

ACTIVE MEMBERS: YOU MAY SEE A CHANGE ON YOUR MEMBER STATEMENT BENEFIT ESTIMATES

If you are eligible for monthly pension payments, or “vested” in the system, the annual statement you receive this March will include benefit estimates calculated to several of our payment options.

In past years, the estimates were calculated assuming that your future earnings would match your most recent year’s earnings.

Beginning with your 2016 statement, benefit estimates will be calculated using your current estimated final average salary. As a result, you may see a decrease in your projected benefit estimates this year.

Estimated Final Average Salary ... Why?

Your current estimated final average salary is your highest average compensation during any three non-overlapping periods of four consecutive calendar quarters. Typically, it is the average of your three most recent years of compensation; but not always.

If you work overtime or earn out-of-class pay, for instance, your earnings that year would be higher than normal. As a result, your projected estimates could be slightly higher than your actual benefit.

Calculating projected estimates using your current estimated final average salary will result in estimates that are closer to your actual benefit calculation.



2015 Statement of Account as of December 31, 2015

JANE Q. PUBLIC
123 AVE STREET
ANYTOWN, PA 17000-0000

Your Personal Data
Name: JANE Q. PUBLIC
Birth Date: JUN 10, 1971 Sex: FEMALE
Social Security Number: XXX-XX-0000
Contracting Center: PHTTSBURGH
Vesting Date: JUL 10, 1971
Normal Retirement Date: JUL 10, 2011

Retirement Benefit

Option	As of Dec. 31, 2015	As of Normal Retirement Date
Life Annuity (RDBA)	\$232.50	\$1,701.08
Life Annuity (RDBA) - 10% Cost of Living Adjustment	\$230.44	\$3,456.76
Option A Present Value	\$58,031.98	\$634,485.52
Option B Present Value	\$58,031.98	
Life Annuity (RDBA) - 10% Cost of Living Adjustment	\$232,855.83	\$205,473.52
Life Annuity (RDBA) - 10% Cost of Living Adjustment - 10% Cost of Living Adjustment	\$163.95	\$2,502.53
Life Annuity (RDBA) - 10% Cost of Living Adjustment - 10% Cost of Living Adjustment - 10% Cost of Living Adjustment	\$135.72	\$2,337.31
Adjusted Option 1 Present Value	\$34,176.20	\$429,012.04

Special Conditions

The following special conditions apply to your estimates or are reasons why we did not calculate estimates for you:

You do not have an "As of Normal Retirement Date" estimate because our records indicate that you have reached one or both of the age limits included in the Internal Revenue Code and the Pennsylvania Retirement Code. If you are planning to retire within the next year and have not recently received a customized estimate, please call 1-800-633-5461 to discuss how different retirement options affect these limits and you.

TRAVELING TO A WARMER CLIMATE THIS WINTER?

Please be sure to notify us and the PEBTF of your change of address when you leave Pennsylvania and when you return. If you don't, you could miss out on important health care and retirement information!

To notify SERS: go to www.SERS.pa.gov and download an Annuitant Change of Address form (click on Retired Members, Retired Member Forms, Annuitant Change of Address) or call 1.800.633.5461 to request a form.

To notify the PEBTF – call 1.800.522.7279

TOP 5 THINGS YOU CAN DO NOW TO PREPARE FOR RETIREMENT

When you retire, you have a number of decisions to make about your SERS retirement benefit. Preparing for those decisions before you retire is the key to making sound choices that will serve you well for years to come.



1. Read SERS materials.

SERS News – Published twice a year, the newsletters include helpful information about your retirement benefit.

Annual statements – Each March, you receive a statement listing the service credit you earned, contributions you made, and the interest you earned on your contributions over the course of the prior year and the course of your SERS membership.

Guide for Retiring Members – This guide walks you through the important retirement decisions you will make when you file your retirement application.

Member Handbook – While developed for the new SERS member, this handbook provides you with the basics about your SERS benefit.

SERS.pa.gov - Provides a wealth of information, including a section dedicated to helping you “Get Ready to Retire”. You can also view a summary of your SERS pension information, your annual statements (as far back as 1995), as well as estimates based on actual data from your SERS member record.



2. Consult with a financial advisor and a tax advisor

While SERS retirement counselors can explain the options available to you and potential tax ramifications associated with certain options, they cannot recommend one option over another.



3. Take care of overdrawn leave or other debts to your employer

Contact your HR Office to see if you have overdrawn leave or any other debts to your employer and work to satisfy those debts before you retire. Overdrawn leave, unreturned equipment or uniforms, or other debts to your employer will significantly delay your first pension payment. In addition, the commonwealth may deduct from your SERS pension any money you owe as a result of your commonwealth employment.



4. Prepare for up to 8 weeks before you receive your first pension payment

Your employer, the State Treasury, and SERS have a lot of work to do to process your first pension payment. Much of that work can't begin until after you receive your last pay. Plan now for how you will pay your expenses during the period between your final pay for employment and your first pension payment.



5. Know what will be withheld from your pension payments

Money may be deducted from your monthly pension payments for a number of reasons, including federal income tax, retiree health insurance costs (REHP), and court-ordered child or spousal support payments. If you have delinquent tax bills, the IRS may seize a portion of your pension for payment of the outstanding debt.

DEADLINE TO CHOOSE YOUR NEW HEALTH INSURANCE PLAN APPROACHING

If you are covered by a health insurance plan administered by the Pennsylvania Employees Benefit Trust Fund (PEBTF) you must choose a new health insurance plan this fall.

If you don't make a choice during the official open enrollment period, you will be placed into a default plan that may or may not be accepted by your doctors or specialists.

The open enrollment period when you can make your choice and your options vary depending on whether you are a retiree or an active member; and if you are retired, when you retired and whether you are eligible for Medicare:

Medicare Eligible Retirees

If you or a dependent on your PEBTF-administered health insurance coverage is eligible for Medicare, you can choose a health plan during Medicare Open Enrollment between October 24 - November 11, 2016, but it is not required. Watch your mail for a Medicare Open Enrollment newsletter from the PEBTF with information about your choices.

Non-Medicare Eligible Retirees

You must choose a health plan during your open enrollment between October 17 - November 4, 2016.

In addition, if you retired before July 1, 2004, there are a number of benefit changes. Watch the mail for an Active Employees/Non-Medicare Eligible Retirees Open Enrollment Newsletter from the PEBTF, with information about your choices.

Active Employees

You must choose a new plan during your open enrollment between October 17 - November 4, 2016. Watch the mail for an Active Employees/Non-Medicare Eligible Retirees Open Enrollment Newsletter from the PEBTF, with information about your choices.

An online open enrollment presentation is featured on the PEBTF website. Go to www.pebtf.org and click on the 2016 Open Enrollment box. If you have questions about your coverage and options, contact the PEBTF at 1.800.522.7279 or benserv@pebtf.org

REMEMBER!

It is important to ensure that you always have an up-to-date beneficiary nomination form on file with SERS. Unlike other retirement programs, your SERS pension does not include specific spousal rights. If you don't have a form on file, any death benefit will be paid to your estate where it will be subject to estate tax.

Download a form at www.SERS.pa.gov or call 1.800.633.5461.



STATE EMPLOYEES' RETIREMENT SYSTEM

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