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



Ready for Retirement

Presented by the State of Delaware Office of Pensions

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

- **Unreduced Service Pension Benefit**
 - 30 years of credited service at any age; or,
 - Age 60 with at least 15 years of credited service; or,
 - Age 62 with at least 5 consecutive years of credited service; or,
 - A Correctional Officer with 25 years of credited service (must have at least 5 consecutive) regardless of age with a pension effective date on or after 1/1/2017
 - With at least 20 years of credited service as a Correctional Officer and classified with a Correctional Officer Job Code
- **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; or,
 - Age 60 with at least 20 years of credited service; or,
 - Age 65 with at least 10 years of credited service (5 years consecutive); or,
 - A Correctional Officer with 25 years of credited service (must have at least 5 consecutive) regardless of age with a pension effective date on or after 1/1/2017
 - With at least 20 years of credited service as a Correctional Officer and classified with a Correctional Officer Job Code
- **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

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*

Verification of Buy-In Options

- If you have rendered service outside the State of Delaware that is eligible for purchase (Actuarial and OPEE), investigate the benefit and cost of purchase prior to retirement
 - This service must be verified by the Office of Pensions prior to retirement
 - This process can be time consuming – start verification early
 - Verification forms are found on our website or by contacting the Office of Pensions directly
- If you have buy-in options based on your service with the State of Delaware (Leaves of Absence and Sick Leave), the Office of Pensions will verify eligibility at the time of retirement

Payment For Eligible Buy-In Options

- Payment for the purchase of an approved buy-in is calculated at the time of the employee's retirement
- Written notification will be mailed directly to the home address the month the retiree will receive their first pension benefit
 - Must be paid prior to issuance of first benefit
- Can be purchased one of three ways:
 - Deducted from first pension benefit if sufficient to cover the entire cost
 - Personal check
 - Rollover from a qualified tax-sheltered account
 - 401(A), 457(B), 403(B) (under certain circumstances), or an IRA

The Calculation Of Your Pension Benefit In The State Employees' Pension Plan

- Your retirement benefit is determined according to a formula using years of credited service, highest thirty-six months of compensation, and lag month
- Fluctuations in the financial markets do not affect the calculation or the amount of your benefits
- Pension benefit is paid monthly for your lifetime

Calculating Your Estimated Pension Benefit

Visit www.delawarepensions.com

The screenshot shows the homepage of the Delaware Office of Pensions. The top navigation bar includes 'Pension Calculators' with a calculator icon, 'Self Service Login' with a lock icon, and a search bar with the text 'What are you looking for?' and 'Google™ Custom Search'. The main header features the text 'Office of Pensions for the State of Delaware'. Below this is a large banner for 'Retirement Counseling' with the subtext 'VIEW OUR UPCOMING PRE-RETIREMENT WORKSHOP SCHEDULES' and an illustration of diverse people. A left sidebar contains a navigation menu with categories like 'Home', 'Services', and 'Retiree Self Service'. A bottom section titled 'LATEST NEWS FROM THE PENSION OFFICE' features a news item about 'STATE EMPLOYEES' PENSION PLAN PRE-RETIREMENT WORKSHOPS THIS FALL' with a 'Pre-retirement Workshops' link.

Pension Calculators

Self Service Login

The next payment date for pensioners will be:
September 30
[Complete List](#)

Office of Pensions
for the State of Delaware

What are you looking for?
Google™ Custom Search

Retirement Counseling

VIEW OUR UPCOMING PRE-RETIREMENT WORKSHOP SCHEDULES

Home

- About the Agency
- Organization Chart
- News Room Archives
- Pension Plans
- Retirees' FAQ's
- Employment
- Calendar of Events
- Workshop Events
- Contact Information
- Office Closings
- Message from Pension Administrator

Services

- Internet Help
- Benefits Calculator
- Feedback
- Retiree Self Service

PENSION BENEFITS CHANGE COMING FOR CORRECTIONAL OFFICERS

RETURN TO WORK CRITERIA
[LEARN MORE](#)

Retirement Counseling
VIEW OUR UPCOMING PRE-RETIREMENT WORKSHOP SCHEDULES

LATEST NEWS FROM THE PENSION OFFICE

STATE EMPLOYEES' PENSION PLAN PRE-RETIREMENT WORKSHOPS THIS FALL
Pre-retirement workshops are being held this Fall to provide information regarding Delaware State Employees' Pension Plan benefits. There is no cost or pre-registration required to attend these workshops. Individual retirement estimates will not be distributed at these workshops. Participants will learn how to prepare their own estimated benefit using the Pension Office website. Please click on the link below for workshop dates, times, and locations".

[Pre-retirement Workshops](#)

Calculating Your Estimated Pension Benefit

(continued)

Click the Plan in which you are enrolled

The screenshot shows a web portal interface. On the left is a vertical sidebar with navigation links. The main content area is titled 'Benefits Calculator' and features a 'Select an option below:' header above a grid of calculator buttons. The sidebar includes a 'Pension Calculators' header with a calculator icon, a 'Self Service Login' header with a lock icon, and a notification about the next payment date for pensioners, 'September 30', with a 'Complete List' button and a calendar icon. The main area contains nine calculator buttons arranged in three rows: Row 1: State Employees Pension Plan Calculator, New State Police Pension Plan Calculator, Revised Judicial Pension Plan Calculator; Row 2: Diamond State Port Corporation, Delaware Volunteer Firemen Pension Calculator, County and Municipal (General); Row 3: County and Municipal (Police/Firefighter), Tax Withholdings (Federal and State).

Pension Calculators 

Self Service Login 

The next payment date for pensioners will be:
September 30 
[Complete List](#)

Home

- About the Agency
- Organization Chart
- News Room Archives
- Pension Plans

Benefits Calculator

Select an option below:

State Employees Pension Plan Calculator	New State Police Pension Plan Calculator	Revised Judicial Pension Plan Calculator
Diamond State Port Corporation	Delaware Volunteer Firemen Pension Calculator	County and Municipal (General)
County and Municipal (Police/Firefighter)	Tax Withholdings (Federal and State)	

1 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)

Compute your estimated Tax Withholding:

[Tax Withholding Calculators](#)

Helpful Hint:

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

Mini-Calculator

1	2	3	+
4	5	6	-
7	8	9	x
c	0	=	/

Click '=' will auto-fill Compensation Amount

Prior to January 1, 1997 - Years Months

After December 31, 1996 - Years Months

COMBINED HIGHEST 3 YEAR COMPENSATION: \$

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.

COMPUTE **CLEAR**

2 YOUR MONTHLY EARNINGS BENEFIT INFORMATION

CALCULATIONS ARE ESTIMATED

		\$	\$	\$	\$
Monthly Final Average Earnings	<input type="text" value="3333.33"/>	1591.67	1559.83	1543.92	1496.17
Calculation factor years of service prior 1/1/97	<input type="text" value="66.67"/>	estimated	estimated	estimated	estimated
Calculation factor years of service after 12/31/96	<input type="text" value="61.67"/>	monthly benefit 50%	monthly benefit 66%	monthly benefit 75%	monthly benefit 100%
Credited number years of service prior Jan. 1, 1997	<input type="text" value="10.0000"/>	survivor option.	survivor option.	survivor option.	survivor option.
Credited number years service after Dec. 31, 1996	<input type="text" value="15.0000"/>				

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'

60

Your monthly reduction:

\$ 191.00

\$	\$	\$	\$
1400.67	1372.65	1358.65	1316.63
estimated monthly benefit 50% survivor option.	estimated monthly benefit 66% survivor option.	estimated monthly benefit 75% survivor option.	estimated monthly benefit 100% survivor option.
COMPUTE		CLEAR	

IF SICK LEAVE BUY-IN OPTION...

Enter total sick time hours- then click 'COMPUTE'

1500

Buy-in months available:

5

Estimated Buy-in cost:

\$ 833.33

Estimated Monthly Benefit Increase:

\$ 25.69

[Buy-in Hours Help Chart](#)

\$	\$	\$	\$
1617.36	1585.01	1568.84	1520.32
estimated monthly benefit 50% survivor option.	estimated monthly benefit 66% survivor option.	estimated monthly benefit 75% survivor option.	estimated monthly benefit 100% survivor option.
COMPUTE		CLEAR	

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

Select Age at Retirement- then click 'COMPUTE'

50



Years of Service Prior to 1/31/1997



Years of Service After 12/31/1996

Monthly Benefit Increased by buy-in option:

\$ 66.67

Buy-in Cost:

\$ 10000.00

Recoupment Period (No. of Years):

12.5000

\$	\$	\$	\$
1658.33	1625.17	1608.58	1558.83
Estimated monthly benefit if electing 50% survivor option with buy-in	Estimated monthly benefit if electing 66% survivor option with buy-in	Estimated monthly benefit if electing 75% survivor option with buy-in	Estimated monthly benefit if electing 100% survivor option with buy-in
COMPUTE		CLEAR	

FINAL TOTAL If any additional calculators were used:

UPDATED BENEFIT AMOUNT:

\$ 1493.02

\$ 1463.16

\$ 1448.23

\$ 1403.44

Estimated monthly benefit if electing 50% survivor option

Estimated monthly benefit if electing 66% survivor option

Estimated monthly benefit if electing 75% survivor option

Estimated monthly benefit if electing 100% survivor option

[Print a complete Estimate Summary based on the data input.](#)

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
 - 66.67% = 2% reduction in pensioner's benefit for their lifetime. Eligible survivor receives 66.67% of benefit at the time of pensioner's death
 - 100% = 6% reduction in pensioner's benefit for their lifetime. Eligible survivor receives 100% of benefit at the time of pensioner's death

Pension Contributions

- For Members First Hired Prior to 1/1/2012
 - Members contribute 3% after annual \$6,000 exclusion each calendar year
 - Correctional Officers, as of 1/1/2015, contribute 5% after annual \$6,000 exclusion each calendar year
- For Members Hired on or After 1/1/2012
 - Members contribute 5% after annual \$6,000 exclusion each calendar year
 - Correctional Officers, as of 1/1/2015, contribute 7% after annual \$6,000 exclusion each calendar year
- Employer Contributions
 - FY 2015 – 9.56% of salary

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

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.

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

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

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
- 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.

Working After Retirement(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 Post-Retirement Increase, or PRI, is a pension increase received after retirement
- Pension law does not provide for automatic increases
 - Increases are 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 dependent(s)
 - Birth certificates (or federal identification compliant Delaware driver license or identification card)
 - Signed Social Security cards
 - Marriage or civil union certificate, death certificate or divorce decree, as applicable
 - Signed 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.
- The first deposit will include two months of pension benefits
 - Each deposit thereafter will include one month
- Online pay advices
 - Mandatory
 - Instructions are sent on how to access your online monthly pay advice

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

Estimate

- The estimate you are about to receive is conservative. If your compensation is higher than this estimate at retirement, your monthly benefit and any buy-in options will also be higher
- If the service on your estimate is inaccurate, please contact your human resources representative and ask to have a creditable service schedule (form CSE) completed to verify your pension creditable service

ESTIMATED PENSION BENEFIT CALCULATION

NAME: Joe Pensioner

Emplid: 123456
Pension Type: Reduced Service

Estimated Retirement Date: 7/1/2014

		Monthly Benefit, without a reduction, to provide a 50% Surv. Pension*	Buy-In Cost	Recoupment (in years)
OPTION 1 - State Service	25 years 00 mos 00 days	\$1,750.83		
OPTION 2 - Sick Leave	25 years 03 mos 00 days	\$1,779.84	\$625.00	1.8
OPTION 3 - Leave of Absence	25 years 06 mos 00 days	\$1,811.87	\$3,407.50	4.65
OPTION 4 - Actuarial	26 years 00 mos 00 days	\$1,873.92	\$17,601.87	11.92

*Joint Survivor Benefit Option Reductions

- 0% for 50% survivor's pension
- 2% for 66.67% survivor's pension
- 3% for 75% survivor's pension
- 6% for 100% survivor's pension

PREPARED BY: MK

ENTER DATE: 9/3/2014

Visit our website at www.delawarepensions.com

DISCLAIMER: This statement represents only an estimate of credited service and potential benefits. None of the information in this estimate has been verified and the Office of Pensions of the State of Delaware makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Actual service credit and benefits will be verified at the time of retirement.

Disclaimer

THE STATEMENT YOU WILL RECEIVE REPRESENTS ONLY AN ESTIMATE OF CREDITED SERVICE AND POTENTIAL BENEFITS. NONE OF THE INFORMATION IN THIS ESTIMATE HAS BEEN VERIFIED AND THE OFFICE OF PENSIONS OF THE STATE OF DELAWARE MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. ACTUAL SERVICE CREDIT AND BENEFITS WILL BE VERIFIED AT THE TIME OF RETIREMENT.

Contact the Office of Pensions

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 - Phone: (302) 739-4208
 - Toll free: (800) 722-7300
 - Fax: (302) 739-6129
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