

PSERS Membership: PSERS is a Defined Benefit retirement plan, which means your retirement benefit is determined by a defined formula. PSERS' basic formula to calculate retirement benefits is based on a pension multiplier, your credited years of service, and your final average salary.

All full-time employees must become members of PSERS and must make retirement contributions. "Full-time," for retirement purposes, is defined as employees who work 5 or more hours a day, 5 days a week or its equivalent (25 or more hours a week), even if your employer considers you to be part-time.

Part-time salaried employees qualify for PSERS membership as of their first day of employment and must have retirement contributions withheld.

Part-time hourly and part-time per diem employees must meet minimum service requirements to qualify for PSERS membership (500 hours or 80 days). Once you meet membership requirements, subsequent service is qualified service unless there is a break in membership.

Employers may opt to withhold retirement contributions for part-time hourly and per diem employees beginning with the first day of employment. Once you meet PSERS membership eligibility requirements, your employer must withhold PSERS retirement contributions.

All part-time employees may waive membership in PSERS. To qualify for the waiver, the part-time employee must have an Individual Retirement Account and request a waiver within the first school year they qualify for PSERS membership. When you waive membership in PSERS, you forfeit all future rights to benefits for that waived school year.

NOTE: If you are currently a PSERS retiree, your monthly benefit will stop upon re-employment unless you are hired under emergency or extracurricular employment (the provisions of Act 2004-63).

Membership Class of Service: The law governing PSERS sets the terms of membership classes. Your membership class is determined by the date you become a member of PSERS and the class election you make.

For school employees who become new members of PSERS on or after July 1, 2011, there are two membership classes: Class T-E and Class T-F. New members automatically become Class T-E members, but have a one-time opportunity to elect Class T-F membership. PSERS will mail information and an election ballot to your home address. To elect Class T-F, you must return the ballot within 45 days of the date of notification.

If you previously were a Class T-C or Class T-D member, in your new period of employment you will be a Class T-D member.

Employee Contribution Rate: Employee Contribution rates are based on a member's date of hire and class of service and are set by law.

The contribution rate for Class T-E members is 7.50% (base) with "shared risk" provision that could cause the total contribution levels to fluctuate between 7.50% and 9.50%. The contribution rate for Class T-F members is 10.30% (base rate) with "shared risk" provision that could cause the total contribution levels to fluctuate between 10.30% and 12.30%. With a "shared risk" program, you benefit when investments of the fund perform well and share some of the risk when investments underperform. The employee contribution rate may not go below the base rate of 7.50% for Class T-E and 10.30% for Class T-F members.

The contribution rate is set at 7.50% for Class T-D members enrolled on or after July 1, 2001.

Contributions are not included as part of your gross income for federal tax purposes; they are federally tax-deferred.

Benefit Eligibility upon Termination of Employment - Class T-E and Class T-F:

<i>Benefit</i>	<i>Requirement</i>
Refund of Contributions and Interest	Under age 65 with fewer than 10 years of service
Disability Retirement	5 years of service and medical eligibility
Vesting (deferring retirement)	10 or more years of service
Early Retirement	10 or more years of service at any age
Normal Retirement (Superannuation)	Age 65 with 3 years of service; or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Benefit Eligibility upon Termination of Employment - Class T-D:

<i>Benefit</i>	<i>Requirement</i>
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PSERS Communications: When you become a new member of PSERS, PSERS will mail you a *Welcome Packet*. This *Welcome Packet* will include an *Active Member Handbook*, a *Nomination of Beneficiaries* (PSRS-187) form, and an *Application for Multiple Service Membership* (PSRS-1259). Please keep this handbook for future reference. If applicable, you will also receive a *Class T-F Election Packet*. If you are an active member of PSERS, you may be eligible to apply to purchase service credit. Certain types of service credit purchases have time restrictions. Please refer to your member handbook for additional details.

Naming a Beneficiary: After you are enrolled as a member of PSERS, you should designate a beneficiary(ies) to receive any benefits you have accrued if you die prior to retirement. You will receive a *Nomination of Beneficiaries* form (PSRS-187) with your *Welcome Packet* from PSERS. A new *Nomination of Beneficiaries* (PSRS-187) must be filed with

