Managing Your Medications Made Easy

Express Scripts continues to focus on ways to improve members’ experience when managing prescriptions for themselves and their family members, while also providing access to medications that are effective, affordable and safe.

Did you know that you can manage your medications anywhere, anytime safely on the Express Scripts website and the Express ScriptsTM mobile app? Registering will make it easier with managing your medications with faster refills and access to pharmacies anytime. You can experience more savings, convenience, flexibility and more.

Registering with Express Scripts is safe and simple. Your information is secure and confidential. Detailed information and how to register is available on the Statewide BenefitsOffice website at, de.gov/statewidebenefits. Select Your Group (State Pensioners – Non-Medicare, or State Pensioners – Medicare ), then select the “Express Scripts Prescription Plan” tile.

Under INFORMATION, select
- Member Guides. Then select
- Register on Express-Scripts.com or Mobile App. There you will also find other helpful resources to manage your prescription benefits.

Retiree Mailings

1099's and W-2's were mailed to retirees and beneficiaries on January 23, 2020 for anyone who received a payment from the Office of Pensions in 2019. The type of form you receive depends on the pension plan you are enrolled in and the type of payment received. Some pensioners may receive more than one tax document if they are also a survivor or beneficiary of a deceased member.

Retiree Annual Statements were mailed on January 21, 2020 to all retirees receiving a pension benefit as of December 31, 2019. Please review your statement carefully and follow the instructions for making updates to your information, including beneficiary updates.

Tax Form Change

In accordance with the Tax Cut and Jobs Act signed into law on December 22, 2017, allowances are no longer used to calculate federal income tax withholding in the redesigned Form W-4P. This change is meant to increase transparency, simplicity, and accuracy of the form. In the past, the value of a withholding allowance was tied to the amount of the personal exemption. Due to changes in law, currently you cannot claim personal exemptions or dependency exemptions. To comply with these changes, the Office of Pensions has modified the Tax Withholding Election form available on the website at http://delawarepensions.com

Upcoming Pension Check Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, March 31, 2020</td>
<td>Tuesday, June 30, 2020</td>
</tr>
<tr>
<td>Thursday, April 30, 2020</td>
<td>Friday, July 31, 2020</td>
</tr>
<tr>
<td>Friday, May 29, 2020</td>
<td></td>
</tr>
</tbody>
</table>

David C. Craik, Pension Administrator, retires January 1, 2020!

Congratulations to David C. Craik who retired after serving 32 years with the Office of Pensions. Dave served as the Pension Administrator for the past 23 years, the longest serving Pension Administrator in the history of the Pension Office. Dave was recently awarded the Order of the First State by Governor Carney recognizing his outstanding efforts, knowledge, integrity, prudence and ability. Dave has been succeeded by Joanna Adams, who was most recently the Deputy Pension Administrator. Joanna has 25 years of service with the State of Delaware, more than half with the Office of Pensions. Best wishes to Dave for an enjoyable and healthy retirement!
The System's investments had a 5.0% time-weighted rate of return in Fiscal Year 2019. The annualized total returns for the past five, ten, and fifteen years are 5.8%, 9.6%, and 7.6%, respectively. The System's performance, compared to other large pension funds, is in the second quartile for the ten-year period ending June 30, 2019.

In fiscal year 2019, market direction was dictated by the direction of monetary policy as well as the trade dispute between US and China. The Federal Reserve's initial push towards tighter monetary policy generated some concerns about the US economy falling into a recession. However, the policy was quickly shifted. This shift, along with signs of progress in the US and China trade spat helped to push equity and bond markets higher in the later part of the fiscal year. Earnings growth on average in 2019 has slowed as the impact of the 2017 tax cuts has largely faded. Though, some internet-related companies continue to post impressive results. Earnings for companies listed on international markets was generally weaker than results for domestic companies due to notable slowing in manufacturing activity. US stocks outperformed as the Russell 3000 index gained 9% while the MSCI All-Country ex-USA index of international stocks only gained 1.3%.

Returns for fixed income ended the year at historically low levels. While government bond and equity prices typically move in opposite directions, prices for both asset classes enjoyed benefits from more accommodative policies. Low inflation also served to boost the demand for the relative safety of government bonds. Low US Treasury yields appeared attractive compared to negative yielding debt across Europe and Japan. As parts of the yield curve have inverted, some short-term bonds now provide higher yields than longer-term bonds.

Given the conditions above, the System's investments maintained large exposures to public and private equities and smaller exposures to fixed income for the course of the year. Asset allocation moves during the year focused on trimming equity and credit market exposures in favor of higher quality fixed income as part of overall risk and liquidity management.

The outlook for Fiscal Year 2020 is that markets still face many risks. While the recent shift to easier monetary policy may help extend the economic cycle, it is an indication that policymakers are concerned about underlying economic weaknesses. Though overall economic growth is positive, consumer spending remains strong and the labor market continues to tighten, ongoing trade tension between US and China is still a threat to global growth. Political divisiveness in Washington and abroad, rising government budget deficits, as well as recent rise geopolitical tensions in the Middle East are also sources of uncertainty. 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 information that is detailed is in the DPERS 48th Comprehensive Annual Report available on our website at https://open.omb.delaware.gov/FinancialReports/AnnualFinancialReports.shtml