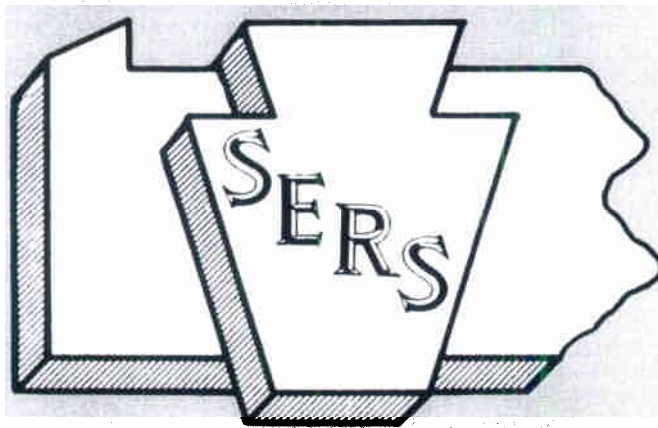




**PENNSYLVANIA
STATE EMPLOYEES'
RETIREMENT
SYSTEM**



**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM**

1982 ANNUAL REPORT

**DICK THORNBURGH
Governor**



Commonwealth of Pennsylvania
State Employees' Retirement System
204 Labor and Industry Building
Harrisburg, Pennsylvania 17120

BOARD OF TRUSTEES

William J. Moran
Acting Chairman

- Honorable Anthony B. Andrezeski
- Honorable Robert A. Bittenbender
- Honorable R. Budd Dwyer
- Honorable Stephen F. Freind
- Honorable Edward L. Howard
- Mr. Charles J. Lieberth
- Mr. Milton ...*
- Mr. K. Paul Muench
- Honorable Samuel Rappaport
- Honorable James I. ...



COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
204 LABOR & INDUSTRY BUILDING
HARRISBURG, PENNSYLVANIA 17120
Telephone
717-787-6293

To the Honorable Dick Thornburgh
Governor of Pennsylvania
Members of the General Assembly, and
Members and Retirees of the
Pennsylvania State Employees' Retirement System:

On behalf of the Board of Trustees of the Pennsylvania State Employees' Retirement System (SERS), I am pleased to submit this Annual Report covering the activities and operations of the Retirement System for the year ending December 31, 1982.

As of December 31, 1982, a total of 55,591 former state employees and beneficiaries were receiving monthly benefits of \$20,087,323. This is a net increase of 3,065 recipients over December 31, 1981. Total benefit payments for normal, early, and disability retirements, death benefits, and refunds to former members amounted to \$343,867,133 during 1982. Active membership in the Retirement System declined during the year from 119,724 to 119,548 at the end of 1982.

Total assets of the trust fund held in reserve for the payment of future benefits stood at more than \$3.5 billion at market value at the close of 1982. Employer contributions to the Fund continue to be made at the rate certified by the plan's actuary as sufficient to provide for all liabilities under the plan.

The State Employees' Retirement Board and its staff are pleased to furnish you and all members with this Annual Report for your information and enlightenment.

Sincerely,

William J. Moran
Acting Chairman

SECRETARY'S REPORT

The 1982 Annual Report serves to inform and update you, the members, on developments during the year, as well as the status of the Retirement System at year's end. In our never ending efforts to improve the performance of the System, both from a financial and administrative standpoint, 1982 has been one of the most successful and outstanding years in the history of the System.

The most significant occurrence of the year, in terms of guaranteeing continued progress in insuring the solvency of the Pension Fund, was the creation and establishment of an Office of Investments; highlighted at year's end by a 27.8 percent rate of return on our investments, the best ever recorded since the inception of the System itself. In addition to implementing an Investment Plan designed to improve the Debt/Equity Ratio of the Fund by increasing the Common Stock holdings and reducing the Bond holdings of the Fund, the Investment Office monitors monthly and quarterly the performance of each of the respective investment managers employed by the Fund and their contributions to the overall performance of the Fund. The Board, ever conscious of its fiduciary responsibilities, holds quarterly meetings with each investment manager to review with them their overall performance; and to determine what strategies are to be implemented for our Account.

In line with our dedicated policy of increasing and improving our performance on the investment side of the ledger, the Board in September of 1982 established an Equity Index Fund and appointed Wells Fargo Investment Advisors to manage that Fund. In accordance with the Investment Plan, the Board appointed Buck Pension Fund Services, Inc. to act as a consultant to assist the Board in selecting and naming additional equity investment managers diversified by investment style. All this was in part made possible by Act 45, enacted by the General Assembly and effective on March 4, 1982 which increased the investment flexibility of the Board. This major and important piece of legislation permitted 50% of the total assets of the Fund at book value to be invested in Common Stocks; and authorized the Board, at its discretion, to invest a maximum of 10% of the book value of the assets of the Fund in any investments not otherwise specifically authorized provided they are prudent investments. It is significant and enlightened legislation such as this that enables the system to continue its progress in insuring the financial soundness of your Retirement System.

On the Administrative side of the ledger, Act 284 signed into law on December 14, 1982 affected all active members of the Retirement System by deferring Federal income taxes due on current member contributions to the Retirement System until the time the member actually receives these contributions as part of a monthly retirement benefit or as a refund. The Act further provided that the tax deferral for those contributions would be

retroactive to January 1, 1982. The Courts also established a significant vested right principle which allows for no diminishment in a member's future retirement benefit entitlements after the member attains vested status. This has led to a recalculation and upward adjustment of several hundred retirement benefits for retired and deceased members whose benefits had been improperly diminished due to 1974 pension reform legislation. The Retirement System has also implemented a direct deposit system for annuity payments through electronic fund transfers. Annuitants now have immediate access to their annuity payments at the financial institution of their choice on the date the checks are payable; no longer having to wait for the check to be delivered at a later date through the mail.

Additionally, as a result of the Tax Equity and Fiscal Responsibility Act of 1982, the staff of the Retirement System recently implemented new Federal income tax withholding provisions. These provisions affect all individuals receiving benefits from this System. While the new withholding provisions do not require withholding, they do require that many benefit recipients file a withholding form indicating whether or not they want withholding tax deducted from their payments. Also, as indicated in prior year reports, the Board has contracted with an independent accounting firm to perform annual audits of the System. The audit reports provide the System's members with an opportunity to observe the financial condition of the Fund. This year we have reproduced the audit report as prepared by Ernst and Whinney, CPAs, on pages 7 and 8 of this booklet. Under an audit rotation policy established by the Board, the firm of Coopers and Lybrand, CPAs, will conduct the annual audit for the years 1982, 1983, and 1984.

The Pennsylvania State Employees' Retirement System confronts the future better prepared, and with better prospects for continued success, than at any other time in its history. The Fund's aggressive moves towards investment diversification, begun in 1981, is progressing at full speed and the rewards this policy brings are reflected dramatically in this year's rate of return. The Administration of the Fund constantly continues to update and improve operations, never losing sight of its commitment to you—the individual member. Prompt, efficient service in a courteous and helpful manner, to all our members is a primary concern of your Retirement System.

Sincerely,



Robert L. Cusma
Secretary

ADMINISTRATIVE & ADVISORY STAFF

Robert L. Cusma, Secretary
Dale H. Everhart, Assistant Secretary
John R. Brosius, Director
Office of Financial Management
Edwin B. Warwick, Chief Investment Officer
Office of Investments

DIVISION DIRECTORS

Robert E. Bowers—Administrative Services
Ruth E. Granoff—Membership Services
John E. Hibbs—Personnel Division
Susan C. Hostetter—Benefits Determination
Aldo J. Mastrine—Retirement Counseling

ADVISORS

Consulting Actuaries Hay/Huggins Philadelphia, PA	Independent Auditors: Coopers & Lybrand Philadelphia, PA (1982)
Investment Advisors Fixed Income and Equities: Alliance Capital Management, Inc. New York, NY	Ernst & Whinney Harrisburg, PA (1978-1981)
Mellon Bank N.A. Pittsburgh, PA	Policy Advisor: Ronald A. Karp Assocs. Summit, NJ
Wells Fargo Investment Advisors San Francisco, CA	Portfolio Evaluation: A. G. Becker Co., Inc. Chicago, IL
Mortgages: Philadelphia Saving Fund Society Philadelphia, PA	Legal Counsel: Herbert Goldstein Chief Counsel
Mortgage-Backed Securities: Miller, Anderson & Sherrerd Bala Cynwyd, PA	Medical Counsel Mark Berger, M.D. and Stanley R. Goldman, M.D., P.C. Harrisburg, PA

FINANCIAL STATEMENTS

The financial records of the SERS for the years 1980 and 1981 were audited by Ernst & Whinney, the System's independent certified public accounting firm. The audit report is reproduced on the following pages. The financial statements were prepared in accordance with the requirements of the Financial Accounting Standards Board Statement #35, which was adopted by the State Employer Retirement Board in 1981. In summary the Statement #35 established accounting and reporting standards for defined benefit pension plans (such as the SERS). The following information must be reported: (1) The net assets available for plan benefits as of the end of the plan year and the changes that occurred in the net assets during that year; (2) the actuarial present value of accumulated plan benefits at the end of each plan year and factors affecting the year-to-year change in the value of such benefits. The primary objective of this statement is to provide financial information that will be useful in determining the plan's ability to pay benefits when they become due.

The reader should be aware of several important points when reviewing the statements:

—long term investments are reported at current market value regardless of investment policy. As interest rates rise, the market value of bonds and mortgages declines; generally accepted accounting principles require that this depreciated value be disclosed, even if, as is the case with the Fund's residential mortgages, the Fund's policy is to hold these investments until maturity. Therefore, the asset values on the audited financial statements represent the proceeds that would have been obtained if the entire Fund had been sold and converted to cash on December 31 of each year presented.

—the accumulated plan benefits disclosed in Note C represent the value of all benefits payable to current members if the plan ceased to exist on December 31 of each year presented; adjusted to reflect the time value of money assuming an interest rate which reflects current market conditions.

These two accounting requirements give a snapshot picture of the financial condition of the plan as of a given date assuming the plan terminated and all assets were liquidated. They are not the values used by the actuary to determine contribution levels. Those calculations assume a continuing pension plan where members will receive periodic salary increases that raise the level of pensions payable on all service because benefits are based on the average of the three highest years' earnings.

Following the audited financial statements for 1980 and 1981 are the unaudited statements for 1982 as prepared by SERS. The audit of those records is currently being performed. The three years, 1980 through 1982, are presented for comparison by the reader. PLEASE NOTE: IT IS SOMEWHAT MEANINGLESS TO COMPARE THE FINANCIAL STATEMENTS PRESENTED IN THIS REPORT WITH THOSE PROVIDED IN THE 1981 SERS ANNUAL REPORT, SINCE, IN THE 1981 REPORT, THOSE STATEMENTS WERE PREPARED UNDER A DIFFERENT ACCOUNTING METHOD. SIMPLY STATED, IN THE 1981 REPORT, INVESTMENTS WERE SHOWN AT THEIR COST OR AMORTIZED COST VALUE. AS INDICATED ABOVE, THIS REPORT SHOWS THEM AT THE CURRENT MARKET VALUE AS OF YEAR END—A MUCH MORE MEANINGFUL STATEMENT OF THE ACTUAL CURRENT VALUE OF THE INVESTMENTS. FOR COMPARATIVE PURPOSES WE HAVE RESTATED THE DECEMBER 31, 1980 AND 1981 INVESTMENTS TO FAIR MARKET VALUE IN THIS REPORT.

Ernst & Whinney

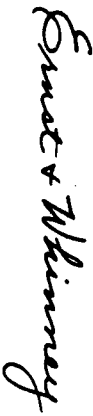
300 Locust Court
212 Locust Street
Harrisburg, Pennsylvania 17101

717/232-7575

Members of the Board
Commonwealth of Pennsylvania
State Employees' Retirement System
Harrisburg, Pennsylvania

We have examined the statements of net assets available for plan benefits of the State Employees' Retirement System as of December 31, 1981 and 1980, and the related statements of changes in net assets available for plan benefits for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements referred to above present fairly the financial position of the State Employees' Retirement System at December 31, 1981 and 1980, and the changes in net assets available for plan benefits for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.



Harrisburg, Pennsylvania
July 9, 1982

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM

December 31
1981 1980

ASSETS

Investments, at fair value—
Notes A and D:

United States government securities	\$ 485,085,905	\$ 303,529,422
Corporate bonds and notes	863,627,540	1,067,305,286
Common and preferred stocks	817,177,643	789,000,063
Mortgages	257,466,315	268,135,217
Temporary investments	2,423,357,403	2,427,969,988
	260,667,066	128,045,096
Total Investments	2,684,024,469	2,556,015,084

Receivables

Contributions receivable from Commonwealth	88,241,515	82,696,440
Contributions receivable from employees	4,130,686	4,251,163
Accrued income	39,019,125	43,560,991
Other	2,640,789	2,836,273
Total Receivables	134,032,115	133,344,867

Cash

	52,618	195,065
Total Assets	2,818,109,202	2,689,555,016

LIABILITIES

Accounts payable and accrued expenses	879,146	410,898
---------------------------------------	---------	---------

NET ASSETS AVAILABLE FOR PLAN BENEFITS— NOTE C

	\$2,817,230,056	\$2,689,144,118
--	-----------------	-----------------

See notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM

	Year Ended December 31	
	1981	1980
ADDITIONS		
Investment income	\$ 267,211,063	\$ 223,855,116
Contributions:		
Commonwealth	309,579,182	287,133,105
Employees	116,283,066	110,531,173
Other	16,108,746	18,414,005
	709,182,057	639,933,399
DEDUCTIONS		
Benefits paid directly to participants	325,700,407	295,265,098
Administrative expenses	3,000,756	2,486,483
	328,701,163	297,731,561
	380,480,894	342,201,838
Net realized and unrealized depreciation in fair value of investments	252,394,956	76,845,383
NET INCREASES	128,085,938	265,356,455
Net assets available for plan benefits at beginning of year	2,689,144,118	2,423,787,663
NET ASSETS AVAILABLE FOR PLAN BENEFITS AT END OF YEAR	\$2,817,230,056	\$2,689,144,118

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM

December 31, 1981

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

Valuation of Investments: Marketable securities are stated at fair value. Temporary investments are valued at cost which closely approximates market. Securities traded on a national securities exchange were valued at the last reported sales price on the last day of business of each plan year. Securities which were not traded on the last day of the plan year or which were not traded on a national securities exchange are valued by the plan advisor based on similar securities sales.

Mortgages are valued by the mortgage advisors using a discounted cash flow method.

Unaudited financial statements have been issued by the System for the years ended December 31, 1980 and 1981, which valued investments at amortized cost.

Actuarial Present Value of Accumulated Plan Benefits: Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries.

NOTE B—DESCRIPTION OF THE SYSTEM

The State Employees' Retirement System is a contributory defined benefit plan that covers substantially all state employees and provides for retirement, death and disability benefits. The majority of employees contribute at a rate of 5% of their gross pay. Accumulated employee contributions amounted to \$1,000,500,000 and \$937,500,000 as of December 31, 1981 and 1980, respectively. Interest is calculated quarterly and credited to the employee's account to yield 4% compounded annually.

The Commonwealth's contribution is based upon an actuarially determined percentage of gross pay and ranged from 13.75% to 14.67% during the two-year period. According to the retirement code, all obligations of the Plan will be assumed by the Commonwealth should the Plan terminate.

Information about the Plan agreement, including the vesting and benefit provisions, is contained in the pamphlet, *Pennsylvania State Employees' Retirement System Handbook*. Copies of this pamphlet are available from the Pennsylvania State Employees' Retirement System.

NOTES TO FINANCIAL STATEMENTS—Continued
COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

NOTE C—ACCUMULATED PLAN BENEFITS

An actuary from Huggins & Company estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants, to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information as of the end of each plan year is as follows:

	December 31	1980
	1981	(In Thousands)
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Participants currently receiving payments	\$1,636,646	\$1,559,532
Other participants	1,798,927	1,384,793
Nonvested benefits	3,435,573	2,944,325
	78,830	1,343
	<u>\$3,514,403</u>	<u>\$2,945,668</u>

The actuarial present value of accumulated plan benefits was \$3,070,464,000 at December 31, 1979.

The assumptions discussed below relating to disability, withdrawals, and retirement were revised for the year ended December 31, 1981 based upon the experience of the State Employees' Retirement System for the period 1975 through 1980, resulting in an increase in the present value of accumulated plan benefits of approximately \$350,000,000. The 1980 accumulated plan benefit information was based upon experience from 1971 through 1975.

Significant assumptions underlying the actuarial computations for the two years ended December 31, 1981 are:

Supernannuation (Normal Retirement) and Withdrawal Disability	The 1971 Group Mortality Table.
Assumed Rate of Return on Investments	Modifications of the 1965 Railroad Retirement Board Mortality among totally disabled annuitants. 10% in 1981 and 9% in 1980

NOTES TO FINANCIAL STATEMENTS—Continued
COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM

NOTE D—INVESTMENTS

Members of the Retirement Board are trustees of the fund, have responsibility for management of the fund and have full power to invest the monies therein, subject to the terms, conditions, limitations and restrictions imposed by law upon fiduciaries.

The investment portfolio is currently yielding approximately 10.2%, based on fair value of the investments. This computation excludes realized or unrealized appreciation or depreciation in the investment portfolio. The estimated rate of return was determined by using the interest income currently being collected on the fixed-income securities and the current dividend rates on the equity securities.

During 1981, the Plan's investments (including investments bought, sold, as well as held during the year) depreciated in fair value by \$252,394,956 as follows:

Year-ended December 31, 1981	Net	Fair Value
	Depreciation In Fair Value During Year	At End Of Year
Fair value as determined by quoted market price or the plan advisor:		
United States government securities	\$ 22,697,533	\$ 485,085,905
Corporate bonds and notes	92,812,879	863,627,540
Common and preferred stocks	61,122,350	817,177,643
	176,632,762	2,165,891,088

Fair value estimated by using discounted cash flow:

Mortgages	75,762,194	257,466,315
-----------	------------	-------------

Fair value which approximates cost:

Temporary investments	\$ 252,394,956	\$2,684,024,469
-----------------------	----------------	-----------------

The net appreciation or depreciation in fair value of investments for each significant class of investments could not be separately determined for 1980.

NOTE E—INCOME TAX STATUS

The System has not requested a determination letter from the IRS relating to the status of the Plan under the Internal Revenue Code.

NOTE F—CONTINGENCIES

The State Employees' Retirement System is involved as the defendant in several suits. Settlements, if any, are expected to be immaterial in relation to the System's financial resources.

**STATE EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF NET ASSETS AVAILABLE FOR
PLAN BENEFITS (UNAUDITED)
DECEMBER 31, 1982**

ASSETS	
Investments, at fair value:	
United States Government securities	\$ 634,821,912
Corporate bonds and notes	740,232,768
Common and preferred stock	1,267,579,066
Mortgages	313,538,663
Temporary investments	2,956,172,409
	549,364,669
	<u>3,505,537,078</u>
Receivables:	
Contributions receivable from Commonwealth	178,647,282
Contributions receivable from employees	4,643,844
Accrued income	42,839,592
Other	565,599
	<u>226,696,317</u>
	38,858
	<u>3,732,272,253</u>
LIABILITIES	
Accounts payable and accrued expenses	1,961,253
	<u>1,961,253</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u><u>\$3,730,311,000</u></u>

**STATE EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE
FOR PLAN BENEFITS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 1982**

ADDITIONS	
Investment income, net of direct investment expenses of \$958,000	\$ 311,636,838
Contributions:	
Commonwealth	365,969,380
Employees	121,589,077
Other	17,549,936
	<u>816,745,231</u>
DEDUCTIONS	
Benefits paid directly to participants	347,126,951
Administrative expenses	2,937,974
	<u>350,064,925</u>
Net realized and unrealized appreciation in fair value of investments	466,680,306
	<u>446,400,638</u>
NET INCREASES	913,080,944
Net assets available for plan benefits at beginning of year	<u>2,817,230,056</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS AT END OF YEAR	<u><u>\$3,730,311,000</u></u>

1982 RETIREMENT STATISTICS

Following are facts and figures which apply to those persons who retired during 1982.

Retirement by Type:

Early Retirements	1,259
Normal Retirements	3,118
Disability Retirements	255
Total Retirements	4,632

A TEN-YEAR PERSPECTIVE

Active Members	1972	1982
Retirees and Beneficiaries	121,507	119,548
Average Monthly Retirement Benefit	24,693	55,591
Number of Staff Members	\$212.55	\$361.34
	57	74

	1972 ¹	1982 ¹	Annual Rate of Growth ²
Investments	\$1,043.15	\$3,505.54	12.9%
Members' Contributions	69.14	121.59	5.8
Employer Contributions	101.40	383.52	14.2
Investment Earnings	60.22	312.59	17.9
Revenue	230.76	817.70	13.5
Expenses	87.15	351.02	14.9
Administrative Expenses	.81	3.90	17.0

¹Dollar values in millions

²Annual rate of growth is the percentage increase per year for the ten year period.

APPEAL AND HEARING PROCEDURES

What happens if you believe you have been unjustifiably denied a right or benefit which you think you are entitled to under the Retirement Code? If you find yourself in such a situation, you should do the following:

- 1) Read your Member's Handbook and other written material provided by the Retirement Board to see if your question is answered to your satisfaction; if it isn't—
- 2) If you are a contributing member, contact the Retirement Counselor assigned to your work location for further information;
- 3) If you do not receive a satisfactory answer from your Retirement Counselor, or if you are retired or vested, put your question in writing to the Secretary of the Retirement System as follows:

Robert L. Cusma, Secretary
Pa. State Employees' Retirement System
Room 204 Labor & Industry Building
Harrisburg, Pennsylvania 17120

Your letter should include your name, address and phone number; your social security number; your work location; a complete description of your question and the facts of your situation; and the names and locations of any representatives of your personnel office or the Retirement System you had contacted (if possible, include copies of any pertinent correspondence).

You will receive a written reply from a member of the Retirement System's staff.

- 4) If, after receiving a formal reply from the Retirement System, you still disagree with the position taken by the Retirement System, you may request an administrative hearing. An administrative hearing is a process which attempts to resolve disputes before an independent hearing examiner. It also serves to create a complete record of facts and testimony in the event the case is not resolved and the matter is taken to court. When you request a hearing, a hearing examiner will be assigned, and a date will be set for the hearing. All hearings are conducted at the Retirement System's offices in Harrisburg. You may bring an attorney if you wish, and you may also bring witnesses to testify. The Retirement System bears the cost of the hearing examiner, the public stenographer, and the System's attorney. You are responsible for any expenses for your attorney and witnesses as well as your travel and incidental expenses.

To request a hearing, contact the Secretary of the Retirement System in writing.

- 5) If the hearing examiner finds against you, or if the Board refuses to accept a recommendation of the hearing examiner in your favor, you have the right to institute a formal legal suit. You would be notified of your rights and procedures at the time of a denial of your claim.

These procedures insure your rights under the Retirement Code. You have a corresponding responsibility to inform yourself of your rights and responsibilities by carefully reading all material which you receive from the Retirement System and by following the steps outlined above if you have any problems.

IMPORTANT REMINDERS

Active Members:

Monthly retirement benefits are guaranteed after 10 years of credited service (3 years of credited service if you have attained normal retirement age). Make sure you explore all available options before you terminate state service.

If you have at least 5 years of credited service, are under normal retirement age, and are disabled, you may be eligible to receive disability annuity payments.

If you are *not* a military retiree or are *not* actively serving in a national guard or reserve unit, you may be eligible to "purchase" retirement credit for active military service.

If you are employed by the Department of Education or Pennsylvania State University, you may be eligible to purchase out of state teaching service. Certain restrictions do apply.

If you should die while still in state service and are eligible to retire, SERS will pay to your beneficiary of record any accrued benefits.

If you are enrolled in the optional SSI (Social Security Integration) Program, you may wish to freeze your participation. Members who may wish to freeze fall within the following criteria:

1. Elected SSI prior to 01/01/69
2. Has credited service prior to 01/01/56
3. Is no longer exceeding the social security taxable wage base.

Should you have any questions concerning any of the above provisions, see your retirement counselor. If you don't know who your retirement counselor is, contact your Personnel Office.

Retirees:

If you are receiving normal or early retirement payments due to your service as a state employe, these monthly benefits are guaranteed for the rest of your life.

If your named beneficiary has died, you should consider filing a new beneficiary designation.

You should notify the Retirement Board of any change in address in writing.

You can arrange to have your check deposited by electronic transfer to any participating financial institution. Request form RS 643 from the Retirement Board.

Due to a change in the Federal Tax Laws, annuitants who are receiving \$450 or more per month must file an election form. Request a withholding form from the Retirement Board.

Should you return to active state service, the value of your annuity will be frozen as of the date of return. In some circumstances it is possible for annuitants to receive a lesser benefit upon the subsequent retirement.

IF YOU NEED HELP . . .

Active Members:

Contact your retirement counselor. If you don't know who your retirement counselor is, contact your personnel office.

Retired Members:

Please call the State Employees' Retirement System at (717) 767-6293 or write:

State Employees' Retirement System
Room 204 Labor & Industry Building
Harrisburg, Pennsylvania 17120

For a prompt reply, please remember to include your Social Security number and telephone number on all correspondence with the Retirement System. If you are a beneficiary annuitant, include the original member's Social Security number on mail in your own.

HOW CAN YOU HELP . . .

Please retain all information sent to you from the Retirement System.

Please include your Social Security number and telephone number on all correspondence to the Retirement System.

MAILING SCHEDULE OF MONTHLY ANNUITY CHECKS

Following is a list of the dates that monthly annuity checks will be mailed from the Retirement System office. Checks are mailed the day before the last working day of each month and are payable on the last day of each month.

Wednesday	June	29, 1983
Thursday	July	28, 1983
Tuesday	August	28, 1983
Thursday	September	28, 1983
Friday	October	28, 1983
Tuesday	November	29, 1983
Thursday	December	29, 1983
Monday	January	26, 1984
Tuesday	February	29, 1984
Thursday	March	27, 1984
Friday	April	27, 1984
Wednesday	May	24, 1984
Thursday	June	28, 1984