



## **Public School Employee's Retirement System (PSERS)**

### **Frequently Asked Questions:**

#### **Who participates in the PSERS retirement system?**

Transportation, School Nutrition, Maintenance, and Custodial Staff

#### **How much am I required to contribute monthly to PSERS?**

Employees hired into a PSERS covered position prior to 7/1/2012 contribute \$4 for a 9 month contribution period of September to May each year. Employees hired on or after 7/1/2012 contribute \$10 each month for the 9 month contribution period.

#### **What does "vested" mean?**

To be vested means that you have a legal right to the retirement benefit once you meet the required age and years of service. To be vested in PSERS, you must have at least 10 years of creditable service. Once you have 10 years of creditable service, you're able to receive a retirement benefit from PSERS when you reach age 60 (at a reduced benefit) and 65 for full benefits.

#### **How much will I receive from my retirement benefit?**

The amount you receive in retirement is based on your years of creditable service multiplied by a set dollar amount. The current amount set by the Georgia General Assembly is \$15.25.

For example, an employee with 30 years of creditable service would receive a monthly benefit based on the calculation of:  $\$15.25 \times 30 \text{ years of service} = \$457.50$  per month.

You may contact PSERS at 1-800-805-4609 to request a benefit estimate be mailed to you. You may also generate a benefit estimate online by following the PSERS Benefit Estimate Instructions found on the HCBE website.

#### **Will I receive a cost-of-living adjustment (COLA) in retirement?**

Each year the PSERS Board of Trustees consider the COLA for retirees. The decision is based on the long term financial soundness of the pension system. Typically COLAs are awarded in January and July of each year.

#### **Can I leave a benefit to my beneficiary(ies) in retirement?**

PSERS offers many different pension plans, which include survivor benefits to your beneficiary(ies). Each benefit offered provides a monthly benefit for your lifetime, some options provide a benefit to one or more beneficiaries at your death. You may schedule a pre-retirement meeting with the Employee Benefits Office to review each plan option offered under PSERS.

#### **Can I retire and return to work on a full time basis?**

Once you reach age 65, you're able to retire and return to work on a full time basis in a PSERS covered position. However, you must take at least a one month break in service before returning to work full time.

**What happens to my contributions if I discontinue working with HCBE?**

If you have at least 10 years of creditable service, then you are vested in PSERS. You will be eligible to receive a retirement benefit from PSERS the first of the month following your 60<sup>th</sup> birthday (at a reduced benefit) or the month following your 65<sup>th</sup> birthday for full benefits. If you're not vested in PSERS, then you may request a lump sum distribution or roll your funds to a qualified retirement plan.

**Can I contribute more than the required \$4 or \$10 each month?**

You may only contribute the required \$4 or \$10 monthly contribution to PSERS. If you would like to contribute more towards your retirement, then you may want to establish a Supplemental Retirement Account through VALIC. For PSERS Members, HCBE will match your contributions \$1 for \$1, up to 5% of your base compensation, helping you save additional money for your retirement. For example, if you earn \$1,000 a month and contribute \$50 to the Supplemental Retirement Plan, then HCBE will match your \$50 contribution. The money you contribute is pre-taxed, so your \$50 contribution is only about \$25 out of your pay check. That's a \$100 benefit that is only costing you about \$25 a month. Effective July 1, 2018, new employees under PSERS are automatically enrolled in the \$1 for \$1 matching supplemental retirement plan at 2% of their base compensation. To opt out of participating in this plan, or make changes to your contributions, employees should complete an opt-out/change form and contact John Lamberth, our VALIC Advisor at 478-319-7832 or [John.Lamberth@valic.com](mailto:John.Lamberth@valic.com).

**What happens to my state health insurance when I retire?**

As long as you have health insurance during the open enrollment prior to your retirement, then you will be able to continue your health insurance coverage indefinitely in retirement. Please contact State Health at 1-800-610-1863 to verify the amount you will pay for your medical coverage in retirement. Your health insurance premium will be deducted from your PSERS benefit once you retire.

**What happens to my life insurance when I retire?**

The life insurance provided by HCBE and any supplemental life coverage you have at the time of retirement will be terminated when you retire. HCBE offers retiree life insurance in the amounts of \$10,000, \$25,000, and 1x your salary up to \$50,000. You may elect retiree life insurance when you process your retirement with the Employee Benefits Office. Premiums are paid annually to the Board of Education.

**What happens to my dental insurance when I retire?**

You may keep dental benefits in retirement if you have dental benefits during the open enrollment prior to your retirement. Your premium is an additional \$10 monthly from your active employee premium. You will be billed directly for dental benefits after you retire.