

*Delaware Public Employees' Retirement System  
State Employees' 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
  - 25,729 from State Employees' Pension Plan (SEPP)
- 44,620 Active Members in all nine plans
  - 36,950 in SEPP
- 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 \$8 billion in SEPP
  - Approximately 91% funding ratio for SEPP

# *Pension Contributions*

- Deducted after first \$6,000 of earnings each calendar year
- First Hired Prior to 1/1/2012
  - 3% contribution
  - Correctional Officers – 5% contribution
- First Hired on or After 1/1/2012
  - 5% contribution
  - Correctional Officers – 7% contribution
- Employer Contributions
  - FY 2017 – 9.58% of salary

# *Retirement Eligibility – Unreduced Service Pension*

- *First Hired Prior to 1/1/2012*
  - 30 years of pension credited service at any age
  - Age 60 with at least 15 years of pension credited service
  - Age 62 with at least 5 consecutive years of pension credited service
- *Hired on or After 1/1/2012*
  - 30 years of pension credited service at any age
  - Age 60 with at least 20 years of pension credited service
  - Age 65 with at least 10 years of pension credited service (5 years consecutive)

# *Retirement Eligibility For Correctional Officers*

- 25 years of pension credited service (must have at least 5 years consecutive) regardless of age with a pension effective date on or after 1/1/2017
  - At least 20 years of pension credited service as Correctional Officer and classified with a Correctional Officer Job Code

# *Retirement Eligibility – Reduced Service/Age Pension*

- 25 years of pension credited service at any age  
OR
- Age 55 with at least 15 years of pension credited service
- First Hired Prior to 1/1/2012
  - Reduced 0.2% for each month short of 30 years
  - Reduced 0.2% for each month under Age 60
- Hired on or After 1/1/2012
  - Reduced 0.4% for each month short of 30 years
  - Reduced 0.4% for each month under Age 60

## *Retirement Eligibility – Vested Pension*

- First Hired Prior to 1/1/2012
  - Must have 5 consecutive years of pension credited service
  - Pension is effective first of the month following 62<sup>nd</sup> birthday
- Hired on or After 1/1/2012
  - Must have 10 years of pension credited service (5 years must be consecutive)
  - Pension is effective first of the month following 65<sup>th</sup> birthday

# *Unified Pension*

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

## *Buy-In Options Upon Retirement*

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

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

## *Payment for Leave Accruals*

- You may be entitled to payment for sick and annual leave accruals
- Payment is made by your Organization
- Contact your Human Resources or Payroll representative for entitlement, estimated payoff amount and date to expect payment

# 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**

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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:

(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

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

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 PENSION INFORMATION

CALCULATIONS ARE ESTIMATED

|   |                                      |   |  |   |  |
|---|--------------------------------------|---|--|---|--|
| Monthly Final Average Earnings                      | <input type="text" value="3496.15"/> | \$<br><input type="text" value="1623.09"/>                            | \$<br><input type="text" value="1590.63"/>                               | \$<br><input type="text" value="1574.40"/>                            | \$<br><input type="text" value="1525.70"/>                             |
| Calculation factor years of service prior 1/1/97    | <input type="text" value="69.92"/>   | <b>estimated</b><br>monthly pension<br><b>50%</b><br>survivor option. | <b>estimated</b><br>monthly pension<br><b>66.67%</b><br>survivor option. | <b>estimated</b><br>monthly pension<br><b>75%</b><br>survivor option. | <b>estimated</b><br>monthly pension<br><b>100%</b><br>survivor option. |
| Calculation factor years of service after 12/31/96  | <input type="text" value="64.68"/>   |   |  |   |  |
| Credited number years of service prior Jan. 1, 1997 | <input type="text" value="1.1667"/>  |   |  |   |  |
| Credited number years service after Dec. 31, 1996   | <input type="text" value="23.8333"/> |   |  |   |  |

## 3 ADDITIONAL CALCULATORS

CALCULATIONS ARE ESTIMATED

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

|   |  |   |  |   |  |
|---|--|---|--|---|--|
| <b>IF EARLY RETIREMENT...</b>                       |  | \$<br><input type="text" value="1428.32"/>                            | \$<br><input type="text" value="1399.75"/>                               | \$<br><input type="text" value="1385.47"/>                            | \$<br><input type="text" value="1342.62"/>                             |
| Enter number of months reduced then click 'COMPUTE' | <input type="text" value="60"/>        | <b>estimated</b><br>monthly pension<br><b>50%</b><br>survivor option. | <b>estimated</b><br>monthly pension<br><b>66.67%</b><br>survivor option. | <b>estimated</b><br>monthly pension<br><b>75%</b><br>survivor option. | <b>estimated</b><br>monthly pension<br><b>100%</b><br>survivor option. |
| Your monthly reduction:                             | \$ <input type="text" value="194.77"/> |   |  | <b>COMPUTE</b>  | <b>CLEAR</b>   |

### IF SICK LEAVE BUY-IN OPTION...

Enter total sick time hours- then click 'COMPUTE'

1500

Buy-in months available:

5

Estimated Buy-in cost:

\$ 874.04

Estimated Monthly Pension Increase:

\$ 26.95

**Buy-in Hours Help Chart**

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

Select Age at Retirement- then click 'COMPUTE'

50

Years of Service Prior to 1/1/1997

Years of Service After 12/31/1996

Monthly Pension Increased by buy-in option:

\$ 69.92

Buy-in Cost:

\$ 10488.46

Recoupment Period (No. of Years):

12.5000

| \$  | \$   | \$  | \$   |
|---|--|---|--|
| 1650.04   | 1617.04  | 1600.54   | 1551.04  |
| <b>estimated</b><br>monthly<br>pension<br><b>50%</b><br>survivor<br>option. | <b>estimated</b><br>monthly<br>pension<br><b>66.67%</b><br>survivor<br>option. | <b>estimated</b><br>monthly<br>pension<br><b>75%</b><br>survivor<br>option. | <b>estimated</b><br>monthly<br>pension<br><b>100%</b><br>survivor<br>option. |
|   | <b>COMPUTE</b>   | <b>CLEAR</b>  |  |

| \$   | \$  | \$   | \$  |
|--|---|--|---|
| 1693.01  | 1659.15   | 1642.22  | 1591.43   |
| <b>Estimated</b><br>Monthly<br>Pension if<br>electing<br><b>50%</b><br>survivor<br>option with<br>buy-in | <b>Estimated</b><br>Monthly<br>Pension if<br>electing<br><b>66.67%</b><br>survivor<br>option with<br>buy-in | <b>Estimated</b><br>Monthly<br>Pension if<br>electing<br><b>75%</b><br>survivor<br>option with<br>buy-in | <b>Estimated</b><br>Monthly<br>Pension if<br>electing<br><b>100%</b><br>survivor<br>option with<br>buy-in |
|  | <b>COMPUTE</b>  | <b>CLEAR</b>   |   |

# *Final Total of Estimated Monthly Pension*

## **FINAL TOTAL** If any additional calculators were used:

UPDATED PENSION AMOUNT:

\$ 1525.19    \$ 1494.69    \$ 1479.43    \$ 1433.68

|  |   |  |   |
|--|---|--|---|
| <b>Estimated<br/>Monthly<br/>Pension if<br/>electing<br/>50%<br/>survivor<br/>option</b> | <b>Estimated<br/>Monthly<br/>Pension if<br/>electing<br/>66.67%<br/>survivor<br/>option</b> | <b>Estimated<br/>Monthly<br/>Pension if<br/>electing<br/>75%<br/>survivor<br/>option</b> | <b>Estimated<br/>Monthly<br/>Pension if<br/>electing<br/>100%<br/>survivor<br/>option</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 parent(s)

## *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(ies) 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
  - Members on Long Term Disability

## *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%



# Example

| <b>Non-Medicare Rates Effective July 1, 2016</b> |                                   |                    |                           |
|--|-----------------------------------|--------------------|---------------------------|
|  | <b>Total<br/>Monthly<br/>Rate</b> | <b>State Share</b> | <b>Pensioner<br/>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 enrolled in State Supplement plan with prescription option, includes Enhanced Part D program

# Example

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

|  | Total<br>Monthly<br>Rate | State Share | Pensioner<br>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 (Merit System)
- 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 State Employees' 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
  - Earnings limit \$30,000 – Monthly pension offset \$1 for every \$2 earned over the limit

## *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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