

SERS News

The newsletter for members of the Pennsylvania State Employees' Retirement System

1999 Statement of Account

All SERS **active members** who contributed to the SERS fund during the past year will receive a SERS annual Statement of Account updated through the end of 1999. Statements will be mailed to **active members'** home addresses of record by April 1, 2000.

All *vested* members – those with at least 10 or more years of credited service – will be provided estimated retirement benefits projected to the normal retirement date. In previous years, projected estimates were given only to members who were within 10 years of their normal retirement date. The Statement also will list the vested member's normal retirement date, which usually is at age 60.

For the third year, the Statement will list the member's principal beneficiary(ies), as designated by the member on the most recent Nomination of Beneficiary(ies) form on file with SERS at the end of 1999. Members are reminded that if the beneficiary section of the Statement is blank, in most cases it is because the **active member's** Nomination of Beneficiary(ies) form predates 1993, when SERS began computerizing this information.

The presence of beneficiary information in the Member Statement is intended to remind the member about who is currently listed as his or her beneficiary. **Active members** should review their beneficiary information at times of change in their lives, such as the birth of a child, marriage, or divorce or death of a spouse.

Contacting SERS

If you are an **active member** currently employed and contributing to the SERS fund and you want to change your beneficiary selection, contact your agency Personnel Office or re-

gional SERS Retirement Counseling Center to request a new Nomination of Beneficiary(ies) form.

If you do not receive your 1999 Statement or if you feel there may be omissions or discrepancies in the Statement, contact your SERS regional Retirement Counseling Center by calling toll-free 1-800-633-5461.

Duplicate copies of the Statement are available from SERS at a cost of \$5 each. To obtain a duplicate copy, write to:

SERS

**Attn. Membership Services Division,
P.O. Box 1147, Harrisburg, Pa. 17108-1147.**

Statement information is subject to a final audit by SERS. □

Annuitant reminder: You, too, should be sure your beneficiary(ies) information – including their mailing addresses – is current with SERS. If you want to change beneficiary(ies), contact your SERS Retirement Counseling Center for a new Nomination of Beneficiary(ies) form.

Chairman Maiale Reappointed

Governor Tom Ridge has reappointed Nicholas J. Maiale as Chairman of the SERS Board of Trustees. Maiale is a native of Philadelphia and a graduate of the Temple University School of Law and Pennsylvania State University. An attorney in private practice, Maiale also serves on the Advisory Council of Pennsylvania State University's Abington College, and the Board of Trustees of the National Multiple Sclerosis Society. Maiale served for twelve years as a member of the state House of Representatives, representing the 183rd Legislative District from 1980-1992. Maiale has been a member of the SERS Board since 1985 and has served as Board Chairman since 1992.



Nicholas J. Maiale

Retirement-Related Contacts

● **Pennsylvania Employees Benefit Trust Fund (PEBTF):** Toll Free (In State) 1-800-522-7279; (Out of State) 1-800-628-0174; for Retired Employee Health Program-related inquiries regarding state medical coverage and claims.

● **Pennsylvania Public School Employes' Retirement System (PSERS):** Toll Free 1-888-PSERS4U; for information related to school service or related to multiple service (service in both SERS and PSERS).

● **Pennsylvania Pharmaceutical Assistance Program (PACE):** Toll Free 1-800-225-7223.

SERS Mailings

Here's a list of upcoming mailings to SERS members.

☒ **January:** IRS Tax Form 1099-R for 1999; mailed to **annuitant home addresses** by the end of January.

☒ **March:** SERS 1999 Member Statement of Account listing information on the **active member's** retirement account as of the end of the previous calendar year; mailed to **active member home addresses** by April 1.

☒ **April:** Spring *SERSNews* mailed to **annuitants** with the end-of-month annuity distribution; provided to **active members** through payroll distribution on succeeding pay days. ☐

SERSNews is a publication of the Pennsylvania State Employees' Retirement System and is distributed for the information of SERS active members, annuitants and beneficiaries/survivors.

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Executive Director: John Brosius **Editor:** Tony Parisi **SERS:** 30 North Third St., P.O. Box 1147, Harrisburg, Pa. 17108-1147, with regional Retirement Counseling Centers in Bensalem, Harrisburg, Hazleton, Montoursville, Pittsburgh, Seneca and State College that may be contacted toll-free: **1-800-633-5461**. Text Telephone (Voice/TT): **(717) 787-4734**. Submit comments and suggestions regarding the newsletter to: Attn. Editor at SERS. Available on audio tape. Printed on recycled paper using soy-based and non-toxic inks.

Tax Form 1099-R

If you are a SERS member or beneficiary who collected benefits from the fund in 1999, you'll soon receive your Internal Revenue Service (IRS) Form 1099-R from SERS.

SERS calculates the total benefit (or gross distribution) you received from the fund during the prior year and reports this information to you by January 31 of each year on Form 1099-R. We also report this information to the IRS.

If you retired during 1999 as an active or vested SERS member eligible for retirement and took payment of benefits, you will receive at least one Form 1099-R. Depending on the retirement option selected and possible rollover of your account to an IRA or other qualified plan, you may receive more than one Form 1099-R. You must file a copy of each

form with your federal income tax return and your state and local income taxes, *when required*.

The amount listed in Box 4 (Federal Income Tax Withheld) of Form 1099-R must be included on your federal income tax return in the amount you report as *tax withheld*. If the amount listed in Box 4 is *more* than zero, you must attach Copy B of each Form 1099-R to your federal return.

Copy 2 of Form 1099-R is intended for filing with state and/or local income tax returns. Under the Pennsylvania State Employees' Retirement Code, however, SERS benefits are *totally exempt* from Pennsylvania state and local income taxes. SERS does not furnish copies of Form 1099-R to any state or local tax agency in Pennsylvania.

If you live in a state other than Pennsylvania, you may be subject to state and/or local income tax and

may be required to file Copy 2 of Form 1099-R. Certain state and local tax laws may exempt some or all retirement benefits, however. There also may be exemptions, deductions or credits for certain annuitants. Contact your state and city revenue offices or a qualified tax consultant for information.

Please Note

Even if you are on direct deposit, you should keep your current home address on file with SERS. Your home address is the only means SERS has to reach you directly to provide your Form 1099-R and other important notices and newsletters. Call your regional SERS Retirement Counseling Center at 1-800-633-5461 to request a change of address form. □

Lost Checks *and* Direct Deposit

SERS receives many calls from **annuitants** who are worried that an annuity check may be lost or delayed in the mail.

We understand this is a real concern for those who do not have their monthly checks deposited directly into a financial institution.

A check is not considered lost until at least 10 working days after the mailing date. Upon notification from an **annuitant** that a check has not been received within the 10 working days, the SERS Benefit Determination Division researches the member's account for additional information and provides this information to the state Department of Treasury.

When Treasury's review confirms that the check has not been cashed, a stop-payment is issued and a new check is processed and sent to the Benefit Determination Division for distribution to the member. If the check has been cashed, Treasury provides SERS with a copy of the cashed check. In either case, SERS will send the member a letter reporting the outcome.

Annuitants interested in switching to direct deposit should call their SERS Retirement Counseling Center at 1-800-633-5461 to request a Direct Deposit form. □

A Note on Service Credits

For Active Members

Each year following distribution of the Statement of Account, SERS staff are often asked why the amount of service listed on a member's pay stub does not match the amount of service credit listed on the Statement. Here's why.

Members working in an agency under the Governor's jurisdiction receive a pay stub (COMMONWEALTH OF PENNSYLVANIA - EMPLOYEE STATEMENT) that lists service credit in the

"Paid Leave Statement" section of the stub. Though many members believe the service credit amount listed on the pay stub should be the same as the credited service listed on the Statement, in most cases these figures will not agree.

The calculation for SERS service credit is based on hours compensated during a calendar year. In order to receive a full year of service credit, a member must be compensated for 1,650 hours. This includes regular hours paid as well as any

overtime hours for which the member is compensated.

The figure listed on the pay stub is for leave purposes only. It should not be used in trying to determine the number of years of service a member has in order to qualify for a retirement benefit. To determine the amount of service credit earned for retirement, **active members** should rely on the information listed on the annual Statement or provided by a SERS Retirement Counselor. □

A Reminder ...

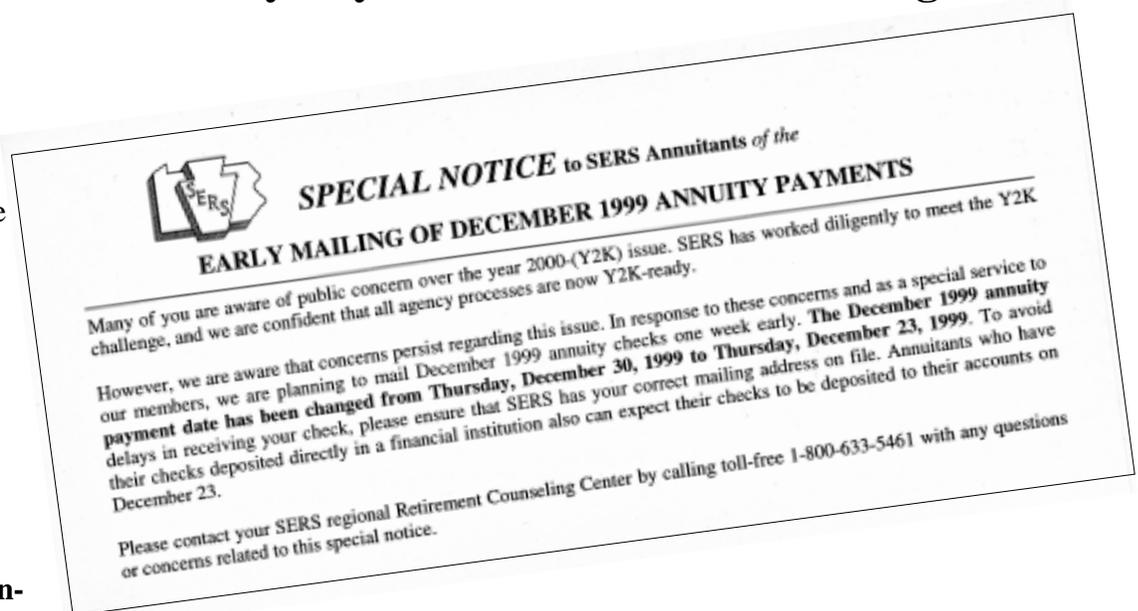
December 1999 Annuity Payment Date Has Been Changed

Members are reminded that with the end-of-November 1999 annuity payroll, all SERS **annuitants** were sent a special notice card informing them of the early payment of December 1999 annuity checks.

The December 1999 annuity payment date has

been changed from Thursday, December 30, 1999 to Thursday, December 23, 1999. Annuitants who have their checks deposited directly in a financial institution also can expect their checks to be deposited to their accounts on December 23.

Please contact your SERS regional Retirement Counseling Center by calling toll-free 1-800-633-5461 with any questions or concerns related to this special notice. □



2000 Annuity Payment Dates Card

New Cards mailed with November Annuity Checks

With the end-of-November 1999 annuity payroll, all SERS **annuitants** were sent a Monthly Annuity Payment Dates card for 2000. The white card lists the dates annuity checks are to be distributed during the year.

Currently about 47 percent of SERS **annuitants** receive “live” checks, which are mailed from the Treasury Department on the *next to last* working day of the month. These members are reminded to allow 10 days for the check to arrive before contacting SERS.

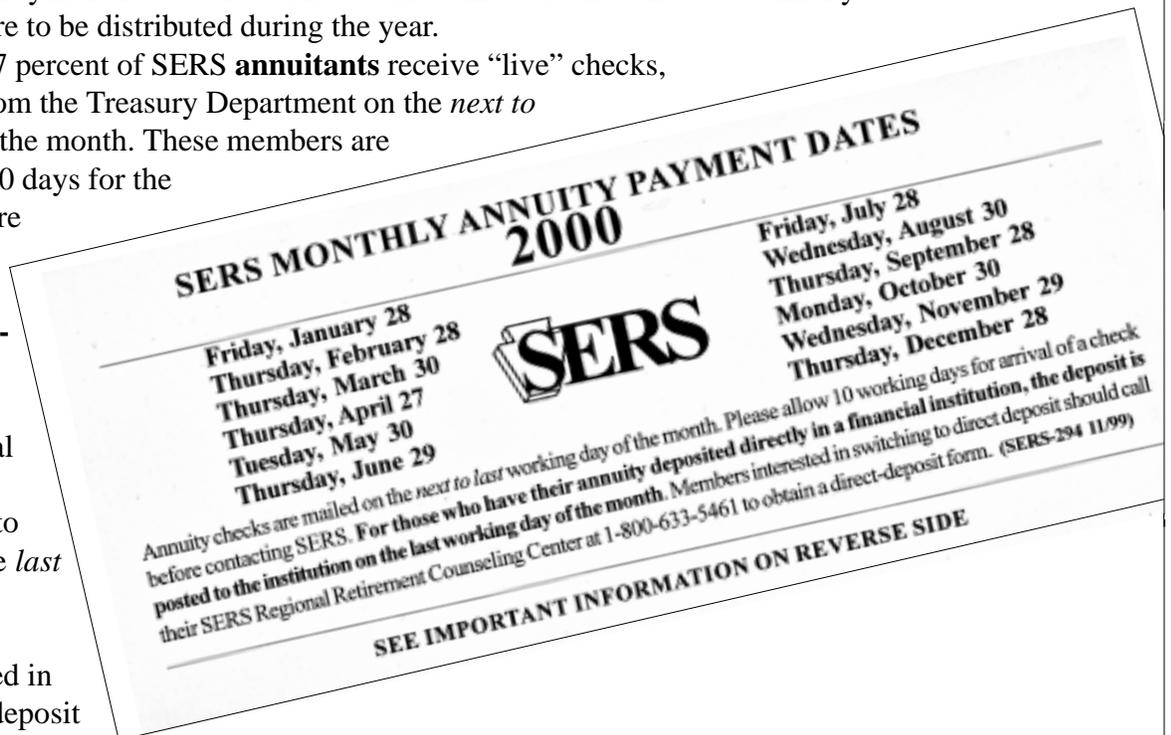
The remaining 53 percent of our **annuitants** have their checks deposited directly in a financial institution. These deposits are posted to the institution on the *last* working day of the month.

Members interested in switching to direct deposit should call their regional SERS Retirement Counseling Center at **1-800-633-5461** to obtain a direct-deposit form.

Members who misplace the Annuity Check Mailing Dates card should contact their regional Retirement Counseling Center to request a new one.

In addition to annuity distribution dates, the card provides the following important reminders to annuitants:

- You will receive Internal Revenue Service (IRS) Form 1099-R (Statement for Recipients of Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.) from SERS in January of each year.
- You may start, cancel or change the amount of federal withholding tax on your monthly benefit at any time. Write or telephone SERS or the IRS for a W-4P, Annuitant’s Withholding Form. Upon completion, return it to SERS.
- Notify SERS immediately if you change your address, if your financial institution’s address changes, or if there is a change in your account number.
- Even if you are on direct deposit, you must keep your current home address on file with SERS. Your home address is the only means SERS has to correspond with you directly. Your home address is used to mail newsletters, tax statements and other important notices. All correspondence sent to SERS must include your name and Social Security number. □



Electric Choice: What's It All About ?

Today, “deregulation” has become a familiar word. Competition is now driving the utility industry and consumers are faced with more choices than ever. To manage these choices, consumers must become better informed.

Consumer choice in Pennsylvania increased significantly when the Electric Generation Customer Choice Act was passed into law. The business of *electric generation* was made competitive by the new law. For the first time ever, Pennsylvania electric customers could shop for and choose their electric generation supplier.

So, what's it all about? How does it work?

Electric service includes three parts: (1) *generation*, (2) *transmission*, and (3) *distribution*. By evaluating offers from electricity suppliers, consumers may be able to save money on their electric bills.

As you consider shopping for your electric supplier, you can start with a call to **1-888-PUC-FACT (782-3228)**. You will be provided with a list of suppliers and instructions on how to shop and compare prices.

You can also receive a list of residential suppliers and a comparison of all their prices at different usage levels from the Pennsylvania Office of Consumer Advocate (OCA) at 717-783-5048, or on the OCA Web site at **www.oca.state.pa.us**. This OCA Shopping Guide is updated monthly and is available in English and Spanish.

The following are important issues to consider as you shop for an electric generation supplier:

- *Is this supplier licensed by the PUC?* It is against the law in Pennsylvania to offer electric generation service without being licensed by the Public Utility Commission (PUC). Once you enroll in Electric Choice, you should receive a list of licensed suppliers with your confirmation letter.
- *What does this supplier's price per kilowatt hour (kWh) include?* Some suppliers might include special services or incentives in their agreement with you. Be sure to consider this when comparing prices. Also, if you are a customer of PECO Energy, GPU Energy, PP&L, UGI, Duquesne Light, Citizens' Electric, or Wellsboro Electric, make sure to find out if the supplier's price per kWh includes transmission costs.
- *Where and how does this supplier generate electricity?* Depending on your own preferences, you might want to ask for more in-depth information about a supplier. For example: Do you prefer electricity generated by renewable sources? Does it make a difference where the generation plant is located?
- *Does this supplier have time-of-day (off-peak) prices?* Some suppliers may offer lower/higher prices at different times of the day. When do you use the most electricity? When is this supplier's price per kWh highest?
- *Will programs to assist low-income customers be affected?* The Electric Competition Act (1996) requires that protections, policies, and services now available to assist low-income customers remain in place. All of the special programs offered by your electric distribution company, such as weatherization or customer assistance programs must remain in place. In fact, as a result of deregulation, more funding is available for these types of assistance programs. If you are in one of these programs, ask potential suppliers to explain how you will continue to receive your benefits.

Source: *The Pennsylvania Electric Choice Program*. For more information on the Electric Choice Program, call **1-888-PUC-FACT (782-3228)**, or visit the program on the World Wide Web at **www.electrchoice.com**, which is accessible to visually impaired persons.