

# Delaware Public Employees' Retirement System NEWSLETTER

Retiree Edition

Winter 2016

## TAX SEASON is APPROACHING! AFFORDABLE CARE ACT REPORTING Form 1095-B / Form 1095-C

In January 2016, IRS Form 1095-B will be mailed to retirees who are offered a State-provided health insurance plan for themselves and dependents. As part of the Affordable Care Act requirements, you will use this form when filing your 2015 federal tax return to verify the health coverage available to you.

If you retired from a State position during 2015, you may also receive IRS Form 1095-C to reflect your coverage for the part of the year you were employed.

Retirees and their covered dependents who are enrolled in Medicare as their primary insurance will not receive a form from the Pension System. Medicare Part A is a government-sponsored program that provides the minimum essential coverage. It is exempt from this new reporting.

The IRS continues to update its website as additional details are published. Check out [www.irs.gov/Affordable-Care-Act/Individuals-and-Families](http://www.irs.gov/Affordable-Care-Act/Individuals-and-Families). The Pension Office website will be updated in early January as we receive more information from the IRS on this new process: [www.delawarepensions.com](http://www.delawarepensions.com).

### ***Upcoming Pension Benefit Check Dates:***

Friday, January 29, 2016	Tuesday, May 31, 2016
Monday, February 29, 2016	Thursday, June 30, 2016
Thursday, March 31, 2016	Friday, July 29, 2016
Friday, April 29, 2016	

### **The Pension Office will be closed on the following dates:**

<b>New Years Day</b>	Friday, January 1
<b>Martin Luther King Jr. Day</b>	Monday, January 18
<b>Good Friday</b>	Friday, March 25
<b>Memorial Day</b>	Monday, May 30
<b>Independence Day</b>	Monday, July 4

## Telemedicine

Telemedicine is available under the State's **non-Medicare** Health Plans effective January 1, 2016. Physician consultations are performed for non-emergency medical issues via telephone or web (video). It is an affordable, convenient alternative to urgent care and emergency room visits.

For more information on telemedicine, visit the Statewide Benefits Office (SBO) website at [www.ben.omb.delaware.gov/medical](http://www.ben.omb.delaware.gov/medical) and select your health carrier, Highmark Delaware or Aetna.

## Retiree Mailings

Retiree tax statements will be mailed on or about January 25, 2016 to pensioners who received a benefit payment from the State of Delaware Office of Pensions during 2015. The type of form you receive depends upon the pension plan you are enrolled in and the type of payment you received. Some pensioners may receive multiple forms if, for example, they are retired from a State pension plan and also received a payment as the survivor or beneficiary of a deceased member.

Retiree Annual Statements will be mailed on or about January 25, 2016 to members receiving a pension benefit as of December 31, 2015. Please check your statements carefully and follow the directions for making any updates to your address, tax withholdings, or beneficiary designation.

In addition, please retain your Annual Statement to help you correctly identify your current health care coverage. This may be helpful to you when the annual open enrollment begins in May.



## OFFICE OF PENSIONS

State of Delaware Office of Pensions

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Toll Free Long Distance

**Telephone: (800) 722-7300**

E-mail Address: [pensionoffice@state.de.us](mailto:pensionoffice@state.de.us)

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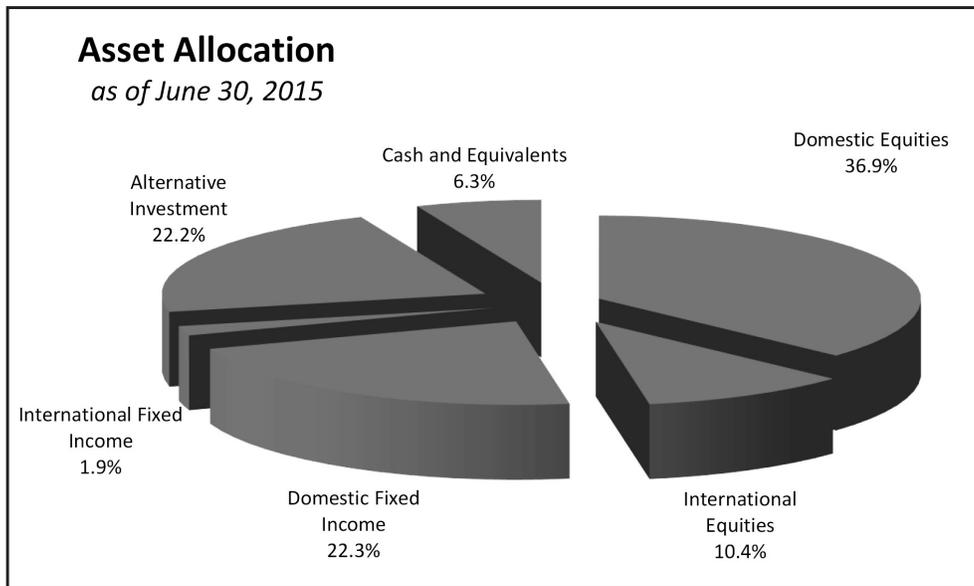
Telephone: **(302) 739-4208** Fax Number: **(302) 739-6129**

# Annual Financial Reporting

The System's investments had a 3.9% time-weighted rate of return in Fiscal Year 2015. The annualized total returns for the past five, ten, and fifteen years are 11.4%, 7.9%, and 6.4%, respectively. Relative to other large pension funds, the System's performance ranks in the top half of funds for the five-year period, and in the top ten percent for the ten-year period ending June 30, 2015.

Fiscal Year 2015 was expected to be a year when employment growth kicked in and economic growth finally returned to historical norms, causing interest rates to rise. The employment picture did brighten significantly, and leading indicators remained positive. However, at the close of the fiscal year, shorter term interest rates were unchanged at their near-zero levels due to very low inflation and concerns for global growth.

Despite weakness in the energy and materials sectors, corporate earnings continued to rise, led by health care and technology companies and a rebound within the banking sector. However, the overall rate of earnings growth was slower,



causing domestic stock markets to be less rewarding to investors than they have been in recent years. International markets returned mixed results, compounded by changes in currency valuations.

At the start of the new fiscal year, markets faced many risks. After six years of rising markets since the 2009 low, it would not be unusual for markets to go through a period of lower returns. In the face of these uncertainties, the System's Board of Trustees and Investment Committee

will continue to rely on the investment principles and risk management guidelines that have served the Pension System well in the past, and to do their best to execute a sound investment strategy for the benefit of the System's stakeholders.

As a member of a DPERS pension plan, you participate in a defined benefit plan and your retirement benefits are paid out to you regardless of market events. When you retired, DPERS calculated your monthly pension benefit based on various factors such as years of service and salary, not investment results. DPERS takes responsibility for the management and investment of the trust fund and understands that markets will fluctuate.

More detailed information will be provided in the DPERS 44th Comprehensive Annual Report available on our website at <http://delawarepensions.com/FinancialReports/AnnualFinancialReports.shtml>.