

CURRENT MEMBER PLAN COMPARISON

As a SERS member, you have a decision to make between 1/1/19 and 3/31/19: You can choose to continue to earn your SERS pension as you do today, or you can switch to one of the three new benefit options created by Act 2017-5.

Your choice is final and binding, including if you leave state employment and later return to work for a SERS-participating employer. As a result, it is important that you consider your options carefully. The two tables in this document will provide you with a comparison of your options.

As a member of the SERS pension system, much of your pension is determined by your **class of service** in the system, including the amount you contribute toward your pension, how much your benefit grows each year, how long you need to work to become eligible for monthly pension payments, and the age at which you can retire without a reduction of your pension. Find your class of service in the chart to the right for a listing of that information.

If you switch to one of the three new plan options, your total contribution rate will not change; however, if you select one of the hybrid plans, your contribution will be split between your defined benefit (DB) plan and your defined contribution (DC) plan as shown in the chart to the right.

For a comparison of your benefit options based on other criteria, see the chart on the following pages.

You can compare benefit estimates by using the Act 2017-5 Benefit Estimate Calculator at www.SERS.pa.gov.

If you have questions about your SERS retirement benefit and options, please contact us at 1.800.633.5461, ra-sersretc@pa.gov.

CURRENT CLASSES OF SERVICE					YOUR CONTRIBUTION RATE IF YOU SWITCH PLANS		
Class	Contribution Rate	Annual Benefit Accrual Rate	Vesting Period	SERS Retirement Age	Hybrid Plan A-5 Class of Service	Hybrid Plan A-6 Class of Service	Straight Defined Contribution Plan
A-3	6.25%	2% of pay for each year worked	After 10 years of service	65 for most 55 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers and capital police officers and park rangers who have 20 or more years of service in those jobs.	6.25% (split) 5% - DB 1.25% - DC	6.25% (split) 4% - DB 2.25% - DC	6.25%
A-4	9.3%	2.5% of pay for each year worked	After 10 years of service	65 for most 55 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers and capital police officers and park rangers who have 20 or more years of service in those jobs.	9.3% (split) 5% - DB 4.3% - DC	9.3% (split) 4% - DB 5.3% - DC	9.3%
A	5.0%	2% of pay for each year worked	After five years of service	60 for most 50 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers and capital police officers and park rangers who have 20 or more years of service in those jobs.	5% (split) 5% - DB 0% - DC	5% (split) 4% - DB 1% - DC	5%
AA	6.25%	2.5% of pay for each year worked	After five years of service	60 for most 50 for corrections officers, Delaware River Port Authority police officers, enforcement officers, legislators, psychiatric security aides, and state police officers and capital police officers and park rangers who have 20 or more years of service in those jobs.	6.25% (split) 5% - DB 1.25% - DC	6.25% (split) 4% - DB 2.25% - DC	6.25%
D-4	7.5%	3% of pay for each year worked	After five years of service	50	7.5% (split) 5% - DB 2.5% - DC	7.5% (split) 4% - DB 3.5% - DC	7.5%
E-1	10% for first 10 years of E-1 service 7.5% for 11+ years of E-1 service	4% (First 10 years of E-1 service) 3% (After 10 years of E-1 service.)	After five years of service	60	10% for first 10 years of E-1 service (split) 5% - DB 5% - DC 7.5% for 11+ years of E-1 service (split) 5% - DB 2.5% - DC	10% for first 10 years of E-1 service (split) 4% - DB 6% - DC 7.5% for 11+ years of E-1 service (split) 4% - DB 3.5% - DC	10% for first 10 years of E-1 service 7.5% for 11+ years of E-1 service
E-2	7.5%	3% of pay for each year worked	After five years of service	60	7.5% (split) 5% - DB 2.5% - DC	7.5% (split) 4% - DB 3.5% - DC	7.5%

CURRENT MEMBER PLAN COMPARISON (CONTINUED)

	YOUR BENEFIT Defined Benefit Plan - Traditional Pension	Hybrid Plan A-5 Class of Service	YOUR OTHER OPTIONS Hybrid Plan A-6 Class of Service	Straight Defined Contribution/Investment Plan
Your retirement benefit is based on ...	Guaranteed monthly payments based on a calculation that takes into consideration your years of service and salary. The amount grows each year based on an annual benefit accrual rate.	A mix of guaranteed monthly payments, for the pension portion, and your investment choices and the investment markets, for the investment portion	A mix of guaranteed monthly payments, for the pension portion, and your investment choices and the investment markets, for the investment portion	Your investment choices and the investment markets
Your Contribution (Percent of pay)	You will continue to contribute the same percentage of your pay toward your new retirement benefit as you do today. See your class of service in the chart below for that amount.			
Annual Benefit Accrual Rate (How your pension grows)	Based on your class of service, see page 1.	1.25% of pay for each year worked	1% of pay for each year worked	N/A
Employer Contribution	Calculated annually	Calculated annually - pension 2.25% - investment	Calculated annually - pension 2% - investment	3.5%
Vesting Period (When you qualify for a benefit)	Based on your class of service, see page 1.	10 years - pension 3 years - investment	10 years - pension 3 years - investment	3 years
Final Average Salary	Highest amount earned during any three non-overlapping periods of four consecutive calendar quarters – for most, the average of your last three years.	Highest 5 calendar years	Highest 5 calendar years	N/A
SERS Retirement Age (When you can retire without an early retirement reduction)	65, 60, 55, 50 depending on your class of service, see page 1.	Age 67 w/3 years of service or Rule of 97 with 35 eligibility points	Age 67 w/3 years of service or Rule of 97 with 35 eligibility points	N/A
Early Retirement Milestone	N/A	Age 57 with 25 years of service	Age 62 with 25 years of service	N/A
Early Retirement Reduction	Averages about 3-6% for each year you are away from your SERS retirement age.	If milestone reached: 3% reduction for each year under age 67 Or Age 62 with 10 years of service: Actuarial reduction for each year under age 67 Or 10 years of service but not yet age 62: Standard actuarial reduction from age 62-67 plus special 7.375% actuarial reduction for each year under age 62	If milestone reached: 3% reduction for each year under age 67 Or Age 62 with 10 years of service: Actuarial reduction for each year under age 67 Or 10 years of service but not yet age 62: Standard actuarial reduction from age 62-67 plus special 7.375% actuarial reduction for each year under age 62	N/A
Can you purchase prior state or military service?	Yes.	Yes, toward the pension portion of your benefit	Yes, toward the pension portion of your benefit	No.

CURRENT MEMBER PLAN COMPARISON (CONTINUED)

	YOUR BENEFIT Defined Benefit Plan - Traditional Pension	Hybrid Plan A-5 Class of Service	YOUR OTHER OPTIONS Hybrid Plan A-6 Class of Service	Straight Defined Contribution/Investment Plan
When you retire, your payment options include ...	A lump sum withdrawal of your contributions and interest and guaranteed monthly payments that include options with varying death benefits.	Pension portion: a lump sum withdrawal of your contributions and interest and guaranteed monthly payments that include options with varying death benefits Investment portion: a lump sum payment, a rollover to another qualified plan, partial distribution through installment payments at participant's choice.	Pension portion: a lump sum withdrawal of your contributions and interest and guaranteed monthly payments that include options with varying death benefits Investment portion: a lump sum payment, a rollover to another qualified plan, partial distribution through installment payments at participant's choice.	A lump sum payment, a rollover to another qualified plan, partial distribution through installment payments at participant's choice.
What happens if I leave my state job and no longer work for a SERS participating employer?	If you are eligible for a benefit, you can retire and possibly incur an early retirement reduction or you can keep your money in the account ... if you are not eligible for a benefit, you can apply for a return of your contributions and interest	Pension portion: if you are eligible for a benefit, you can retire and possibly incur an early retirement reduction or keep your money in the account ... if you are not eligible for a benefit, you can apply for a return of your contributions and interest Investment portion: you have the choice of leaving your money in the plan or taking a distribution	Pension portion: if you are eligible for a benefit, you can retire and possibly incur an early retirement reduction or keep your money in the account ... if you are not eligible for a benefit, you can apply for a return of your contributions and interest Investment portion: you have the choice of leaving your money in the plan or taking a distribution	You have the choice of leaving your money in the plan or taking a distribution
Are my benefit payments guaranteed to adjust based on increases in the cost of living?	No.	Pension portion: No Investment portion: Possibly, if you choose a fixed annuity payment option that offers it	Pension portion: No Investment portion: Possibly, if you choose a fixed annuity payment option that offers it	Possibly, if you choose a fixed annuity payment option that offers it
Is there a disability retirement benefit?	Yes, the SERS disability retirement benefit.	The pension portion of your benefit includes a disability retirement benefit that is administered by SERS	The pension portion of your benefit includes a disability retirement benefit that is administered by SERS	No, however, some employees under the governor's jurisdiction may qualify for partially paid health care through the Office of Administration
Can I switch my plan later?	No. The one-time window to elect a different retirement benefit is open from Jan. 1, 2019 – March 31, 2019 only.	Only within the first 45 days of your membership in this plan	No, your enrollment is final and binding	No, your enrollment is final and binding
Can I contribute extra money to my retirement plan?	No; however, in most cases there are tax advantages to making voluntary contributions through the supplemental deferred compensation plan	Pension portion: No Investment portion: Yes, however, in most cases there are tax advantages to making voluntary contributions through the supplemental deferred compensation plan	Pension portion: No Investment portion: Yes, however, in most cases there are tax advantages to making voluntary contributions through the supplemental deferred compensation plan	Yes, however, in most cases there are tax advantages to making voluntary contributions through the supplemental deferred compensation plan