



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



January 3, 2011

JOHN Q. PUBLIC
123 ANY STREET
ANY TOWN, PA 17000-0000

SSN: XXX-XX-1234

Dear Member:

Welcome to membership in the State Employees' Retirement System (SERS).

SERS is a Defined Benefit retirement plan, which means your retirement benefit is defined by a calculation, not the investment markets. The calculation is shown on page 6 of the enclosed **Member Handbook**, and a **Glossary of Terms** that will be helpful in understanding your retirement benefit begins on page 20.

In addition to the handbook, this **New Member Packet** includes very important forms and information. **Please read this information carefully.** You also will find a self-addressed envelope to make it a little easier for you to return forms to SERS. Your packet includes the following forms:

- New Member Information Verification Form** – Review the information pre-printed on this form to be sure it is accurate. **If the information is correct, you do NOT need to return this form.**
- Beneficiary Nomination Form** – Use this form to officially designate the persons or organizations to receive any Death Benefit that may be payable from your SERS retirement benefit after your death. If a properly executed Beneficiary form is NOT on file with SERS at the time of your death, any benefit payable will go to your estate and may be subject to estate taxes.
- Class A-4 Election Form** – As a member of the A-3 Class of Service, you have 45 days to elect membership in the System's optional A-4 Class instead. If you elect membership in the A-4 Class, you will lock yourself into contributing a higher percent of your pay toward your benefit for as long as you are an Active Member. Before making a final and binding decision on your Class of Service, read the enclosed **Considering Your Options** information sheet and consult a financial advisor.
- Multiple Service Election Form** – If you worked in a Pennsylvania public school, as a teacher, bus driver, administrator or office staff, you may be able to combine your PSERS service and your SERS service for a single combined benefit paid from the System in which you are last an Active Member. In order to elect Multiple Service, **SERS must receive this election form within 365 days of your effective date of membership with SERS.**
- Purchase of Service Election Form** – The State Employees' Retirement Code allows Active Contributing Members to purchase several types of State and nonstate (such as military) service. If you have any former State service for which your employer did NOT withhold member contributions from your pay toward a SERS benefit, you may be able to purchase that service. While you may elect to purchase service at any time while you are an Active Contributing Member, **Purchase of Service elections made within 30 days of the date of this letter will not include interest charges.** Service purchases requested beyond the 30-day period will accrue 4 percent interest compounded annually.

Information about your retirement benefit, including more details on Multiple Service and Purchasing Service, is available on the SERS website, www.sers.state.pa.us. While visiting the site, I invite you to **register for a personal, secure Online Member Services Account.** Through your online account, you will have 24 hour access to view your total member contributions and Credited Service (updated each pay period), your Final Average Salary (updated each quarter) and your Credited Interest on your contributions (updated each year), among other things.

Here is additional information that may be of interest to you:

- **Annual Statement of Account** - On or before April 1 of each year, you will receive a personal **Statement of Account** detailing the Service Credit you earned, contributions you made toward your benefit and the interest you earned on your contributions during the prior year, and throughout your SERS membership. It also lists when you become eligible for monthly payments and your Normal Retirement Age/Date. Keep your statements in a safe place.
- **If you leave employment before you become vested** or eligible to receive monthly payments, you should immediately request a refund of your contributions. The process is **not** automatic and requires you to submit the correct application. Contributions and interest remaining in SERS stop accruing interest as of your employment termination date.
- **SERS Benefit Is Marital Property** - Generally speaking, all property obtained during a marriage, including retirement benefits accrued during the marriage, are considered marital property. In addition, Pennsylvania law provides for court-ordered attachment of **annuities** for the purpose of spousal and child support.
- **Do you have more than one job?** If you are employed by more than one employer that offers the SERS benefit, (for instance, you work full-time for a state agency and teach part-time at a community college, or The Pennsylvania State University) be sure to notify both employers that you are a SERS member. According to the Retirement Code, both employers are required to withhold member contributions from your pay and make employer contributions toward your benefit. A list of employers that offer the SERS benefit is available on the SERS website, www.sers.state.pa.us.
- **Are you already receiving a state pension from SERS or PSERS?** If you are receiving a monthly pension from this System or receiving a monthly pension from the Public School Employees' Retirement System (PSERS) as a Multiple Service Annuitant, **your monthly pension payments will stop**. Your pension will be frozen and you will be required to repay the Annuity payments you received from your date of return to Active service, plus statutory interest on those payments.
- Your gross earnings will be reduced by your retirement contributions for federal tax purposes; however, **monies paid for the Purchase of Service do not reduce your gross earnings for federal tax purposes.**

SERS has seven Regional Retirement Counseling Centers across the state, serving Active Members based on your work location. If you have any questions about your SERS benefit, contact a SERS Retirement Counselor at 1-800-633-5461. Again, welcome to SERS.

Sincerely,



Christine Holley, Director
Membership Services Division

Enclosures



**New Member
Information Verification Form**

January 3, 2011

SSN: 123-45-1234
Date of Birth : JUL 10, 1971

JOHN Q. PUBLIC
123 ANY STREET
ANY TOWN, PA 17000-0000

Please review the information we have on file for you, to be sure it is correct, including:

- your name and address (shown at left)
- SSN and Date of Birth (shown above)
- additional information provided below

If anything is incorrect, please write the correct information in the spaces provided. **You need only mark corrections. If the information presented here is correct, there is no need to return this form to SERS.**

Incorrect Information	Correction
Social Security number	
Last Name	
Suffix, if any (ex: Jr, Sr, III)	
First Name	
Middle Initial	
Street Address	
City	
State & Zip Code	
Date of Birth	

Our records indicate that your employer is: ANY AGENCY

You became a SERS member (effective date of membership): January 3, 2011

If you noted corrections above, please sign and return this form to SERS in the enclosed envelope **within 30 days from the date of this form.**

Signature	Date
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New Member Beneficiary Nomination Form

January 3, 2011

SSN: 123-45-1234

JOHN Q. PUBLIC
123 ANY STREET
ANY TOWN, PA 17000-0000

Beneficiary: The persons or organizations whom you last designated in a properly filed SERS **Beneficiary Nomination Form** to receive any Death Benefit that may be payable from your SERS retirement benefit.

This form is a legal document. It is very important that your intent is clear. If your wishes are not clear or there are alterations to any of the information, SERS may deem the form faulty and any monies payable from your benefit will be paid to your estate. If you make a mistake on this form, request a new form by calling 1-800-633-5461.

SERS will review your form and send you an acknowledged/ filed copy for your records. **This form is not valid until properly filed.** If you want to add a Beneficiary, change a Beneficiary or update a Beneficiary's addresses in the future, request a new **Beneficiary Nomination Form**.

Principal Beneficiaries <input type="checkbox"/> Please do NOT list my Principal Beneficiaries on my annual <i>Statement of Account</i> . Upon my death, any remaining balance of my retirement benefit shall be paid to the listed principal Beneficiaries. If more than one principal Beneficiary is listed, they will share equally.		
Full Name (First, MI, Last)	Date of Birth	Address (Street address, city, state, Zip+4)
Contingent (Second) Beneficiaries Upon my death, if there are no surviving principal Beneficiaries, any remaining balance of my retirement benefit will be paid to the following contingent Beneficiaries. If more than one contingent Beneficiary is listed, they will share equally.		
Full Name (First, MI, Last)	Date of Birth	Address (Street address, city, state, Zip+4)
Guardian If any of the above-named Beneficiaries is a minor (under the age of 18), please list that minor's guardian		
Name of Guardian	Name of Minor	Guardian's Address (Street address, city, state, Zip+4)
Your Signature	Date	Work Phone:
		Home Phone:
Witnesses Please have two persons other than the individuals named above witness your signature.		
Witness Signature	Witness Home Address	
Witness Signature	Witness Home Address	



Class A-4 Election Form

January 3, 2011

SSN: XXX-XX-1234

JOHN Q. PUBLIC
123 ANY STREET
ANY TOWN, PA 17000-0000

Welcome to membership in SERS. As a new member, you are automatically a member of the A-3 Class of Service; however, you have 45 days to elect membership in the System's optional A-4 Class instead.

To help you better understand your choices, SERS has published a **Considering Your Options** information sheet detailing the differences between the A-3 and A-4 Classes, and featuring a benefit and contribution comparison. SERS urges you to read that information carefully and consult a financial planner or other advisor before making this **final and binding decision**.

If you choose to continue your SERS membership in the A-3 Class, no action is needed -- you automatically continue your A-3 membership.

If you choose to elect membership in the optional A-4 Class, your signed and dated form must be returned to SERS by February 17, 2011. **If SERS does not receive your completed and signed election form by February 17, 2011, you will automatically remain a member of the A-3 Class and you will NOT have another opportunity to elect membership in the A-4 Class.**

SERS urges you to **consult your financial planner or other advisor before making this very important and irrevocable decision**. If you have any questions about the differences between the A-3 and A-4 Classes of Service, you should contact SERS at 1-800-633-5461. **Your decision is final and binding.**

I elect membership in the optional A-4 Class of Service. After carefully reading this form and the **Considering Your Options** information sheet, I understand that I will contribute at least 9.3% of each pay toward my benefit, which is more than I would pay in the A-3 Class. I understand that my A-4 benefit accrual rate will be 2.5% of my Final Average Salary for each year of Credited Service. I understand that my employer will not contribute any additional money as a result of my election of the optional A-4 Class. I also understand that my election is **final and binding**.

Signature

Date

Please mail this completed form in the enclosed addressed envelope.

You should retain a copy of this completed election form in your **New Member Packet** and file it with your other important records.



New Member Multiple Service Election Form

January 3, 2011

SSN: XXX-XX-1234

JOHN Q. PUBLIC
123 ANY STREET
ANY TOWN, PA 17000-0000

Multiple Service: The combining of your creditable Pennsylvania public school service (in PSERS) with your creditable State service (in SERS) for a single combined benefit paid from the retirement system in which you are last an Active, Contributing Member.

In order to elect Multiple Service, **SERS must receive this election form within 365 days of your effective date of membership** with SERS. If you do not make a timely election, you will NOT have another opportunity to become a Multiple Service member unless you

terminate your employment and later become an Active, contributing Member with either SERS or PSERS.

As a Multiple Service member, you will receive credit for both your SERS and PSERS service at retirement, but **you will NOT receive more than one year of Service Credit in any calendar year.**

If you are receiving a monthly pension from this System or from PSERS as a Multiple Service Annuitant, **your monthly pension payments will stop.** Your pension will be frozen and you will be required to repay the monthly payments you received from your date of return to Active service, plus statutory interest on those payments. Contact a Retirement Counselor at 1-800-633-5461 for more information.

I wish to elect Multiple Service. I understand that if I withdrew my contributions from PSERS or I never paid into PSERS for my prior public school service, PSERS will send me an invoice to purchase that prior service, if eligible. I also understand that **I have 90 days from the date of that invoice to select a payment method for that prior service** in order to become a Multiple Service member.

I do NOT wish to elect Multiple Service. I understand that I will not have another opportunity to elect Multiple Service unless I terminate employment and later become an Active contributing member in either SERS or PSERS.

I currently am a Multiple Service Annuitant (receiving a combined benefit from SERS/PSERS). I understand that **my pension payments will stop** and I am required to repay the Annuity payments plus statutory interest on those payments made to me since my return as an Active contributing member of SERS.

I currently am a PSERS Annuitant wishing to elect Multiple Service. I have contacted a Retirement Counselor and I understand that **my pension payments will stop** and I am required to repay the Annuity payments plus statutory interest on those payments made to me since my return as an Active contributing member of SERS.

I currently am a PSERS Annuitant and I do NOT wish to elect Multiple Service. I understand that I will continue to receive my pension from PSERS.

If you previously withdrew your contributions from PSERS or you never paid into PSERS for your prior public school service and your service is eligible for purchase according to the Public School Employees' Retirement Code, PSERS will provide you with an invoice to purchase that service. **You will have 90 days from the date of that invoice to select a payment method.** Lump sum payments for the election of Multiple Service do not reduce gross earnings for Federal Income Tax purposes.

Schools Where You Were Formerly Employed	Dates of Employment		Did you make contributions toward a PSERS benefit during this service?	
	From	To	<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No

Your Signature	Date
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New Member Purchase of Service Election Form

January 3, 2011

SSN: XXX-XX-1234

JOHN Q. PUBLIC
123 ANY STREET
ANY TOWN, PA 17000-0000

The Retirement Code allows for the purchase of State and some nonstate service by Active contributing members of SERS, and Multiple Service members of the Pennsylvania Public School Employees' Retirement System (PSERS).

Purchased service increases your Credited Service which is used to determine when you are vested in SERS, your entitlement to a Death Benefit, your monthly Annuity and other benefits.

If you have any former State service for which you did NOT contribute toward a SERS benefit, or for which you withdrew your contributions when leaving employment, you may be able to purchase that service. While you may elect to purchase service at any time while you are an Active contributing Member, **Purchase of Service elections made within 30 days of the date of this form will NOT include interest charges.** Service purchases requested beyond the 30-day period will accrue 4 percent interest compounded annually. Monies paid to purchase service does NOT reduce gross earnings for Federal Income Tax purposes. Please indicate the prior service you wish to purchase and your employer at that time:

State Service for which you withdrew your contributions toward a SERS benefit.

State Service for which you made NO contributions toward a SERS benefit.

U.S. Military Service (Intervening/non-intervening). To purchase this service, **you must have an Honorable Discharge** and at least three years of State service following your military service. Attach a copy of your active duty military discharge (DD214 or NGB23). See SERS' pamphlet **Provisions for the Purchase of Service** or the SERS website, www.sers.state.pa.us, for more information.

Out-of-State Educational Service (non-student). To purchase this service, you must have Credited Service with SERS as an academic, administrator, teacher or instructor with the Department of Education, the State System of Higher Education, a State-owned educational institution or The Pennsylvania State University. Service as a student is NOT purchasable. You also will need to file a completed **Request for Out-of-State Service Credit** (SERS-104) form available on the SERS website, www.sers.state.pa.us and from a Retirement Counselor.

Community College Service before July 1, 1971. This service must be with an institution structured under the Community College Act of 1963.

Cadet Nurse Corps Service. To purchase this service, it must be for a period of two or more years, for student or graduate nurse training in a plan approved under Section 2 of the Act of June 15, 1943.

Justice of the Peace Service before 1970. You must have been elected or appointed a Justice of the Peace any time during or prior to 1970.

State Service That Does NOT Qualify

- Student Service
- Independent contractor Service
- Service provided on a fee basis
- Service paid directly by an entity other than a SERS employer

Purchasable Nonstate Service

- U.S. Military Service
- Out-of-State Educational Service
- Community College Service
- Cadet Nurse Corps Service
- Justice of the Peace Service (prior to 1970)

**Call a Retirement Counselor
at 1-800-633-5461 for
more information.**

Name of Employer	Dates of Employment	
	From	To
Your Signature		Date

Considering Your Options

Membership In SERS' A-3 or A-4 Class of Service



As a new member of SERS, you are a member of the A-3 Class of Service but you have 45 days to elect membership in the System's optional A-4 Class instead. You need to consider this option carefully, consulting a financial planner or other advisor before making this **final and binding** decision.

Differences between A-3 and A-4 Classes

There are two differences:

- **Member Contribution Rate**, or the percent of money your employer withholds from your pay as your contribution toward your retirement benefit
- **Annual Benefit Accrual Rate**, or the rate at which your retirement benefit grows

	A-3 Class	A-4 Class
Member Contribution Rate (percent of your pay)	6.25%*	9.3%*
Annual Benefit Accrual Rate (percent of Final Average Salary)	2%	2.5%

*Rate could increase depending on SERS Fund performance.

It is important to note that **the amount your employer contributes to your benefit is the same for both classes.**

If you elect membership in the optional A-4 Class, you will lock yourself into contributing a higher percent of your pay toward your retirement benefit -- **more than 3% higher** -- for as long as you are an Active Member of SERS. As you contribute 3% more of your pay toward your benefit, your benefit will grow slightly faster -- 0.5% per year faster -- than in the A-3 Class.

Benefit and Contribution Comparison

SERS is a Defined Benefit retirement plan, which means your retirement benefit is defined by a calculation. The calculation is your:

Annual Benefit Accrual Rate	X	Years of Credited Service	X	Final Average Salary
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Below are the calculations of the basic annual retirement benefit, Maximum Single Life Annuity (MSLA), and the total amount of contributions made by an employee with a Final Average Salary (FAS) of \$40,000 and 35 Years of Credited Service.

	A-3 Class	A-4 Class
Annual Retirement Benefit	2% X 35 Years X \$40,000 = \$28,000 (paid in a monthly Annuity of \$2,333/month)	2.5% X 35 Years X \$40,000 = \$35,000 (paid in a monthly Annuity of \$2,916/month)
Total Member Contributions	\$40,000 X 6.25% X 35 Years = \$87,500 (or \$95 withheld from each biweekly pay)	\$40,000 X 9.3% X 35 Years = \$130,200 (or \$142 withheld from each biweekly pay)
	In this case, the member contributed \$87,500 over the course of his service toward a maximum annual benefit of \$28,000 to be paid for his lifetime.	In this case, the member contributed \$130,200 over the course of his service toward a maximum annual benefit of \$35,000 to be paid for his lifetime.

This illustration assumes a fixed salary over the member's career.

Your decision is final and binding

You have 45 days from your date of membership in SERS to elect the optional A-4 Class. You will NOT have another election opportunity in the future and your decision to elect or not to elect membership in the A-4 Class is **final and binding**, even if you leave active SERS membership and return later.

If you run into unexpected financial problems in the future, you will NOT have the opportunity to reduce the amount of money withheld from your pay for your retirement benefit.

Also, as a member of either class, your Member Contribution Rate could increase in the future if SERS' annual investment returns over a multi-year period are lower than the assumed rate of return for the Fund, which would reduce your usual take-home pay.

Given the binding nature of this decision, you are strongly encouraged to consider all of your alternatives to save additional money for retirement, such as personal savings and investment accounts, including the Commonwealth's Deferred Compensation program (for eligible Commonwealth employees) before making a **final and binding** decision to elect membership in the A-4 Class.

SERS urges you to consult your financial planner or other advisor before making this very important and **irrevocable decision**. If you have any questions about the differences between the A-3 and A-4 Classes of Service, you should contact a SERS Retirement Counselor at 1-800-633-5461. Your decision is **final and binding**.

Notifying SERS of Your Final Decision

If you choose to continue your SERS membership in the A-3 Class, no action is needed -- you automatically continue to be a member of the A-3 Class.

If you choose to elect membership in the optional A-4 Class, you will need to complete the enclosed **Class A-4 Election Form** (SERS-415) and submit it to SERS by the deadline printed on your election form.