Volume 1 * Number 2

TAX REPORTING AND PENSION BENEFITS

In July 1992, Federal legislation was passed to extend unemployment compensation benefits. As part of that legislation, Congress adopted changes to the plan rules governing your pension benefit. These changes took effect on January 1, 1993. The changes are as follows:

- You are permitted to transfer/rollover the taxable part of any remaining Option 4 installment payments you may be receiving from this System on or after January 1, 1993.
- The transfer of taxable contributions must be sent to (See Tax Reporting on Page 4)

IN THIS ISSUE

Counseling Center News	i (8		Page	2
Did You Know			Page	2
Survivor-Spouse E Coverage Amended			Page	3
Mellow Retirement Stats			Page	4

Winter 1992

SERS LOSES ITS CHAIRMAN

Mr. William J. Moran, Chairman the State Employes' Retirement Board passed away on August 15, 1992, after a prolonged illness. Bill as he was fondly called by all who knew him was a tremendous ally and leader of the staff and members of this Retirement System. He stood firm in his demand for maintaining the integrity and financial solvency of this pension fund. He was a great coalition builder in his role as Chairman of the SERS Board. very proactive taking a position in defense of what he felt were the best interests of the Fund and its members, he earned the respect of all whose lives he touched. Bill had a heart of gold and unswerving in his desire to make things better. He was a who humanitarian always concerned for others.

Bill was born in Hazleton, PA and resided there most of his life. Prior to his retirement, he served as a Special Investigator for the PA Department of Revenue.

He was instrumental in founding the PA Council of the American Federation of State, County and (See SERS Chairman on Page 2)

SERS CHAIRMAN CONT'D

Municipal Employes, and served as its first president for 15 years. He was named AFSCME President Emeritus in 1986.

Bill graduated from St. Gabriel High School in Hazelton and attended Penn State University and the University of PA. served in the US Navy during World War II and in the Korean Conflict. He was a leader in community service and chaired or served on numerous boards and committees, including the Diocesan and local Boards of Catholic Services, the Blue Cross Advisory Board and the King's College Century Club. He was a member of the Board of Directors of APA Fostin Venture NEPA Venture Capital and Capital.

During his 13 year tenure as Board Chairman he participated in many Board decisions which ultimately contributed to the growth of the fund from \$1.4 billion to \$12 billion. He was also instrumental in numerous member service enhancements, including the establishment of retirement statewide counseling centers dedicated solely to serving the needs of the 106,000 active and 84,000 SERS members. retired Certainly his committment to the System has made a positive impact on all members of SERS.

COUNSELING CENTER NEWS

All of the SERS Counseling Centers provide counseling on change of option due to divorce or death of a survivor, death counseling benefit assistance in completing direct beneficiary deposit forms, federal withholding forms, and health coverage forms forms.

Effective October 1, 1992, SERS made a change to the toll-free telephone numbers for our counseling centers. You will be able to contact any counseling center in PA by calling 1-800-633-5461. You will automatically be connected with the counseling center serviced by the area from which you are calling, even when calling from outside of PA.
On October 1, 1992, the Harrisburg Regional Counseling Center officially opened. The center is located in the SERS central office location on the third floor at 30 N. Third Street, PO Box 1147, Harrisburg, PA 17108-1147. The local phone number is 717-783-9065. The center provides services to those members who are located in Adams, Cumberland, Dauphin, Franklin, Lancaster, Lebanon, Perry, Schuylkill and York Counties.
On November 2, 1992, our Wilkes-Barre Counseling Center moved to 842 Sans Souci Parkway, Wilkes-Barre, PA 18702. The local telephone number remains 717-826-2555.
On November 12, 1992, our Philadelphia Counseling Center

DID YOU KNOW....

number is now 215-244-0798.

to Greenwood Square,

II, Suite 420, 3331

Road, Bensalem, PA The local telephone

Of the 84,000 retired members of the SERS, 9,200 live outside of PA.

The amount of milk that an American will drink in a lifetime is 2,000 gallons.

moved

Bldg.

Street

19020.

SURVIVOR SPOUSES HEALTH COVERAGE AMENDED

In the fall of 1992, the SERS advised its annuitant populalation that the PA Legislature passed Act 1991-35 allowing surviving spouses of SERS retirees to elect to continue in the same retirement health coverage plan they were enrolled in prior to the death of the retirees. Act 35 applied only to those spouses of retirees who died on or after October 14, 1991.

On December 18, 1992, the legislature passed Act 1992-183 amending the survivor-spouse health coverage. Act 183 allows surviving spouses of SERS retirees to elect to continue in the same retirement health coverage plan they were enrolled in prior to the death of the retiree, no matter when the retiree died.

If the survivor-spouse receives a monthly benefit check from the SERS, the SERS will determine the amount of the premium deduction for the health coverage. If the survivor-spouse does not receive a monthly check from the SERS, or if the monthly check is not large enough to cover the premium deductions, the SERS will inform the health plan administrator of the monthly deficiency. The plan administrator will then bill the surviving spouse for the remaining deficiency.

If you are an eligible survivor-spouse and would like to continue in the health coverage plan you were enrolled in prior to your spouse's death, you will need to do the following:

1. Submit your name, address and social security number and your former

spouse's name and social security number in writing to the SERS.

2. Your correspondence to SERS should also include documentation supporting your eligibility.

Examples of documentation could include but are not limited to a copy of the enrollment form indicating you were covered; a copy of the health care cards provided to your former spouse; or any claims correspondence sent to you by the health care provider when you were covered.

Your written notice and documentation should be sent to the SERS, PO Box 1147, Harrisburg, PA 17108-1147. After satisfactory proof is received, you will be sent the appropriate election form for your completion.

If you have questions regarding Act 183, you should contact a SERS Counseling Center by calling toll-free 1-800-633-5461.

This is the only notification you will receive from the SERS.



It takes less time to do a thing right than it does to explain why you did it wrong.
- Henry Wadsworth Longfellow

I am always ready to learn, but I do not always like being taught. - Winston Churchill



NOTE: If your retirement check is mailed to your home you may have noticed the envelope reflects SERS former address. SERS mailing address is PO Box 1147, Harrisburg, PA 17108-1147.

TAX REPORTING CONT'D

an individual retirement account or other eligible plan by the SERS.

• If you do not directly transfer the taxable part of your installment payment, SERS will be required to withhold 20% of the taxable amount and forward it to the IRS.

If affected, you will receive information from this System regarding this taxation 30 to 60 days prior to any installment payment(s) you may be receiving.

Members are advised to refer questions to a qualified tax consultant and/or the SERS Counseling Center in your area by calling toll-free 1-800-633-5461.

You are reminded that you will receive a 1099R form reflecting pension payments received from this System for 1992. The form is scheduled to be mailed on January 31, 1993. Allow until February 10 for the form to arrive before notifying this office. Keep the 1099R in a safe place as there is a \$5.00 charge for a replacement. To request a replacement 1099R, send your name, social security daytime telephone number, number and the year(s) you are requesting with a check or money order payable to the State Employes' Retirement Fund. There is a \$5.00 charge for <u>each year</u> requested.

MELLOW EARLY RETIREMENT INCENTIVE

On August 5, 1991, Governor Robert Casey signed Act 1991-23 (Mellow Bill). This legislation provided an additional 10% service credit to State employes (excluding Justices, Legislators, other elected

officials and officers of the PA State Police). Eligible members were required to terminate State service between February 1, 1991 and December 31, 1991, be at least age 55 by January 31, 1992 and have at least 10 years of credited service with the SERS by December 31, 1991.

Statistics resulting from the legislation are as follows:

- Of the 16,292 members eligible, 6,683 retired.
- SERS conducted 21,000 retirement counseling sessions.
- SERS prepared 9,000 customized estimates.
- The incentive cost the Retirement Fund \$127.2 million.

SERS has received numerous calls regarding the possibility of another incentive program. Currently, no legislation has been introduced to provide an extension or similar incentive for SERS members.

SERS Advantage* is published by the State Employes' Retirement System.

Executive Director
John Brosius

Address inquiries about the newsletter to:

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* Available on audio cassette for the sight impaired.