee. An appeal to the Executive Staff Review Committee must be received by PSERS within 30 days after the date of the determination letter or by the due date stated in the letter notifying you of PSERS' decision. All appeal requests must be made in writing and sent to:

Executive Staff Review Committee
5 N 5th Street
Harrisburg PA 17101-1905

If an appeal is denied by the Executive Staff Review Committee, the disputing party may appeal to the Public School Employees' Retirement Board and request an administrative hearing before a hearing examiner. Instructions on how to proceed with the appeals process is included in the letter sent to you by the Executive Staff Review Committee.

Contacting PSERS

You may contact PSERS toll-free at 1.888.773.7748 from 8:00 a.m. to 5:00 p.m., Monday through Friday, except on State holidays. PSERS also has regional offices located throughout the state. Their core operating hours are 8:30 a.m. to 5:00 p.m. A complete list of all PSERS regional offices is found on PSERS' website under Regional Offices.



PSERS
5 N 5th Street
Harrisburg PA 17101-1905

Toll-free: 1.888.773.7748
Local: 717.787.8540
Fax: 717.772.3860

Email address:
ContactPSERS@pa.gov

Website:
psers.pa.gov

Voya Financial®
Attn: PSERS School Employees'
Defined Contribution Plan
P.O. Box 24747
Jacksonville, FL 32241-4747

For overnight mail delivery:
Voya Financial®
Attn: PSERS School Employees'
Defined Contribution Plan
8900 Prominence Parkway
Jacksonville, FL 32256

Toll-free: 1.833.432.6627

Website:
PSERSDC.voya.com

PSERS Defined Benefit (DB) Plan

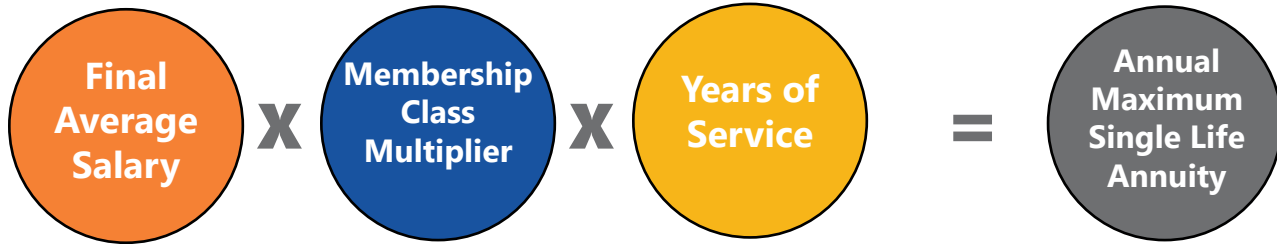
**For Members in Class T-C, Class T-D, Class T-E, Class T-F,
Class T-G, and Class T-H**

About Your Defined Benefit (DB) Plan

If you are in one of the following membership classes and vested, you will receive all or part of your retirement from the PSERS DB Plan:

- Class T-C
 - Class T-D
 - Class T-E
 - Class T-F
 - Class T-G
 - Class T-H
- Members in these classes will only receive a guaranteed benefit from their PSERS DB Plan. They do not have a DC component.
- Class T-G and Class T-H members have both a DB and DC component. Members in these classes will receive a guaranteed benefit from their DB plan and a distribution from their DC account.

In the DB plan, the retirement benefit is based on a defined calculation:



Becoming Vested (PSERS DB Plan)

Vested means you are eligible for a monthly retirement benefit after termination of employment. Your membership class determines vesting for the PSERS DB Plan as follows:

Class	Vesting Requirements (You must meet one of the following to be vested)
T-C*	<ul style="list-style-type: none"> You have at least five years of service with at least one year of qualifying service rendered You are age 62 or older at termination of employment with at least one year of qualifying service
T-D	
T-E	<ul style="list-style-type: none"> You have at least 10 years of qualifying service You are age 65 or older at termination of employment with at least three years of service
T-F	
T-G**	<ul style="list-style-type: none"> You have at least 10 years of qualifying service You are age 67 or older at termination of employment with at least three years of service
T-H*	

*Special conditions may apply for those who terminated active PSERS-covered employment on or prior to July 1, 2001. Contact PSERS for more information.

** Refer to the "Becoming Vested (PSERS DC Plan)" of this handbook for vesting requirements on the DC component of Class T-G and Class T-H

Interest

The DB accounts of active and vested members of PSERS accrue interest at a rate of 4% compounded annually. Interest is posted to your DB account at the end of the school year.

Any DB contributions made during the current school year by an employee who does not qualify for membership within that same school year are considered non-qualifying contributions. Non-qualifying DB contributions do NOT earn interest and must be refunded to the member without interest. Refer to the “Part-Time Employees” section of this handbook for more information on qualifying for membership.

DB Death Benefits During Employment

If you are vested, your DB death benefit payable is the present value of your account, which is determined by your years of credited service, final average salary, and age at the time of death. Your estimated DB death benefit is noted on your Statement of Account.

If your account is not vested, your beneficiary(ies) will receive your total contributions and interest. The beneficiary(ies) will have the following payment options:

- Payment made as a lump sum
- Payment rolled over to the beneficiary’s account in a financial institution
- Payment made in any combination of the first two bullets.

It is important to keep your choice of beneficiary(ies) current to ensure that any death benefits are disbursed according to your wishes.

For more information about death benefits, refer to the PSERS publication *Let’s Talk About Death Benefits* (Publication #9602) and on the PSERS website.

Obtaining Service Credit

Credited Service

Members of PSERS earn credit for service as follows:

- Salaried or per diem employees must work at least a minimum of five hours per day and 180 days in a school year to earn one full year of service credit.
- Hourly employees must work at least 1,100 hours in a school year to earn one full year of service credit.*
- 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 five hours or more a day for five (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 fewer than five hours per day and/or five days per week are reported in days or a portion of a five-hour day.

You may not receive more than one year of credited service in a school year. In other words, anything worked in excess of 180 days or 1,100 hours is still one year of service credit.

Approved Leaves of Absence

An approved leave of absence is a leave granted by the employer and approved by the school board. Approval and reason for the leave must appear in the board minutes. The following are types of approved leave:

- Activated Military Leave
- Collective Bargaining Leave
- Exchange Teacher Leave
- Professional Study Leave
- Sabbatical Leave
- Special Sick Leave

There are specific requirements for each type of leave of absence which, at the conclusion of your leave, may include a required period of time you must return to employment. You should refer to the PSERS website or contact PSERS for additional information.

You may apply to purchase an approved leave, if you did not make contributions to PSERS while you were on leave. You must apply to purchase this leave while you are an active contributing member of PSERS.

Purchasing Eligible Service Credit

Active members of PSERS may apply to purchase eligible service credit. See below for types of service eligible for purchase. PSERS must receive your purchase of service application(s) while you are an active, contributing member.

PSERS strongly recommends that you submit your purchase of service application(s) as early in your employment as possible. With certain types of service, you have a limited time frame in which to apply. Purchasing service credit may enhance your retirement or death benefit. Early purchases also help to avoid processing delays at retirement.

Although it is not necessary for you to pay for your purchase of service out of pocket, you will receive a Statement of Amount Due containing payment options if your purchase of service is approved. Interest accrues at 4%, compounded annually on any unpaid balance that remains beyond 90 days beginning from the date of your statement.

Applications are available on the PSERS website or by contacting PSERS.

Purchases of service for Class T-G and Class T-H members will only apply to the DB component of their retirement.

Types of Service Eligible for Purchase

Active members who qualify can apply to purchase the following types of school and non-school service:

School Service

- Return of refund (reinstatement of prior service)
- Former uncredited full-time service
- Former uncredited qualifying part-time service
- Former uncredited non-qualifying part-time service
- Approved leaves of absence* (Refer to the "Approved Leaves of Absence" section)
- Activated military service
- Service with a County Board of School Directors (if paid by County Board of School Directors)

Credit for service while absent from work and receiving Workers' Compensation is only eligible for purchase if you are on an approved Special Sick Leave, which is limited to one year.

Non-School Service

- Intervening military service
- Out-of-state school service
- Non-Intervening military service
- Maternity leave (prior to November 1, 1978)
- United States Government service in an education-related capacity
- County nurse service
- Service with a County Board of School Directors (if paid by County Commissioners)
- Cadet Nurse Corps (during World War II)

For more details regarding each type of purchase, please refer to the PSERS website.



Applying to Purchase Non-Qualifying Part-Time Service

Beginning July 1, 2011, active members of PSERS have specific time frames to apply for non-qualifying part-time (NQPT) service:

- Class T-C and Class T-D members who were not active on July 1, 2011, and later return to active, contributing status, have one year from the date of notification by PSERS to file an application to purchase NQPT service.
- Class T-E, Class T-F, Class T-G, and Class T-H members have one year from the date of notification by PSERS to file an application to purchase NQPT service.

To apply for NQPT service, you and your employer(s) where the service was rendered must complete the *Application to Purchase Credit for Part-Time Service* (PSRS-100). The application is available on the PSERS website or by contacting PSERS.

Methods of Payment

You will receive a Statement of Amount Due if your purchase is approved. PSERS will automatically credit your DB account with the service and will establish a debt against your account for the balance due. Beginning on the 91st day after your statement is issued, interest will accrue on the debt until it is paid in full. The Statement of Amount Due will contain the different payment options available to you. These options are:

- A lump-sum payment due within 90 days of the billing date.
- Payroll deductions may be available at the discretion of your employer. Contact your employer for more information. (This option does not apply to SERS members purchasing service credit with PSERS.)
- Rolling over money held in an IRA (regular/simple), 401(a), 401(k) (simple/safe harbor), SEP403(b) and governmental 457(b) plans.
- Purchase of Service Debt Plan.

In some cases, you may have the option to rescind your purchase. Your Statement of Amount Due will note if this option is available to you. If you choose to rescind your purchase, you must notify PSERS in writing within 90 days of the date of your statement.

Purchase of Service (POS) Debt Plan – How It Works

The POS Debt Plan, also known as an actuarial reduction, is an alternative for members who do not wish to pay the cost to purchase service in a lump sum or in monthly installment payments. This payment plan allows you to pay for your purchase at retirement by placing a debt against the equity in your DB account (your account's Present Value).

When you retire, a reduction is applied to the Present Value of your retirement account. Despite this debt, adding service credit to your account usually increases the amount of your monthly DB retirement benefit, especially if you are a Class T-C or Class T-D member.

Purchasing Service for Class T-E, Class T-F, Class T-G, and Class T-H members:

The cost to purchase NQPT service and most types of non-school or non-state service credit is the full actuarial cost. In other words, when you purchase service credit, you are paying an amount for the purchase that will result with you self-funding your future PSERS retirement benefit. At the time your application to purchase the service credit is submitted and approved, PSERS will provide you with an estimate for your purchase based on your projected total credited service, final average salary, contributions, and interest, plus the projected amount of funds needed to cover the appropriate corresponding portion of your lifetime benefit. No payment will be required at that time. PSERS then recalculate the cost and benefit to you at the time of your retirement and give you an opportunity to rescind your request to purchase this service credit or continue with your purchase.

Contact a PSERS retirement representative if you need more information on the various payment options.

PSERS strongly recommends that you submit your purchase of service application(s) as early in your employment as possible. With certain types of service, you have a limited time frame in which to apply. Purchasing service credit may enhance your retirement or death benefit. Early purchases also help to avoid processing delays at retirement.

Multiple Service Membership

Multiple Service membership allows you to combine your PSERS service with SERS service (e.g., Department of Human Services, Department of Labor and Industry, Department of Transportation, etc.). Electing multiple service may enhance your retirement benefit; however, combined benefit payments may be higher if the PSERS and SERS accounts are maintained separately and you retire from each System individually. If you are or were a SERS member and you have questions about the effect of electing multiple service, you should contact a PSERS retirement representative to discuss your options prior to making a multiple service election.

Electing Multiple Service Membership

New or returning members of PSERS have 365 days from the date of notification from PSERS to elect multiple service membership. You may apply for multiple service membership through the MSS Portal or by submitting an *Application for Multiple Service Membership* (PSRS-1259) form. Your application must be filed with PSERS while you are an active, contributing member of PSERS. You must submit your application for multiple service membership to PSERS within 365 days of the deadline stated in your initial membership letter or prior to termination, whichever is earlier. PSERS will determine your eligibility after we review your election form.

Multiple Service Retirement Benefit

Your contributions and interest will continue to earn interest as long as you remain active or vested in either of the two retirement systems. Your record of service, contributions, and interest will remain separate in each retirement system until you terminate service and apply for a refund or retirement.

When you apply for retirement, each retirement system independently determines your eligibility and calculates your retirement benefit. The retirement benefit will be based on the average of your three or five highest years' salary (depending on your membership class) in either retirement system, your combined years of credited service, and your withdrawal of contributions and interest, if applicable.

The retirement system from which you are retiring will pay you a combined retirement benefit. If you are not entitled to a monthly benefit, or do not wish to receive a benefit, you must apply to both SERS and PSERS to receive a refund of your contributions and interest.

Multiple service members who contribute to both PSERS and SERS at the same time within the same year may not receive a benefit based on more than one year of service for that year. When you retire, both retirement systems will review your service and give you a proportionate benefit for the overlapping service. You should check your service credit with each retirement system prior to retirement.



Options When Leaving Employment

There are three options when you leave Pennsylvania public school service: retire, defer retirement, or refund. If you are leaving employment, you should refer to the “Leaving Employment” tab on the PSERS website.

Retirement

Normal Retirement (Unreduced Benefit)

Normal retirement, also known as superannuation or full retirement, is an unreduced DB benefit where all age and/or service requirements are met. If you are vested (refer to “Becoming Vested” section), you may receive a normal retirement benefit when you terminate public school employment and if:

Class	Eligibility for an Unreduced DB Benefit
T-C	<ul style="list-style-type: none"> Age 62, or Age 60 with 30 years of service, or 35 years of service regardless of age.
T-D	
T-E	<ul style="list-style-type: none"> Age 65 with a minimum of three years of service credit, or Any combination of age and service that totals 92 with at least 35 years of credited service.
T-F	
T-G*	<ul style="list-style-type: none"> Age 67 with a minimum of three years of service credit, or <u>Any combination of age and service that totals 97 with at least 35 years of credited service.</u>
T-H*	<ul style="list-style-type: none"> Age 67 with a minimum of three years of service credit.

*Refer to the “Becoming Vested (PSERS DC Plan)” section in this handbook for more information.

Early Retirement (Reduced Benefit)

Early retirement is a reduced retirement benefit available to members who do not meet the normal retirement requirements. The chart below identifies the years of service necessary for an early retirement and the retirement factor(s) used to reduce your monthly benefit.

Class	Eligibility	Amount
T-C*	5 years of service	The normal retirement benefit is reduced by an early retirement factor so that the “present value” of the account is actuarially equivalent. The reduction correlates to how far away the member is from superannuation age. In effect, the member receives less each month because the benefit will be received over a longer period of time
T-D		
T-E	10 years of service	
T-F		
T-G**	10 years of service	Same factors as above if: (1) retiring between age 62-67; or (2) any age below age 62 if 25 years of service. If retiring prior to age 62 with less than 25 years of service, then the current reduction factor from age 62 to 67 plus a different reduction factor from actual retirement age to age 62
T-H**		

* Special rules apply if you terminated service before July 1, 2001. Contact PSERS for more information.

**Early Retirement applies to only the DB component of a Class T-G or Class T-H member’s benefit.

Special Early Retirement

For Class T-C, Class T-D, Class T-E, Class T-F, and Class T-H members, a special early retirement is available if you are at least age 55 and have 25 or more years of credited service (“55/25”). A “55/25” retirement is reduced by one quarter of one percent per month for each month you are under normal retirement requirements.

Class T-G members have a special early retirement available if you are at least age 57 with 25 years of service.

Deferring Your Retirement Benefit (Vesting)

When you defer retirement, you leave your contributions and interest in your PSERS account and postpone receipt of your benefit until a later date. Deferring retirement is also known as vesting. Your DB account continues to accrue interest at 4% annually. Refer to the chart in the “Becoming Vested (PSERS DB Plan)” section for the different vesting requirements for each membership class.

It is extremely important to notify PSERS of any address and beneficiary changes throughout your career. Keeping this information current will ensure that you receive important information, and that any death benefit will be paid according to your wishes.

Your DB retirement account will continue to accrue interest at a rate of 4% compounded annually on your account balance (contributions and interest) until you refund or retire. Interest is posted at the end of the fiscal year.

DB Retirement benefit payments do not begin automatically. You must submit an *Application for Retirement* (PSRS-8) to start to receive your DB retirement benefit. PSERS strongly suggests that you attend a free *Foundations For Your Future* educational program and a *Retirement Exit Counseling* session prior to retiring.

To have your retirement date as your date of superannuation (normal retirement) or a specific date, PSERS must receive your *Application for Retirement* within 90 days of that date (e.g., your date of birth).

If you choose to defer your retirement, PSERS must receive your *Application for Retirement* prior to the alternate date. If your application is not received on or before that date, PSERS will use the date the application is received as the retirement date.

Important Note about Deferring Your Retirement

The Internal Revenue Service (IRS) mandates that retirement benefits to members who are no longer working must begin to be distributed by April 1 of the calendar year following the year in which they attain age 70 1/2. As a result, if you left school service and are age 70 1/2, you are required to begin receipt of your retirement benefits from PSERS.

Your PSERS retirement calculation will ensure that the IRS-defined Required Minimum Distribution (RMD) threshold is met. If you do not begin receiving your RMD, the IRS may impose a 50% penalty tax on the amount not distributed as required. If you have questions regarding RMD, we encourage you to seek advice from your tax consultant or the IRS.

Refunding Your DB Contributions and Interest

If you experience a break in service from all Pennsylvania public school employment, you may request a refund of your contributions and the interest earned on the contributions. To process the refund, PSERS must receive your date of termination from your employer(s).

A refund is your only option if you terminate from all school service and you are not vested. You are eligible only for a refund if you are not vested. For vesting requirements, refer to the “Becoming Vested (PSERS DB Plan)” section.

Refunds apply to the DB component of benefits for Class T-G or Class T-H members. Refer to the PSERS DC Plan section of this handbook for more information on the DC component of the benefit.

You must complete an *Application for Refund* (PSRS-59) to receive a refund of your DB contributions and interest. If you are a Multiple Service member (have combined your SERS and PSERS accounts), you must apply separately to receive a refund from both SERS and PSERS. By law, PSERS will not credit interest to accounts that are not vested. Interest for non-vested members will cease at termination. Members on an unpaid leave of absence or who are no longer active but have not yet terminated employment will continue to receive interest for up to 24 months.

Applying for Normal and Early Retirement

To begin receiving a retirement benefit, you must submit an Application for Retirement to PSERS. To make your retirement date effective on the day after you end (terminate) all public school employment, PSERS must receive your retirement application within 90 days of your termination date. If you apply beyond the 90-day time frame, then your date of retirement becomes the day PSERS receives your application unless you selected a specific future date, which means that you will not receive an annuity retroactive to the day after your termination date. A request for a retirement estimate is not a substitute for an *Application for Retirement* and the request does not preserve a date of retirement.

Retirement Calculation

Your DB monthly benefit is computed using a calculation. Your calculation depends on your membership class.

Membership Class	Annual Maximum Single Life Annuity Calculation
Class T-C*	
Class T-E	
Class T-D	
Class T-F	
Class T-G	
Class T-H	

*Special rules apply if you terminated service before July 1, 2001. Contact PSERS for more information.

Maximum Single Life Annuity

The above calculations apply to the Maximum Single Life Annuity (MSLA) retirement option at normal retirement. All other retirement options have an option-reducing factor applied to the basic calculation. Refer to the “DB Monthly Benefit Options” section for more information on MSLA and other retirement options.

Final Average Salary

In most cases, the Final Average Salary (FAS) for Class T-C, Class T-D, Class T-E, and Class T-F members is an average of your three highest school years’ salaries. The FAS for Class T-G and Class T-H members is generally the average of your five highest school years’ salaries.

For school years in which you rendered part-time service, your compensation may be annualized. In other words, the compensation you receive for part-time service may be calculated as if you worked full time, applied against the fractional portion of the service you rendered for the school year. For terminations before the end of the school year, the partial salary for that year may be used in combination with a proportionate percentage of a prior school year.

Withdrawing DB Contributions and Interest

With a few exceptions, you may choose to withdraw all or part of your DB contributions and accrued interest. Your DB retirement benefit is reduced depending on the amount of contributions and interest that you select to withdraw with your chosen benefit option.

Monthly Benefit Options

Your DB options when choosing to receive your retirement benefit are: Maximum Single Life Annuity, Option 1, Option 2, Option 3, and Option 4 (Customized).

Maximum Single Life Annuity

This provides the maximum monthly benefit amount available. If at the time of your death you have not received an amount equal to your contributions and interest, then the balance is paid to your beneficiary(ies). If you withdrew your total contributions and interest at retirement, there will be no death benefit.

Option 1

Your monthly benefit is reduced and a "Present Value" is assigned to your account. If at the time of your death you have not received in monthly benefits an amount equal to your account's Present Value, then the balance is paid to your beneficiary(ies).

Option 2

Your monthly benefit is reduced based on your age and the age of your survivor annuitant at retirement. At the time of your death, the same monthly benefit is paid to your survivor annuitant throughout his or her lifetime.

Option 3

Your monthly benefit is reduced based on your age and the age of your survivor annuitant at retirement. At the time of your death, one-half of your monthly benefit is paid to your survivor annuitant throughout his or her lifetime.

Option 4 (Customized)

Your monthly benefit may be customized if none of the other options meets your needs. This option is subject to certain conditions. You should contact a PSERS regional representative for more information about this option.

Changing Your Option Due to Change in Marital Status or Death of a Survivor Annuitant

Under Options 2, 3, or 4 (if it included a survivor annuitant), you may name a new survivor annuitant and/or elect a different option only if your marital status changes or your designated survivor annuitant dies before you. PSERS will recalculate your monthly benefit based on your new option. If you name a new survivor annuitant, your benefit will be recalculated based on your age as well as your new survivor annuitant's age. Depending on your new option and/or new survivor annuitant information, your monthly benefit may be further reduced. If your survivor annuitant dies before you and you do not elect a different option, your monthly benefit will not change. Special rules apply if you are divorced.

DB Disability Retirement

If you become mentally or physically incapable of continuing to perform the duties for which you are employed, then you may be eligible to receive a disability retirement benefit through your DB account. To qualify for a disability retirement benefit from your DB account, you must meet all of the following requirements:

- Be a Class T-C, Class T-D, Class T-E, Class T-F, Class T-G, or Class T-H member with at least five years of credited service with PSERS.
- Be physically or mentally unable to perform the duties stated in your job description.
- Have become disabled while an active member of PSERS. Should you become disabled after you terminate service with your employer or while you are on an unpaid leave of absence, you are not eligible for a PSERS disability retirement benefit.
- Be disabled at the time you submit your application to PSERS.
- Apply for disability retirement benefits within two school years of your last day of service or paid approved leave of absence, whichever is later*

**For example, if you leave service in March of the current school year, you have two full school years (July 1 through June 30) following the close of the current school year to apply. If you do not apply within the two school years, you will not be eligible to apply for a disability retirement benefit.*

If you are a Class T-G or Class T-H member, you only have a disability benefit through your DB account. The PSERS DC Plan does not offer a disability retirement benefit.

You must contact a PSERS retirement representative to receive counseling and request the PSERS Application for Disability Retirement packet. For more information, refer to the PSERS publication *Let's Talk About Disability Retirement Benefits* (Publication #9540).

Disability Options

If you elect a disability retirement benefit, regardless of your membership class or the option you choose, you will not be able to withdraw your DB contributions and interest. If you are non-vested, you may only elect a Maximum Single Life Annuity. If you are vested, you may elect the Maximum Single Life Annuity or a survivor annuitant option (Options 2, 3, or Customized Option 4). Your beneficiary(ies)/survivor annuitant will receive a DB benefit based on what you would have received under a regular DB retirement benefit.

Class	Amount
T-C	The PSERS disability retirement benefit calculation and the factors used in the calculation provide the member with at least one-third of the salary he was receiving while an active employee.
T-D	The PSERS disability retirement benefit calculation and the factors used in the calculation provide the member with at least 40% of the salary he was receiving while an active employee.
T-E	Same as Class T-C.
T-F	Same as Class T-D.
T-G	
T-H	2% times FAS times years of service not to be less than \$100 per full year of service.



PSERS Defined Contribution (DC) Plan

For Members in Class T-G, Class T-H, and Class DC.

About PSERS Defined Contribution (DC) Plan

The Defined Contribution (DC) component of your retirement is based on the amount of contributions made by you and your employer, the investment performance on those contributions, and the fees, costs, and expenses deducted from your PSERS DC Plan account. Your contributions have the potential to grow based on investment earnings, but are not guaranteed against loss in declining investment markets.

If you are in one of the following PSERS membership classes, you will receive all or part of your retirement benefit from the PSERS DC Plan:

- Class T-G } **Class T-G and Class T-H consists of DB and DC components. Participants in these classes are entitled to a guaranteed DB monthly benefit, if vested, and the vested account balance of contributions and investment earnings, if any.**
- Class T-H }
- Class DC } **Class DC participants are only entitled to the vested account balance of contributions and investment earnings, if any.**



Contribution Rate

Your PSERS membership class determines your contribution rate. The “DC Contribution Rates” table below shows the rates at which Class T-G, Class T-H, and Class DC members contribute.

Membership Class	Participant DC Contribution	Member DB Contribution	Total Contribution
Class T-G (Default Class)	2.75%	5.50% base rate with shared risk/ shared gain provision	8.25%
Class T-H	3.00%	4.50% base rate with shared risk/ shared gain provision	7.50%
Class DC	7.50%	N/A	7.50%

Federal tax laws impose two limits that regulate your contributions to the PSERS DC Plan. First, a limit restricts the maximum amount of retirement-covered compensation that the PSERS DC Plan may recognize in any fiscal year (12-month period beginning July 1). Second, a maximum dollar amount is imposed on the total amount contributed (except rollover contributions) to your PSERS DC Plan account for any fiscal year (12-month period beginning July 1). The limits that apply for a fiscal year may be found on the Internal Revenue Service’s (IRS) website.

Employer Contribution Rate

Your employer also contributes 2.00% (Class T-H and Class DC) or 2.25% (Class T-G) to your PSERS DC account.

Your Investment Options

As a PSERS member participating in Class T-G, Class T-H, or Class DC, your and your employer's DC contributions are automatically invested in a target date investment based on your estimated normal retirement age (67) as determined by your date of birth.

You can remain in your default target date investment or change how all or part of your account balance is invested at any time by accessing your PSERS DC Plan account through your PSERS Member Self-Service (MSS) account. You can select a different target date investment or choose from among 11 additional investment options. More information on the different investment options is available on PSERS website under *Active Members>Defined Contribution Plan>Investment Options*.

Earnings and Your DC Account

The DC contributions made by you and your employer have the potential to grow based on investment earnings, but neither the contributions nor earnings are guaranteed.

Your account is also subject to investment fees. Investment fees cover ongoing charges for operating expenses and managing the assets of the investment funds. The investment options available to participants are identified during the class election process. The available investments are subject to change from time to time, but any changes to the investment lineup will be communicated to all PSERS DC Plan participants in advance. The cumulative effect of fees and expenses can substantially affect the growth of a participant's account.



After-Tax Voluntary Contributions

In addition to mandatory contributions, you may voluntarily contribute, on an after-tax basis, an additional percentage of your retirement-covered compensation to the PSERS DC Plan. You may stop or change the percentage of your after-tax voluntary contributions at any time.

Your employer will deduct and remit your after-tax voluntary contributions for deposit in your PSERS DC Plan account. Your employer will determine the amount to remit each pay date by multiplying your elected after-tax percentage times your retirement-covered compensation less your mandatory contributions to PSERS. No part of this amount will be remitted if, after all other payroll deductions required by law or elected by you have been taken, you do not have enough pay remaining on that pay date from which to remit the amount. Any amount not contributed will not be made-up at a future pay date. You cannot contribute after-tax voluntary contributions if that contribution, when added to your participant DC contributions and your employer's contributions for that year makes your total contributions exceed the IRS' limit. You can view the IRS limit under the heading "415 Annual Limits" at voya.com/irslimits. Your after-tax voluntary contributions will be invested in your PSERS DC Plan account as you have directed.

If you have more than one employer, each employer will make after-tax voluntary contributions based on the same after-tax deferral percentage. If you terminate all public school employment, your deferral agreement for after-tax voluntary contributions will terminate. If you again become eligible to participate in the PSERS DC Plan, you must again enter into a deferral agreement to make after-tax voluntary contributions.

After-tax voluntary contributions are post-tax contributions, but enable you to grow assets through earnings that will be tax-deferred. Please refer to the Special Tax Notice Regarding Plan Payments (available at the Voya website) for more information on the federal tax treatment of a distribution from the PSERS DC Plan that includes after-tax voluntary contributions.

Becoming Vested (PSERS DC Plan)

You have access to your DC contributions and earnings, if any, upon terminating public school employment. You will always be 100% vested in, and eligible to receive, the balance in your PSERS DC Plan account that is attributable to your DC participant contributions, your after-tax voluntary contributions, and your rollover contributions. To be vested and eligible to receive your employer's DC contributions in your PSERS DC Plan account and the earnings on those contributions, if any, after termination of employment, you must earn three eligibility points. A participant earns one eligibility point for each fiscal year in which the participant contributes to the PSERS DC Plan.

If you are not vested in your employer's contributions, such contributions and earnings, if any, will be forfeited permanently on the earlier of: (1) the first day of the fiscal year next following two consecutive fiscal years during which you were not an active participant; (2) when a distribution of any amount in your PSERS DC Plan account is made; or (3) your death.

Because of longer vesting requirements for the DB plan, Class T-G, and Class T-H participants may vest in the PSERS DC Plan sooner than in the PSERS DB Plan. Refer to "Becoming Vested (PSERS DB Plan)" for more information.

Obtaining Eligibility Points

A participant earns one eligibility point for each fiscal year (12-month period beginning July 1) in which school service is rendered and the participant makes a DC participant contribution to the PSERS DC Plan. Your eligibility points will be displayed on your quarterly financial statements from Voya.

An individual who returns to school employment after a period of USERRA leave, or who dies while performing USERRA Leave, will be given the eligibility Points that the individual would have earned had the individual continued in school employment instead of performing USERRA Leave.

DC Death Benefits During Employment

Upon your death, your beneficiary (or beneficiaries) will be entitled to receive a distribution of the vested balance in your PSERS DC Plan account.

- If you have at least 3 eligibility points, the payment will include the contributions that you and your employer made toward your PSERS DC Plan account, adjusted by any investment gains or losses.
- If you do not have at least 3 eligibility points, the payment will include only the contributions that you made toward your PSERS DC Plan account, adjusted by any investment gains or losses.

It is important to keep your choice of beneficiary(ies) current to ensure that any death benefits are disbursed according to your wishes. Please refer to the section “Naming Beneficiaries” for more information.

Your beneficiary(ies) will be given information to enable them to consider their optional or mandatory distribution options after becoming entitled to a death benefit under the PSERS DC Plan.

Quarterly Financial Statements from Voya

Members who participate in the PSERS DC Plan will receive quarterly financial statements. These quarterly statements provide information about your PSERS DC Plan account, including the total DC contributions made in the current period, total account value, account value by asset allocation, investment performance, account activity summary, fee detail, and vesting summary.

You may choose to receive your quarterly statements by mail or electronically through electronic delivery (eDelivery). To sign up for eDelivery, access your PSERS DC Plan through Member Self-Service. Then click My Profile > Communication Preferences to provide an email address and update your notifications to paperless for your Voya account. You'll then receive an email each quarter when your new quarterly statement is available online.

Your Statement On Demand

The “Account” tab on your PSERS DC Plan account allows you to generate your statement online at any time.

- You have the flexibility to customize your view of your online account statement.
- You may enter a specific date range and generate a statement view for that time period.
- You also may select the information you would like to see on the statement.
- Should you need a hard copy of your PSERS DC Plan account statement for your personal records, you can print one at any time when you are online.
-

For questions on your quarterly statement or for assistance in generating your own statement, please call Voya at 833.4DC.MMBR (432.6627).



Distribution Options When Terminating Employment

If you terminate your public school employment, you may request a distribution of some or all of your vested balance in your PSERS DC Plan account at any time. Your termination is reported by your employer to PSERS, who then notifies Voya when you are eligible for a distribution.

You can make a distribution request through Voya. All distributions will be made in cash. If a distribution is an “eligible rollover distribution,” as explained in the Special Tax Notice regarding plan payments, you may request a 60-day rollover or a direct rollover of all or a portion of the distribution to an individual retirement account or annuity or another employer retirement plan willing to accept the distribution as explained in the Notice.

If your vested balance in your PSERS DC Plan account is greater than \$5,000, you may elect a distribution of your vested balance in the PSERS DC Plan in one of the following optional forms:

- A lump-sum distribution payable to you.
- A portion of your vested balance in a single lump-sum distribution with the remaining balance distributed in one of the other permitted forms. (Partial Distribution)
- Payments over a period certain in monthly, quarterly, semi-annual, or annual installments. (Installment Payments)
- Purchase an annuity.
- Alternatively, you may delay the distribution of your vested balance, but you are required to begin distributions once you reach age 70 ½

Lump-Sum Distribution

A lump-sum distribution allows you to withdraw the entire vested account balance in your PSERS DC Plan account. This option is also available to all terminated participants. You have the option to roll the distribution of the vested balance over to an eligible retirement plan. If you are a Class DC member and you choose this option, you will not be a *Participant Receiving Distribution* which means you will not be eligible for Premium Assistance.

Partial Distribution

A partial distribution allows you to withdraw part of your vested balance in your PSERS DC Plan account. You will remain a *Participant Receiving Distribution*, which allows Class DC members to be eligible for Premium Assistance. Like the lump-sum distribution, you have the option to roll the vested balance over to an eligible retirement plan.

Installment Payments

You may choose from the following periodic payment options

- Monthly
- Quarterly
- Semi-monthly
- Annually

Payments will start the first day of the month following the distribution option you elect. You may not roll over these distributions.

Purchasing an Annuity

You may use the distribution of your DC account to purchase an annuity that offers you a variety of payout choices, frequencies, and durations. Voya can work with an insurance brokerage general agency, Brokers' Service Marketing Group (BSMG), to help find the most suitable annuity option for your needs.

Leaving Money in the Plan (Deferral)

If the amount of the vested balance in your PSERS DC Plan account is greater than \$5,000, you may defer its distribution until a later date. It is extremely important to notify PSERS of any address and beneficiary changes you have after terminating public school employment. Keeping this information current will ensure that you receive important retirement information, and that any death benefit will be paid to the correct person(s).

Important Note about Deferring Your Retirement

The federal tax laws mandate that retirement benefits to participants who are no longer working must begin to be distributed by April 1 of the calendar year following the year in which you attain age 70 1/2. As a result, if you left school service and are age 70 1/2, you are required to begin receipt of your retirement benefits from PSERS.

Your PSERS retirement calculation will ensure that the IRS-defined Required Minimum Distribution (RMD) threshold is met. If you do not begin receiving your RMD, the IRS may impose a 50% penalty tax on the amount not distributed as required. If you have questions regarding RMD, we encourage you to seek advice from your tax consultant or the IRS.

If your balance is more than \$1,000 but is not greater than \$5,000, you must take a single lump-sum distribution payable to you or request a direct rollover. If you do not elect either option within 90 days after the date you are eligible for distribution, the vested balance in your PSERS DC Plan account will be automatically rolled over to a Voya IRA in your name. You will be provided with information about the Voya IRA when you become eligible for this distribution from the PSERS DC Plan.

If your balance is \$1,000 or less, you must take a single lump-sum distribution payable to you or request a direct rollover. If you do not elect either option within 90 days after the date you are eligible for a distribution, the vested balance in your PSERS DC Plan account will be automatically distributed in a single lump-sum distribution payable to you less applicable federal withholdings.

The Fine Print for Your DC Distribution

- Your payment from the PSERS DC Plan will be taxable income, excluding after-tax contributions, for federal income taxes if you do not roll it over. If you do not request a direct rollover, the PSERS DC Plan is required to withhold 20% of the taxable portion of the payment for federal income taxes. If you are a nonresident alien and you do not request a direct rollover to an eligible retirement plan, instead of withholding 20%, the PSERS DC Plan is generally required to withhold 30% of the taxable portion of the payment for federal income taxes. If you are under age 59½ and do not request a rollover, you will also have to pay a 10% additional federal tax on early taxable distributions (generally, taxable distributions made before age 59½), unless an exception applies. If, however, you request a rollover, you will not have to pay federal tax until you receive the taxable payments and the 10% additional tax will not apply if those taxable payments are made after you are age 59½ (or if an exception applies).
- Whether you can rollover your distribution to another plan depends upon whether the plan receiving the money allows rollover money into the plan.
- The rules governing distribution in a transferee plan may be different than the rules governing the PSERS DC Plan from which a rollover originated. The PSERS DC Plan's withholding rules for distributions may apply to rollover money from other qualified plans.

Distribution choices and rules are complex. You are encouraged to talk with your tax advisor or financial planner before deciding how to take your distribution. To read more about distributions, visit “Getting Your Money” in the “Retirement” section of Education & Tools on the Voya website.



Applying for a Distribution

Once your employer submits your termination record, PSERS will share the information with Voya. You will be eligible to apply for a distribution 30 days following the termination date reported by your employer, or, if you have a balance of contract, then the last day of the month in which a balance of contract is reported by your employer.

To discuss your PSERS DC Plan distribution options after terminating public school employment, please contact Voya at 833.4DC.MMBR (432.6627). This will ensure that you have all of the information needed to make an informed decision.

Distributions via check will be generated 2 business days after the distribution request has been processed. Checks will be mailed directly to your address of record. You may also elect to have the proceeds directly deposited to your bank. Participants are restricted from requesting distributions via electronic transfer to your bank for seven (7) calendar days following any banking information updates. If a distribution is requested by the participant during the seven (7) calendar day wait period, a check will be issued instead.

DC Disability Retirement

There is no Disability benefit with PSERS DC Plan. Class T-G and Class T-H participants may qualify for a disability benefit under PSERS DB plan. For more information, refer to the “DB Disability Retirement” section of this handbook and the PSERS publication *Let’s Talk About Disability Retirement Benefits*.

If you are receiving a disability benefit from the PSERS DB Plan you cannot receive a distribution from PSERS DC Plan unless you have a termination date from your public school employment.

PSERS DC Plan Complaint Process

Any concerns about the services provided or regarding the administration of your DC account should be submitted to Voya. Please call Voya at 833.4DC.MMBR (432.6627) for instructions on how to proceed.

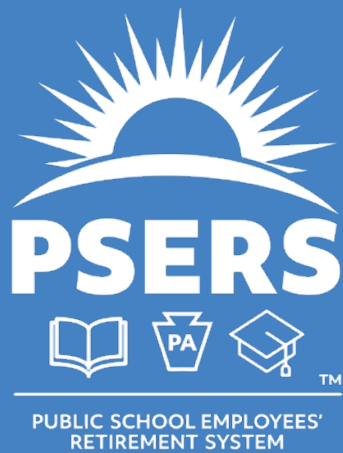
Disclaimer

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This document is designed solely to provide an overview of benefits available to PSERS members and is not intended to be a substitute for retirement counseling.

Pension Forfeiture Act (July 8, 1978)

This act provides for the forfeiture of the pension of certain public employees and authorizes the state or political subdivision to garnish the pension benefits of certain public officers and employees upon conviction of certain criminal activity related to their office or position of employment. The Act was amended July 15, 2004, to add certain sexual crimes against a student as a forfeitable offense. On March 29, 2019, the Act was amended to add all criminal offenses that are classified as felonies or punishable by a term of imprisonment exceeding five years as forfeitable offenses.



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