

## SERS SERVICES DURING OFFICE CLOSURE



Even though SERS offices are closed to the public due to the COVID-19 outbreak, SERS staff are continuing to work hard for you, and we are operational in all business areas.

“We want all of you to know that we are here to help you, to explain your retirement benefit options and answer your questions, even though we can’t do it in person,” explained SERS Executive Director Terrill Sanchez. “We are incorporating new processes and the lessons we have learned from our remote work experience during this quarantine to set a new vision for SERS – one that includes us becoming a leader in the pension administration industry so that we do the ‘very best’ for you.”

**If you are a retiree, beneficiary, or survivor**, your retirement benefits are still being processed without interruption. This includes payments from your Defined Benefit Plan and distributions from your Deferred Compensation Plan or Defined Contribution Plan. In addition, SERS continues to transfer your health care premium payments to the PEBTF.

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## ANNUAL STATEMENTS AND TAX FORM

Each year, we mail you an annual statement. If you receive payments from the SERS pension plan, then we also mail you a 1099-R tax form detailing those payments. After they are prepared, you can also find a copy of your statement and tax form in your online SERS account.

If you participate in the Defined Contribution Plan and/or Deferred Compensation Plan, your annual statement is in addition to your quarterly statements in your online investment account.

### Active Members and Participants

#### SERS Retirement Statement

While your 2019 statement was delayed due to COVID-19, we are working toward a normal March distribution for the 2020 statements. Your annual statement serves as a snapshot of all your SERS retirement plans as of Dec. 31. Your statement also lists the names of the beneficiaries you have on file for each of the plans you contribute to. You should review your annual statement for accuracy and keep it with your other important financial documents. Your combined statement will help you plan for your retirement.

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## MAXIMIZE THE VALUE OF ANY VOLUNTARY CONTRIBUTIONS



Your Defined Contribution Plan allows you to make voluntary contributions in addition to the regular contributions that your employer withholds from your pay each payday. There may, however, be tax advantages to making those voluntary contributions to your Deferred Compensation Plan<sup>1</sup> account instead of your Defined Contribution Plan.

When you make voluntary contributions to your Defined Contribution Plan, those contributions are taxed when they are made, while you are working and may be in a higher tax bracket.

When you make voluntary contributions using the traditional option of the deferred comp plan, the contributions and their earnings are taxed when you withdraw them and may be in a lower tax bracket.

You are encouraged to discuss your options with a qualified tax advisor to be sure you get the most value out of any voluntary contributions.

<sup>1</sup>While most SERS-participating employers also participate in the Deferred Compensation Plan, there are a few that do not. Check to see if your employer participates with the SERS Deferred Compensation Plan.

### BENEFICIARY NOTE



If you contribute to more than one SERS retirement plan, you need to file a separate beneficiary form instructing how the assets from each plan are to be distributed after your death. Without a beneficiary form on file, the assets from that plan may go to your estate and result in estate taxes. Learn more at <http://www.SERS.pa.gov/Beneficiary.html>

## ANNUAL STATEMENTS AND TAX FORM (CONTINUED)

### Retired Members

#### 1099-R Tax Form

Your 1099-R tax form and the Guide to Your SERS-Issued 1099-R Tax Form will be mailed in mid-January. The guide explains the information on your 1099-R tax form and helps you understand if you should expect to receive more than one 1099-R before filing your income tax return.

#### Personal Statement of Pension Payments

Your annual statement will be mailed in late January. Your statement includes information about your pension payment option, taxes, and your withholdings and deductions from your pension payment. Your statement also features the payment calendar for the next year.

## TOOL TO HELP YOU KEEP YOUR LONG-TERM FOCUS

In the last SERS News we discussed managing your investments through market volatility by keeping a long-term perspective and avoiding knee-jerk reactions. That can be tough during the current pandemic-impacted economy.

One tool to help you keep a long-term perspective is investing in a target date fund.

Target date funds are professionally managed and designed to be well-diversified with the goal of growing assets over a defined period – in this case, by a target retirement date. As a result, the mix of assets in a target-date fund will automatically shift to incur less risk as the target retirement date approaches.

The SERS Defined Contribution Plan offers ten target date funds. While the default plan for you is based on an expected retirement age of 67, you can choose whichever fund best matches your individual retirement goals and financial situation.

## ROLLING ASSETS INTO YOUR SERS INVESTMENT ACCOUNTS

New state employees often ask, “Can I roll money from the retirement account I had with my prior employer into my SERS Defined Contribution Plan or Deferred Compensation Plan account?”

The answer depends on the type of account you had with your prior employer. You can roll in assets from the following types of accounts:

- Governmental 457(b)
- 403(b)
- 401(k)
- 401(a)
- Individual Retirement Account (IRA)  
*not eligible for rollover into a Roth option*

If you are considering rolling money into your SERS investment account, talk with a plan specialist at [SERSInvestmentPlan@pa.gov](mailto:SERSInvestmentPlan@pa.gov) or 1.800.633.5461, option 1.

## SERS SERVICES DURING OFFICE CLOSURE (CONTINUED)

### Processing Pension Forms and Other Requests

Pension plan death benefits, refunds, W-4P tax withholding forms, direct deposit forms, beneficiary forms, pension verifications, and all other activities are still being processed.

**If you are an active member,** SERS collects and posts contributions to your retirement accounts without interruption. If you have questions about your retirement account or you are planning to retire soon, our plan specialists are available to help you by phone and e-mail. See contact information on back.



STATE EMPLOYEES' RETIREMENT SYSTEM

30 NORTH 3RD STREET, SUITE 150 | HARRISBURG, PA 17101-1716

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