

Delaware Public Employees' Retirement System NEWSLETTER

Active Member Edition

February 2010

Thinking about retiring?

An employee should notify his/her supervisor and Human Resources department three months prior to his/her retirement date to ensure timely processing of pension benefits.

Once notified, the Human Resources department of the employee's agency or school district should contact them for an appointment to complete the necessary paperwork in the pension packet. The Human Resources department may require the employee to bring various personal documents to the appointment. They might include:

- Birth certificate for employee and spouse
- Social Security card for employee and spouse
- Marriage certificate, death certificate, or divorce decree as applicable
- Medicare card showing A and B coverage for employee and spouse as applicable

Once the packet is complete it is forwarded to the Pension Office for assignment. The employee will receive a letter acknowledging receipt of the application.

Since all state agencies and school districts (with the exception of the University of Delaware) are on lag payroll, the first pension check will be deposited on the last working day of the month following the effective date of pension (ex., Retire 1/1/10, first check received will be 2/26/10 and will include two months of pension).

If the employee has buy-in options upon retirement, notification regarding the purchase will be sent to the employee the month that the employee is scheduled to receive his/her first pension check.



OFFICE OF PENSIONS

State of Delaware Office of Pensions
McArdle Building, Ste #1
860 Silver Lake Boulevard
Dover, DE 19904-2402

Toll Free Long Distance
Telephone: (800) 722-7300

E-mail Address:
pensionoffice@state.de.us

Web Address:
www.delawarepensions.com

Telephone: (302) 739-4208
Fax Number: (302) 739-6129

PENSION & RETIREMENT WORKSHOPS 2010

NO PRE-REGISTRATION REQUIRED

New Castle County

Date: April 1, 2010
Day: Thursday
Time: 7:00 – 9:00 p.m.
Place: Stanton Middle School
1800 Limestone Rd.
Wilmington, DE 19804

Date: April 14, 2010
Day: Wednesday
Time: 7:00 – 9:00 p.m.
Place: Brandywine High School
1400 Foulk Rd.
Wilmington, DE 19803

Date: April 20, 2010
Day: Tuesday
Time: 7:00 – 9:00 p.m.
Place: Stanton Middle School
1800 Limestone Rd.
Wilmington, DE 19804

Kent County

Date: March 30, 2010
Day: Tuesday
Time: 7:00 – 9:00 p.m.
Place: Delaware State Trooper's Assoc.
(Exit onto Messina Hill Rd.
off N. DuPont Hwy)
Cheswold, DE 19936

Sussex County

Date: April 19, 2010
Day: Monday
Time: 7:00 – 9:00 p.m.
Place: Del Tech Owens Campus
Arts & Science Center
College Theater
Georgetown, DE 19947

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ON THE PROGRAM: State Pension Office Social Security Administration**

Annual Financial Reporting

This year the Delaware Public Employees' Retirement System (DPERS) continued to confront extremely volatile market conditions. The System's investments incurred a 15.8% decline gross of fees in Fiscal Year 2009. The total System's annualized returns for the last 5, 10, and 15 years are 3.6%, 4.2% and 8.3% respectively. Over the last year, the Board of Trustees (Board) of DPERS, through its Investment Committee, has taken material steps to protect the asset value of the investment portfolio. During these challenging market conditions, the Board, Investment Committee, and consultants are constantly monitoring DPERS' investment portfolio. It is important to remember that DPERS is a long-term investor with a time horizon that lasts over decades and that the investment portfolio is well diversified in many different asset classes.

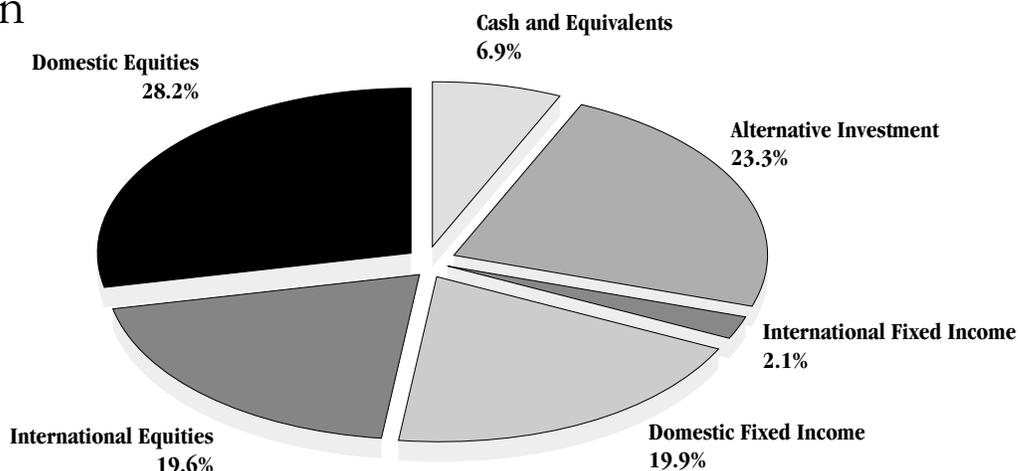
As a member of a DPERS pension plan, you participate in a Defined Benefit Plan and your retirement benefits are paid out to you regardless of market events. When you retire, DPERS calculates your monthly pension benefit based on various factors such as years of service and salary, not investment results. DPERS takes responsibility for the management and investment of the trust fund and understands that markets will fluctuate. DPERS' investment policy seeks to minimize risk and provide returns over the long term.

During the past fiscal year, DPERS achieved many operational goals, which included assistance of outside legal counsel to review the structure of the System and regulations of the nine plans/funds it administers for compliance with Internal Revenue Code (IRC) and its rules, regulations, and interpretive opinions. These plans have been submitted to the Internal Revenue Service requesting a Determination Letter that provides support that the plans are designed and operating in accordance with applicable sections of the IRC as tax qualified government retirement plans.

The Pension System also added to its complement of professional resources by engaging professional consultants and outside legal counsel to provide specialized advice in reviewing investment contracts, monitoring securities litigation, and measuring investment performance. Also in Fiscal Year 2009 work continued on the implementation of a new financial reporting system. The System also continued its efforts in upgrading the existing human resource system that houses all beneficiary data and calculations.

Asset Allocation

as of June 30, 2009



Annual Financial Reporting

Participation in the County & Municipal pension plans continued to grow with the addition of the Towns of Lewes, Seaford, and Bridgeville.

The DPERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy

both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the thirteenth consecutive year that DPERS has received a Certificate of Achievement. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Public Pension Coordinating Council (PPCC) granted the System the Public Pension Standards Award for 2008. The major PPCC goal is to promote excellence in plan design and administration among state and local public retirement systems. The Public Pension Standards considered include: comprehensive benefit programs, funding adequacy, receipt of GFOA award in current year, independent actuarial valuation, independent audit review resulting in an unqualified opinion from the auditor, independent investment performance evaluation, adoption of written fiduciary standards by Board and Investment Committee, and communications with membership.

| Pension Plan/Fund | Ending Market Value as of June 30, 2009 (in thousands) | Funding Status as of June 30, 2008 |
|---|--|------------------------------------|
| State Employees' | \$ 5,392,660 | 98.8% |
| Special Fund | 405 | 129.3% |
| New State Police | 184,919 | 95.1% |
| Judiciary | 39,234 | 84.8% |
| County & Municipal Police & Firefighters' | 98,891 | 97.7% |
| County & Municipal Other Employees' | 13,266 | 89.8% |
| Delaware Volunteer Firemen's | 11,432 | 49.8% |
| Diamond State Port Corporation | 11,549 | 88.1% |
| Closed State Police | 754 | 0.2% |

the Closed State Police Plan is a pay-as-you-go plan.

2009 Comprehensive Annual Statements

Employee Comprehensive Annual Statements will be mailed out in late winter. This statement will indicate your estimated pension benefit as of December 31, 2009, along with your beneficiary data as of the printing date.

When you receive your statement, please review it carefully and notify us, following the instructions included with the statement, if any changes are required. E-mail our office (pensionoffice@state.de.us) with any comments you have regarding the statement along with your suggestions for future improvements.

The Pension Office will be closed on the following dates:

| | |
|-------------------------------|----------------------|
| Good Friday | Friday April 2 |
| Memorial Day | Monday May 31 |
| Independence Day | Monday July 5 |
| Labor Day | Monday September 6 |
| Election Day | Tuesday November 2 |
| Veterans Day | Thursday November 11 |
| Thanksgiving Day | Thursday November 25 |
| Day After Thanksgiving | Friday November 26 |
| Christmas Eve Day | Friday December 24 |
| New Years Eve Day | Friday December 31 |

A wealth of information is at your fingertips through Medco's websites.

You know Medco as the company that manages your prescription drug benefit. But did you know Medco has convenient websites to better serve you and the community? Here are a few examples:

► GiveHealthAHand.org

Every day, Americans fall through the cracks of the healthcare system. Some lack the means to pay for their medicines; some do not know which drug to take or which drugs are safe to take with others. The Medco Foundation through **GiveHealthAHand.org** supports activities that educate and inform the general public about health, wellness and medicine safety issues. This includes providing individuals, including State of Delaware members, with the opportunity to help other people get healthy. You can "give health a hand" by visiting the website to learn about health-related volunteering opportunities in Delaware, find valuable health-related information to share with family and friends and more.

► The Medco Health Store™

This service provides you with a convenient and affordable online drugstore, which allows you to shop by specific condition or product category to stock your medicine cabinet with the items you need. The Medco Health Store gives you access to more than **22,000** non-prescription health, wellness and personal care products in categories including:

- allergy
- antacids
- bath and body
- cosmetics
- dental care
- diet and nutrition
- first aid
- vitamins

Simply visit www.medco.com and click on the Medco Health Store link. If you're a first-time visitor, please take a moment to register using your member ID number and a recent prescription number. Please note products purchased through The Medco Health Store are not covered under your prescription drug benefit. Members are responsible for the full cost.

► medco.com®

Once registered at www.medco.com, you'll have a tool to help manage your prescription drug benefit and lower your medication costs. It's easy to get started and completely secure. Through the website, you can:

- Order prescription refills and check order status.
- Discover ways to save money on your medications, such as using generics and mail order.
- Look up information about your medications and your prescription drug benefit.
- Locate participating retail pharmacies.
- Ask a pharmacist questions anytime, day or night.



And there's more. As a registered member, you get secure, instant access to your personal prescription records. Plus, you'll have access to easy-to-use planning tools to:

- View a financial summary of your prescription expenses, which is helpful during tax time; and
- Review your prescription history to share with your doctor.

You can also visit **My Rx Choices®** at www.medco.com/choices to quickly and easily identify potential cost-saving alternatives for medications you take on an ongoing basis. The **My Rx Choices** prescriptions savings program will show you how much you could save by using lower cost alternatives available under your plan, such as generics and preferred brand-name drugs, or by using the Medco Pharmacy. If you're a first time visitor to the website, you'll need to register using your member ID number and a recent prescription number. If you don't have Internet access, you can call Member Services at 1-800-939-2142 to price medications.