

Delaware Public Employees' Retirement System NEWSLETTER

Retiree Edition

July 2016

Information Regarding Your Burial Benefit

In accordance with Delaware Code, upon the death of an employee retired from the State Employees' Pension Plan, the Closed State Police Pension Plan or the New State Police Pension Plan a burial benefit in the amount of \$7,000 will be paid to a named beneficiary. There is no policy number or cash value associated with this benefit. This is not an insurance policy. As such, **this is a taxable benefit to the individual or individuals named as beneficiary.**

At the time of retirement, individuals retiring from the above pension plans will have the opportunity to name a beneficiary to receive the \$7,000 burial benefit. Once the Pension Office is notified of the pensioner's death, paperwork will be mailed to the beneficiary. This paperwork will include information regarding federal regulations the Pension Office must follow, the taxability of the benefit, and the rights and options of the beneficiary.

The beneficiary will have the right to take the monies in several different ways. The beneficiary may choose to take the monies as a cash payment or to assign the monies to a funeral home. **Both of these options create a taxable event for the beneficiary.** The beneficiary will receive tax form 1099R and be required to claim the monies on their income tax return as taxable income. The beneficiary has the option to avoid a taxable event by rolling monies over to an IRA or other eligible plan. If a spouse is the named beneficiary, the monies can be rolled into a traditional IRA or any other plan that will accept them. If anyone other than a spouse is named beneficiary, they are limited to rolling the monies only to an Inherited (or Beneficiary) IRA. If you have named a beneficiary only so that person can use the burial benefit monies to pay funeral expenses, please be aware the release of these monies will create a taxable event for that person.

If it is your intention for the burial benefit to be used to pay for your funeral expenses, you have the option to name the funeral home as the beneficiary. If you choose this option, the Pension Office will, after being notified of your death, release all burial benefit paperwork to the funeral home, the funeral home will complete the paperwork, and then payment will be released directly to the funeral home. In this way, no taxable event is created for a relative or friend who is doing nothing more than completing paperwork and assigning the monies to a funeral home.

Regardless of who you name as beneficiary, you should always make sure the Pension Office has up-to-date contact information for that individual or individuals. Payment cannot be made if we are unable to contact your beneficiary to provide them with the necessary paperwork to be completed and/or request appropriate documentation.

To update your current beneficiary contact information or to change the beneficiary you have listed, print and complete the Burial Benefit Designation/Change of Beneficiary Form found on our website: www.delawarepensions.com

Upcoming Pension Benefit Check Dates:

Pension benefits are payable on the last working day of each month, with the exception of December. The schedule for the balance of 2016 is as follows:

Wednesday, August 31, 2016

Wednesday, November 30, 2016

Friday, September 30, 2016

Friday, December 23, 2016

Monday, October 31, 2016

The Pension Office will be closed on the following dates:

Labor Day	Monday, September 5, 2016
Election Day	Tuesday, November 8, 2016
Veteran's Day	Friday, November 11, 2016
Thanksgiving Day	Thursday, November 24, 2016
Day after Thanksgiving	Friday, November 25, 2016
Christmas Day	Monday, December 26, 2016



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

State of Delaware Medicare Retirees

Express Scripts Medicare (PDP) Prescription Drug Plan is Introducing a New Medicare Part B Process

Beginning August 1, 2016 your State of Delaware prescription drug plan with Express Scripts will introduce a new process for Medicare Part B eligible prescription drugs and supplies. When you use a retail pharmacy for your Medicare Part B eligible medication or supply needs, you will be asked to present the prescription along with your Medicare ID card and Express Scripts ID card in order to verify your Medicare Part B eligibility.

Why is there a new process?

This new process will allow the State of Delaware to receive reimbursement from Medicare for Medicare Part B eligible medications or supplies that you are obtaining through your Express Scripts drug plan. Until now, the State of Delaware has paid the full cost less your copayment. This new process will not have any impact on the Express Scripts copayment you pay for your medications and supplies.

At the retail pharmacy:

After the pharmacist enters your prescription information, Express Scripts will relay a message to the pharmacist to verify your prescribed medications or supplies are eligible for Medicare Part B. The retail pharmacy will work

with Express Scripts to bill Medicare. You may be asked to complete an authorization billing form, that Medicare requires for the pharmacy to submit claims to Medicare on your behalf.

How to obtain a complete list of Medicare Part B eligible medications and supplies:

Visit the Medicare website at www.medicare.gov or call Medicare at 1.800.633.4227, 24 hours a day, 7 days a week. TTY users should call 1.877.486.2048.

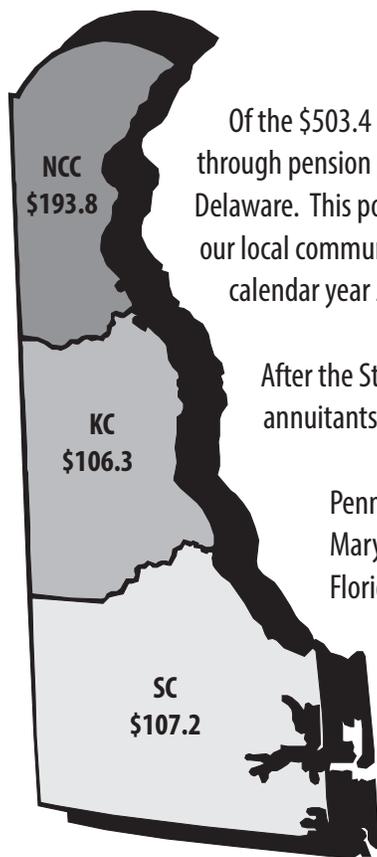
Questions?

More information about this new process for Medicare Part B prescription coverage and Frequently Asked Questions (FAQ) are available on the Statewide Benefits Office website at: http://ben.omb.delaware.gov/script/retiree_medicare.shtml.

You may also visit the Express Scripts website at: <https://www.express-scripts.com/index.html> or call

Express Scripts Medicare Member Services:
1-877-680-4883 (toll-free).

How is DPERS' Pension Fund Distributed?



Of the \$503.4 million Delaware Public Employees Retirement System (DPERS) disbursed to annuitants through pension payments during 2015, \$407.3 million was paid to annuitants who are residents of Delaware. This positively impacts the state and local economies as these pension benefits are re-invested in our local communities. The map depicts the disbursement of DPERS pension benefits, per county, for the calendar year 2015. *(Dollar amounts in millions)*

After the State of Delaware the three highest states where DPERS disbursed pension benefits to annuitants is as follows:

Pennsylvania - \$23.4
Maryland - \$19.3
Florida - \$15.5

For more detailed information regarding DPERS' financial reports, please see our Comprehensive Annual Financial Report (CAFR) on our website at: www.delawarepensions.com/FinancialReports/AnnualFinancialReports.shtml