

# Active Employee NEWSLETTER

DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

MAY 2024



## ***What is the difference between a Pension and Deferred Compensation?"***

Employees who are hired into a pension creditable position are automatically enrolled into one of the nine pension plans administered by the Delaware Public Employees' Retirement System (DPERS). Once an individual is hired into such a position, pension contributions are withheld from their pay. The percentage of pension contributions are withheld based on the individual's original date of hire and accumulate (along with interest) until that individual terminates their employment. If an individual terminates employment and is NOT eligible to receive a pension, they have the right to withdraw their contributions and accumulated interest. Conversely, if that individual works until they are eligible to retire, those contributions and accumulated interest partially fund their lifetime pension benefit.

In order to access your pension contributions, you must terminate employment. There is no hardship provision for "borrowing against" your pension contributions or allowances for any type of withdrawal while you are still employed.

For more information about your specific pension plan, go to [www.delawarepensions.com](http://www.delawarepensions.com) and click on "Active Members" to find information about the nine different pension plans we administer.

The Deferred Compensation Plan is administered by the Office of the State Treasurer and encompasses several different types of savings plans (e.g. 457b and 403b). Enrollment in these plans is voluntary and is available to all State of Delaware employees and all school employees regardless of pension eligibility. Individuals can enroll by going to [State of Delaware 457\(b\) and 403\(b\) Deferred Compensation Retirement Plans | State of Delaware Deferred Compensation Plans](#) or by contacting the Office of the State Treasurer or VOYA directly. Individuals can then choose their plan and the dollar amount they want to contribute to their chosen plan. As this plan is a voluntary enrollment plan, there are hardship provisions that allow for the monies to be accessed in unforeseeable emergency situations, provided that stringent criteria are met.

For more information, go to: [DEFER - Employee Deferred Compensation Plans - State Treasurer Colleen C. Davis - State of Delaware.](#)

Your pension is not designed to be your sole source of income at retirement, which is why it's a good idea to invest in a deferred compensation plan.

## When is the best time to retire?

The answer depends upon your circumstances and goals. We've developed a few thoughts for you to consider:

### The amount of money needed in retirement

One approach is to determine how much money you'll need in retirement and work backwards from there, considering the two factors that impact your pension benefit calculation: service in a pension creditable position and final average compensation. Visit our retirement calculators at <https://open.omb.delaware.gov/calculators/> to estimate your pension benefit amount.

### Sick leave conversion

If you're in the State Employees' Pension Plan, you may have the option to purchase a portion of your unused sick leave in exchange for up to one year of service credit when you retire.

### Maximizing your leave payout

The annual leave carryover limit does not apply to January 1<sup>st</sup> retirements. If you retire January 1<sup>st</sup>, you will be paid out for all of your accrued annual leave.

### Age may impact eligibility

Your age may impact your eligibility to retire. For more detail regarding eligibility requirements, please research the Pre-Retirement Presentations under the Active Members tab of our website at [www.delawarepensions.com](http://www.delawarepensions.com).

### Timing of income during retirement transition

Keep in mind that your first pension payment is lagged one month due to the lag pay system. This results in a 5–6-week gap in income. For example, if you retire

November 1, 2024, your last pay would likely be received on November 15, 2024, and your first pension payment would be December 24, 2024. Contact your Agency/District Human Resources Office for more information regarding your final pay.

### Healthcare eligibility

Depending on your date of hire, years of service, and the pension plan you're retiring under, you may be eligible for healthcare. Please visit our website at [www.delawarepensions.com](http://www.delawarepensions.com) and click on Active Members > Select your pension plan > Select Benefits > Health Insurance then view the rate tables provided.

### Medicare eligibility (age 65)

Medicare eligible retirees and dependents are required to enroll in Medicare Part A and Part B and are then eligible for the Medicare supplement program offered by the State of Delaware.

If you are Medicare eligible prior to your retirement date, you will need to contact your agency Human Resources office to complete a "Request for Employment Information" Form which you will submit to your local Social Security Administration office to process your Medicare Part B enrollment.

### Schedule a Counseling Session

If you're considering retirement, please don't hesitate to contact the Office of Pensions for a one-on-one counseling session at 302-739-4208 or email at [pensionoffice@delaware.gov](mailto:pensionoffice@delaware.gov).



## Action Item: Review Your Beneficiaries Listed on Your Annual Statement.



It's Annual Statement time! Employees who were actively employed as of December 31, 2023, received a personalized statement in February 2024. (Note: If you're employed by a municipality, you've terminated municipal employment with vested service, or have volunteer fire company service, your annual statement is mailed in April.) Although you may not realize it, your Comprehensive Annual Statement contains numerous pieces of information that are very important to you. It's always good to review your beneficiary information and submit any changes you may have. If something happens to you, payment cannot be made if we are unable to contact your beneficiary to provide them with the necessary paperwork.

# An Overview of Delaware Public Employees' Retirement System's (DPERS) Financial Reporting and Investment Performance for Fiscal Year 2023

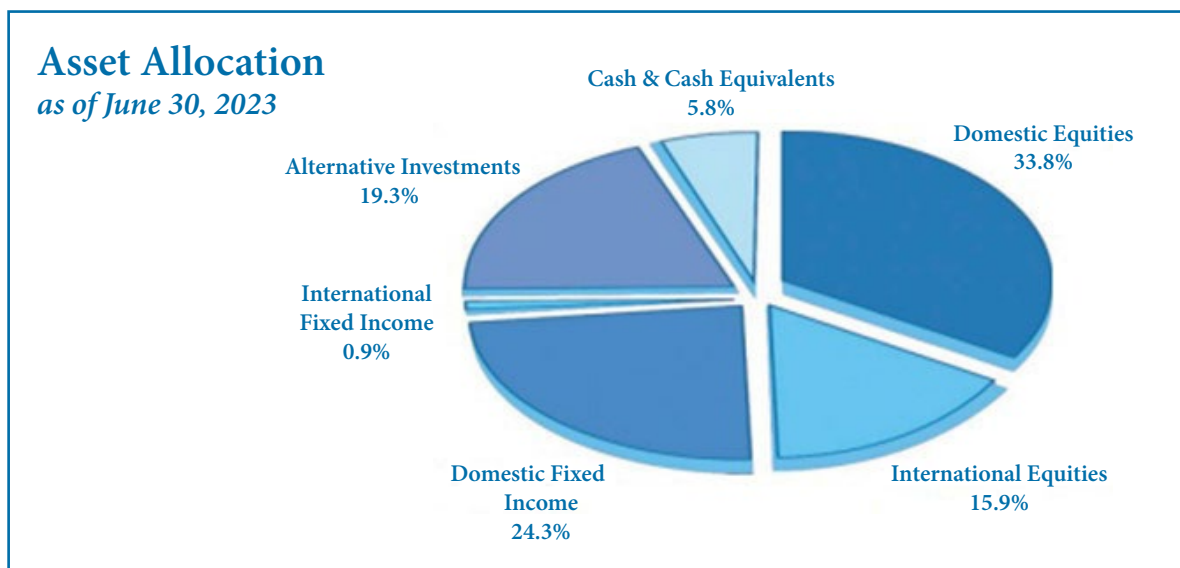
As a defined benefit pension plan, your pension will be based on your compensation and service history and is not directly impacted by individual investment returns. The system remains strong, and your pension benefits are secure despite market challenges in recent years. In fact, DPERS still ranks in the second quartile for the ten-year period ended June 30, 2023, in investment performance for public funds exceeding \$5 billion in assets by the Trust Universe Comparison Service (TUCS). DPERS will continue to rely on the investment principles and risk management guidelines that have served us well in the past and do our best to execute a sound investment strategy.

## Funding Status

A pension plan is well funded when it has sufficient assets invested to meet all expected future obligations to participants. The greater the level of funding, the larger the ratio of assets to the net pension liability. Seven of the plans/funds included in DPERS – the State Employees', New State Police, Judiciary, County & Municipal Police & Firefighters', County & Municipal Other Employees', Closed Diamond State Port Corporation, and Special Fund – have funded ratios greater than or equal to 88% of the net pension liability. The Delaware Volunteer Firemen's plan is making annual contributions at the actuarially determined rate to reach full funding and the Closed State Police Pension Plan remains a pay-as-you-go plan.

## Financial Reporting

The DPERS Annual Comprehensive Financial Report was awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 27th consecutive year. This award is granted to government units with easily read and efficiently organized annual reports. In addition, the Public Pension Coordinating Council (PPCC) granted DPERS the Public Pension Standards Award for the 20th consecutive year.



## Get to Know Your Pension Plan

If you're looking for a convenient resource that will help you understand how your pension plan works and which benefits you're entitled to receive, we invite you to visit either the [State Employees' Pension Plan Summary Description](#) or the [Judicial Pension Plan Summary Plan Description](#). Additional Summary Plan Descriptions for the remaining pension plans are in progress.

## Virtual State Employees' Pension Plan Pre-Retirement Workshops Dates and Times

The Office of Pensions is hosting virtual Pre-Retirement Workshops via Microsoft TEAMS to provide information regarding the Delaware State Employees' Pension Plan benefits. There is no cost or pre-registration required to attend.

### **Virtual SEPP** **Pre-Retirement Workshop:**

**June 12, 2024**  
**9:00 AM - 11:00 AM**

## OFFICE OF PENSIONS ANONYMOUS FRAUD REPORTING

**Online:** [www.lighthouse-services.com/dpers](http://www.lighthouse-services.com/dpers)

**Hotline:** (833) 590-0005

**Email:** [reports@lighthouse-services.com](mailto:reports@lighthouse-services.com)  
(Must include DPERS in Message)

**Fax:** (215) 689-3885  
(Must include DPERS in fax document)



### Get the DPERS App and stay informed!



Go to Google Play or the Apple Store and get the new DPERS app. There is Plan Information, Notifications, and even a Count Down to Retirement. Scan the QR Code to the left to get the app.



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