The newsletter for the more than 194,000 members of the Pennsylvania State Employes' Retirement System

# 30-and-out Window Closing June 30 Deadline Nears

ligible, **active members** of SERS have only a few more weeks during which to retire under the current 30-and-out early retirement "window." The window closes on June 30.

The 30-and-out window, which was opened for a one-year period by Act 1998-41, allows those active SERS members with 30 years of credited service to retire at *any age* and receive *unreduced* retirement benefits.

Without the window, the Pennsylvania State Employes' Retirement Code requires that most members have 35 years of credited service at any age or reach the "normal retirement age" of 60 before they may retire with unreduced benefits.

To be eligible for 30-and-out, **active members** must meet *all three* of the following requirements:

- have at least 30 years of retirement-credited service by June 30, 1999;
- \*\* terminate active state service NO LATER THAN June 30, 1999; and
- File an application for annuity by June 30, 1999, with an effective date NOT LATER THAN July 1, 1999.

Unless or until the state Legislature and the Governor approve legislation to extend the window period, it will be closed after June 30.

If you will have 30 years of credited service by June 30, 1999, and are considering retiring under the 30-and-out provisions of Act 1998-41, please contact your regional SERS Retirement Counseling Center to discuss your particular processing requirements and the timetable for leaving service.

### **Sample Calculations**

For a sample comparison of the effect on annuity of retiring with 30 years of credited service during a 30-and-out window

and after the window has closed, please see the back page of the newsletter.

Continued on back page

# **Service Purchase Considerations**

**Active members** who qualify for and plan to retire during the current 30-and-out window should consider purchasing any creditable state and/or non-state service now, *before* they retire.

Purchases of service, including purchases of military service, may be made *only* while a member is active and contributing to the retirement fund. *No purchases may be made after a member terminates service.* 

Active members who are close to having 30 years of service are reminded that purchased service is added to state service to increase overall years of service. A purchase may give these members the total credited service needed to qualify for 30-and-out.

Active members interested in a purchase of service should refer to pages 7-10 of their SERS *Member Handbook* or contact their regional SERS Retirement Counseling Center toll-free at 1-800-633-5461 for more information.

# Musto Joins SERS Board

tate Senator Raphael J.
Musto is the newest member of the SERS Board of Trustees.

Musto is a native of Pittston
Township, Luzerne County. He is a
U.S. Army veteran and a graduate
of King's College, Wilkes-Barre,
with a bachelor's degree in accounting. A Democrat, Musto has
represented Luzerne County's
14th Senatorial District since
1982. He previously served in the
state House of Representatives
1971-80 and represented the 11th
Congressional District in the U.S
House of Representatives 198082.

Musto currently is Democratic Chairman of the Senate's Environmental Resources and Energy Committee and is secretary of the Democratic caucus. He also is vice chairman of the Joint Legislative Air, Water Pollution Control and Conservation Committee and serves on the state's Environmen-



Musto

tal Quality Board and the Pennsylvania Infrastructure Investment Authority (PENNVEST) Board.

Musto was appointed to the SERS Board by Senate President Pro Tempore Robert Jubelirer to fill the seat left by the departure of former state Senator Roy C. Afflerbach. Musto's four-year Board term runs through 2002.

#### Afflerbach Leaves Board

Former state Senator Roy C. Afflerbach has left the SERS Board of Trustees.

His departure coincided with the end of his Senate term in November 1998. At its December 9, 1998, meeting, the Board honored Afflerbach with a resolution citing his "competence, diligence and devotion" to SERS.

Afflerbach, a Democrat, had represented parts of Lehigh and Northampton counties comprising the 16th Senatorial District. He had been a member of the SERS Board since January 1997.



Afflerbach

### Lucyk and Strittmatter Reappointed

State House Speaker Matthew J. Ryan has reappointed Representatives Edward J. Lucyk and Jere L. Strittmatter to two-year terms on the SERS Board of Trustees.

Lucyk, a Democrat, represents Schuylkill County's 123rd District, and has been a member of the SERS Board since 1993. Strittmatter, a Republican representing Lancaster County's 97th District, has been a Board member since 1995. Their respective terms run to January 2001.

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

#### **Board of Trustees**





**Executive Director:** John Brosius **Editor:** Geoffrey S. Yuda 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.

# **Annuitant**REPORT

### An Easier Way to Buy Bonds

Easy\$aver<sub>TM</sub> Introduced by U.S. Treasury

ERS **annuitants** now have another way to save through the U.S. Treasury's new *Easy*\$aver<sub>TM</sub> Plan.

Introduced last November, Easy\$aver<sub>TM</sub> allows retirees and others who don't have access to payroll savings plans to buy bonds automatically. Bonds are paid for by the electronic transfer of funds from the customer's existing account at a bank, credit union or other financial institution.

According to the U.S. Treasury, their studies showed that 120 million Americans, including retirees, had no convenient, systematic way of buying Savings Bonds. They also found many retirees well informed about the Savings Bond program, having bought bonds through payroll deduction while employed, and interested in making regular Savings Bond purchases for younger members of their families.

Series EE Bonds and the inflation-indexed I Bonds are available through Easy aver<sub>TM</sub>.

To enroll, complete the order form available at the U.S. Department of Treasury's Department of Public Debt website (www.easysaver.gov) or obtain the form by calling 1-877-811-SAVE.

For more information on Easy\$aver<sub>TM</sub>, call 1-804-697-8959. For general information about

For general information about Savings Bonds, visit the www.publicdebt.treas.gov

website, call your financial institution or write to the Savings Bond Operations Office, Parkersburg, W.Va. 26106-1328. □

# **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.

Notice of a change of address must include your signature and Social Security number.

If you haven't moved recently and you believe an annuity check is late, please be sure that you have allowed 10 working days from the check distribution date before reporting a check missing. The check distribution date is the next to last working day of the month.

### Telephone System Improvements

s part of SERS's ongoing effort to improve member services, staff has reviewed and updated the agency's automated telephone answering system.

The new "map" to the telephone system is provided on the next page. All SERS members are encouraged to clip and save this information for reference when contacting SERS by telephone.

# Remaining 1999 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 1999 (for those receiving their annuity checks by mail):

Thursday, May 27
Tuesday, June 29
Thursday, July 29
Monday, August 30
Wednesday, September 29
Thursday, October 28
Monday, November 29
Thursday, December 30

# SERS Telephone System

- If you call our toll-free Customer Service number **1-800-633-5461**, and you are calling from **in state** ... your call will be transferred automatically to the SERS Retirement Counseling Center serving the location from which you call.
- If you call our toll-free Customer Service number **1-800-633-5461**, and you are calling from **out of state** ... your call will be transferred automatically to one of two offices: Calls from Delaware and New Jersey are routed to the SERS Region 6 Retirement Counseling Center located in Bensalem, Pa. All other calls from out of state are routed to the central office of the SERS Bureau of Retirement Counseling Services.
- If you call our local General Information number (717) 787-6293 from any location ... the SERS Automated Attendant will answer your call. If you are using a rotary telephone, stay on the line and an operator will assist you (during normal business hours, 8 a.m. 4:30 p.m.). If you are using a touch-tone telephone, and you are calling about a retirement check, **Press 4**. If you are calling for another reason, follow the steps listed below to reach the office that will handle your request.\*

#### Press 1

To access the menu below for directing your call, or stay on the line and an operator will assist you (during normal business hours, 8 a.m. - 4:30 p.m.)

then

#### Press 4

For retirement counseling or information on a retirement benefit or refund processing or your annual Statement of Account

then

#### Press 1

To reach your regional Counseling Center or if you have questions about your annual Statement of Account

or

#### Press 2

To reach the central office of the Bureau of Retirement Counseling Services

or

#### Press 3

To check on the status of your retirement account or refund processing

#### Press 5

To report the death of an active or retired member or to check the status of a death benefit being processed

then

#### Press 1

To report the death of an active SERS member

or

#### Press 2

To report the death of someone who receives retirement checks from SERS

or

#### Press 3

To check on the status of a death benefit that is currently being processed by SERS

#### Press 6

For assistance on a retired member account

then

#### Press 1

For retiree direct deposit, tax information or address change assistance

or

#### Press 2

For Pennsylvania Employees Benefit Trust Fund (PEBTF) retiree health insurance claim problems, new cards or Major Medical forms

or

#### Press 3

For health insurance enrollment changes, payroll deductions or handbooks

Clip and save this page.

#### Press 7

For active member information on service purchases, new member applications, beneficiary forms or combining SERS and Public School Employes' Retirement System (PSERS) service

then

#### Press 1

For information on a request for a purchase of service

or

#### Press 2

For information about new membership applications or the nomination of beneficiaries

or

#### Press 3

For information on a multiple-service request

#### **Press 8**

For the Deferred Compensation Program

then

#### Press 1

For the Deferred Compensation Program office

\*Additional special messages are sometimes added to the system. Please listen to the Automated Attendant for directions on how to access these messages.

# Y2K Update

### A Year 2000 Readiness Disclosure

uring the past year, SERS has completed remediation and testing of SERIS, the State Employes' Retirement Information System, which is responsible for processing member data, employer and employe contributions, and benefit payments. Two remaining applications to correct, the General Ledger and the Documentation Preparation System, are to be Y2K compliant by the second quarter of 1999.

All desktop computers have been upgraded or replaced. Their operating system is Windows NT, which Microsoft has determined to be Y2K compliant, with only minor issues. The entire agency will have been converted to this operating



Here is a list of upcoming mailings scheduled by SERS.

August: Summer SERSNews mailed to annuitants with the endof-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 2000) 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*.

system by the end of the first quarter of 1999.

The building facilities at the SERS central office and seven regional Retirement Counseling Centers have been surveyed and all properties were to be Y2K compliant by the end of the second quarter of 1999.

Consultant Deloitte & Touche LLP, which has been hired by SERS to assist with development of the agency Information Technology Strategic Plan, also will be reviewing SERS's Y2K program to determine whether our efforts are comparable to those being made by other similar organizations. This review is intended to assure SERS that our Y2K efforts are complete and appropriate. The review is targeted to be completed during the second quarter of 1999.

As listed below, SERS has requested or will be requesting information from all investment managers in order to analyze their Y2K readiness. SERS is currently reviewing the responses received to date, and second requests have been sent to those managers who have not responded.

✓ Public Market Managers were asked to complete Risk Assessment Questionnaires, which included requests for Y2K information.

✓ADV-Y2K Forms were requested from Public Market Managers. This form is specific to Y2K and is required by the U.S. Securities and Exchange Commission (SEC) to be filed by registered investment advisors. The SEC required that the form initially be filed by December 7, 1998, with a subsequent filing to be made by June 7, 1999. The second filing updates the first and will also be re-

quested by SERS.

✓ Real Estate Managers were asked to complete a Y2K Questionnaire.

✓ Private Equity Managers were asked to complete a Y2K Questionnaire.

✓ Securities Industry Association (SIA) Testing Results will be requested from the appropriate managers. (SIA is coordinating the Y2K testing effort for the securities industry. Industry-wide testing is scheduled for the months of March and April 1999, with results to be released in late April.)

The agency also will be working with the Governor's Office of Information Technology to develop a contingency plan for addressing any Y2K problems that may occur with systems originally thought to be compliant. The scheduled date for completion of the plan is September 30, 1999. The plan will cover benefit payments, contribution processing, investment trading and building maintenance.

The total anticipated cost for SERS's Y2K-specific computer system upgrades through fiscal year 1999-00 is \$578,900. □

This report, as originally issued March 3, 1999, to the state House Appropriations Committee, constitutes a "Year 2000 Readiness Disclosure" as defined by the Year 2000 Information and Readiness Disclosure Act, Pub. L. 105-271 (the Act). It includes information supplied by other entities regarding the products and services they offer, which are "republications" as defined by the Act. SERS has not independently verified the contents of these republications and assumes no responsibility for their accuracy or completeness.

### **30-and-out** Continued from front page

## A Comparison

### 30-and-out Window Estimate vs. Early Retirement Estimate

The following estimate shows benefits on a June 30, 1999, 30-and-out window retirement and a July 2, 1999, early retirement (without benefit of the window). The estimate is *for illustration purposes only*. Please contact your regional Retirement Counseling Center if you are interested in having your personal 30-and-out estimate calculated. Data assumed for estimate: Date of Birth: November 11, 1949; Sex: Male; Normal Retirement Date: June 30, 2004, when the member would superannuate based on service (35 years) rather than age.

when the member would superannuate based on service (33 years	For June 30, 1999 With Window	For July 2, 1999 No Window
Service Projected To:	30.0000 years	30.0000 years
Final Average Salary:	\$ 40,000.00	\$ 40,000.00
Projected Member Contributions and Interest:	\$ 39,500.00	\$ 39,500.00
Options with NO Withdrawal of Member's Money		
Maximum Retirement	\$ 2,000.00	\$ 1,498.30
This option provides the maximum monthly benefits to		
you for life. If you die before receiving in payments an		
amount equal to your total accumulated deductions, the	\$ 1,909.86	\$ 1,430.90
balance will be paid to your beneficiary(ies).		
Option 1 Retirement		
This option provides reduced monthly benefits to you		
for life. A Present Value is placed on your account. All		
payments you receive are subtracted from the Present		
Value. Any balance remaining at the time of your death		
will be paid to your beneficiary(ies).		
Option 1 Present Value:	\$401,056.73	\$300,602.77
Options Adjusted for a <u>TOTAL</u> Withdrawal of	\$ 39,500.00	\$ 39,500.00
Contributions and Interest		
<u> Adjusted – Maximum Retirement</u>	\$ 1,803.73	\$ 1,302.03
This option provides the maximum monthly benefits to	,	, ,
you for life. When you take a total withdrawal there is		
no death benefit payable.		
Adjusted - Option 1 Retirement	\$ 1,722.33	\$ 1,243.35
This option provides reduced monthly benefits to you		
for life. A Present Value is placed on your account. All		
payments you receive are subtracted from the Present		
Value. Any balance remaining at the time of your death		
will be paid to your beneficiary(ies).		
Adjusted Option 1 Present Value:	\$361,556.73	\$261,102.27

#### **Notes:**

The current 30-and-out early retirement window will close on June 30, 1999.

Various factors affect retirement benefit calculation, including Final Average Salary, years of credited service and early retirement withdrawal factors. Also, as a member nears Normal Retirement Age (usually age 60), early retirement reduction factors are lessened.

Contact the Social Security Administration (SSA) regarding the impact early retirement may have on your future Social Security benefits. Contact the SSA by telephone toll-free at 1-800-772-1213 or via the Internet at www.ssa.gov