

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

Retirement Planning

Presented by the State of Delaware Office of Pensions



State of Delaware Office of Pensions



Housekeeping

- **Presentation is being recorded for the website**
 - Questions will not be shared
- **General questions will be handled at the end of the presentation via Chat**
 - Please write them down so you do not forget them
 - If you have detailed/personal questions, please contact our office and speak with a Subject Matter Expert
 - We will cover about 10 verbally – while answering some via Chat
 - Materials can be found under the link by which you joined



Event Material Overview

RETIREMENT RESOURCES:

State Employees Pension Plan
Summary Plan Description

Retirement Process
Information

SEPP Pre-Retirement
Presentation

Member
Resources

Delaware Medicare
Assistance Bureau

Flex Spend
Retirement

Deferred Comp


Comprehensive Annual Statement
Fact Sheet

Return to Work
Criteria

Insurance
Rate Tables




****NEW* DPERS App***



Get the NEW DPERS App and stay informed!

Go to Google Play or the Apple Store and get the new DPERS app. There is Plan Information, Notifications, and even a Count Down to Retirement. Scan the QR Code to get the app.



Statistics (as of 06/30/2024)

- **40,526 Retirees (including terminated vested) from all nine plans**
 - 35,715 from State Employees' Pension Plan (SEPP)
- **46,075 Active Members in all nine plans**
 - 39,412 in SEPP
- **Over \$13.6 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 up of three entities)**
 - Assets of \$11.8 billion in SEPP
 - Approximately 88% funding ratio for SEPP



Pension Contributions

- **First Hired into a Pension Credited Position Prior to 1/1/2012**
 - 3% contribution deducted after first \$6000 of earnings each calendar year
- **First Hired into a Pension Credited Position on or After 1/1/2012**
 - 5% contribution deducted after first \$6000 of earnings each calendar year
- **Correctional Officers/Specified Peace Officers**
 - 7% contributions
- **Employer Contributions**
 - FY 2026 – 12.38% of salary



Retirement Eligibility – Unreduced Service Pension (Active Employees)

- **First Hired into a Pension Credited Position 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
- **First Hired into a Pension Credited Position 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)
- **Correctional Officer/Specified Peace Officer**
 - 25 years of pension credited service regardless of age with 20 years as a Correctional Officer/Specified Peace Officer (5 consecutive years)



Retirement Eligibility -Reduced Service/Age Pension (Active Employees)

- 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
OR
 - 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
OR
 - Reduced 0.4% for each month under Age 60



Retirement Eligibility – Vested Pension (Terminated Employees)

- **First Hired into a Pension Credited Position Prior to 1/1/2012**
 - Must have 5 consecutive years of pension credited service
 - Pension is effective first of the month following 62nd birthday
- **First Hired into a Pension Credited Position 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 65th 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)*

***Buy-in options must be approved and/or verified by the Office of Pensions prior to 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 monthly pension, 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



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



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 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

State of Delaware Office of Pensions



Burial Benefits are available to members of four plans.


Please choose your plan to get more information about the available benefits.


[Closed State Police](#)


[County-Municipal Police-Fire](#)


[New State Police](#)

[State Employees' Pension Plan](#)


[Pension Calculators](#)


my.Delaware.gov
[Comprehensive Annual Statement](#)


[Fill out Spousal Coordination of Benefits Form](#)


[Retiree Forms](#)



State of Delaware Office of Pensions



Pension Calculators

Select an option below:

State Employees
Hired Before 1-1-2012

State Employees
Hired After 12-31-2011

Correctional/Specified Peace Officer
Hired Before 1-1-2012

Correctional/Specified Peace Officer
Hired After 12-31-2011

911 Operator
Hired Before 1-1-2012

911 Operator
Hired After 12-31-2011

State Police

Judicial

County and Municipal
(General)

County and Municipal
(Police/Firefighter)

Delaware Volunteer Firemen
Pension Calculator



How to retrieve your Comprehensive Annual Statement

To access:
Log into my.delaware.gov
Click on Annual Statement
Click on Comprehensive Statement
Click on the most recent year

1. Enter Combined Highest 3 Year Compensation:

2. Enter Creditable Service Prior to January 1, 1997:

3. Enter Creditable Service Post 1996:

4. Additional Service Beyond Your Annual Statement:

Years Months

5. Your Age at Retirement:

Years Months



Click "Estimate Pension" to display the Estimated Pension

Estimate Pension

For Example Only

COMPUTATION INFORMATION

BLOCK 4

Pension Estimate Computation Formula

PART 1 - Calculation for years of service prior to January 1, 1997.

1. Total Compensation----->	1 →	\$200,000.00
Divided by 36		
2. Equals Final Average Compensation----->		\$4,850.94
Multiplied by 2.0%		
3. Equals Factor 1----->		97.02
4. Multiplied by Years of Creditable Service (Pre 1997)----->	2 →	2.00
5. Equals Estimated Monthly Pension (part 1)----->		\$80.85

PART 2 - Calculation for years of service post December 31, 1996.

6. Final Average Compensation----->		\$4,850.94
Multiplied by 1.85%		
7. Equals Factor 2----->		89.74
8. Multiplied by Years of Creditable Service (Post 1996)----->	3 →	21.00
9. Equals Estimated Monthly Pension (part 2)----->		\$2,243.50

PART 3 - Total Estimated Monthly Pension Benefit

10. Part 1 + Part 2 equals Total Monthly Pension Benefit ----->		\$2,324.35
---	--	------------

If the increased Survivor Benefit Option is chosen, the computed amount in Item 10 would be reduced.

Block 4 contains a step-by-step calculation of your estimated monthly pension accrued under the Delaware Public Employees' Retirement System based on your service and compensation as of 12/31/2021. This monthly pension does not reflect any reduction for early retirement nor does it indicate your eligibility to collect a monthly pension. Please refer to our website, www.delawarepensions.com, for eligibility requirements.

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.



Estimated Monthly Pension Benefit

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

50% survivor option

\$2380.56

66% survivor option

\$2332.95

75% survivor option

\$2309.14

100% survivor option

\$2237.73

You have achieved 15 or more years of service and are at least 55 years of age. You seem to be eligible to retire with a Reduced Age Pension.

Estimated Reduced Monthly Pension Benefit

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

50% survivor option

\$2094.89

66% survivor option

\$2052.99

75% survivor option

\$2032.04

100% survivor option

\$1969.20

To see a more detailed description of your Pension Estimate [Click Here](#).



Sick Leave Buy-in Option

This is based on 12 Month Employees - 10 Month Employees may not get accurate results

Select the number of hours per week you are:

37.5 Hours Per Week ▾

Hours of Sick Leave at time of Retirement:

1250

NOTE The first 90 Days of the time will be automatically removed from the calculator. Please ensure you enter your TOTAL ESTIMATED SICK HOURS into this calculator for accurate results.

Estimate Sick Leave Buy-in

Sick Leave Buy-in - Months Available for Purchase:

Months Available to Purchase: 3

Cost to purchase Available Sick Leave: 833.34

Increase in Pension Monthly Payment: 25.69

Total Pension Monthly Payment with Sick Leave Buy-in: 2406.25

Years to Recoup Cost of Buy-in: 2.70

(Sick Leave Buy-In reflects a NON-REDUCED PENSION)



Actuarial Buy-in Option

Select your age at retirement:

55 ▾

Estimate Actuarial Buy-in

Estimated Cost to purchase 1 Year of Time:

Cost to purchase 1 Year of Actuarial Buy-in: 15519.46

Increase in Monthly Pension Payment: 102.78

Total Pension Monthly Payment with Actuarial Buy-in: 2483.34

Years to Recoup Cost of Buy-in: 12.58

(Actuarial Buy-In reflects a NON-REDUCED PENSION)

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

- **Must be collecting a monthly Pension or LTD benefit**
- **All plans coupled with prescription plan coverage**
 - Changes in coverage occur 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**
- **If eligible for double state share, please visit the link below for premium information**

<https://dhr.delaware.gov/benefits/dss/index.shtml>



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%



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

- **For members first hired on or after 1/1/2025, 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 – less than 20 years	50%
• 20 years to less than 25 years	75%
• At least 25 years	100%



Health Insurance Example

Non-Medicare Rates Effective July 1, 2025			
Coverage	Total Monthly Rate	State Pays	Pensioner Pays
Highmark Delaware Comprehensive PPO Plan			
Individual	\$1,248.56	\$1,083.12	\$165.44
Individual & Spouse	\$2,590.92	\$2,247.62	\$343.30
Individual & Child(ren)	\$1,924.26	\$1,669.30	\$254.96
Family	\$3,239.00	\$2,809.84	\$429.16

- Hired on January 1, 1986 – Retiring with 15 Years of Service
 $(\$2,247.62 * 0\%) \$0 + \$ 343.30 = \343.30 per month
- Hired January 1, 2003 – Retiring with 15 Years of Service
 $(\$2,247.62 * 25\%) \$561.91 + \$343.30 = \905.21 per month
- Hired January 1, 2007 – Retiring with 15 Years of Service
 $(\$2,247.62 * 50\%) \$1,123.81 + \$343.30 = \$1,467.11$ 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 a Benefits Representative for further details**



Dental & Vision Insurance

- **Available at retirement**
- **Automatic payroll deduction**



Active Member Benefits

- **Securian Financial**

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

- **Flexible Spending Account (FSA)**

- Per IRS tax code there is no provision for retirees to participate
- Benefit terminates the effective date of retirement or date of last FSA payroll deduction

- **Deferred Comp Accounts**

- Final check is the last time you can contribute to this account



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 Monthly Pension

- **Your first Pension Check will be on a 1-month lag**
 - Retire June 1st you 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



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 59 ½ – must have a bona fide separation of at least three months
 - If over age 59 ½ – a bona fide separation is not required
- EITHER OF THE ABOVE AND**
- Must be in a non-pension covered position



Working After Retirement – Additional Precautions

- **Some part-time and temporary positions are pension creditable**
 - Check with your HR department for guidance regarding positions
 - The employer MAY NOT classify the position to Temporary to accommodate your return to employment. This is considered fraudulent by both the State of Delaware and the IRS.
 - Prearrangement: If both the employer and employee know at the time of “retirement” that the employee will, with reasonably certainty, continue to perform services for the employer, a termination of employment has not occurred upon “retirement” and the employee has not legitimately retired. In these cases where there is no bonafide separation, your pension will be stopped for the duration of this employment.
- **If you accept a pension creditable position with the State of Delaware after retirement, your pension (and all associated benefits including health, dental, vision and Rx) will cease until you retire for the second time**
 - Calculation: 1st frozen pension + PRI's + 2nd pension = new monthly pension amount
- **If receiving a Social Security benefit, earnings limits may apply**



So...Ready for Retirement?

- **Written notification to Supervisor and Human Resources four months prior to retirement**
- **Please visit our Pathway to Retirement for further details on the Retirement Process**
<https://open.omb.delaware.gov/Path-to-retirement.shtml>
- **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 writing with signature
 - Name
 - Address
- Other personal information
 - Please note if you update your information on your Okta 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



Thank you for attending!



State of Delaware Office of Pensions

