

SERS News



www.sers.state.pa.us

Enhanced Online Member Services Now Available

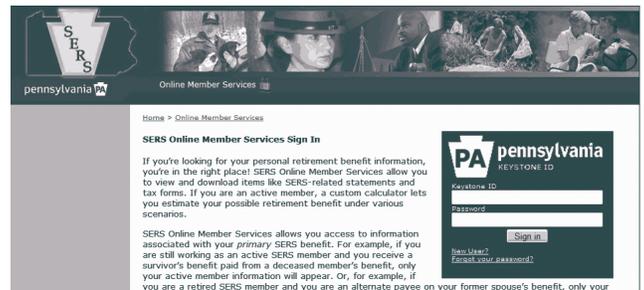
It is now faster and more secure than ever to get your personal SERS retirement benefit information online. More than 2,500 members have already signed up for new accounts and accessed their information since the upgraded services went live in mid-May making use of the Keystone ID sign-in.

Through the Keystone ID, you no longer need to wait for SERS to send a password to your home in the mail; you can create an ID and start working in minutes.

Not only does the Keystone ID provide even more security – the removal of the use of your Social Security number and the addition of security questions, for example – it also creates a single sign-in for services offered by several different state agencies.

If you haven't signed up for an account, you can do so at www.SERS.state.pa.us, select "SERS Online Member Services Account Sign In" from the top of the left-hand navigation. You will see the below screen featuring the Keystone ID sign-in box.

If you already had an account in the old member services area, the user ID and password you previously used to access your SERS information will not work in the upgraded system. ⚠



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What's "Public" About My SERS Retirement Benefit?

Most of us know that as a public employee or recipient of a public pension benefit, certain records related to our employment and pension are "public" under Pennsylvania law and policy. For example, our name, salary, service classification, dates of employment, and employer name and addresses are all publicly accessible.

When SERS receives a properly filed Right-to-Know request for public records maintained in the course of our business, SERS has an obligation to provide the records within specific timeframes – typically five business days. If you'd like to learn more about Pennsylvania's Right-to-Know law, visit www.OpenRecords.state.pa.us and click on "Citizen's Guide."

Public Information

The most commonly provided SERS-related public records include:

- effective date of SERS membership
- years of credited service
- class of service
- retirement-covered compensation, in total or for specific years
- employer at retirement
- effective date of retirement
- lump-sum payment of own contributions, if any
- final average salary (after SERS issues the first benefit payment)
- monthly annuity amount (after SERS issues the first benefit payment)

see **Public or Private** - back page

SERS retirement benefits are payable on the last working day of each month.

If you receive your payments by direct deposit, SERS will deposit your money into the bank account you requested on the last working day of each month.

If you receive your payments by check through the mail, SERS will mail your check on the next-to-last working day of each month and your check should arrive in the mail within ten business days.

Be Cautious with “Pension Advance” Offers

As the recipient of a public pension, you are guaranteed a monthly annuity payment for life and the fact that you receive a pension is public information (see *What’s Public About My SERS Retirement Benefit?*, front page). You should know that your steady stream of income may be attractive to marketers—both reputable and not-so-reputable—who offer various financial products and services.

“Pension advance” deals, sometimes referred to as “pension sales” or “pension buyouts,” have been in the news recently as a cause for concern to those with military, government or corporate pensions.

In most pension advance deals, the pensioner is offered an up front cash payment in exchange for signing away a portion of their monthly pension payments for some period of time. In many instances, the pensioner is required to buy a life insurance policy with the pension advance provider named as the beneficiary.

As an “advance” instead of a “loan,” the products and the firms marketing them often fall outside state and federal laws designed to regulate lending. As such, research by *The New*

York Times revealed pension advance products with interest charges ranging from 27% to 106%.

SERS Retirement Counselors have reported that more SERS members are asking to take loans against SERS benefits. As explained in *Borrowing Isn’t An Option* (see next page), the Pennsylvania Retirement Code doesn’t allow

such activity. If you are approached with a pension advance offer, please very carefully research the offer as well as the company and the specific representative who contacts you.

The U.S. Securities and Exchange Commission’s Office of Investor Education and Advocacy can help you.

You might start with the *Investor Bulletin: Pension or Settlement Income Streams* at www.sec.gov/investors.html.

The Pennsylvania Department of Banking and Securities also provides investor education in the *Financial Education* area of their website, at www.psc.state.pa.us, including *Check Before You Invest*, and their homepage features alerts to known scams and lists of companies that have been subject to enforcement actions under state banking or securities laws/regulations. ▼

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Going back to work?

If It’s For A SERS Employer, Your Monthly Annuity Payments Will Stop

If you are retired and thinking about returning to work for an employer that participates in SERS, you should know that—except in very limited cases—your monthly SERS annuity payments will stop.

Your monthly payments will stop even if the SERS plan is one of several retirement options offered by the employer and even if you only work a few hours a week or a few days a month.

In addition, when you decide to retire again, both periods of employment will be considered when calculating your new benefit amount. In rare circumstances, the benefit you receive after the second period of employment could be less than the benefit you receive now.

It is very important that you ask any potential employer if they offer the SERS benefit before you accept new employment. Asking the employer is the only way to be sure but, if you’d also like to check for yourself, employers that offer the SERS retirement benefit are listed on the last two pages of our Comprehensive Annual Financial Report. You can go to www.SERS.state.pa.us, then click on “Publications” and “CAFR – Comprehensive Annual Financial Report.” The employers who participate in SERS do change from time to time, so make sure you’re checking the most recent year’s CAFR. ▼

Borrowing Isn't An Option

A number of you have called SERS over the past several months to ask if you can take a loan from or against your retirement benefit. While some retirement plans do provide their participants with such services, the Pennsylvania Retirement Code—the law that governs your SERS benefit—doesn't allow loans.

The only ways to receive a lump sum from SERS are to:

- Leave public employment before you become “vested” in the plan. Being vested means that you have earned enough service credit to be eligible for a monthly annuity; for most SERS members, this occurs after five or ten years, depending upon class of service. In such cases, you can apply for a refund of the contributions you made to SERS while you were employed. Doing so ends your relationship with SERS unless you take a job with a public employer at a later date, in which case you would be eligible to purchase back any service that you cashed out.
- Select “Option 4” upon retirement, if you are eligible to do so. Under “Option 4” you may elect to withdraw some or all of the member contributions you paid while you were employed plus 4% interest. If you do, your monthly annuity and/or survivor benefits will be adjusted downward accordingly. In general, SERS members hired on or after January 1, 2011 are not eligible to make lump sum withdrawals under Option 4. 🍷

Military Leave and Your SERS Retirement Benefit

Time and money are the two key variables that determine the amount of your SERS retirement benefit – time in terms of years of service working for a SERS employer, and money in terms of pay or compensation earned while working for a SERS employer.

Generally speaking, you earn service credit toward your SERS benefit when you and your employer make retirement contributions for the time you work. The amount of the contributions is based on a percentage of your pay.

When you are on the job, your employer automatically withholds your retirement contributions from your pay and sends them to SERS along with their contributions toward your benefit. SERS then credits your member record with the contributions, associated service credit and compensation you earned during that pay period.

But, what happens when you are on military leave from your SERS employer?

Recent legislation (Act 2012-181) has changed how military leave service is credited in SERS and how military leave is processed by Commonwealth employers.

Although a number of different state and federal laws impact how your military leave may impact your SERS retirement benefit, one of the most important is the federal Uniformed Services Employment and Reemployment Rights Act (USERRA). In general terms, whether your leave is USERRA-covered or not, and whether it is leave with or without pay determines if and how your leave may count toward your retirement benefit.

Your military orders determine the type of leave you receive from your SERS employer. As soon as you find out that you'll be going on military leave, contact the HR Service Center at 1-866-377-2672 or, if your employer is not supported by the HR Service Center, contact your HR Office. They will provide you with the forms and information you need.

More details, including a step-by-step process to request a military leave of service is available on the SERS website, www.SERS.state.pa.us, click on “Active Members” in the left-hand navigation, and in the “More Information On ...” box, click on *Planning for Military Leave*. 🍷

SERS has seven Regional Retirement Counseling Centers throughout the Commonwealth serving Active Members based on their work locations, and Retirees, Survivor Annuitants and Beneficiaries based on their residence locations.

Retirement Counselors are available in each center to answer questions you may have about your retirement benefit. You can reach your Retirement Counselor by calling 1-800-633-5461.



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Also, in two recent cases, Commonwealth Court has ruled that home addresses generally are public records.

Confidential Information

Although many pension-related records are subject to public access under the Right-to-Know law, SERS treats records related to communications with your SERS Retirement Counselor, including your retirement benefit estimates, as highly confidential. We do not disclose those records in response to either Right-to-Know law requests or requests from employers. 📌

Pension Reform Update

As of *SERS News* press time, Governor Corbett's pension reform proposal had been introduced in the General Assembly. Representative Chris Ross (R-158) introduced House Bill 1350 on May 9 and Senator Mike Brubaker (R-36) introduced Senate Bill 922 on May 15. Full text of the legislation is available at www.legis.state.pa.us; use the "Find Legislation By" box in the top right-hand corner of the page. The Senate Finance Committee also had held a hearing on the measure. You can watch the hearing online or download testimony by visiting <http://senatorbrubaker.com/>. 📌