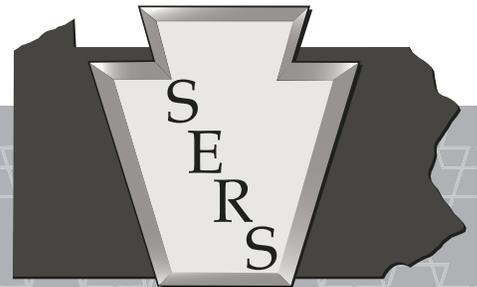


Member's Guide to Disability Retirement



This State Employees' Retirement System (SERS) *Member's Guide to Disability Retirement* is published and distributed as a supplement to SERS' member handbook -- a supplement that provides additional information specific for members seeking a disability retirement. As such, members seeking a disability retirement should also get a copy of the current SERS *Member Handbook* and refer to it as a general guide to your SERS retirement benefit. Both publications are available on the SERS website, www.SERS.state.pa.us, by clicking on the "Publications" link.

Key Eligibility Requirement:

To be considered for a Disability Retirement, members must complete and file an Application for Disability Retirement BEFORE employment is terminated.

SERS provides this document for general information and education. The information in this document is not a complete statement of the laws or SERS administrative rules. In any conflict between information in this document and applicable Federal or Pennsylvania law or administrative rules, the laws and administrative rules will prevail.

Table Of Contents

Section 1 - General Information	
SERS Is	1
How To Reach Your Regional Retirement Counseling Center	2
Information About Your State Employees' Retirement Plan	3
Services Provided To Active Members	4
Your Responsibilities As A Member	5
SERS Major Milestones	6
Eligibility Requirements For REHP Enrollment	7
General Steps To Prepare For Retirement	8

Section 2 - Disability Retirement Information	
Detailed Information About Disability Retirement	10
Medical Report (SERS-144)	11
Medical Examiner Review	12
After Retirement - Requirements Of Disability Retirement	12
Benefit Calculation For Disability Retirement	13
Preparing To Sign Your Application For Disability Retirement -- an information checklist	14
Standard Application For Disability Retirement Forms	15
Disability Retirement Application Instructions	16
Part 1 - Member Information Details	16
Part 2 - Disability Counseling Checklist	16
Sample Application - Parts 1 & 2	17
Purchase Of Service	18
Multiple Service	18
Debt To The Employer And Retirement Arrears	18
Return To Service From Disability Retirement	19
Disability Plan Options	19
Estimates	20
Beneficiary Change	21
Change Of Option/Designated Survivor	21
Non-AEHP/REHP Participation	22
Majority And Partially State-Paid REHP Coverage	22
REHP Information	22
COBRA Continuation Coverage	23
Alternatives to Disability Retirement	23
Disability Requirements	23
Disability Appeals	23
Early Retirement Estimates	24
Procedure To Apply For Social Security Benefits	24

Table Of Contents

Taxability Of Disability Benefits	24
Option To Withdraw From The SERS SSI Program	24
Part 3 - Vested Disability - Monthly Payment Plan Options	24
Sample Form Sections 2 and 3	25
Part 4 - Federal Income Tax Withholding	26
Part 5 - Nomination Of Beneficiaries	26
Part 6 - Designation Of A Survivor Annuitant	26
Sample Form Sections 4, 5 and 6	27
Part 7 - Temporary Option 2 or 3 Contingent Beneficiary	28
Part 8 - Guardian	28
Part 9 - Credited Non-State Service Declaration	28
Part 10 - Member Certification & Counseling Notes	28
Sample Form Sections 7, 8 and 9	29
Sample Form Section 10	30
Medical Report (SERS-144)	31
Sample Medical Report (SERS-144) Form	32
Instructions - Direct Deposit Forms	35
Sample Member's Validation: Electronic Direct Deposit of Annuity Payments (SERS-123A) Form	36
Sample Direct Deposit Of Annuity Payments (SERS-123) Form	37

Section 3 - After You Retire	
Services Provided To Retired Members	38
Initial Retirement Payment	39
Monthly Retirement Payments	39
Payment Dates (2013 - 2017)	39
Checks - Late, Lost Or Stolen	40
Direct Deposit	40
Address/Name Changes	40
COLAs (Cost Of Living Allowances)	41
Income Verifications	41
Divorce And Domestic Relations Orders	41
Retiree Health Insurance	42
Retired Employees Health Program (REHP) of the PEBTF	42
REHP Claim Problems	42
REHP Identification Cards	42
REHP Enrollment/Changes	42
Retirees From Independent Agencies	42
REHP Surviving Spouse/Dependent Coverage	43

Table Of Contents

Death Benefits	43
Tax Information	43
Federal Taxes	44
State And Local Taxes - Pennsylvania residents	44
State And Local Taxes - for residents of other states or foreign countries	44
How To Change Federal Income Tax Withholding - W-4P	44
Form 1099-R	45
Information On Tax Form 1099-R	45
Other Uses And Duplicates Of Form 1099-R	46
Other Retirement Related Contacts	47
SERS Information And Publications	49
SERS Forms	50
FAQ - Frequently Asked Questions	51
Glossary Of SERS Retirement Terms	52
Index	inside back cover

Section 1 General Information

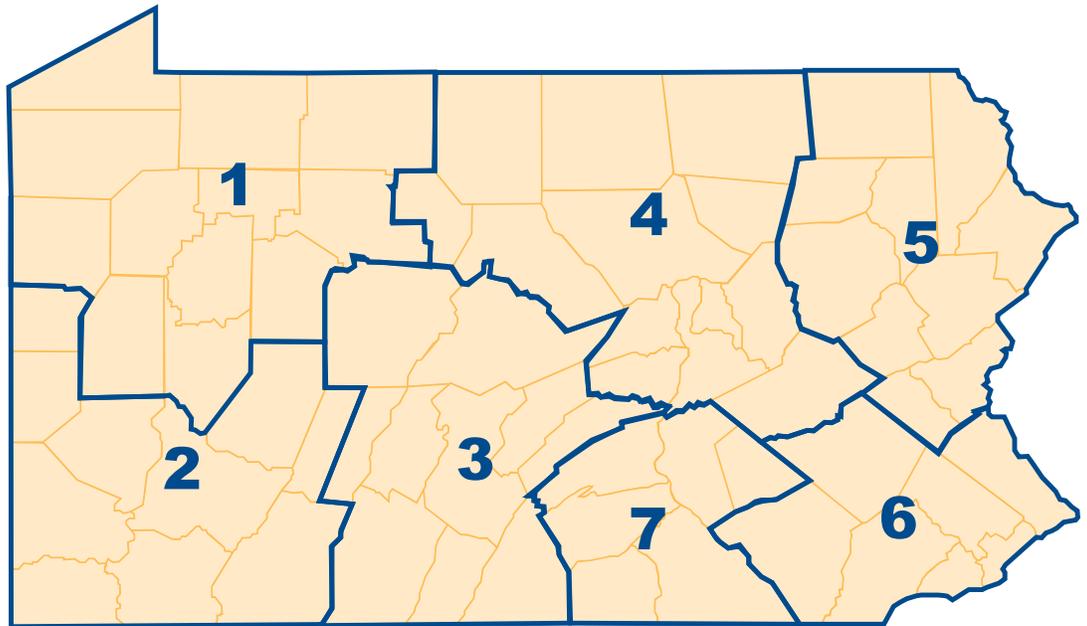
SERS is ...

The Pennsylvania State Employees' Retirement System (SERS), established in 1923, is one of the nation's oldest and largest statewide retirement plans for public employees, with over 227,000 members. SERS also ranks among the top public plans in pension assets with total assets of more than \$24.2 billion as of December 31, 2011.

SERS is responsible for administering the retirement law in accordance with the expressed intent of the Pennsylvania General Assembly and bears a fiduciary obligation to the State employees and retirees who are the plan Beneficiaries. The administration of the SERS Fund is vested in an 11-member Board. The management of SERS is the responsibility of the Executive Director who, with the approval of the Board, contracts for professional services and employs the staff needed to operate the System.

Regional Retirement Counseling Centers

There are seven Regional Retirement Counseling Centers. Each center is staffed by SERS Retirement Counselors who assist members with retirement-related needs. The centers serve active members based on their work location and serve retirees, Survivor Annuitants and Beneficiaries based on where they reside. A call to SERS' toll-free number (800-633-5461) during the normal working hours of Monday through Friday, 8:00 a.m. to 4:30 p.m., will be directed automatically to your Regional Retirement Counseling Center.



Note: Out-of-state and out-of-country members receive counseling services through the SERS Central Office by calling 1-800-633-5461.

Section 1 General Information

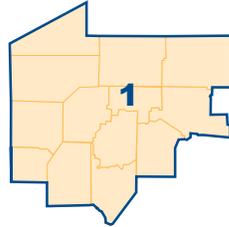


All offices are handicap accessible

Contact the Regional Retirement Counseling Centers: 1-800-633-5461

Region 1: Seneca

3224 State Route 257
Duawl Professional Plaza
PO Box 1561
Seneca, PA 16346
Local (814) 677-0741



Counties served: Armstrong, Butler, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Venango, Warren.

Region 2: Pittsburgh

Foster Plaza 6, Suite 330
681 Andersen Drive
Pittsburgh, PA 15220
Local (412) 770-1148



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

Region 3: State College

2525 Green Tech Drive
Suite AA
State College, PA 16803
Local (814) 863-6505



Counties served: Bedford, Blair, Cambria (Eastern), Centre, Clearfield, Franklin, Fulton, Huntingdon, Juniata, Mifflin.

Region 4: Montoursville

93 Pierce Lane
Montoursville, PA 17754
Local (570) 368-5680



Counties served: Bradford, Cameron, Clinton, Columbia, Lycoming, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, Union.

Region 5: Hazleton

100 West Broad Street
306 Business Exchange
Hazleton, PA 18201
Local (570) 459-3965



Counties served: Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Susquehanna, Wayne, Wyoming.

Region 6: Bensalem

Greenwood Square
Suite 420, Bldg. 2
3331 Street Road
Bensalem, PA 19020
Local (215) 244-6592



Counties served: Berks, Bucks, Chester, Delaware, Lancaster, Montgomery, Philadelphia.

Region 7: Harrisburg

30 N. Third Street, Room 319
Harrisburg, PA 17101
Local (717) 783-9065



Counties served: Adams, Cumberland, Dauphin, Lebanon, Perry, York.

Note: Out-of-state and out-of-country members receive counseling services through the SERS Central Office by calling 1-800-633-5461.

Section 1 General Information

Information About Your State Employees' Retirement Plan

Types of Plans

There are two main types of retirement plans:

1. Defined Contribution Plans

Most private employer and many public employer plans are defined contribution plans. The Commonwealth's Deferred Compensation Plan and 401(k) plans are well-known types of defined contribution plans. With this type of plan the employee makes contributions, the employer may make contributions and those contributions may grow with investment earnings. At the time of retirement your potential retirement benefit is based on the amount of money that is in your account. It is possible that your retirement benefit may not be a lifetime benefit.

2. Defined Benefit Plans

Your State Employees' Retirement System plan and many other public and private plans are defined benefit plans. In a defined benefit plan your potential retirement benefit is based on a defined benefit formula. When you retire as a vested member, you are eligible to receive monthly payments for life. (Disability retirements must be approved and may be subject to periodic review.)

KEY TERM

Vested: Eligible to receive a SERS monthly pension.

KEY TERM

Final Average Salary:

The highest average compensation received during any three non-overlapping periods of 4 consecutive calendar quarters. Typically, it is the average of your last three years of compensation.

The Basic Retirement Benefit Calculation:

SERS Annual Maximum Single Life Annuity (Annual MSLA) formula is:



Class AA Examples

Member is age 60 and has therefore reached his Normal Retirement Age

$$2\% \times 1.25 \times 33 \text{ years} \times \$41,000 \times 1^* = \$33,825 \text{ Annual MSLA}$$

Member is age 56 and has not reached his Normal Retirement Age

$$2\% \times 1.25 \times 33 \text{ years} \times \$41,000 \times .88^* = \$29,766 \text{ Annual MSLA}$$

* The Early Retirement Factor is 1 if a member has reached Normal Retirement Age; otherwise this factor is less than one, depending on the age and service of the member. See key term at right for a detailed definition.

KEY TERM

Early Retirement Reduction Factor:

The reduction for early retirement is calculated using actuarial reduction factors which are based on how far you are from your Normal Retirement Date. Once you reach your Normal Retirement Date, the Early Retirement Factor is 1. The reduction factor varies but averages about 3-6% for each year you are away from your Normal Retirement Date. The early retirement reduction is subtracted from 1 to find the Early Retirement Factor which indicates the percentage of Normal Retirement Annuity you are eligible to receive. In short, if you retire early your pension will be reduced. The earlier you retire, the greater the reduction.

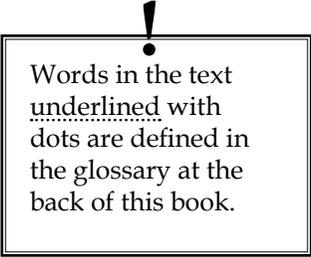
NOTE: The calculation for a disability retirement benefit is listed on pg. 13

Section 1 General Information

Services Provided To Active Members

NOTE:

All SERS counseling matters are confidential. Appointments are highly recommended.



Words in the text underlined with dots are defined in the glossary at the back of this book.

KEY TERM

REHP

Retired Employees Health Program:

SERS does NOT administer the REHP. The Pennsylvania Employees' Benefit Trust Fund (PEBTF) administers the retiree health program which is available to the majority of State employees at the time of retirement. Members of agencies which participate in the Active Employee Health Program (AEHP) may enroll in the REHP at the time of retirement. Typically, REHP participating agencies are those under the governor's jurisdiction, plus a few others.

- Calculate regular retirement, Disability Retirement and vesting estimates upon request.
- Provide one-on-one counseling for any member terminating employment with a SERS employer.
- Provide benefit counseling to your Beneficiaries or Survivor Annuitant upon your death.
- Conduct group information sessions (Question & Answer Sessions, Pre-Retirement and Vestee Seminars).
- Provide resource speakers for various agency or association information sessions.
- Provide estimates and counsel members on the purchase of Creditable Service.
- Your Retirement Counselor is responsible for providing information on your eligibility for retiree health benefits if you are retiring from an AEHP/REHP participating agency.
- Individual counseling is available to any member at any time, call 1-800-633-5461 to schedule an appointment.

Your agency's Human Resource Office is responsible for providing information on your leave payments, life insurance conversion and final pay transactions.

Section 1 General Information

Your Responsibilities as a Member

1. Review available printed information so you can understand your State Employees' Retirement plan and related retirement issues.

- Request a *Member Handbook* which provides an overview of your retirement benefit.
- Read SERS' newsletter, *SERS News*.
- Review your annual *Statement of Account*, which is mailed to you by the end of March.

2. Visit the SERS website: www.sers.state.pa.us

- Review information and the latest news about your retirement plan.
- Review newsletters, pamphlets and forms.
- Use the *Monthly Federal Tax Withholding Calculator* to estimate the amount of money that will be withheld from your gross monthly Annuity payments according to current IRS tax tables and various tax filing options.
- Apply for online access to your personal account information and use the *Interactive Custom Calculator* to prepare your own personalized benefit estimates for a number of payment options. This calculator uses your actual account information from our database.

NOTE: The *Generic Benefits Calculator* also available on the SERS website can NOT be used to calculate a Disability Retirement Benefit.

3. If considering Disability Retirement, contact SERS prior to terminating employment.

4. Be prepared for your retirement counseling/signing appointment by bringing all of the required documents.

5. While employed, always keep your home address updated with your employer.

6. After your retirement, send any change of address directly to SERS.

7. Contact your Regional Retirement Counseling Center at 1-800-633-5461 if you have a change of life event such as: marriage, divorce, birth or adoption of a child, or death of spouse or other dependent.

KEY TERM

Date of Termination:

The last day of service for which contributions are made for an active member or, in the case of an inactive member on leave without pay, the date of resignation or the date employment is formally discontinued by the employer.

Section 1 General Information

KEY TERM

Credited/Creditable Service: State or nonstate service for which you have made contributions or for which you may make contributions. The following types of credit may be available in SERS:

- Prior State service
- Intervening military service
- Nonintervening military service
- Out-of-State and federal service in public school education
- Multiple Service
- Certain types of other governmental service
- Cadet Nurse Corps service
- Certain Merchant Marine service
- Community College service prior to July 1, 1971
- Justice of the Peace service prior to January 1, 1970

NOTE:

Members from Independent agencies should contact their agency for health insurance information, enrollment qualifications, canceling coverage, adding or removing dependents, or the availability of benefits.

SERS Major Milestones Based on Credited Service

3 Years	Eligible for an unreduced retirement benefit if you have reached Normal Retirement Age (60 or 50, depending on your <u>Class of Service</u>).
5 Years	Eligible for a SERS <u>Disability Retirement Benefit</u> if the SERS Board determines you are physically or mentally unable to perform the duties of your current position. Retirees receiving a SERS Disability Retirement Benefit are eligible for majority State-paid medical benefits in the <u>Retired Employees Health Program (REHP)</u> , if enrolled in the <u>Active Employee Health Program (AEHP)</u> while employed. If a member of SERS prior to Jan. 1, 2011 (Dec. 1, 2010 for legislators), eligible for an <u>Early Retirement</u> benefit; vesting rights; and a Death Benefit amounting to the remaining balance of the Initial Present Value of your retirement benefit.
10 Years	If a member of the A-3 or A-4 Class of Service, eligible for an <u>Early Retirement</u> benefit; vesting rights; and a Death Benefit amounting to the remaining balance of the Initial Present Value of your retirement benefit.
20 Years*	Eligible for majority State-paid medical benefits in the REHP (if enrolled in the AEHP while employed) if you retire after reaching Normal Retirement Age (60 or 50).
25 Years	Eligible, regardless of age, for majority State-paid medical benefits in the REHP, if enrolled in the AEHP while employed.
35 Years	Eligible for an unreduced retirement benefit at any age if you: <ul style="list-style-type: none"> • became a SERS member prior to Jan. 1, 2011 (Dec. 1, 2010 for legislators), or • are a member of the A-3 or A-4 Class of Service with a Superannuation Score (your age + years of Credited Service) of at least 92.
41 Years	May be eligible for a <u>Long Service Supplement</u> of up to 2% for each full year of service over 40 years - up to a maximum of 10%.

* In some cases the milestone is 15 years if the grandfathering provisions of the applicable collective bargaining agreement have been met.

Section 1 General Information

Eligibility Requirements for REHP Enrollment

The Retired Employees Health Program (REHP) is NOT a SERS program, but a program administered by the Pennsylvania Employees Benefit Trust Fund (PEBTF). Eligibility for the Commonwealth's REHP (years of Credited Service and age at retirement) and any associated premiums are subject to collective bargaining. The Secretary of Administration and the Governor's Executive Board make the decisions regarding the benefits to be provided, applicable deductibles and the amount of premium assistance, if any, to which you and your eligible dependents may be entitled. **Please note that the Commonwealth retains the right to modify the benefits provided under the REHP at any time, regardless of your date of retirement.**

If you retire from a REHP participating agency you may enroll in the REHP at the time of retirement if you are enrolled, or eligible to enroll, in the Active Employees Health Program (AEHP) on your last day of employment.

Categories of REHP Premium Assistance

Currently there are two major categories of State REHP premium assistance.*

1. Majority State-Paid with Member Share - If you meet the eligibility requirements listed below, the State will pay the majority of your REHP premium and you must contribute your Member Share. SERS will deduct your Member Share, in equal monthly payments, from your retirement payments.

2. \$5.00 State Payment - Retiring members not meeting the requirements listed below will only qualify for a \$5.00 State premium assistance payment.

* State Police and a few small groups of employees in specific bargaining units may still be able to qualify for fully State-paid coverage.

Basic Eligibility Requirements for REHP Premium Assistance

Current requirements for majority State-paid with a Member Share:

- Retire after reaching Normal Retirement Age with 20 or more years of Credited Service *
- Retire at any age with 25 or more years of Credited Service
- Receive a SERS Disability Retirement Benefit

* If as of June 30, 2008 you have at least 15 years of Credited Service (including purchasable service that you have not yet purchased) and are at or after Normal Retirement Age, or you have 13 years of Credited Service (including purchasable service that you have not yet purchased) and are within one year of Normal Retirement Age, you will be eligible to elect REHP coverage upon reaching Normal Retirement Age with 15 years of Credited Service

! Words in the text underlined with dots are defined in the glossary at the back of this book.

KEY TERM

Member Share

The amount members pay for retiree health insurance when qualifying for majority State-paid coverage.

Depending on your bargaining unit and date of retirement, this amount is based on either your final annual gross base salary at retirement or your Final Average Salary. For most members, it is 3% of your final annual gross base salary at the time of retirement, but it is subject to change according to collective bargaining. Contact your Retirement Counselor for more information.

NOTE:

Rules for health benefits of employees of the Pennsylvania State University and other independent agencies can differ. These members should contact their employer.

Section 1 General Information

General Steps to Prepare for Retirement

- **Review your financial needs.** You may also want to seek the advice of your accountant, lawyer, or financial advisor.
- **Contact your Retirement Counselor** to discuss your anticipated retirement and request retirement benefit estimates.
- **If you are considering retirement due to health issues, discuss the Disability Retirement Benefit with your Retirement Counselor BEFORE terminating employment.**
- **Consider the timing of your retirement:**
 - Retiring at the end of a quarter could increase your Final Average Salary (FAS), thereby increasing your benefit.
 - Retiring at the end of a year so that your leave payouts occur early in the next year may provide some income tax advantages. (Payouts can be rolled over to the Commonwealth's Deferred Compensation Plan (DCP). If you participate in the DCP and wish to roll over any portion of your leave payout, complete a Salary Deferral Agreement and submit it to your employer at least 45 days prior to terminating employment.)
 - Retiring at the end of a pay period also helps expedite the payment process.
- **Contact your agency Human Resources office regarding the amount and timing of any payout you are due for accrued sick and annual leave or to arrange for reimbursement to the Commonwealth for any overdrawn leave or agency debts.**
- **Understand that your "after-the-fact" pay (if applicable) is normally paid two weeks after termination.**
- **Contact the Social Security Administration, if applicable, at 1-800-772-1213 or www.ssa.gov.**
- **Contact Medicare (Social Security Administration) to enroll, if you or your spouse are age 65 or older at the time of your retirement.** The Retired Employees Health Program (REHP) will NOT pay for any claims which are eligible for payment under Medicare, so it is important that you are enrolled in both Medicare Part A (hospital insurance) and Part B (medical insurance) on the first day of the month in which you retire. For timely enrollment, it is recommended that you **contact the SSA three months prior to your retirement.**
- **Contact Great West Retirement Services regarding your Commonwealth Deferred Compensation account, if applicable, at 1-866-737-7457 or www.SERS457.com**

! Words in the text underlined with dots are defined in the glossary at the back of this book.

Section 1 General Information

- **Review your retirement benefit estimate letter thoroughly** and contact your Retirement Counselor to ask any questions and make an appointment to complete your retirement application.
- **Review and compare a SERS Disability Retirement Benefit, if applicable, to the normal retirement benefit.**
- **Schedule an appointment with your Retirement Counselor prior to the date of retirement.** Applications for Disability Retirement must be filed before terminating employment.
- **Review all of your options prior to attending your counseling/retirement signing session.** If desired, consult with your accountant, lawyer, financial advisor and doctors.
- **Prepare a list of any questions you have.**
- **Bring necessary documents such as proof of your date of birth to your counseling session.** If you are selecting an Option 2 or Option 3 retirement, also bring proof of date of birth of your Designated Survivor Annuitant.

Documents Accepted In Verifying Date of Birth

An original or a certified copy of either a **BIRTH CERTIFICATE** or **BAPTISMAL CERTIFICATE** is preferred. If neither is available, **CERTIFIED** copies of any **TWO** of the following may be used, listed in the order of preference

- | | |
|---|---|
| 1. Selective Service Record | 9. Estimate Letter from Social Security showing birth date |
| 2. Armed Forces Discharge | 10. Federal Census Record (taken as close to age 5 as possible) |
| 3. Passport | 11. Physician's or Midwife's record of birth |
| 4. School Record | 12. Valid Driver's License |
| 5. Life Insurance Policy | 13. State Department of Motor Vehicle Issued Nondriver Photo ID (excluding PA Voter ID) |
| 6. Naturalization Record | 14. Bible or other Family Record |
| 7. Alien Registration Record | |
| 8. Marriage Record listing birth date or age and the date of the record | |

SERS is unable to process your retirement benefit without acceptable Date of Birth documentation.

- **Attend your counseling/signing session** - You are encouraged to bring your spouse or anyone you wish with you. Make sure you ask questions about anything you do not understand. If you are confident you understand everything and you are ready to make your decision, you may complete your retirement papers at this time. If you want time to review everything or seek advice from others, you may schedule another appointment to return and sign your retirement papers.

NOTE:
SERS will send an agency notification letter to your employer once you have signed your retirement papers.

Section 2 - Disability Retirement Information

Detailed Information About Disability Retirement

If you are unable to perform your job because of injury or illness, you may be eligible for disability retirement benefits.

If your disability is service-connected and you are considered disabled under the Pennsylvania Workers' Compensation laws, you could be eligible for special benefits under the Retirement Code. Visit the PA Bureau of Workers' Compensation Web site for information about the Pennsylvania's Workers' Compensation Program.

There is no age limit for disability retirement; however, you must apply for disability retirement benefits *before* you terminate State service to be eligible. Some agencies require that the member go on paid or unpaid leave, or terminate State service while the application is pending. Contact your agency's human resources office for information about your agency's requirements.

Disability retirement may qualify you for Majority State Paid retiree health insurance that you may not otherwise qualify for.

Those approved for disability retirement prior to their Normal Retirement Age/Date (age 60/50 or 35 years of service for most members, see the glossary term for more details) will receive a larger retirement benefit under disability because their benefit will include both their Early Retirement benefit and a disability supplement benefit.

Key Eligibility Requirement:

To be considered for a Disability Retirement benefit, members must complete and file an Application for Disability Retirement BEFORE employment is terminated.

KEY TERM

Disability Supplement:

Under an approved disability retirement, an additional benefit added to the member's early retirement entitlement.

To apply for a disability retirement you must:

- Be an active member of SERS, or be on paid or unpaid leave when the application for disability benefits is filed;
- Have at least five years of credited service, except for State Police and enforcement officers, who have no minimum service requirement;
- File a completed Application for Disability Retirement *before* you terminate employment.

Your Application for Disability Retirement Must be Complete:

- Be sure that you submit your application to your Retirement Counselor while you are actively working, on paid sick leave or leave without pay. Applications that are not submitted during such periods will not be accepted.
- Be sure that the medical reports you submit to substantiate your disability claim are current and dated within 60 days of your application.
- Be sure that your application package includes all completed forms, pertinent medical reports, your current Job Description and Essential Job Functions. You may also be required to provide additional medical information in order to qualify for a disability retirement benefit.

Section 2 - Disability Retirement Information

• **Medical Report (SERS-144)**

This form is available from your Retirement Counselor and on the SERS website, www.SERS.state.pa.us.

It is your responsibility to ensure that your doctor provides sufficient the necessary medical information on or with this form that will allow an independent medical examiner to make a recommendation of disability or non-disability.

Keep in mind that the independent medical examiners review this information and make determinations without the benefit of a personal examination. They rely solely on the records submitted in order to make their determinations, so be sure that your doctors include sufficient details of your medical condition, including the severity and the impact it has on your ability to perform your job.

As applicable, the following information supporting your claim of a disability should be submitted on or with this form:

- History of visits to the doctor, hospital, rehabilitation center, etc.;
- Hospital records, if any;
- Physical and diagnostic findings of the attending physicians;
- Clinical study reports, if any;
- Laboratory and special study reports, if any;
- Reports of X-rays and MRIs as read by an examining doctor, if appropriate;
- EKG tracings, if appropriate;
- Diagnosis and treatment/therapy responses;
- Doctor's explanation/evaluation of the limitations on your ability to perform the duties listed in your current Job Description;
- Other documents SERS requests based on individual circumstances.

NOTE:

The primary reason for a denied or delayed disability application is insufficient medical evidence.

We recommend that you give your doctor a copy of SERS' How to Apply for Disability Retirement (SERS 152) pamphlet and your Job Description with Essential Job Functions so that he or she will know exactly the type of work you do and what supporting medical documentation would assist the medical examiners in reviewing you application and making a recommendation about granting you a disability retirement benefit.

SERS is not responsible for any costs associated with obtaining necessary medical information.

Section 2 - Disability Retirement Information

- **Medical examiner review**

The independent medical examiners retained by SERS review your disability application to determine if you are physically or mentally incapable of performing the full duties of your current job description.

The medical examiners' recommendations are based on the review of the medical information that you submit to SERS. When disability benefit applications include complete and current medical information, the medical examiners are able to provide a faster review of the request for Disability Retirement. The medical examiners may request specific additional medical information.

The medical examiner makes a recommendation to the State Employees' Retirement Board whether to grant or deny your application, whether the disability approval is permanent or temporary, and the effective date of the disability.

Based upon the recommendations of the medical examiners, the Retirement Board will approve or deny your application for Disability Retirement.

- **If the Disability is Approved**

You must resign from service no later than the end of the pay period in which SERS gives notice of approval of disability retirement.

- **If the Disability is Denied**

SERS will notify you in writing of its decision. The notification letter will inform you of your right to appeal and explain the appeal procedure.

- **After Retirement - Requirements of Disability Retirement:**

Disability annuitants are required to complete an earnings statement each year by January 30, until they reach Normal Retirement Age. If your employment earnings are in excess of your earnings limit, your disability benefit could be reduced but not below your Early Retirement benefit amount. If you fail to complete an annual earnings statement, you forfeit your disability retirement benefit. *(See page 23, 15. Disability Requirements, for more information.)*

In the case of a temporary disability, you have the sole burden of establishing continued disability. All temporary disability annuitants, regardless of age, are required to submit medical information for reexamination unless or until SERS determines the disability to be permanent based on the recommendation of the medical examiner.

If SERS discontinues your disability retirement benefit, your disability benefit payments will be reduced to your early retirement benefit amount and your majority state paid health care coverage will be cancelled (provided you do not also qualify for majority state paid coverage under normal or early retirement.) If that happens, you have the following options:

- You may try to regain employment with the State; however, there are no guarantees.

NOTE:

Some independent employers have specific rules regarding termination. Employees of agencies not under the governor's jurisdiction should contact their HR office regarding their agency's policy.

NOTE:

Some employers require that you go on leave at the time you file your disability retirement application. Contact your HR office regarding your agency's policy.

Section 2 - Disability Retirement Information

- If you are eligible for an early retirement, SERS will provide you with a benefit estimate for the available options. You will have 90 days from the date of that estimate to complete an application for early retirement. If you do not complete a new application, your early retirement benefit will be paid under the option you selected for your disability retirement.
- If you are NOT eligible for early retirement, you will only be entitled to any remaining portion of your contributions and interest.

Benefit Calculation for Disability Retirement

SERS Annual Maximum Disability formula is:

Calculation for a Class A or A-3 member with at least $16\frac{2}{3}$ years of service or a Class AA or A-4 member with at least $13\frac{1}{3}$ years of service is

$$\boxed{2\%} \times \boxed{\text{Class Multiplier}} \times \boxed{\text{Years of Credited Service}} \times \boxed{\text{Final Average Salary}}$$

Calculation for a Class A or A-3 member with less than $16\frac{2}{3}$ years of service or a Class AA or A-4 member with less than $13\frac{1}{3}$ years of service is the lesser of :

- $\frac{1}{3}$ FAS, or

$$\bullet \quad \boxed{2\%} \times \boxed{\text{Class Multiplier}} \times \boxed{\text{Years of Service Projected to Normal Retirement}} \times \boxed{\text{Final Average Salary}}$$

NOTE:

If you have been awarded a Workers' Compensation Act benefit, you may be eligible for a supplemental benefit. You must provide a copy of your Workers' Compensation award letter to your SERS Retirement Counselor at the time of retirement or as soon as you receive it. Please contact your Retirement Counselor for details.

Class AA Member Examples

Example 1 - Member with 20 years of service

$$2\% \times 1.25 \times 20 \text{ yrs} \times \$41,000 = \$20,500$$

Example 2 - Member is age 56 with 12 years of service

The lesser of:

- $\frac{1}{3}$ X FAS of \$41,000 = \$13,665, or
- $2\% \times 1.25 \times 16 \text{ yrs} (12 + 4 \text{ projected yrs}) \times \$41,000 = \$16,400$

In this case, the lesser value is $\frac{1}{3}$ FAS or **\$13,665**

Section 2 - Disability Retirement Information

Prepare to Sign Your Application for Disability Retirement -- an Information Checklist

In order *not to* delay processing of your disability retirement application, please bring the following information with you on the day you sign your retirement papers:

✓	Applicable to	Information Needed
	All	Prepare A List Of Questions You Have About Your Retirement Options. Bring your list of questions to your signing appointment.
	All	Your Original Birth Or Baptismal Certificate. Your birth or baptismal certificate is required for all options. If you do not have an original birth or baptismal certificate, please bring two other documents from the list on page 9 of this guide. We must certify we have seen the original document. We will make a copy and return the original to you.
	Those planning to select a Disability Option 2 or 3 retirement.	Your Designated Survivor's Original Birth Or Baptismal Certificate We must certify we have seen the original. We will make a copy of the original and return it to you. We will also need the Social Security number of your designated survivor. Also, when you select Option 2 or 3 we need temporary contingent beneficiary(ies) information (names and addresses) in case you and your survivor die prior to any payment. If your designated survivor or contingent beneficiary(ies) are under age 18, we will need a guardian's name and address.
	Those planning to select a Disability MSLA retirement.	Information On Your Beneficiary(ies) A list of NAMES, ADDRESSES, AND BIRTH DATES of those you wish to name. It is not necessary to bring birth certificates for beneficiary(ies), just their birth dates. We will need a guardian's name and address if any of your beneficiaries are under 18 years of age.
	Those planning to enroll in the REHP	Information On Your Dependents A list of NAMES, ADDRESSES, BIRTH DATES and SOCIAL SECURITY NUMBERS of those you will be listing as dependents on your health coverage. Your DATE of MARRIAGE, if applicable. Your and your spouse's Medicare card(s), if applicable. Information on other health insurance plans which you or your dependents have.
	All	Federal Income Tax Information Be prepared to complete an IRS W4-P form to authorize federal withholding tax deductions from your monthly check. We need to know if you declare "married" or "single" and your number of dependents.
	All	Medical Reports Bring medical reports (generally dated within 60 days of your application) which have been properly completed by your doctors or have your doctors submit them to SERS as soon as possible. A review of your disability application cannot start until SERS receives your medical information.
	All	Job Description With Essential Job Functions Bring a copy of your Job Description with Essential Job Functions. Your disability review cannot start without these documents
	All	Completed Direct Deposit Form If you work for an employer that is NOT under the Governor's jurisdiction, you and your financial institution will complete a <i>Direct Deposit of Annuity Payment (SERS-123)</i> form in advance of your retirement application signing appointment. If you work for an agency under the Governor's jurisdiction, your retirement counselor will provide you with a <i>Member's Validation: Electronic Direct Deposit of Annuity Payments (SERS-123A)</i> form.

Section 2 - Disability Retirement Information

Standard Application for Disability Retirement Forms

The forms included in the following instructions are marked “sample” and are intended for your information. *These sample forms may not be filed as your application.* The actual retirement forms will be completed at your signing appointment.

Review these sample forms carefully. You may make notes on them for your reference, however, your actual retirement application forms will be completed with your Retirement Counselor at your retirement signing appointment.

Read all instructions carefully. The application on file on the retirement effective date is final and all elections are binding. The only exceptions are listed under item 9, on page 21.

Your Social Security number (SS#) will be entered at the top right corner of each form page.

You must file your application for disability retirement with a SERS Retirement Counselor while you are an active, contributing member or on leave without pay and before you terminate State employment.

The application on file on the retirement effective date is final and all elections indicated therein are binding. The only exceptions are listed under item 9, on page 21.

Section 2 - Disability Retirement Information

Disability Retirement Application Instructions

PART 1 - MEMBER INFORMATION

NAME AND ADDRESS - Your name and home address should be listed as you wish them to appear on your check. If you want direct deposit, you must also complete and file a *Direct Deposit of Annuity Payments (SERS-123)* form.

DATE OF BIRTH - Verify that your date of birth is listed correctly in the space provided.

You must submit satisfactory proof of DATE OF BIRTH with your Application for Annuity. A certified copy of either a BIRTH CERTIFICATE or BAPTISMAL CERTIFICATE is preferred. If neither is available, CERTIFIED copies of TWO substitutes, from the list on page 9, may be used.

SEX - The appropriate box should be checked.

DATE OF TERMINATION - Only enter or verify your employment termination date in the appropriate box if you are submitting a resignation letter and definitely know the date of your last day of employment.

PHONE - Enter or verify your home phone number or other number where you can be reached.

PART 2 - DISABILITY COUNSELING CHECKLIST

The checklist was developed to insure that you are aware of your benefit entitlements. Your Retirement Counselor will make sure that all items on this list are explained prior to you completing the Application for Disability Retirement. Please make sure you ask questions regarding any area of uncertainty. Understanding these counseling items will allow you to make an informed decision. Checklist details start on Page 18. If an item does not pertain to your situation, your Retirement Counselor will mark the box with "N/A" (Not Applicable).

Section 2 - Disability Retirement Information



COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
 SERS CENTRAL COUNSELING - OUT OF STATE
 30 N 3RD STREET
 SUITE 150
 HARRISBURG, PA 17101-1716
 800 633 - 5461
 www.sers.state.pa.us



Region

SS#

◆ **APPLICATION FOR DISABILITY RETIREMENT** ◆
VESTED

SERS USE ONLY
 DOR _____

PART 1 MEMBER INFORMATION					
NAME	FIRST	MIDDLE	LAST	DATE OF BIRTH (ATTACH DOCUMENTATION)	
				MONTH	DAY YEAR
STREET ADDRESS				SEX	<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE
CITY		STATE	ZIP CODE	LAST EMPLOYING AGENCY / DEPARTMENT:	
PHONE:		DATE OF TERMINATION:			

PART 2 DISABILITY COUNSELING CHECKLIST		
1	Provided explanation of creditable State service and non-State service (such as intervening and non-intervening military service) which may be purchased, the costs, and the increase in benefits derived from such purchase.	
2	Benefits derived from the election of multiple service with the Public School Employees' Retirement System.	
3	Benefit reduction in the event of a debt to the employer and/or a retirement arrears liability (actuarial debt) exists at the time of retirement.	
4	The effect on future retirement benefits should I return to active state/school service.	
5	Provided with explanation of disability options and death benefits; Maximum, as well as Option 2 and 3.	
6	Provided estimates for Maximum Disability Option.	
7	Under Maximum Disability you may change beneficiaries anytime by filing a new beneficiary nomination form.	
8	Provided estimates for Disability Options 2 and 3.	
9	Qualifying events under Options 2 or 3 which permit the change of option and/or survivor, including procedures and the effect to member's annuity. If the designated survivor predeceases the member the benefit is automatically considered Maximum retirement with no death benefits. No death benefits are available until a new option is elected.	
10	REHP/PEBTF retiree health insurance is not available when member is from a non AEHP participating agency. Directed member to their employer for additional information. (IF NOT REHP ELIGIBLE ENTER N/A IN ITEMS 11, 12, AND 13.)	
11	Provided explanation of enrollment and eligibility requirements for Majority and \$5.00 State Share REHP coverage, including requirements should their disability retirement be disapproved or discontinued. Under Majority State Share, the % Member Share Monthly Amount = _____ <input type="checkbox"/> Accepts coverage with stated cost. <input type="checkbox"/> Defers enrollment. May defer once, to a later date, due to coverage with another plan at this time.	
12	Member was provided with the Medicare Part B policy and advised that REHP also stops if the disability retirement is discontinued.	
13	Provided explanation of COBRA eligibility and benefits. Member and dependents (when covered) received a COBRA notice.	
14	Provided explanation of vesting rights and procedures should the member not apply for retirement or if the disability is denied.	
15	Provided an explanation of the requirement to report earned income to the State Employees' Retirement System until the member reaches their Normal Retirement Age, the amount of income which may be earned in addition to the disability benefit, and the effect of exceeding that limit. Also the requirement for the member to supply copies of Worker's Compensation and Social Security Disability award letters to SERS upon receipt.	
16	Provided an explanation of the appeal process should a disability retirement be denied or discontinued.	

SERS-103-1

Section 2 - Disability Retirement Information

PART 2 - DISABILITY COUNSELING CHECKLIST (con't)

The following is an explanation of the summary items in the order they appear on the Disability Counseling Checklist.

1. PURCHASE OF SERVICE

Active contributing members are eligible to purchase service credits. Types of purchasable service are detailed in the *SERS Member Handbook* and the SERS Pamphlet titled, *Provisions for the Purchase of Service (SERS-155)*. Prior to your retirement, you and your Retirement Counselor will review your employment history. You will also discuss the various types of purchasable State and nonstate service, the purchase/payment options, the increase in benefits under the various payment options and the tax ramifications of each payment option.

2. MULTIPLE SERVICE

Members whose employment history includes service in a public school system in Pennsylvania as a teacher, administrator or other support staff may be permitted to combine their SERS and Public School Employees' Retirement System (PSERS) service credits toward one retirement benefit.

Members must elect multiple service within 365 days of starting the latest period of SERS membership, and they must agree to make the necessary payment to PSERS according to a payment option available on the PSERS billing.

3. DEBT TO THE EMPLOYER and RETIREMENT ARREARS

If you have a debt to your employer and are unable or unwilling to satisfy the debt through other sources, Section 5953 (b) of the Retirement Code authorizes SERS to attach all or a portion of your Accumulated Deductions to satisfy the debt at the time of retirement. You should be aware that the process of satisfying a debt to the employer through the attachment of Accumulated Deductions will result in a **substantial delay** in processing your retirement application, possible tax consequences and will reduce your monthly annuity benefit. If at all possible, you are encouraged to satisfy the debt by other means.

If you terminate State service before completing payment for a service purchase, you may pay the balance due in a lump sum within 30 days of termination from State service. In the event you do not pay the balance due within 30 days of termination, the Initial Present Value of the account will be reduced by the balance due (arrear).

KEY TERM

Initial Present Value:

When you retire you are entitled to receive a lifetime monthly Annuity determined by a formula that takes into account your service and compensation, as well as other variables. The Initial Present Value is the amount of money SERS will need to have at the time you retire (invested at an assumed rate of 4% annually) in order to pay you this Annuity for your expected lifetime.

MULTIPLE SERVICE NOTE:

Members may not receive more than one year of combined service credit under both Retirement Systems in any calendar year.

Section 2 - Disability Retirement Information

4. RETURN TO SERVICE FROM DISABILITY RETIREMENT

If you return to service (employment with a SERS participating employer) your pension payments will stop as of the date of your return to employment and upon your subsequent retirement your benefit will be calculated without regard to payments you received from SERS during your disability retirement. If you are enrolled in REHP, this health insurance will also stop on the date of your return to service.

5. DISABILITY PLAN OPTIONS

Each disability option is described in your estimate letter and on the second page of your Application for Disability Retirement. Your Retirement Counselor will also explain the various payment plan benefit provisions under the options; Disability Maximum Single Life Annuity and Disability options 2 and 3 for vested members.

Review each option carefully.

KEY TERM

Accumulated Deductions:
Total of your member contributions plus credited interest earned on your member contributions.

Section 2 - Disability Retirement Information

Option elections are final and binding. The only exceptions are listed under item 9, on the next page.

Disability Maximum Single Life Annuity

This is the basic SERS Disability retirement benefit payment option and it provides the maximum monthly amount to which you are entitled for as long as you live and continue to be eligible for a disability benefit. If you are vested, when you die, your beneficiaries will receive the Present Value of your benefit at retirement, less all payments you received. If the total payments you received exceed the Present Value of your benefit at retirement, no death benefit will be paid to your beneficiaries. If you are NOT vested, your beneficiaries will receive your accumulated deductions less one-third of the disability retirement benefit payments you received.

Under Disability Maximum Single Life Annuity if at the time of your death the amount of the payment due any beneficiary is less than \$10,000, it will be paid in a lump sum. If the amount due a beneficiary is \$10,000 or more, the beneficiary may choose to receive a lump sum or select one of several monthly payment plans. The choice of payment plan will be up to your beneficiaries.

Disability Option 2 (Vested Members Only)

This option provides you with a smaller monthly benefit than Disability Maximum Single Life Annuity because benefits are provided for two persons. You receive a monthly benefit and upon your death, your designated survivor receives for life, the same amount you would have been eligible to receive under a non-disability retirement.

The Option 2 benefit is computed using both your age and the age of your designated survivor at the time of your retirement. Proof of age documents are required under Option 2 for you and your designated survivor. The younger your designated survivor, the more severe the reduction to your monthly benefit.

Disability Option 3 (Vested Members Only)

This option also provides you with a smaller monthly benefit than the Disability Maximum Single Life Annuity because benefits are provided for two persons. You receive a monthly benefit and upon your death, your designated survivor receives for life, one-half of the amount you would have been eligible to receive under a non-disability retirement.

The Option 3 benefit is computed using both your age and the age of your designated survivor at the time of your retirement. Proof of age documents are required under Option 3 for you and your designated survivor. The younger your designated survivor, the more severe the reduction of your monthly benefit.

6. and 8. ESTIMATES

You will receive written estimates of your benefits under all the applicable options detailed in item 5 above. If you are not interested in receiving an estimate under the Survivor Options, your Retirement Counselor will mark

Section 2 - Disability Retirement Information

N/A on the Disability Counseling Checklist indicating that you did not wish to receive a Survivor Option 2 or 3 estimate.

7. BENEFICIARY CHANGE

Retirees who elect the Disability Maximum Single Life Annuity should keep their beneficiary information updated. You should consider filing a new *Retired Member Beneficiary Nomination (SERS-403)* form any time you have a change in your life, such as the birth or adoption of a child, a marriage, divorce or death of a spouse.

After retirement, if you are unsure of your beneficiary nomination or you want to change your beneficiary, you may request a new *Retired Member Beneficiary Nomination (SERS-403)* form from your Retirement Counseling Center at 1-800-633-5461 or download one from the SERS Web site, www.sers.state.pa.us.

Whether your pre-divorce designation of your spouse as a beneficiary would be effective under the Pennsylvania Probate, Estates and Fiduciaries Code will depend on the date of your designation and your state of residency at the time of death. If you nominate your spouse as your beneficiary and later divorce, you should file a new *Retired Member Beneficiary Nomination (SERS 403)* form.

9. CHANGE OF OPTION/DESIGNATED SURVIVOR (OPTIONS 2 OR 3 ONLY)

If you elected Disability Option 2 or 3 at the time of retirement, you also listed a person as your designated survivor to receive monthly benefits after your death.

Under Option 2 and Option 3 you may only have one person named as your designated survivor and you may only make a change if one of the following events takes place after you retire:

- **Your designated survivor predeceases you**

When this event occurs, your monthly benefit will not change but no death benefit will be payable. You may, however, create a new death benefit by electing a new option. The election of another option to provide a new survivor death benefit will reduce your monthly benefit.

- **You obtain a divorce**

Whether your pre-divorce designation of your spouse as your survivor annuitant would be effective under the Pennsylvania Probate, Estates and Fiduciaries Code will depend on the date of your designation and your state of residency at the time of death. You should contact SERS for more information about changing or preserving your survivor annuitant designation following a divorce.

- **You marry**

Section 2 - Disability Retirement Information

If one of the preceding events take place, please contact your Retirement Counseling Center as soon as possible at 1-800-633-5461. Your Retirement Counselor will provide you with an explanation and estimate of your options.

If you select another option, your benefit will be adjusted. Also, if you elect a new Disability Option 2 or Option 3, your benefit will be adjusted based upon your age at the time of your re-election and the age of your new designated survivor annuitant.

KEY TERM

Survivor Annuitant:

The person you designate under Option 2 or 3 to receive a lifetime annuity upon your death.

Please note: Unlike a non-disability retirement, there is no Disability Retirement Option 4.

10. NON-AEHP/REHP PARTICIPATION

If as an active employee you were not covered in the Active Employee Health Plan (AEHP), you cannot enroll in the Retired Employees Health Program (REHP). At retirement, your Retirement Counselor will refer you to your Human Resources/Employee Benefits Representative to determine your eligibility to enroll in any non-REHP group health plan.

11. MAJORITY AND PARTIALLY STATE PAID REHP COVERAGE

Eligibility for Majority State Paid or Partially State Paid Health Coverage is based upon your Commonwealth Employee Bargaining Unit and age and service requirements. As part of your retirement counseling, you will be told of your eligibility for REHP enrollment. If you are eligible to enroll in the REHP, you will complete an REHP Enrollment Form (PEBTF 9) as part of the retirement signing process. Those qualifying for Majority State Paid coverage will be required to pay from their monthly annuity a Member share of 3% of final salary, or final average salary, in compliance with the current applicable collective bargaining agreement. If you are Medicare eligible at the time of retirement, or become Medicare eligible after you retire, your deduction will be reduced to 1.5%.

If you are eligible and you elect REHP coverage when you retire but you have an outstanding AEHP debt, you will not be eligible to enroll in REHP until the AEHP debt is satisfied through the PEBTF.

12. REHP INFORMATION

If you enroll in the REHP coverage at retirement you will receive the REHP policy on Medicare Part B.

Disability retirees should be aware that if their disability retirement is denied or discontinued, their Retiree Health insurance (REHP) will also stop.

13. COBRA CONTINUATION COVERAGE

A Federal Law passed in 1986 and titled the "Consolidated Omnibus Budget Reconciliation Act" (COBRA) requires that retirees and their families be offered the opportunity for a temporary extension of health coverage, in certain instances, when coverage under an employer-provided group health plan would otherwise end.

The COBRA legislation affords continuation coverage to retirees, their spouses and eligible dependents in the event they lose their retiree group health coverage due to a discontinuance of the group health plan, divorce, death of the

Section 2 - Disability Retirement Information

retired member or loss of dependent status. Coverage may continue for up to three years depending on the qualifying event.

If you are a REHP member, the PEBTF will mail you a PEBTF COBRA Notice. Copies of the COBRA Notice will be also be provided to the other REHP eligible dependents you listed on the REHP Enrollment Form.

14. ALTERNATIVES TO DISABILITY RETIREMENT

If you have five or more years of credited service (ten or more years for members of Class A-3 and A-4) you have a vested right to a lifetime retirement benefit. If your disability retirement application is denied, you may apply for an Early or normal retirement benefit, or you may elect to become a Vestee and defer receipt of your annuity. If your disability retirement application is granted and then subsequently discontinued, you may apply for an Early or normal retirement benefit, but you may not elect Vestee status until after a bona fide return to service and subsequent termination.

15. DISABILITY REQUIREMENTS

Disability annuitants are required to complete an *Annual Earnings Statement (SERS-220)* form until they reach Normal Retirement Age (50 or 60 for most members and age 55 or 65 for members of Class A-3 and A-4). Failure to do so will result in reduced or discontinued benefits. Each December SERS mails a copy of this form to disability annuitants who have not reached Normal Retirement Age. If you do not receive a form, please contact your Retirement Counselor at 1-800-633-5461.

In the case of a temporary disability, you have the sole burden of establishing continued disability. All disability annuitants, regardless of age, are required to submit medical information for reexamination unless or until SERS determines the disability to be permanent.

Section 2 - Disability Retirement Information

16. DISABILITY APPEALS

If your disability is denied or discontinued, you will be notified and provided information about your appeal rights, in writing.

17. EARLY RETIREMENT ESTIMATES

Your Retirement Counselor will provide you with an estimate of Early Retirement benefits so that you can compare the non-disability benefits to the benefits of a Disability Retirement.

18. PROCEDURE TO APPLY FOR SOCIAL SECURITY BENEFITS

Contact the U.S. Social Security Administration at 1-888-327-1176 or www.ssa.gov to apply for regular or disability Social Security benefits.

19. TAXABILITY OF DISABILITY BENEFITS

Federal Income Tax applies to all retirement benefits SERS pays you. SERS retirement payments are not subject to Pennsylvania State or Local Tax. If you live in another state, you should check that state's tax department to see if they tax Pennsylvania pension benefits.

20. OPTION TO WITHDRAW FROM THE SERS SSI PROGRAM

If a member has contributed to the SERS Social Security Integration (SSI) program, they may apply for a refund of their SSI contributions and interest when applying for their Disability Retirement.

Initial the "Member Initial Box," indicating that you understand the items on this checklist.

PART 3 - VESTED DISABILITY

MONTHLY PAYMENT PLAN OPTIONS MAXIMUM, OPTION 2, OPTION 3

In Part 3, you will elect the monthly payment plan under which you will be paid for life or until your disability retirement benefit is discontinued. Each payment plan will provide you with a monthly benefit for life and each plan will have a different death benefit. The amount you receive and the death benefits payable under a particular option plan will be calculated based on your age. Under Options 2 and 3, the amount you and your designated survivor will receive is also based on your designated survivor's age.

You may select ONLY ONE monthly payment plan. Once you file your application and terminate employment, you may not change your retirement plan selections. The State Employees' Retirement Code provides that all elections are final and binding. The only exceptions are listed in Item 9 on page 21.

TAX INFORMATION
See pages 43-46 of this guide.

Section 2 - Disability Retirement Information

SS#

PART 2 (continued) RETIREMENT COUNSELING CHECKLIST

17	Provided estimates of all benefits available should the disability retirement be denied or discontinued.	
18	Provided explanation of the procedures to apply for Social Security benefits.	
19	Provided information on the taxability of disability retirement benefits and advised the member to seek qualified tax advice.	
20	Option to withdraw contributions from the optional SSI Program and the effect of such withdrawal.	

Member Initial

I HAVE BEEN COUNSELED TO MY SATISFACTION ON ALL ITEMS ON THIS CHECKLIST, EXCEPT THOSE MARKED "N/A". THE RETIREMENT COUNSELOR PROVIDED ESTIMATES AND EXPLANATIONS TO THE EXTENT THAT I AM FULLY AWARE OF ALL BENEFITS TO WHICH I AM ENTITLED. I HAVE ALSO BEEN PROVIDED WITH A COPY OF THE "MEMBER'S GUIDE TO DISABILITY RETIREMENT".

PART 3 VESTED DISABILITY

DISABILITY MAXIMUM SINGLE LIFE ANNUITY

I UNDERSTAND, IF APPROVED FOR DISABILITY RETIREMENT, UNDER THIS OPTION I WILL RECEIVE THE MAXIMUM DISABILITY BENEFIT AND A VALUE WILL BE PLACED ON MY RETIREMENT ACCOUNT CALLED THE ACCOUNT "PRESENT VALUE". ALL PAYMENTS ARE SUBTRACTED FROM THE PRESENT VALUE. ANY BALANCE REMAINING AT MY DEATH WILL BE PAID TO MY BENEFICIARY(IES). I MAY NAME ONE OR MORE BENEFICIARIES IN PART 5 OF THIS APPLICATION AND MAY CHANGE BENEFICIARY(IES) AT ANY TIME BY FILING A NEW RETIRED MEMBER BENEFICIARY NOMINATION FORM.

SIGNATURE:

DISABILITY OPTION 2

I UNDERSTAND, IF APPROVED FOR DISABILITY RETIREMENT, UNDER THIS OPTION I WILL RECEIVE A REDUCED DISABILITY BENEFIT THAT IS COMPOSED OF TWO PARTS: AN EARLY RETIREMENT PORTION AND THE DISABILITY SUPPLEMENT. THIS REDUCED DISABILITY BENEFIT WILL BE CALCULATED BASED ON THE AGE AND SEX OF MYSELF AND MY DESIGNATED SURVIVOR. UPON MY DEATH, THAT PERSON WILL RECEIVE, FOR LIFE, THE SAME MONTHLY AMOUNT THAT I WAS ELIGIBLE TO RECEIVE UNDER EARLY RETIREMENT AND ANY OUTSTANDING AMOUNTS PAYABLE TO ME AS OF THE DATE OF MY DEATH. I UNDERSTAND THAT MY DESIGNATED SURVIVOR MUST BE NAMED IN PART 6 OF THIS FORM.

SIGNATURE:

DISABILITY OPTION 3

I UNDERSTAND, IF APPROVED FOR DISABILITY RETIREMENT, UNDER THIS OPTION I WILL RECEIVE A REDUCED DISABILITY BENEFIT THAT IS COMPOSED OF TWO PARTS: AN EARLY RETIREMENT PORTION AND THE DISABILITY SUPPLEMENT. THIS REDUCED DISABILITY BENEFIT WILL BE CALCULATED BASED ON THE AGE AND SEX OF MYSELF AND MY DESIGNATED SURVIVOR. UPON MY DEATH, THAT PERSON WILL RECEIVE, FOR LIFE, 1/2 OF THE MONTHLY AMOUNT THAT I WAS ELIGIBLE TO RECEIVE UNDER EARLY RETIREMENT AND ANY OUTSTANDING AMOUNTS PAYABLE TO ME AS OF THE DATE OF MY DEATH. I UNDERSTAND THAT MY DESIGNATED SURVIVOR MUST BE NAMED IN PART 6 OF THIS FORM.

SIGNATURE:

SERS-103-2

Section 2 - Disability Retirement Information

All beneficiary or survivor nominations made on this application do not become valid until the effective date of your retirement. To update your beneficiaries prior to your retirement date you must complete and file a new Active Member Beneficiary (SERS-402) form.

PART 4 - FEDERAL INCOME TAX WITHHOLDING

This PART is where you request federal income tax to be withheld from your monthly payment. You must complete this part as follows:

- First you must either X the box indicating you do not want any federal income tax withheld or X the box indicating you want federal income tax withheld as indicated below.
- If you have elected to have federal income tax withheld you should indicate your number of allowances and marital status. You may also have additional withholding by completing this section.

PART 5 - NOMINATION OF BENEFICIARIES PRINCIPAL BENEFICIARY

First you must check one of the four boxes to indicate how you want your death benefit distributed to your named beneficiaries.

Skip to part 6 if you are electing a Disability Option 2 or 3

If you elect a Disability Maximum Single Life Annuity you must list one or more beneficiaries in this part of your application. When listing more than one beneficiary, you may enter the percent you would like each beneficiary to receive. Leaving the percent column blank will mean that each beneficiary will receive an equal share.

CONTINGENT BENEFICIARY

Contingent beneficiaries will only be paid if, at the time of your death, all principal beneficiaries are deceased. You may list one or more contingent beneficiaries in this section, however, you are not required to list any contingent beneficiaries.

Skip to part 7 if you are electing a Disability Option 2 or 3

PART 6 - DESIGNATION OF A SURVIVOR ANNUITANT DISABILITY OPTION 2 OR 3

If you elect Disability Option 2 or 3, you must name your designated survivor annuitant in this section. You must complete all information in this part. You will also be required to submit a proof of date of birth document for the survivor that you name. Information on acceptable proof of date of birth documents is located on page 9.

If you elect the disability maximum single life annuity, complete the signature block and skip to part 8

SIGNATURE BLOCK

You must sign and date this section to affirm the beneficiary or survivor designations made on this page.

Section 2 - Disability Retirement Information

SS#

PART 4		FEDERAL INCOME TAX WITHHOLDING		MONTHLY PAYMENTS	W4-P
<input type="checkbox"/> Check here if you DO NOT WANT any Federal Income tax withheld from your monthly annuity payments. <input type="checkbox"/> I would like Federal Income tax withheld as indicated below:					
Number of Allowances	Marital Status	Optional - Additional Withholding - you must also enter the number of allowances and marital status			
_____	<input type="checkbox"/> Single <input type="checkbox"/> Married	Additional amount to be withheld from each monthly payment. \$ _____			
0 - 9					

NOTE: ALL NOMINATIONS OF A BENEFICIARY OR SURVIVOR IN PARTS 5-8 ON THIS APPLICATION FOR ANNUITY ONLY TAKE EFFECT WITH THE EFFECTIVE DATE OF YOUR RETIREMENT. TO UPDATE YOUR BENEFICIARY PRIOR TO YOUR DATE OF RETIREMENT YOU MUST COMPLETE A SERS-402 ACTIVE MEMBER BENEFICIARY NOMINATION FORM.

PART 5					RETIREMENT NOMINATION OF BENEFICIARY(IES) FOR MAXIMUM DISABILITY ONLY	
PRINCIPAL BENEFICIARY(IES)					In the event of my death any remaining balance of my account shall be paid as designated below.	
<input type="checkbox"/> Pay to one person, estate or trust		<input type="checkbox"/> Pay to more than one person absolutely				
<input type="checkbox"/> Pay to more than one person, estate or trust in equal shares with rights to survivors		<input type="checkbox"/> Distribute in designated percentages as shown				
Percent	Full Name	Birth Date	Address (street address, city, state, zip code)			
Total must equal 100%						

PART 5					CONTINGENT BENEFICIARY(IES)	
					In the event of the death of all my principal beneficiaries, any remaining balance of my account shall be paid as designated below.	
<input type="checkbox"/> Pay to one person, estate or trust		<input type="checkbox"/> Pay to more than one person absolutely				
<input type="checkbox"/> Pay to more than one person, estate or trust in equal shares with rights to survivors		<input type="checkbox"/> Distribute in designated percentages as shown				
Percent	Full Name	Birth Date	Address (street address, city, state, zip code)			
Total must equal 100%						

PART 6				DESIGNATION OF A SURVIVOR ANNUITANT		DISABILITY OPTIONS 2 OR 3 ONLY	
Full Name		Date of Birth		Sex	<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	Social Security Number	
Address (street address, city, state, zip code)				Relationship			
				<input type="checkbox"/> SPOUSE <input type="checkbox"/> OTHER			

I understand that the beneficiary/survivor nomination(s) I made on this page will only become valid with the effective date of my annuity.	
Signature:	Date:

SERS-103-3

Section 2 - Disability Retirement Information

PART 7 -TEMPORARY OPTION 2 OR 3 CONTINGENT BENEFICIARY

If you elect Disability Option 2 or 3, you may use this PART to name a temporary contingent beneficiary. A temporary contingent beneficiary is ONLY valid from the effective date of retirement to the date SERS issues your first annuity payment.

Skip to part 11 if you are electing a Disability Maximum Single Life Annuity

A contingent beneficiary will only be paid if both you and your designated survivor die prior to the date SERS issues payment.

PART 8 - GUARDIAN

This PART must be completed when any named beneficiary or designated survivor in PARTS 5, 6, or 7 are under the age of 18. You may name one guardian for more than one minor or a separate guardian for each minor.

PART 9 - CREDITED NONSTATE SERVICE DECLARATION

This PART must be completed when you are claiming credits for "creditable nonstate service."

Initial the box after you have read and understand the certification statement.

PART 10 - MEMBER CERTIFICATION

Every member who files an *Application for Disability Retirement (SERS-103)* must read and understand this part. You must then sign your name and date the Certification Statement in front of two witnesses. These two persons must then sign this part as witnesses to your signing. The address of each witness must be listed in the block below their signatures. The name of a witness may also be printed on the form below the address block if the signature is not easy to read.

PART 10 - COUNSELING NOTES:

This section may be used by the Retirement Counselor to clarify any special points regarding your counseling or pertaining to the filing of the application.

Section 2 - Disability Retirement Information

SS#

PART 7 TEMPORARY OPTION 2/3 CONTINGENT BENEFICIARY DISABILITY OPTIONS 2 OR 3 ONLY

This part should only be used by a member electing an Option 2 or Option 3 Disability Survivor plan. This contingent beneficiary nomination is invalid once your initial check is received.

* NOTE - **DO NOT** complete this part of the form if you are electing a Maximum Disability.

I understand that if I die before I receive my initial annuity payment from the Retirement System, any outstanding amount will be paid to my designated survivor.

Further, **I also understand and declare that**, if both myself and my designated survivor die before my initial annuity payment is received, I wish to have any payments due me to be paid to the following contingent beneficiary(ies):

NAME	DATE OF BIRTH	ADDRESS (street address, city, state, zip code)

PART 8 GUARDIAN

REQUIRED FOR ANY BENEFICIARY OR DESIGNATED SURVIVOR UNDER 18 YEARS OF AGE NAMED IN PARTS 5, 6 OR 7 OF THIS APPLICATION

Full Name	Address (street address, city, state, zip code)	Name of Minor(s)

PART 9 CREDITED NON-STATE SERVICE DECLARATION

This part must be completed if the member is claiming credits for "creditable non-state service".

Failure to complete this part of the application for annuity shall result in the cancellation and forfeiture of any non-state service previously credited to the member's account.

STATE EMPLOYEES' RETIREMENT CODE - §5304 (CREDITABLE NONSTATE SERVICE) provides, in part:

- "(b) An active member or multiple service member who is a school employee and an active member of the Public School Employees' Retirement System shall be eligible to receive credit for non-state service provided that he does not have credit for such service under a retirement system administered and wholly or partially paid for by any other governmental agency or by any private employer, or a retirement program approved by the employer..."

Member Initial

I HAVE READ AND UNDERSTAND THE ABOVE SECTION OF THE STATE EMPLOYEES' RETIREMENT CODE, AND I CERTIFY THAT I HAVE NOT ALREADY RECEIVED, AM NOT NOW RECEIVING, NOR WILL I BE ELIGIBLE TO RECEIVE IN THE FUTURE, ANY RETIREMENT BENEFITS UNDER A RETIREMENT SYSTEM ADMINISTERED BY ANY OTHER GOVERNMENTAL AGENCY FOR ANY NONSTATE SERVICE WHICH IS CREDITED TO MY ACCOUNT IN THE STATE EMPLOYEES' RETIREMENT SYSTEM, WITH THE EXCEPTION OF THE MILITARY PENSION SYSTEMS UNDER TITLE 10, CHAPTER 67, UNITED STATES CODE, SECTIONS 1331-1337.

SERS-103-4

Section 2 - Disability Retirement Information

SS#

PART 10 MEMBER CERTIFICATION

STATE EMPLOYEES' RETIREMENT CODE

§5954 (FRAUD AND ADJUSTMENT OF ERRORS) provides, in part

"(a) Any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of this system in any attempt to defraud the system as a result of such act shall be guilty of a misdemeanor of the second degree."

§5907 (RIGHTS AND DUTIES OF STATE EMPLOYEES AND MEMBERS) provides, in part:

"(a) ... In any case in which the board finds that a member is receiving an annuity based on false information, the total amount received predicated on such false information together with statutory interest doubled and compounded shall be deducted from the present value of any remaining benefits to which the member is legally entitled."

I, _____, HEREBY MAKE THE FOLLOWING CERTIFICATION: HAVING READ AND
 (Signature)
 UNDERSTOOD ALL OF THE PRECEDING PROVISIONS, CERTIFYING THAT ALL STATEMENTS MADE ON THIS APPLICATION ARE TRUE AND CORRECT, I UNDERSTAND THAT THE DISABILITY RETIREMENT OPTION PLAN ELECTIONS I MADE ON THIS APPLICATION ARE FINAL AND BINDING. I ALSO UNDERSTAND THAT I MAY BE REQUIRED TO REPORT EARNINGS ON A CONTINUING BASIS AND TO PROVIDE MEDICAL EVIDENCE OF DISABILITY TO THE STATE EMPLOYEES' RETIREMENT SYSTEM AS REQUIRED. I THEREFORE AUTHORIZE AND PERMIT THE STATE EMPLOYEES' RETIREMENT SYSTEM TO MAKE DIRECT CONTACT WITH ANY OR ALL DOCTORS WHO MAY HAVE SUBMITTED MEDICAL REPORTS ON MY BEHALF. I ALSO UNDERSTAND THAT ANY WILLFUL FALSIFICATION OR FAILURE TO PROVIDE THE INFORMATION REQUIRED MAY RESULT IN THE FORFEITURE OF MY RIGHTS TO FUTURE BENEFITS BASED ON SUCH INFORMATION AND SUCH OTHER PENALTIES AS PROVIDED BY LAW, AND I HEREBY DECLARE THAT I INTEND TO BE LEGALLY BOUND BY THIS STATEMENT AND THESE RETIREMENT ELECTIONS.

DATE: ____ / ____ / ____

YOUR SIGNATURE MUST BE WITNESSED BY TWO PERSONS.

WITNESS SIGNATURE:	WITNESS SIGNATURE:
ADDRESS	ADDRESS
COUNSELING NOTES:	

SERS-103-5

Section 2 - Disability Retirement Information

MEDICAL REPORT (SERS-144)

This form must be completed by your doctor and should be attached to more detailed reports and medical evidence. This form should be submitted to your doctor or doctors as soon as possible and must be received at SERS before any disability review will start.

It is your responsibility to provide all medical information needed in order for the medical examiners to make a recommendation of disability or non-disability.

You must have your doctors include sufficient details of a medical condition to enable the medical examiners to make an independent recommendation concerning your ability to perform your job.

Keep in mind that the medical examiners are reviewing this information and making determinations without the benefit of a personal examination. They rely solely on records submitted to them to make those determinations.

SERS is not responsible for any costs associated with obtaining necessary medical information.

The following information supporting the claim of a disability should be submitted on or with the *Medical Report (SERS-144)* when applicable:

- History of visits to the doctor, hospital, rehabilitation center, etc.;
- Hospital records, if any;
- Physical and diagnostic findings of the attending physicians;
- Clinical study reports, if any;
- Laboratory and special study reports, if any;
- Reports of X-rays and MRIs as read by an examining doctor, if appropriate;
- EKG tracings, if appropriate;
- Diagnosis and treatment/therapy responses;
- Doctor's explanation/evaluation of the limitations on your ability to perform the duties listed in your current Job Description;
- Other documents SERS requests based on individual circumstances.

Section 2 - Disability Retirement Information



Commonwealth Of Pennsylvania
State Employees' Retirement System
30 N 3rd Street
Suite 150
Harrisburg, Pennsylvania 17101-1716
www.sers.state.pa.us
Telephone: 800-633-5461
Fax: 717-787-5866



NOTICE TO TREATING PHYSICIAN

The patient and State Employees' Retirement System ("SERS") member ("Patient") who has asked you to complete the attached Medical Report should provide you with a copy of his or her employment position description so that you can evaluate his or her ability to perform the duties for which he or she is employed by the commonwealth ("Employment Duties"). The law provides that a SERS member is disabled and entitled to a disability retirement benefit if SERS determines - based on the recommendation of a reviewing physician contracted by the commonwealth - that the member is not capable of performing his or her Employment Duties. The responses you provide on the Medical Report will assist the reviewing physician to formulate a recommendation. Please consider the following:

- The reviewing physician will not conduct an independent medical examination. The reviewing physician's recommendation will be based exclusively on the information set forth in the Medical Reports from the Patient's treating physicians and the accompanying documentation.
- If it is your opinion that the Patient is not able to perform his or her Employment Duties, please explain the basis of your conclusion, providing as much detail as possible. Attach additional pages, if necessary.
- It is important that the Medical Report you complete reflect the Patient's current conditions. Your assessment and supporting documentation should be based upon examinations and tests completed within the past 60 days.
- After reviewing your completed Medical Report and accompanying documentation, the reviewing physician may request additional, specific information. In that event, SERS will notify the Patient, indicating what additional information is needed and, in some cases, providing additional forms to be completed by the treating physician.

Psychiatric Condition: SERS will grant a disability retirement benefit for a psychiatric condition if, based on the reviewing physician's recommendation, it determines that a member is not able to perform his or her Employment Duties. In most cases, the reviewing physician's recommendation depends upon a finding of significant functional impairment. The Medical Report you complete should include the Patient's thorough case history and the findings from any psychiatric evaluation you have performed, including but not limited to symptoms and severity and Global Assessment of Functioning (GAF) score.

SERS-144-1 (042013)

Section 2 - Disability Retirement Information



Commonwealth Of Pennsylvania
State Employees' Retirement System
30 N 3rd Street
Suite 150
Harrisburg, Pennsylvania 17101-1716
www.sers.state.pa.us
Telephone: 800-633-5461
Fax: 717-787-5866



Disability Benefit Application

*** INITIAL MEDICAL REPORT ***

Social Security No. XXX-XX-XXXX

Patient's Name:

Date of Birth:

I. **HISTORY:** Provide dates you examined the Patient and symptoms related to his or her ability to perform Employment Duties. Please include when the Patient first reported the symptoms.

II. **PHYSICAL FINDINGS:** Provide all current physical findings directly relevant to the Patient's ability to perform Employment Duties. Please include a Mental Status Exam for a psychiatric review.

III. **LABORATORY AND SPECIALTY STUDIES:** Provide dates and results of all relevant specialists' reports and studies, including X-rays, ECG's, etc. Please attach copies.

SERS144-1 (04/2013)

Section 2 - Disability Retirement Information

Patient's Name:

Date of Birth:

IV. **DIAGNOSES:** List all diagnoses you have made related to the Patient's ability to perform Employment Duties. If this report pertains to a psychiatric evaluation, please note the patient's Global Assessment of Functioning (GAF) score.

V. **TREATMENT AND RESPONSE:** List prescribed medications and recommended treatment and the Patient's responses thereto.

VI. **OPINION:** Provide your opinion as to whether the Patient is able to perform all of his or her Employment Duties. List items of Employment Duties you believe the patient cannot perform and the reasons for your opinion. Please state whether you expect any inability to perform the Employment Duties to be temporary or permanent and, if temporary, when you expect the Patient to be able to perform his or her Employment Duties.

Treating Physician's Name and Address (Type or Print)	Specialty
	Telephone Number

Date

Treating Physician's Signature

SERS144-1 (04/2013)

Section 2 - Disability Retirement Information

MEMBER'S VALIDATION: ELECTRONIC DIRECT DEPOSIT OF ANNUITY PAYMENTS (SERS-123A)

This alternate direct deposit form may be used by members employed with an agency under the Governor's jurisdiction who have direct deposit established on the SAP/IES payroll system. *SERS will print this form with your SAP/IES direct deposit information preprinted on the form.* If you review and sign this form authorizing direct deposit, your lump sum, except any direct rollovers, and your retroactive and subsequent monthly retirement payments will be sent electronically, directly to your financial institution.

PART I - PAYEE AGREEMENT

Type Payee - The MEMBER box should be checked.

DIRECT DEPOSIT OF ANNUITY PAYMENTS (SERS-123)

PART I - PAYEE AGREEMENT

The sections for your Name, Address, Social Security Number, and Telephone Number must be completed.

Type Payee - The MEMBER box should be checked.

Action To Be Taken - The START DIRECT DEPOSIT BOX should be checked.

Payee Signature And Date - Sign your name and date the form in the spaces provided.

PART II - FINANCIAL INSTITUTION AGREEMENT

You must have your financial institution complete all items in Part II.

Make sure your Financial Institution representative signs in the Authorized Signature space.

Section 2 - Disability Retirement Information



COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
 30 N 3RD STREET
 SUITE 150
 HARRISBURG, PA 17101-1716
 TOLLFREE: 1-800-633-5461
 www.sers.state.pa.us



Region

MEMBER'S VALIDATION: ELECTRONIC DIRECT DEPOSIT OF ANNUITY PAYMENTS

FOR DIRECT TRANSFER (ROLLOVER) OF TAXABLE WITHDRAWALS USE FORM SERS-254

PART I - PAYEE AGREEMENT

NAME: FIRST	MIDDLE	LAST	TELEPHONE NUMBER
STREET ADDRESS			<input type="checkbox"/> TELEPHONE <input type="checkbox"/> MOBILE
CITY	STATE	ZIP CODE	

PART II - MEMBER CERTIFICATION AND AUTHORIZATION

I acknowledge that the financial information, including the direct deposit information, as shown on this form, is correct to the best of my knowledge, information and belief. I understand that after this form is processed, my monthly checks will be electronically deposited into the direct deposit account displayed on this form.

I hereby authorize and request the Pennsylvania State Employees' Retirement System (SERS) to deposit the net amount of my lump sum withdrawal not subject to a Direct Rollover request and all monthly benefit checks for the amount indicated at the Financial Institution designated below, and I further authorize the Financial Institution to credit the same to such account without responsibility for correctness of such amount.

This authorization will remain in effect until I give written notification to SERS of such time and in such manner as to allow SERS a reasonable opportunity to act upon it. I agree to notify SERS if I wish to change the designated Financial Institution, or account to which my net pay is to be deposited sixty (60) days prior to the effective date of such change.

PAYEE'S SIGNATURE _____ DATE ____/____/____

PLEASE REVIEW PART III CAREFULLY

PART III - FINANCIAL INSTITUTION INFORMATION

ACH ROUTING NUMBER ACCOUNT NUMBER

ACCOUNT TYPE (CHECK ONE) CHECKING SAVINGS

FINANCIAL INSTITUTION

NAME _____

STREET ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____

SERS-123A (Rev. 3/2006)

Section 2 - Disability Retirement Information



COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
 30 N 3RD STREET
 SUITE 150
 HARRISBURG, PA 17101-1716
 TOLLFREE: 1-800-633-5461
 www.sers.state.pa.us



Region

◆ **DIRECT DEPOSIT OF ANNUITY PAYMENTS** ◆ YOUR SS#

INSTRUCTIONS: Complete Part I. Have your Financial Institution complete Part II. This form must be filed with SERS at the address listed above. The Financial Institution may make a photocopy for their records. A copy will be returned to the payee indicating the effective date of the new direct deposit. Your monthly annuity payment will be credited to your account and be available for use on the last working day each month. NOTE: After this form is processed, your first monthly check will be mailed to your home address. The second and subsequent checks will be electronically deposited to your new direct deposit account.

* KEEP SERS INFORMED OF YOUR CURRENT HOME ADDRESS *

PART I - PAYEE AGREEMENT

NAME: FIRST MIDDLE LAST			MEMBER'S
STREET ADDRESS			TELEPHONE NUMBER
CITY	STATE	ZIP CODE	TYPE (check one) <input type="checkbox"/> MEMBER <input type="checkbox"/> SURVIVOR <input type="checkbox"/> ALTERNATE PAYEE
ACTION TO BE TAKEN (CHECK ALL THAT APPLY) <input type="checkbox"/> START DIRECT DEPOSIT <input type="checkbox"/> STOP DIRECT DEPOSIT <input type="checkbox"/> CHANGE FINANCIAL INSTITUTION <input type="checkbox"/> CHANGE ACCOUNT NUMBER			*** DO NOT WRITE - SERS USE ONLY *** This change will be effective _____
I hereby authorize and request the Pennsylvania State Employees' Retirement System (SERS) to direct the net amount of my monthly benefit checks for net pay to my account indicated at the financial institution designated below, and I further authorize the financial institution to credit the same to such account without responsibility for correctness of such amount. I hereby revoke all prior payment arrangements with SERS.			PAYEE'S SIGNATURE
This authorization will remain in effect until I give written notice of its termination to SERS in such time and in such manner as to allow SERS a reasonable opportunity to respond to it. I agree to notify SERS if I wish to change the financial institution account to which my net pay is to be deposited sixty (60) days prior to the effective date of such change.			DATE

PAYEE - STOP HERE! (Have your financial institution complete the remainder of this form.)

PART II - FINANCIAL INSTITUTION AGREEMENT

ACH ROUTING NUMBER		ACCOUNT NUMBER	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ACCOUNT TYPE (CHECK ONE) <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS If an account type is not selected, the benefit cannot be processed.			
FINANCIAL INSTITUTION			
NAME		DATE:	
STREET ADDRESS		TELEPHONE NUMBER	
CITY	STATE	ZIP CODE	TITLE:
In consideration of SERS making payments in accordance with this authorization without requiring other proof that the payee is alive on the date which such payment falls due, we hereby agree to repay, refund and/or reimburse to SERS, on demand, the amount of payments made to and received by us, the due date of which shall be after the date of death of the payee, to the extent that funds representing such payments remain on deposit with the financial institution at the time of certification of Payee's death by SERS, to the financial institution.			
AUTHORIZED SIGNATURE		SERS-123 (Rev. 9/2006)	

Section 3 - After You Retire

Services Provided to Retired Members

KEY TERM

Retired Employees

Health Program (REHP):

Inquiries regarding your State retiree health insurance coverage and claims should be directed to the PEBTF at 1-800-522-7279.

- Provide direct deposit forms, Federal Income Tax withholding forms, and change of address forms upon request; and provide information and assistance to complete the forms
- Provide Beneficiary forms and assist members in completing the forms.
- Take information and process change of dependent information on your Retired Employees Health Program (REHP) coverage.
- Investigate and place stop payment transactions on checks not received by Annuitants after 10 working days.
- Provide resource speakers for group or association informational seminars.
- Receive and process notifications of death and serve as a contact for Beneficiaries and Survivors.
- Provide option change counseling for members when their Designated Survivor predeceases them, the retiree obtains a divorce, or when the retiree marries after the date of their retirement.
- Provide counseling on any change of monthly Annuity payment, when applicable.



Words in the text underlined with dots are defined in the glossary at the back of this book.

Section 3 - After You Retire

INITIAL RETIREMENT Payment

SERS makes every effort to process retirement payments as rapidly as possible, however, you should plan to receive your initial retirement payment approximately eight weeks after SERS receives your *Application for Annuity (SERS-129)* and you terminate employment.

NOTE:

Agency debts for overdrawn leave and/or other agency debts will delay your initial retirement payments.

MONTHLY RETIREMENT PAYMENTS

Monthly Annuity payments are *always payable* on the last working day of each month. The payment represents the Annuity due to the member for that month.

If you have direct deposit, the monthly Annuity payment should be in your account on the last working day of the month. Generally, if you have your monthly Annuity payment mailed to your home address, the check is mailed at least one day prior to the payment date, so that it might arrive by the payment date.

To ensure timely receipt of your monthly Annuity payment, enroll in direct deposit.

SERS Monthly Annuity Payment Date Schedule

Month	2013	2014	2015	2016	2017
January	31 st	31 st	30 th	29 th	31 st
February	28 th	28 th	27 th	29 th	28 th
March	29 th	31 st	31 st	31 st	31 st
April	30 th	30 th	30 th	29 th	28 th
May	31 st	30 th	29 th	31 st	31 st
June	28 th	30 th	30 th	30 th	30 th
July	31 st	31 st	31 st	29 th	31 st
August	30 th	29 th	31 st	31 st	31 st
September	30 th	30 th	30 th	30 th	29 th
October	31 st	31 st	30 th	31 st	31 st
November	27 th	26 th	30 th	30 th	30 th
December	31 st	31 st	31 st	30 th	29 th

Section 3 - After You Retire

CHECKS - LATE, LOST OR STOLEN

LATE

If you do not receive a check that is mailed to your home address, please allow 10 working days before contacting SERS. This will allow sufficient time for misdirected mail to arrive at your home address. After 10 working days SERS can place a stop payment on your check and start to process a replacement check.

LOST OR STOLEN

If you are certain that your check is lost or stolen, contact SERS immediately. SERS can place a stop payment on your check and start to process a replacement check.

Once the stop payment is activated, your check cannot be cashed by anyone, including you. It will take approximately 2-3 weeks for a replacement check to be mailed to you after a stop payment is placed on your check.

DIRECT DEPOSIT

With electronic direct deposit, your payment should be in your account on the LAST working day each month. If you want to start, stop or change your direct deposit, call or write SERS and request a *Direct Deposit of Annuity Payments (SERS-123)* form. This form may also be downloaded through the "Forms" link on SERS website at www.sers.state.pa.us. The first month after you file your form, your check will come to your home and a test transaction will be sent to your financial institution. Starting with the second month, your payment will be sent by direct deposit to your financial institution.

ADDRESS/NAME CHANGES

ADDRESS CHANGE

To change your address on your SERS account you must submit your request in writing. You may request a *Retirement - Change of Address (SERS-128)* form from your Retirement Counselor or download one from the SERS website: www.sers.state.pa.us. You may complete the SERS-128 form or send SERS some other type of written request that includes your Social Security Number, new address with zip code and your signature.

It is important to keep your home address current because SERS mails important information, including the IRS Form 1099-R and SERS newsletters, to your home address of record. Also, if you stop or change your direct deposit, one or more checks will be mailed to your home address.

Section 3 - After You Retire

NAME CHANGE

If you have a name change due to marriage, divorce, etc., please submit a letter to SERS requesting a change to your name on SERS records. All requests must include your Social Security number, your signature and a copy of the legal documentation authorizing your name change, such as a marriage certificate.

COLAs (COST OF LIVING ALLOWANCES)

COLAs for SERS retirees become effective only if and when the State Legislature passes legislation creating them and the Governor signs the legislation. Each COLA is a separate piece of legislation and may therefore contain various formulas and eligibility requirements, and be granted at various intervals -- if at all.

In any case, Survivor Annuitants only receive COLAs enacted while the member was alive and do not receive new COLAs as a Survivor.

INCOME VERIFICATIONS

If you need a verification of your SERS retirement income for any reason, such as obtaining housing, the income verification request form should be mailed to:

SERS - BDD - Income Verification
30 North Third Street, Suite 150
Harrisburg, PA 17101-1716

The form must have your signature authorizing the release of this information.

DIVORCE AND DOMESTIC RELATIONS ORDERS

Under Pennsylvania law, SERS retirement benefits earned during marriage are considered marital property. Additionally, support orders issued by a court may legally attach a member's retirement benefit for payment of support and for equitable distribution of your marital assets. For these reasons, Domestic Relations Orders (DROs) and spousal or child support orders can reduce the amount of the benefit payable to you.

All DROs must be reviewed and approved by SERS before they become effective. The Retirement Code specifies the information that a DRO must include to attach a SERS benefit, and SERS cannot approve any DRO that does not satisfy the Retirement Code's requirements.

DROs may be submitted to and approved by SERS while you are an Active Member; however, payment cannot be made to your Alternate Payee until you become entitled to benefit payments through your application for retirement benefits or death.

For more detailed information and guidelines for a SERS-approved DRO, review the *Domestic Relations and Support Orders (SERS-157)* pamphlet available on SERS website or through your Retirement Counselor.

NOTE:

There is no guarantee that COLAs will be granted in the future.

! Words in the text underlined with dots are defined in the glossary at the back of this book.

KEY TERM

Alternate Payee:

Someone other than you, who is designated by a Domestic Relations Order to receive all or a portion of your retirement benefits. An Alternate Payee could be a spouse, former spouse, child, or other dependent designated by the courts to receive a portion of your retirement benefits.

Section 3 - After You Retire

RETIREE HEALTH INSURANCE RETIRED EMPLOYEES HEALTH PROGRAM (REHP) of the PEBTF

If you are eligible to participate in the REHP you will qualify for one of two categories of premium assistance (see pg. 7 for more details). The **REHP does NOT include dental, vision or hearing aid coverage**; therefore, if you participated in the PEBTF's active employee coverage, those additional benefits will terminate at midnight on your last day of employment.

Members employed by non-participating (independent) agencies should contact their Human Resources Office for health insurance information.

REHP CLAIM PROBLEMS

- If you are a retiree or dependent enrolled in the Commonwealth's REHP, you may contact your insurer by calling the phone numbers listed on the back of your health coverage identification card.
- If you are covered by basic Blue Cross/Blue Shield, contact your Blue Cross/Blue Shield office with claim problems or the PEBTF for Major Medical claim problems or forms.
- If you are enrolled in an HMO or PPO plan, contact your local HMO or PPO office regarding claim problems or to obtain claim forms.
- If you are enrolled in a Medicare (MHMO) or Medicare PPO, contact your specific MHMO or Medicare PPO with claim problems or to obtain claim forms.

REHP IDENTIFICATION CARDS

- If you are enrolled in a Blue Cross/Blue Shield - contact your plan.
- If you are a member of an HMO or PPO - contact your HMO or PPO plan.
- If you are a member of a Medicare HMO or PPO - contact your plan.

REHP ENROLLMENT/CHANGES

Contact your Regional Retirement Counseling Center to add or delete dependents or cancel coverage. Open enrollments to change your Health Insurance Plan will be announced each year.

RETIREES FROM INDEPENDENT AGENCIES

Active members or retired members from independent agencies should contact their agency's Human Resources Office for information on enrollment qualifications, canceling coverage, adding or removing dependents, or the availability of insurance benefits.

KEY TERM

Member Share

The amount members pay for retiree health insurance when qualifying for majority State-paid coverage.

Depending on your bargaining unit and date of retirement, this amount is based on either your final annual gross base salary at retirement or your Final Average Salary. For most members, it is 3% of your final annual gross base salary at the time of retirement, but it is subject to change according to collective bargaining. Contact your Retirement Counselor for more information.

NOTE:

You may also contact PEBTF for questions on health insurance benefits or premium rates. SERS Regional Retirement Counseling Centers can assist you with enrollment, canceling coverage, or the addition or removal of dependents.

Section 3 - After You Retire

Surviving Spouse/Dependent Coverage

State subsidized REHP coverage is limited to living retired members and their dependents. Your REHP-enrolled dependent might not qualify for coverage: after your death; or in the case of a spouse/domestic partner, after your divorce/termination of your domestic partnership; or in the case of children, after they reach the maximum age limit. If your dependent loses REHP coverage, the dependent will automatically receive one or more notices informing them of coverage conversion options. If your dependent elects any of the conversion options, the dependent will be responsible for the cost of coverage which is usually considerably higher. Conversion options include:

- **Consolidated Omnibus Reconciliation Act (COBRA):** Temporary group coverage only available when your dependent has no other health insurance. This temporary coverage may last up to 36 months depending on the qualifying event.
- **Non-group:** Blue Cross/Blue Shield may offer a conversion coverage to dependents who are not on Medicare.
- **State group coverage:** available only to your surviving spouse/domestic partner on a direct pay basis. This coverage provides the same hospital and medical benefits they had prior to your death.

DEATH BENEFITS

Death benefits are distributed based on the monthly retirement benefit payment option you elected at retirement. Details of SERS' retirement payment options and the implications for your Beneficiaries or Designated Survivor are explained on pages 16-18 of this guide.

A death certificate is required by SERS before starting the death benefit payment process. After receiving the death certificate, SERS will contact the Beneficiaries or Designated Survivor listed in your member record for additional information.

TAX INFORMATION

The following information is provided to give you a general overview of tax concerns for retirees. You should not consider it personal tax advice. SERS recommends that you seek professional tax advice and/or consult with the Internal Revenue Service (IRS).

Upon retirement, many members receive a large lump-sum payment. This can occur when members withdraw Accumulated Deductions (member contributions and credited interest), are entitled to a significant payout for accumulated sick and/or annual leave, or are eligible for the SSI program and

! Words in the text underlined with dots are defined in the glossary at the back of this book.

Section 3 - After You Retire

withdraw those contributions. The consequence can be that members find themselves unexpectedly pushed into a higher tax bracket and faced with a big tax bill. With careful advance planning, however, retiring members can take steps that may save money and avoid unpleasant surprises at tax filing time.

FEDERAL TAXES

Generally, all payments from SERS are subject to Federal Income Tax, except those considered by the IRS to be a return of contributions made by the member prior to January 1, 1982, or contributions made to purchase Creditable Service after the service was rendered.



Words in the text underlined with dots are defined in the glossary at the back of this book.

The Federal Income Tax withheld amount listed in Box 4 of *Form 1099-R* must be included on your Federal Income Tax return in the amount you report as tax withheld. If the amount listed in Box 4 is more than zero, you may be required to attach Copy B of each *Form 1099-R* you receive from SERS to your federal return.

STATE AND LOCAL TAXES **Pennsylvania residents**

Copy 2 of *Form 1099-R* is intended for filing with state and/or local income tax returns. However, under the Pennsylvania State Employees' Retirement Code, SERS benefits are totally exempt from Pennsylvania state and local income taxes. SERS does not furnish copies of *Form 1099-R* to any state or local tax agency.

STATE AND LOCAL TAXES, for residents of other states or foreign countries

If you live in another state, you may be subject to state and/or local income tax and may be required to file Copy 2 of *Form 1099-R*. There may be exemptions, deductions, or credits for certain Annuitants. Certain state and local tax laws may exempt some or all retirement benefits. Contact your state and local revenue offices or a qualified tax consultant for information. If you live outside the U.S., you should familiarize yourself with any income tax obligations you may have to non-U.S. taxing authorities.

HOW TO CHANGE FEDERAL INCOME TAX WITHHOLDING - W-4P

You can authorize SERS to start, stop or change your Federal Income Tax withholding from your benefit payments by completing an *Annuitant Federal Income Tax Withholding (SERS-W-4P)* form. You can access this form on our website, www.sers.state.pa.us, or by calling your Regional Retirement Counseling Center at 1-800-633-5461. If you have any questions regarding the amount to withhold, contact a qualified tax professional.

You should be aware of tax brackets, especially if outside income may force you into a higher bracket. You should determine if you need to file estimated federal tax reports. If you file a new SERS-W-4P form by the 25th of the month, the change should be effective for the following month's payment.

Section 3 - After You Retire

FORM 1099-R

Each year SERS calculates the benefit payments you received from the SERS Fund and reports that, and other information, to you and the Internal Revenue Service (IRS) on IRS Form 1099-R.

You could receive several different 1099-R forms in one year depending on the type of payments you received and when you received them. For instance, if you received a payment as a Beneficiary of another member's retirement benefit and you received a payment from your own retirement benefit, you will receive two 1099-R forms. In addition, in the year you turn age 59½ you will receive at least two 1099-R forms—one with a "Dist. Code 2" reporting the amount you received prior to attaining age 59½ and one with a "Dist. Code 7" reporting the amount you received after attaining age 59½. (Both distribution codes result in the same tax treatment for federal tax purposes.)

You must report all payments on your Federal Income Tax return. In addition, if you do not live in Pennsylvania, you may be required to file copies with your state and local income tax returns.

Sample 1099-R

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119	
COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM 30 NORTH THIRD ST STE 150 HARRISBURG, PA 17101-1716		\$5,299.74		2011	
PAYER'S Federal ID number 23-1732438		2a Taxable amount \$5,289.20		Form 1099-R	
RECIPIENT'S ID number XXX-XX-6789		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
RECIPIENT'S name, street address, city, state and ZIP code 1123456* JOHN Q PUBLIC C/O JANE Q PUBLIC 123 ANY ST PO BOX 123 ANY TOWN PA 12345		4 Federal income tax withheld \$501.23		5 Employee contributions \$40.54	
		7 Dist. code(s) 7		9a Your total dist. %	
				9b Total employee contributions \$343.11	

Form 1099-R Department of the Treasury - Internal Revenue Service

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

COPY B

Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

This information is being furnished to the Internal Revenue Service.

INFORMATION ON TAX FORM 1099-R

***Unique Control Number:** a seven-digit control number, the first digit indicates the number of 1099-R forms you will receive from SERS.

Box 1 - Gross distribution: shows the total amount of benefits paid to you before taxes are calculated and deducted. Report the amount on Form 1040 or 1040A on the line for "IRA distributions" or "Pensions and annuities" or the line for "Taxable amount," whichever applies. However, if this is a lump-sum distribution, see Form 4972, Tax on Lump-Sum Distributions.

Section 3 - After You Retire

Box 2a - Taxable amount: shows the taxable amount of the total amount of benefits paid to you. Depending on your situation, a portion of the benefit paid to you may not be taxable and the amount in Box 2a will differ from the amount in Box 1. The difference between your gross pension listed in Box 1 and the taxable portion listed in Box 2a will be shown in Box 5 - Employee Contributions.

Box 2b - Taxable amount not determined: a check mark in this box indicates that SERS does not have enough information to determine the portion of your benefit that is taxable, and Box 2a should be blank. Contact the IRS or a professional tax advisor for assistance in determining this amount.

Box 2b - Total distribution: a check mark in this box indicates that the distribution was a total distribution that closed out the account.

Box 4 - Federal income tax withheld: shows the Federal Income Tax withheld from the gross distribution. You must include this amount on your income tax return as tax withheld, and if Box 4 shows an amount other than zero, attach Copy B to your return.

Box 5 - Employee contributions: shows the Annuitant's investment in the contract (after-tax contributions), if any, recovered tax free this tax year.

Box 7 - Dist. code: shows, by code, the type of distribution SERS made to you during the year. Distribution Codes are detailed on the back of Form 1099-R, Copy C and Copy 2.

Box 9a - Your total dist.: If a total distribution was made to more than one person, your percentage of the distribution is shown here. If the amount was a direct rollover, the percentage will be blank.

Box 9b - Total employee contributions: is filled in only if the prior tax year was your first year as a SERS Annuitant. It lists total employee contributions made to SERS that are excludable from Federal Income Tax.

OTHER USES AND DUPLICATES OF FORM 1099-R

Keep your copy of Form **1099-R** in a safe place. If you are a Pennsylvania resident, you may use your copy when applying for a rent rebate or other Commonwealth program. Duplicates of your **1099-R** for tax years 1995 - present are free, and for years prior to 1995 are \$5 each. You may request copies by writing to the SERS Disbursements Section, 30 N 3rd St, Suite 150, Harrisburg, PA 17101-1716. Include your name, Social Security number, current address and daytime telephone number. Indicate the tax years for which you are requesting a duplicate, and when applicable, enclose a check or money order payable to the State Employees' Retirement System. If you have an Online Member Services account, you can print duplicates from your account.

Other Retirement Related Contacts

Pennsylvania Employees Benefit Trust Fund (PEBTF)

150 S 43rd St, Suite 1, Harrisburg, PA 17111-5700

PHONE: Local (717) 561-4750 Toll Free (800) 522-7279

For Retired Employees Health Program (REHP) related inquiries regarding state medical coverage and claims, visit www.pebtf.org

Pennsylvania Public School Employees' Retirement System (PSERS)

5 N 5th St, Harrisburg, PA 17101-1905

PHONE: Local (717) 787-8540

For information related to public school service or related to multiple service (service in both SERS and PSERS) visit www.psers.state.pa.us

Pennsylvania State Employees' Credit Union (PSECU)

PO Box 67013, Harrisburg, PA 17106-7013

Member Service Line: (800) 237-7328 nationwide
(717) 234-8484 local

Self Service Telephone: (717) 236-9150 local
(800) 435-6500 nationwide

Website: www.psecu.com

Social Security Administration

Toll Free (888) 327-1176 or (800) 772-1213

Website: www.ssa.gov

Pennsylvania Association of Retired State Employees (PARSE)

State Association Office Address

2929 Gettysburg Road, Suite 1

Camp Hill, PA 17011

Toll Free (888) 809-7429

Local: (717) 731-9522

Dental and Vision Benefits: (800) 382-1352

PACE

Toll Free (800) 225-7223

Great West (Third Party Administrator for Pennsylvania's Deferred Compensation Program)

301 Chestnut St, Suite 402, Harrisburg, PA 17101

Toll Free: 1-866-SERS-457

Website: www.sers457.com

Other Retirement Related Contacts

CVS Caremark (the REHP prescription program)

Toll Free: (888) 321-3261

website: www.caremark.com

Express Scripts* (Only State Police retiring on or after July 1, 1995)

Toll Free: (800) 467-2006

*Beginning January 1, 2013, the provider will change to SilverScript.

Pennsylvania Department of Aging

555 Walnut St, 5th Floor

Harrisburg, PA 17101-1919

Office: (717) 783-1550

Fax: (717) 783-6842

e-mail: aging@state.pa.us

Prudential Life Insurance Company of America

Toll Free: (800) 893-7316

SERS Information and Publications

Newsletters

SERS News is SERS' official newsletter. Make sure you keep your address current so that you may receive the newsletters and other important mailings. (*SERS News* is also available for review on the SERS website through the "Publications" link.)

Pamphlets

The following materials are available free on SERS' website, www.SERS.state.pa.us or by calling toll-free 1-800-633-5461.

Social Security Integration Coverage (SERS - 151) For members who elected this optional coverage, provides information about participation in the Social Security Integration Program.

How to Apply for Disability Retirement (SERS - 152) Highlights the information needed by SERS in order to review members' disability retirement requests.

Retirement Options (SERS - 154) Explains the various payment plans available for receiving retirement benefit payments.

Provisions for the Purchase of Service (SERS - 155) Describes current rules under which active, contributing SERS members may purchase several types of State and nonstate service, including military service.

Domestic Relations and Support Orders (SERS - 157) Describes the impact of Domestic Relations Orders and support orders on pension benefits earned by SERS members.

Guide To Your SERS-Issued 1099-R Tax Form SERS includes this guide with the IRS Form 1099-R it mails to Annuitants each year. The guide describes the tax implications of receiving a pension benefit from SERS and the applicable requirements for filing Form 1099-R with your federal, state and local income tax returns.

Important Information Regarding Appeals to the State Employees' Retirement Board (SERS - 412) Describes the process to file an official appeal to the SERS Board.

SERS Forms and Their Purpose

SERS forms are available on the SERS website, www.sers.state.pa.us, and from your Retirement Counselor by calling 1-800-633-5461.

DIRECT DEPOSIT OF ANNUITY PAYMENTS (SERS-123)

To start, stop or change the direct deposit of your monthly pension payment.

MEMBER'S VALIDATION: DIRECT DEPOSIT OF ANNUITY PAYMENTS (SERS-123)

For members employed with an agency under the Govern's jurisdiction who have direct deposit established on the SAP/IES payroll system. *SERS will print this form with your SAP/IES direct deposit information preprinted on the form.*

ANNUITANT CHANGE OF ADDRESS (SERS-128)

To change your home address on SERS and PEBTF records when applicable.

REQUEST FOR PURCHASE OF SERVICE (SERS-131)

For active members to make a request to purchase prior service credit in SERS prior to retirement.

ACKNOWLEDGEMENT OF CURRENT ANNUITY STATUS (SERS-300)[*Sample form online*]

For members who are eligible to change their benefit payment option due to the death of their Designated Survivor under Option 2 or Option 3.

ACTIVE/VESTED BENEFICIARY NOMINATION (SERS-402)

To change the Beneficiary nomination on your account **prior to** retirement.

RETIRED MEMBER BENEFICIARY NOMINATION (SERS-403)

To change your Beneficiary nomination **after** retirement.

RETIREE ENROLLMENT FORM (PEBTF-9) [*Sample form online*]

To enroll in REHP group coverage at the time of retirement or to cancel coverage.

PEBTF RETIREE CHANGE FORM (PEBTF-10)

To make changes to your REHP coverage, such as adding or removing dependents.

PEBTF DEPENDENT ATTESTATION FORM (PEBTF-16)

To add a dependent who is between the ages of 19 and 26 to your REHP coverage.

MEDICARE ELIGIBILITY AND REHP COVERAGE ACKNOWLEDGEMENT (OA-286)

[*Sample form online*] To acknowledge understanding that REHP will NOT cover Medicare-covered costs for Medicare-eligible members and dependents.

WITHHOLDING CERTIFICATE FOR PENSION OR ANNUITY PAYMENTS W-4P

To start, stop or change the amount of federal tax withholding on your monthly pension.

FAQ - Frequently Asked Questions

Purchase of Service - What service can be purchased and how do I purchase it?

See pages 12 and 50 (under Credited/Creditable Service) of this guide and the *Provision for the Purchase of Service (SERS-155)* pamphlet.

Beneficiary - Who is my Beneficiary and how can I change Beneficiaries?

See page 18 of this guide. As an active member or retired member electing the Maximum Single Life Annuity or Option 1, you may name one or more persons, your estate, etc. as your principal Beneficiaries. If you are not certain who your current Beneficiaries are or you need to make a change, simply contact your Regional Retirement Counseling Center at (800) 633-5461 to request a new *Beneficiary Nomination (SERS-403)* form.

When is the next Cost of Living Allowance?

COLAs become effective only if and when the State Legislature passes legislation creating them and the Governor signs the legislation. See page 39 of this guide for more information.

Where is my check?

See page 37-38 of this guide

Initial Present Value - What does it mean and what is the value of my account?

See page 52 of this guide. The estimated Initial Present Value of your account will be listed in your estimate letter provided to you by your Retirement Counselor.

Address change - How do I go about changing my address?

See page 38 of this guide.

How do taxes affect my retirement money?

See page 41-44 of this guide.

Glossary of SERS Retirement Terms

Accumulated Deductions: Total of your Member Contributions plus Credited Interest earned on your Member Contributions.

Active Member: An employee for whom contributions are being made to the Fund or who is on leave without pay.

Annuitant: A SERS retiree or that person's Designated Survivor (and certain Beneficiaries, when the amount owed the Beneficiary qualifies) who is receiving monthly Annuity payments.

Annuity: A series of periodic payments for a fixed period or for life. SERS Annuity payments are made on a monthly basis. Survivor Options are available.

Beneficiary: The persons or organizations whom you last designated in writing to the Board to receive any Death Benefit that may be payable. If you die in State service, the amount payable will equal your Accumulated Deductions if you are not Vested or your Option 1 Death Benefit (remaining Initial Present Value) if you are vested. If you die as a Vestee, your Death Benefit will equal your Option 1 Death Benefit. If you die as an Annuitant receiving an Option 1 benefit, the amount will equal the remaining Initial present value of your account at retirement less any payments made.

Classes of Service/Class Multiplier: *see chart, next page*

Credited (or Statutory) Interest: The interest that your retirement contributions accrue. The statutory interest rate is 4% per year, compounded annually.

Credited/Creditable Service: State or nonstate service for which you have made contributions or for which you may make contributions. The following types of credit may be available in SERS:

- Prior State service
- Intervening military service
- Nonintervening military service
- Out-of-State and federal service in public school education
- Multiple Service
- Certain types of other governmental service
- Cadet Nurse Corps service
- Certain Merchant Marine service

- Community College service prior to July 1, 1971
- Justice of the Peace service prior to January 1, 1970

Date of Termination: The last day of service for which contributions are made for an Active Member or, in the case of an inactive member on leave without pay, the date of resignation or the date employment is formally discontinued by the employer.

Designated Survivor: The person you name to receive a lifetime Annuity upon your death when retiring under Option 2, 3 or Option 4 with a Joint and Survivor Annuity.

Disability Retirement Benefit: An unreduced retirement Annuity payable if the Board determines you are physically or mentally unable to perform the duties of your current position.

Disability Supplement: Under an approved disability retirement, an additional benefit added to the member's early retirement entitlement.

Early Retirement: Receiving retirement benefits prior to reaching your Normal Retirement Date. Actuarial Reductions will be assessed to your benefit if you retire prior to your Normal Retirement Date.

Early Retirement Reduction Factor: The reduction for Early Retirement is calculated using Actuarial Reduction factors which are based on how far you are from your Normal Retirement Date. Once you reach your Normal Retirement Date, the Early Retirement Factor is 1. The reduction factor varies but averages about 3-6% for each year you are away from your Normal Retirement Date. The early retirement reduction is subtracted from 1 to find the Early Retirement Factor which indicates the percentage of Normal Retirement Annuity you are eligible to receive. In short, if you retire early your pension will be reduced. The earlier you retire, the greater the reduction.

Class of Service	Class of Service Multiplier	Class Description	Annual Benefit Accrual Rate (Percent of Final Average Salary)
A	1.00	All members not assigned to Special Class	2.0%
AA	1.25	All members who became members on or after July 1, 2001 and all Class A members who elected Class AA membership through Act 2001-9	2.5%
A-3	1.00	All members who became employees on or after Jan. 1, 2011 and all Legislators who became members on or after Dec. 1, 2010; Capitol Police and Park Rangers who became members after July 1, 2011; and State Police Officers who became members after July 1, 2012, provided the member did not elect membership in the optional A-4 Class within 45 days of becoming a member	2.0%
A-4	1.25	All members who would be Class A-3 but who elect A-4 within 45 days of becoming a member	2.5%
C	1.00 (See note below)	Enforcement Officers assigned to PLCB and PA State Police prior to March 1, 1974	2.0%
D4	1.50	Any legislator who elected Class D4 between May 17, 2001 and June 30, 2001 and any legislator who enrolled in SERS since June 30, 2001	3.0%
E1	2.00 for the first 10 years service. After 10 years of Class E-1 service, the class multiplier is reduced to 1.50	Judges	4.0% (First 10 years E-1 service) 3.0% (After 10 years of Class E-1 service)
E2	1.50	Magisterial District Judges	3.0%
G	.417	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	.834%
H	.500	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	1.0%
I	.625	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	1.25%
J	.714	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	1.428%
K	.834	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	1.668%
M	1.10	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	2.2%
N	1.25	Special class under Act 1999-12 for Department 757 effective Jan. 1, 2000	2.5%
T-C	1.00	Purchased PSERS service credited with SERS	2.0%
T-D	1.25	PSERS equivalent to Class AA	2.5%

Note: Currently all State Police with at least 20 years of service, regardless of age, have the following benefit calculations: 50% of the highest year's earnings for those with at least 20 but less than 25 years of service; 75% of the highest year's earnings for those with 25 years of service or more. The highest year's earnings do not include the earnings in the year in which employment terminates. In addition, Class C members are entitled to the benefit that their Class C Accumulated Deductions would buy as though they were at least age 60 at retirement, plus any SSI benefit to which they are entitled.

Glossary of SERS Retirement Terms

Effective Date of Retirement: The first day following the date of termination of service of a member if he/she properly files an Application for Annuity within 90 days of such date; in the case of a Vestee or other member who does not apply for an Annuity within 90 days after termination of service, the date the Application for Annuity is filed with SERS or the date specified on the application, whichever is later.

Final Average Salary: The highest average compensation received during any three non-overlapping periods of four consecutive calendar quarters. Typically, it is the average of your last three years of compensation.

Initial Present Value: When you retire you are entitled to receive a lifetime monthly Annuity determined by a formula that takes into account your service and compensation, as well as other variables. The Initial Present Value is the amount of money SERS will need to have at the time you retire (invested at an assumed rate of 4% annually) in order to pay you this Annuity for your expected lifetime.

Long Service Supplement: A supplemental benefit provided to retirees who have 41 or more years of service credit. The supplement increases the standard single life Annuity by 2% for each year from year 41 through year 45. The supplement is only available for Class A or AA service credit. The supplement increases as listed below:

Total Years of Credited Service as a Member of Class A and Class AA	Percentage of Standard Single Life Annuity
35 - 40	100%
41	102%
42	104%
43	106%
44	108%
45 or more	110%

Member Share: The amount members pay for retiree health insurance when qualifying for majority State-paid coverage.

Depending on your bargaining unit and date of retirement, this amount is based on either your final annual gross base salary at retirement or your Final Average Salary. For most members, it is 3% of your final annual gross base salary at the time of retirement, but it is subject to change according to collective bargaining. Contact your Retirement Counselor for more information.

Normal Retirement Date/Age

(Superannuation): The age at which you are eligible to receive an Annuity that is not reduced by an Early Retirement Reduction Factor. *(continued next page)*

Credited Class of Service	Normal Retirement Age
A-60	60 (or any age upon attaining 35 years of Credited Service)
A-50	50
AA-60	60 (or any age upon attaining 35 years of Credited Service)
AA-50	50
A-3-65	65 (or a minimum of 35 years of Credited Service with a Superannuation Score of 92)
A-3-55	55
A-4-65	65 (or a minimum of 35 years of Credited Service with a Superannuation Score of 92)
A-4-55	55
C	50 as a State Police Officer or enforcement officer whose service began prior to March 1, 1974
D-4	50 as a member of the General Assembly
E-1	60 for members of the Judiciary (or any age upon attaining 35 years of Credited Service)
E-2	60 as a Magisterial District Judge (or any age upon attaining 35 years of Credited Service)
G thru N	55 with 20 years of Credited Service
PSERS T-C & T-D	Service with the Public School Employees' Retirement System – determined by PSERS
SSI-50	50
SSI-60	60 (or any age upon attaining 35 years of Credited Service)

Glossary of SERS Retirement Terms

Normal Retirement Date/Age *(continued)*

If you are a member of one of the pre-Act 120 Classes, Normal Retirement Age, also called Superannuation age, is either age 60 or age 50 (depending upon your Class of Service and employment position) with at least three years of Credited Service, or any age upon attaining 35 years of Credited Service. Age 50 is the Normal Retirement Age for members of the General Assembly, enforcement officers, correction officers, psychiatric security aides, Delaware River Port Authority police officers and officers of the Pennsylvania State Police. Age 50 is also the Normal Retirement Age for Capitol Police Officers and Park Rangers with 20 or more years of service in that classification.

If you are a member of the new A-3 or A-4 Class, Normal Retirement Age is either age 65 or age 55 (depending upon your employment position) with at least three years of Credited Service, or a minimum of 35 years of Credited Service with a Superannuation Score (your age + years of Credited Service) of at least 92. Age 55 is the Normal Retirement Age for members of the General Assembly, enforcement officers, correction officers, psychiatric security aides, Delaware River Port Authority police officers and officers of the Pennsylvania State Police. Age 55 is also the Normal Retirement Age for Capitol Police Officers and Park Rangers with 20 or more years of service in that classification.

Power of Attorney: A legal document by which you delegate legal authority to make decisions regarding your SERS account to one or more people you name as your agents. You may authorize your agents to perform, on your behalf, any SERS transactions that you could request yourself. You may revoke your Power of Attorney at any time by notifying SERS in writing.

The *SERS Power of Attorney (SERS-296)* form, which is for SERS retirement transactions only, is available on SERS' Website, www.sers.state.pa.us, through the "Forms" link. You can limit the powers you delegate to your agents and the duration of your agents' authority.

You should consult your attorney with any questions about any Power of Attorney.

Every Power of Attorney document is subject to review and approval by SERS. Submit the Power of Attorney document or completed *SERS Power of Attorney (SERS-*

296) form to your Regional Retirement Counseling Center or mail to:

State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg PA 17101-1716

PSERS: Public School Employees' Retirement System.

REHP - Retired Employees Health Program: The Pennsylvania Employees Benefit Trust Fund (PEBTF) administers the retiree health program which is available to the majority of State employees at the time of retirement. Members of agencies which participate in the Active Employees Health Program (AEHP) may enroll in the REHP at the time of retirement. Typically, REHP participating agencies are those under the governor's jurisdiction, plus a few others.

Required Minimum Distribution (RMD): This is an Internal Revenue Service (IRS) requirement that limits the amount a member, who elects to receive an Option 4 lump sum payment or an installment payment in or after the year they attain age 70½, may rollover to a qualified plan or IRA.

Retirement Code: The State statute that authorizes and controls the administration, policies and procedures of SERS and the rights and benefits of its members. The SERS Retirement Code is set forth at: 71 Pa. C.S. §§5101-5956.

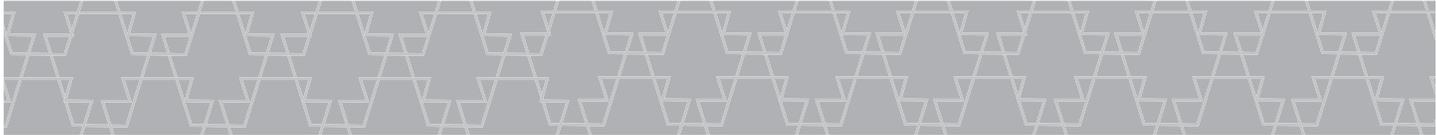
Statutory Interest: The interest that your retirement contributions accrue. The statutory interest rate is 4% per year, compounded annually.

Survivor Annuitant: The person you designate, under Option 2, 3 or Option 4 with a Joint and Survivor Annuity, to receive a lifetime Annuity upon your death.

Vested: Eligible to receive a SERS monthly pension.

Vestee: A member who is under Normal Retirement Age (60/50 or 35 years of service) and:

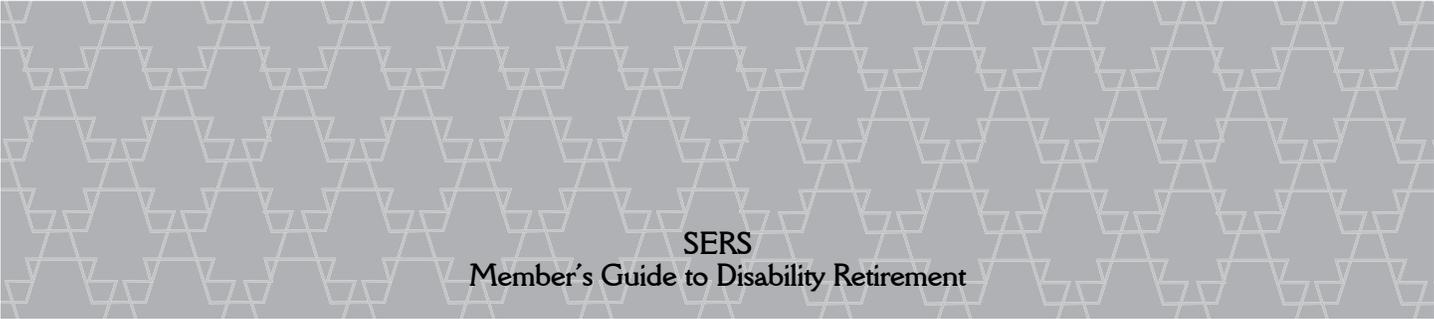
1. Is eligible to receive a SERS monthly pension;
2. Has terminated State service; and
3. Has elected to leave the total Accumulated Deductions in the Fund and temporarily defer receipt of a SERS Annuity.



Index

Address change	40
Annuity Payment Dates	39
Application instructions	16-37
Apply for disability retirement	10
Arrears	18
Beneficiary	14, 21, 26, 28, 52
Benefit calculation	3, 13
Certification	28, 30
Checks	38, 40
Class of service multiplier	3, 53
COBRA	22, 23, 43
COLAs (Cost of Living Allowances)	41, 51
Counseling Centers	1-2, 42
Counseling Checklist	16-24
Counseling Services	1-2, 4
Death benefits	24-26, 43
Debts	8, 39
Deferred Compensation	3, 8, 47
Designated Survivor	9, 14, 20-22, 24, 26, 28, 38, 43, 52
Direct Deposit	14, 16, 35-40, 50
Disability Benefit Calculation	13
Disability Checklist Details	16-24
Disability Requirements	12-13, 23
Disability Review	14, 32
Divorce	5, 21-22, 38, 41, 43
Domestic Relation Orders (DROs)	41
Early retirement factor	3, 52
Eligibility for disability retirement	inside front cover, 10
Estimates	4-5,8,20,24
Federal Income tax withholding	26, 38, 44
Final Average Salary (FAS)	3, 7,8,13,22,42,53,54
Form 1099-R	40, 44-46, 49
Forms list	51
Glossary	52-55
Great West	8, 47
Guardian	14, 28
Health Insurance	6,7,10,14,19,22-23,38,42-43

Income Verification	41
Initial Present Value	6, 18, 20, 51
Major Milestones	6
Medical Report	10-11, 14, 32-34
Member responsibilities	5
Multiple Service	6, 18, 47, 52
Name change	40-41
Non-State Service	28-29
Normal Retirement Date	3, 52, 54-55
Options	5,9,13,14,18,19-20, 21,24, 43, 49
Other Retirement-Related Contacts	47-48
PACE	47
Pamphlets	5, 49
PARSE	47
Payment Plans	20, 49
PEBTF	4, 7, 22, 23, 38, 42, 47, 50, 55
Power of Attorney (POA)	55
Proof of date of birth requirement	9, 16, 26
PSECU	47
Public School Employees' Retirement System (PSERS)	18, 47, 53, 55
Purchase of Service	18, 49, 50, 51
Questions	51
Report Earnings	23
Retired Employee Health Program (REHP)	4, 6, 7, 8, 14, 19, 22-23, 38, 42-43, 47, 48, 50, 55
Retirement calculation	3, 13
Retirement plan	1, 3, 5, 24
Return to Service	19, 23
Signing appointment	5, 14, 15
Social Security Administration	8, 24, 47
State Employees' Retirement System (SERS)	1
Steps to prepare for retirement	8-9
Survivor	1,4,9,14,20,21,22, 24,26, 28, 38, 43, 52
Tax information	14, 24, 43-46
Vesting	4, 6



SERS
Member's Guide to Disability Retirement

Commonwealth of Pennsylvania
State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg PA 17101-1716
www.SERS.state.pa.us
1-800-633-5461

