

*Delaware Public Employees' Retirement System  
County & Municipal Police/Firefighters Pension Plan*

# Retirement Planning



*Presented by the State of Delaware Office of Pensions*

# *Current Statistics* (as of 6/30/18)

- 34,279 Retirees (including terminated vested) from all nine plans
  - 217 from CM Police/Firefighters' Pension Plan
- 44,641 Active Members in all nine plans
  - 1,228 in CM Police/Firefighters' Pension Plan
- Over \$10.1 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool made of three entities)
  - Assets of \$367.5 million in CM Police/Firefighters' Pension Plan
  - 94.1% funding ratio for CM Police/Firefighters' Pension Plan

# *Pension Contributions*

- 7% of base pay
- Employer Contributions
  - FY 2019 – 16.68%

# *Retirement Eligibility – Service Pension*

- 20 years of credited service
- 5 consecutive years of credited service and retired under provisions of §8811 mandatory retirement established by employer
- Age plus credited service (but not less than 10 years) equals 75
- Age 62 with 5 consecutive years of credited service

# *Retirement Eligibility – Vested Pension*

- Must have 5 consecutive years of credited service
- Pension is effective first of the month following 62nd birthday

# *Unified Pension*

May combine service in the following Pension Plans with service in the County & Municipal Police & Firefighters provided not collecting a monthly pension from them

- County & Municipal General Employees'
- State Employees'
- New State Police

# *Disability Pension Eligibility*

- Duty Connected – Immediate
  - A disability resulting from an act which would normally occur only while employed as a police officer (e.g. high-speed chase, effecting an arrest, pursuing a suspect, patrolling [criminal or traffic], etc.)
- Non-Duty Connected – 5 years credited service
- Condition expected to last for at least 12 months

# *Amount of Disability Pension - Duty*

- Total - 75% of final average monthly compensation plus 10% for each dependent not to exceed 25% for all dependents
- Partial - calculated the same as Service Pension subject to minimum 50% of final average monthly compensation



# *Amount of Disability Pension – Non-Duty*

- Total - calculated the same as Service Pension subject to minimum 50% of final average monthly compensation plus 5% for each dependent not to exceed 20% for all dependents
- Partial - calculated the same as Service Pension subject to a minimum of 30% of final average monthly compensation

# *Buy-In Options Upon Retirement*

- Actuarial – Full-time Uniformed Police Service
- Can be used to establish eligibility

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

# *Amount of Service Pension*

- Service up to and including 20 years
  - Multiplied by 2.5% of final average monthly compensation
- Service above and beyond 20 years
  - Multiplied by 3.5% of final average monthly compensation

Final average monthly compensation: The monthly average of the highest 36 consecutive months of compensation (excluding overtime and special pay for extra duties)

# *Who is an Eligible Survivor?*

A survivor is a person eligible to receive a monthly pension 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 parents

# *Amount of Survivor Pension*

- Death of an active member = 75% of the service pension the member would have been eligible to receive
- Death of an active member in the line of duty = 75% of the member's monthly average compensation
- Death of a retired member = 50%, 66.67%, 75%, or 100% of service or disability pension according to election at time of retirement

# *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.

# *Calculating Your Estimated Monthly Pension*

*Visit [www.delawarepensions.com](http://www.delawarepensions.com)*



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# *Calculating Your Estimated Monthly Pension*

**Benefits Calculator**

Select an option below:

State Employees Pension Calculator	Correctional/Specified Peace 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)



# Estimated Credited Service

## County Municipal (Police/Firefighter) Calculator

### 1 ESTIMATED CREDITED SERVICE

#### Compute your estimated monthly pension:

Your pension amount is primarily based on your years of credited service and your Final Average Compensation\*.

#### Amount of Ordinary Service Compensation:

Your *monthly pension* is the sum of 2.5% of your Final Average Compensation multiplied by up to 20 years of credited service under the County Municipal (Police/Firefighter) Plan inclusive, **plus** 3.5% of your Final Average Compensation multiplied by all years of service exceeding 20 under the County Municipal (Police/Firefighter) Plan.

#### Helpful Hint:

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

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

Enter your credited service up to and including 20 years: Years  Months

Enter the additional credited service above and beyond 20. Years  Months

COMBINED HIGHEST 3 YEAR COMPENSATION: \$

mini-calculator

1	2	3	+
4	5	6	-
7	8	9	x
c	0	=	/

Click '=' will auto-fill Compensation Amount

# Monthly Estimated Pension

## 2 YOUR MONTHLY EARNINGS PENSION INFORMATION

CALCULATIONS ARE ESTIMATED

		\$	\$	\$	\$
Monthly Final Average Earnings	4714.97	3182.60	3118.95	3087.12	2991.65
Calculation factor (Average Monthly Compensation x 2.5%) for your first 20 years of credited service	117.87	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.
Calculation factor (Average Monthly Compensation x 3.5%) for your first years of credited service beyond 20	165.02				
Credited number years of service 20 years or below	20.0000				
Credited number years of service above and beyond 20	5.0000				

\* Your Final Average Compensation shall mean 1/36 of the compensation paid to an employee during any period of 36 consecutive months for services rendered during those 36 months, in the years of credited service in which the compensation was highest. The pension is calculated based on the highest 36 consecutive months.

# Actuarial Buy In

<p><b>IF ACTUARIAL BUY-IN</b> (1 year Buy-in amount)...</p> <hr/> <p>Select Age at Retirement- then click 'COMPUTE'</p> <p>50 <input type="button" value="v"/></p> <p><input checked="" type="radio"/> <b>Calculate with After Years of Service</b> (Select before clicking COMPUTE)</p> <p>Monthly pension Increased by buy-in option: \$ <input type="text" value="165.02"/></p> <p>Buy-in Cost: \$ <input type="text" value="24753.57"/></p> <p>Recoupment Period (No. of Years): <input type="text" value="12.5000"/></p>		<p>\$</p> <p><input type="text" value="3347.63"/></p> <p><b>Estimated</b> monthly pension if electing <b>50%</b> survivor option with buy-in</p>	<p>\$</p> <p><input type="text" value="3280.67"/></p> <p><b>Estimated</b> monthly pension if electing <b>66.67%</b> survivor option with buy-in</p>	<p>\$</p> <p><input type="text" value="3247.20"/></p> <p><b>Estimated</b> monthly pension if electing <b>75%</b> survivor option with buy-in</p>	<p>\$</p> <p><input type="text" value="3146.77"/></p> <p><b>Estimated</b> monthly pension if electing <b>100%</b> survivor option with buy-in</p>
		<p><input type="button" value="COMPUTE"/> <input type="button" value="CLEAR"/></p>			
<p>Print a complete Estimate Summary based on the data input.</p>					

# *Health Insurance*

- Eligible to participate in the group health insurance plans offered by the State of Delaware
- An offset to the member's cost of healthcare for retirements effective on or after 7/1/2015
- A member eligible for a vested pension in another plan OR receiving a pension in another plan may be eligible for a portion of the State Share paid by the State

# *Health Insurance*

- All plans are coupled with prescription plan coverage (except special Medicfill non-prescription coverage option)
  - Changes in coverage once a year during open enrollment in May, changes are effective July 1<sup>st</sup>
  - Medicare–eligible members’ open enrollment period occurs in October; changes effective January 1<sup>st</sup>
- Life changing event – changes must be done within 30 days of the event

# *Medicare Coverage*

- Medicare Part A and Part B enrollment is required for pensioners and their eligible insured dependents when they attain Medicare eligibility either due to disability or age 65.
- If Medicare eligibility was reached and enrollment was delayed while covered under employer health benefits, Medicare eligible individual(s) must apply for Medicare Part A and Part B when retiring. We recommend applying for Medicare Part A and Part B at least 2-3 months prior to the chosen retirement date.

# *Medicare Coverage* (continued)

- Medicare Part A – Hospital
- Medicare Part B - Medical (doctors, supplies, etc.)
- Medicare enrollment is maintained through the Social Security Administration (SSA). Must pay all required monthly Medicare premiums to the SSA. All questions regarding cost for Part B must be directed to the SSA.
- Medicare Part D – Prescriptions
- The Special Medicfill plan is offered with or without prescription coverage. Prescription coverage includes a qualified and enhanced Part D prescription plan with Express Scripts. An individual can only have one Part D enrollment, Tricare coverage is the exception
- Enrollment in a Medicare Advantage plan is not compatible with the Special Medicfill Plan and enrollment in both is not permitted

# *Dental Insurance*

- Plans Available at Retirement
- Life Changing Event – Changes must be done within 30 days of the event
- Automatic payroll deduction



# *Direct Deposit*

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

# *Taxes*

- Monthly pension 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 Monthly Pension*

- Your first Pension Check will be on a 1 month lag
  - Retire June 1st your will receive your first check July 31st
  - Double Pay
  - Double Deductions
- Monthly pension is calculated after the receipt of your final pay from your Organization
- Online pay advices
- Post Retirement Increase (PRI)
  - A PRI is a pension increase received after retirement
  - Granted upon Legislative approval
  - 1% was given 1/1/2015

# *Working After Retirement*

An individual shall not receive a service or disability pension under this chapter for any month during which the individual is an employee as defined in § 8801 of this title, unless:

- (1) The individual is a police officer who has retired from 1 county or municipal employer and has been appointed by the executive branch and confirmed by the legislative branch of a different county or municipal employer participating in the County Municipal Police/Firefighter Pension Plan; or
- (2) The individual is a temporary employee whose earnings from such employment do not exceed the maximum allowed by Social Security without affecting Social Security benefits; and
- (3) The individual's employment under paragraphs (1) and (2) of this section is not pension creditable service time and may not be used to earn any retirement benefits in the Delaware County and Municipal Police/Firefighter Pension Plan.

# *So...Ready for Retirement?*

- Written notification to supervisor or Human Resources four months prior to retirement
- Human Resources
  - Prepares pension application and submits to Office of Pensions for acceptance
  - Schedules appointment with member to complete the pension packet
- Member
  - Gathers required personal documents needed for self, spouse and eligible dependent(s) as applicable
  - Birth Verification
  - Signed Social Security Card
  - Marriage Verification
  - Divorce Verification
  - Signed Medicare Cards if applicable

# *After You Retire*

- The Office of Pensions maintains pensioner records
- Updates must be in writing
  - Name
  - Address
  - Other personal information
    - Please note if you update your information on your Single Sign On account you must still submit your updates in writing
- Available to answer questions or concerns

# *Contact the Office of Pensions*

- Website: [www.delawarepensions.com](http://www.delawarepensions.com)
- Email address: [Open\\_Manual\\_Loads\\_Help@Delaware.gov](mailto:Open_Manual_Loads_Help@Delaware.gov)
  - Phone: (302) 739-4208
  - Toll free: (800) 722-7300
  - Fax: (302) 739-6129
- Office Address: McArdle Building  
860 Silver Lake Blvd, Ste. 1  
Dover, DE 19904-2402

