

# MANAGEMENT DIRECTIVE

## Commonwealth of Pennsylvania Governor's Office

<b>Subject:</b> State Employees' Retirement System, Regional Counseling Centers	<b>Number:</b> 570.13 Amended
<b>Date:</b>  April 7, 2014	<b>By Direction of:</b>  David E. Durbin, Executive Director State Employees' Retirement System
<b>Contact Agency:</b> State Employees' Retirement System, Bureau of Member Services, Telephone 1.800.633.5461 ext. 8274	

**This directive establishes policy, responsibilities, and procedures for which employers and members should work with the State Employees' Retirement System (SERS) Regional Counseling Centers for retirement purposes. Marginal dots have been excluded due to major changes.**

### 1. PURPOSE.

- a. To establish policy, responsibilities, and procedures for employers and members with regard to retirement and related matters for which they should work with SERS' Regional Counseling Centers.
- b. To meet SERS' responsibility to administer the *Retirement Code* in accordance with existing laws passed by the General Assembly, its fiduciary obligation to SERS members and its commitment to provide consultation and guidance to member agencies on all matters regarding SERS.

**2. SCOPE.** This directive applies to all departments, boards, commissions, and councils (hereinafter referred to as "agencies") under the Governor's jurisdiction that have employees who are members of SERS. This policy shall be interpreted in accordance with the *Retirement Code*. Accordingly, SERS' policy and the responsibilities and procedures set forth herein are the same for all SERS employers and members.

### 3. OBJECTIVES.

- a. To ensure that employers make appropriate referrals.

- b. To ensure that active and retired members are provided with the most accurate and complete retirement-related information in a timely manner.

#### 4. DEFINITIONS.

- a. **Accumulated Deductions.** The total of a SERS member's contributions plus credited interest earned on those contributions.
- b. **Actuarial Reduction.** A method of purchasing creditable service or satisfying a debt that permits a SERS member to reduce their initial present value at the time of retirement in lieu of making payroll deduction, lump sum, or other out-of-pocket payment (also known as "actuarial debt").
- c. **Beneficiary.** The person or organization who was last designated by a SERS member, in writing to the SERS Board, to receive any death benefit that may be payable.
- d. **Creditable Service.** The service for which a SERS member has made or may make contributions to SERS including, for example: prior state service, military service, out-of-state and federal service in public school education, cadet nurse corps service, certain types of other governmental service, community college service prior to July 1, 1971 and justice of the peace service prior to January 1, 1970.
- e. **Credited Interest.** The interest that SERS members' contributions accrue at four percent per year, compounded annually (also known as "statutory interest").
- f. **Credited Service.** One of the factors that determine a SERS member's eligibility for a retirement benefit as well as the amount of the benefit provided. Generally 1,650 hours in a calendar year is credited as one year of state service.
- g. **Designated Survivor.** The person who was last designated, in writing to the SERS Board, by a member to receive a lifetime annuity upon the member's death when retiring under Options 2, 3, or 4 with a joint and survivor annuity.
- h. **Disability Retirement.** A situation through which a SERS member may qualify for an unreduced retirement benefit annuity, payable if the SERS Board determines a member is physically or mentally unable to perform the duties of their position.
- i. **Eligible Employee.** An employee who serves in a position that requires him/her to be a mandatory member or allows him/her to become an optional member of SERS as outlined in [Management Directive 570.1, Mandatory Membership in the State Employees' Retirement System](#) and [Management Directive 570.6, Optional Membership in the State Employees' Retirement System](#).
- j. **Purchase of Service Credit.** The act of making contributions by actuarial reduction, payroll deduction, or lump sum payment to increase the total number of years of service that are used to determine vesting in SERS and the member's annuity, death benefit, etc.

- k. Regional Counseling Centers.** The offices located throughout the commonwealth to provide assistance and information to SERS members. To provide convenient, on-site service, centers are based on concentrations of members in specific geographic areas and serve as the hub for counseling/outreach operations. Active members whose work locations are and retired members who live in the following counties:
- (1) Region 1 - Seneca Regional Counseling Center.** Armstrong, Butler, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Venango, and Warren.
  - (2) Region 2 - Pittsburgh Regional Counseling Center.** Allegheny, Beaver, Western Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland.
  - (3) Region 3 - State College Regional Counseling Center.** Bedford, Blair, Eastern Cambria, Centre, Clearfield, Franklin, Fulton, Huntingdon, Juniata, and Mifflin.
  - (4) Region 4 - Montoursville Regional Counseling Center.** Bradford, Cameron, Clinton, Columbia, Lycoming, Montour, Northumberland, Potter, Schuylkill, Snyder, Sullivan, Tioga, and Union.
  - (5) Region 5 - Wilkes-Barre Regional Counseling Center.** Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Susquehanna, Wayne, and Wyoming.
  - (6) Region 6 - Bensalem Regional Counseling Center.** Berks, Bucks, Chester, Delaware, Lancaster, Montgomery, Philadelphia (including the following): Port Authority Transit Corporation, Delaware River Joint Bridge Commission, and Delaware River Port Authority.
  - (7) Region 7 - Harrisburg Regional Counseling Center.** Adams, Cumberland, Dauphin, Lancaster, Perry, and York.
- i. Retirement Code.** The Pennsylvania statute that authorizes and controls the administration, policies, and procedures of SERS as well as the rights and benefits of its members. The *Retirement Code* is set forth at 71 Pa.C.S. §§5101-5957.
- m. SERS.** The organization created by the *Retirement Code* to administer retirement benefits for Pennsylvania state employees, including overseeing the pension system and, under the authority of the State Employees' Retirement Board, pursuant to the Act of November 6, 1987, P.L. 394, No. 81, § 2, 72 P.S. § 4521.2, managing the optional deferred compensation program.
- n. SERS Member.** An active member, inactive member, annuitant, vestee, or special vestee who is making, or has at any time, made contributions to the SERS fund. Eligibility for membership in SERS is specified in [Management Directive 570.1, Mandatory Membership in the State Employees' Retirement System](#) and [Management Directive 570.6, Optional Membership in the State Employees' Retirement System](#).

**n. Uncredited State Service.** The service that meets the criteria for state service "creditable service" (above) earned by a SERS member that has not previously been credited to a member's account.

**5. POLICY.** Most of SERS' direct member services are provided through the SERS' Regional Counseling Centers. Agencies, Agency Human Resources Offices, and the Human Resources Service Center (HRSC), should direct SERS member employees who have questions or concerns to the appropriate SERS' Regional Counseling Center.

**6. RESPONSIBILITIES.**

**a. Agency Human Resources Office shall:**

- (1) Follow the HRSC and/or the Agency Human Resource Office's procedures, as appropriate, for separating employees.
- (2) Certify if a separating member has any debt to the agency.
  - (a) For non-vested members, complete and return the "Debt Verification Form" (Form SERS-252) to the appropriate SERS' Regional Counseling Center.
  - (b) For vested members, follow the HRSC and/or the Agency Human Resource Office's procedures for submitting an agency debt claim.
- (3) Refer members with retirement or SERS related questions to the appropriate SERS' Regional Counseling Center.
- (4) When an employee is separated from state service, regardless of the nature of the termination and regardless of whether the employee is vested or eligible for retirement, notify the member that he/she should promptly contact the appropriate SERS' Regional Counseling Center for proper counseling.

**b. HRSC shall:**

- (1) Refer members with retirement or SERS' related questions to the appropriate SERS' Regional Counseling Center.
- (2) Process employee separations according to HRSC policy and procedures.
- (3) When an employee is separated from state service, regardless of the nature of the termination and regardless of whether the employee is vested or eligible for retirement, notify the member that he/she should promptly contact the appropriate SERS' Regional Counseling Center for proper counseling.

**c. SERS' Regional Counseling Centers shall:**

- (1) Provide individual retirement counseling to all active, inactive, retired, and vested members within the scope of the program.

- (2) Coordinate with employers to ensure that members are aware that counseling services are available to all members of the system.
- (3) Be available whenever possible to provide information to members as part of employer orientation or information programs.
- (4) Assist with and ensure complete, accurate, and timely preparation and submission of all retirement-related documents.
- (5) Provide assistance and death benefit information to beneficiaries and designated survivors.

## **7. PROCEDURES.**

### **a. Apply for Retirement – Active Members.**

- (1) **Agency Human Resources Office and/or HRSC.** Refers member to the appropriate SERS' Regional Counseling Center.
- (2) **SERS' Regional Counseling Center.**
  - (a) Encourages member, if he/she has not already done so, to notify his/her Agency Human Resources Office prior to retirement and to utilize agency termination procedures.
  - (b) Obtains projected retirement date, provides initial counseling to determine whether the member intends to vest or take an immediate retirement annuity (early, normal or disability).
  - (c) Prepares an estimate and sends to the member; retains a copy of the estimate in the SERS' Regional Counseling Center file.
  - (d) Sends the member's agency a letter of notification indicating the member has signed retirement papers or, in the case of a member employed by an agency served by the HRSC, submits notification through Employee Self Service (ESS).

### **b. Apply for Disability Retirement - Active Members.**

- (1) **SERS' Regional Counseling Center.**
  - (a) Counsels member, provides appropriate retirement estimates, provides medical report form, obtains and forwards all necessary documents to SERS' Central Office for processing.
  - (b) In cases of a work-related injury or disability, obtains a copy of the Workers Compensation award letter from the member.
  - (c) Sends a letter of notification indicating the action taken by the member to the agency; in the case of a member employed by an agency served by the HRSC, notification is submitted through ESS.

- c. **Change Name or Address - Retired Members or Vesteers.** SERS' Regional Counseling Center will obtain the correct name, Social Security Number, old address, new address, and authorized signature. If change of name, obtains appropriate legal documents (i.e., divorce decree or marriage certificate); forward to SERS' Central Office to process.
- d. **Change Beneficiary Nomination - Active Members.**
  - (1) **Agency Human Resources Office and/or HRSC.** Provides "Active/Vested Beneficiary Nomination Form" (Form SERS-402); forwards to appropriate SERS' Regional Counseling Center.
  - (2) **SERS' Regional Counseling Center.** Provides "Active/Vested Beneficiary Nomination Form" (Form SERS-402) and counseling for successful completion; forwards to SERS' Central Office for processing.
- e. **Change Beneficiary Nomination - Retired Members or Vesteers. Agency Human Resources Office and/or HRSC.** Refers member to appropriate SERS' Regional Counseling Center.
- f. **Death - Active Members, Retired Members or Vesteers. Agency Human Resources Office and/or HRSC.** Refers reporting individual to appropriate SERS' Regional Counseling Center.
- g. **Purchase Service - Active Members.**
  - (1) **Agency Human Resources Office and/or HRSC.** Refers member to appropriate SERS' Regional Counseling Center.
  - (2) **SERS' Regional Counseling Center.** Assists member in the completion of the "Request for Purchase of Service Form" (Form SERS-131); forwards form and supporting documents to SERS' Central Office for processing.
- h. **Refund Accumulated Deductions – Active Members.**
  - (1) **Agency Human Resources Office and/or HRSC.** Refers employees to the appropriate SERS' Regional Counseling Center prior to termination.
  - (2) **SERS' Regional Counseling Center.** Counsels member and obtains all required documents; forwards to SERS' Central Office for processing.
- i. **Vest an Account – Active Members. SERS' Regional Counseling Center.** Counsels member and obtains all required documents; scans documents into SERS' Document and Work Processing Management System.

**This directive replaces, in its entirety, *Management Directive 570.13*, dated May 30, 2007.**

- Enclosure 1 – Agency Debt Verification Form (Form SERS-252)**
- Enclosure 2 – Active/Vested Beneficiary Nomination Form (Form SERS-402)**
- Enclosure 3 – Purchase of Service Form (Form SERS-131)**