

Delaware Public Employees' Retirement System NEWSLETTER

Retiree Edition

Winter 2017

Retiree Mailings

Retiree tax statements will be mailed on or about January 23, 2017 to pensioners who received a benefit payment from the State of Delaware Office of Pensions during 2016. The type of form you receive depends upon the pension plan you are enrolled in and the type of payment you received. Some pensioners may receive multiple forms if, for example, they are retired from a State pension plan and also received a payment as the survivor or beneficiary of a deceased member.

Retiree Annual Statements will be mailed on or about February 1, 2017 to members receiving a pension benefit as of December 31, 2016. Please check your statements carefully and follow the directions for making any updates to your address, tax withholdings or Retiree Burial Benefit beneficiary(ies) designation.

In addition, please retain your Annual Statement to help you correctly identify your current health care coverage. In addition, please retain your Annual Statement to help you correctly identify your current health care coverage. This may be helpful to you when the annual open enrollment begins in May.

Upcoming Pension Benefit Check Dates:

Tuesday, January 31, 2017	Wednesday, May 31, 2017
Tuesday, February 28, 2017	Friday, June 30, 2017
Friday, March 31, 2017	Monday, July 31, 2017
Friday, April 28, 2017	

The Pension Office will be closed on the following dates:

New Years Day	Monday, January 2
Martin Luther King Jr. Day	Monday, January 16
Good Friday	Friday, April 14
Memorial Day	Monday, May 29
Independence Day	Tuesday, July 4



Being a Wise Health Care Consumer

• Savings Opportunities (as of July 1, 2016) for State of Delaware HMO and PPO Members

➤ **Reduced copay for Urgent Care**

(HMO = \$15; PPO = \$20): Skip the ER for non-emergency care. Go to your nearest eligible Urgent Care Center and get responsive care at a reasonable cost.

➤ **\$0 copay for Hi-Tech Imaging Services**

(e.g., CT Scans, MRI, MRA) when done at a non-hospital affiliated freestanding facility (this is a \$35 savings to you!)

• **Online Course** – Learn how to save money and improve/maintain the health of you and your family. Course takes approximately one hour to complete.

Visit the **Consumerism Resource Link** at de.gov/healthconsumer to learn more. To access the online course: Under the "Announcements" section, select "Complete the Online Course "Being A Wise Health Care Consumer." Then, choose **Separate Website Access Link** under "Access the Course."

Have Questions About the Wise Health Care Consumer Article?

Contact the Statewide Benefits Office (SBO) Customer Service Team by phone at (302) 739-8331 or (800) 489-8933 or by email at benefits@state.de.us.



OFFICE OF PENSIONS

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Toll Free Long Distance

Telephone: (800) 722-7300

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

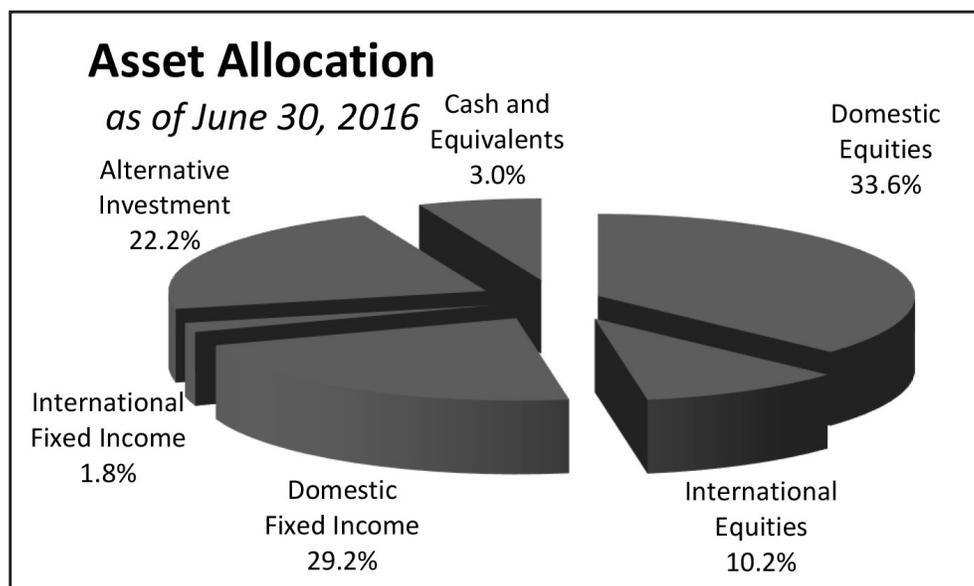
Web Address: www.delawarepensions.com

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

Annual Financial Reporting

The System's investments had a -1.3% time-weighted rate of return in Fiscal Year 2016. The annualized total returns for the past five, ten, and fifteen years are 6.4%, 6.5%, and 6.6%, respectively. The System's performance, compared to other large pension funds, is in the top ten percent for the ten-year period ending June 30, 2016.

Fiscal year 2016 presented a challenging environment to earn returns. Concern over sluggish global growth, particularly a slowing China, weighed on markets throughout the year. A further decline in the price of oil was a source of market anxiety for much of the year. As a result, equity markets had lower than usual returns for the fiscal year. As the fiscal year ended, loose monetary policy in the U.S, combined with heightened global uncertainty, led high quality bond yields to end the period at or near all-time lows.



The result of lower bond yields was positive fixed income market performance across both high quality bonds and credit for the fiscal year. Given the conditions described above, the System's investment portfolio focused on trimming equity exposure in favor of fixed income to manage risk and meet liquidity needs.

At the outset of the new fiscal year, the economic and financial market landscape presents an uncertain outlook. The economy appears firm as employment has been growing and

housing appears to be continuing its long recovery. However, it is worth noting that the recovery from the 2008-09 financial crises has been one of the longest on record and signs of credit excesses are building. In addition, the "Brexit" referendum and stability of the distressed European banks raise questions about the stability of the European Union, and are likely to be a source of uncertainty for some time. In the face of these uncertainties, the System's Board of Trustees and Investment Committee will continue to rely on the investment principles and risk management guidelines that have served the Pension System well in the past and to do their best to execute a sound investment strategy for the benefit of the System's stakeholders.

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 retired, DPERS calculated 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.

More detailed information is provided in the DPERS 45th Comprehensive Annual Report available on our website at <http://delawarepensions.com/FinancialReports/AnnualFinancialReports.shtml>