

Joseph Malloy, Chairman  
Local 1590 City of Wilmington Firefighters

Robert S. Jameson, 1st Vice Chairman  
Delaware Fraternal Order of Police

Janice Vander Decker, 2nd Vice Chairman  
Delaware School Nutrition Service Association

International Assoc. of Local 1590 City of Wilmington Firefighters  
Delaware Retired School Personnel Association  
Delaware Association of School Administrators  
Delaware School Nutrition Service Association  
Delaware State Education Association  
Delaware Fraternal Order of Police  
Delaware State Troopers Association  
Two at-Large Members

**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**PENSION ADVISORY COUNCIL**  
MCARDLE BUILDING  
860 SILVERLAKE BLVD., STE1  
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1. The meeting was called to order on June 11, 2019 at 1:28 p.m. in the Boardroom on the 2<sup>nd</sup> floor of the McArde Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904.

**2. Members Present:**

Joseph Malloy	WFD IAFF 1590
David Taylor	DRSPA
Janice Vander Decker	DSNA
Charlotte Lister	At Large
Jim Testerman	At Large
Tammy Croce	DASA
Mark Ryde	DSTA

**3. Members absent:**

James Harrison	DSEA
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**4. Others present:**

David Craik	Pension Administrator
Joanna Adams	Deputy Pension Administrator

**5. Additions to the Agenda:**

None

**6. Approval of the May 14, 2019 Minutes:**

Jim Testerman motioned to approve the minutes of May 14, 2019. The motion was seconded by Charlotte Lister. The motion passed.

## 7. The Chairman's Report:

DPERS Fund assets are estimated to be \$10,384.6 million at May 31, 2019, representing a net decrease of \$182.4 million during the month. Estimated returns through May 31, 2019 are as follows.

Total Fund	Month	+/-Del.Bench.	Fiscal		12 Months	+/-Del.Bench
			Year-To-Date	+/-Del.Bench.		
May 19	-1.4%	1.5%	4.0%	1.2%	4.0%	1.4%

## 8. Old Business:

The PAC welcomed Tammy Croce representative of DASA to the meeting.

Joe Malloy met with Sen. McDowell to discuss the future of SB 62 and further funding PRI fund. There was no discussion on burial benefit.

Dave Taylor informed the PAC Council he and his organization are asking members to call legislatures and send e-mails to the JFC asking for the 3% - 2% PRI increase in this upcoming budget. He to pass the request along to each PAC council members constituents .

Deputy Administrator Joanna Adams informed the PAC Senator Ennis asked the Pension office to draft legislation language for a future PRI increase of 3% and 2%.

## 9. New Business:

PAC discussed asking legislators for a 3 and 1 percent PRI instead of 3 and 2.

PAC was informed budget bill went in today with no new PRI increase.

PAC discussed and agreed to present requests or goals at the OMB budget hearings in November 2019.

## 10. Legislative Update:

SB 62 4/3/19 Ennis

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE EMPLOYEES' PENSION PLAN AND COST OF LIVING ADJUSTMENT.

This bill provides an annual cost of living adjustment for qualified state pensioners equal to the cost of living adjustment provided by the National Consumer Price Index, which also serves as the annual adjustment for Social Security benefits. (Finance)

HB 55 2/28/19 Jaques

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO FINAL AVERAGE COMPENSATION FOR THE STATE EMPLOYEES' PENSION PLAN FOR RECIPIENTS OF CERTAIN AWARDS.

This Act includes the dollar amount of an Educational Support Professional of the Year award received by a State employee when determining the final average compensation used to compute the State employee's pension. This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual. Signed

SB 76 McDowell

AN ACT TO AMEND TITLE 11 AND TITLE 29 OF THE DELAWARE CODE RELATING TO THE BOARD OF PENSION TRUSTEES AND THE ADMINISTRATION OF PENSION PLANS.

The Board of Pension Trustees has established policies and practices for the administration of the Delaware Public Employees Retirement System. House Bill 199 of the 149th General Assembly provided the initial changes to Delaware Code based on the recommendations of the Board's Best Practices review. This Act provides additional changes to the Delaware Code based on the review. The changes are summarized as follows: Sections 1, 2, & 3 – Changes to the New State Police Plan to include determining normal retirement date for the review of a disability continuance case, deleting references to the medical committee which has been dissolved by the Board, and giving the authority by the Board to the Executive Secretary for benefit determinations. Sections 4, 5, & 6 – Changes to the County/Municipal Police/Firefighter Pension Plans to include determining normal retirement date for the review of a disability continuance case, deleting references to the medical committee which has been dissolved by the Board, and giving the authority by the Board to the Executive Secretary for benefit determinations. Section 7 – Technical change for the Judicial Pension Plan. Section 8 – Technical changes regarding the closed Diamond State Port pension plan; allows for comingling for accounting purposes only of the OPEB trust with the DPERS Fund; clarifies Memoranda of Understanding with other state agencies; gives sole authority to the Board of Pension Trustees to hire an external audit firm; clarifies that the Board chair must be appointed by the Governor with the consent of the Senate; clarifies that all records of the Board's Audit Department are not public records under the State's FOIA laws. (Signed)

HB 80 3/12/19 Baumbach

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO TAXES ON PERSONAL INCOME.

Sections 1 and 2 of this Act raise the eligibility age, from 60 to 65 in one-year increments over a five-year period, for the up to \$12,500 retirement income exclusion and the extra \$110 age-based personal credit. Anyone eligible for these age-based benefits in the year of enactment would remain eligible under this legislation and eligibility for an up to \$2,000 pension exclusion would be extended to persons under age 65. Section 3 of this Act modifies Delaware's Earned Income Tax Credit (EITC) to allow recipients to choose between a non-refundable credit of up to 20% of the value of the corresponding federal EITC or a refundable EITC credit of up to 4.5% of the value of the corresponding federal EITC to be applied against their Delaware Personal Income Taxes. (Out of the house)

HB 83 3/13/19 Lynn

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO STATE EMPLOYEES' PENSION PLAN.

This Act provides that the amount of ordinary or disability pension payable to a 9-1-1 operator includes 2.45% of the 9-1-1 operator's final average compensation multiplied by years of service above 25 years, the same multiplier as applied to corrections officers and specified peace officers. This Act also makes a technical correction. (Out of committee)

HB 99 3/28/19 Schwartzkopf

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE EMPLOYEES' PENSION PLAN.

This bill provides that for correction officers and specified peace officers, the amount of ordinary service or disability pension benefits given to state employees shall also include the following: (1) Before July 1, 2019, 2.45% of his or her final average compensation multiplied by years of service above 25 years; (2) After July 1, 2019, 2.5% of his or her final average compensation multiplied by the number of years of service for up to 20 years, plus 3.5% of his or her final average compensation multiplied by the number of years of service above 20 years. In addition, this bill amends the employee contribution for all correction officers and specified peace officers to a uniform 7%. Specified peace officers means (1) Probation and parole officers employed by the Department of Correction; (2) Capitol Police officers; (3) Department of Natural Resources police officers; (4) University of Delaware Police; (5) State Fire Marshal officers; (6) Division of Alcohol and Tobacco Enforcement agents; (7) Justice of the Peace Court constables; and (8) Probation and parole officers in the Serious Juvenile Offender Unit and senior probation officers employed by the Division of Services for Children, Youth, and their Families. (Assigned to administration)

**11. Adjournment:**

Jim Testerman made a motion to adjourn at 2:07 pm. The motion was seconded by Mark Ryde. The motion passed.

The next PAC meeting will be held in the Boardroom on the 2nd floor of the McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904 November 12, 2019 1:30 pm.