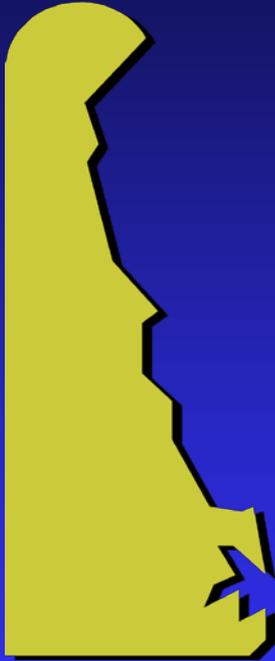


*Delaware Public Employees' Retirement System  
New State Police Pension Plan*



# Retirement Planning

*Presented by the State of Delaware Office of Pensions*

## *Statistics* (as of 6/30/16)

- 30,072 Retirees from all nine plans
  - 243 from New State Police Pension Plan (NSP)
- 44,620 Active Members in all nine plans
  - 703 in NSP
- 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 \$386 million in the NSP
  - Approximately 95% funding ratio in the NSP

## *Pension Contributions*

- 7% of base pay
- Employer Contributions
  - FY 2017 – 18.19%

## *Retirement Eligibility – Service Pension*

- 20 years of credited service
- 10 years of credited service due to age (Age 55)
- Age plus credited service (but not less than 10 years) equals 75
- Age 62 with 10 years of credited service

## *Retirement Eligibility – Vested Pension*

- Must have 10 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 New State Police provided not collecting a monthly pension from them
  - County & Municipal General Employees'
  - State Employees'
  - County & Municipal Police & Firefighters

# *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 a 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 a Service Pension subject to a minimum of 30% of final average monthly compensation.

## *Buy-In Option 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 of compensation (excluding overtime and special pay for extra duties)

# Calculating Your Estimated Monthly Pension

Visit [www.delawarepensions.com](http://www.delawarepensions.com)

## State of Delaware Office of Pensions

McArdle Building, 860 Silver Lake Blvd., Suite #1, Dover, DE 19904-2402

Toll Free: (800) 722-7300 • Local: (302) 739-4208 • Email: [pensionoffice@state.de.us](mailto:pensionoffice@state.de.us)

What are you looking for?

Google™ Custom Search



**Do you have questions?**  
Please look through our FAQ section.

Here you will find answers to frequently asked questions on Retiring, State Employee's Pension Plan and more.

LEARN MORE

### At a Glance

*Next payment date for Pensioners*

**September 30**

[Complete payment date list](#)

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# *Calculating Your Estimated Monthly Pension*

## Calculators

Select an option below:

**State Employees  
Pension Calculator**

**Correctional Officer  
Pension Calculator**

**New State Police  
Pension Calculator**

**Revised Judicial  
Pension 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 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 New State Police Plan inclusive, plus 3.5% of your Final Average Compensation multiplied by all years of service exceeding 20 under the New State Police Plan.

### 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

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  Months

Enter the additional credited service above and beyond 20. Years  Months

COMBINED HIGHEST 3 YEAR COMPENSATION: \$

**COMPUTE** **CLEAR**

## 2 YOUR MONTHLY EARNINGS PENSION INFORMATION

CALCULATIONS ARE ESTIMATED

	\$	\$	\$	\$
Monthly Final Average Earnings	<input type="text" value="4714.97"/>	<input type="text" value="2357.48"/>	<input type="text" value="2310.33"/>	<input type="text" value="2286.76"/>
Calculation factor (Average Monthly Compensation x 2.5%) for your first 20 years of credited service	<input type="text" value="117.87"/>	estimated monthly pension	estimated monthly pension	estimated monthly pension
Calculation factor (Average Monthly Compensation x 3.5%) for your first years of credited service above & beyond 20	<input type="text" value="165.02"/>	50% survivor option	66.67% survivor option	75% survivor option
Credited number years of service of credited service above and beyond 20	<input type="text" value="20.0000"/>			
Credited number years service above and beyond 20	<input type="text" value="0.0"/>			

### 3 ADDITIONAL CALCULATORS

CALCULATIONS ARE ESTIMATED

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

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

Select Age at Retirement- then click 'COMPUTE'

50 ▾

Calculate with Years of Service

Monthly pension Increased by buy-in option:

\$ 165.02

Buy-in Cost:

\$ 24753.57

Recoupment Period (No. of Years):

12.5000

\$	\$	\$	\$
2522.51	2472.06	2446.83	2371.16
<b>estimated</b> monthly pension <b>50%</b> survivor option	<b>estimated</b> monthly pension <b>66.67%</b> survivor option	<b>estimated</b> monthly pension <b>75%</b> survivor option	<b>estimated</b> monthly pension <b>100%</b> survivor option
	<b>COMPUTE</b>	<b>CLEAR</b>	

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 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 = 50% monthly average compensation
- Death of an active member in the line of duty = 75% of 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 beneficiary 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

## *Burial Benefit*

- \$7,000 benefit
- No cost to pensioner
- Beneficiary designation
- Payment is taxable

# *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
- Current Double State Share members will pay a \$25 monthly charge for each non-Medicare supplemental contract

# *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

## *Health Insurance*

- 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*

- 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%

## *Example*

<b>Non-Medicare Rates Effective July 1, 2016</b>			
	<b>Total Monthly Rate</b>	<b>State Share</b>	<b>Pensioner Pays</b>
<b>Highmark Delaware First State Basic Plan</b>			
Employee	\$695.36	\$667.52	\$27.84
Employee & Spouse	\$1,438.68	\$1,381.16	\$57.52
Employee & Child(ren)	\$1,057.02	\$1,014.76	\$42.26
Family	\$1,798.42	\$1,726.50	\$71.92

Member first hired on 10/16/1991 retiring with 14 years of pension creditable service

Chooses Employee coverage:

$\$667.52 \times 50\% = \$333.76 + \$27.84 = \$361.60$  per month

# *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 enroll in State Supplement plan, provides Enhanced Part D program

# Example

## Medicare Supplement - Special Medicfill Rates Effective January 1, 2017

	Total Monthly Rate	State Share	Pensioner Pays
<b>Highmark Delaware Medicare Supplement</b>			
Special Medicfill with Prescription	\$459.38	\$436.42	\$22.96
Special Medicfill <b>without</b> Prescription*	\$260.44	\$247.44	\$13.00
<small>*Medicare Supplement plan WITHOUT prescription is provided for Medicare Beneficiaries enrolled in Medicare Part D</small>			

Member first hired on 10/16/1991 retiring with 14 years of pension creditable service

Chooses Special Medicfill with Prescription:  
 $\$459.38 \times 50\% = \$229.69 + \$22.96 = \$252.65$  per month

# *Dental & Vision Insurance*

- Same Plans
- Changes in coverage
- Automatic payroll deduction

## *Blood Bank*

- Same for retirees as it is to active State employees

## *Securian Insurance*

- Available to eligible active members who want to maintain Group Universal Life (GUL) after retirement
- Premiums must be paid directly to Securian

## *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*

- Only applies if considering employment with an organization participating in the New State Police Pension Plan
  - Per Delaware statute and IRS guidelines
    - If under age 65 – must have a bona fide separation of at least six months
    - If over age 65 – a bona fide separation is not required
- EITHER OF THE ABOVE AND**
- Must be in a non-pension covered position

## *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 writing
  - Name
  - Address
  - Other personal information
- Available to answer questions or concerns

# *Contact the Office of Pensions*

- Website: [www.delawarepensions.com](http://www.delawarepensions.com)
- Email address: [Pensionoffice@state.de.us](mailto:Pensionoffice@state.de.us)
  - Phone: (302) 739-4208
  - Toll free: (800) 722-7300
  - Fax: (302) 739-6129
- Office Address: McArdle Building  
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