

# Delaware Public Employees' Retirement System NEWSLETTER

Active Member Edition

February 2013

## PENSION BENEFIT OFFSET LIMIT FOR RETIREES RECEIVING A SERVICE PENSION AND RETURNING TO WORK WITH A PARTICIPATING EMPLOYER

Beginning January 1, 2013, individuals who have retired from an agency participating in the State Employees' Pension Plan (i.e. state agency, Delaware Solid Waste Authority, school district, charter school, Delaware Tech, Delaware State University and certain employees of the University of Delaware) and who are subsequently in a casual/seasonal or substitute position, that meets the approved exception rule for positions to which retirees may return to work, with an employer participating in the Plan, shall be subject to a **pension offset if earnings in those positions exceeding \$19,240**. For Return to Work Criteria, please visit our website at [www.delawarepensions.com](http://www.delawarepensions.com).

If an individual earns more than \$19,240, the individual's State pension benefit will be offset \$1 for every \$2 earned over \$19,240. The deduction will begin in July of the year following the calendar year for which the earnings are reported. For example, deductions will begin July 2014 for January through December 2013 earnings in excess of \$19,240.

In addition, an employee under age 65 receiving a monthly pension benefit must have a **six month** separation after retirement before returning to work with a participating employer in a casual/seasonal, substitute, temporary or contracted position.

Contractual positions must be verified as independent contractors versus employees. An Office of Pensions Certification of Worker Status Form must be completed prior to filing an Internal Revenue Service Form SS-8. If the Office of Pensions determines that the retiree is an employee instead of an independent contractor, IRS Form SS-8 must be filed.

Should you have any questions, please feel free to contact the Office of Pensions at [Pensionoffice@state.de.us](mailto:Pensionoffice@state.de.us), (302) 739-4208 or toll free (800) 722-7300.

## DPERS Fiscal Year 2012 Financial Statements

The audit of the Delaware Public Employees Retirement System (DPERS) has resulted in receiving an unqualified audit opinion on its financial statements as of June 30, 2012. No material weaknesses were identified or deficiencies in internal control over financial reporting.

KPMG is currently contracted through the Office of the State Auditor and is charged with auditing the financial statements. Joseph Seibert, Lead Engagement Partner with KPMG, stated at our December 14, 2012, Board of Pension Trustees meeting that the audit primarily focuses on DPERS' financial and investment activities but includes an overview of other significant operational functions.



### 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](mailto:pensionoffice@state.de.us)**

Web Address:

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

Telephone: (302) 739-4208

Fax Number: (302) 739-6129

# Annual Financial Reporting

After strong returns in fiscal 2011, investment markets were not as generous in the latest year. While the domestic economy improved modestly, Europe and the emerging economies experienced significant weakness, which pulled down investment returns. The Delaware Public Employees' Retirement System (System or DPERS) investment portfolio returned 2.0% gross of fees in Fiscal Year 2012. The total System's annualized returns for the last 5, 10, and 15 years are 3.9%, 7.6% and 7.3%, respectively. System investments are managed to control the downside risk to which assets are exposed, while maximizing long-term gain potential. This strategy positions the System to limit the impact of adverse market conditions. With the fact that market conditions are constantly changing, 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.

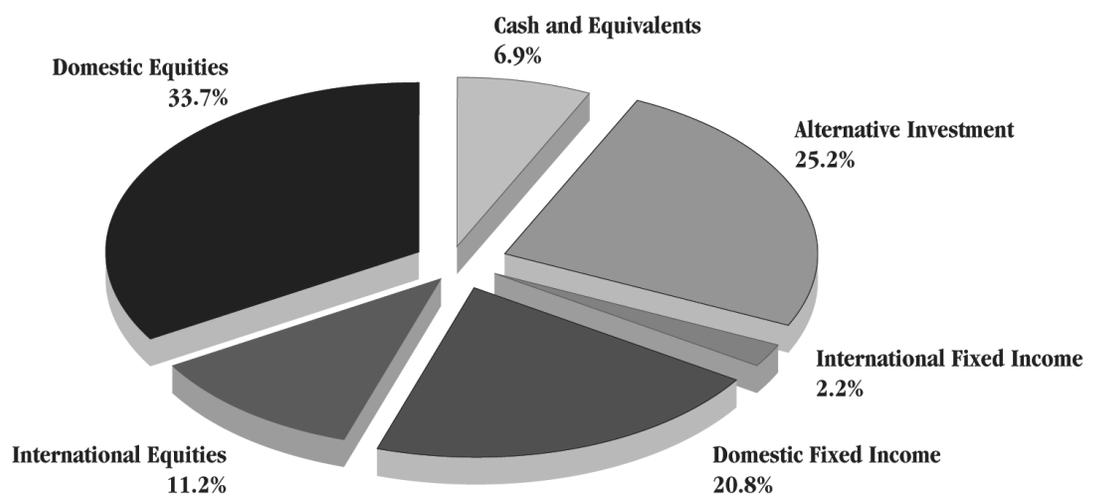
As a member of a DPERS pension plan, you participate in a Defined Benefit Plan, and your retirement benefits are paid out to you regardless of market events. When you retire, DPERS calculates your monthly pension benefit based on various factors such as years of service and salary, not investment results. 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, the system completed the implementation of a new financial reporting system.

Membership in the County & Municipal plans continues to grow. New members to the County and Municipal Police and Firefighters' Plans include: Town of Elsmere (also joining the County and Municipal COLA Fund) and Town of Selbyville (also joining the County and Municipal Other Employees' Plan). The City of Wilmington joined the County and Municipal Other Employees' Plan.

## Asset Allocation

*as of June 30, 2012*



## Annual Financial Reporting continued...

The DPERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011 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 sixteenth 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.

Pension Plan/Fund	Ending Market Value as of June 30, 2012 (in thousands)	Funding Status as of June 30, 2012
State Employees'	\$ 6,914,826	91.5%
Special Fund	320	138.6%
New State Police	281,309	90.0%
Judiciary	56,722	89.9%
County & Municipal Police & Firefighters'	175,520	96.2%
County & Municipal Other Employees'	23,496	94.7%
Delaware Volunteer Firemen's Fund	14,172	49.7%
Diamond State Port Corporation	18,208	82.2%
Closed State Police	2,475	.9%

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

In addition, the Public Pension Coordinating Council (PPCC) granted the System the Public Pension Standards Award for 2011. 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.

## 2012 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, 2012, 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](mailto:Pensionoffice@state.de.us)) with any comments you have regarding the statement along with your suggestion for future improvements.

### The Pension Office will be closed on the following dates:

<b>Good Friday</b>	Friday, March 29
<b>Memorial Day</b>	Monday, May 27
<b>Independence Day</b>	Thursday, July 4
<b>Labor Day</b>	Monday, September 2
<b>Veterans Day</b>	Monday, November 11
<b>Thanksgiving Day</b>	Thursday, November 28
<b>Day After Thanksgiving</b>	Friday, November 29
<b>Christmas</b>	Wednesday, December 25

# 2013 RETIREMENT WORKSHOPS

*Sponsored by The State Pension Advisory Council & The State Board of Pensions Trustees*

The following evening workshops are being held to provide information regarding the State Employees' Pension Plan benefits. There is no cost or pre-registration required to attend these workshops. Individual retirement estimates will not be distributed at these workshops. Participants will learn how to prepare their own estimated benefit using the Pension Office website

## New Castle County

Date: March 28, 2013  
Day: Thursday  
Time: 7:00 – 9:00 p.m.  
Place: Brandywine High School  
1400 Foulk Road (in Auditorium)  
Wilmington, DE 19803

Date: April 16, 2013  
Day: Tuesday  
Time: 7:00 – 9:00 p.m.  
Place: Stanton Middle School  
1800 Limestone Road (in Audion)  
Wilmington, DE 19804

Date: April 24, 2013  
Day: Wednesday  
Time: 7:00 – 9:00 p.m.  
Place: Stanton Middle School  
1800 Limestone Road (in Audion)  
Wilmington, DE 19804

## Kent County

Date: May 2, 2013  
Day: Thursday  
Time: 7:00 – 9:00 p.m.  
Place: Del Tech Terry Campus  
100 Campus Dr. (Room 400 A & B)  
Dover, DE 19904

## Sussex County

Date: April 30, 2013  
Day: Tuesday  
Time: 7:00 – 9:00 p.m.  
Place: Del Tech Owens Campus  
Conference Center  
Georgetown, DE 19947



## Check it Out!!!

Visit our website: [www.delawarepensions.com](http://www.delawarepensions.com)  
for retirement information.

Use the Online Calculator to estimate your retirement benefit!!!