# Delaware Public Employees' Retirement System Judicial Pension Plan

# Retirement Planning



Presented by the State of Delaware Office of Pensions

## Statistics (as of 6/30/20)

- 36,768 Retirees (including terminated vested) from all nine plans
  - 52 from Judicial Pension Plan (JUD)
- 44,992 Active Members in all nine plans
  - 59 in Judicial Pension Plan (JUD)
- Over \$10.8 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 up of three entities)
  - Assets of \$91.3 million in JUD
  - Approximately 110.06% funding ratio for JUD

### Pension Contributions

- Member Contributions
  - Deducted after first \$6,000 of earnings each calendar year
  - 3% contribution
  - Deducted in excess of annual Social Security wage base
  - 2% of wages (5%)
- Employer Contributions
  - FY 2020 18.90% of salary

## Retirement Eligibility - Service & Disability Pension

• Age 62 with 12 years of pension credited service

- 24 years as a judge
  - Capped at 24 years of pension credited service

## Retirement Eligibility - Vested Pension

• Must have 12 years of service as a judge

• Pension is effective first of the month following 62nd birthday

## Who is an Eligible Survivor?

A <u>survivor</u> 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 parent(s)

## Joint And Survivor Benefit

- Death of an active member = 2/3 of the benefit the employee would receive at the age of 62
- Pensioner's monthly pension reduced for lifetime
  - 50% = No reduction
  - 66.67% = 2% reduction
  - 75% = 3% reduction
  - 100% = 6% reduction

## Who is a Beneficiary?

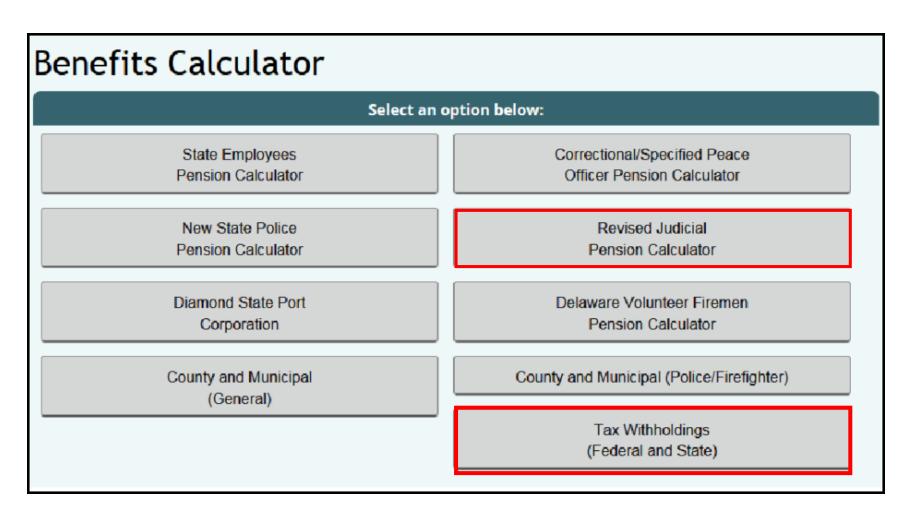
• A <u>beneficiary</u> is named on the Member Actuarial Information form or the Contributory Designation/Change of Beneficiary form and receives a lump sum distribution of the balance of member paid pension contributions, plus interest, in the event there is no eligible survivor at the time of the member's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

## Calculating Your Estimated Monthly Pension

Visit www.delawarepensions.com



## Calculating Your Estimated Monthly Pension



### Estimated Credited Service

#### Revised Judicial Calulator



#### **ESTIMATED CREDITED SERVICE**

Compute your estimated monthly pension:

if you were appointed on or after July 1, 1980, use this calculator if you were appointed before July 1, 1980, click here and use the calculator on the next page.

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.

#### **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 12 years:

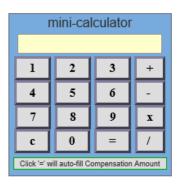
Years 12 ∨ Months 0.0 months = .0000 ∨

Enter the additional credited service above and beyond 12, but not to exceed 24 total years.

Years 8 Months 0.0 months = .0000

COMBINED HIGHEST 3 YEAR COMPENSATION: \$ 583624.08





## Monthly Estimated Pension

2 YOUR MONTHLY EARNINGS PENSION INFORMATION CALCULATIONS ARE ESTIMATED					
Monthly Final Average Earnings	16211.78	\$ 10807.85	\$ 10591.70	\$ 10483.62	\$ 10159.38
This is your calculation factor for your first 12 years of service (1/24 of monthly Final Average Earnings)	675.49	estimated	estimated	estimated	estimated
This is your calculation factor for any and all years of service above 12 and not greater than 24 (1/48 of monthly Final Average Earnings)	337.75	monthly pension if electing	monthly pension if electing	monthly pension if electing	monthly pension if electing
This is your credited number of years of service up to 12	12.0000	50% survivor	66.67%	75% survivor	100% survivor
This is your credited number of years of service above 12	8.0000	option.	survivor option.	option.	option.

\* Your Final Average Compensation is the total compensation paid to you during the three periods of 12 consecutive months during which your compensation was the highest. This figure is divided by 36 to yield your Average Monthly Compensation

Print a complete Estimate Summary based on the data input.

- All plans coupled with prescription plan coverage (except Special Medicfill non-prescription coverage option)
  - Changes in coverage occur once a year during the open enrollment period 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
- If eligible for double state share please visit for premium information <a href="https://dhr.delaware.gov/benefits/dss/index.shtml">https://dhr.delaware.gov/benefits/dss/index.shtml</a>

• 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

• 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%

<ul> <li>At least 20 years</li> </ul>	100%
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• 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%

## Health Insurance Example

Highmark Delaware Comprehensive PPO Plan for Individual & Spouse Coverage July 1, 2018

Coverage	<b>Total Monthly Rate</b>	State Share	Pensioner Pays
Individual	\$793.86	\$688.68	\$105.18
<b>Individual &amp; Spouse</b>	\$1,647.23	\$1,429.08	\$218.26
Individual& Children	\$1,223.46	\$1,061.38	\$162.08
Family	\$2,059.40	\$1,786.54	\$272.86

- ➤ Hired on January 1, 1986 Retiring with 15 Years of Service
  - (\$1,429.08 \* 0%) \$218.26 = \$218.26 per month
- ➤ Hired January 1, 2003 Retiring with 15 Years of Service
  - (\$1,429.08 \* 25%) \$357.27 + \$218.26 = \$575.53 per month
- ➤ Hired January 1, 2007 Retiring with 15 Years of Service
  - (\$1,429.08 \* 50%) \$714.54 + \$218.26 = \$932.80 per month

## Medicare Coverage

- Medicare Part A and Part B enrollment is required for all pensioners and their eligible insured dependents when they attain Medicare eligibility either due to disability or age 65.
- Medicare Part A Federal Hospital insurance
- Medicare Part B Federal Medical insurance (doctors, supplies, etc.)
- 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.

<sup>\*</sup>Contact a Benefits Representative for further details

# Medicare Supplement – Special Medicfill Retired after July 1, 2012

Coverage	<b>Total Monthly Rate</b>	<b>State Share</b>	Pensioner Pays
Special Medicfill with Prescriptions	\$459.38	\$436.42	\$22.96
Special Medicfill withoutPrescriptions	\$260.44	\$247.44	\$13.00

- ➤ Hired on January 1, 1986 Retiring with 15 Years of Service (\$436.42 \* 0%) \$22.96 = \$22.96 per month
- ➤ Hired January 1, 2003 Retiring with 15 Years of Service (\$436.42 \* 25%) \$109.11 + \$22.96 = \$132.07 per month
- Hired January 1, 2007 Retiring with 15 Years of Service (\$436.42 \* 50%) \$218.21 + \$22.96 = \$241.17 per month

### Dental & Vision Insurance

Available at retirement

Automatic payroll deduction

## Active Member Benefits

- Securian Financial
  - Available to eligible active members who want to maintain Group Universal Life (GUL) after retirement
  - Premiums must be paid directly to Securian
- Flexible Spending Account (FSA)
  - Per IRS tax code there is no provision for retirees to participate
  - Benefit terminates the effective date of retirement or date of last FSA payroll deduction
- Deferred Comp Accounts
  - Final check is the last time you can contribute to this account

## 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 Monthly Pension

- Your first Pension Check will be on a 1 month lag
  - Retire June 1st you 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
  - \$400 one-time supplement November 2018

## So...Ready for Retirement?

- Written notification to Supervisor and Human Resources four months prior to retirement
- Please visit our Pathway to Retirement for further details on the Retirement Process
   <a href="https://open.omb.delaware.gov/Path-to-retirement.shtml">https://open.omb.delaware.gov/Path-to-retirement.shtml</a>
- 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
    - Medicare Card

## After You Retire

The Office of Pensions maintains pensioner records

- Updates must be in writing with signature
  - 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

The Office of Pensions maintains pensioner records

• Website: <u>www.delawarepensions.com</u>

• Email address: <u>Pensionoffice@Delaware.gov</u>

• 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