

Do You Have Goals for Your Retirement?

Identify things that will make you feel:

- **HAPPY**
- **FULFILLED**
- **FINANCIALLY SECURE - *YOU NEED TO START INVESTING OVER THE LONG TERM***



WELCOME

Today's Program is Being Sponsored
by

**Central-Western Region
PSEA-Retired**

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<https://centralwestretired.psealocals.org>



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?***

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

PSEA-Retired and Your Pension

➔ **PSEA & PSEA-Retired
monitor the pension system
so we members don't have
to be worried.**



What Happens if a Former Student Sues You?

Who will be there for you?

PSEA's Legal Services

PSEA's Legal Member Benefits

- ➔ **2 - ½ 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



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**

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

Membership Options

► Pre-Retirement

- Life Membership

► At retirement

- Life Membership

- Annual Membership

When Should You Join PSEA-Retired?

NOW!

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
is available at our website.**

<https://centralwestretired.newpsealocals.org/>



Today's Presentation

- **Understanding your option choices in PSERS**
- **How to properly prepare for your retirement**
- **Healthcare in retirement**
- **Why it is important to be part of PSEA in your retirement.**
- **Valuable links**

Checking Your SSA records

Create a portal into SSA

- Review your personal information
- Review your earnings statement

<https://www.ssa.gov/>



Creating a *PSERS* MSS Account

(Member Self Service)

<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



Log into your PSERS portal annually

- **Check the accuracy of your annual statement**
- **Create an online estimate of your retirement annuity**
- **Review various parts of the information available to “active” members**
- **Update your personal information**



Reviewing PSERS's

“Countdown To Retirement Checklist”

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<https://www.pa.gov/agencies/psers/member-resources/leaving-employment/checklist>



Two Years from Retirement

- ▶ **Attend a FFYF Program or a webinar on “Foundations for your Future” at <https://www.pa.gov/agencies/psers/member-resources/ffyf/ffyf-webinars>**
 - ▶ provides access to recorded FFYF presentation
 - ▶ And a FFYF Presentation.pdf
- ▶ **Apply to purchase any approved uncredited service**
- ▶ **If your marital status has changed divorce (DRO)**



FFYF Presentations Remaining for 2025-2026

County	Date	Location
Blair	3/24/2026	Appalachia IU 8
Fayette	3/31/2026	Frazier H.S.
Clarion	7/14/2026	Riverview IU
Cambria	7/23/2026	Admiral Perry Vo-Tech
Westmoreland	8/11/2026	Westmoreland IU



Are you retiring within the current year?

- ▶ Attend a FFYF Program or a webinar on “Foundations for your Future” at

<https://www.pa.gov/agencies/psers/member-resources/ffyf/ffyf-webinars>

- ▶ provides access to **recorded FFYF presentation**
- ▶ and a **FFYF Presentation.pdf**
- ▶ **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.**



From Your Contract

- Requirements for **submitting your retirement** to the District – timing & in what form
- Early retirement **benefits**
- **Unused personal & sick leave** – do you receive any money for these & what can be done with that money
- **General Purpose HRA or 403(b) Special Pay Plan** considerations
- **Act 110** – retirees remaining in healthcare insurance plan



From Your Superintendent or Business Manager

- **Health Insurance premiums**
 - PA Act 110 (1988) requires school employers in PA to give retirees and their dependents the right to continue coverage in the group health plan to which they belonged as employees.
- **Any requirements the District has beyond what is stated in your contract regarding your 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 !**



Barb's Personal Retirement Issues

- ▶ You are not required to retire by the end of the District's fiscal year which is usually June 30th.
- ▶ In your final year of working (most likely 10 months) you earn a full 12 months of hospitalization. So, if you retire in June, the District is required to pay your July & August healthcare premiums.
- ▶ If you leave your District's plan, any **Qualifying Event** allows you to return to the District's plan.



Basic retirement letter

Dear _____:

Please consider this my letter announcing retirement. My retirement will be effective on

_____.

Sincerely,

**_____
CC: Local Association President
Superintendent of Schools**



May want to reference these items in your letter

NOTE: Check your local association contract. If that contract provides retirement benefits, add a paragraph to this communication requesting receipt of same.

Possible retirement rights may include:

- 1. Health Benefits**
- 2. Severance Package**
- 3. Payment for unused sick days**
- 4. Retirement incentive**
- 5. Years of service in district**

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.



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%. (All classes except T-G)
- ▶ Vesting – leaving all funds in PSERS until normal retirement age or number of years. You will need to have 5 years (T-C & T-D) or 10 years (T-E & T-F) (T-G & T-H, defined benefit portion only).



Requirements for Normal Retirement

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Class T-G

- ▶ **Rule of 97: Years of age plus number of years enrolled in PSER'S (minimum of 35 years of service)**
- ▶ **You are age 67 with at least three (3) full years of credited service at the time you terminate active or inactive service.**



Alternative Choices for Retirement Class T-G

- **Special Early Retirement** – Age must be at least **57** with **25** years of PSERS's service.
- **Penalty if $\frac{1}{4}$ of 1% for each month to reach one of the **NORMAL** retirement requirements.**

 - Rule of 97, at least 35 years of service plus your age.
 - Or, if age 67, have at least 3 years of credited service, either active or inactive.



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

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 \$ _____



Which PSERS Option Is Right For You?

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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

<https://www.aarp.org/money/retirement/required-minimum-distribution-calculator/>



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

Cash Management & Liabilities

Creating a Budget

- **Where do I get the numbers?**
 - Checkbook stubs
 - Credit card statements (3-6 months)
 - Financial software, i.e. Quicken, Money, etc.
- **Will I need to review and revise my budget?**
 - How often?
 - In line with inflation?



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)**



Excellent Sample Budget

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

Investments

Types of accounts

- **Non-Qualified – Post-tax**
- **Qualified – Pre-tax**



Types of Investment Vehicles

- **Brokerage**
- **Managed Money**
- **Annuity**
- **CD**



Retirement accounts & Catch-Up Provisions

PSERS Pension – Your Contributions, Interest, School District's and State's Contributions

Type	Max Amount	Catch-up	Age
403b	\$ 23,500	\$ 7,500	50
		\$11,250	60-63
HSA	\$ 4,150 (\$8,300)	\$ 1,000	55
IRA (ROTH)	\$ 7,000	\$ 1,000	50
401(k)	\$ 23,500	\$ 7,500	50
		\$11,250	60-63

INSURANCE PROTECTIONS

- ▶ **Professional Liability – NEA**
- ▶ **Property & Casualty – Auto & Home**
- ▶ **Life – You, Spouse, and Children**
- ▶ **Long-Term Care**
- ▶ **Healthcare**



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

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- 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?



Premium Assistance is up to \$100 reimbursement per month to assist with out-of-pocket HealthCare Insurance **premium** payments.



Premium Assistance Requirements

(meet any one of these)

- ▶ 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**.
- ▶ **Membership T-G & T- H:** **Age 67 with at least 15 years** of credited service.
- ▶ 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



What Happens When You Turn 65? Medicare!!

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

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<https://www.medicare.gov>



Estate Planning?

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

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

Who are your Beneficiaries on

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

Funeral Arrangements?

What, Where, When, & How!

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!)

How do you Pay for Inflation 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!***

Retirement Realities

- Relationships in and out of marriages
- How to stay connected
- Being relevant, useful, needed, happy
- Time – How to spend it & enjoy it
- Working????
- Travel
- What to worry about



Have You Thought About...

*What does
24 - 7 - 365
Mean to Retirees?*

Have You Thought About...

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

78

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



Have You Thought About...

*Spending Time Alone or
Away From Your Spouse?*

79

***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?*

81

*A year with minimal responsibilities will do
wonders!*



Have You Thought About...

Commitments You Will Take On in Retirement?

82

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 go to the trouble?**
- **Is it right for you?**
- **When & How?**

Have You Thought About...

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

- **Parent, Children & Grandkids**
- **Longevity**
- **Health**



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)**



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

Having troubles reaching via phone?

PSERS Feedback Form is a very satisfactory alternative.

► <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

- 1) Application to join
PSEA-Retired
NEA-Retired
CWR-Retired**
- 2) Links used in this presentation.**



Do You Have Goals for Your Retirement?

Identify things that will make you feel:

- **HAPPY**
- **FULFILLED**
- **FINANCIALLY SECURE - YOU NEED TO START INVESTING OVER THE LONG TERM**

