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Fall 2012

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From the Desk of the Executive Director

"Behind the Scenes at PSERS"

from PSERS Executive Director, Mr. Jeffrey B. Clay...

PSERS continues its series of "Behind the Scenes at PSERS" articles with a look at the PSERS' Board of Trustees.

PSERS is a trust fund that is governed by a 15 person Board of Trustees (Board). The membership of the Board is defined in the Public School Employees' Retirement Code at 24 Pa.C.S. §8501.

The Board includes:

- Three ex-officio members
 - State Treasurer (Honorable Robert M. McCord)
 - Secretary of Education (Ronald J. Tomalis)
 - Executive Director of the Pennsylvania School Boards Association (Stuart L. Knade Esq. Interim Director)
- Two members appointed by the Governor (Hal Moss, Honorable Martin J. Silverstein)
- One member elected by school boards members (Richard Rose)

- Five members elected by the members of the Retirement System
 - One annuitant member (Sally J. Turley)
 - Four active members (Melva S. Vogler, Glen S. Galante, James M. Sando, Patricia A. Tozer)
- Two Members of the House of Representatives appointed by the Speaker of the House (Honorable Glen R. Grell, Honorable Joseph F. Markosek)
- Two Senators appointed by the President Pro Tem (Honorable Patrick M. Browne, Honorable Lawrence Farnese)

Some Board members are permitted in the Retirement Code to appoint designees to attend Board meetings in their place. The Board members permitted to appoint designees include: the three ex-officio members, the two members of the House of Representatives, and the two Senate members.

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The Public School Employees' Retirement System (PSERS) provides this document for educational and informational purposes. Information in this document is general in nature, does not cover all factual circumstances, and is not a complete statement of the law or administrative rules. The statements in this document are not binding. In any conflict between the statements in this document and applicable law or administrative rules, the law and administrative rules will prevail. This document is designed solely to provide an overview of benefits available to PSERS members and is not intended to be a substitute for retirement counseling. The contents of this newsletter may not be used for any commercial purpose without PSERS' prior written permission.

Direct Deposit or Electronic Transfer of Monthly Annuity

You must complete the **Authorization for Direct Deposit - Electronic Transfer of Monthly Benefit** (PSRS-116) form if you wish to have your monthly benefit payment sent directly to your financial institution or if you wish to change accounts and/or financial institutions.

PSERS can deposit your monthly benefit payment into your checking or savings account. We cannot deposit your payment into a money market account.

The form can be printed directly from the PSERS website, www.psers.state.pa.us, or you may contact PSERS to receive a copy of the form.

It may take up to eight weeks or longer to make this change. If you are changing accounts and/or financial institutions, **PSERS strongly recommends that you do not close the old account until your monthly benefit payment is deposited into your new account.**

From the Desk of... (continued from page 1)

The Board meets in Harrisburg approximately seven to eight times a year, with special meetings scheduled as needed. The Board Chair and Vice-Chair are elected annually at the January meeting. Currently Melva Vogler serves as Board Chair and Sally Turley serves as the Vice-Chair.

All meetings are open to the public in accordance with the Commonwealth's Sunshine Law and generally occur over two days.

The Board's primary functions are to serve as the trustees for three separate Trusts, which include: the Retirement Fund, the Health Insurance Account for Premium Assistance, and the Health Insurance Fund for the Health Options Program. In addition, the Board provides oversight to three primary areas (investment operations, benefits administration, and agency administration) for all three Trusts.

Some of the Board's other key duties include:

- Establishing and monitoring the asset allocation for the Retirement Fund annually
- Selecting PSERS' key consultants
- Approving selection of external money managers
- Approving and monitoring PSERS' annual administrative, Health Options Program (HOP)

and directed commissions budgets

- Conducting an annual actuarial valuation
- Establishing the employer contribution rate annually
- Conducting an independent annual financial audit of PSERS
- Adjudicating all benefits appeals
- Establishing and maintaining the plan design for HOP

The members of the Board are fiduciaries and as such, have a duty of loyalty to invest and manage the funds for the exclusive benefit of PSERS members. The Board also has a duty of prudence to invest and manage the funds with the care, skill, and caution that a prudent investor would exercise under similar circumstances.

In closing, PSERS Board members are a dedicated and diverse group of individuals who represent all of our members and stakeholders. They have a great deal of responsibility and volunteer a significant amount of their time to serve the PSERS membership.

As pension funding remains a key issue in the news headlines across the Commonwealth and the entire country, you can rest assured that PSERS' Board will continue to work diligently on your behalf.

Sending Gifts to PSERS Employees

On occasion, grateful members of the Public School Employees' Retirement System (PSERS) offer or send without notice, gifts to PSERS employees. These gifts are either meant to thank a PSERS employee for exceptional service or as a remembrance during the holidays or other special occasions.

We thank you for the recognition of good service. As a Commonwealth agency however, PSERS cannot accept these gifts. We'd like to take this opportunity to explain, that according to the Governor's Code of Conduct, our employees may not accept these gifts.

Our employees are here to serve you. We appreciate the fact that you regard the service you received as worthy of special attention, but sending any Commonwealth employee a gift can be problematic for the employee. Therefore, we do request that you refrain from sending any gifts to PSERS employees. Letters of appreciation are welcome and will be placed in the staff member's official personnel file as a tribute to his or her level of service to you.

By following the Governor's Code of Conduct, we can ensure that PSERS continues to be a Commonwealth agency in which you have complete confidence that our employees meet and exceed the standards of conduct you expect in the administration of your pension plan.

PSERS Phone Hours

To more effectively serve our members, PSERS has new phone hours. You will be able to reach the PSERS Member Service Center Monday through Friday (except holidays) from 8:00 a.m. through 5:00 p.m.

If you have any questions, please contact us by calling our toll-free number, 1-888-773-7748 (1-888-PSERS4U). Those calling from the Harrisburg area, please use 717-787-8540.

To contact PSERS by e-mail, use the following address:

contactPSERS@pa.gov

For your convenience, PSERS also has eight regional field offices to serve you. For more general information or to find the regional office serving your area, you may visit PSERS online at ***www.psers.state.pa.us***.

PSERS Board of Trustees Meeting Schedule

January 25, 2013
March 15, 2013
April 26, 2013
June 12, 2013
August 8, 2013
October 4, 2013
December 6, 2013

PSERS Board meetings are held in Harrisburg at PSERS, located at 5 N 5th Street. In addition to these Board meetings, committee meetings are held throughout the year. All PSERS Board meetings are open to the public.

For exact meeting times or if you would like to attend and require an accommodation to participate, please call Barbara Book, PSERS Executive Office at 1-888-773-7748, extension 4617.

Your 1099-R for Federal Taxes

PSERS
5 N 5th Street
Harrisburg PA
17101-1905

Toll-Free
1-888-773-7748
Local Calls
717-787-8540
FAX
717-772-3860

Phone Hours
Weekdays
(except holidays):
8:00 a.m. - 5:00 p.m.

Website Address:
www.psers.state.pa.us
Email Address:
ContactPSERS@pa.gov

PSERS is happy to provide visually impaired readers with our publications in large print or a CD. Please contact PSERS to request either of these free services.

PSERS is proud to be an equal opportunity employer supporting workforce diversity.

The Internal Revenue Service (IRS) *Form 1099-R* is used to report your 2012 federal taxes. This form will be mailed to all PSERS retirees in late January 2013.

The *Form 1099-R* is to be used by you for the preparation of your annual federal income tax return. The form shows a breakdown of the money you received from PSERS during the previous calendar year, as well as the federal income tax withheld, the Investment in Contract recovered during the year (if applicable), and appropriate distribution code.

The IRS is requiring PSERS to include your complete social security number on the *Form 1099-R*. In the past, PSERS had only the last four digits of your social security number appear.

If your monthly benefit is sent via direct deposit or electronic transfer, please remember to keep your home address and name current with PSERS for the mailing of your *Form 1099-R*.

Not having your address up to date will not only delay receipt of your *Form 1099-R*, but it may temporarily suspend receipt of your monthly benefit payment. Your address change should be sent by early December to ensure your *Form 1099-R* is sent to the correct address.

If you do not receive your copy by February 10, 2013, you should contact PSERS for a duplicate copy.

If you have an PSERS online Interaction account, you can obtain a copy through Interaction. You can sign up for an Interaction account through the PSERS website at www.psers.state.pa.us, to obtain copies of your *Form 1099-R* once it becomes available for tax year 2012. You may also obtain copies of the *Form 1099-R* from previous years, as well as retirement income verification under the Benefit Summary selection.

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Points to Remember Regarding Your 1099-R

● Different Total on Form 1099-R than What You Received

Your *Form 1099-R* tax form lists the "Gross Distribution." This is the amount before any deductions are taken from your payment(s). You may be comparing the gross amount figure to the "net" amount. The net amount is the amount you actually received after all deductions were taken and, if you are receiving premium assistance payments, before the premium assistance amount was added.

● Receipt of Multiple Forms

You may receive more than one *Form 1099-R* for the tax year depending on your benefit selection. The IRS requires that PSERS report different types of retirement payments on separate forms, as the payments require different distribution codes. If you recently retired and had PSERS roll over taxable contributions and interest for you, you should receive at least two (2) forms for the tax year in which the rollover occurred.

● Changing Your Federal Withholding

You may change your federal withholding rate at any time. To change your federal withholding rate, you must complete, sign, and submit a *W-4P* form to PSERS. You may obtain a *W-4P* by selecting Forms on the PSERS website, www.psers.state.pa.us. The form is also available through the IRS website, www.irs.gov, or by contacting PSERS or the IRS.

PSERS offers a Tax Calculator to assist you with the completion of the *W-4P*. This calculator is located under Tax Calculator on the PSERS website.

● State and Local Taxes

Please keep in mind that as long as you are a resident of Pennsylvania, your PSERS benefit is not subject to Pennsylvania state and local taxes. If you reside in another state, your PSERS benefit may be subject to state and local taxes. PSERS does not maintain information on the tax liabilities in other states. You need to contact that state's revenue department for more information.

Borrowing From Your Account?

The Pennsylvania Public School Employees' Retirement System Retirement Code (Act 96 of 1975) not only establishes the rules for PSERS to manage your retirement account, but protects your PSERS benefit as well.

Under this law, PSERS may not loan you money. Your funds in PSERS may neither be used for collateral nor attached or assigned.

The only way PSERS members can receive their contributions and interest from their account is to terminate employment with all public school employers and apply for benefits.

When you are retired, this same law prevents the liquidation of your monthly benefit in a lump sum payment. This guarantees that you will receive a monthly benefit payment for the rest of your life.

These provisions under the law help to ensure that once you have retired, your benefit is protected well into your future.

Referencing PSERS & Trademarked Logo

While PSERS may be referenced in various forms of media across the Commonwealth, please remember that the contents of our publications may not be used for any commercial purpose without PSERS' prior written permission.

Additionally, the PSERS logo is a trademarked logo. Use of the PSERS logo is prohibited without our written consent.

Outside sources referencing PSERS may have good intentions, but the information may be inaccurate and could be detrimental to you when making important decisions.

The best authority for PSERS information is to receive it directly from PSERS.

To request to reprint any PSERS article in whole or in part, please contact PSERS in writing at:

PSERS
5 N 5th Street
Harrisburg PA 17101-1905

Premium Assistance Reminder!

If you are receiving Premium Assistance reimbursements from PSERS for your participation in your school employer's medical insurance plan and that participation ends, you must enroll in the PSERS Health Options Program (HOP) to keep receiving Premium Assistance.

If you do not enroll in HOP when your school employer's coverage ends, you must call 1-866-483-5509 to terminate Premium Assistance payments.

If you do not notify PSERS, you will be billed for any overpayments you receive. While we do annually identify retirees who received overpayments, it is your responsibility to immediately notify PSERS, not your school employer's, when you are no longer enrolled in a Premium Assistance approved plan.

If you receive Premium Assistance payments from PSERS, you agreed to these terms when you signed the PSERS application to receive Premium Assistance. The form states that you agree that it is your responsibility to notify PSERS of any change in the amount of the premium paid, or if your school terminates the plan, any payments made in error would be returned to PSERS. When signing the application, you agree to allow PSERS to withhold overpayments from future PSERS annuity payments.

Your PSERS Member Newsletter

Please keep in mind when you read the PSERS *Retired Member Newsletter* that PSERS represents a wide range of Pennsylvania public school employees with various backgrounds.

PSERS makes every attempt to make sure that information is supplied to members in a format that effectively conveys important information pertaining not only to a member's account, but informs members of their legal rights, as well.

On occasion, we receive requests to send only one issue of the newsletter from members who share the same address. For our records, we must verify that every member was sent a copy of the newsletter addressed specifically to that member. Therefore, we will not send a single copy of a newsletter to a multiple member household.

PSERS 2013 Monthly Annuity Payment Dates & Calendar

January							February							March							April								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
		1	2	3	4	5						1	2							1	2							1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9	7	8	9	10	11	12	13		
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16	14	15	16	17	18	19	20		
20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23	21	22	23	24	25	26	27		
27	28	29	30	31			24	25	26	27	28		24	25	26	27	28	29	30	28	29	30							
													31																
May							June							July							August								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
			1	2	3	4																							
5	6	7	8	9	10	11	2	3	4	5	6	7	8	1	2	3	4	5	6										
12	13	14	15	16	17	18	9	10	11	12	13	14	15	7	8	9	10	11	12	13	4	5	6	7	8	9	10		
19	20	21	22	23	24	25	16	17	18	19	20	21	22	14	15	16	17	18	19	20	11	12	13	14	15	16	17		
26	27	28	29	30	31		23	24	25	26	27	28	29	21	22	23	24	25	26	27	18	19	20	21	22	23	24		
							30						28	29	30	31			25	26	27	28	29	30	31				
September							October							November							December								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
1	2	3	4	5	6	7	1	2	3	4	5							1	2	3	4	5	6	7					
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14		
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21		
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28		
29	30						27	28	29	30	31		24	25	26	27	28	29	30	29	30	31							

Please wait until the 10th of the following month before contacting PSERS about a missing payment.

Electronic Transfer Date (Payment should be available in your financial institution by 9:00 a.m. Payments in the form of a paper check are generally mailed no later than this date.)

State Holiday (PSERS Offices Closed)

Electronic transfer date and State Holiday (not a bank holiday)

PSERS
5 N 5th Street
Harrisburg PA 17101-1905

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Public School Employees' Retirement System
Important Information from the
Commonwealth of Pennsylvania