

STATE EMPLOYEES' PENSION PLAN RETIREMENT OVERVIEW

The State Employees' Pension Plan (Plan) is provided by **29 Del. C. c. 55**, as amended.

The following are some highlights and general information of the Plan:

PENSION ELIGIBILITY

❖ Initially hired prior to January 1, 2012 ❖

Service

1. Five (5) years pension credited service (must have five (5) consecutive) and has attained age 62; or,
2. Fifteen (15) years of pension credited service (must have five (5) consecutive) and has attained age 60; or,
3. Thirty (30) years of pension credited service (must have five (5) consecutive) regardless of age; or,
4. A Correctional Officer with twenty-five (25) years of pension credited service (must have five (5) consecutive), regardless of age, with a pension effective date on or after 1/1/2017; and, with at least twenty (20) years of pension credited service as a Correctional Officer as defined under 29 Del. C.c.55.

Vested Service

1. Five (5) years pension credited service (must have five (5) consecutive) and has attained age 62; or,
2. Twenty (20) years of pension credited service (must have five (5) consecutive), which includes service prior to July 1, 1976, and has attained age 60.

Reduced Service/Age

1. Fifteen (15) years of pension credited service (must have five (5) consecutive) and has attained age 55; with pension benefit reduced by 0.2% for each month the member is under age 60; or,
2. Twenty-five (25) years of pension credited service (must have five (5) consecutive), at any age; with pension benefit reduced by 0.2% for each month the member has less than 30 years of pension credited service.

❖ Initially hired on or after January 1, 2012 ❖

Service

1. Ten (10) years pension credited service (must have five (5) consecutive) and has attained age 65; or,
2. Twenty (20) years of pension credited service (must have five (5) consecutive) and has attained age 60; or,
3. Thirty (30) years of pension credited service (must have five (5) consecutive) regardless of age; or,
4. A Correctional Officer with twenty-five (25) years of pension credited service (must have five (5) consecutive), regardless of age, with a pension effective date on or after 1/1/2017; and, with at least twenty (20) years of pension credited service as a Correctional Officer as defined under 29 Del. C.c.55.

Vested Service

1. Ten (10) years pension credited service (must have five (5) consecutive) and has attained age 65.

Reduced Service/Age

1. Fifteen (15) years of pension credited service (must have five (5) consecutive) and has attained age 55; Pension benefit reduced by 0.4% for each month the member is under age 60; or,
2. Twenty-five (25) years of pension credited service (must have five (5) consecutive), at any age; Pension benefit reduced by 0.4% for each month the member has less than 30 years pension credited service.

❖ Other Types of Pensions For All Members ❖

Disability Pension

(For members not eligible for the Disability Insurance Program (DIP))

1. Five (5) years of consecutive pension credited service (does not include the three (3) months of Disability Preparation Period); and,

A physical or mental disability which prevents the member from performing the duties of his/her current position; and,

2. The disability must be expected to last for at least ninety (90) consecutive days.

Survivor

1. Upon the death of an active member who has five (5) consecutive years of pension credited service, a monthly survivor's pension shall be payable to the eligible survivor(s) at the time of the member's death equal to 75% of the service pension the member would have been eligible to receive.
2. For retirements effective on or after January 1, 2015, survivor benefit options*:

No reduction to member's pension = 50% survivor's pension
2% reduction to member's pension = 66.67% survivor's pension
3% reduction to member's pension = 75% survivor's pension
6% reduction to member's pension = 100% survivor's pension

*This election is irrevocable and must be made prior to the issuance of the first pension direct deposit.

3. If a former employee dies while not in active service and is vested, the eligible survivor(s) will be paid a survivor's pension, beginning with the month that the former employee would have been eligible to receive a pension. The amount of the pension will be one-half (50%) of the service pension the employee would have been eligible to receive.

The eligible survivor is determined at the time of the member's death. An eligible survivor's order of priority** as established by law, determines who may be entitled to a survivor's benefit:

- 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)

**Priority may be changed by filing a notarized Survivor Order of Priority (SOP-1) form.

The amount payable to a surviving spouse who has not attained age 50 at the time the survivor's pension begins, shall be actuarially reduced for each month the survivor is under age 50 in accordance with actuarial tables approved by the Board of Pension Trustees. However, the actuarial reduction for any such surviving spouse shall not apply for the period during which such surviving spouse has in his or her care an unmarried child(ren).

Additional Service (if applicable)

Long Term Disability

Period(s) of Long Term Disability (LTD) will be included in the calculation of pension credited service at the time of retirement.

Unified Service

Credited service with the State Employees' Pension Plan may be used to determine pension eligibility for the New State Police, Judicial, County and Municipal Police/Firefighters or County and Municipal General Employees' Pension Plans if pension credited service in these plans exists.

Buy-In Options

Buy-In Options allow pension applicants to purchase additional service credit based on specifically allowed prior employment classifications. Purchased service credit cannot be used to meet retirement eligibility.

1. Approved medical or personal leave(s) of absence
2. Sick Leave
3. Other Professional Educational Employment (OPEE)*
(Initially hired with State of Delaware prior to July 1, 1976)
4. Actuarial*
 - Military service
 - Other governmental service

*Buy-in options must be approved and/or verified by the Office of Pensions prior to retirement.

Preparing for Retirement

The Office of Pensions may be contacted at any time for information, advice and/or pension estimates. Please call (302) 739-4208 or 1-800-722-7300 or visit our website, www.delawarepensions.com.

The most recent employing organization is responsible for the preparation of the pension application and related forms, having the Application for Pension and other forms signed and notarized before submitting the paperwork to the Office of Pensions. We suggest the applicant contact their Human Resources Office at least four (4) months before the effective date of retirement to begin the application process.

Required Personal Documents

The member is responsible for obtaining and submitting the following personal documents to his/her most recent employing organization:

- Birth Document(s), Marriage Document(s), Death Certificate(s) and Divorce Decree(s), as applicable
A federally compliant driver's license or a federally compliant identification card may be used in lieu of the birth certificate or name change document.
- Social Security Card (signed) of member, spouse and eligible dependent(s).
- Medicare Card showing Parts A and B coverage for member, spouse and dependent(s) who are enrolled in Medicare. Medicare card must be signed.

Additional documents may be required depending on individual cases.

Pensioner Benefits and Required Forms

Joint and Survivor Benefit (JSB)

- No reduction to member's pension = 50% survivor's pension
- 2% reduction to member's pension = 66.67% survivor's pension
- 3% reduction to member's pension = 75% survivor's pension
- 6% reduction to member's pension = 100% survivor's pension

*This election is irrevocable and must be made prior to the issuance of the first pension direct deposit.

Burial Benefits (GL)

Each pensioner is eligible to name a beneficiary to receive a \$7,000 taxable burial benefit at the time of their death. This is available at no cost to the pensioner.

The Burial Benefit Designation/Change of Beneficiary form (GL) requires the date of birth, address and Social Security number of the person(s) designated. The designated beneficiary(ies) can be changed at any time by completing and submitting a new GL form. This form must be completed in its entirety; properly signed, dated, and notarized in order to be valid. The pensioner may choose to designate a funeral home as a named beneficiary.

Health Insurance (including prescription coverage)

Health insurance is available with 100% of the "State Share" being paid by the State of Delaware for members first hired prior to July 1, 1991, Long Term Disability (LTD) recipients and disability pensioners.

For members first hired on or after July 1, 1991, the following portion of the “State Share” will be paid by the State of Delaware:

Less than 10 years	0%
10 years - 14 years 11 months	50%
15 years - 19 years 11 months	75%
20 years or more	100%

For members first hired on or after January 1, 2007, the following portion of the “State Share” will be paid by the State of Delaware:

Less than 15 years	0%
15 years -17 years 5 months	50%
17 years 6 months - 19 years 11 months	75%
20 years or more	100%

The same health insurance plans and coverage elections available to active employees are available to a pensioner. However, Medicare eligible pensioners, spouses and/or eligible dependent(s) are required to enroll in Medicare Parts A and B as primary. The Office of Pensions offers Special Medicfill coverage as secondary, which is the supplement to Medicare.

Dental Insurance

Dental insurance is available upon retirement. The pensioner is responsible for the full cost of the monthly premium. The pensioner may select Individual, Individual and Spouse, Individual and Child(ren) or Family coverage.

Vision Insurance

Vision insurance is available upon retirement. The pensioner is responsible for the full cost of the monthly premium. The pensioner may select Individual, Individual and Spouse, Individual and Child(ren) or Family coverage.

Blood Bank

Membership is available, upon retirement, at no cost to the pensioner.

Direct Deposit (DA)

Direct deposit of the monthly benefit to a checking, savings or other account is required. Submit a Pensioner’s DA form to provide account information.

Tax Withholding Election (TWE)

Generally, pension benefits are taxable. Year-end tax forms are mailed prior to January 31 and report the total amount of pension benefit paid, taxes withheld and other items. Tax withholding options may be changed by filling out a TWE form.

Tax withholding options are:

- No taxes withheld; pensioner is responsible at the end of the year if taxes are owed.
- File as married or single with a number of exemptions claimed.
- Flat dollar amount.

State taxes can only be withheld for the State of Delaware. Pensioners living outside of Delaware should seek tax advice to meet their local tax requirements.

DISCLAIMER: IN THE CASE OF CONFLICT BETWEEN THIS SUMMARY AND THE PLAN, THE PLAN PREVAILS.