



ALLEGHENY COUNTY
EMPLOYEES' RETIREMENT SYSTEM

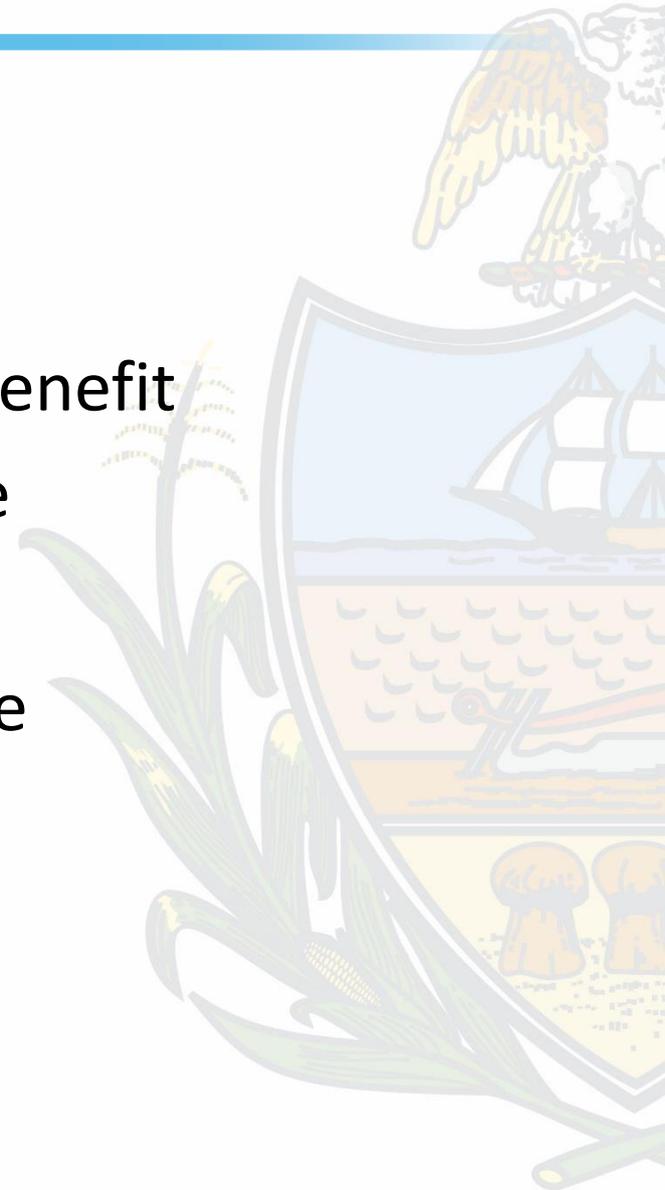
Completing your Pension Paperwork

What to Know When You are About to Retire

Carol Uminski, Plan Administrator

The Retirement Application Process

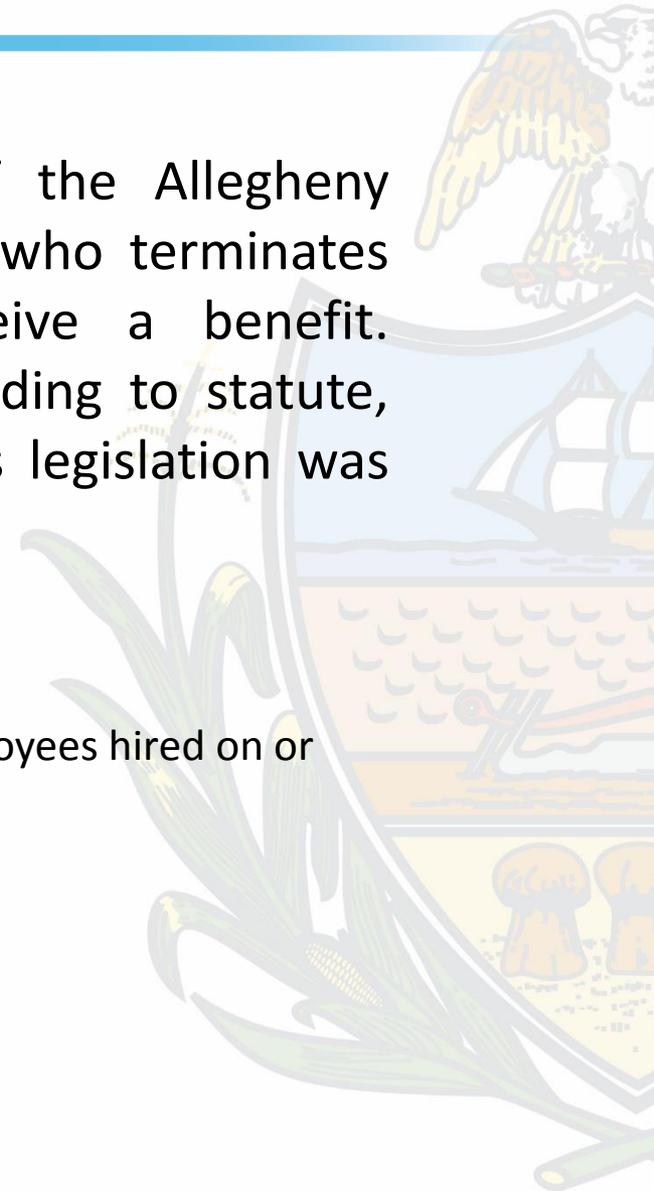
- Benefit Options
- Eligible Service Credit
- Calculating your Monthly Benefit
- Reading a Pension Estimate
- Applying for Benefits
- Choosing a Retirement Date
- Retirement Checklist
- Your First Check



Your Retirement Benefit

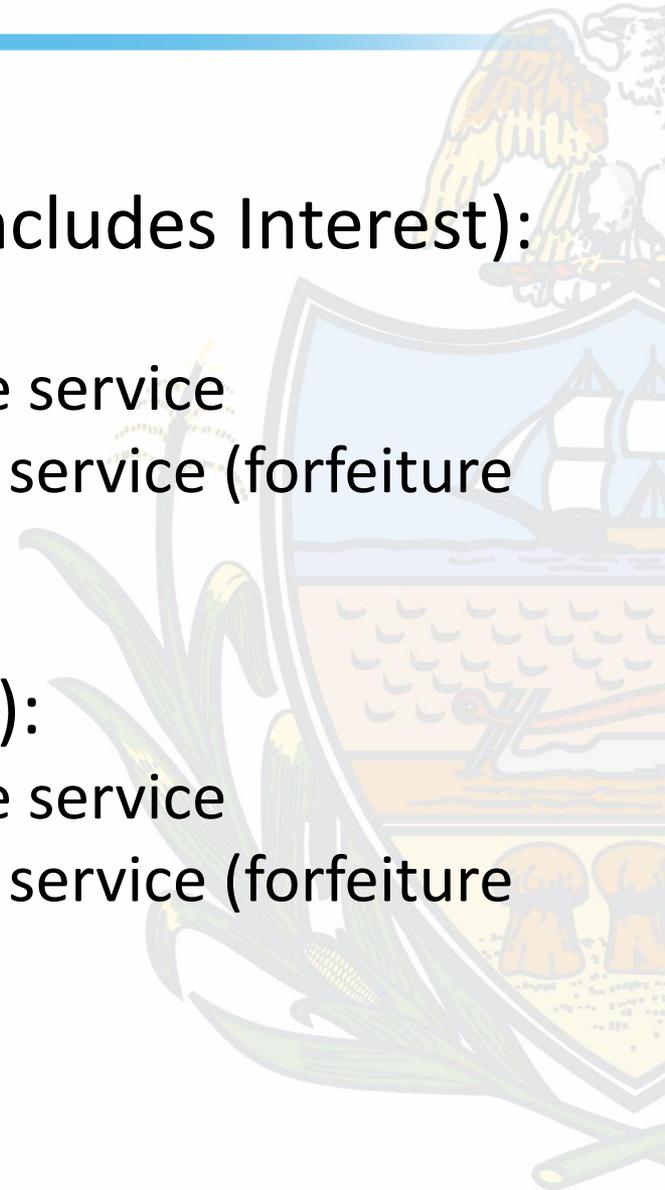
As an active contributing member of the Allegheny County Employees' Retirement System who terminates employment, you are likely to receive a benefit. Retirement benefits are provided according to statute, The PA Second Class County Code. This legislation was recently amended by HB 546 Act 125*.

*Please note this reform only applies to County employees hired on or after February 21, 2014.



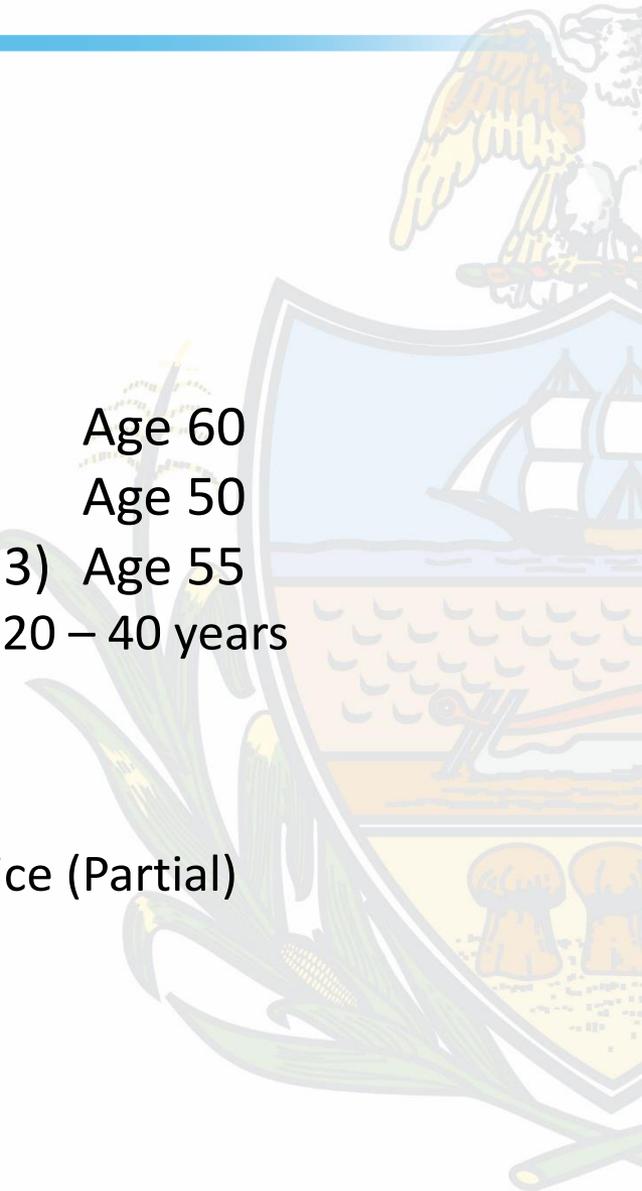
Your Retirement Benefit

- Contribution (Cash) Refund (includes Interest):
 - Fewer than 8 years of creditable service
 - More than 8 years of creditable service (forfeiture of monthly benefit)
- IRA Rollover (includes Interest):
 - Fewer than 8 years of creditable service
 - More than 8 years of creditable service (forfeiture of monthly benefit)



Your Retirement Benefit

- Full Retirement Pension:
 - 20 years of creditable service
 - Age requirement
 - General (G1) Age 60
 - Police/Fire (G2) Age 50
 - County Sheriff/Prison/Probation (G3) Age 55
 - Additional Service Increment for between 20 – 40 years
- Partial/Early Retirement Pension:
 - Between 8 and 20 years of creditable service (Partial)
 - Between age 55 and 60 (Early)



Your Retirement Benefit

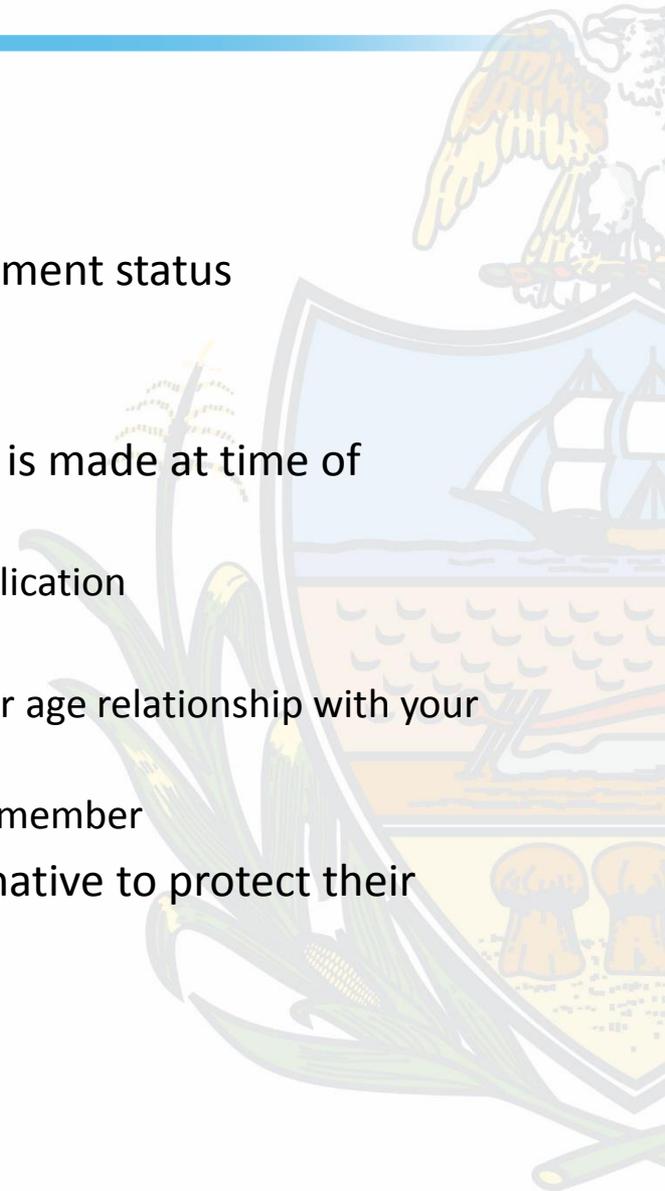
- Deferred Vested Pension:
 - More than 8 years of creditable service but less than required age* of normal retirement
 - Apply for retirement benefit at a later date with less/no penalty
- Disability Retirement Pension:
 - 12 years of creditable service
 - Meet application and medical requirements
- No Fault Retirement Pension:
 - 20 years of creditable service
 - Available if job is eliminated
 - Investigated and approved by Board Solicitor
 - Receive 70% of Benefit, regardless of age

**Police/Fire and County Sheriff/Prison/Probation status is subject to age 60 if deferred vest option is elected.*



Your Retirement Benefit

- Survivorship Pension:
 - Only for married members
 - Can be enacted when vested in active employment status
 - Cannot be retracted once you reach age 50
 - Exception is Death or Divorce
 - If not in effect in active employment, election is made at time of Retirement.
 - Cannot be retracted once you submit your application
 - Exception is Death or Divorce
 - Benefit is reduced by percentage based on your age relationship with your spouse (5 – 30%)
 - Spouse receives 50% of benefit upon death of member
 - Many consider term life insurance as an alternative to protect their spouse



Your Retirement Benefit

- Re-Employment of Retiree:
 - Freeze of monthly Allegheny County pension
 - Option to rejoin Plan (minimum two year commitment)
- Considerations:
 - ACT 125
 - Salary



What is Eligible Service Credit?

- Eligible service credit is the amount of time accumulated based on an employee making contributions to the retirement fund.
 - It is the foundation on how service time is recorded for calculation of your pension benefit. A service credit year equals 2080 regular (non-overtime) hours.
 - During your employment with the County, as you plan for your retirement, you may want to verify that there are no unaccounted gaps in your service time prior to giving your termination notice.
 - Gaps in service can occur for various reasons. Listed below are some of the more common types of service gaps and whether you can reclaim the service time:
 - Unexcused Absence (Unpaid Time Off) - not eligible for service time credit
 - Unpaid Family Medical Leave Act (FMLA) - not eligible for service time credit
 - Workers' Compensation* - eligible for service time credit, must be paid at time of approved leave
 - Military Service Time* - eligible for service time credit

*must notify Retirement Office of leave and submit proper application

What is Eligible Service Credit?

Current employees may purchase service time credit for the following:

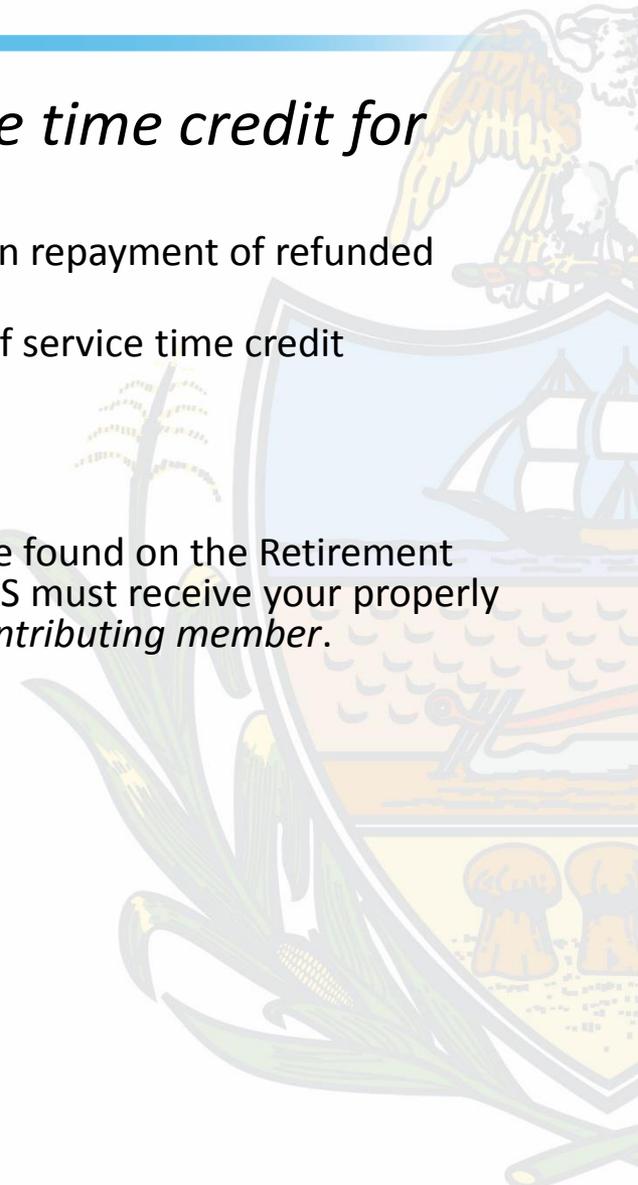
- Previous Service Time - eligible for service time credit upon repayment of refunded contributions (plus interest) to the Fund
- Previous Military Service Time - eligible for up to 3 years of service time credit

To purchase service time credit:

- Application forms for purchasing service time credit can be found on the Retirement Office webpage (www.alleghenycounty/retirement). ACERS must receive your properly completed buyback application while you are an *active contributing member*.

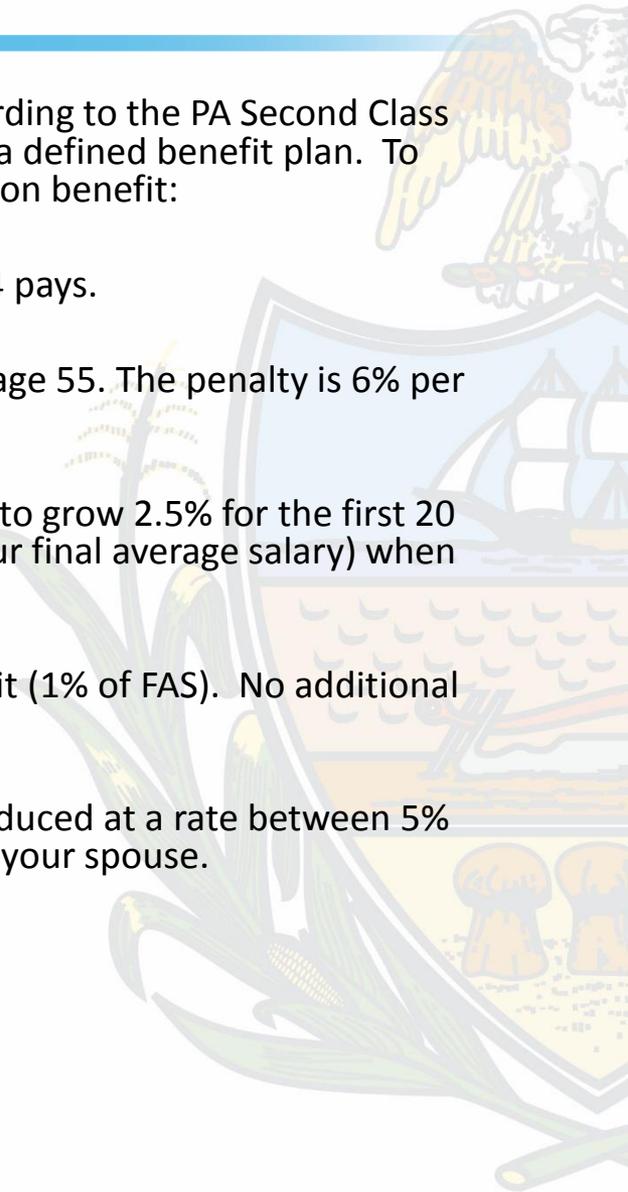
Some possible benefits of purchasing service time credit are:

- ✓ Qualifying sooner for vested status
- ✓ Increasing your retirement benefit
- ✓ Qualifying sooner for full retirement



Calculating your Monthly Benefit

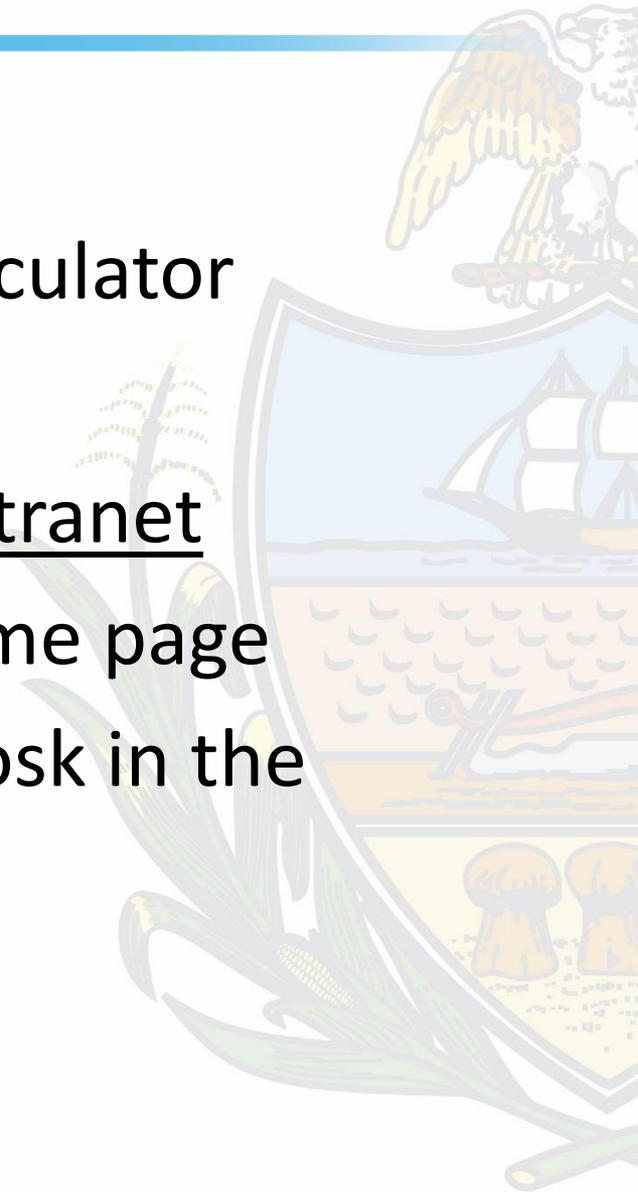
- ACERS administers the Allegheny County pension benefit according to the PA Second Class County Code. By statute, Allegheny County provides you with a defined benefit plan. To determine your Final Average Salary (FAS) and estimated pension benefit:
- Final Average Salary = your highest 52 pays of the previous 104 pays.
- Full Retirement age is 60. You can take an early retirement at age 55. The penalty is 6% per year, prorated monthly.
- Service time credit is accrued by pay. Your benefit is designed to grow 2.5% for the first 20 years which will give you a 100% benefit allocation (50% of your final average salary) when you retire.
- Any service time over 20 years accrues an additional 2% benefit (1% of FAS). No additional benefit is accrued after 40 years of service.
- If you elect the survivorship benefit, your pension benefit is reduced at a rate between 5% and 30%, depending on the age relationship between you and your spouse.



Calculating your Monthly Benefit

New Online Benefit Calculator

- Accessed from the County Intranet
- Link is on the Retirement home page
- Access is also available by Kiosk in the Retirement Office



Reading your Pension Estimate

Example of Full Retirement

Retirement Board of Allegheny County

Retirement Quotation

Estimate Name	FINAL	Age	62
Member Number		Plan	Allegheny County
Member Name		Group	
		Retirement Type	Full Retirement
Date of Birth	02/11/1951	Total Service	21 Years, 6 Months, 2 Days
Date of Termination	03/07/2013	Contributions	0.00
Date of Retirement	03/08/2013	Tax Free Contributions	0.00

Meets the age requirement

Meets the service time requirement

Free Life Insurance 0.00

Retirement Allowances

Monthly Average Salary	3,521.91
Retiree Allowance 100.00%	1,793.06
Inc. for months at 2.00%	17.93
Inc. for years 2.00%	35.86
Less 0.00% Early	0.00
Total without Survivor Option	1,846.85

<u>Beneficiary Name</u>	<u>Date of Birth</u>	<u>Relationship</u>
		Husband

Monthly Benefits

Monthly Pension 1,846.85



Reading your Pension Estimate

Example of Full Retirement

Total Service	21 Years, 6 Months, 2 Days
Contributions	0.00
Tax Free Contributions	0.00

Meets the service time requirement

Retirement Allowances

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Total without Survivor Option	1,846.85

Full Credit for Service
Month and Year Credit
for Service over 20 Years



Reading your Pension Estimate

Example of Full Retirement

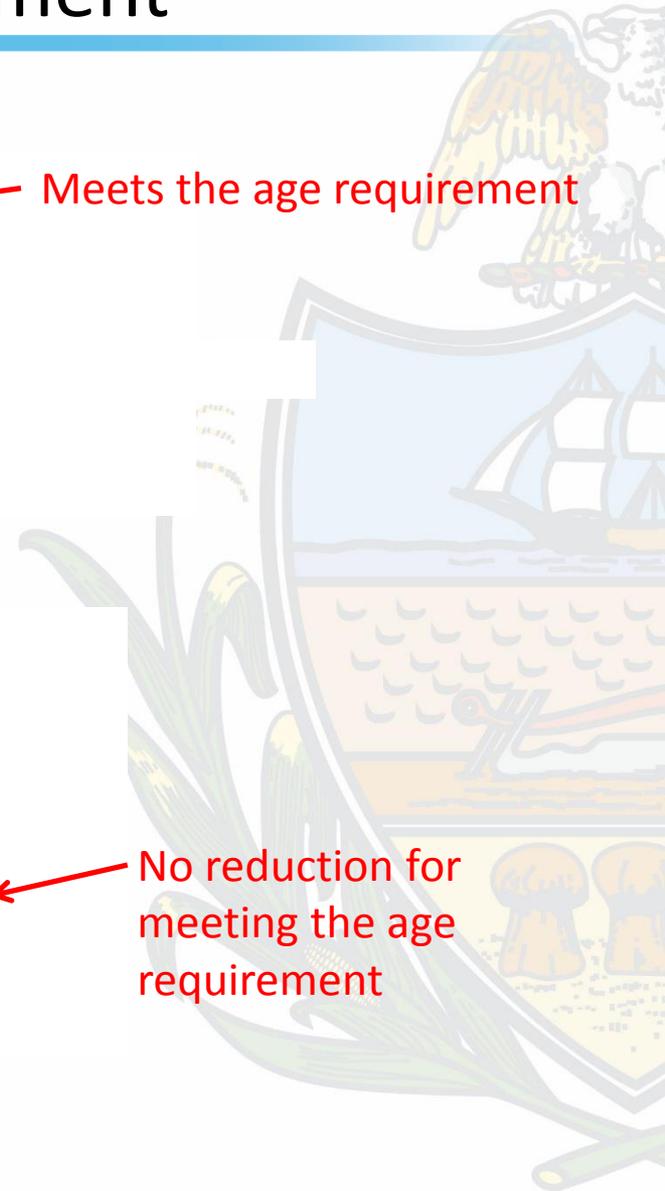
Age 62
Plan Allegheny County
Group
Retirement Type Full Retirement

Meets the age requirement

Retirement Allowances

Monthly Average Salary	3,521.91
Retiree Allowance 100.00%	1,793.06
Inc. for months at 2.00%	17.93
Inc. for years 2.00%	35.86
Less 0.00% Early	<u>0.00</u>
Total without Survivor Option	1,846.85

No reduction for meeting the age requirement



Reading your Pension Estimate

Example of Early Retirement

Retirement Board of Allegheny County

Retirement Quotation

Estimate Name		Age	55
Member Number		Plan	Allegheny County
Member Name		Group	
		Retirement Type	Early Voluntary
Date of Birth	08/17/1957	Total Service	34 Years, 6 Months, 27 Days
Date of Termination	02/23/2013	Contributions	8.60
Date of Retirement	02/24/2013	Tax Free Contributions	0.00

Does not meet the age requirement

Meets the service time requirement

Free Life Insurance 0.00

Retirement Allowances

Monthly Average Salary	3,113.58
Retiree Allowance 100.00%	1,556.79
Inc. for months at 2.00%	15.57
Inc. for years 28.00%	435.90
Less 27.00% Early	<u>542.23</u>
Total without Survivor Option	1,466.03

Beneficiary Name	Date of Birth	Relationship
		Sister
		Sister

Monthly Benefits

Monthly Pension 1,466.03



Reading your Pension Estimate

Example of Early Retirement

Age	55
Plan	Allegheny County
Group	
Retirement Type	Early Voluntary
Total Service	34 Years, 6 Months, 27 Days
Contributions	8.60
Tax Free Contributions	0.00

Meets the service time requirement

Retirement Allowances

Monthly Average Salary	3,113.58
Retiree Allowance 100.00%	1,556.79
Inc. for months at 2.00%	15.57
Inc. for years 28.00%	435.90
Less 27.00% Early	<u>542.23</u>
Total without Survivor Option	1,466.03

Full Credit for Service

Month and Year Credit for Service over 20



Reading your Pension Estimate

Example of Early Retirement

Age 55
Plan Allegheny County
Group
Retirement Type Early Voluntary

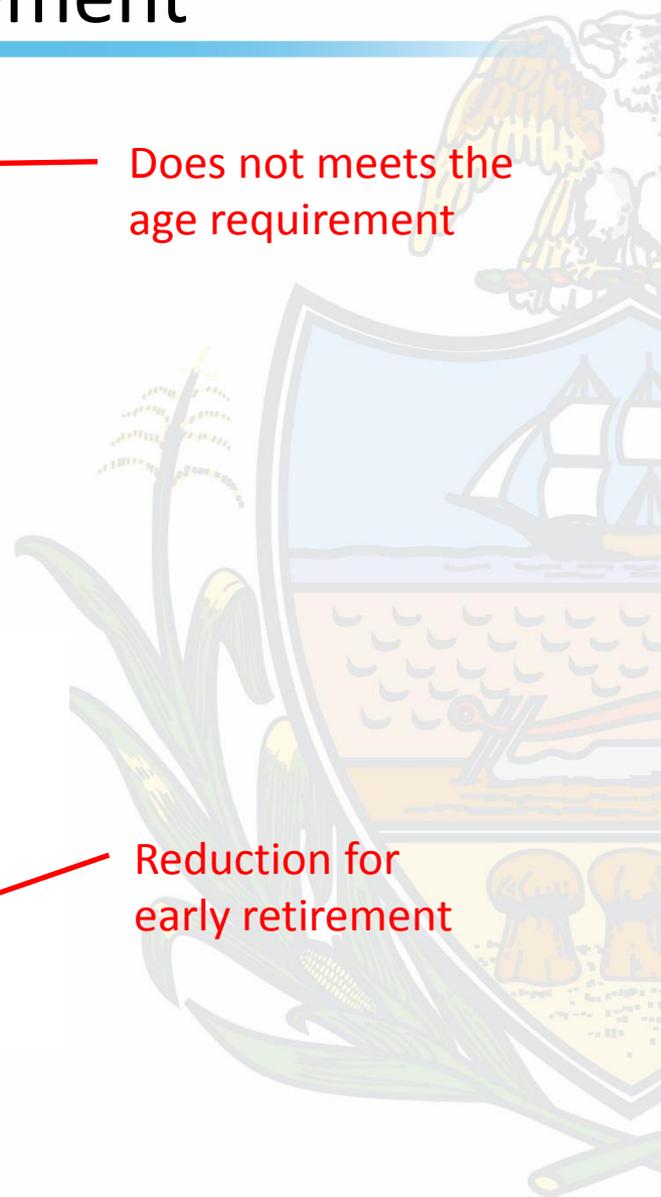
Does not meet the age requirement

Total Service 34 Years, 6 Months, 27 Days
Contributions 8.60
Tax Free Contributions 0.00

Retirement Allowances

Monthly Average Salary	3,113.58
Retiree Allowance 100.00%	1,556.79
Inc. for months at 2.00%	15.57
Inc. for years 28.00%	435.90
Less 27.00% Early	<u>542.23</u>
Total without Survivor Option	1,466.03

Reduction for early retirement



Applying for Your Retirement Benefit

When you decide to retire, after you give your department notice, you will need to complete Retirement Paperwork. This is available by calling us to mail you a packet, stopping into the office to fill it out or by download from the website. If you do not notify us of your wish to collect a retirement benefit, we will notified you of your options, after we receive County notification of your employment termination. This may delay your benefit.

Your Termination Date is:

- 1) the date of your final County paycheck; or
- 2) the date indicated on your Termination of Service record, whichever is later.

Your Retirement Date is:

- 1) the day after the date of your final County paycheck; or
- 2) the date on which you sign your retirement paperwork, whichever is later.

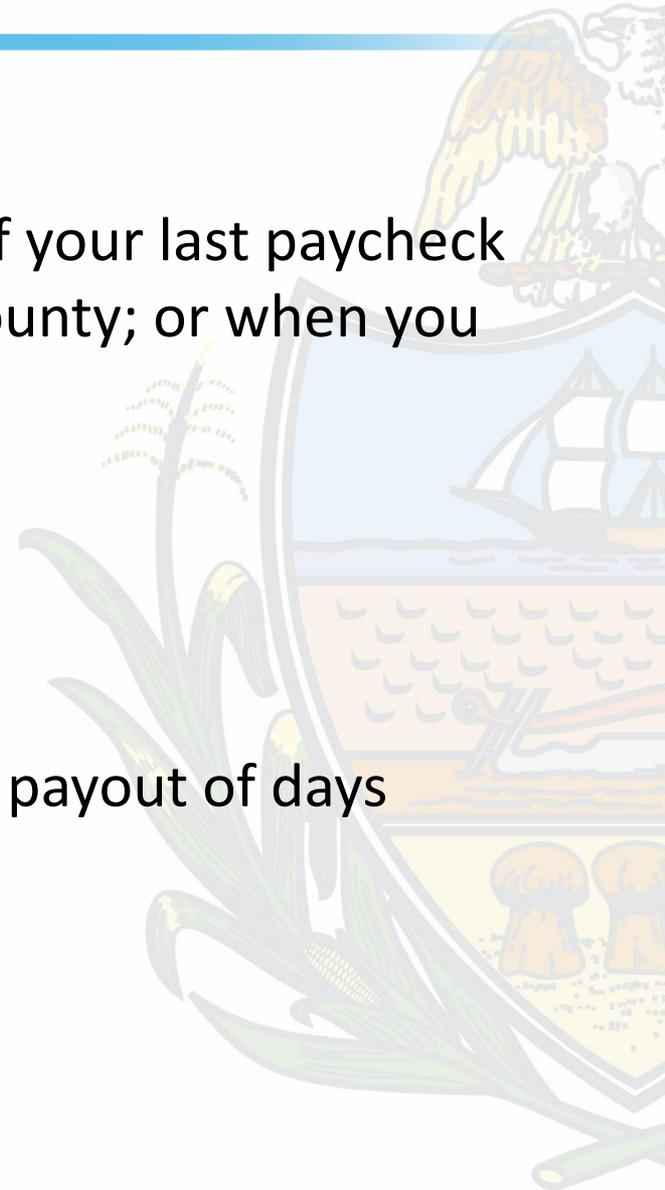
Choosing a Retirement Date

– Retirement Month

- The month following the pay date of your last paycheck (or pensionable payout) from the county; or when you sign your retirement application

– Influences in your last paycheck

- Unused Benefit Days
- Understand the policy for using and payout of days
- Pensionable



Choosing a Retirement Date – Example 1

- Your last day of work is on **October 18**
- Your last pay check is issued on **October 25**
- We must have all applicable retirement forms and Employer TOS by **end of the month** to proceed with a retirement application
- Your benefit is presented for approval at the **November 21 Board Meeting**
- You are mailed your first check on **November 27 (One day early due to Thanksgiving)**

SUN	MON	TUE	WED	THU	FRI	SAT
OCT						
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SUN	MON	TUE	WED	THU	FRI	SAT
						NOV
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	DEC			

Choosing a Retirement Date – Example 2

- Your last day is on **October 25**
- Your last pay check is issued on **November 8**
- We must have all applicable retirement forms and County TOS by **end of the month** to proceed with a retirement application
- You are presented on the **December 19 Board Agenda**
- You are mailed your first check on **December 26**

SUN	MON	TUE	WED	THU	FRI	SAT
OCT						
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
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27	28	29	30	31		

SUN	MON	TUE	WED	THU	FRI	SAT
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SUN	MON	TUE	WED	THU	FRI	SAT
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	DEC			

 COUNTY HOLIDAYS

 COUNTY PAY DAY

 PAY PERIOD ENDING

ALLEGHENY COUNTY
PRINTING SERVICES
Design • Print • Finishing

Retirement Checklist

To Apply for Your Retirement Benefit, all appropriate forms must be properly filled out and submitted back to the Retirement Office.

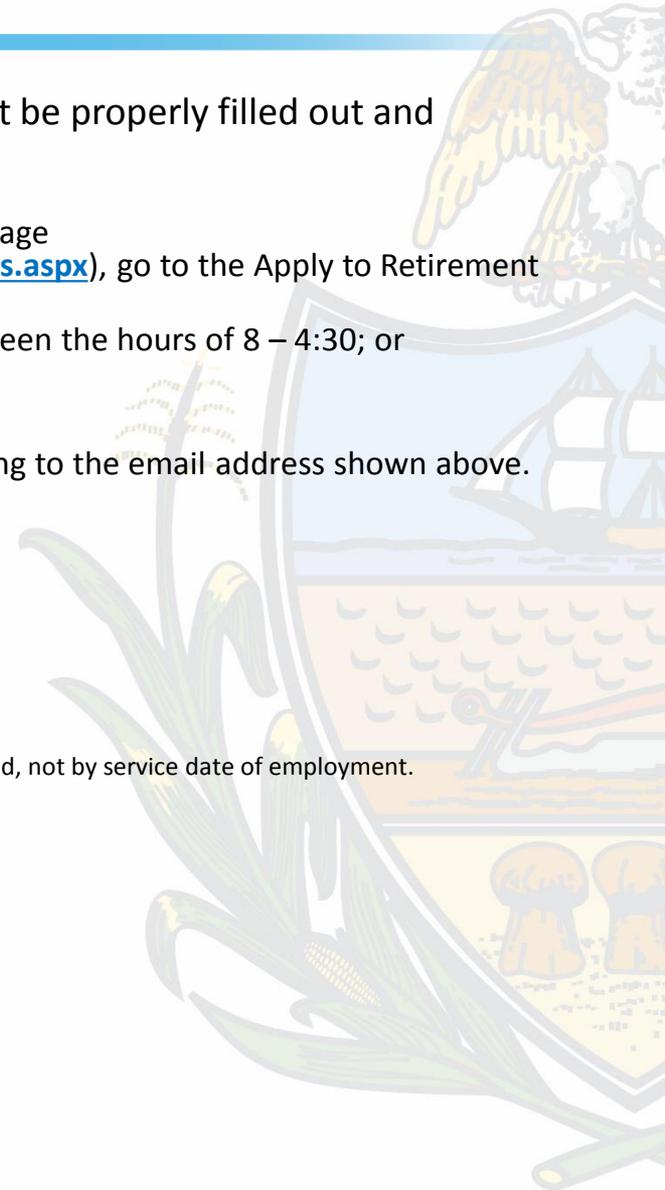
- All forms are available by download from the Retirement Webpage (<http://www.alleghenycounty.us/retirement/member-benefits.aspx>), go to the Apply to Retirement section;
- Can be filled out in the Retirement office Monday - Friday between the hours of 8 – 4:30; or
- Can be mailed to you by contacting us at 412.350.4674.

Additional information regarding each of the forms is available by going to the email address shown above.

Please make sure you have:

- reviewed your retirement options;
- have at least 8 years of creditable service time*; and
- have meet the minimum age of retirement.

*Creditable service time is accrued by the number of days you have paid into the Retirement Fund, not by service date of employment. Documented creditable service time can be provided by the retirement office.

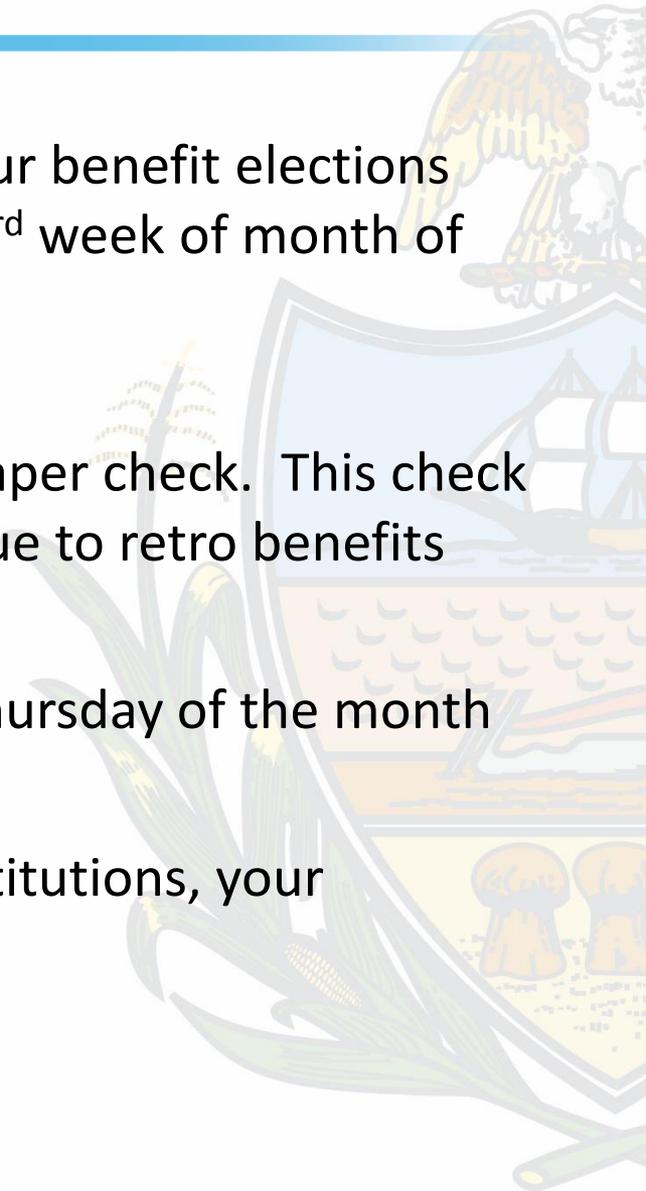


Retirement Checklist

Name of Form	
Department Resignation Letter	A copy of your resignation letter to your department which indicates your last day of employment.
Retirement Application	Verifies your selection of a monthly annuity or return of contribution. If downloading forms or having them mailed, verifies all forms that need to be submitted for a complete application.
W-4P Form	Replaces your active employment status W-2. Retirement income is subject to Federal Income Taxes.
Survivorship / Spousal Acknowledgement	<ul style="list-style-type: none"> • Married members must either select or waive the option. Your spouse will need to complete the notarized acknowledgement. If elected, you must submit your spouse's birth certificate and your marriage license. Once selected (or waived) this option is irrevocable as per the date the form was submitted to the Retirement Office. • Single/Divorced/Widowed members must return the completed form marked not eligible for benefit.
Direct Deposit	Use this form to have your monthly benefit to be directly deposited you your banking account. A voided check must be provided. Your first check, or anytime a change is made to your direct deposit, the first month will be a paper check mailed by USPS on the Retiree Paydate.
Lump Sum Beneficiary	To make changes to the beneficiaries that would receive the return of your contributions. For most retirees, your contributions are exhausted within 2-3 years of retirement. You may change your beneficiary information as necessary.
Term Life Insurance Beneficiary / Election of Extra Coverage	Currently, Allegheny County provides free life insurance benefits to retirees in the amount of \$4,000. Upon retirement, Retirees can purchase additional coverage up to a combined amount of \$10,000.

Your First Check

- You will receive a folder with a copy of your benefit elections and your final quotation – mailed in the 3rd week of month of your first check
- First monthly benefit payment will be a paper check. This check may be larger than your final quotation due to retro benefits
- Check is mailed or deposited on the 4th Thursday of the month
- Any time there is a change in financial institutions, your “transition check” will be a paper check.



Questions?





ALLEGHENY COUNTY
EMPLOYEES' RETIREMENT SYSTEM

Thank You!

Member Hours: Monday thru Friday, 8am – 4:30pm
pension@alleghenycounty.us

www.alleghenycounty.us/retirement

Allegheny County Employees' Retirement System

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