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*Delaware Public Employees' Retirement System
State Employees' Pension Plan*



Retirement Planning

Presented by the State of Delaware Office of Pensions

Pension Contributions

- Deducted after first \$6,000 of earnings each calendar year
- First Hired Prior to 1/1/2012
 - 3% contribution
 - Correctional Officers – 5% contribution
- First Hired on or After 1/1/2012
 - 5% contribution
 - Correctional Officers – 7% contribution
- Employer Contributions
 - FY 2017 – 9.58% of salary

Retirement Eligibility – Unreduced Service Pension

- First Hired Prior to 1/1/2012
 - 30 years of pension credited service at any age
 - Age 60 with at least 15 years of pension credited service
 - Age 62 with at least 5 consecutive years of pension credited service
- Hired on or After 1/1/2012
 - 30 years of pension credited service at any age
 - Age 60 with at least 20 years of pension credited service
 - Age 65 with at least 10 years of pension credited service (5 years consecutive)

Retirement Eligibility For Correctional Officers

- 25 years of pension credited service (must have at least 5 years consecutive) regardless of age with a pension effective date on or after 1/1/2017
 - At least 20 years of pension credited service as Correctional Officer and classified with a Correctional Officer Job Code

Retirement Eligibility – Reduced Service/Age Pension

- 25 years of pension credited service at any age
OR
- Age 55 with at least 15 years of pension credited service
- First Hired Prior to 1/1/2012
 - Reduced 0.2% for each month short of 30 years
 - Reduced 0.2% for each month under Age 60
- Hired on or After 1/1/2012
 - Reduced 0.4% for each month short of 30 years
 - Reduced 0.4% for each month under Age 60

Retirement Eligibility – Vested Pension

- *First Hired Prior to 1/1/2012*
 - *Must have 5 consecutive years of pension credited service*
 - *Pension is effective first of the month following 62nd birthday*
- *Hired on or After 1/1/2012*
 - *Must have 10 years of pension credited service (5 years consecutive)*
 - *Pension is effective first of the month following 65th birthday*

Buy-In Options Upon Retirement

- Approved medical or personal leaves of absence
- Actuarial (Ex: Military, Other Governmental)
- Other Professional Educational Experience (OPEE)
- Sick Leave

Verification of Buy-In Options

- If you have rendered service outside the State of Delaware that is eligible for purchase (Actuarial and OPEE), investigate the benefit and cost of purchase prior to retirement
 - This service must be verified by the Office of Pensions prior to retirement
 - This process can be time consuming – start verification early
 - Verification forms are found on our website or by contacting the Office of Pensions directly
- If you have buy-in options based on your service with the State of Delaware (Leaves of Absence and Sick Leave), the Office of Pensions will verify eligibility at the time of retirement

Payment For Eligible Buy-In Options

- Payment for the purchase of an approved buy-in is calculated at the time of the employee's retirement
- Written notification will be mailed directly to the home address the month the retiree will receive their first pension benefit
 - Must be paid prior to issuance of first benefit
- Can be purchased one of three ways:
 - Deducted from first pension benefit if sufficient to cover the entire cost
 - Personal check
 - Rollover from a qualified tax-sheltered account
 - 401(A), 457(B), 403(B) (under certain circumstances), or an IRA

Payment for Leave Accruals

- You may be entitled to payment for sick and annual leave accruals
- Payment is made by your organization
- Contact your Human Resources or Payroll representative for entitlement, estimated payoff amount and date to expect payment

Calculating Your Estimated Pension Benefit

Visit www.delawarepensions.com

State of Delaware Office of Pensions

McArdle Building, 860 Silver Lake Blvd., Suite #1, Dover, DE 19904-2402

Toll Free: (800) 722-7300 • Local: (302) 739-4208 • Email: pensionoffice@state.de.us

What are you looking for?

Google™ Custom Search



**Do you have questions?
Please look through our FAQ section.**

Here you will find answers to frequently asked questions on Retiring, State Employee's Pension Plan and more.

[LEARN MORE](#)

At a Glance

Next payment date for Pensioners

September 30

[Complete payment date list](#)

[Pension Calculators](#)

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Calculating Your Estimated Pension Benefit

Click the applicable Plan

Calculators

Select an option below:

**State Employees
Pension Calculator**

**Correctional Officer
Pension Calculator**

**New State Police
Pension Calculator**

**Revised Judicial
Pension Calculator**

**Diamond State Port
Corporation**

**Delaware Volunteer Firemen
Pension Calculator**

**County and Municipal
(General)**

**County and Municipal
(Police/Firefighter)**

**Tax Withholdings
(Federal and State)**

1 ESTIMATED CREDITED SERVICE

Compute your estimated Monthly Pension:

(If you are thinking about early retirement use the top calculator **and** **then** use the bottom calculator)

Compute your estimated Tax Withholding:

[Tax Withholding Calculators](#)

Helpful Hint:

Do not use commas in the combined highest 3 year compensation field. For example, type 100000 instead of 100,000.

1	2	3	+
4	5	6	-
7	8	9	x
c	0	=	/
Click '=' will auto-fill Compensation Amount			

Please choose the nearest month or decimal in accordance with your State of Delaware service.

Prior to January 1, 1997 - Years Months

After December 31, 1996 - Years Months

COMBINED HIGHEST 3 YEAR COMPENSATION: \$

Your total creditable compensation is the total compensation paid to you during the three periods of 12 consecutive months during which your compensation was the highest.

COMPUTE **CLEAR**

2 YOUR MONTHLY EARNINGS PENSION INFORMATION

CALCULATIONS ARE ESTIMATED

Monthly Final Average Earnings	<input type="text" value="3496.15"/>	\$ 1623.09	\$ 1590.63	\$ 1574.40	\$ 1525.70
Calculation factor years of service prior 1/1/97	<input type="text" value="69.92"/>	estimated monthly pension 50% survivor option.	estimated monthly pension 66.67% survivor option.	estimated monthly pension 75% survivor option.	estimated monthly pension 100% survivor option.
Calculation factor years of service after 12/31/96	<input type="text" value="64.68"/>				
Credited number years of service prior Jan. 1, 1997	<input type="text" value="1.1667"/>				
Credited number years service after Dec. 31, 1996	<input type="text" value="23.8333"/>				

3 ADDITIONAL CALCULATORS

CALCULATIONS ARE ESTIMATED

NOTE: You must perform calculation in Step #1 first for the additional calculators to work properly.

IF EARLY RETIREMENT...		\$ 1428.32	\$ 1399.75	\$ 1385.47	\$ 1342.62
Enter number of months reduced then click 'COMPUTE'	<input type="text" value="60"/>	estimated monthly pension 50% survivor option.	estimated monthly pension 66.67% survivor option.	estimated monthly pension 75% survivor option.	estimated monthly pension 100% survivor option.
Your monthly reduction:	\$ <input type="text" value="194.77"/>				
			COMPUTE	CLEAR	

IF SICK LEAVE BUY-IN OPTION...

Enter total sick time hours- then click 'COMPUTE'

1500

Buy-in months available:

5

Estimated Buy-in cost:

\$ 874.04

Estimated Monthly Pension Increase:

\$ 26.95

Buy-in Hours Help Chart

IF ACTUARIAL BUY-IN (1 year Buy-in amount)...

Select Age at Retirement- then click 'COMPUTE'

50

Years of Service Prior to 1/1/1997

Years of Service After 12/31/1996

Monthly Pension Increased by buy-in option:

\$ 69.92

Buy-in Cost:

\$ 10488.46

Recoupment Period (No. of Years):

12.5000

\$

1650.04

estimated
monthly
pension
50%
survivor
option.

\$

1617.04

estimated
monthly
pension
66.67%
survivor
option.

\$

1600.54

estimated
monthly
pension
75%
survivor
option.

\$

1551.04

estimated
monthly
pension
100%
survivor
option.

COMPUTE

CLEAR

\$

1693.01

Estimated
Monthly
Pension if
electing
50%
survivor
option with
buy-in

\$

1659.15

Estimated
Monthly
Pension if
electing
66.67%
survivor
option with
buy-in

\$

1642.22

Estimated
Monthly
Pension if
electing
75%
survivor
option with
buy-in

\$

1591.43

Estimated
Monthly
Pension if
electing
100%
survivor
option with
buy-in

COMPUTE

CLEAR

Final Total of Estimated Pension Benefit

FINAL TOTAL

If any additional calculators were used:

UPDATED PENSION AMOUNT:

\$ 1525.19 \$ 1494.69 \$ 1479.43 \$ 1433.68

Estimated Monthly Pension if electing 50% survivor option	Estimated Monthly Pension if electing 66.67% survivor option	Estimated Monthly Pension if electing 75% survivor option	Estimated Monthly Pension if electing 100% survivor option
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Print a complete Estimate Summary based on the data input.

Who is an Eligible Survivor?

- A survivor is a person eligible to receive a monthly pension benefit at the time of the active member or pensioner's death
 - Spouse
 - Child/children under age 18, unmarried, and if between the ages of 18 and 22, a full-time student
 - Child permanently disabled as a result of a disability that began before the child attained age 18
 - Dependent parent(s)

Joint And Survivor Benefit

- Payable to an eligible survivor
- Election must be made
- One-time irrevocable
- Pensioner's benefit reduced for lifetime
 - 50% = No reduction
 - 66.67% = 2% reduction
 - 75% = 3% reduction
 - 100% = 6% reduction

Who is a Beneficiary?

- A beneficiary is named on the Member Actuarial Information form or the Contributory Designation/Change of Beneficiary form and receives a lump sum distribution of the balance of member paid pension contributions, plus interest, in the event that there is no eligible survivor at the time of the member's death

Burial Benefit

- \$7,000 benefit
- No cost to pensioner
- Beneficiary(ies) designation
- Payment is taxable

Health Insurance

- All plans coupled with prescription plan coverage (except Special Medicfill non-prescription coverage option)
 - Changes in coverage once a year during the open enrollment period in May, changes are effective July 1st
 - Medicare–eligible members’ open enrollment period occurs in October, changes are effective January 1st
- Life changing event – changes must be done within 30 days of the event
- Current Double State Share members will pay a \$25 monthly charge for each non-Medicare supplemental contract

Health Insurance

- Health benefits are available with the “State Share” paid by the State of Delaware for members:
 - First hired prior to 7/1/1991
 - Disability Pensioners
 - Members on Long Term Disability

Health Insurance

- For members first hired on or after 7/1/1991 through 12/31/06, the following portion of the “State Share” will be paid by the State of Delaware:
 - Less than 10 years of credited service 0%
 - 10 years – 14 years 11 months 50%
 - 15 years – 19 years 11 months 75%
 - At least 20 years 100%

Health Insurance

- For members first hired on or after 1/1/07, the following portion of the “State Share” will be paid by the State of Delaware:
 - Less than 15 years of credited service 0%
 - 15 years – 17 years 5 months 50%
 - 17 years 6 months – 19 years 11 months 75%
 - At least 20 years 100%

Medicare Coverage

- Medicare becomes primary health insurance through Social Security (SS) when an individual attains age 65 or SS determines eligibility
 - Medicare Part A
 - Hospital
 - Required to enroll upon eligibility
 - Medicare Part B
 - Medical (doctors, supplies, etc.)
 - Not required until retirement or no longer have active employer coverage
 - Medicare Part D
 - Prescriptions
 - If enrolled in State Supplement plan with prescription option, includes Enhanced Part D program

Dental & Vision Insurance

- Same Plans (Merit System)
- Changes in coverage
- Automatic payroll deduction

Blood Bank

- Same for retirees as active State employees

Securian Insurance

- Available to eligible active members who want to maintain Group Universal Life (GUL) after retirement
- Premiums must be paid directly to Securian

Direct Deposit

- Mandatory for pension benefits
- Deposited on the last business day of each month

Taxes

- Pension benefit is taxable by the Federal Government
- May or may not be taxable in the State where the retiree maintains permanent residence
- Form 1099-R

Payment Of First Pension Benefit

- Lag Payroll – Lag Pension
- Pension benefits are calculated after the receipt of your final pay from your organization
- Online pay advices

Working After Retirement

- Only applies if considering employment with an organization participating in the State Employees' Pension Plan
- Per Delaware statute and IRS guidelines
 - If under age 65 – must have a bona fide separation of at least six months
 - If over age 65 – a bona fide separation is not required
- **EITHER OF THE ABOVE AND**
 - Must be in a non-pension covered position
- Earnings limit \$30,000 – Monthly pension offset \$1 for every \$2 earned over the limit

Post-Retirement Increases (PRI)

- A PRI is a pension increase received after retirement
- Granted upon Legislative approval

So....Ready For Retirement?

- Written notification to supervisor and Human Resources four months prior to retirement
- Human Resources
 - Validates eligibility to retire
 - Prepares pension application
 - Verifies pension creditable service
 - Submits application to Office of Pensions for acceptance
 - Schedules appointment with member to complete the pension packet
- Member
 - Gathers personal documents needed for self, spouse and eligible dependent(s) as applicable

After You Retire

The Office of Pensions maintains pensioner records

- Updates must be in writing
 - Name
 - Address
 - Other personal information
- Available to answer questions or concerns

Estimate

- The estimate you are about to receive is conservative. If your compensation is higher than this estimate at retirement, your monthly benefit and any buy-in options will also be higher
- If the service on your estimate is inaccurate, please contact your human resources representative and ask to have a creditable service schedule (form CSE) completed to verify your pension creditable service

ESTIMATED PENSION BENEFIT CALCULATION

NAME: Joe Pensioner

Emplid: 123456
Pension Type: Reduced Service

Estimated Retirement Date: 7/1/2018

		Monthly Benefit, without a reduction, to provide a 50% Surv. Pension*	Buy-In Cost	Recoupment (in years)
OPTION 1 - State Service	25 years 00 mos 00 days	\$1,750.83		
OPTION 2 - Sick Leave	25 years 03 mos 00 days	\$1,779.84	\$625.00	1.8
OPTION 3 - Leave of Absence	25 years 06 mos 00 days	\$1,811.87	\$3,430.00	4.68
OPTION 4 - Actuarial	26 years 00 mos 00 days	\$1,873.92	\$17,601.87	11.92

***Joint Survivor Benefit Option Reductions**

0% for 50% survivor's pension

2% for 66.67% survivor's pension

3% for 75% survivor's pension

6% for 100% survivor's pension

PREPARED BY: MK

DATE: 5/18/2016

Visit our website at www.delawarepensions.com

DISCLAIMER: This statement represents only an estimate of credited service and potential benefits. None of the information in this estimate has been verified and the Office of Pensions of the State of Delaware makes no representation or warranty, express or implied, as to the accuracy or completeness

Disclaimer

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Contact the Office of Pensions

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