	*State Employees' Retirement System (SERS)**		*Public School Employees' Retirement System (PSERS)**		*Alternative Retirement Plan (VALIC, Fidelity, ING, TIAA-CREF)*
	Class A	**Class AA**	**Class T-C**	**Class T-D**	
	(Effective Date 7/1/01)		**(Effective Date 7/1/01)**		
Employee Contributions	5% of gross salary. Tax deferred by reducing gross compensation for federal income tax only.	6.25% of gross salary. Tax deferred by reducing gross compensation for federal income tax only. **New contribution rate effective 1/1/02.**	6.25% of gross salary for employees hired on or after 7/22/83. Before 7/22/83, 5.25% of gross salary. Contributions after 1/1/83 are tax deferred by reducing gross compensation for federal income tax only.	7.50% of gross salary for new hires on or after 7/1/01 with no prior school service, and employees hired on or after 7/22/83 and electing Class T-D. Current members hired before 7/22/83 and electing class T-D, 6.50% of gross salary. **New contribution rate effective 1/1/02.**	5% of gross salary. Tax deferred by reducing gross compensation for federal income tax only. This contribution may be allocated with as many as all four companies in several choices of investment options.
Employer Contributions	Determined by SERS actuary each fiscal year. (Normal state rate plus accrued liability).		Determined by PSERS actuary each fiscal year. (Normal state rate plus accrued liability.)		Contribution set by legislature within the State Employees' Retirement Code. (Currently 9.29%)
Termination - Refund to Employee	Termination with less than 5 years of service and under age 60. Employee contributions and interest (4%) are returned.		Termination with less than 5 years of service and under age 62. Employee contributions and interest (4%) are returned.		Total value of account (employee and employer contributions plus interest and earnings) is available, subject to restrictions for specific funds.
Normal Retirement	Age 60 with 3 years of service or any age with 35 years of service.		Age 62 with 1 year of service, age 60 with 30 years of service, or any age with 35 years of service.		Any age; however, normal retirement is age 60. Annuity is based upon employee/employer accumulations (contributions plus interest and earnings).
Early Retirement	Under age 60 with 5 or more years of service. Benefit is actuarially reduced based upon age or service.		Under age 62 with 5 or more years of service. Benefit is actuarially reduced based upon age and service. Age 55 with 25 years of service with a 3% reduction applied for each year under normal retirement. Reduction not greater than 15% of annual maximum. **Note:** A member is not required to elect T-D service to be a vested member after 5 years of service.		Any age. Annuity is based on employee/employer accumulations (contributions plus interest and earnings).
Type of Annuity	Fixed Dollar	Fixed Dollar	Fixed Dollar	Fixed Dollar	Fixed dollar and variable annuities are available.
Retirement Benefit	"Defined Benefit" based upon a formula: 2% x Years of Credited Service x FAS x 1 (Multiplier) (FAS = final average salary)	"Defined Benefit" based upon a formula: 2% x Years of Credited State Service x FAS x 1.25 (Multiplier) PLUS 2% x Years of Credited Non-State Service x FAS x 1 (Multiplier) (FAS = final average salary)	"Defined Benefit" based upon a formula: 2% x Years of Service x FAS (FAS = final average salary)	"Defined Benefit" based upon a formula: 2.5% x Years of Service x FAS (credited school and intervening military service only) PLUS 2% x Years of Service x FAS (credited non-school service) (FAS = final average salary)	"Defined Contribution" based upon the amount of employee and employer contributions plus interest and investment earnings at the time of retirement.

	*State Employees' Retirement System (SERS)**		*Public School Employees' Retirement System (PSERS)**		*Alternative Retirement Plan (VALIC, Fidelity, ING, TIAA-CREF)*
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	(Effective Date 7/1/01)		**(Effective Date 7/1/01)**		
Death Benefit	Under age 60 with less than 5 years of service = employee contributions and interest (4%). 5 or more years of service = preset value of pension benefit including employer share contributed.		Under age 62 with less than 5 years of service = employee contributions and interest (4%). 5 or more years of service = benefit payable based on either Class T-C or Class T-D. If Class T-D is elected prior to death, then benefit will be calculated utilizing the new 2.5% multiplier for school and intervening military service and class T-C for non-school service benefit formula. If Class T-D is not elected, total service will be calculated using the 2.0% multiplier.		Automatic benefit = employee and employer accumulations (contributions plus interest and investment earnings).
Disability Benefit	Any age with 5 or more years of service.		Any age with 5 or more years of service.		NOT AVAILABLE
Portability	Other state agencies, State System of Higher Education, Pennsylvania State University, and Community Colleges in PA. Intermediate Units if employee was a member of SERS prior to appointment.		State System of Higher Education, Community Colleges, Intermediate Units, and public schools. Pennsylvania State University offers PSERS if employee was a member of PSERS prior to appointment.		Plan allows for roll-over of eligible distributions to other qualifying plans or IRA; including the State System of Higher Education, Pennsylvania State University, and other educational institutions across the country.
Multiple Service Credit	Provision by which employees may transfer membership from PSERS to SERS with continuity of benefit.		Provision by which employee may combine membership with SERS and PSERS with continuity of benefit. If member elects multiple service before 7/1/01, must elect T-D in PSERS and AA in SERS. If member elects multiple service on or after 7/1/01, must elect T-D in PSERS - Class AA is automatic in SERS.		NOT AVAILABLE
Vesting	Full vesting with 5 or more years of service with an option to apply for benefit anytime between vesting date and normal retirement (age 60). Account continues to earn interest (4%) and continues to accrue death benefits under the death benefit provision. If application is filed prior to age 60, actuarial reduction will be applied in accordance with age.		5 or more years of service with an option to apply for benefit anytime between vesting date and normal retirement (age 62). Account continues to earn interest (4%) and continues to accrue death benefits under death benefits provision. If application is filed prior to age 62, early reduction factor will be applied.		Full and immediate vesting.
Service Purchase*	Service rendered by agencies that offer SERS membership.		Service rendered by reporting units that offer PSERS membership.		Service purchase for the purpose of enhancing the retirement benefit is not applicable to this defined contribution plan.
a. Prior State Service	All prior service must be purchased at one time and prior to or at same time as purchase of non-state service.		NOT APPLICABLE		NOT APPLICABLE

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	(Effective Date 7/1/01)		**(Effective Date 7/1/01)**		
b. Out-of-State Service*	Employees hired on or after 8/5/91 with continuous membership - nonstudent service as an academic administrator, teacher or instructor in any public school or public educational institution in any state other than this Commonwealth or nonstudent service as an academic administrator, teacher or instructor in the field of education for any agency or department of the Federal government, whether or not such area was under the jurisdiction of the US; total amount of creditable service shall not exceed the lesser of 10 years or the number of years of active membership in SERS as an academic administrator, teacher, or instructor in the Dept. of Ed., State System of Higher Education, State-owned educational institution, or Penn State University. (Provisions may differ for employees hired prior to 8/5/91.)		Service rendered for a public educational institution in another state or in a possession of the United States. Must have at least one year of school service, or any combination of full-time or qualifying part-time service. Purchasable on a one-for-one basis with credited PA service. Maximum of 12 years of out-of-state service or 12 years of government service or any combination thereof.		NOT APPLICABLE
c. Military Service	Active military service limited to 5-year maximum purchase. * Service purchase may not qualify for 2.5% accrual rate under Class AA benefits. Contact your regional SERS office for additional information and/or counseling.		Active military service limited to 5-year maximum purchase. * Service purchase may not qualify for 2.5% accrual rate under Class T-D benefits. Contact your regional PSERS office for additional information and/or counseling.		NOT APPLICABLE NOT APPLICABLE

This is a summary of retirement plans for the Pennsylvania State System of Higher Education intended to assist new employees in understanding their retirement plan options. The plans are governed by the State Employees' Retirement Code, the Public School Employees' Retirement Code, and the contracts with the companies participating in the Alternative Retirement Plan as well as provisions in applicable laws and collective bargaining agreements. If there is a difference between this comparison and the aforementioned documents, the official documents will govern. See your Human Resource Office for more details.

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