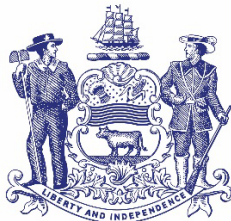


David Taylor, Chair
Delaware Retired School Personnel Association

Karen Crouse, 1st Vice Chair
Delaware State Education Association

Mark Ryde, 2nd Vice Chair
Delaware State Troopers Association

International Assoc. of Local 1590 City of Wilmington Firefighters
Delaware Association of School Administrators
Delaware School Nutrition Service Association
Two at-Large Members



**STATE OF DELAWARE
BOARD OF PENSION TRUSTEES
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**PENSION ADVISORY COUNCIL
MEETING MINUTES FROM APRIL 8, 2025**

Members Present:

David Taylor	DRSPA
Karen Crouse	DSEA
Marie Leppo	DSNA
Charlotte Lister	At Large
Joseph Malloy	WFD IAFF 1590

Members Absent:

Kevin Carson	DASA
Mark Ryde	DSTA

Others Present:

Joanna Adams	Pension Administrator
Stephenie Tatman	Deputy Pension Administrator
Tammy LeCates	Executive Assistant
William Tate	Deputy Attorney General
Bert Scoglietti	Controller Generals Office

1. CALL TO ORDER:

D. Taylor called the meeting to order at 1:33 p.m. A quorum was present.

2. PUBLIC COMMENT:

No public comment was given.

3. OPENING COMMENTS:

No opening comments were given.

4. ADDITIONS TO THE AGENDA:

No additions to the agenda.

5. APPROVAL OF THE JANUARY 14, 2025 MINUTES:

Motion to approve the minutes as written by J. Malloy, seconded by C. Lister. Motion carried.

6. Co-CHAIRMEN'S REPORT:

No report was given.

7. OLD BUSINESS:

JFC Presentation

D. Taylor shared that K. Crouse made the presentation to the Joint Finance Committee on the goals agreed upon by the Pension Advisory Council which included: (1) Sustain retiree healthcare; (2) Pension increase; and (3) Increase the death benefit.

Current Legislation

House Bill 2 – Sponsored by Representative Carson increases the death benefit from \$7,000 to \$8,000.

Senate Bill 31 - Sponsored by Senator Brown increases the death benefit from \$7,000 to \$10,000. This bill is currently in the Senate Finance Committee.

Membership

D. Taylor shared the draft legislation with B. Tate to amend the Delaware Code to allow representatives to return to the Pension Advisory Council that have dropped off due to non-attendance. Those include the National Guard, Fraternal Order of Police, and ASFME. The draft legislation also corrects the Delaware School Food Service Association to Delaware School Nutrition Service Association, who underwent a change of name. D. Taylor asked if anyone knew a representative or senator to sponsor the bill. D. Taylor thanked B. Tate for reviewing and making corrections to the draft legislation. J. Malloy shared it was his understanding that the Council was created by executive order. Discussion ensued regarding legislation versus executive order. B. Tate agreed to research the matter. D. Taylor asked for suggestions to fill the vacant at-large position.

8. NEW BUSINESS:

D. Taylor shared that a representative may be working on an across the board pension increase. He also noted that previously it has been determined that pensions cannot be substantially automatic every year or every other year.

Senator Buckson sponsored Senate Bill 52 which: (1) reduces the “return to work” cap from 6 months to 3 months; (2) reduces the separation requirement from age 65 to 59 ½; and (3) eliminates the annual earnings limit. S. Tatman added retirees cannot continue to collect a pension payment and return to a pension creditable position but may return as a casual seasonal.

D. Taylor shared Governor Meyer's Budget Reset includes spending more money, increasing taxes with three new income tax brackets, and increasing cigarette taxes. Governor Meyer is concerned about education and improving health. D. Taylor did not see anything in the budget reset for retirees.

C. Lister asked about the Post Retirement Increase Fund which was set up to have uniform contributions so there would be money available when there was a pension increase granted. For years money went in it, then a few years money did not go in it. J. Adams shared the state shifted from making payments to the Post Retirement Increase Fund to prefunding it. The current fiscal year budget does not include a prefunded amount for the Post Retirement Increase Fund. S. Tatman shared it was approximately \$92 million at the end of the fiscal year on June 30, 2024. J. Adams asked to keep in mind it has been a turbulent couple of days for investments.

D. Taylor shared on March 21, 2025, the State Employee Benefits Committee voted to increase healthcare premiums by 4.2% in fiscal year 2026. The Univ of DE withdrew from the plan so there are fewer people.

9. PENSION ADMINISTRATOR'S REPORT:

S. Tatman thanked D. Taylor for thoroughly sharing current legislation. She added the increase in the death benefit to \$8,000 will add \$14 million unfunded liability and an increase to \$10,000 will add \$42 million for unfunded liability. J. Adams added that the unfunded pension liability would be amortized basically over five years unless the state prefunded it similar to the Post Retirement Increase Fund. Ultimately, it would increase the employer's cost.

S. Tatman shared the Pension Office is working on the ERP Modernization Project to transition to a new Pension Administration System, which will enhance the experience for retirees. For example, a retiree could log into the system and update tax withholdings or direct deposit information. A vendor has been selected and contract negotiations have begun. The timeline is four to five years. It takes significant effort to implement a new system.

C. Lister requested an update from the Board of Pension Trustees. S. Tatman shared the Board of Pension Trustees meet monthly. Jeffery Reeves was recently appointed to the Board on March 19, 2025. J. Adams shared the Governance Committee basically accomplished the majority of the items outlined in the report and the Board of Pension Trustees is in the process of rebuilding the committee and establishing the Governance Committee's role moving forward. S. Tatman shared the Retiree newsletter was released in February and a healthcare newsletter for retirees was released this month.

C. Lister requested the amount of the pension fund and the interest rate. J. Adams shared the discounted rate is 7% and it has not changed since approximately 2018. This amount seems to be the median. In the past, Delaware has been more conservative. In January and February, the fund was doing well with a return around 6%. March ended with a loss. April has been turbulent so far. The retirement system as a whole is focused on long term investment strategies that are designed to withstand episodic shocks. C. Lister asked the percentage of unfunded liability. J. Adams shared the pension plan is 88% funded.

10. ADJOURNMENT:

C. Lister motioned to adjourn the meeting at 2:17 p.m., seconded by J. Malloy. Motion carried.

Respectfully submitted,

Karen Crouse

Karen Crouse, 1st Vice Chair
Pension Advisory Council