

**THE SCHOOL DISTRICT OF PHILADELPHIA  
RETIREMENT DEPARTMENT**

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**Guidelines for Retirement**

**9-12 Months prior to retirement**

1. It is very important that you attend a *Foundations for Your Future* program. These are held at various times and locations by counselors from the Public School Employees' Retirement System (PSERS). Posters with the schedule for the current school year have been sent to all schools by PSERS. You can also view the schedule for the Southeast Region on the PSERS website ([www.psers.state.pa.us](http://www.psers.state.pa.us)) or contact the local regional office in Warminster at (215) 443-3495 or the School District of Philadelphia (SDP) Retirement Office at (215) 400-4680, for times and locations ([retirement@phila.k12.pa.us](mailto:retirement@phila.k12.pa.us)). These meetings are held to give the members general information about PSERS benefits and services.
2. Request a PSERS retirement estimate using Request for Retirement Estimate, form PSRS - 151 available from PSERS or the SDP Retirement Office. Check the PSERS website at [www.psers.state.pa.us/forms](http://www.psers.state.pa.us/forms) for more information and to print forms.
  - a. Complete form PSRS – 151 and send to the address listed on the form.
  - b. If you are leaving employment due to medical reasons, answer yes to Question #1 on the request form and you will receive a disability and regular retirement estimate. If you are applying for disability retirement, the Job Description (PSRS-1237) page of the Disability Application (PSRS-49) must be completed by the SDP Retirement Department.
  - c. Review the PSERS estimate information, verify years of service and study the benefit options and the various methods to withdraw your contributions and interest. You should receive this estimate approximately 2 weeks after submitting the request. Make sure you have made all Purchase of Service requests, if applicable. Purchase of service applications must be submitted prior to termination of employment.
  - d. Review your health insurance coverage options for retirement. Call or email the Employee Benefits office at (215) 400-4630 ([benefits@phila.k12.pa.us](mailto:benefits@phila.k12.pa.us)) to get rates for continuation of coverage (COBRA). Please specify whether you are under or over age 65, since coverage options change when you are Medicare eligible. When you submit the notification of your retirement to the Retirement Office (see #3 below), the Benefits office will send you an application for continuation of coverage (COBRA). Let the office know if you have a spouse who previously worked for SDP since you may be eligible for two single medical plans which is cheaper than couple coverage. You should also contact PSERS Health Options Program for information on coverage through PSERS at 1-800-773-7725.

- e. Premium assistance reimbursement of up to \$100 per month is available to eligible PSERS retirees. Premium assistance eligibility and application procedures are discussed at the PSERS Foundation for Your Future and Exit Counseling meetings. The application is automatically sent to new retirees who meet the eligibility requirements.
  - f. If you are retiring under normal retirement and have had a life insurance policy with SDP for 10 years, you will be eligible to receive a fully paid \$2,000 policy. Please call the Employee Benefits office to confirm eligibility and to update beneficiary information.
  - g. Contact Social Security, if applicable
3. Once you have made your decision to retire, you must submit a Notification of Retirement Form to the SDP Retirement office. This form can be downloaded from the SDP website at [www.phila.k12.pa.us/hr](http://www.phila.k12.pa.us/hr) (click on Retirement/Resignation Form) or it can be obtained from the SDP Retirement Office by calling (215) 400-4680. For Teachers only, your letters must be received by the Retirement office and date stamped by April 15<sup>th</sup> in order to continue paid medical benefits through the summer. For all others, benefits end on the last day of the month in which you are retiring.

#### **6-9 Months prior to retirement**

4. Schedule a retirement exit counseling session with the local regional office in Warminster at (215) 443-3495. Exit counseling sessions are held in Philadelphia, Warminster, Morton, Norristown and Pottstown. You will be sent an Exit Counseling packet from PSERS after you make your appointment.
5. Contact your union if you are a 1201, 634 or PFT member to go over dental, vision and prescription benefits after retirement. Non-represented, CASA and SPAP employees can apply for continuation of dental, vision and prescription benefits at the same time they apply for continuation of medical coverage with the Benefits office.

#### **1-6 Months prior to retirement**

6. Attend a Retirement Exit counseling session. This is where all retirement options are decided. The meetings take approximately 2 hours, Bring your retirement estimate; completed Authorization for Direct Rollover, if applicable; beneficiary's information (address, social security number, date of birth and proof of birth if selecting a joint survivor option); and direct deposit information.
- a. At the retirement exit counseling, PSERS staff will provide an overview of all options, taxes on your benefits and the availability of health insurance offered by PSERS Health Options Program. Part of the session will be spent completing your retirement forms. Only you can choose whether or not to withdraw your contributions and interest and which option is most appropriate for your needs. You may want to meet with a financial planner to decide the best option for you. Be prepared to answer the following questions:
    - 1. Which option do I want?
    - 2. Do I want to withdraw my contributions and interest in a lump sum?

3. If yes, do I want my contributions and interest paid to me, or directly rolled over into a tax-deferred account? If you want to roll over any portion of your money into an eligible retirement plan, you will need an Authorization for Direct Rollover (PSRS-1264.) You will need to contact the financial institution of your choice for information about establishing a qualified plan and completing the Authorization for Direct Rollover form.
7. Submit completed retirement application packet to PSERS. The packet should include:
  - a. Application for Retirement (PSRS-8)
  - b. Authorization for Direct Rollover – Retirement (PSRS-1264) (if applicable)
8. Contact the Payroll Department, at (215) 400-4490, with any questions pertaining to the payout of summer reserve which will be paid out directly after retirement and the payout of accumulated personal illness, personal leave or vacation days (Termination Pay), which generally will be paid out twelve to sixteen weeks after retirement.

If you are retiring from the School District of Philadelphia **AND** you are at least 55 years of age or you will turn 55 in the calendar year in which you retire, **the School District will contribute your Termination Pay to your account under the School District's 403(b) Plan (and 457(b) Plan, if applicable), which is invested with one of the School District's 403(b)/457(b) Plan providers.**

Federal income tax will not be withheld from contributions to 403(b) Plan and 457(b) Plan accounts, and you will not be required to pay federal income tax until you withdraw the money from your Plan account(s). Current IRS guidelines indicate that School District contributions of Termination Pay to a 403(b) Plan account are not subject to FICA or Medicare tax (7.65% combined). However, FICA and Medicare deductions are withheld on amounts contributed to 457(b) Plan accounts. You will not have to pay Pennsylvania income tax and Philadelphia City Wage tax on the School District's contribution of your Termination Pay to your 403(b) Plan account or your 457(b) Plan account.

Please check with your financial advisor regarding your specific contribution limits.

**You may take an immediate lump-sum cash distribution of the balance of your 403(b) and 457(b) Plan accounts (including any Termination Pay contributions), or you may roll the money into an IRA or another employer's retirement plan.** This means that the amount of your Termination Pay will be available for distribution to you (usually within one week) after it is contributed to the Plans by the School District. Alternatively, you may continue to invest your account balance under the Plan(s) until a later distribution date.

Please contact one of the approved providers to open a 403(b) Plan account or a 457(b) Plans account and for a more detailed explanation of the tax consequences of the Plans.

**All retirees who are at least 55 years of age or will turn 55 in the calendar year in which they retire must set up a 403(b) Plan account to receive their Termination Pay.**

## **TSA CONTACT INFORMATION**

The approved providers for the School District's **403(b) and 457(b) Plans** are:

- **AIG VALIC** Susan Borzillo (610) 640-6260  
Phil Harris (215) 557-7622
- **AXA Equitable** Ernest L. Repice (888) 660-4108  
David Ciotta (800) 973-5219
- **MetLife** Anthony Singer (800) 492-2505
- **Lincoln Investment Planning** John Gallagher (800) 242-1421 x 1230  
Kelly Ochotny (800) 242-1421 x 1435
- **TIAA-CREF** Telephone enrollment (800) 842-2888  
For termination pay only: Kevin Christian (800) 842-2010

**Be sure to keep copies of everything you submit.**

9/17/2007