

WELCOME

Today's Program is Being Sponsored
by

**Central-Western Region
PSEA-Retired**

<https://centralwestretired.psealocals.org>

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Pennsylvania State Education Association
PSEA

Pennsylvania State Education Association Retired
PSEA-Retired

Pennsylvania School Employees Retirement System
PSERS



Have You Thought About...

***Why Should You Join
PSEA-Retired?***

3

B



Have You Thought About...

***PSEA & PSEA-Retired are
doing constant battle to
Protect Your Pension?***

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Have You Thought About...

PSEA-Retired and Your Pension

- You will be part of the “Group Effort” waged locally, and state-wide to protect your pension.
- PSEA & PSEA-Retired monitor your pension system so we don't have to



Have You Thought About...

What Happens if a Former Student Sues You?

Who will be there for you?

PSEA's Legal Services

Have You Thought About...

PSEA's Legal Benefits

- ➔ **2 - 1/2 hour free sessions each year**
- ➔ **Reduced cost for services provided by a PSEA-authorized attorney**



Substituting in Your Future?

NEA Professional Liability Insurance
Included in your PSEA-Retired
Membership



Have You Thought About...

PSEA & NEA

Member Benefits Programs?

- Car, Life & Homeowners Insurances
- Discounts at Verizon Wireless
- Dental & Vision Insurance
- Travel Discounts, esp at NEA
- Shopping Discounts, **PSEA ACCESS**
- **MyDeal** App



Have You Thought About...

How You Will Stay Informed?

The Voice (PSEA's Newsletter)

The Statement (PSEA-Retired's Newsletter)

NEA Today (NEA-Retired's Newsletter)

C-W Region PSEA-R Newsletters

C-W Region PSEA-R's Website

Have You Thought About...

*When Should You Join
PSEA-Retired?*

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NOW



Membership Options

► Pre-Retirement

- Life Membership

► At retirement

- Life Membership

- Annual Membership

Why Join NOW...

➔ Join now as a Pre-Retired Member

- Avoid rate increases.
- A PSEA-Retired Life Membership costs **less** than the yearly rate you pay while working.
- *A Life Membership (pays for itself in **10-years.**)*



Pre-Retirement Application

DUES RATES VALID SEPTEMBER 1, 2024 -AUGUST 31, 2025

RETIRING PROFESSIONALS (EA)

I would like to join as: (✓) CHECK ONE OPTION ONLY

- PRE-RETIRED UNIFIED LIFE MEMBER (total dues enclosed 813)
- PRE-RETIRED UNIFIED LIFE MEMBER (payments split into four installments of \$203.25 over a two-year period; first payment due with enrollment)
- CURRENTLY A PSEA LIFE MEMBER (NO FEE necessary for PSEA-Retired Life)
Join Local Retired Life and NEA Retired Life (total dues enclosed \$375)

RETIRING SUPPORT (ESP)

I would like to join as: (✓) CHECK ONE OPTION ONLY

- PRE-RETIRED UNIFIED LIFE MEMBER (total dues enclosed \$518)
- PRE-RETIRED UNIFIED LIFE MEMBER (payments split into four installments of 129.50 over a two-year period; first payment due with enrollment)
- CURRENTLY A PSEA LIFE MEMBER (NO FEE necessary for PSEA-Retired Life)
Join Local Retired Life and NEA Retired Life (total dues enclosed \$255)



Pennsylvania School Employee Retirement System

- Overview of what to do before you retire
- Making your option choices
- What about Healthcare?

REALITIES OF RETIREMENT

Have You Thought About...

Reviewing PSERS's

“Countdown To Retirement”?



Have You Thought About ...

➤ **Creating a PSERS MSS Account**

<https://www.psers.pa.gov/MSS/Pages/default.aspx>

- Use your PSERS's ID found on any correspondence from PSERS
- Social Security Number
- Date of Birth



Attend a *Foundations for Your Future* Program start time 4:30, must register.

Cambria 3/19/2025 – Adm Perry VTS

Indiana 3/24/2025 – Kovalchick Athletic Ctr

Armstrong 3/25/2025 – Belmont Complex

Cambria 7/15/2025 – Adm Perry VTS 10:00am

Two Years from Retirement

- **Attend a FFYF Program**
- **Apply to purchase any approved uncredited service**
- **If your marital status has changed divorce (DRO)**



Are you retiring within the current year

- Request a staff prepared PSERS Retirement Estimate
- Contact your employer to discuss benefits
- Follow your contract and any employer's requirements concerning the notification for retirement.



Are you retiring within the current year

- ▶ **Consult a financial professional and your tax consultant.**
- ▶ **If 62, you will want to consult the Social Security Administration**
- ▶ **If 65+, call the Medicare office**
- ▶ **Schedule a PSERS Exit Counseling with your PSERS regional office and attend the Exit Counseling session**
- ▶ **Join PSEA-R !**



Requirements for **Normal** Retirement

Class T-C and T-D

- ▶ 35 years of service enrolled in PSER's
- ▶ Age 60 and have 30 or more years of credit service
- ▶ You are age 62 with at least one (1) full year of credited service at the time you terminate active or inactive service.

Class T-E and T-F

- ▶ "Rule of 92" – Age plus years of service
i.e. $35 + 57 = 92$
(Years of service + Age)
- ▶ You are age 65 with at least three (3) full year of credited service at the time you terminate active or inactive service.



Membership Class	Qualification	Benefit
T-C* or T-D	At least 5 years of credited service	Vesting or Deferring Retirement (Postponing receipt of your benefit)(opens in a new tab)
T-E, T-F, T-G, or T-H	At least 10 years of credited service	
T-C, T-D, T-E, T-F, T-G, or T-H	At least 5 years of credited service; meet medical eligibility and application submission requirement	Disability Retirement** (opens in a new tab)
T-C* or T-D	At least 5 years of credited service (Age 55 with 25 years of service with 3% - 15% maximum reduction)	Early Retirement (Age Penalty Applied)(opens in a new tab)
T-E, T-F, T-G, or T-H	At least 10 years of credited service	
T-C or T-D	35 years of service regardless of age, or age 62 with 1 year of service, or age 60 with 30 years of service	
T-E or T-F	Age 65 with at least three (3) years of credited service, or any age/service combination that totals 92 ("Rule of 92") with a minimum of 35 years of service. Example: A member age 57 with 35 years of credited service (57 [age] + 35 [service] = 92) would total 92 and, therefore, would be superannuated.	Normal Retirement (Superannuation)(opens in a new tab)
T-G	Age 67 with at least three (3) years of credited service, or any age/service combination that totals 97 ("Rule of 97") with a minimum of 35 years of service. Example: A member age 62 with 35 years of credited service (62 [age] + 35 [service] = 97) would total 97 and, therefore, would be superannuated.	
T-H	Age 67 with at least three (3) years of credited service.	



Alternative Choices for Retirement

- ▶ Special **Early** Retirement – Age must be 55 with 25 years of service. Penalty is $\frac{1}{4}$ of 1% for each month to reach one of the normal retirement requirements. Max penalty is 15%.
- ▶ Vesting – leaving all funds in PSERS until normal retirement age or number of years. You will need to have 5 years or 10 years depending on your PSER's classification.



A PSERS account consists of:

**Post- 1986 Taxable at the
Federal Level**

(Not taxed in Pennsylvania)

- **Your contributions**
- **School & State Contribution**
- **+4% interest earned annually**



What is the Lump Sum?

- **Your contribution**
- **Plus, 4% interest earned annually on your contributions**
- **You may withdraw all, part or none of this amount.**



Section 4 Withdrawal of Contributions and Interest

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Do you want to withdraw money? *(Must check one)*

- NO (go to Section 5 - Monthly Payment Plan)
- YES (continue below)

WHAT amount do you want to receive?	WHERE do you want your funds distributed?
<input type="checkbox"/> Total Contributions & Interest	Tax-free Withdrawal <i>(Only choose one)</i>
- or -	<input type="checkbox"/> Pay to me
<input type="checkbox"/> \$ _____ Specific Amount	<input type="checkbox"/> Directly roll over
- or -	Taxable Withdrawal
<input type="checkbox"/> Tax-free Withdrawal Only	<input type="checkbox"/> Pay to me
	<input type="checkbox"/> 100% of the taxable amount
	<input type="checkbox"/> Specific amount \$ _____
	<input type="checkbox"/> Directly roll over
	<input type="checkbox"/> 100% of the taxable amount
	<input type="checkbox"/> Specific amount \$ _____



Have You Thought About...

*Which PSERS Option
Is Right For You?*



5 - Monthly Payment Plan *(Must check one)*

<input type="checkbox"/> Maximum Single Life Annuity	<p>This provides the maximum monthly benefit amount available. If at the time of your death you have not received an amount equal to your contributions and interest, then the balance is paid to your beneficiary(ies). Under this option, you may name more than one beneficiary and you can change your beneficiary(ies) at any time. If the <i>Nomination of Beneficiary</i> is left blank, PSERS will use the beneficiary information already on file. <i>(Name at least one beneficiary in Section 7.)</i></p>
<input type="checkbox"/> Option 1	<p>Your monthly benefit is reduced and a present value is assigned to your account at retirement. If at the time of your death you have not received in monthly benefits an amount equal to your account's present value at the time of retirement, then the balance is paid to your beneficiary(ies). Under this option, you may name more than one beneficiary and you can change your beneficiary(ies) at any time. If the <i>Nomination of Beneficiary</i> is left blank, PSERS will use the beneficiary information already on file. <i>(Name at least one beneficiary in Section 7.)</i></p>
<input type="checkbox"/> Option 2	<p>Your monthly benefit is reduced based on your age and the age of your survivor annuitant at retirement. At the time of your death, the same monthly benefit is paid to your survivor annuitant throughout his/her lifetime. Under this option you may name only one survivor annuitant. <i>(Name one survivor annuitant in Section 8, and submit proof of his/her birth date with this application.)</i></p>
<input type="checkbox"/> Option 3	<p>Your monthly benefit is reduced based on your age and the age of your survivor annuitant at retirement. At the time of your death, one-half of your monthly benefit is paid to your survivor annuitant throughout his/her lifetime. Under this option, you may name only one survivor annuitant. <i>(Name one survivor annuitant in Section 8, and submit proof of his/her birth date with this application.)</i></p>
<input type="checkbox"/> Customized Option	<p>You will receive a monthly payment for life based on a plan of your own actuarially equivalent design other than those listed above. This plan must be approved by PSERS.</p> <p><i>Check one:</i></p> <p><input type="checkbox"/> Special Option _____% <i>(Name one survivor annuitant in Section 8 and submit proof of his/her birth date with this application)</i></p> <p><input type="checkbox"/> Other <i>(attach description of your plan request)</i></p>

You must select one and only one option. If you elect an option other than Option 1, your option selection will not become effective until your effective date of retirement. If, however, your death occurs prior to your effective date of retirement, PSERS will presume that you elected Option 1, with the person(s) designated in the **Primary Beneficiary** or **Survivor Annuitant** section, as applicable, to be the beneficiary(ies) of your death benefit.



Making your option choices

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Your Lump Sum stays in PSERS	Take a partial withdraw	You take your Lump Sum out
Maximum Single Life Annuity (Ave Salary x 2.5 x yrs of service) DB		Maximum Single Life Annuity
Option 1 – “Present Value” decreasing death benefit 18 years DB		Option 1 - “Present Value” decreasing death benefit 18 years DB
Option 2 – 100% for Survivor		Option 2 – 100% for Survivor
Option 3 – 50% for Survivor		Option 3 – 50% for Survivor
Customized Option subject to PSERS conditions		Customized Option subject to PSERS conditions



Before you decide which option – Beware of the “Widow Penalty”

Upon the Death of the First Spouse

- One Social Security Check stops
- Potential reduction in retirement income
- Go from Joint filer to single filer
- Lose one standard deduction
- Joint to single filer for Medicare premium calculation

Increase in Taxable Income

- Higher tax liability
- Increase taxability of Social Security Benefits
- Increase Medicare Premiums
- Phase out of deductions and other tax benefits



Before you decide which options – take into account:

- **Your unique situation** - single, married, children, special circumstances
- **Your Goals** – are you moving to something or away from something?
- **Your family's financial situation** – future finances – be sure you plan for what may come your way.
- **Health concerns** – Medicare, what may happen later in life – will you always be able to take care of yourself? (Assisted living, long-term care)

Before you decide which options –

- **When is the best time for you to start drawing Social Security?**
- **When should you start to dip into your retirement savings?**
- **Legacy – Are you planning to leave anything to your children, grandchildren or a charity?**
- **What effect will your pension and retirement savings have on taxing your Social Security?**

(Tax Torpedo)



Taxes on Pension, Social Security, 403(b) & IRA withdrawals & RMD

- **Federal** – Pension, Social Security, RMD, Capital Gains, Interest & Dividends of non-tax-sheltered money
- **State** – pensions & Social Security are not taxed in Pennsylvania
- **Local** – check out the income and wage thresholds, at some point you may not be required to continue to pay these



Effect of Required Minimum Distribution (RMD) on Taxes

Think Taxes on Pension, Interest, RMD, and Social Security

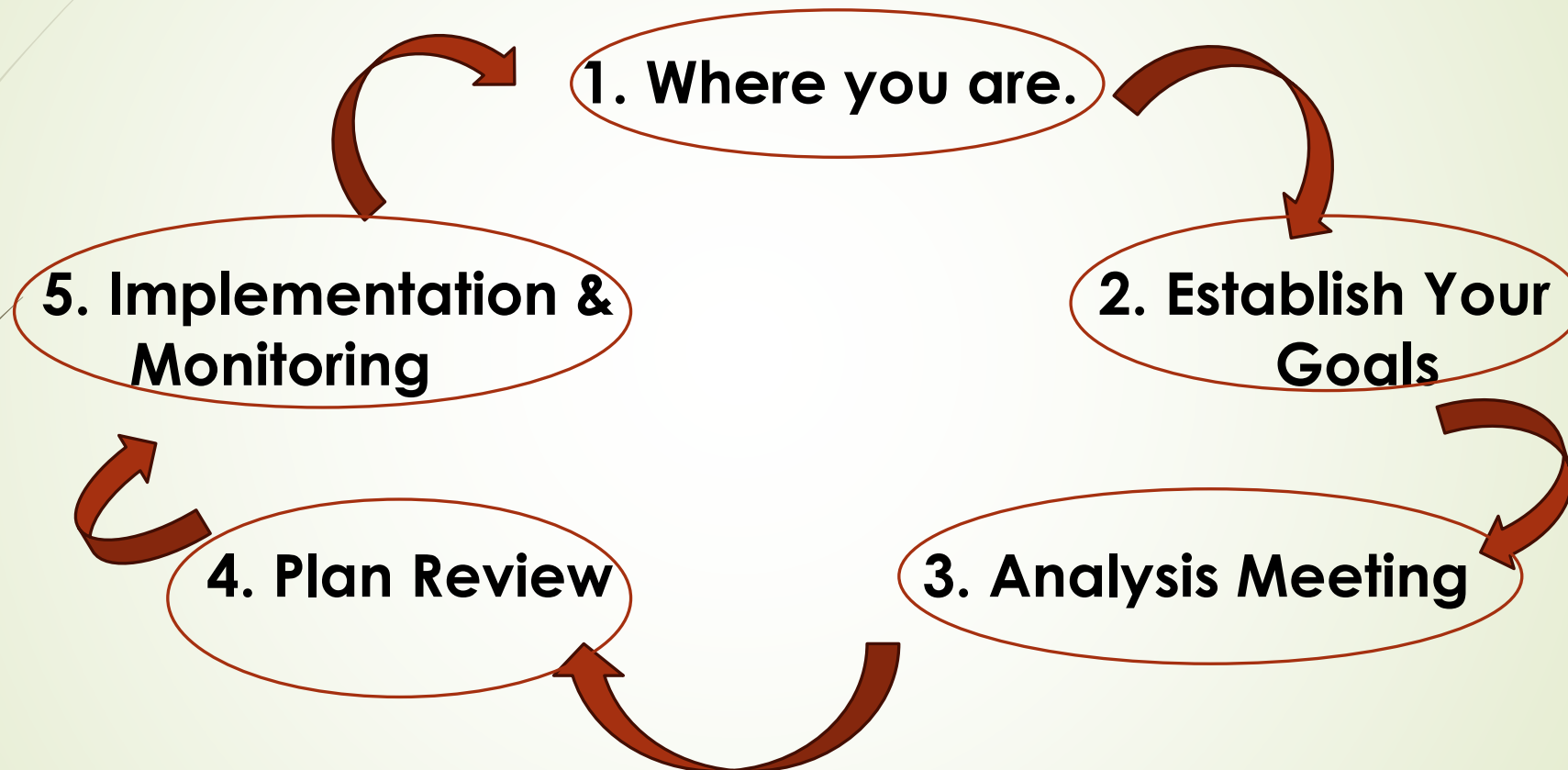
Age	Amount in IRA	Amount of RMD	20% tax
73	100000.00	3773.58	754.72



Before you decide which options -

- *Be sure when you talk to a financial professional these things are discussed and taken into account when you choose your options.*
- *There are creative methods:*
 - *To protect you or your spouse in case of early death*
 - *To maximize your retirement savings with tax efficiency and asset protection*
 - *To leave a legacy to your children and grandchildren*

Planning Process



The 4 Corners of Financial Fitness

Cash Management & Liabilities	Protection
Investments	Tax & Estate Planning Strategies

Have You Thought About...

Hospitalization Insurance?

- *What will it cost?*
- *Where will you get it?*
- *How will it change over time?
(Medicare & Supplements at 65)*



Premiums, Co-pays & Deductibles

- All of these are **paid by you** in retirement.
- Your **contract** may provide money to cover premiums for some period.
- Depending on where you get your healthcare insurance you may be eligible for **PSERS Premium Assistance.**
- **At 65, Medicare supplemental insurance** should help with deductibles and co-pays that are incurred through Medicare insurance



Where to get healthcare Insurance?

- Your School District
- PSER's HOP – Pension System
<https://www.hopbenefits.com>
- Spouse – Company's Insurance
- Private Sector Healthcare Insurance Plans
- Market place – Affordable Care Act
- Pennie Plan -
<https://pennsylvaniahealthcoverage.org/>

Staying in your District's Plan

Act 110 – Until age 65

- ▶ **Act 43 (1989) amended Act 110 by defining those retirees eligible for continuation of group coverage as those who**
 - ▶ Took superannuation (normal) retirement on or after age 62 **OR**
 - ▶ Retired with thirty (30) years of service, **OR**
 - ▶ Were receiving PSERS disability benefits



What Is
Premium Assistance?
And
How do You Qualify?



What is Premium Assistance?

► Premium Assistance

Up to \$100 reimbursement per month to assist with out-of-pocket HealthCare Insurance **premium** payments

Requirements (meet any one)

- You have at least **24.50 years** of credited service regardless of age.
- **Membership T-C & T-D:** You terminate school employment and retire at or after reaching **age 62** with at least **15.00 years** of credited service.
- **Membership T-E & T-F:** **Age 65 with at least 15 years** of credited service if you first became a school employee and an active member or a multiple service member on or after **July 1, 2011**.
- You are receiving a **disability retirement** benefit from PSERS.



Where you buy insurance is important?

(Eligible for Premium assistance)

- ▶ Keep your plan with your school district
- ▶ PSER's HOP Under 65 program
- ▶ Medicare if 65+ -Choose PSER's HOP as supplement to Medicare or a HOP Advantage Plan

(Not Eligible for Premium assistance)

- ▶ Choose to go on your spouse's healthcare plan
- ▶ Purchase Healthcare from private sector



Dental and Vision Coverage

- ▶ Purchase through your district
- ▶ PSEACare - Dental & Vision Plan - PSEA-R
- ▶ PSEA Vision Plan
- ▶ PSERS Dental & Vision for Medicare age members with a HOP Plan



Have You Thought About...

*How Will Your Health
Change Over Time?*



Have You Thought About...

Possibly needing special care

Assisted Living

or

Long-Term Care



Have You Thought About...

What Happens When You Turn 65?

Medicare!!

Call Medicare **3 months** before your birthday
PSERS will contact prior to your birthday

<https://www.medicare.gov>



Have You Thought About...

Creating a Budget
&
Sticking to it?

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Benefits of Having a Budget

- **Helps you to know when you can afford to retire (maybe even if...)**
- **Provides peace of mind as you take the giant step into living on a fixed income.**
- **Allows you to plan and save for new expenses. (Financial Security)**



Have You Thought About...

What Should be Included in Your Budget?

<https://investor.vanguard.com/tools-calculators/retirement-expenses-worksheet>



Creating a Budget

- **Where do I get the numbers?**
 - Checkbook stubs
 - Credit card statements
 - Financial software, i.e. Quicken, Money, etc.
- **Will I need to review and revise my budget?**
 - How often?
 - In line with inflation?



Have You Thought About...

*How Often Should You
Plan to Revise Your
Budget?*

or

*How Long You
May Need to Follow It?*



Have You Thought About...

Who Pays the Bills in your Household?

What's your backup plan if something happens to that person?

**Be sure you know the monetary details!*



Have You Thought About Inflation?

How do you Pay for it on a Fixed Income?

- COLA – PSEA is always trying to secure one for retirees
- Return on Investments

Have You Thought About...

What Your Family May Need From You?

Elder Care for Parents?

Financial Help for Children?



Have You Thought About...

Working in Retirement?

*How much can you earn each
year?*



Have You Thought About...

Substitute Teaching?

***If so, protect yourself -
NEA's Liability Insurance!***



Have You Thought About...

What does

24 - 7 - 365

Mean to Retirees?

61



Have You Thought About...

*How Important it is to
Communicate
With Your Spouse?*

62

*It may be more important than when you were
both working!*



Have You Thought About...

Spending Time Alone or Away From Your Spouse?

***Breaks from each other
can do wonders!***



Have You Thought About... *Staying Active?*

- ***Physically - post 65 Silver Sneakers***
- ***Mentally - new interests, hobbies, classes***
- ***Socially – travel, go for lunch with friends***
- ***Emotionally – stay engaged***



Have You Thought About...

Giving Yourself Time to Just Enjoy Not Working?

65

*A year with minimal responsibilities will do
wonders!*



Have You Thought About...

Commitments You Will Take On in Retirement?

66

Don't over commit!



Have You Thought About...

Making a Bucket List?

*If you are married,
compare your lists!*



Have You Thought About...

Down-Sizing?

- **Why?**
- **Is it right for you?**
- **When & How?**

Have You Thought About...

Estate Planning?

- *Lowering stress for your heirs takes planning on your part.*
- *Helps with tax efficiency*
- *Share the risk of an early death*



Have You Thought About...

- *A Will?*
- *A Living Will?*
- *A Power of Attorney?*
(Durable and Medical)
- *Are your important papers up to date?*
- *Where are they?*

Have You Thought About...

*Who are your Beneficiaries
on*

- *Your Insurance Policies?*
- *On Your Pension Plan?*
- *Your investments?*



Have You Thought About...

Funeral Arrangements?



Have You Thought About...

- **Non-financial considerations, these will most likely impact your financial situation.**



Have You Thought About...

- **You only get one chance to get your retirement right!**
- **Have you done a comprehensive analysis? (Set goals for retirement, your current situation, and protection)**



Have You Thought About...

- ➔ Do you have a strategy?
- ➔ Or is hope your plan?



Retirement, So Close You Can Almost Smell It!

- **Designed for 2024-2025 retirees**

- **Date: Wednesday January 15, 2025**
- **Hoss's Steak & Seafood Restaurant**
 - 441 Theater Drive
 - Johnstown, PA 15904

- **Session will be from 6:00 - 8:00 pm**
- **Arrive at 5:00 pm to eat dinner at your own expense, sorry!**

- **Flyer is available at our website**
 - <https://centralwestretired.psealocals.org/Home.aspx>



Retirement, So Close You Can Almost Smell It!

- **Designed for 2025-2026 retirees**
- **Date: Thursday June 12, 2025**
- **PSEA Johnstown Office**
 - 330 Bloomfield Ave
 - Johnstown, PA 15904
- **Session will be from 10:00 am – 12 noon**
- **Flyer is available at our website**
 - <https://centralwestretired.psealocals.org/Home.aspx>



So, You Want to Retire?

Future Dates Tonight's Workshop will be Repeated

- **January 21, 2025**
- **February 19, 2025**
- **March 31, 2025**



PSERS Feedback Form

➤ <https://psersapps.pa.gov/FeedBack/FeedBack.aspx>



Questions

centralwesternretired@gmail.com

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<https://centralwestretired.psealocals.org/ReadytoRetire.aspx>



THANK YOU FOR ATTENDING

***YOU WILL BE RECEIVING AN EMAIL
WITH AN APPLICATION TO JOIN PSEA-
RETIRED AND LINKS USED IN THIS
PRESENTATION.***

