Delaware Public Employees' Retirement System
New State Police Pension Plan

Retirement Planning

Presented by the State of Delaware Office of Pensions

Current Statistics *(as of 6/30/21)*

- 38,048 Retirees (including terminated vested) from all nine plans
  - 329 from New State Police Pension Plan (NSP)

- 45,242 Active Members in all nine plans
  - 732 from New State Police Pension Plan (NSP)

- Over $14.6 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool made of three entities)
  - Assets of $744.5 million in NSP Pension Plan
  - 112% funding ratio for NSP Pension Plan

SERVING THOSE WHO SERVE DELAWARE

1971-2021

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Pension Contributions

- 7% of compensation
  - Excludes overtime payments and special payments for extra duties
  - Pre-tax

- Employer
  - Fiscal Year 2022 (beginning July 2021):
    - 25.28% pension contributions
    - .36% future retiree health care fund
    - 1.00% post retirement increase fund
    - 3.74% current retiree health care
  - Total employer contributions = 30.38%

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

Retirement Eligibility – Vested Pension

- Must have 10 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 New State Police Plan, provided not collecting a monthly pension from them.

- County & Municipal General Employees’
- State Employees’
- County & Municipal Police & Firefighters

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 or 3 periods of 12 consecutive months of compensation (excluding overtime and special pay for extra duties).

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

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

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 there is no eligible survivor at the time of the member's death.

Calculating Your Estimated Monthly Pension
Visit www.delawarepensions.com

Calculating Your Estimated Monthly Pension

Benefits Calculator

Select an option below:

- State Employees Pension Calculator
- Correctional/Specified Peace 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)

Estimated Credited Service

New State Police Calculator

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 20 **Months** 0.0 months = .0000

Enter the additional credited service above and beyond 20. Years 0 **Months** 0.0 months = .0000

***COMBINED* HIGHEST 3 YEAR COMPENSATION: $** 325000

COMPUTE **CLEAR**

Monthly Estimated Pension

2 YOUR MONTHLY EARNINGS PENSION INFORMATION
CALCULATIONS ARE ESTIMATED

		$	$	$	$
• Monthly Final Average Earnings	9027.78	4513.89	4423.61	4378.47	4243.06
• Calculation factor (Average Monthly Compensation x 2.5%) for your first 20 years of credited service	225.69	**estimated** monthly pension **50%** survivor option	**estimated** monthly pension **66.67%** survivor option	**estimated** monthly pension **75%** survivor option	**estimated** monthly pension **100%** survivor option
• Calculation factor (Average Monthly Compensation x 3.5%) for your first years of credited service above & beyond 20	315.97				
• Credited number years of service 20 years or below	20.0000				
• Credited number years of service above and beyond 20	0.0				

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.

* Your Final Average Compensation is the total compensation paid to you during the three periods of 12 consecutive months during which your compensation was the highest. This figure is divided by 36 to yield your Average Monthly Compensation

Actuarial Buy In

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)...

43 **Select Age** at Retirement- then click 'COMPUTE'

Calculate with Years of Service

Monthly pension Increased by buy-in option:	$ 315.97
Buy-in Cost:	$ 51819.44
Recoupment Period (No. of Years):	13.6667

$ 4829.86	$ 4733.26	$ 4684.97	$ 4540.07
estimated monthly pension **50%** survivor option	**estimated** monthly pension **66.67%** survivor option	**estimated** monthly pension **75%** survivor option	**estimated** monthly pension **100%** survivor option

COMPUTE CLEAR

Print a complete Estimate Summary based on the data input.

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

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%

Health Insurance Example

Health Insurance Sample

Comprhensive PPO Plan for Individual & Spouse Coverage

7/1/2019

Coverage	Total Monthly Rate	State Share	Pensioner Pays
Individual	$793.86	$688.68	$105.18
Individual & Spouse	**$1,647.23**	**$1,429.08**	**$218.26**
Individual& Children	$1,223.46	$1,061.38	$162.08
Family	$2,059.40	$1,786.54	$272.86

- Hired on January 1, 1986 – Retiring with 15 Years of Service
  ($1,429.08 * 0%) $218.26 = $218.26 per month

- Hired January 1, 2003 – Retiring with 15 Years of Service
  ($1,429.08 * 25%) $357.27 + $218.26 = $575.53 per month

- Hired January 1, 2007 – Retiring with 15 Years of Service
  ($1,429.08 * 50%) $714.54 + $218.26 = $932.80 per month

Medicare Coverage

- Medicare Part A and Part B enrollment is required for all pensioners and their eligible insured dependents when they attain Medicare eligibility either due to disability or age 65.
- Medicare Part A – Federal Hospital insurance
- Medicare Part B – Federal Medical insurance (doctors, supplies, etc.)
- Medicare Part D – Prescriptions
  - The Special Medicfill plan is offered with or without prescription coverage. Prescription coverage includes a qualified and enhanced Part D prescription plan with Express Scripts. An individual can only have one Part D enrollment, Tricare coverage is the exception.

- *Contact the Benefits section for further details

Medicare Supplement – Special Medicfill

Retired after July 1, 2012

Coverage	Total Monthly Rate	State Share	Pensioner Pays
Special Medicfill with Prescriptions	$459.38	$436.42	$22.96
Special Medicfill without Prescriptions	$260.44	$247.44	$13.00

- Hired on January 1, 1986 – Retiring with 15 Years of Service
  ($436.42 * 0%) $22.96 = $22.96 per month

- Hired January 1, 2003 – Retiring with 15 Years of Service
  ($436.42 * 25%) $109.11 + $22.96 = $132.07 per month

- Hired January 1, 2007 – Retiring with 15 Years of Service
  ($436.42 * 50%) $218.21 + $22.96 = $241.17 per month

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

- Your first Pension Check will be on a 1 month lag
  - Retire June 1st your will receive your first check July 31st
  - Double Pay
  - Double Deductions

- Monthly pension is calculated after the receipt of your final pay from your Organization

- Online pay advices

- Post Retirement Increase (PRI)
  - A PRI is a pension increase received after retirement
  - Granted upon Legislative approval
  - 1% was given 1/1/2015
  - $400 one-time supplement November 2018
  - July 2021 based on Effective Date of Retirement
    - 3% - Prior to 7/1/1991
    - 2% - 7/1/1991 – 6/30/2001
    - 1% - 7/1/2001 – 6/30/2016
  - $500 one-time supplement November 2021

After You Retire

- The Office of Pensions maintains pensioner records

- Updates must be in <u>writing</u> with signature
  - Name
  - Address
  - Other personal information
    - Please note if you update your information on your Single Sign On account you must still submit your updates in writing

- Available to answer questions or concerns

Contact the Office of Pensions

The Office of Pensions maintains pensioner records
Website: www.delawarepensions.com

Email address:	Pensionoffice@Delaware.gov
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

Pay Schedules

Year 2018 Pay Check	Year 2019 Pay Check	Year 2020 Pay Check	Year 2021 Pay Check	Year 2022 Pay Check
1/5/2018	1/4/2019	**1/3/2020**	1/15/2021	1/14/2022
1/19/2018	1/18/2019	**1/17/2020**	1/29/2021	1/28/2022
2/2/2018	2/1/2019	**1/31/2020**	2/12/2021	2/11/2022
2/16/2018	2/15/2019	2/14/2020	2/26/2021	2/25/2022
3/2/2018	**3/1/2019**	2/28/2020	3/12/2021	3/11/2022
3/16/2018	**3/15/2019**	3/13/2020	3/26/2021	3/25/2022
3/29/2018	**3/29/2019**	3/27/2020	4/9/2021	4/8/2022
4/13/2018	4/12/2019	4/10/2020	4/23/2021	4/22/2022
4/27/2018	4/26/2019	4/24/2020	5/7/2021	5/6/2022
5/11/2018	5/10/2019	5/8/2020	5/21/2021	5/20/2022
5/25/2018	5/24/2019	5/22/2020	6/4/2021	6/3/2022
6/8/2018	6/7/2019	6/5/2020	6/18/2021	6/17/2022
6/22/2018	6/21/2019	6/19/2020	**7/2/2021**	**7/1/2022**
7/6/2018	7/5/2019	**7/3/2020**	**7/16/2021**	**7/15/2022**
7/20/2018	7/19/2019	**7/17/2020**	**7/30/2021**	**7/29/2022**
8/3/2018	**8/2/2019**	**7/31/2020**	8/13/2021	8/12/2022
8/17/2018	**8/16/2019**	8/14/2020	8/27/2021	8/26/2022
8/31/2018	**8/30/2019**	8/28/2020	9/10/2021	9/9/2022
9/14/2018	9/13/2019	9/11/2020	9/24/2021	9/23/2022
9/28/2018	9/27/2019	9/25/2020	10/8/2021	10/1/2022
10/12/2018	10/11/2019	10/9/2020	10/22/2021	10/21/2022
10/26/2018	10/25/2019	10/23/2020	11/5/2021	11/4/2022
11/9/2018	11/8/2019	11/6/2020	11/19/2021	11/18/2022
11/21/2018	11/22/2019	11/20/2020	**12/3/2021**	**12/2/2022**
12/7/2018	12/6/2019	**12/4/2020**	**12/17/2021**	**12/16/2022**
12/21/2018	12/20/2019	**12/18/2020**	**12/31/2021**	**12/30/2022**
		12/31/2020		