Delaware Public Employees' Retirement System County & Municipal Police/Firefighters Pension Plan



Retirement Planning

Presented by the State of Delaware Office of Pensions

Current Statistics (as of 6/30/16)

- 30,072 Retirees from all nine plans
 - 154 from CM Police/Firefighters' Pension Plan
- 44,620 Active Members in all nine plans
 - 1,202 in CM Police/Firefighters' Pension Plan
- Over \$8.8 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool)
 - Assets of \$284 million in CM Police/Firefighters' Pension Plan
 - Defined Benefit Plan
 - 100% funding ratio for CM Police/Firefighters' Pension Plan

Pension Contributions

• 7% of base pay

- Employer Contributions
 - FY 2017 13.77%

Retirement Eligibility – Service Pension

- 20 years of credited service
- 5 consecutive years of credited service and retired under provisions of §8811 mandatory retirement established by employer
- Age plus credited service (but not less than 10 years) equals 75
- Age 62 with 5 consecutive years of credited service

Retirement Eligibility – Vested Pension

Must have 5 consecutive years of credited service

 Pension is effective first of the month following 62nd birthday

Unified Pension

- May combine service in the following Pension Plans with service in the County & Municipal Police & Firefighters provided not collecting a monthly pension from them
 - County & Municipal General Employees'
 - State Employees'
 - New State Police

Disability Pension Eligibility

- Duty Connected Immediate
 - A disability resulting from an act which would normally occur only while employed as a police officer (e.g. high-speed chase, effecting an arrest, pursuing a suspect, patrolling [criminal or traffic], etc.)
- Non-Duty Connected 5 years credited service
- Condition expected to last for at least 12 months

Amount of Disability Pension - Duty

- Total 75% of final average monthly compensation plus 10% for each dependent not to exceed 25% for all dependents.
- Partial calculated the same as Service Pension subject to minimum 50% of final average monthly compensation.

Amount of Disability Pension – Non-Duty

- Total calculated the same as Service Pension subject to minimum 50% of final average monthly compensation plus 5% for each dependent not to exceed 20% for all dependents.
- Partial calculated the same as Service Pension subject to a minimum of 30% of final average monthly compensation.

Buy-In Options Upon Retirement

- Actuarial Full-time Uniformed Police Service
 - Can be used to establish eligibility

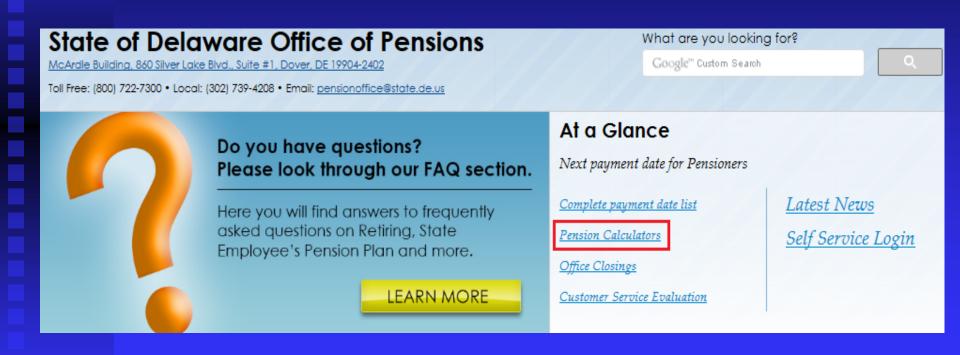
Buy-in option must be approved and/or verified by the Office of Pensions prior to retirement

Amount of Service Pension

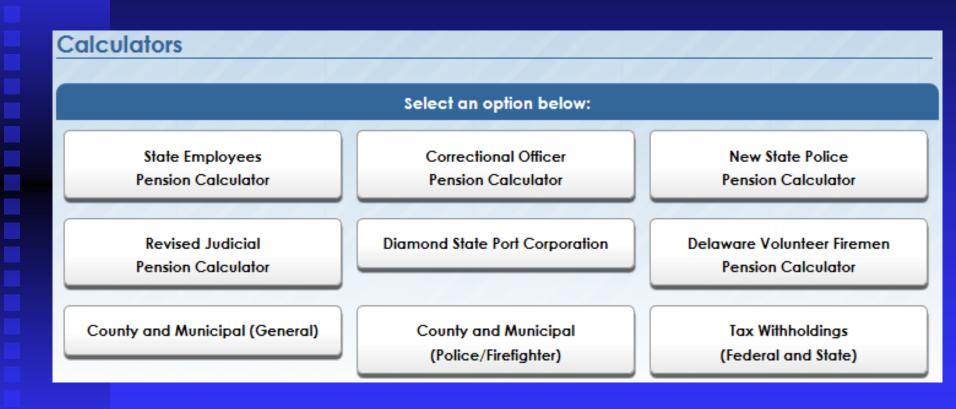
- Service up to and including 20 years
 - Multiplied by 2.5% of final average monthly compensation
- Service above and beyond 20 years
 - Multiplied by 3.5% of final average monthly compensation

Final average monthly compensation: The monthly average of the highest 36 consecutive months compensation (excluding overtime and special pay for extra duties)

Calculating Your Estimated Monthly Pension Visit www.delawarepensions.com



Calculating Your Estimated Monthly Pension



Compute your estimated monthly pension:

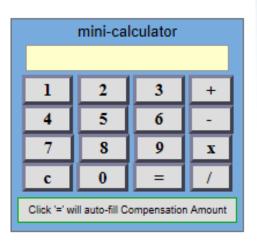
Your pension amount is primarily based on your years of credited service and your Final Average Compensation*.

Amount of Ordinary Service Compensation:

Your monthly pension is the sum of 2.5% of your Final Average Compensation multiplied by up to 20 years of credited service under the County Municipal (Police/Firefighter) Plan inclusive, plus 3.5% of your Final Average Compensation multiplied by all years of service exceeding 20 under the County Municipal (Police/Firefighter) Plan.

Helpful Hint:

Do not use commas in the combined highest 3 year compensation field. For example, type 100000 instead of 100,000.



Please choose the nearest month or decimal in accordance with your State of Delaware service.

Enter your credited service up to and including 20 years: Years 20 V Months 0.0 months = .0000

Enter the additional credited service above and beyond 20. Years 5 Months 0.0 months = .0000

COMBINED HIGHEST 3 YEAR COMPENSATION: \$ 169738.77

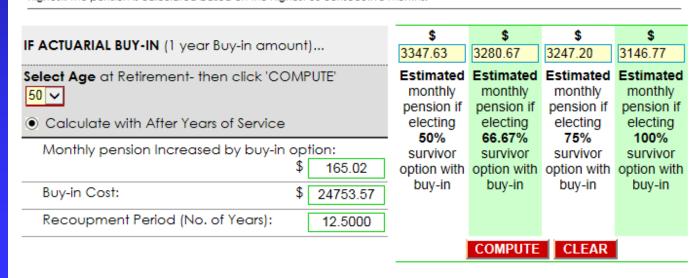
Your total creditable compensation is the total compensation paid to you during any period of 36 consecutive months during which your compensation was highest.



2 YOUR MONTHLY EARNINGS PENSION INFORMATION CALCULATIONS ARE ESTIMATED

•	Monthly Final Average Earnings	4714.97	\$	\$	\$	\$
			3182.60	3118.95	3087.12	2991.65
•	Calculation factor (Average Monthly		estimated	estimated	estimated	estimated
	Compensation x 2.5%) for your first 20	117.87	monthly	monthly	monthly	monthly
	years of credited service		pension if	pension if	pension if	pension if
٠	Calculation factor (Average Monthly Compensation x 3.5%) for your first years		electing	electing	electing	electing
		165.02	50%	66.67%	75%	100%
	of credited service beyond 20		survivor	survivor	survivor	survivor
	Credited number years of service of	20.0000	option.	option.	option.	option.
	credited service above and beyond 20					
	Credited number years service above and beyond 20	5.0000				

^{*} Your Final Average Compensation shall mean 1/36 of the compensation paid to an employee during any period of 36 consecutive months for services rendered during those 36 months, in the years of credited service in which the compensation was highest. The pension is calculated based on the highest 36 consecutive months.



Print a complete Estimate Summary based on the data input.

Who is an Eligible Survivor?

- A <u>survivor</u> is a person eligible to receive a monthly pension at the time of the active member or pensioner's death
 - Spouse
 - Child/children under age 18, unmarried, and if between the ages of 18 and 22, a full-time student
 - Child permanently disabled as a result of a disability that began before the child attained age 18
 - Dependent parents

Amount of Survivor Pension

- Death of an active member = 75% of the service pension the member would have been eligible to receive
- Death of an active member in the line of duty =
 75% of the member's monthly average compensation
- Death of a retired member = 50%, 66.67%, 75%, or 100% of service or disability pension according to election at time of retirement

Joint And Survivor Benefit

- Payable to an eligible survivor
- Election must be made
- One-time irrevocable
- Pensioner's monthly pension reduced for lifetime
 - 50% = No reduction
 - 66.67% = 2% reduction
 - 75% = 3% reduction
 - 100% = 6% reduction

Who is a Beneficiary?

• A <u>beneficiary</u> is named on the Member Actuarial Information form or the Contributory Designation/Change of Beneficiary form and receives a lump sum distribution of the balance of member paid pension contributions, plus interest, in the event that there is no eligible survivor at the time of the member's death

Health Insurance

- Eligible to participate in the group health insurance plans offered by the State of Delaware
- An offset to the member's cost of healthcare for retirements effective on or after 7/1/2015
- A member eligible for a vested pension in another plan OR receiving a pension in another plan may be eligible for a portion of the State Share paid by the State

Health Insurance

- All plans coupled with prescription plan coverage (except special Medicfill non-prescription coverage option)
 - Changes in coverage once a year during the open enrollment period in May, changes are effective July 1st:
 - Medicare–eligible members' open enrollment period occurs in October; changes effective January 1st.
- Life changing event changes must be done within 30 days of the event

Medicare Coverage

- Medicare becomes primary health insurance through Social Security (SS) when an individual attains age 65 or SS determines eligibility
 - Medicare Part A
 - Hospital
 - Required to enroll upon eligibility
 - Medicare Part B
 - Medical (doctors, supplies, etc.)
 - Not required until retirement or no longer have active employer coverage
 - Medicare Part D
 - Prescriptions
 - If enrolled in State Supplement plan with prescription option, includes Enhanced Part D program

Dental Insurance

- Available Plans
 - Dominion National
 - Delta Dental
- Changes in coverage
- Automatic payroll deduction

Direct Deposit

- Mandatory for monthly pension
- Deposited on the last business day of each month

Taxes

- Monthly pension is taxable by the Federal Government
- May or may not be taxable in the State where the retiree maintains permanent residence
- Form 1099-R

Payment of First Monthly Pension

- Lag Payroll Lag Pension
- Monthly pension is calculated after the receipt of your final pay from your Organization
- Online pay advices

Working After Retirement

An individual shall not receive a service or disability pension under this chapter for any month during which the individual is an employee as defined in § 8801 of this title, unless:

- (1) The individual is a police officer who has retired from 1 county or municipal employer and has been appointed by the executive branch and confirmed by the legislative branch of a different county or municipal employer participating in the County Municipal Police/Firefighter Pension Plan; or
- (2) The individual is a temporary employee whose earnings from such employment do not exceed the maximum allowed by Social Security without affecting Social Security benefits; and
- (3) The individual's employment under paragraphs (1) and (2) of this section is not pension creditable service time and may not be used to earn any retirement benefits in the Delaware County and Municipal Police/Firefighter Pension Plan.

Post Retirement Increases (PRI)

- A PRI is a pension increase received after retirement
- Granted upon Legislative approval

So...Ready for Retirement?

- Written notification to supervisor or Human Resources four months prior to retirement
- Human Resources
 - Validates eligibility to retire
 - Prepares pension application
 - Verifies pension creditable service
 - Submits application to Office of Pensions for acceptance
 - Schedules appointment with member to complete the pension packet
- Member
 - Gathers personal documents needed for self, spouse and eligible dependent(s) as applicable

After You Retire

The Office of Pensions maintains pensioner records

- Updates must be in <u>writing</u>
 - Name
 - Address
 - Other personal information
- Available to answer questions or concerns

Contact the Office of Pensions

• Website: <u>www.delawarepensions.com</u>

Email address: Open_Manual_Loads_Help@state.de.us

• Phone: (302) 739-4208

• Toll free: (800) 722-7300

• Fax: (302) 739-6129

 Office Address: McArdle Building 860 Silver Lake Blvd, Ste. 1 Dover, DE 19904-2402

