

*Delaware Public Employees' Retirement System
State Employees' Pension Plan*



Retirement Planning

Presented by the State of Delaware Office of Pensions

Current Statistics (as of 6/30/13)

- 29,539 Retirees from all nine plans
 - 26,673 from SEPP
 - 43,061 Active Members in all nine plans
 - 35,571 in SEPP
 - Over \$8.1 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool)
 - \$7.4 billion in SEPP
- ❖ 91.1% funding ratio for State Employees' Pension Plan

Pension Contributions

- For Members First Hired Prior to 1/1/2012
 - Member contributions 3% after annual \$6,000 exclusion each calendar year
- For Members Hired on or After 1/1/2012
 - Member contributions 5% after annual \$6,000 exclusion each calendar year
- Employer Contributions
 - FY 2014 – 9.5% of salary

Retirement Eligibilities For Members First Hired Prior to 1/1/2012

- **Unreduced Service Pension Benefit**
 - 30 years of credited service at any age
 - Age 60 with at least 15 years of credited service
 - Age 62 with at least 5 consecutive years of credited service
- **Reduced Service Pension Benefit**
 - 25 years of credited service at any age
 - Reduced 0.2% for each month short of 30 years
 - Age 55 with at least 15 years of credited service
 - Reduced 0.2% for each month under Age 60
- **Vested Pension Benefit**
 - Must have 5 consecutive years of credited service
 - Pension is effective first of the month following 62nd birthday

Retirement Eligibilities For Members First Hired On or After 1/1/2012

- **Unreduced Service Pension Benefit**
 - 30 years of credited service at any age
 - Age 60 with at least 20 years of credited service
 - Age 65 with at least 10 years of credited service (5 years consecutive)
- **Reduced Service Pension Benefit**
 - 25 years of credited service at any age
 - Reduced 0.4% for each month short of 30 years
 - Age 55 with at least 15 years of credited service
 - Reduced 0.4% for each month under Age 60
- **Vested Pension Benefit**
 - Must have 10 years of credited service (5 years consecutive)
 - Pension is effective first of the month following 65th birthday

Unified Benefits

- May combine years of service in the County/Municipal General Employees' Pension Plan with years of service in the State Employees' Pension Plan equal to 30/30 provided not collecting a benefit from the County/Municipal General Employees' Pension Plan.
- May combine years of service in the New State Police Pension Plan with years of service in the State Employees' Pension Plan equal to 30/25 provided not collecting a benefit from the New State Police Plan.
- May combine years of service in the County/Municipal Police and Firefighters Pension Plan with years of service in the State Employees' Pension Plan equal to 30/25 provided not collecting a benefit from the County/Municipal Police and Firefighters Pension Plan.
- May combine years of service in the Judicial Pension Plan provided not collecting a benefit from the Judicial Pension Plan.

Buy-In Options Upon Retirement

- Approved medical or personal leaves of absence
- Actuarial (Ex: Military, Other Governmental)
- Other Professional Educational Experience (OPEE)
- Sick Leave

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

Calculating Your Estimated Pension Benefit

Visit www.delawarepensions.com

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Office of Pensions



Retirement Counseling

View our upcoming Group Counseling Sessions

Message from Pension Administrator:
David C. Craik

As a member of the Delaware Public Employees' Retirement System (DPERS) you are participating in a Defined Benefit Plan, and your retirement benefits are paid out to you regardless of market events. When you retired DPERS calculated your monthly pension benefit based on various factors such as years of service and salary, not investment results.

[Read more](#)



Plan for your Retirement with our online Calculators 

[Learn more](#)

Your opinion is valuable to us. Please fill out our online survey. 

[Take survey](#)

The next payment date for pensioners will be: **February 28, 2013** 

[Complete List](#)

Calculating Your Estimated Pension Benefit

(continued)

Click the Plan in which you are enrolled

HOME	PENSIONS BENEFITS CALCULATOR									
SERVICES	The State of Delaware Board of Pension Trustees administers the Delaware Public Employees' Retirement System (System). The System consists of nine retirement plans and three commingled pension funds. The formula used to calculate pension benefits differs from Plan to Plan. Please click on the link for the Plan in which you are enrolled in order to use the calculator specific to your Plan.									
Internet Help										
Benefits Calculator										
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INFORMATION										
	<table border="1"><tr><td>State Employees'</td><td>New State Police</td><td>Revised Judicial</td></tr><tr><td>Closed Judicial</td><td>Diamond State Port Corporation</td><td>Delaware Volunteer Firemen's</td></tr><tr><td>County and Municipal (General)</td><td>County and Municipal (Police/Firefighter)</td><td>Tax Withholdings (Federal and State)</td></tr></table>	State Employees'	New State Police	Revised Judicial	Closed Judicial	Diamond State Port Corporation	Delaware Volunteer Firemen's	County and Municipal (General)	County and Municipal (Police/Firefighter)	Tax Withholdings (Federal and State)
State Employees'	New State Police	Revised Judicial								
Closed Judicial	Diamond State Port Corporation	Delaware Volunteer Firemen's								
County and Municipal (General)	County and Municipal (Police/Firefighter)	Tax Withholdings (Federal and State)								

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ESTIMATED CREDITED SERVICE

Compute your estimated monthly benefit:

(If you are thinking about early retirement use the top calculator **and then** use the bottom calculator)

Helpful Hint:

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

Prior to January 1, 1997
 Years Months

After December 31, 1996
 Years Months

COMBINED HIGHEST 3 YEAR COMPENSATION:
 \$

COMPUTE**CLEAR**

Click '=' will auto-fill Compensation Amount

mini-calculator

<input type="text"/>			
1	2	3	+
4	5	6	-
7	8	9	x
c	0	=	/

c CLEAR = TOTAL

2

YOUR MONTHLY EARNINGS BENEFIT INFORMATION

•CALCULATIONS ARE ESTIMATED

• Monthly Final Average Earnings	<input type="text" value="4166.67"/>	\$ <input type="text" value="1989.58"/>	\$ <input type="text" value="1929.90"/>
• Calculation factor years of service prior 1/1/97	<input type="text" value="83.33"/>	Your estimated monthly benefit	Your estimated monthly benefit if electing <input type="text" value="75%"/> survivor option.
• Calculation factor years of service after 12/31/96	<input type="text" value="77.08"/>		
• Credited number years of service prior Jan. 1, 1997	<input type="text" value="10"/>		
• Credited number years service after Dec. 31, 1996	<input type="text" value="15"/>		

Your total creditable compensation is the total compensation paid to you during the three periods of 12 consecutive months during which your compensation was the highest.

3 ADDITIONAL CALCULATORS

•CALCULATIONS ARE ESTIMATED

NOTE: You must perform calculation in Step #1 first for the additional calculators to work properly.

IF EARLY RETIREMENT...

Enter number of months reduced- then click 'COMPUTE'

Your monthly reduction: \$

\$ <input type="text" value="1750.83"/>	\$ <input type="text" value="1698.31"/>
Estimated monthly benefit	Estimated monthly benefit if electing 75% survivor option
COMPUTE	CLEAR

IF SICK LEAVE BUY-IN OPTION...

Enter total sick time hours- then click 'COMPUTE'

Buy-in months available:

Estimated Buy-in cost: \$

Estimated Monthly Benefit Increase: \$

[Buy-in Hours Help Chart](#)

\$ <input type="text" value="2021.70"/>	\$ <input type="text" value="1961.05"/>
Estimated monthly benefit	Estimated monthly benefit if electing 75% survivor option
COMPUTE	CLEAR

IF ACTUARIAL BUY-IN (1 year Buy-in amount)...

Select Age at Retirement- then click 'COMPUTE'

▼

Calculate with Prior Years of Service

Calculate with After Years of Service

Monthly Benefit Increased by buy-in option: \$

Buy-in Cost: \$

Recoupment Period (No. of Years):

\$ <input type="text" value="2072.92"/>	\$ <input type="text" value="2010.73"/>
Estimated monthly benefit with buy-in	Estimated monthly benefit if electing 75% survivor option with buy-in
COMPUTE	CLEAR

FINAL TOTAL If any additional calculators were used:

UPDATED BENEFIT AMOUNT:

<input type="text" value="1866.29"/>	\$ <input type="text" value="1810.30"/>
Estimated monthly benefit	Estimated monthly benefit if electing 75% survivor option

Who is an Eligible Survivor?

- A survivor is a person eligible to receive a monthly pension benefit at the time of the member or pensioner's death
 - Spouse to include civil union (effective 1/1/2012)
 - 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

Joint And Survivor Benefit

- Payable to an eligible survivor
- Election must be made, regardless of survivor status upon retirement
- One-time irrevocable election made upon retirement
 - 50% = No reduction in pensioner's benefit. Eligible survivor receives 50% of benefit at the time of pensioner's death
 - 75% = 3% reduction in pensioner's benefit for their lifetime. Eligible survivor receives 75% of benefit at the time of pensioner's death

Who is a Beneficiary?

- A beneficiary is named on the back of 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

Burial Benefit

- \$7,000 benefit payable at the time of the pensioner's death
- No cost to pensioner
- May list one or more individuals as a beneficiary
 - Can designate primary and contingent beneficiaries
 - Amount divided equally among beneficiaries if more than one is listed
 - Can change beneficiary(ies) by completing a Burial Benefit Designation/Change of Beneficiary form and submitting to the Office of Pensions
- Payment is taxable to the beneficiary(ies)

Health Insurance

- Health benefits are available with the “State Share” paid by the State of Delaware for members:
 - First hired prior to 7/1/1991
 - Disability Pensioners
 - Members on Long Term Disability benefits paid by The Hartford
- For members first hired on or after 7/1/1991 through 12/31/06, the following portion of the “State Share” will be paid by the State of Delaware:

• Less than 10 years of credited service	0%
• 10 years – 14 years 11 months	50%
• 15 years – 19 years 11 months	75%
• At least 20 years	100%

Health Insurance (continued)

- For members first hired on or after 1/1/07, the following portion of the “State Share” will be paid by the State of Delaware:
 - Less than 15 years of credited service 0%
 - 15 years – 17 years 5 months 50%
 - 17 years 6 months – 19 years 11 months 75%
 - At least 20 years 100%
- Pensioners continue to pay the “Employee Share” regardless of hire date
- Current Double State Share members will pay a \$25 monthly charge for each non-Medicare supplemental contract

	Total Monthly Rate	State Pays	Employee/ Pensioner Contributions
Highmark BCBSD First State Basic Plan			
Employee	\$547.38	\$525.48	\$21.90
Employee & Spouse	\$1,132.56	\$1,087.26	\$45.30
Employee & Child(ren)	\$832.10	\$798.82	\$33.28
Family	\$1,415.74	\$1,359.12	\$56.62
Aetna CDH Gold			
Employee	\$566.54	\$538.22	\$28.32
Employee & Spouse	\$1,174.70	\$1,115.98	\$58.72
Employee & Child(ren)	\$865.60	\$822.32	\$43.28
Family	\$1,492.34	\$1,417.72	\$74.62
Highmark BCBSD CDH Gold			
Employee	\$566.54	\$538.22	\$28.32
Employee & Spouse	\$1,174.70	\$1,115.98	\$58.72
Employee & Child(ren)	\$865.60	\$822.32	\$43.28
Family	\$1,492.34	\$1,417.72	\$74.62
Aetna HMO			
Employee	\$571.48	\$534.34	\$37.14
Employee & Spouse	\$1,204.88	\$1,126.56	\$78.32
Employee & Child(ren)	\$874.22	\$817.40	\$56.82
Family	\$1,503.44	\$1,405.72	\$97.72
Highmark BCBSD BlueCARE® HMO			
Employee	\$571.94	\$534.78	\$37.16
Employee & Spouse	\$1,208.70	\$1,130.14	\$78.56
Employee & Child(ren)	\$875.10	\$818.22	\$56.88
Family	\$1,508.04	\$1,410.02	\$98.02
Highmark BCBSD Comprehensive PPO Plan			
Employee	\$624.94	\$542.14	\$82.80
Employee & Spouse	\$1,296.80	\$1,124.98	\$171.82
Employee & Child(ren)	\$963.12	\$835.52	\$127.60
Family	\$1,621.18	\$1,406.38	\$214.80

Health Insurance (continued)

- All plans coupled with prescription plan coverage
 - Current provider is Express Scripts
 - Benefits as a retiree are the same as extended to active members
- Changes in coverage can be made once a year during the open enrollment period in May, changes are effective July 1
 - Life changing events allow a change in coverage throughout the year (Ex. marriage, birth, retirement, etc.)
- Automatic payroll deduction
- Health & Prescription Plans, as well as State & Pensioner costs, are subject to change

Medicare Coverage

- Medicare becomes primary health insurance through Social Security (SS) when individual attains age 65 or SS determines eligibility
 - Medicare Part A
 - Hospital insurance
 - Required to enroll upon eligibility
 - Medicare Part B
 - Medical insurance (doctors, supplies, etc.)
 - Enrollment not required until retirement or member no longer has active employer health coverage
 - Medicare Part D
 - Prescription drugs
 - Not required if member enrolls in the State of Delaware Medicare Supplement plan, Highmark Delaware Special Medicfill with prescription coverage. This is an enhanced Part D plan.

Medicare Supplement Health Plan Rates

	Total Monthly Rate	State Pays	Employee/ Pensioner Contributions
Special Medicfill with Prescription	\$361.78	\$343.69	\$18.09
Special Medicfill without Prescription*	\$205.06	\$194.81	\$10.25

*Medicare Supplement plan WITHOUT prescription is provided for Medicare Beneficiaries enrolled in Medicare Part D

Dental Insurance

- Dental plans available to retirees
 - Dominion Dental
 - Delta Dental
 - Education employees can stay with school dental plan for a total of 18 months under COBRA provisions
- Pensioner is responsible for the entire cost of dental coverage
 - Automatic payroll deduction
- Binding election
 - Enrollment or termination during open enrollment period only

Dental Insurance Rates

	Total Monthly Rate	State Pays	Employee/ Pensioner Contributions
Dominion Dental HMO			
Employee	\$22.68	\$0.00	\$22.68
Employee & Spouse	\$42.14	\$0.00	\$42.14
Employee & Child(ren)	\$45.42	\$0.00	\$45.42
Family	\$61.66	\$0.00	\$61.66
Delta Dental PPO plus Premier			
Employee	\$31.62	\$0.00	\$31.62
Employee & Spouse	\$64.54	\$0.00	\$64.54
Employee & Child(ren)	\$63.34	\$0.00	\$63.34
Family	\$105.70	\$0.00	\$105.70

Vision Insurance

- State vision plan available to retirees
 - EyeMed
 - Education employees can stay with school vision plan for a total of 18 months under COBRA provisions
- Pensioner is responsible for the entire cost of vision coverage
 - Automatic payroll deduction
- Binding election
 - Enrollment or termination during open enrollment period only

	Total Monthly Rate	State Pays	Employee/ Pensioner Contributions
EyeMed Vision Plan			
Employee	\$6.12	\$0.00	\$6.12
Employee & Spouse	\$9.64	\$0.00	\$9.64
Employee & Child(ren)	\$9.84	\$0.00	\$9.84
Family	\$15.88	\$0.00	\$15.88

Blood Bank

- Participation in the Blood Bank is available to retirees just as it is to active State employees

Minnesota Life Insurance

- Available to active members who want to maintain Group Universal Life Insurance after retirement
- Minnesota Life will contact you directly for continuation or termination of policy
 - Must be enrolled in the plan prior to retirement
- Premiums will be paid directly to Minnesota Life—cannot be deducted from your pension benefit
 - Can be automatic deduction from checking or savings account
 - Contact Minnesota Life for rate information
- Effective 7/1/2009, the face value of Group Universal Life Insurance reduces by 50% upon retirement

Direct Deposit

- Mandatory for pension benefits
- Retiree is responsible for ensuring routing and account numbers are correct on “Deposit Authorization Form”
 - To avoid delays in processing of your pension benefit, you can submit a voided check, savings statement, or letter from the bank to ensure accuracy
- If making a deposit with a Credit Union, you must contact them to specify which account(s) should be utilized
 - Some Credit Unions will require completion of a new direct deposit form to deposit retirement income
 - Check with your institution for their policy
- Your retirement benefit is deposited into the specified account(s) on the last business day of each month

Taxes

- Pension benefit is taxable by the Federal Government and may be taxable in the State where the pensioner maintains permanent residence
 - Cannot withhold another State's tax from the State of Delaware pension benefit
- By January 31st of each year, the Office of Pensions mails pensioners a 1099-R form (the retiree version of the W-2 form)
 - Withholding changes can be made throughout the year

Working After Retirement

Webster's Dictionary defines retirement as " to withdraw from one's position or occupation: to conclude one's working or professional career."

After retirement, can you work for an employer who participates in the Delaware State Employees' Pension Plan and continue to receive your monthly pension benefit as well as participate in the pension group health insurance?

In general, the answer is **NO**.

Per Delaware statute and the IRS, the following guidelines must be followed in order to return to work with an employer participating in the State Employees' Pension Plan while receiving a pension benefit from the Plan:

- If under age 65, the retiree must have a bona fide separation after retirement (six months or greater)
- If the member/retiree is over age 65 at the time of retirement, a bona fide separation is not required.

Post-Retirement Employment (continued)

There must not be a pre-arranged agreement between the member/retiree and the employer to return to work after retirement.

Positions which are an exception to a retiree returning to work with a participating employer are non-pension covered position:

- Casual/seasonal employment less than 30 hours per week or, if 30 hours or more, not to exceed 12 months
- Substitute teaching on a per diem basis
- Independent contractor

Pension Benefit Earnings – Benefits offset for earnings over \$30,000

Post Retirement Increases (PRI)

- A PRI is a pension increase received after retirement
- Pension law does not provide for automatic increases
 - Increases granted upon Legislative approval

So...Ready for Retirement ?

- Notify supervisor/HR office, in writing, four months prior to retirement
- HR prepares the electronic pension application and the Office of Pensions validates the creditable service
- Personal documents needed for member, spouse and eligible dependents
 - Birth certificates
 - Signed Social Security cards
 - Marriage or civil union certificate, death certificate or divorce decree, as applicable
 - Medicare card showing A and B coverage, if applicable
 - If over age 65, at least 45 days required to transition health insurance, if not a timely transition, the retiree may pay a higher premium
- HR contacts member for an appointment date and time to complete the pension packet

Payment of First Pension Benefit

- All Organizations, with the exception of some University of Delaware employees, are on lag payroll
- Pension benefits are calculated after the receipt of your final pay from your Organization.

Payment for Leave Accruals

- You may be entitled to payment for sick and annual leave accruals
 - Can elect to defer payment of leave payoffs into a qualified tax-shelter program
- Payment is made by your Organization
- Contact your Human Resources or Payroll representative for entitlement, estimated payoff amount and date to expect payment

After You Retire

- The Office of Pensions maintains pensioner records
- Notify the Office of Pensions, in writing, if your name, address or other personal information changes
- Contact the Office of Pensions with any questions or concerns regarding your pension

Contact the Office of Pensions

- Website: www.delawarepensions.com
- Email address: Pensionoffice@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

