

SERS News

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

1999 Account Information Mailed *Statements sent to active members*

All SERS **active members** who contributed to the SERS fund during the past year should by now have received a SERS annual Statement of Account updated through the end of 1999. Statements were mailed to **active members'** home addresses of record in February 2000.

If you are an **active member** and have not yet received your 1999 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.

A Reminder about Service Credits

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. □

Also in this issue ...

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- Keeping Your Address Current
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Transitions

Bensalem and Seneca Counseling Centers Have New Local Phone Numbers

If you are a SERS **active member** working in or a SERS **annuitant** living in the counties served by the SERS regional Retirement Counseling Centers located in Bensalem or Seneca, Pennsylvania — take note. Both centers now have new local telephone and fax numbers.

The new numbers for the Bensalem center are **Phone: 215-244-6592; Fax: 215-244-6597.**

The Bensalem center serves the counties of Berks, Bucks, Chester, Delaware, Lancaster, Montgomery, Northampton, and Philadelphia. The Bensalem center's mailing address remains the same: Greenwood Square, Suite 420, Bldg. 2, 3331 Street Road, Bensalem, Pa. 19020.

The new numbers for the Seneca center are: **Phone: 814-677-0741; Fax: 814-677-8792.**

The Seneca center serves the

counties of Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, Mckean, Mercer, Venango and Warren. The Seneca center's mailing address remains the same: Seneca Professional Building, P.O. Box 01561, Seneca, Pa. 16346.

Members in the Bensalem and Seneca counseling service areas may also use our toll-free number — **1-800-633-5461** — to reach either center by telephone.

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.

SERS Mailings

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

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

☒ **November:** Monthly Annuity Payment Dates card (listing check disbursement dates in the year 2001) mailed to **annuitants** with the end-of-month annuity distribution.

Additional mailings may be done, depending on legislative or administrative changes to the retirement system. Major program changes are announced in the *SERSNews*. ☐

SERS Honored

The *SERSNews* is pleased to announce that SERS has been awarded the Government Finance Officers Association's (GFOA) coveted *Certificate of Achievement in Financial Reporting*. The Certificate of Achievement was presented for SERS's work in preparing the agency's 1998 Comprehensive Annual Financial Report.

The Certificate of Achievement is the highest form of recognition in public pension accounting and financial reporting, and its attainment represents a significant accomplishment for SERS. □

Remaining 2000 Annuity Payment Dates

SERS annuity checks are mailed on the *next to last* working day of the month. **Annuitants** should allow 10 working days for arrival of a check before contacting SERS. For those who have their annuity deposited directly in a financial institution, the deposit is posted to the institution on the last working day of the month.

Here are the annuity check distribution dates remaining in 2000 (for those receiving their annuity checks by mail) :

Tuesday, May 30

Thursday, June 29

Friday, July 28

Wednesday, August 30

Thursday, September 28

Monday, October 30

Wednesday, November 29

Thursday, December 28

Keeping Your Address Current with SERS

If you are a SERS **annuitant** not using direct deposit and you have moved to a new permanent or temporary address, please note: You must inform SERS of your address change in writing in order to have your checks mailed to your current address.

Even though you may have filed a change of address form with the U.S. Postal Service, this is no guarantee that a SERS annuity check mailed to your old address will be forwarded to you by the Postal Service. Instead, the check could be returned to SERS. We must then contact you by letter so you can verify your new address to us in writing. Only then do we update our address records and send the delayed check to you.

Also, please remember that if you are moving in the future, whether to a new address or back to a previous address, you must inform SERS of the move in writing so that future checks are not delayed. 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 should 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 documents. All correspondence sent to SERS must include your name and Social Security number.

Late, Lost Checks ... What can you do?

SERS gets many calls from **annuitants** worried that a monthly annuity check has been lost or delayed in the mail.

We understand this is a real concern for those who do not have checks deposited directly into a financial institution. To help our members anticipate check arrival, each year SERS sends **annuitants** a "Monthly Annuity Check Mailing Dates" card. It lists the next to last working day of each month when annuity checks are to be mailed by the state Department of Treasury.

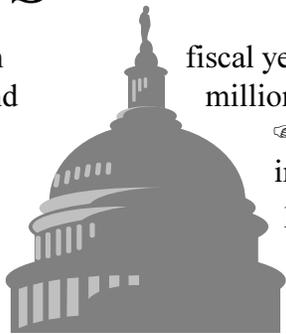
A check is not considered lost until at least 10 working days after the mailing date. Upon notification from an **annuitant** that a check has not been received within the 10 working days, the SERS Benefits Determination Division researches the member's account for additional information and provides this information to 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 Benefits Determination Division for distribution to the member. **In this case, members can expect to receive a replacement check in about 10 working days.** If the check has been cashed, Treasury provides SERS with a copy of the cashed check. In either case, SERS will contact the member by letter to report the outcome.

If you do not now have your annuity checks deposited directly into a financial institution and want to switch to direct deposit, call your SERS Retirement Counseling Center at **1-800-633-5461** to request a Direct Deposit Form.

CapitolNEWS

SERS Board Chairman Nicholas J. Maiale and senior staff members appeared before the House Appropriations Committee March 8 as part of the General Assembly's fiscal year 2000-2001 budget review.



fiscal year 2000-2001: \$19.6 million.

☞ The fund's 1999 total investment return: 19.9 percent.

☞ Fund size at the end of 1999: \$28.1 billion.

☞ About 4.3 percent of the fund, or approximately \$1.2 billion, was invested in Pennsylvania last year.

☞ The SERS-monitored Deferred Compensation Program for **active members** has nearly tripled in value during the previous five years from \$306 million to a new total market value of approximately \$913 million

– with 35,503 active participants – as of December 31, 1999.

☞ Member demographics at the end of 1999, estimated pending the 1999 *Actuarial Report* due out in mid-2000:

- total number of members: 196,078, up from 194,727 at year-end 1998;
- number of active members: 108,035, down slightly from 108,893 at the year-end 1998;
- number of annuitants and beneficiaries: 88,043, up from 85,834 at year-end 1998; average age of superannuation annuitants: 74.4; superannuation annuitants' average annual pension: \$12,521.

The Chairman and staff responded to Legislators' questions and formally presented a report on the investments and administration of the SERS fund. Highlights from the report:

- ☞ Annual benefits paid out topped \$1.2 billion.
- ☞ SERS's budget request for

SERS Funding and Benefits Report

Contributions and Investment Income: Employee and employer contributions and investment income flow into the fund to support benefit payments to **annuitants** (retired members and survivor-beneficiaries).

Most **active** members contribute to the fund at a rate of 5 percent of salary. The Commonwealth's (employer) rate of contribution to the fund is actuarially determined each year. Investment perfor-

mance can reduce the level of the employer contributions, saving taxpayers millions of dollars.

Due in large part to investment returns in excess of the actuarially assumed rates of return, the Commonwealth's contribution rate has declined from 13.09 percent of payroll in fiscal year 1988-89 to five percent in fiscal year 1999-2000.

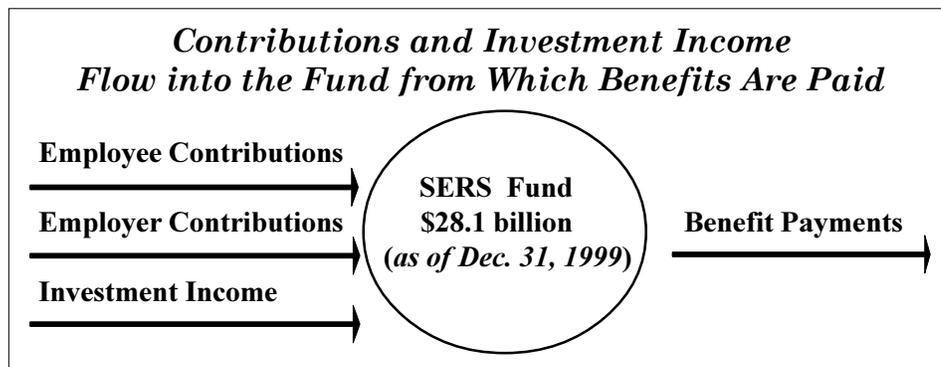
In 1999, employee and employer contributions to the fund totaled approximately \$480 million; invest-

ments earned a total return of 19.9 percent, increasing the total value of the fund to 28.1 billion.

Annuitants and Benefits: Following is the profile of SERS **annuitant** members at year-end 1999 (estimated pending the 1999 *Actuarial Report* due out in mid-2000).

Number of Annuitants: 88,043

| | Average Age | Average Annual Pension |
|--|----------------|------------------------------|
| Superannuation Annuitants (left service at normal retirement age) | 74.4 | \$12,521 |
| Early Retirees | 58.7 | \$10,029 |
| Disability Retirees | 59.4 | \$9,013 |
| Survivor-Beneficiaries | 75.5 | \$5,706 |



By the Book: Death Benefits

The following is paraphrased from the SERS Member Handbook that all **active members** receive upon joining SERS.

Death Benefits

The financial protection offered under your retirement plan in the event of your death could amount to a large sum of money. Death benefits are paid to your designated beneficiary(ies) under the plan. Keeping your SERS Beneficiary Form up-to-date will ensure that benefits are paid promptly and properly.

Review your beneficiary designation frequently, but especially if:

- you or one of your beneficiaries marries or becomes divorced;
- one of your beneficiaries dies;
- one of your beneficiaries changes his or her name or address;
- you have a child.

If you are not sure that the named beneficiaries are as you want them, simply file a new Form. The most recent **properly executed** Form received prior to your death by SERS will apply. Contact your Retirement Counseling Center for the proper

Form and any help you may need in completing it.

• Death in State Service

If you die in state service before normal retirement age and **with less than 10 years of credited service**, your accumulated deductions will be paid to your beneficiary(ies). If the amount of your accumulated deductions is **\$5,000 or more**, your beneficiary(ies) may choose to receive the death benefit in either monthly installments, a lump sum amount or a combination of both. If your accumulated deductions are **less than \$5,000**, your beneficiary(ies) will receive a lump sum payment.

If you die while employed and **are eligible to retire**, it will be assumed that you retired under Option 1 the day before your death unless you instruct SERS differently as explained below. Remember that you are eligible to retire if you are over normal retirement age with at least three years of credited service or if you have 10 or more years of credited service while under normal retirement age.

The present value of your annuity will be payable to your beneficiary(ies). This is the same as if

you had retired under Option 1.

If the amount of the present value is **\$5,000 or more**, your beneficiary(ies) will be permitted to choose to receive the death benefit in either monthly installments, a lump sum amount or a combination of both. If the present value is **less than \$5,000**, a lump sum payment will be made.

If you do not want the automatic Option 1 to apply in the event of your death in service, you may choose one of the other options. To do this, you must file an Application for Retirement Allowance with SERS. The Application may be used by you, as an **active member**, to elect to have your death benefits paid to your beneficiary(ies) under an option other than Option 1 if you die while still employed. Remember that you must be eligible to retire before you can choose any option. Contact your Retirement Counseling Center for details.

• Death on Annuity

If you die while on annuity, the death benefit payment, if any, will depend on the option you selected at the time of your retirement. □

Information Resource

Updated SERS Pamphlets

SERS pamphlets are a key source of general information about the various provisions of the pension plan. As this issue of the *SERSNews* went to press, the newly updated pamphlets listed below had recently been released. These and other SERS pamphlets are available free of charge by visiting your regional Retirement Counseling Center or by calling toll-free: **1-800-633-5461**. SERS Pamphlets are also available for download or printing from the SERS Internet site:(www.sers.state.pa.us).

▣ **Social Security Integration Coverage for SERS Members:** For those who elected this optional coverage, provides information about participation in the Social Security Integration Program.

▣ **Information on Tax Form 1099-R:** Included in the annual mailing of IRS Form 1099-R to annuitants, this pamphlet describes the tax implications of receiving a pension benefit from SERS and the applicable requirements for filing Form 1099-R with federal, state, and local income taxes.

Staying Well and Living Longer

By Larissa B. Johnson, PA Department of Aging Press Secretary

As we celebrate May as Older Pennsylvanians Month, it seems an appropriate time to reflect on how the population of “older Americans” is growing by leaps and bounds. According to the Department of Aging, the lifespan of the average American has risen dramatically in the past 50 years. In Pennsylvania, for example, the proportion of persons over the age of 60 is now one in five.

The truth is that people around the world are living longer, due in part to revolutionary new medicines and advanced medical techniques. Although the contributions of medical advances to increased longevity are clear, seniors are becoming more aware of the value of common-sense diet and exercise programs, and how participation in these programs can extend and improve the quality of life.

Improved quality of life — that’s the goal, and with this goal in mind the Pennsylvania Department of Aging assists older adults through several state-sponsored health and wellness initiatives.

The department’s PrimeTime Health Program is one such initiative. Administered through its 52 Area Agencies on Aging (AAAs),

PrimeTime Health helps older persons learn and maintain good health habits. The program focuses on seven priority areas: exercise and nutrition; chronic conditions; incontinence; mental health; injury prevention; medication management; and alcohol.

One component of PrimeTime Health, PEPPI (Peer Exercise Program Promotes Independence), offers peer-led weight-resistance training, walking programs and other forms of strength training.

Another program, called FRIENDS (Fall Risk Initiative – Establishing New Directions for Safety) is also part of PrimeTime Health. This program was developed in 1997 to identify people with a high risk of falling and to help raise awareness of ways to reduce their risks. Persons participating in FRIENDS complete a 10-question survey to assess lifestyle and other risk factors that might contribute to their fall risk. Three physical skills tests are used to determine fall risk potential — the one-legged stand, the functional reach test, and the timed “get up and go” test. Participants are given educational materials relevant to the risks they identify, including a home safety checklist.

Pennsylvania’s Area Agencies on Aging (AAA), covering all 67 counties, are the local representatives for the Pennsylvania Department of Aging. AAAs administer the PrimeTime Health programs and other programs and services for older Pennsylvanians.

Like the Pennsylvania Department of Aging, AAAs act as advocates for the aging and help keep Pennsylvania’s older citizens active and independent in their communities. The AAAs are staffed by workers skilled in geriatrics, social work and community resources. AAAs can also assist by providing elder care, investigating reports of abuse or neglect, and by recommending recreational, social and educational opportunities to seniors.

As Richard Browdie, Secretary of the Department of Aging noted recently, “The success of the Pennsylvania Department of Aging’s wellness programs clearly demonstrates that increased longevity need not mean physical decline and dependence. With the help of Pennsylvania’s wellness programs and a proper diet, the process of aging can be a continuing life-adventure with robust physical activity and great personal productivity.” □



For more information on these and other Pennsylvania Department of Aging programs, contact the department by calling (717) 783-1550, contact your local Area Agency on Aging (listed in the phone book), or visit the department’s website at www.aging.state.pa.us