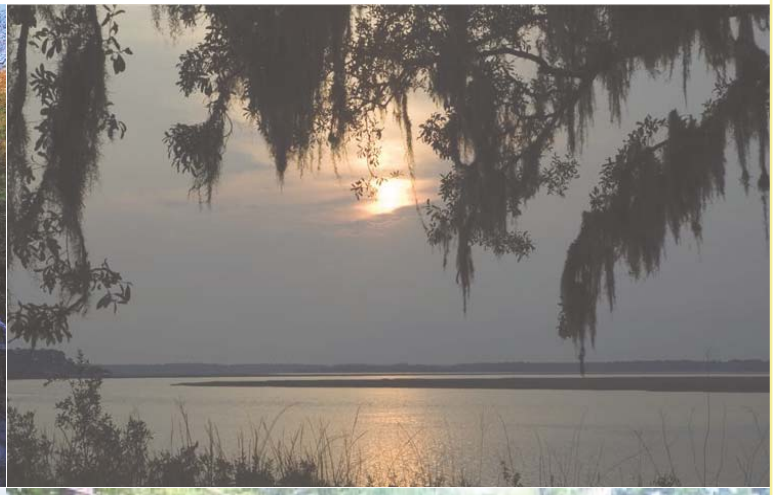
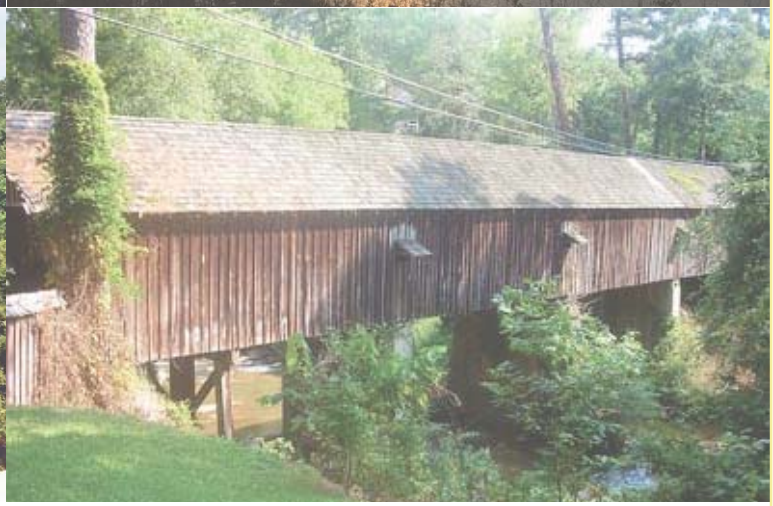
Public School Employees Retirement System (PSERS)

Plan Guide





ERSGA
Employees' Retirement System of Georgia
Serving those who serve Georgia

Updated 6/2016

Table of Contents

Introduction 3

Membership 5

Contributions 6

Creditable Service 7

Benefits Eligibility 9

Service Retirement 10

Service Retirement Benefit Formula 11

Disability Retirement 13

Death Benefits 15

Refund of Contributions and Interest 16

Optional Forms of Payment 17

Benefit Payment Details 19

Returning to Public School Employment 20

Designating a Beneficiary 22

Appendix A 23

Appendix B 25

About this Handbook

This Handbook summarizes the main provisions of laws that provide benefits to certain employees of public schools within the State of Georgia. Unless otherwise specifically indicated, the Handbook describes these laws as in effect on July 1, 2012.

It is important to remember that this Handbook is only a summary of the law, and therefore provides only general information. A summary cannot deal with every possible set of circumstances. Also, from time to time, the laws will be amended, and while we make every effort to update this Handbook in a timely fashion, there may be a period of time during which the Handbook does not reflect recent changes in the law. If something is not covered in detail in this summary, or if this summary can be read to be inconsistent with the governing laws, the law will control.

It is important that you read the entire Handbook. Reading only portions can be confusing and misleading.

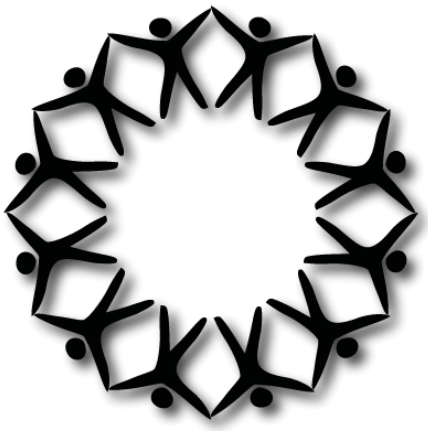
About the Benefits Described in this Handbook

The Public School Employees Retirement System (PSERS) was established in January 1970, for the purpose of providing **supplemental** retirement plan benefits for public school employees who do not belong to the Teachers Retirement System of Georgia (TRS). These supplemental benefits are intended to be in addition to other retirement income.

Laws governing PSERS, enacted through the Georgia General Assembly, provide for lifetime retirement benefits, disability benefits, and death benefits to PSERS Members who earn enough years of service to qualify. Members who have terminated employment may also choose to receive a refund of their Contributions plus Interest, regardless of the amount of service they earned. Employee and Employer Contributions are paid into the retirement fund for the welfare of Members and their beneficiaries. All benefits are paid from this fund. Benefit structures may have changed over time, and any benefit provisions which no longer apply to any active member or apply only to a small population may not be covered in detail.

An independent actuarial firm specializing in pension and retirement plans examines the fund every year. The actuarial firm prepares an annual valuation on the ability of the fund to meet future obligations, and every five years performs an actuarial experience study. The System is also examined annually by an independent accounting firm.

PSERS is administered by the Employees' Retirement System of Georgia (ERSGA). A Board of Trustees is responsible for the administration of PSERS. Daily operations are under the direct administration of the ERSGA Director and staff. For more information about the Board of Trustees, please visit our website.



Contacting ERSGA

ERSGA maintains a website at http://www.ers.ga.gov. Through this website, you can:

- Access your personal account information
- Conduct transactions such as designating a beneficiary and estimating your retirement benefits
- Download this Handbook, pamphlets, and various forms
- Review frequently asked questions
- Obtain information about legislation under consideration by the Georgia General Assembly
- Link to other websites

Inquiries related to retirement or general inquiries about ERSGA can be emailed to: contact@ers.ga.gov.

Mailing Address:
Employees' Retirement System of Georgia
Two Northside 75, Suite 300
Atlanta, GA 30318

Fax:
Financial Management: (404) 350-6304
Member Services: (404) 350-6310
Seminars: (404) 350-6306

Phone:
General Number: (404) 350-6300
Toll free: 1-800-805-4609 (outside metro Atlanta area)
Hours of Operation: 8:00 am to 4:30 pm ET

To contact Peach State Reserves, call toll free: 1-866-694-2777

Other retirement systems included under the authority of ERSGA are:

- **Employees' Retirement System (ERS)**
- **Legislative Retirement System (LRS)**
- **Georgia Judicial Retirement System (GJRS)**
- **Georgia Defined Contribution Plan (GDCP)**
- **Georgia Military Pension Fund (GMPF)**

ERSGA also administers:

- **Group Term Life Insurance (GTLI) program**
- **Peach State Reserves (PSR) program — the State's 457 and 401(k) Plans**

Information about these plans can be found on our website.

Eligibility for Membership

Generally, membership in PSERS is a condition of employment for people who are employees of participating public school systems and who are not eligible for membership in the Teachers Retirement System of Georgia (TRS) or the Employees' Retirement System of Georgia (ERS). For example, the following individuals are eligible for membership in PSERS:

- School bus drivers
- School lunchroom personnel
- School maintenance personnel
- School custodial personnel

This Handbook refers to a person that meets these requirements as an "Employee". However, a person is not considered an Employee if he or she is classified by an employer as an independent contractor or a leased employee within the meaning of Section 414(n) of the federal Internal Revenue Code, even if the person is later reclassified as a common law employee by the Internal Revenue Service.

Some full-time managers in these positions are eligible for TRS or ERS membership and will not be PSERS Members so long as they are TRS or ERS Members.

Employees who are employed by more than one Employer can only be a Member through one of the Employers. The Employer who has employed you the longest should be the Employer through which you are reported as a Member. You are responsible for making sure that your other Employers are aware that you are employed by another Employer that is reporting your membership.

Public school systems which may participate in PSERS include day schools conducted within the state of Georgia under the authority and supervision of a duly elected or appointed county or independent board of education. Also included are postsecondary vocational-technical schools governed by the Technical College System of Georgia.

A list of public school systems participating in PSERS as of July 31, 2012 is provided in Appendix A. These participating school systems are called "Employers" in this Handbook.

Please note: *The final conviction of certain crimes can affect a person's PSERS status, as well as the claim to any benefits earned through PSERS. Please contact ERSGA directly with questions regarding the right to benefits under these circumstances.*

The retirement benefits paid through PSERS are funded through Employee Contributions and Employer Contributions. This section of the Handbook describes the contributions made on behalf of each participating Member.

Employee Contributions

During the period each year beginning in September and ending in May (inclusive), for each month you receive pay from the school system, you must make a monthly contribution to PSERS. For Members who first joined PSERS prior to July 1, 2012, the required contribution is $4 each month. For Members who first joined PSERS on or after July 1, 2012, the required contribution is $10 each month. This amount is fixed; you may not make a smaller or larger contribution at your discretion, and the amount of the contribution does not depend on your wages. This means that a Member who first joined PSERS prior to July 1, 2012 will contribute up to a total of $36 during each annual 9-month contribution period, while a Member who first joined PSERS on or after July 1, 2012 will contribute a total of $90 during each annual 9-month contribution period.

The Employee Contributions put into your Employee Contributions Account start earning 4% interest (compounded annually) after being in your account for one year. Earned interest is posted on June 30 of each year to Employee Contributions Accounts belonging to Members who are employed at that time. Interest is not posted to any Employee Contributions Account belonging to a Member who has terminated employment.

Employer Contributions

In addition to the Employee Contributions you make to PSERS, the State of Georgia also makes additional contributions in order to provide for your Plan benefit. The Employer Contribution amount is an actuarially determined amount that is approved by the Board. It is not applied to your Employee Contributions Account, and it is not refundable to you or to any Member.

Creditable Service

Creditable Service is used to determine:

- Whether a Member has earned a right to a retirement benefit ("vesting")
- A Member's eligibility for certain Plan benefits
- The amount of benefits payable upon a Member's retirement

Creditable Service is made up of Prior Service, purchased service, and service credited as a Member.

For more information about how a Member's rights to retirement benefits are determined, please see the Handbook section titled "Benefits Eligibility."

For more information about how retirement benefits are calculated, please see the Handbook sections titled "Service Retirement" and "Service Retirement Benefit Formula."

Earning Creditable Service

Members earn Creditable Service during their years of PSERS membership. The Board is responsible for determining how Creditable Service will be calculated. In making that determination, the Board takes into consideration the nature of the employment being considered and the number of months, weeks, days, and hours normally worked to carry out the normal duties associated with the employment.

In any case, services rendered by you during and throughout a regular school year will be equal to one year of Creditable Service.

Prior Service

Prior Service refers to service as an Employee between July 1, 1945 and June 30, 1970. You will have your Prior Service counted as Creditable Service free of charge so long as your Prior Service plus your Creditable Service earned on and after January 1, 1970 equals at least ten years of Creditable Service. You should contact your Employer for certification of your Prior Service.

Credit for Service While a Member of the Teachers Retirement System of Georgia

You cannot receive PSERS credit for service performed in a position that is covered by TRS. Further, if you are working in a TRS covered position at the same time as you are working in a PSERS covered position, you cannot be a member of both plans at the same time – you would be covered solely under TRS.

However, once your TRS coverage ends, you can get credit under PSERS for the time that you also worked concurrently in a PSERS position. You can buy the PSERS Creditable Service by paying PSERS an amount equal to the Employee Contributions you would have paid while covered by PSERS, plus interest.

Service Credit Example:
Suppose that you have been a bus driver under PSERS for 15 years. You then decide to take a para-professional position that is covered under TRS, while continuing your work as a bus driver. At that time, you would become a member of TRS, and you would not be an active Member of PSERS.

Two years later, you leave your para-professional position and again maintain your position as a bus driver. Your TRS membership becomes inactive, and once again, you become an active PSERS Member. At that point, you may purchase your two years of bus driver time and apply it to your Creditable Service under PSERS.

Job Related Temporary Disability / Leave Without Pay

If you return to employment with an Employer after a period of leave without pay (LWOP) due to a physical or mental illness or disorder caused by a job-related disease or accident, you may establish Creditable Service for a portion of the period of the absence. The maximum Creditable Service that you may receive in this manner is 12 months of such absence during any five-year period. You must:

- File a written request to establish the service
- Make a payment to PSERS equal to the applicable Employee Contributions, plus 4% interest
- Make the payment within six months of the date you return to employment

Your Employer must also verify that the cause of your disability meets the criteria noted above.

Refund Buyback

A Member who terminates employment before becoming eligible for retirement can receive a refund of Contributions plus Interest (a.k.a. Employee Contributions Account). If you receive such a refund, you forfeit all Creditable Service for the period of employment covered by the refund.

However, if you return to work for an Employer and complete two additional years of PSERS membership, you can re-establish your Creditable Service via a "buyback". To do so, you must make a lump sum payment to PSERS equal to the refund amount you originally received, plus 4% interest (compounded annually from the refund date to the buyback date).

For more information about how to receive a refund of your Employee Contributions Account, please see the Handbook section titled "Refund of Contributions and Interest".

Military Service

The Uniformed Service Employment and Reemployment Rights Act ("USERRA") provides you with certain rights regarding your employment and retirement benefits, if you perform qualified Military Service. If you return to employment after a military leave, you may receive Creditable Service for your period of leave if:

- You apply with PSERS in writing to establish the service
- You pay the applicable Employee Contributions for the period of service (these Contributions must be paid within a period up to the lesser of three times the length of your Military Service, or five years)

If you left public school employment to perform Military Service before October 13, 1994, you should contact PSERS for information about your rights to establish Creditable Service.

If you are called to active duty in the National Guard or Reserves, you are permitted to make Employee Contributions to PSERS during your period of active duty. If you'd like to take advantage of this opportunity, you must provide PSERS with a copy of your orders to active duty as soon as possible after receiving them.

Benefits Eligibility

The retirement benefits available to a Member under PSERS are based upon a benefit formula and are funded through both Employee Contributions and Employer Contributions. You will always have a non-forfeitable right to your Employee Contributions. However, you must earn a right to receive other benefits. This right is referred to as a "vested" right.

The word "vested" means that a Member has a non-forfeitable right. Your Contributions to PSERS are always 100% vested. Once you earn ten years of Creditable Service, you have a vested right to a service retirement at age 60, even if you terminate employment before reaching age 60.

When you terminate employment, you may be eligible for one of the following types of benefits from the plan, depending on your hire date and your years of Creditable Service:

- Normal Retirement Benefit
- Early Retirement Benefit
- Terminated Vested Retirement Benefit
- Refund of your Contributions and Interest
- Disability Benefit
- Death Benefit

Your Benefit may be forfeited under two situations:

- Conviction of a state or federal public employment-related crime, or
- A withdrawal of your contributions and interest

Service Retirement

There are three different types of Service Retirement you can apply for in this Plan: Normal Retirement, Early Retirement, and Terminated Vested Retirement.

Normal Retirement

You can begin receiving monthly Normal Retirement benefits as early as the first day of the month following the date that you attain your Normal Retirement Age. Normal Retirement Age is defined as the attainment of age 65 and ten years of Creditable Service.

Early Retirement

You can begin receiving monthly Early Retirement benefits as early as the first day of the month following the date you attain age 60, provided you have at least ten years of Creditable Service. The benefit payable at Early Retirement will be an amount equal to your Normal Retirement benefit earned at that time, reduced by 6% for each year (or ½% for each month) you are commencing benefits prior to age 65.

Terminated Vested Retirement

!

If you withdraw your contributions and interest at any time, you will automatically forfeit the monthly benefit payable as early as age 60.

Service Retirement Benefit Formula

The benefit formula used to calculate Normal Retirement benefits under PSERS is:

Creditable Service x $14.75 = Maximum Plan Benefit

As shown above, the benefit formula calculates the amount payable at Normal Retirement Age under the Maximum Plan Benefit. The "Maximum Plan Benefit" is the highest monthly benefit available, and does not provide for a monthly benefit to a beneficiary(ies).

Your benefit may be reduced if you apply for an Early Retirement Benefit or if you select an optional form of payment which provides for a survivor benefit to your beneficiary(ies) upon your death.

For a reduction in benefit, you may elect to provide survivor benefits to a beneficiary(ies) in lieu of a benefit for only your lifetime. See the Handbook section titled "Optional Forms of Payment."

Normal Retirement Calculation Example:

You choose to commence benefits at age 65 and have elected benefit payment Option A(b), which provides for a monthly payment for your lifetime. Upon your death, your beneficiary(ies) will receive a monthly benefit for his or her lifetime equal to 50% of the monthly benefit you were receiving.

Age at Commencement of Benefits	Beneficiary's Age	Years of Service
65	60	20

Step 1: Calculate the Normal Retirement Benefit

Creditable Service x $14.75
20 years x $14.75 = **$295.00** per month (Maximum Plan Benefit)

Step 2: Calculate the Option A(b) Benefit

Maximum Plan Benefit x Option A(b) Factor
$295.00 x .9069* = **$267.54,** monthly benefit payable to you

$267.54 x 50% = **$133.77,** monthly benefit payable to your beneficiary(ies)

*The Option A(b) factor is dependent on your age and the age of your beneficiary(ies) as of your retirement effective date. Refer to Appendix B for option factor table.

Early Retirement Calculation Example:

You choose to commence benefits at age 62 and have elected to receive the Maximum Plan Benefit, which provides for a monthly payment for your lifetime. Upon your death, no further monthly benefits are payable.

Age at Commencement of Benefits	Years of Service
62	25

Step 1: Calculate the Normal Retirement Benefit

Creditable Service x $14.75
25 years x $14.75 = **$368.75** per month (Maximum Plan Benefit)

Step 2: Calculate the Early Retirement Benefit

Maximum Plan Benefit x Early Reduction Factor
$368.75 x .18* = **$66.37,** reduction for early retirement

$368.75 - $66.37 = **$302.38,** monthly benefit payable to you at age 62

*6% reduction for each year the Member is commencing retirement before age 65

Limitations on Benefits

Section 415 of the federal Internal Revenue Code limits the amount of benefits you can receive from PSERS. You will be notified if the benefit that you would otherwise be eligible to receive under PSERS exceeds this limit.

Disability Retirement

If you qualify for Disability Retirement, you will receive a PSERS benefit based upon your years of Creditable Service. This benefit is not reduced for retirement earlier than age 65, regardless of your age at benefit commencement.

You may qualify for a Disability Retirement if you:

- Have attained at least 15 years of Creditable Service
- Are an active employee when you apply for Disability Retirement
- Are on a leave of absence (with or without pay) while the Disability Retirement application is being processed
- Are unable to perform your job or any offered alternative position due to a permanent medical condition(s)

Once you have submitted a Disability Retirement application, your Employer must offer you an alternative position, if one is available. The requirements for an alternative position are:

- The physical requirements are compatible with your physical limitations;
- The annual compensation and possibility for future advancement are the same as or greater than your current position;
- The duties are reasonably compatible with your experience and educational qualifications;
- The position is covered under PSERS

The position must be available and offered to you in writing no later than 45 days after your disability application is submitted. If you are offered an alternative position, then within 30 days of the offer, you must either accept the offer or dispute your ability to perform in the alternate position by submitting a written appeal to both the PSERS Medical Board and your Employer. If you do not accept an offered alternative position or dispute your ability to perform in the alternative position, your application for disability retirement will be denied.

The PSERS Medical Board evaluates Disability Retirement applications to determine whether the applicant is eligible for Disability Retirement based upon the inability to perform the original position, and, if applicable, an alternative position. If the Medical Board determines that the applicant is capable of performing the duties of either position, the Disability Retirement application will be denied.

IMPORTANT APPLICATION INFORMATION: A Member's Disability Retirement application and supporting documentation must be received by ERSGA no more than 90 days in advance of and no later than 30 days in advance of the Member's effective retirement date. The Member's Employer must also be supplied with a copy of the completed application, including supporting documentation, at the same time the Member files the application with PSERS. Incomplete submissions will not be accepted. Members who have applied for Social Security disability benefits must submit a copy of their Social Security application.

Returning to a Gainful Occupation While Receiving Disability Retirement Benefits

Disability retirees cannot go back to work for the school system in the same position from which they retired. Further, if a Member who is receiving disability benefits is engaged in or is able to engage in a gainful occupation, his or her Disability Retirement may cease or be reduced. ERSGA performs audits of disability retirees on behalf of PSERS to determine continued eligibility for disability retirement benefits.

A Member who retires under Disability Retirement is subject to periodic medical re-examination. Refusal to submit to the re-examination may result in a discontinuation of benefits until the re-examination occurs. If the refusal continues for one year, all rights to a Disability Retirement benefit under PSERS may be revoked by the ERS Board of Trustees.

Disability Retirement Calculation Example:

You qualify to receive disability benefits beginning at age 50 and have elected the Maximum Plan Benefit, which provides for a monthly payment for your lifetime. Upon your death, no further monthly benefits are payable.

Age at Commencement of Benefits	Years of Service
50	15

Creditable Service x $14.75
15 years x $14.75 = **$221.25** per month (Maximum Plan Benefit)

The benefits payable to your beneficiary(ies) upon your death are dependent upon your employment / retirement status, age, and Creditable Service at the time of your death.

Death Before Retirement, Monthly Death Benefit

Whether you are actively employed or inactive at the time of your death, your named, living beneficiary(ies) will be eligible to receive a monthly Death Benefit if you meet both of the following qualifications:

- Attainment of at least ten years of Creditable Service, and
- Attainment of at least age 60

The monthly Death Benefit is equal to the amount the Member would have received if the Member had retired under Option A(b) (50% Survivor Benefit).

A non-living beneficiary, such as an estate or trust, cannot receive a lifetime monthly benefit. If you meet the qualifications above, but either have not named a beneficiary(ies) or no living beneficiary(ies) have survived you, then the Death Benefit will be a lump sum payment of your Contributions plus Interest, payable to your estate.

Death Before Retirement, Refund of Contributions plus Interest

If at the time of your death, you do not meet both of the qualifications listed above for a monthly Death Benefit, then your Death Benefit will be a lump sum payment of your Contributions plus Interest, payable to your named beneficiary(ies). If you have not named a beneficiary(ies) or no living beneficiary(ies) have survived you, then the lump sum will be payable to your estate.

Death While Receiving Benefits

If you are receiving your monthly retirement benefit at the time of your death, then the benefits payable to your beneficiary(ies), if any, will be based on the optional form of payment you chose at the time of your retirement. Please see the Handbook section titled "Optional Forms of Payment" for more information.

Death on or After Normal Retirement Date and After Selection of an Optional Form of Payment but Before Benefit Commencement

If you die after reaching your Normal Retirement Date but before commencing your retirement benefit payments, and you have made an election to receive a benefit under one of the options under Option A or Option B, then the Death Benefit payable will be based on your election, as if you had retired on the day before your death. Please see the Handbook section titled "Optional Forms of Payment" for more information about Option A and Option B.

Refund of Contributions and Interest

As a Member of PSERS, you are required to make Employee Contributions into the System. You are always 100% vested in your Employee Contributions and any interest to which you are entitled in your Employee Contributions Account.

For more information about Employee Contributions, please see the Handbook section titled "Contributions".

When you terminate employment, regardless of your age or years of Creditable Service, you are immediately entitled to receive a refund of your Employee Contributions Account in a lump sum payment. Taking a refund, however, has several consequences:

- You waive all other rights in the PSERS plan. No other benefits will be payable to you or to any beneficiary(ies). **If you have ten or more years of Creditable Service and are vested in a monthly benefit, taking a refund cancels your right to receive a monthly benefit in the future.**
- You end your plan membership. If you are later rehired, you will become a Member again under the terms of the plan in effect at your rehire date. This is true even if you later buy back your refunded Creditable Service.

For more information about buying back Creditable Service after taking a refund, please see the Handbook section titled "Creditable Service", subsection "Refund Buyback".

Employer Contributions are not refundable to you.

Please contact ERSGA for information about how to apply for a refund of your Employee Contributions Account.

Optional Forms of Payment

When you retire, you have several ways in which to receive your benefit payments. Every payment option provides a monthly benefit for your lifetime, and some options provide a benefit to one or more beneficiaries after your death. Please see the section of this Handbook titled "Designating a Beneficiary" for more information regarding how to designate a beneficiary.

The Maximum Plan Benefit provides the highest monthly benefit available to you, because it does not provide a monthly benefit to anyone after your death. Other benefit options pay a reduced monthly benefit to you, in order to provide for certain specified beneficiary payments. Detailed descriptions of the various options are shown in the table below and on the following pages.

Actuarial tables are used to determine the amount of the reduction of your benefit, in the event that you choose one of the optional benefits. Tables used to determine the benefit payable under Options A and B are provided in Appendix B to this Handbook. Please contact ERSGA if you need further information about the actuarial tables.

It is important that you think carefully about your decision before making a payment option selection. In most cases, you cannot change your payment option after you receive your first monthly benefit payment. Before making your decision, you should obtain an estimate calculation of the amounts payable to you under the various payment options.

If you are not married when you begin to receive your retirement benefit, and you subsequently marry, you may change your benefit payment option within six months of your marriage to a benefit that provides your new spouse with a survivor benefit.

Benefit Payment Options

Maximum Plan Benefit (Life Annuity)	*Payable to You:* The highest monthly benefit available to you, payable for your lifetime. *Payable to Your Beneficiary:* No monthly benefit is payable after your death. If you die before you receive total payments which at least equal your Employee Contributions Account, your beneficiary(ies) will receive the difference in a single payment. *Who May Be a Beneficiary:* An estate, a charity, a trust, or a living person(s). *Changing a Beneficiary:* You may do this at any time.
Option A(a) (100% Survivor Benefit)	*Payable to You:* A reduced monthly benefit, payable for your lifetime. *Payable to Your Beneficiary:* A monthly benefit equal to 100% of the monthly benefit you received during your lifetime, payable for the lifetime of the beneficiary(ies). *Who May Be a Beneficiary:* A living person(s). If multiple beneficiaries are named, each beneficiary will receive a partial amount based on their respective ages. NOTE: This option may not be available with the election of a non-spouse beneficiary who is more than 10 years younger than the Member. *Changing a Beneficiary:* You may not change your beneficiary(ies) after you receive your first monthly payment.

Option A(b) (50% Survivor Benefit)	*Payable to You:* A reduced monthly benefit, payable for your lifetime. *Payable to Your Beneficiary:* A monthly benefit equal to 50% of the monthly benefit you received during your lifetime, payable for the lifetime of the beneficiary(ies). *Who May Be a Beneficiary:* A living person(s). If multiple beneficiaries are named, each beneficiary will receive a partial amount based on their respective ages. *Changing a Beneficiary:* You may not change your beneficiary(ies) after you receive your first monthly payment.
Option A(c) (Member-Determined Survivor Benefit)	*Payable to You:* A reduced monthly benefit, payable for your lifetime. *Payable to Your Beneficiary:* A monthly benefit equal to an amount which you determine at the time of your retirement, payable for the lifetime of the beneficiary(ies). *Who May Be a Beneficiary:* A living person(s). If multiple beneficiaries are named, each beneficiary will receive a partial amount based on their respective ages. NOTE: This option may not be available with the election of a non-spouse beneficiary who is more than 10 years younger than the Member. *Changing a Beneficiary:* You may not change your beneficiary(ies) after you receive your first monthly payment.
Option A(d)	*Payable to you:* A reduced monthly benefit, payable for your lifetime. *Payable to your beneficiary*: A monthly survivor benefit, the amount of which is determined at retirement to be the maximum amount allowed by the IRS for a non-spouse beneficiary. The survivor benefit is payable for the life of the beneficiary(ies). *Who May Be a Beneficiary*: A living person(s). If multiple beneficiaries are named, each beneficiary will receive a partial amount based on their respective ages. *Changing a Beneficiary*: You may not change your beneficiary(ies) after you receive your first monthly payment.
Option B (Period Certain)	*Payable to You*: A reduced monthly benefit, payable for your lifetime. *Payable to Your Beneficiary*: Your benefit is guaranteed to be paid for a period of time that you select at retirement (5, 10, 15, or 20 years). If you live longer than the guarantee period, there is no benefit payable to your beneficiary(ies). If you die before the end of your guarantee period, any remaining guaranteed payments will continue to be paid to your beneficiary(ies), and will stop when the end of the guarantee period is reached. *Who May Be a Beneficiary:* A living person(s). If multiple beneficiaries are named, each beneficiary will receive a partial amount based on their respective ages. *Changing a Beneficiary*: You may change your beneficiary(ies) at any time.

Cost of Living Adjustments

Each year, the Board of Trustees may consider the grant of a Cost of Living Adjustment (COLA) for retirees. The decision will be based on the long term financial soundness of the pension system. *COLAs are **not** guaranteed, and you should not base your financial decisions on the possibility of a COLA until a COLA has been announced.*

Protection of Benefits

Your benefits from PSERS are not subject to levy and sale, garnishment, attachment, or any other process or claim, except with regard to an IRS levy, court-ordered child support, or court-ordered sanctions due to conviction of certain criminal acts. Your benefits are not assignable even with a Domestic Relations Order (DRO).

Correcting a Benefit Error

The Board of Trustees of PSERS is in charge of all records of the retirement system. If you receive more or less than the benefit to which you are entitled due to an error, the error will be corrected upon discovery and your benefit will be adjusted accordingly. With errors, there is a potential for underpayments or overpayments. Underpayments will be made to you as soon as possible. For any overpayments, your repayment is required and repayment options will be discussed with you.

Deductions

Your PSERS retirement benefit is generally not assignable. This means that only limited deductions may be made from your retirement check, such as:

- Federal income tax
- Georgia state income tax
- Health insurance premiums
- Dental insurance premiums
- GTLI premiums (if applicable)
- Some Credit Unions

Taxes

Employee Contributions made by a Member are contributed to PSERS on an after-tax basis, and the portion of the retirement benefits which are attributable to these Employee Contributions is determined on a pro-rated basis using the tables found in the Internal Revenue Code to provide a partial tax exemption each calendar year.

However, Employee Contributions only provide a small portion of each monthly payment. The majority of the monthly payment is taxable to the retiree and/or beneficiary(ies). When the Employee Contributions are exhausted, the total benefit check is taxable. Each year a 1099-R is issued to every retiree and beneficiary receiving benefits to identify taxable retirement benefits when filing for income taxes.

Withholding forms (W-4P for federal and G-4P for Georgia state taxes) are included in the retirement packet. Retirees can change their tax withholding and direct deposit elections at any time on the secure retiree section of http://www.ers.ga.gov, or by contacting ERSGA directly.

Re-employment after Commencement of Retirement Benefits

If you return to PSERS-covered employment after retirement and you are over age 65 upon rehire, you must choose whether to continue to receive your retirement benefit or to become an active PSERS Member again. If you choose to become an active Member, your retirement benefit will be suspended, you will make Employee Contributions to the System, and you will accrue additional Creditable Service. Once you retire again, the sum of all of your Creditable Service will be used to determine your final retirement benefit.

If you are less than age 65 at rehire, you will automatically become an active Member upon rehire. Your retirement benefit will be suspended, you will make Employee Contributions to the System, and you will accrue additional Creditable Service. Once you retire again, the sum of all of your Creditable Service will be used to determine your final retirement benefit.

If you attain age 65 during your period of rehire, you will have the opportunity to elect whether to continue as an active Member, or to resume receiving your retirement benefits based on your new total Creditable Service accrued up to age 65. If you choose to begin receiving your retirement benefit again, then you will no longer make Employee Contributions to PSERS or accrue additional Creditable Service while you remain actively employed.

You must have a one-month break in service between your retirement date and the date of your rehire.

Re-employment before Receiving a Refund of your Employee Contributions Account

If you leave public school employment and leave your Employee Contributions Account with PSERS, you have the opportunity to retain your membership rights under PSERS in the event that you decide to return to active PSERS-covered employment.

Any previously earned Creditable Service will be added to any Creditable Service you earn upon your re-employment.

Re-employment after Receiving a Refund of your Employee Contributions Account

When you receive a refund of your Employee Contributions Account, you forfeit any Creditable Service attributable to that same period of employment.

When you return to PSERS-covered employment, you receive a new PSERS membership date that disregards any prior membership you had under PSERS. Your benefits will be based on the plan rules in place for new hires at the time of your re-employment.

You may re-establish the Creditable Service you forfeited when you received your refund, after you return to active employment and complete two additional years of PSERS membership. To re-establish your Creditable Service, you must make a lump sum payment to PSERS in an amount equal to the refund you originally received, plus 4% interest compounded annually from the date of your refund.

Even if you establish forfeited Creditable Service by paying back the refund of your Employee Contributions Account, your membership date will not be adjusted back to your original membership date, and your benefits will be based on the plan rules in place for new hires at the time of your re-employment.

Actively Employed

All active PSERS Members are strongly encouraged to designate one or more beneficiaries to receive the PSERS benefit which may be payable at the Member's death.

Failure to designate a beneficiary(ies) will result in any applicable death benefits for an active Member being paid to the Member's estate. In certain circumstances, the Death Benefit payable to a living person is larger than the Death Benefit which may be paid to an estate. Please see the Handbook section titled "Death Benefits" for more information.

You will be asked to designate a primary beneficiary and a contingent (also known as a secondary) beneficiary(ies) for your PSERS plan benefits. You may designate one or more primary and one or more contingent beneficiary(ies). If you want your Estate to be your primary beneficiary, you do not need a contingent beneficiary.

A primary and a contingent beneficiary do not share benefits. A contingent beneficiary(ies) will only receive a benefit if there is no surviving primary beneficiary(ies) at the time the death benefit is to be paid, or if the primary beneficiary(ies) does not survive the Member by at least 32 days.

You may designate your retirement plan beneficiary(ies) online at http://www.ers.ga.gov or by contacting ERSGA directly.

All beneficiary designations must be received in the ERSGA office prior to the death of the Member in order to be effective.

At Retirement

When you retire, you will be asked to choose the form of the benefit you wish to receive and designate the applicable beneficiary(ies) at that time. Please see the Handbook section titled "Optional Forms of Payment" for more information.

Departments and Agencies Participating in PSERS as of July 31, 2012.

Appling County Schools
Atkinson County Schools
Atlanta City Schools
Bacon County Schools
Baker County Schools
Baldwin County Schools
Banks County Schools
Barrow County Schools
Bartow County Schools
Ben Hill County Schools
Berrien County Schools
Bibb County Schools
Bleckley County Schools
Brantley County Schools
BRIGHTEN ACADEMY
Brooks County Schools
Bryan County Schools
Bulloch County Schools
Burke County Schools
Butts County Schools
Calhoun County Schools
Camden County Schools
Candler County Schools
Carroll County Schools
Catoosa County Board of Education
Charlton County Schools
Charter Conservatory for L and T
Chatham County Schools
Chattahoochee County Schools
Chattooga County Schools
Cherokee County Schools
City of Bremen Schools (Haralson)
City of Buford Schools (Gwinnett)
City of Calhoun Schools (Gordon)
City of Carrollton Schools (Carroll)
City of Cartersville Schools (Bartow)
City of Chickamauga Schools (W
City of Commerce Schools (Jackson)
City of Dalton Schools (Whitfield)
City of Decatur Schools (Dekalb)
City of Dublin Schools (Laurens)
City of Gainesville Schools (Hall)
City of Jefferson Schools (Jackson)
City of Marietta Schools (Cobb)
City of Pelham Schools (Mitchell)
City of Rome Schools (Floyd)
City of Social Circle Schools (Walton)
City of Thomasville Schools (Thomas)
City of Trion Schools (Chattooga)
City of Valdosta Schools (Lowndes)
City of Vidalia Schools (Toomb
Clarke County Schools
Clay County Schools
Clayton County Schools
Clinch County Schools
Cobb County Schools
Coffee County Schools
Colquitt County Schools
Columbia County Schools
Cook County Schools
Coweta County Schools
Crawford County Schools
Crisp County Schools
Dade County Schools
Dawson County Schools
Decatur County Schools
Dekalb County Schools
Dodge County Schools
Dooly County Schools
Dougherty County Schools
Douglas County Schools
Early County Schools
Echols County Schools
Effingham County Schools
Elbert County Schools
Emanuel County Schools
Evans County Schools
Fannin County Schools
Fayette County Schools
Floyd County Schools
Forsyth County Schools
Franklin County Schools
Fulton County Board of Education
Fulton Educational Services, Inc
Fulton Science Academy CS
Georgia Magnet Charter School
Gilmer County Schools
Glascock County Schools
Glynn County Schools
Gordon County Schools
Grady County Schools
Greene County Schools
Gwinnett County Schools
Habersham County Schools
Hall County Schools
Hancock County Schools

Haralson County Schools
Harris County Schools
Hart County Schools
Heard County Schools
Henry County Schools
Houston County Schools
Imagine International Academy of Smyrna CS
Imagine Wesley International Academy
International Community School
Irwin County Schools
Jackson County Schools
Jasper County Schools
Jeff Davis County Schools
Jefferson County Schools
Jenkins County Schools
Johnson County Schools
Jones County Schools
Kidspeace School of Georgia
Kipp Metro Atlanta Collaborative Inc
Kipp South Fulton Academy
Lamar County Schools
Lanier County Schools
Laurens County Schools
Lee County Schools
Liberty County Schools
Lincoln County Schools
Live Oak Public Libraries
Long County Schools
Lowndes County Schools
Lumpkin County Schools
Macon County Schools
Madison County Schools
Marion County Schools
Mcduffie County Schools
Mcintosh County Schools
Meriwether County Schools
Miller County Schools
Mitchell County Schools
Monroe County Schools
Montgomery County Schools
Morgan County Schools
Mountain Education Center Inc
Murray County Schools
Muscogee County Schools
Newton County Schools
Ocmulgee Regional Library System
Oconee County Schools
Oglethorpe County Schools
Paulding County Schools
Peach County Schools
Pickens County Schools
Pierce County Schools
Pike County Schools
Polk County Schools
Pulaski County Schools
Putnam County Schools
Quitman County Schools
Rabun County Schools
Randolph County Schools
Richmond County Schools
Rockdale County Schools
Schley County Schools
Screven County Schools
Seminole County Schools
Spalding County Schools
Stephens County Schools
Stewart County Schools
Sumter County Schools
Talbot County Schools
Taliaferro County Schools
Tattnall County Schools
Taylor County Schools
Telfair County Schools
Terrell County Schools
Thomas County Schools
Tift County Schools
Toombs County Schools
Towns County Schools
Treutlen County Schools
Troup County Schools
Turner County Schools
Twiggs County Schools
Union County Schools
University Community Academy
Upson County Schools
Walker County Schools
Walton County Schools
Ware County Schools
Warren County Schools
Washington County Board of Education
Wayne County Schools
Webster County Schools
Wheeler County Schools
White County Board of Education
Whitfield County Schools
Wilcox County Schools
Wilkes County Schools
Wilkinson County Schools
Worth County Schools

Optional Form Factors

The percentages in the following tables show the proportion of the Maximum Plan Benefit payable to you when choosing a survivor benefit. To calculate Options A(a), A(b), and B, find the percentage relating to your age and your beneficiary's age as of your retirement date and multiply the Maximum Plan Benefit amount by that factor. For multiple beneficiaries or Member/beneficiary ages not listed in the table, please contact ERSGA.

Because of certain limitations under the federal Internal Revenue Code, you might not be eligible to elect the 100% Survivor Benefit under Option A if you elect a non-spouse beneficiary who is more than 10 years younger than you. If this is applicable, you will be notified of the maximum permissible amount which can be allocated to the non-spouse beneficiary.

Option A(a): 100% Survivor Benefit

The following table shows the percentage of the monthly Maximum Plan Benefit as a result of receiving a monthly benefit in the form of Option A(a), effective July 1, 2016.

Option A(a) Factors						
Beneficiary Age	**Retiring Member's Age**					
	60	**61**	**62**	**63**	**64**	**65**
55	86.28%	85.13%	83.92%	82.65%	81.31%	79.91%
56	86.76%	85.64%	84.45%	83.19%	81.88%	80.49%
57	87.26%	86.15%	84.99%	83.75%	82.46%	81.09%
58	87.76%	86.68%	85.54%	84.33%	83.05%	81.70%
59	88.26%	87.21%	86.09%	84.91%	83.65%	82.33%
60	88.77%	87.74%	86.65%	85.50%	84.27%	82.97%
61	89.27%	88.28%	87.22%	86.09%	84.89%	83.62%
62	89.78%	88.81%	87.78%	86.69%	85.52%	84.27%
63	90.28%	89.35%	88.35%	87.29%	86.15%	84.94%
64	90.78%	89.88%	88.92%	87.89%	86.79%	85.61%
65	91.27%	90.41%	89.48%	88.49%	87.42%	86.28%
66	91.76%	90.93%	90.04%	89.09%	88.06%	86.95%
67	92.24%	91.45%	90.60%	89.68%	88.69%	87.62%
68	92.71%	91.96%	91.15%	90.27%	89.32%	88.29%
69	93.17%	92.45%	91.68%	90.84%	89.94%	88.95%
70	93.62%	92.94%	92.21%	91.41%	90.54%	89.61%

Option A(b): 50% Survivor Benefit

The following table shows the percentage of the monthly Maximum Plan Benefit as a result of receiving a monthly benefit in the form of Option A(b), effective July 1, 2016.

Option A(b) Factors						
Beneficiary Age	**Retiring Member's Age**					
	60	**61**	**62**	**63**	**64**	**65**
55	92.63%	91.97%	91.26%	90.50%	89.69%	88.83%
56	92.91%	92.26%	91.57%	90.83%	90.04%	89.19%
57	93.19%	92.56%	91.88%	91.16%	90.38%	89.55%
58	93.48%	92.86%	92.20%	91.50%	90.74%	89.93%
59	93.76%	93.17%	92.53%	91.84%	91.10%	90.31%
60	94.05%	93.47%	92.85%	92.18%	91.46%	90.69%
61	94.33%	93.77%	93.17%	92.52%	91.83%	91.08%
62	94.61%	94.08%	93.50%	92.87%	92.19%	91.47%
63	94.89%	94.37%	93.82%	93.21%	92.56%	91.85%
64	95.17%	94.67%	94.13%	93.55%	92.93%	92.24%
65	95.44%	94.96%	94.45%	93.89%	93.29%	92.63%
66	95.70%	95.25%	94.76%	94.23%	93.65%	93.02%
67	95.96%	95.53%	95.07%	94.56%	94.01%	93.40%
68	96.22%	95.81%	95.37%	94.88%	94.36%	93.78%
69	96.46%	96.08%	95.66%	95.20%	94.70%	94.15%
70	96.70%	96.34%	95.94%	95.51%	95.04%	94.52%

Option B: Period Certain Benefit

The following table shows the percentage of the monthly Maximum Plan Benefit as a result of receiving a monthly benefit in the form of Option B for various guarantee periods, effective July 1, 2016.

Option B Factors				
Member Age	**B-B05 5 Year Certain & Life Option**	**B-B10 10 Year Certain & Life Option**	**B-B15 15 Year Certain & Life Option**	**B-B20 20 Year Certain & Life Option**
60	99.37%	97.60%	94.99%	91.92%
61	99.28%	97.27%	94.38%	91.03%
62	99.18%	96.92%	93.71%	90.07%
63	99.06%	96.53%	92.99%	89.04%
64	98.94%	96.09%	92.20%	87.93%
65	98.80%	95.62%	91.34%	86.73%
66	98.64%	95.08%	90.39%	85.43%
67	98.45%	94.48%	89.35%	84.04%
68	98.24%	93.82%	88.23%	82.56%
69	98.01%	93.11%	87.02%	80.99%
70	97.75%	92.32%	85.71%	79.32%
71	97.47%	91.46%	84.30%	77.57%
72	97.15%	90.51%	82.78%	75.72%
73	96.80%	89.46%	81.14%	73.78%
74	96.40%	88.30%	79.37%	71.76%
75	95.95%	87.01%	77.47%	69.64%