Delaware Public Employees' Retirement System County & Municipal Police/Firefighters Pension Plan

Retirement Planning



Presented by the State of Delaware Office of Pensions

Current Statistics (as of 6/30/23)

- 39,677 Retirees (including terminated vested) from all nine plans
 - 436 from CM Police/Firefighters' Pension Plan
- 45,101 Active Members in all nine plans
 - 1,343 in CM Police/Firefighters' Pension Plan
- Over \$12.5 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 \$580 million in CM Police/Firefighters' Pension Plan
 - 98% funding ratio for CM Police/Firefighters' Pension Plan

Pension Contributions

- Member Contributions
 - 7% of base pay

- Employer Contributions
 - FY 2025 14.98%

Retirement Eligibility – Service Pension

• 20 years of credited service

- 5 consecutive years of credited service and retired under provisions of §8811 mandatory retirement established by employer
- Age plus credited service (but not less than 10 years) equals 75
- Age 62 with 5 consecutive years of credited service

Retirement Eligibility – Vested Pension

• Must have 5 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 County & Municipal Police & Firefighters Plan, provided not collecting a monthly pension from them.

- County & Municipal General Employees'
- State Employees'
- New State Police

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)

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 eligible dependent not to exceed 25% for dependents
- Partial calculated the same as 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 eligible dependent not to exceed 20% for dependents
- Partial calculated the same as Service Pension subject to a minimum of 30% of final average monthly compensation

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

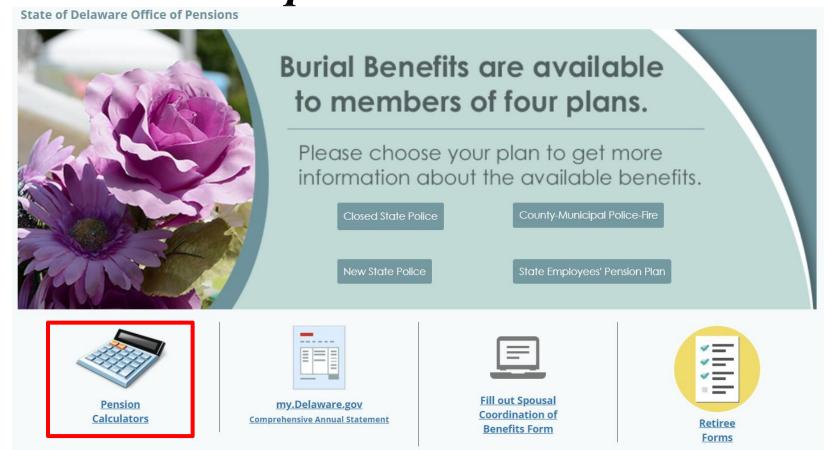
Amount of Survivor Pension

- Death of an active member = 75% of the service pension the member would have been eligible to receive
- Death of an active member in the line of duty = 75% of the member's 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

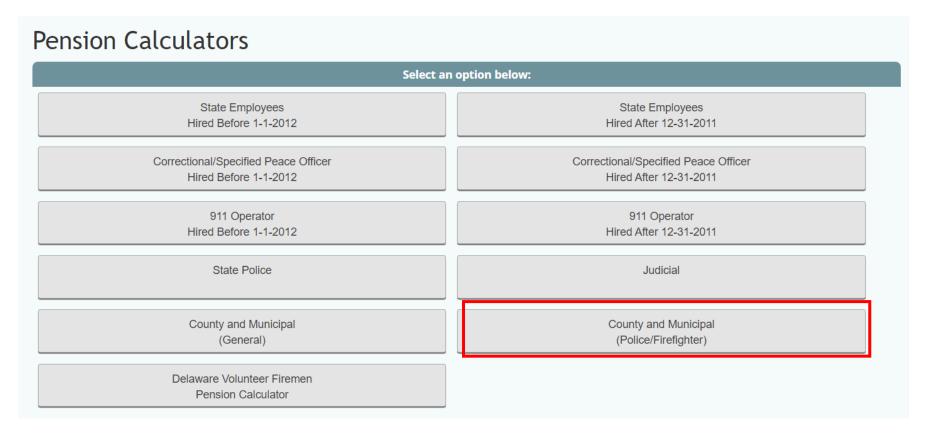
Who is a Beneficiary?

• A <u>beneficiary</u> is named on the Pension Contribution 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



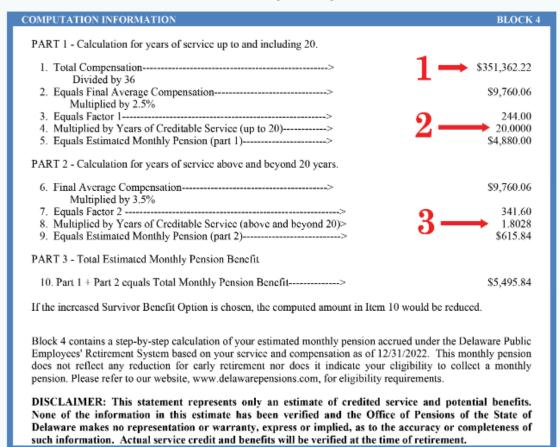
Health Insurance

- Eligible to participate in the group health insurance plans offered by the State of Delaware
- An offset to the member's cost of healthcare for retirements effective on or after 7/1/2015
- A member eligible for a vested pension in another plan OR receiving a pension in another plan may be eligible for a portion of the State Share paid by the State

Estimated Credited Service

| 1. Enter Combined Highe | est 3 Year Compensation: |
|--------------------------------------|--------------------------|
| 2. Select Creditable Serv | ice up to 20 Years: |
| 20.0 | |
| 3. Enter Creditable Servi | ce beyond 20 Years: |
| Additional Years of Service: Years 0 | |
| Your Age at Retirement: | |
| Years 55 > Months: 0 | ~ |

For Example Only



Click "Estimate Pension" to display the Estimated Pension

Estimate Pension

Monthly Estimated Pension

Estimated Monthly Pension Benefit

* * * These are for estimation purposes only * * *

50% survivor option

\$5495.87

66% survivor option

\$5385.95

75% survivor option

\$5330.99

100% survivor option

\$5166.12

You have achieved 20 or more years of service and can retire at any age

To see a more detailed description of your Pension Estimate Click Here.

Actuarial Buy In

Actuarial Buy-in Option

Select your age at retirement:

55 🕶

Estimate Actuarial Buy-in

Estimated Cost to purchase 1 Year of Time:

Cost for 1 Year of Actuarial Buy-in: 51581.92 Increase in Monthly Pension Payment: 341.60

Years to Recoup Cost of Buy-in 17.62

Total Pension Monthly Payment with Actuarial Buy-in: 5837.47

Print a complete Estimate Summary based on the data input.

Health Insurance

- All plans are coupled with prescription plan coverage
 - Changes in coverage once a year during open enrollment 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

Dental Insurance

- Available at retirement
- Automatic payroll deduction

Burial Benefits – Active Members Only

Senate Bill 7, passed by the 149th General Assembly and signed by Governor Carney, authorized a \$7,000 no-cost burial benefit upon the death of an active employee of the County and Municipal Police/Firefighter Pension Plan.

Active members in this plan are automatically enrolled in the Burial Benefit once hired.

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

Working After Retirement

An individual shall not receive a service or disability pension under this chapter for any month during which the individual is an employee as defined in §8801 of this title, unless:

- 1) The individual is a police officer who has retired from 1 county or municipal employer and has been appointed by the executive branch and confirmed by the legislative branch of a different county or municipal employer participating in the County Municipal Police/Firefighter Pension Plan; or
- 2) The individual is a temporary employee whose earnings from such employment do not exceed the maximum allowed by Social Security without affecting Social Security benefits; and
- 3) The individual's employment under paragraphs (1) and (2) of this section is not pension creditable service time and may not be used to earn any retirement benefits in the Delaware County and Municipal Police/Firefighter Pension Plan.

So...Ready for Retirement?

- Written notification to supervisor or Human Resources four months prior to retirement
- Human Resources
 - Prepares pension application and submits to Office of Pensions for acceptance
 - Schedules appointment with member to complete the pension packet
- Member
 - Gathers required personal documents needed for self, spouse and eligible dependent(s) as applicable
 - Birth Verification
 - Signed Social Security Card
 - Marriage Verification
 - Divorce Verification
 - Medicare Card

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: <u>www.delawarepensions.com</u>

• Email address: <u>Pensionoffice@Delaware.gov</u>

• 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