

Public School Employees Retirement System

PENSION NEWS 2008

GOOD NEWS FOR PSERS MEMBERS

Effective July 1, 2008, the benefit formula multiplier for current and future retirees increases from \$14.25 for each year of service to \$14.75. The 2008 General Assembly provided the funds for this increase, and Governor Perdue signed the bill.



This means that your future retirement benefit will increase. For example, if you retire at age 65 with ten years of service, your monthly benefit will be \$147.50.

$$10 \text{ years of creditable service} \times \$14.75 = \$147.50$$

In addition, the Board of Trustees granted a 1.5% Cost of Living Adjustment (COLA) in July 2008 and a 1.5% COLA in January 2009. Remember that retirement checks are paid at the end of the month, so the July 2008 retirement check that includes the increase will be mailed or directly deposited on July 31, 2008. ♦

Understanding Your Benefits

PSERS began in January 1970. The purpose was to provide a supplemental retirement plan for public school employees who did not belong to the Teachers Retirement System (TRS). PSERS is intended as an addition to other retirement income, such as social security and personal savings.

PSERS provides lifetime retirement benefits, disability benefits, and death benefits. These are available once you have enough years of service to qualify. The basic qualification for retirement is to have a minimum of ten years of creditable service. You must also be:


- Age 65 for Normal Retirement, or
- Age 60 for Early Retirement.

Contributions While Employed

Each month you contribute \$4 to PSERS. Contributions are deducted from your paycheck nine months of the year—September through May. This means that you contribute a total of \$36 per school year.

How much do employees contribute?

9 months
X
\$4 per month
=
\$36 per year



Vesting

Once you have at least ten years of creditable service, you are considered vested. Vested status means you are eligible to receive a lifetime monthly benefit when you are at least 60 years old.

Normal Retirement

Normal Retirement begins at age 65. At age 65 or over, you may retire and draw a monthly benefit for the rest of your life if you have at least ten years of creditable service.

There is an easy formula for determining your monthly benefit with a Normal Retirement. Multiply your years of creditable service times \$14.75.

$$\text{Years of Creditable Service} \times \$14.75$$

10 yrs x \$14.75 = \$147.50	25 yrs x \$14.75 = \$368.75
12 yrs x \$14.75 = \$177.00	29 yrs x \$14.75 = \$427.75
15 yrs x \$14.75 = \$221.25	32 yrs x \$14.75 = \$472.00
18 yrs x \$14.75 = \$265.50	37 yrs x \$14.75 = \$545.75
20 yrs x \$14.75 = \$295.00	42 yrs x \$14.75 = \$619.50

Early Retirement

Early Retirement can begin at age 60. You must have at least ten years of creditable service. There is a reduction in benefits from age 60 to 65. The reduction factor is 1/2% for each month under age 65. This is the same as 6% per year. Use the formula for Normal Retirement and then multiply by the reduction factor.

$$\text{Years of Creditable Service} \times \$14.75 \times \text{reduction factor}$$

The following example assumes you retire at age 60:

- 10 years x \$14.75 = \$147.50 monthly for normal retirement
- \$147.50 x 30% (reduction of 6% for 5 years) = \$44.25
- \$147.50 - \$44.25 = \$103.25 monthly for early retirement

Disability Retirement

You need at least 15 years to qualify for disability retirement. If you qualify for this benefit, your age is projected to age 65, so there is no reduction of benefits.

You must be permanently and totally disabled from performing the job you have at the time you apply for disability retirement. Approval or disapproval of the

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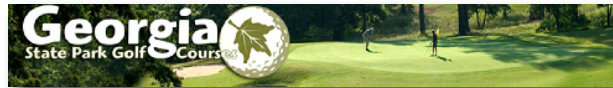
Contact Information

PSERS General Office	404-350-6300	PSERS Fax	404-350-6308
PSERS Toll Free	800-805-4609	Web Site	www.ersga.org

Two Northside 75, Suite 300 Atlanta, GA 30318-7701

There are golf specials for Georgia Government employees and retirees in eight locations around the State. Tee times can be reserved as well as special golf packages ordered. Identification is necessary to prove you are an active member or a retiree of the State of Georgia. You may use your PSERS newsletter showing your name and address.

Go to www.georgiagolf.com for all the details or call 1-800-982-3691.♦



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Disability Retirement (cont.)

application is based on the recommendation of three physicians on the PSERS Medical Board. You must be in employment status (not terminated) when you file for disability retirement; however, you must be on leave with or without pay while the disability retirement application is processed. Your personnel office certifies your employment status. You must submit documentation showing that you are disabled.

Medical information from your physician(s) and hospitals/clinics describing the condition in detail within the past 18 months is required. You are responsible for getting this information to PSERS.

Summary

Remember – your PSERS benefits are intended to be a supplement to other retirement income. As you move through your working life, make PSERS just one part of your overall retirement income. But, PSERS is a very beneficial supplement. A member with 10 years of service and who is age 65 has contributed \$360 (10 x 36). His or her monthly retirement will be \$147.50; therefore, that retiree will recoup their total contributions within 2 ½ months of retirement. For more detailed information on your PSERS plan, visit our website at www.ersga.org and download the PSERS Handbook.♦