

## Retirement Plan Options Available to Exempt\* Employees

	Defined Contribution Plan Alternative Retirement Plan (ARP)	Defined Benefit Plan State Employees' Retirement System (SERS)	
Available Options	Fidelity and TIAA	Class A-3	Class A-4 Optional Class of Service
<b>Employee Contributions</b>	5% of gross salary. Tax deferred by reducing gross compensation for federal income tax only. This contribution may be allocated by choosing any of the two current vendors, offering several choices of investment options.	6.25% of gross salary. Tax deferred by reducing gross compensation for federal income tax only.	9.3% of gross salary. Tax deferred by reducing gross compensation for federal income tax only. <b>To elect this option A-3 members will be sent an A-4 ballot directly from SERS and will have 45 days to elect A-4 Class of Service. Contact SERS for counseling on election of Class A-4.</b>
<b>Employer Contributions</b>	Contribution set by legislature within the State Employees' Retirement Code. (Currently 9.29%)	Determined by SERS actuary each fiscal year. (Normal state rate plus accrued liability).	
<b>Vesting</b>	Full and immediate vesting.	Full vesting with 10 or more years of service with an option to apply for benefit anytime between vesting date and normal retirement (age 65). Account continues to earn interest (4%) and continues to accrue death benefits under the death benefit provision. If application is filed prior to age 65, actuarial reduction will be applied in accordance with age.	
<b>Termination - Refund to Employee</b>	Total value of account (employee and employer contributions plus interest and earnings) is available, subject to restrictions for specific funds.	Termination with less than 10 years of service and under age 65. Employee contributions and interest (4%) are returned.	
<b>Normal Retirement</b>	Any age; however, normal retirement is age 60. Annuity is based upon employee/employer accumulations (contributions plus interest and earnings).	Age 65 with 3 years of service or; "Rule of 92" $35 \text{ years of credited service} + [\text{age}] = 92$ (whole years no rounding)	
<b>Early Retirement</b>	Any age. Annuity is based on employee/employer accumulations (contributions plus interest and earnings).	When Members don't reach the milestones for a Normal Retirement above. Benefit is actuarially reduced based upon age and service.	
<b>Type of Annuity</b>	Fixed dollar and variable annuities are available.	Fixed Dollar	
<b>Retirement Benefit</b>	"Defined Contribution" based upon the amount of employee and employer contributions plus interest and investment earnings at the time of retirement.	"Defined Benefit" based upon a formula: $2\% \times \text{Years of Service} \times \text{Final Average Salary}$ (x Early Retirement Factor, if applicable) $2.5\% \times \text{Years of Service} \times \text{Final Average Salary}$ (x Early Retirement Factor, if applicable)	
<b>Death Benefit</b>	Automatic benefit = employee and employer accumulations (contributions plus interest and investment earnings).	Under age 65 with less than 10 years of service: - Employee contributions and interest (4%) are returned. 10 or more years of service: - Present value of pension benefit including employer share contributed.	
<b>Disability Benefit</b>	N/A	Any age with 5 or more years of service	
<b>Portability</b>	Plan allows for roll-over of eligible distributions to other qualifying plans or IRA; including the State System, Pennsylvania State University, and other educational institutions across the country.	Other state agencies, State System, Pennsylvania State University, and Community Colleges in PA. Intermediate Units if employee was a member of SERS prior to appointment.	
<b>Multiple Service Credit</b>	N/A	Provision by which employees may transfer membership from PSERS to SERS with continuity of benefit. Multiple Service Membership is independent from any prior Membership Class held with PSERS and is based on the date of qualification in SERS.	
<b>Service Purchase</b>	Service purchase for the purpose of enhancing the retirement benefit is not applicable to this defined contribution plan.	Service rendered by agencies that offer SERS membership. Contact SERS for a complete list of service that is able to be purchased and the qualifications for making these purchases. Active military service is limited to 5-year maximum purchase.	

\*Exempt employees may include Patrol Officer, Police Specialist, Police Supervisor, Police Chief or Assistant Police Chief.

The plans are governed by the State Employees' Retirement Code. If there is a difference between this comparison and the aforementioned documents, the official documents will govern.