



# State Employees' Pension Plan

Elected Officials' Summary Plan  
Description

**Please Note:** This handbook is also available on the Office of Pensions website:

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

Text in **green font** in the online PDF contains live links:

- Clicking on the **green text in the Table of Contents** will automatically redirect you to that page.
- Clicking on the **green headings in the body text** will automatically redirect you to the Table of Contents.
- Clicking on **any other green content** will automatically redirect you to that webpage.

# Table of Contents

---

<b>1. MEMBERSHIP</b> .....	<b>6</b>
ELIGIBILITY .....	6
MEMBERSHIP IDENTIFICATION .....	6
CONTRIBUTIONS .....	6
Contribution Restrictions.....	7
VESTING ELIGIBILITY.....	7
TERMINATION OF MEMBERSHIP .....	7
WITHDRAWAL OF CONTRIBUTIONS.....	8
<b>2. CREDITABLE SERVICE</b> .....	<b>9</b>
GENERAL.....	9
EARNED SERVICE .....	9
Worker’s Compensation (WC) .....	9
Paid Family Medical Leave.....	9
CLAIMED MILITARY SERVICE (Interrupting Employment) .....	10
BREAK IN SERVICE .....	10
<b>3. COMPREHENSIVE ANNUAL STATEMENT</b> .....	<b>11</b>
OVERVIEW OF YOUR COMPREHENSIVE ANNUAL STATEMENT .....	11
SAMPLE COMPREHENSIVE ANNUAL STATEMENT .....	12
<b>4. BENEFIT ELIGIBILITY REQUIREMENTS</b> .....	<b>16</b>
RETIREMENT ELIGIBILITY CRITERIA .....	16
SURVIVOR PENSION .....	16
Surviving Spouse Under 50 .....	17
DEATH BENEFITS WHEN NO ELIGIBLE SURVIVOR .....	18
<b>5. RETIREMENT PLANNING</b> .....	<b>19</b>
<b>6. BENEFIT COMPUTATIONS</b> .....	<b>20</b>
CALCULATING YOUR PENSION .....	20
Defining the “Minimum Benefit Factor” .....	20
IRS MAXIMUM COMPENSATION LIMIT.....	20

.....	21
.....	21
<b>7. APPLYING FOR A PENSION .....</b>	<b>22</b>
OVERVIEW OF THE PENSION APPLICATION PROCESS .....	22
VESTED PENSIONERS.....	22
NECESSARY DOCUMENTS.....	22
<b>8. RETIREE BENEFITS.....</b>	<b>26</b>
HEALTH INSURANCE.....	26
Spousal Coordination of Benefits .....	27
MEDICARE ELIGIBILITY .....	27
DENTAL INSURANCE.....	27
VISION INSURANCE .....	27
BURIAL BENEFIT .....	27
<b>9. RETIREMENT .....</b>	<b>29</b>
MONTHLY PENSION .....	29
POST-RETIREMENT INCREASES (PRI).....	29
TAXES.....	29
YEARLY STATEMENTS .....	29
WORK RESTRICTION .....	30
GENERAL QUESTIONS.....	30

# WELCOME

Welcome to the Delaware Public Employees' Retirement System (DPERS). This booklet will assist Delaware's State Employees' Pension Plan (SEPP) employees who are elected officials in becoming familiar with the benefits and features of their pension plan.

The information in this booklet is very important to the security of you and your family! We strongly urge you to take the time to read it and familiarize yourself with your rights, privileges, and obligations.

The Pension Plan laws are necessarily written in legal language; therefore, this booklet has been prepared in lay language to help you better understand its provisions. The following pages should be informative to you and, it is hoped, will answer most of your questions.

Our office assists all active and retired members of SEPP. If you have questions or need assistance in any of your retirement plan matters, please contact the Office of Pensions directly or through the business or human resources office of your agency. Useful information about your pension plan benefits is also available on our website, [www.delawarepensions.com](http://www.delawarepensions.com).

## OFFICE OF PENSIONS CONTACT INFORMATION:

Address: Office of Pensions  
860 Silver Lake Blvd, Suite 1 – McArdle Building  
Dover, DE 19904

Telephone: (302) 739-4208  
Toll-free for Long Distance Calling: (800) 722-7300

Fax: (302) 739-6129

Email Address: [pensionoffice@delaware.gov](mailto:pensionoffice@delaware.gov)

DPERS has been providing retirement benefits to participants, their families, and beneficiaries for over 50 years. We look forward to continuing to serve those who have served the State of Delaware.

**NOTE:** This booklet is only applicable to employees covered under the Delaware SEPP who serve as elected officials. Nothing in this booklet is meant to extend or change in any way the provisions expressed in the Pension Plan laws. If there is any conflict between a provision in this booklet and the Pension Plan laws (*29 Del. C. Ch. 55*), the law will take precedence.

# 1. MEMBERSHIP

## ELIGIBILITY

You are a member of the State Employees' Pension Plan (SEPP) as an elected official if you are elected in the following positions for the State of Delaware:

- Governor
- Lieutenant Governor
- Treasurer
- Insurance Commissioner
- Auditor of Accounts
- Attorney General
- Member of the General Assembly

## MEMBERSHIP IDENTIFICATION

As a SEPP member, you have two identification numbers: (1) Payroll Human Resource Statewide Technology (PHRST) Identification Number and (2) Pension ID.

The PHRST identification number is your active employee identification.

The Office of Pensions' identification number is your retirement identification. Your Pension ID is assigned upon your initial employment and can be found in Block 1 of your Comprehensive Annual Statement. To ensure proper identification and prompt service, always include your Pension ID in addition to your full name, mailing address, phone number, and signature in all communications concerning your pension status. If you do not know your Pension ID, we are also able to reference your account with your Social Security Number.

## CONTRIBUTIONS

Membership in the SEPP is mandatory for all employees working in a pension-creditable position. Your employer automatically enrolls you when you are elected.

Your first \$6,000 in wages is exempt from employee contributions each calendar year. Afterward, contributions to the Plan are automatically deducted from your pension-creditable earnings based on the following table:

**Table 1: State Employees' Pension Plan Contribution Rates**

	Initially Elected Before 1/1/2012	Initially Elected on or After 1/1/2012
<b>SEPP Elected Official</b>	<b>3%</b>	<b>5%</b>

Effective 1/1/1993, the federal and state income tax on your contributions is deferred under [Section 414\(h\)\(2\) of the U.S. Internal Revenue Code](#).

Pension contributions do not determine pension benefits. As a member, you will receive a Comprehensive Annual Statement (CAS) detailing your contributions towards the pension plan, the interest earned on those contributions, and future benefit amount. Please see [Section 3. Comprehensive Annual Statement](#) for more information on CAS reports.

### **Contribution Restrictions**

- Members cannot contribute additional contributions to their pension plan.
- Active and vested members are **unable** to borrow against or take a loan from pension contributions/ interest earned.

### **VESTING ELIGIBILITY**

To be eligible for a pension you must be vested and meet eligibility requirements (see [Section 4. Benefit Eligibility Requirements](#) for more details). Employees must complete the following to meet vesting requirements:

- **Employees Elected Before 1/1/2012** - 5 Consecutive Years of Service
- **Employees Elected on or After 1/1/2012** - 10 Years of Service (5 years must be consecutive)

Once you are vested, if you should leave your job for any reason, you are guaranteed to receive a future benefit for the pension-creditable service earned before termination unless you withdraw your accumulated contributions. All vested pensioners are encouraged to keep the Office of Pensions updated on any changes in contact information (e.g., address, phone, email address). Change of address forms can found on the Office of Pension website (<https://delawarepensions.com>) under *Retirees > Retiree Forms*.

If you are not vested, you have the option of either retaining your contributions if you may return to state service as an elected official or withdrawing your contributions and interest.

### **TERMINATION OF MEMBERSHIP**

Membership ends if the member:

- Terminates from employment without meeting the vesting requirement; or
- Terminates employment after meeting the vesting requirement and withdraws their accumulated contributions and earned interest, if any.

Upon termination of employment, the Office of Pensions receives notification from your agency HR Representative. Once notification has been received, you will be sent a letter and the following forms if you are not eligible to collect a pension immediately:

- Contribution Retention Notice
- Application for Withdrawal of Benefits

If you do nothing or complete the Contributions Retention Notice form, then all monies will stay in the fund and continue to accrue interest. If you complete the Application for Withdrawal of Benefits, then contributions and interest will be paid out.

## **WITHDRAWAL OF CONTRIBUTIONS**

Upon receipt of the Application for Withdrawal of Benefits, the Office of Pensions will reach out to your agency to verify your termination if documentation has not been received. Once termination has been verified, you will receive additional correspondence to determine how you would like to receive your refund of contributions and interest. Monies can be paid out in a check or transferred to a qualifying retirement account. If you choose to receive a cash payout, it will be taxed 20% for federal taxes. Refunds cannot be paid out until at least 45 days after your final paycheck.

Withdrawal of your contributions will terminate your membership in the Plan and will void any rights you or any survivor may have to future benefits in the Plan.

## 2. CREDITABLE SERVICE

### GENERAL

As a member of SEPP as an elected official, you earn creditable service time towards your retirement benefit each day you serve as an elected official. Creditable service is used to determine your eligibility for retirement, monthly pension amount, and cost of health insurance. Please note that creditable service and compensation earned as an elected official in SEPP is separate from other pension credited service and compensation, even if it's from another position within SEPP.

Creditable service time represents periods of employment that are either earned, claimed, or purchased.<sup>1</sup> Senate Bill 154 added the following clarification for members of the General Assembly only, a member of the General Assembly who is elected on Election Day in November and serves through the next Election Day in November will receive full-service credit for that term.

If you do not agree with your creditable service time, it is recommended that you contact your current human resources' office and request a creditable service schedule be completed. A copy should be forwarded to the Office of Pensions so your file can be updated accordingly. The following describes the types of service credit which may be earned, claimed, or purchased.

### EARNED SERVICE

You earn creditable service for each day during the year in which you are an active employee who works in a position that is full-time or regular part-time. No more than one year of service is creditable for all employment in one year.

#### Worker's Compensation (WC)

If you are hurt on the job, you may be eligible for Worker's Compensation through your active employer. Once the carrier has approved your claim, you are entitled to receive three months of supplemental pay.

If you remain out of work on Worker's Compensation leave beyond the 3-month period, you will be put on a leave of absence without pay. No creditable service will be accrued during an unpaid leave period; however, it may be purchased at retirement. For more information regarding Worker's Compensation, please contact your human resources' office.

#### Paid Family Medical Leave

Family Caregiving or Qualifying Exigency Leave paid by the Department of Labor through LaborFirst will not be considered pension-creditable compensation, consistent with how Worker's Compensation is treated today. Employees who supplement their Family Caregiving or Qualifying Exigency Leave with sick or annual leave in PHRST will continue to receive pension service credit for those pay periods. If an employee does not supplement their leave and therefore does not receive compensation for a pay period, they will not receive pension service credit for that time. Un-supplemented leave (time without PHRST compensation) may be purchased at retirement, consistent with existing pension rules.

## **CLAIMED MILITARY SERVICE (Interrupting Employment)**

If you are called into active service or volunteer for active service in the Armed Forces or the National Guard of the State while you are a member of the SEPP and you return to employment within 90 days after discharge, you will receive full creditable service for such full-time continuous, active military service.

## **BREAK IN SERVICE**

If you leave State service before you have acquired five (5) consecutive years of creditable service, your service credits will be forfeited. Service time can be restored if:

- You discontinue elected official employment due to absence on account of military service, disability, or approved leave, and you again become an elected official employee within four (4) months following the completion of such military service, disability, or approved leave; or
- You again become an elected official within four (4) months after you leave State employment as an elected official; or
- You again become an elected official within two (2) years after you are involuntarily terminated from State employment as an elected official; or
- You subsequently acquire five (5) consecutive years of credited service as an elected official, if you repay any contributions you have withdrawn plus interest.

If you were elected as an elected official before 1/1/2012 and cease to be an elected official after you have acquired five (5) consecutive years of credited service, you are fully vested and qualify for a pension at retirement age, unless you withdraw your accumulated contributions and interest. If you were hired as an elected official on or after 1/1/2012, you are not fully vested until you have completed ten 10 years of service (five [5] must be consecutive). Once you have met ten years of pension-creditable service time, you qualify for a pension at retirement age, unless you withdraw your accumulated contributions and interest.

Upon termination, a vested pension application, a Contribution Retention Notice Form, or an Application for Withdrawal of Benefits **must be filed by your human resources' office**. If you left employment and received a refund of your contributions plus interest, you may re-establish this service upon returning to active membership and must repay the amount you withdrew plus interest. Previously withdrawn earned service that is re-established is considered creditable service and can be used to determine minimum service requirements for benefit eligibility.

If you receive a refund of your contributions and subsequently return to State of Delaware employment as an elected official, you should contact the Office of Pensions for information relative to the options available to you regarding prior service credit.

# 3. COMPREHENSIVE ANNUAL STATEMENT

## OVERVIEW OF YOUR COMPREHENSIVE ANNUAL STATEMENT

As a member of the SEPP as an elected official, you will receive a Comprehensive Annual Statement (CAS) yearly. Active member statements can be viewed online by logging into [My.Delaware.Gov](https://mydelaware.gov).

Members with multiple plans should have CAS access for each plan online.

The CAS is a four (4) page report designed to give you an overview of your membership status. The statement consists of six (6) blocks:

1. **PERSONAL INFORMATION (Block 1)** – Includes your address, Pension ID number, Date of Birth, Gender, Marital Status, and Spouse’s Date of Birth.
2. **PENSION INFORMATION (Block 2)** – Specifies the Pension Plan the statement pertains to and total pension-creditable service time as of the statement date.
3. **CONTRIBUTORY INFORMATION (Block 3)** –
  - a. Total pension contributions and total interest accrued as of the statement date.
  - b. Wages and Contributions Breakdown for your Highest Creditable Compensation Period. *Wages and Contributions Breakdown will only be available once you have met vested status.* Please Note: Highest Creditable Compensation Period can be any consecutive 12-month period and is often not a calendar year.
4. **COMPUTATION INFORMATION (Block 4)** – Pension Estimate Computation Formula is the breakdown of how your pension amount is calculated. Part 3 shows your final estimated pension. *This calculation is only available once an employee has met vested status. If you have not met vested status this page will be blank.*
5. **SURVIVOR INFORMATION (Block 5)** – This box is informational and explains who would be considered an eligible survivor.
6. **BENEFICIARY INFORMATION (Block 6)** – This box lists the current designated beneficiary or beneficiaries to receive payment of undistributed Pension Contributions upon your death if there is no survivor. You are limited to six (6) beneficiaries. If any changes need to be made, please update the form, sign, date, and submit it to the Office of Pensions.

Please review your statements yearly for accuracy. If changes are needed, follow the instructions below each block to get the necessary corrections made. Note: Changes to personal information cannot be updated by the Office of Pensions if you are an active employee. You **MUST** work through your human resources’ office for these changes.

# SAMPLE COMPREHENSIVE ANNUAL STATEMENT



## Delaware Public Employees' Retirement System 2025 Comprehensive Annual Statement

**DISCLAIMER:** This statement represents an estimate only of potential benefits developed from records available to the Delaware Public Employees' Retirement System. This data must be verified at the time of retirement. As a result, your actual retirement benefits may vary significantly from the amounts reflected here. 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, expressed or implied, as to the accuracy or completeness of such information. Actual service credit and benefits will be verified at the time of retirement. The Office of Pensions encourages all participants who are nearing retirement age to request copies of their records and review them for accuracy.

PERSONAL INFORMATION		BLOCK 1				
Joe Member 123 Main Street Apt. 5S Dover, DE 19901	Pension ID: Date of Birth: Gender: Marital Status: Spouse's Date of Birth:	195421 01/28/1963 M M 05/31/1968				
<p><b>If any information in Block 1 other than Spouse's Date of Birth is incorrect, submit changes with verification to your current Human Resources Office. If Spouse's Date of Birth is incorrect, submit changes with verification to the Office of Pensions.</b></p>						
PENSION INFORMATION		BLOCK 2				
Pension Plan: ELECTED OFFICIAL PLAN						
Total Pension Creditable Service as of 12/31/2025: 15 Years 1 Months (11.1639)						
<p><b>If any information in Block 2 is incorrect, please contact your current Human Resources Office and have them submit service verification to the Office of Pensions.</b></p>						
CONTRIBUTORY INFORMATION		BLOCK 3				
Total Pension Contributions as of 12/31/2025: \$24,488.03						
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">1. Pre-Tax Pension Contributions</td> <td style="text-align: right;">\$24,488.03</td> </tr> <tr> <td style="padding-left: 20px;">2. After-Tax Pension Contributions</td> <td style="text-align: right;">\$0.00</td> </tr> </table>			1. Pre-Tax Pension Contributions	\$24,488.03	2. After-Tax Pension Contributions	\$0.00
1. Pre-Tax Pension Contributions	\$24,488.03					
2. After-Tax Pension Contributions	\$0.00					
Total Interest Accrued as of 12/31/2025 \$9,909.65						
Wage and Contribution Breakdown by Year for your Highest Creditable Compensation Period:						
Period Start	Period End	Pension Creditable Wages				
01/2025	12/2025	69,345.25				
12/2023	11/2024	70,943.58				
07/2022	06/2023	69,485.55				
		Pension Contributions				
		1,900.36				
		1,948.31				
		1,904.57				
<p><b>If any information in Block 3 is incorrect, keep original for your records and submit a photocopy with the errors circled in black ink only with an explanation to this office for investigation.</b></p>						



Pension ID: 195421  
 Name: Joe Member  
 Pension Plan: ELECTED OFFICIAL PLAN

**Delaware Public Employees' Retirement System**  
 2025 Comprehensive Annual Statement

**COMPUTATION INFORMATION**

**BLOCK 4**

Pension Estimate Computation Formula

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

1. Total Compensation----->	\$209,774.38
Divided by 36	
2. Equals Final Average Compensation----->	\$5,827.07
Multiplied by 2.0%	
3. Equals Factor 1----->	116.54
4. Multiplied by Years of Creditable Service (Pre 1997)----->	0.0000
5. Equals Estimated Monthly Pension (part 1)----->	\$0.00

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

6. Final Average Compensation----->	\$5,827.07
Multiplied by 1.85%	
7. Equals Factor 2----->	107.80
8. Multiplied by Years of Creditable Service (Post 1996)----->	15.1639
9. Equals Estimated Monthly Pension (part 2)----->	\$1,634.67

PART 3 – Total Estimated Monthly Pension Benefit

10. Part 1 + Part 2 equals Total Monthly Pension Benefit----->	\$1,634.67
--	------------

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 12/31/2025. 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](http://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, expressed or implied, as to the accuracy or completeness of such information. Actual service credit and benefits will be verified at the time of retirement.**



Pension ID: 195421  
 Name: Joe Member  
 Pension Plan: ELECTED OFFICIAL PLAN

**Delaware Public Employees’ Retirement System**  
 2025 Comprehensive Annual Statement

**SURVIVOR INFORMATION**

**BLOCK 5**

This block is an informational block to assist members in understanding the word “survivor” as it relates to a pension. Unless the order of priority is changed by filing a form with the Office of Pensions, the following is the order of eligible survivors:

1. A spouse – OR
2. An unmarried child under age 18 – or an unmarried child between age 18 and 22 and attending school full-time – OR
3. An unmarried child disabled before age 18 – OR
4. A parent who receives at least one-half of his or her support from you.

An eligible survivor receives a monthly pension. If there is no eligible survivor under Items 1, 2, 3, or 4 above, a death benefit is paid out to your beneficiary(ies) (See Block 6). A death benefit equals the amount of unpaid pension contributions plus interest through the date of death.

The Priority of Eligible Survivors form can be found on our website, [www.delawarepensions.com](http://www.delawarepensions.com). This form requires your signature in the presence of a notary public.

**BENEFICIARY INFORMATION**

**BLOCK 6**

Designated Beneficiary(ies) to receive payment of undistributed Pension Contributions upon your death, if no survivor’s pension is payable. If more than one beneficiary is listed, payment will be divided equally unless otherwise noted.

NOTE: You are limited to (6) beneficiaries.

Primary/Secondary	Name	Relationship	Address	Birthdate	Gender
Primary/ Spouse	Member, Amy		123 Main Street Apt. 5S Dover, DE 19901	05/31/1968	F

If you wish to add or make any changes to the beneficiary(ies), complete and return the Designated Beneficiary form, which is page 4 of this statement. Please use black ink only.



Pension ID: 195421  
 Name: Joe Member  
 Pension Plan: ELECTED OFFICIAL PLAN

**Delaware Public Employees’  
 Retirement System**  
 2025 Vested Comprehensive Annual Statement

**Designated Beneficiary Form**

Designated Beneficiary to receive payment of pension contributions plus interest if no survivor’s pension is available.  
 You may designate a maximum of six (6) beneficiaries. (If more than one beneficiary is listed, payment will be divided equally unless otherwise noted by indicating Primary and/or Secondary.)

Check one below to update beneficiary information.

ADD	DELETE	MODIFY	PRIMARY	SECONDARY	SSN	Name	Relationship	Address	Birthdate	Gender
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	XXX-XX-4321	Member, Amy	Spouse	123 Main Street Apt. 5S Dover, DE 19901	05/31/1968	F
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						

If the information is accurate, do not return. If you wish to add or make changes to beneficiary(ies), complete all requested information using BLACK INK only, sign and return.

OFFICE OF PENSIONS, McARDLE BUILDING, 860 SILVER LAKE BLVD., SUITE #1, DOVER, DE 19904-2402 (SLC: D570A)  
 FORMS ONLY: PENSION.FORMS@DELAWARE.GOV  
 FOR ALL OTHER CORRESPONDENCE: PENSIONOFFICE@DELAWARE.GOV  
 (302) 739-4208

DATE

SIGNATURE

**A FREQUENTLY ASKED QUESTION:**

**Why is my previous service not showing on my Comprehensive Annual Statement?**

If you left the SEPP before completing five consecutive years of service as an elected official or withdrew contributions when you left state service as an elected official, then service was forfeited. Service will show on your CAS once five consecutive years have been completed or repaid.

# 4. BENEFIT ELIGIBILITY REQUIREMENTS

## RETIREMENT ELIGIBILITY CRITERIA

You are eligible to receive monthly pension payments based on the retirement eligibility criteria below:

**Table 2: Pension Benefit Eligibility Requirements**

<b>PENSION TYPE</b>	<b>Elected Prior to 1/1/2012</b>	<b>Elected on or after 1/1/2012</b>
<b>SERVICE</b> <i>(Active Elected Officials)</i>	<ul style="list-style-type: none"> <li>○ Ten (10) years of service and has attained age 55, or</li> <li>○ At least five (5) years of credited service and has attained age 60.</li> </ul>	<ul style="list-style-type: none"> <li>○ Twenty (20) years of service and has attained age 60, or</li> <li>○ At least ten (10) years of credited service and has attained age 65.</li> </ul>
<b>VESTED</b> <i>(Terminated Elected Officials)</i>	<ul style="list-style-type: none"> <li>○ Five (5) years consecutive credited service and has attained age 60.</li> </ul>	<ul style="list-style-type: none"> <li>○ Ten (10) years credited service (must have 5 consecutive and has attained age 65.</li> </ul>
<b>SURVIVOR</b> <i>(Active, Vested, or Retired Elected Official)</i>	<ul style="list-style-type: none"> <li>○ Upon the death of an active elected official who has at least 5 years of credited service (must have 5 consecutive), a monthly survivor's pension shall be payable to the eligible survivor(s) equal to 75% of the service pension the member would have been eligible to receive.</li> <li>○ Upon the death of a pensioner, their survivor(s) will be entitled to the percentage of the retiree's pension elected at the time of retirement as a member.</li> <li>○ Upon the death of a former elected official who is vested, their survivor will be entitled to 50% of the service pension the former elected official would have been entitled to receive on their future retirement effective date.</li> </ul>	<ul style="list-style-type: none"> <li>○ Upon the death of an active elected official who has at least 5 years of credited service (must have 5 consecutive), a monthly survivor's pension shall be payable to the eligible survivor(s) equal to 75% of the service pension the member would have been eligible to receive.</li> <li>○ Upon the death of a pensioner, their survivor(s) will be entitled to the percentage of the retiree's pension elected at the time of retirement as a member.</li> <li>○ Upon the death of a former elected official who is vested, their survivor will be entitled to 50% of the service pension the former elected official would have been entitled to receive on their future retirement effective date.</li> </ul>

## SURVIVOR PENSION

In the event of a member's death, the eligible survivor is entitled to a survivor's pension. A survivor's pension is given to an eligible survivor to help make up for the loss of income that the survivor would be receiving if the pensioner was still alive. The following are eligible survivors listed in order of priority:

**Table 3: Survivor Definitions by Survivor Type**

<b>Survivor Type:</b>	<b>Definition:</b>
<b>Spouse (Lifetime Benefit)</b>	A widow(er) of a member.
<b>Dependent child(ren) (Limited Term Benefit)</b>	The child(ren) must be unmarried, have not attained age 18, or have attained age 18 but not age 22, and are attending school on a full-time basis.
<b>Disabled child (Lifetime Benefit)</b>	A child that has attained age 18 and is permanently disabled as the result of a disability that began before the child attained age 18.
<b>Dependent parent(s) (Lifetime Benefit)</b>	Any parent that was deemed to have been receiving at least one-half of their support from such a deceased person at the time of death.

You may change the order of priority by submitting a notarized Survivor Order of Priority (SOP-1) form. The monthly survivor pension amount can equal 50%, 66.67%, 75%, or 100% of the employee benefit calculation, depending on circumstance and/or member election at the time of retirement.

Criteria are as follows:

1. Upon your death as an active member who has at least five (5) consecutive years of credited service, a monthly survivor’s pension shall be payable to the survivor or survivors equal to 75% of the service pension you would have been eligible to receive.
2. If you were in a vested status, a survivor’s pension is payable based on the future effective date and 50% of the amount you would have been eligible to receive.
3. At retirement, you have the option of electing the survivor option. This election is irrevocable and must be made before the issuance of the first pension direct deposit. The choices are as follows:
  - No reduction to member’s pension = 50% survivor’s pension
  - 2% reduction to member’s pension = 66.67% survivor’s pension
  - 3% reduction to member’s pension = 75% survivor’s pension
  - 6% reduction to member’s pension = 100% survivor’s pension

If you do not have a spouse upon passing, but you do have more than one dependent child, the benefit will be divided equally between all dependent children.

**Surviving Spouse Under 50**

If your spouse is under the age of 50 at the time of your death, the survivor’s pension will be actuarially reduced for each month they are under age 50. However, this reduction will not apply for any period during which your surviving spouse is caring for an unmarried child either under age 18 or between age 18 and 22 and attending school on a full-time basis, or over age 18 but permanently disabled before age 18.

## **DEATH BENEFITS WHEN NO ELIGIBLE SURVIVOR**

If you die leaving no eligible survivors, your named beneficiary or beneficiaries will be paid a lump sum equal to the excess, if any, of your accumulated contributions with interest less all pension payments made, including survivor's benefits. You may designate a beneficiary or beneficiaries or change your beneficiary or beneficiaries at any time by completing a Designation/Change of Beneficiary Form. This form should be updated to reflect any name or contact information changes to your named beneficiaries. If there is no designated beneficiary or beneficiaries, the sum will be paid to your estate.

You can see who you have selected as a beneficiary, by reviewing the last page of your Comprehensive Annual Statement.

## 5. RETIREMENT PLANNING

Along with Social Security and private investment earnings, your pension may be one of your major sources of income at retirement.

While you can count on the stability of the fund, your SEPP membership is not responsibility-free. Your biggest responsibilities are keeping yourself informed about your benefits and notifying your local human resources' office and the Office of Pensions of changes in your life that affect your pension. It is never too early to start planning for retirement. In preparing for retirement there are several steps you can take:

- Each year you will receive a Comprehensive Annual Statement (CAS). Please examine the statement carefully to ensure that your personal information found in Block 1 and years of credited service found in Block 2 are accurate. If there are any issues, please follow the instructions below each box on your CAS report.
- Keep your beneficiary information up to date. This information can be found on page three of your CAS. Any updates to your beneficiary information should be submitted using page four of your CAS.
- Delaware Retirement Savings Plan (DEFER) is a State of Delaware Deferred Compensation Savings Plan administered through the Office of the State Treasurer. It provides you with the opportunity to save money for retirement on a tax-deferred basis through the convenience of a pre-tax payroll deduction. DEFER offers a variety of investment options, including access to lower-cost funds, online educational planning tools and resources, the interactive online experience [myOrangeMoney®](#), and the support of local financial advisors from Voya Financial. For more information, please contact Voya at (302) 318-8840 or (800) 584-6001.
- Individual counseling sessions are available through the Office of Pensions and are designed to provide employees with a comprehensive overview of your pension plan and the retirement process. Upon request, you could receive a personalized pension estimate.
- Contact the Social Security Administration regarding social security benefits (including Medicare), if applicable at 1-800-772-1213 or [www.ssa.gov](http://www.ssa.gov).

# 6. BENEFIT COMPUTATIONS

## **CALCULATING YOUR PENSION**

Your pension amount is primarily based on your years of credited service and your Final Average Compensation (FAC). Your FAC is 1/36 of the total compensation paid to you during the three (3) periods of twelve (12) consecutive months during which your compensation was the highest.

You can find the breakdown of your three (3) highest years on page one of the Comprehensive Annual Statement (CAS) under Block 3 Contributory Information. The FAC can be found on page 2 of your CAS.

Employees receiving final lagged compensation for credited service shall have added to their creditable compensation the amount of the lag pay received in determining the FAC.

## **Defining the “Minimum Benefit Factor”**

For elected officials, including members of the General Assembly, elected prior to February 28, 2025, your pension calculation is subject to the “Minimum Benefit Factor”. The “Minimum Benefit Factor” pension amount is determined by multiplying the highest rate of payment paid to any retired member of the General Assembly by the retiree’s creditable years of service as an elected official.

Your pension benefit will be the higher of the two calculations displayed below.

## **IRS MAXIMUM COMPENSATION LIMIT**

Federal law places limits on the amount of compensation that may be considered when calculating benefits under qualified retirement plans.

Under Internal Revenue Code 401(a)(17), only compensation up to an annual limit established by the Internal Revenue Service (IRS) may be used to calculate your pension benefit. Compensation earned above this limit will not be included when determining member contributions or calculating pension benefits.

The IRS adjusts this limit periodically for inflation. For example, the compensation limit for 2026 is \$360,000. Future limits may change in accordance with federal law.

If a member’s earnings exceed the applicable IRS limit, pension benefits will be calculated using compensation up to the maximum allowable amount only.

Figure 1: Calculating Your Service Pension

**Option One (Minimum Benefit Factor)**  
Not Applicable if elected on or after 2/28/2025

$$\text{Minimum Benefit Factor} \times \text{Total Service} = \text{Gross Monthly Pension}$$

**Option Two**

$$\begin{aligned} & \text{FAC} \\ & \times \underline{.0200} \\ & \text{Factor} \\ & \times \underline{\text{Pre-1997 Service}} \\ & \text{Pre-1997 Benefit} \end{aligned}$$

$$\begin{aligned} & \text{FAC} \\ & \times \underline{.0185} \\ & \text{Factor} \\ & \times \underline{\text{Post-1996 Service}} \\ & \text{Post-1996 Benefit} \end{aligned}$$

$$\text{Pre-1997 Benefit} + \text{Post-1996 Benefit} = \text{Total Gross Benefit}$$

# 7. APPLYING FOR A PENSION

## OVERVIEW OF THE PENSION APPLICATION PROCESS

### **Congratulations on making it to retirement!**

At least four (4) months before you plan to retire, you should contact your human resources' office to begin the application process. Once notified, the human resources' office of your organization begins the process of verifying service by initiating an electronic Pension Application (Pen-App). The Office of Pensions verifies your service and sends a confirmation email back to the human resources' department after creditable service is confirmed.

Your HR representative then contacts you for an appointment to complete the necessary paperwork. Once the pension application is signed and notarized, the pension application and required documents are forwarded to the Office of Pensions. The signed pension application and required documents should be in our office 30 days before the effective date of pension (e.g., Retirement effective date of 11/1/YY the signed pension application should be in our office no later than 10/1/YY). Upon receipt of the pension application by the Office of Pensions, the employee receives a letter acknowledging receipt of the pension application, the effective date of retirement, and the payroll processing month.

Since elected officials are on lag payroll, the first pension check is deposited on the last business day of the next month following the effective date of pension (e.g., Retire 11/1/YY, first direct deposit received on 12/DD/YY and includes two months of pension).

## VESTED PENSIONERS

For vested pensioners, the Office of Pensions will send out correspondence four (4) months before the pensioner's effective date. Once contact information has been verified, a vested packet will be sent out with all necessary paperwork. To avoid delay in receiving a pension, all vested pensioners are encouraged to keep the Office of Pensions updated on any changes in contact information (e.g., address, phone, email address).

## NECESSARY DOCUMENTS

The Office of Pensions requires different documents depending on the circumstances of your retirement. You can assist by being ready to provide the personal documentation and forms listed below for your type of pension at retirement. Personal documents should be copies only, please do not send your original birth certificates or social security cards. Even if you don't have everything, don't delay the submission of the requested documents. You can provide some of the missing documents later.

All forms can be found on the Office of Pension website (<https://delawarepensions.com>) under *Retirees > Retiree Forms*.

The following are the documents required to go on pension:

**Table 5: Documents Required for Your Pension**

<b>Documents Required</b>	<b>Service Pension</b>	<b>Vesting Pension</b>	<b>Survivor Pension</b>
<b>Personal Documents</b> 1. Copy of both your own and dependents' original birth certificate OR federally-compliant drivers' license – if you do not have either of these, you can substitute: Delayed record of birth 2. Statement of birth as established by the Social Security Administration 3. Vital Statistics Statement of Birth 4. Baptismal Certificate (as an infant)	Y	Y	Y
Copies of all marriage certificates/divorce decrees. The Office of Pensions must be able to track your name from birth to the present. We also need these documents to establish survivor eligibility.	Y	Y	Y
Copies of Social Security cards for yourself and dependents	Y	Y	Y
Copies of Medicare Cards (A and B)	Only if eligible and selecting medical coverage	Only if eligible and selecting medical coverage	Only if eligible and selecting medical coverage
School verification (For survivors between the age of 18 and 22 who are not permanently disabled before the age of 18.)	N	N	Y
<b>Pension Office Forms</b> <b>Pension Application</b> – signed & notarized after service has been verified	Y	@ Retirement **	Y Except for Survivors of Retirees

Documents Required	Service Pension	Vesting Pension	Survivor Pension
<p><b>Direct Deposit Authorization (DA) Form</b> - Direct deposit of the monthly benefit to a checking, savings, or other account is required. Submit a pensioner's DA form to provide account information.</p>	Y	@ Retirement	Y
<p><b>Federal &amp; Delaware Tax Withholding Election Forms</b> - Generally, pension benefits are taxable. Year-end tax forms are mailed before January 31 and report the total amount of pension benefit paid, taxes withheld, and other items. Tax withholding options may be changed by filling out a Federal W-4P or a State of Delaware W-4.</p> <p>State taxes can only be withheld for the State of Delaware. Pensioners living outside of Delaware should seek tax advice to meet their local tax requirements.</p>	Y	@ Retirement	Y
<p><b>Burial Benefit Designation/Change of Beneficiary Form (GL) – must be notarized.</b></p> <p>The Burial Benefit Designation/Change of Beneficiary form (GL) requires the name, date of birth, address, and Social Security number of the person or persons designated. The designated beneficiary or beneficiaries can be changed at any time by completing and submitting a new GL form. This form must be completed in its entirety; properly signed, dated, and notarized to be valid. The pensioner may choose to designate a funeral home as a named beneficiary.</p>	Y	@ Retirement	Y

Documents Required	Service	Vesting	Survivor
<p><b>Joint Survivor Benefit Form (JSB)* – must be notarized.</b></p> <p>The purpose of this form is for the pensioner to choose the amount of pension to be left to your eligible survivor (<i>an eligible survivor is your spouse, dependent children under 18, children 18 to 22 that are full-time students, a child that is permanently disabled as a result of a disability which began before the child attained age 18, or your dependent parents</i>) at the time of your death. There are four choices:</p> <ol style="list-style-type: none"> <li>1. No reduction to member’s pension = 50% survivor’s pension</li> <li>2. 2% reduction to member’s pension = 66.67% survivor’s pension</li> <li>3. 3% reduction to member’s pension = 75% survivor’s pension</li> </ol> <p>6% reduction to member’s pension = 100% survivor’s pension</p>	Y	@ Retirement	N/A
<p><b>Health, Dental and Vision application/refusal forms and Coordination of Benefits (COB) form (if applicable)</b></p> <p>4. (See <a href="#">Section 8. Retiree Benefits</a>)</p>	Y	@ Retirement	Y

\*This election is irrevocable and must be made before the issuance of the first pension direct deposit.

\*\*Agency may have employee sign application at the time of termination.

# 8. RETIREE BENEFITS

## HEALTH INSURANCE (including prescription coverage)

Eligibility for medical coverage and cost vary depending on when you originally entered service as well as the number of years of service accumulated.

For eligible pensioners who were first employed by the State in a pension-creditable position before July 1, 1991, the State will pay 100% of the normal monthly State share.

For eligible pensioners who were first employed by the State in a pension-creditable position on or after July 1, 1991 (except for those receiving a disability pension or Long-Term Disability benefit), the State shall pay a portion of the normal monthly State share based on the number of years of pension-creditable service at the time of retirement. The rates are as follows:

**Table 6: Understanding the Monthly State Share Cost of Health Insurance**

The following portion of the State Share will be paid by the State, except for those receiving a disability pension or an LTD benefit, 100% of State Shared is paid.	
<b>Eligible Pensioners Hired by the State on or After July 1, 1991 through December 31, 2006</b>	
<b>Years of Service</b>	<b>State share paid by the State</b>
Less than 10 years	0%
10 years – less than 15 years	50%
15 years – less than 20 years	75%
20 years or more service	100%
<b>Eligible Pensioners Hired by the State on or After January 1, 2007 and before January 1, 2025</b>	
<b>Years of Service</b>	<b>State share paid by the State</b>
Less than 15 years	0%
15 years – less than 17.5 years	50%
17.5 years – less than 20 years	75%
20 years or more service	100%
<b>Eligible Pensioners Hired by the State on or After January 1, 2025</b>	
<b>Years of Service</b>	<b>State share paid by the State</b>
Less than 15 years	0%
15 years – less than 20 years	50%
20 years – less than 25 years	75%
25 years or more service	100%

For disability pensioners, the State will continue to pay 100% of the monthly **State** share regardless of years of creditable service.

The same health insurance plans and coverage elections available to active employees are available to a pensioner.

For disability pensioners, the State will continue to pay 100% of the monthly **State** share regardless of years of creditable service.

The same health insurance plans and coverage elections available to active employees are available to a pensioner.

### **Spousal Coordination of Benefits**

If you cover a spouse under your Highmark Delaware or Aetna health plan, you are required to complete a Spousal Coordination of Benefits (COB) Form online to determine your spouse's eligibility status. The online form must be completed within 30 days of enrolling your spouse in a State of Delaware health plan, within 30 days of your spouse losing or gaining employee coverage and every year during Open Enrollment in May. Failure to complete a Spousal COB Form or provide documentation when required will result in a reduction of your spouse's coverage. To complete online please go to: <https://cob.dhr.delaware.gov>.

### **MEDICARE ELIGIBILITY**

Medicare Part B eligibility is met either upon obtaining age 65 or after 24 months of receiving Social Security disability benefits. If a member has Medicare Part A insurance, this means that the member must now enroll in Medicare Part B insurance at the time of retirement or placement on long-term disability benefits.

Medicare-eligible pensioners, spouses or eligible dependents are required to enroll in Medicare Parts A and B as primary. (Part B may not be required if coverage with active employment is available. Contact the Office of Pensions if you have questions regarding Part B's required enrollment.) For information regarding the current State of Delaware Medicare health plan and qualified part D prescription plan, please visit <https://dhr.delaware.gov/benefits/index.shtml>.

For more information on Medicare Frequently Asked Questions (FAQ), please visit our website at [www.delawarepensions.com](http://www.delawarepensions.com) and navigate to Active Members > Retirement Counseling > Medicare FAQ.

### **DENTAL INSURANCE**

Dental insurance is available upon retirement. The pensioner is responsible for the full cost of the monthly premium. The pensioner may select Individual, Individual and Spouse, Individual Child(ren), or Family coverage.

### **VISION INSURANCE**

Vision insurance is available upon retirement. The pensioner is responsible for the full cost of the monthly premium. The pensioner may select Individual, Individual and Spouse, Individual and Child(ren) or Family coverage.

### **BURIAL BENEFIT**

Each pensioner is eligible to name a beneficiary or beneficiaries to receive a \$7,000 taxable burial benefit at the time of their death. This is available at no cost to the pensioner. This is not a life insurance policy. It has no policy number and no cash value during your lifetime.

The Burial Benefit Designation/Change of Beneficiary form (GL) requires the name, date of birth, address, and Social Security number of the person or persons designated. The designated beneficiary or beneficiaries can be changed at any time by completing and submitting a new GL form. This form must be completed in its entirety; properly signed, dated, and notarized to be valid. The pensioner may choose to designate a funeral home as a named beneficiary.

# 9. RETIREMENT

Once you are retired, the Office of Pensions becomes your human resources' department.

## MONTHLY PENSION

You utilize [My.Delaware.Gov](http://My.Delaware.Gov) to review your notice of deposit online. To ensure the timely delivery of benefit payments, all pensioners must receive payment of their monthly benefit through direct deposit. Payments are issued on the last business day of each month. The payments are sent electronically so funds post immediately to your bank account.

## POST-RETIREMENT INCREASES (PRI)

Pension law does not provide for automatic post-retirement increases. Increases are only granted upon legislative approval.

## TAXES

Pensioners may be required to pay both federal and states taxes on pension income. The Office of Pensions cannot withhold another State's tax from the State of Delaware monthly pension. If you intend to move out of Delaware, check with the Division of Revenue in that State to determine if the monthly pension is subject to state income tax. Be sure to consult with an accountant or a tax advisor about your liability or visit the IRS's website at [www.irs.gov](http://www.irs.gov).

Withholding changes can be made anytime throughout the year by submitting new Federal and Delaware Tax Withholding Election forms to the Office of Pensions.

## YEARLY STATEMENTS

Each year pensioners will receive the following statements:

**Table 7: Description of Yearly Statements**

Form	Description
1099R	Retiree version of a W-2 Form. Form mailed out by January 31 <sup>st</sup> of each year. This form is also available annually through your <a href="http://My.Delaware.Gov">My.Delaware.Gov</a> account.
Retiree Annual Statement	Annual statement with a summary of benefits and burial benefit information.

A 1095B can be made available upon request. Pensioners should review the Retiree Annual Statement for accuracy. If any changes need to be made, follow the instructions provided in each block of the statement.

## WORK RESTRICTION

Employee can work and accrue separate pension credit simultaneously in the SEPP as an elected official and another pension plan administered by the Office of Pensions.

Once retired from the SEPP as an elected official, the employee may return to work in any plan administered by the Office of Pensions and accrue pension service credit in that plan.

## GENERAL QUESTIONS

If you are a retiree, please be sure to contact our office if any of the following changes occur:

**Table 8: Pensioner Changes that Require Updates with the Office of Pensions**

<b>If I:</b>	<b>I should:</b>
<b>Change my address</b>	Complete and submit a Change of Address Form to our office
<b>Change my name</b>	Submit updated documentation to the office: <ul style="list-style-type: none"> <li>• Marriage or Divorce Certificate</li> <li>• Court documentation</li> <li>• Updated Driver's license, Social Security Card, Medicare Card, if applicable</li> </ul>
<b>Need to report the death of spouse or pensioner</b>	Call our office to report a death. <i>Please note: An original death certificate will be needed to collect any benefits.</i>
<b>Have questions regarding health care</b>	Call our office and ask for our benefits section
<b>Want to change my tax withholdings</b>	Tax withholdings can be changed at any time. Please complete updated Federal and Delaware Tax Withholding Election Forms and submit them to our office
<b>Want to change my burial benefit beneficiary or beneficiaries</b>	Complete, notarize and submit a new Burial Benefit Designation/Change of Beneficiary Form to our office
<b>Want to change my beneficiary or beneficiaries</b>	Complete and submit an updated Designation of Change of Beneficiary Form to our office

Forms can be found on our website at [www.delawarepensions.com](http://www.delawarepensions.com) under Retirees > Retiree Forms.