

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



Retirement Planning

Presented by the State of Delaware Office of Pensions

July 2015



Statistics (as of 6/30/14)

- 27,500 Retirees from all nine plans
 - 193 from New State Police Pension Plan (NSP)
- 43,996 Active Members in all nine plans
 - 697 in NSP
- \$9.2 billion + in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool)
 - Assets of \$375 million in the NSP
 - Over 99.6% funding ratio in the NSP



Pension Contributions

- 7% of base pay
- Employer Contributions
 - FY 2016 – 18.60%



Retirement Eligibility – Service Pension

- 20 years of credited service
- 10 years of credited service due to age (Age 55)
- Age plus credited service (but not less than 10 years) equals 75
- Age 62 with 10 years of credited service



Retirement Eligibility – Vested Pension

- Must have 10 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 New State Police provided not collecting a monthly pension from them
 - County & Municipal General Employees’
 - State Employees’
 - County & Municipal Police & Firefighters



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 a 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 a Service Pension subject to a minimum of 30% of final average monthly compensation.



Buy-In Option 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)

Calculating Your Estimated Monthly Pension

Visit www.delawarepensions.com



The screenshot shows the homepage of the Delaware Office of Pensions. The page features a navigation menu on the left, a search bar at the top right, and a main content area with a large banner for retirement workshops. The banner includes the text "RETIREMENT WORKSHOPS" and "VIEW OUR UPCOMING PRE-RETIREMENT WORKSHOP SCHEDULES" with a prominent yellow "LEARN MORE" button. The background of the banner shows a group of elderly people sitting at a table.

Pension Calculators 

Self Service Login 

The next payment date for pensioners will be: 
[Complete List](#)

Home

- About 
- News Room Archives
- Office Closings

Services

- Active Members 

Office of Pensions
for the State of Delaware

What are you looking for?
Google™ Custom Search 

Please fill out our [Customer Service Evaluation](#)

RETIREMENT WORKSHOPS

VIEW OUR UPCOMING PRE-RETIREMENT WORKSHOP SCHEDULES

[LEARN MORE](#)

Calculating Your Estimated Monthly Pension

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:

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 New State Police Plan inclusive, **plus** 3.5% of your Final Average Compensation multiplied by all years of service exceeding 20 under the New State Police Plan.

mini-calculator

60000 * 3

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

Click "=" will auto-fill Compensation Amount

Helpful Hint:

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

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: \$

COMPUTE **CLEAR**

2 YOUR MONTHLY EARNINGS PENSION INFORMATION

CALCULATIONS ARE ESTIMATED

		\$	\$	\$	\$
• Monthly Final Average Earnings	<input type="text" value="5000.00"/>	2675.00	2621.50	2594.75	2514.50
• Calculation factor (Average Monthly Compensation x 2.5%) for your first 20 years of credited service	<input type="text" value="125.00"/>	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 (Average Monthly Compensation x 3.5%) for your first years of credited service above & beyond 20	<input type="text" value="175.00"/>				
• Credited number years of service of credited service above and beyond 20	<input type="text" value="20.0000"/>				
• Credited number years service above and beyond 20	<input type="text" value="1.0000"/>				

3 ADDITIONAL CALCULATORS

CALCULATIONS ARE ESTIMATED

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

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

Select Age at Retirement- then click 'COMPUTE'

50 ▾

Calculate with Years of Service

Monthly pension Increased by buy-in option:

\$ 175.00

Buy-in Cost:

\$ 26250.00

Recoupment Period (No. of Years):

12.5000

\$	\$	\$	\$
2850.00	2793.00	2764.50	2679.00
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
COMPUTE		CLEAR	

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 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 = 50% monthly average compensation
- Death of an active member in the line of duty = 75% of 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



Joint And Survivor Benefit

- Payable to an eligible survivor
- Election must be made
- One-time irrevocable
- 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 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 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 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

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%

Example

Non-Medicare Rates Effective September 1, 2015			
	Total Monthly Rate	State Share	Pensioner Pays
Highmark Delaware First State Basic Plan			
Employee	\$645.74	\$619.88	\$25.86
Employee & Spouse	\$1,336.02	\$1,282.60	\$53.42
Employee & Child(ren)	\$981.60	\$942.34	\$39.26
Family	\$1,670.08	\$1,603.30	\$66.78

Member first hired on 10/16/1991 retiring with 14 years of pension creditable service

Chooses Employee coverage:

$\$619.88 \times 50\% = \$304.94 + \$25.86 = \330.80 per month



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 enroll in State Supplement plan, provides Enhanced Part D program



Dental & Vision Insurance

- Same Plans
- Changes in coverage
- Automatic payroll deduction



Blood Bank

- Same for retirees as it is to active State employees



Minnesota Life Insurance

- Available to active members who want to maintain Group Universal Life Insurance after retirement
- Premiums will be paid directly to Minnesota Life



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

- Lag Payroll – Lag Pension
- Monthly pension is 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 New State Police 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



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 or 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

Contact the Office of Pensions

- Website: www.delawarepensions.com
- Email address: Pensionoffice@state.de.us
 - 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

