



Delaware Public Employees' Retirement System NEWSLETTER

Retiree Edition July 2005

POST RETIREMENT BENEFIT INCREASES EFFECTIVE JULY 1, 2005

Senate Bill 232 passed the first session of the 143rd General Assembly, which concluded on June 30, 2005, and has been signed by the Governor. It provides benefit enhancements for retirees whose effective date of retirement was prior to July 1, 2004.

Effective July 1, 2005, there will be a Post Retirement Increase for retired members of the State Employees', retired Judges, retired New State Police, and retired County & Municipal Police/Firefighters' plans whose effective dates of retirement were on or before June 30, 2004. This will be reflected in the monthly pension benefit payment received July 29, 2005, as follows:

Effective date prior to 1/1/1981 --
2% increase plus \$50 per month

Effective date 1/1/1981 through 6/30/2004 --
2% increase

The Closed State Police Post Retirement Increase is 2.6% and will be included in the July 29, 2005 benefit payment.

Your retirement plan is a defined benefit pension plan, which means retirement benefits are calculated based on your service time, salary, and other factors. During your employment, there were employee and employer contributions made into the pension fund. These contributions plus investment earnings fund the benefit that you receive over your lifetime plus continuing survivor benefits.

However, any post retirement increase you receive, as well as the applicable State share of premiums for any health care benefits that you select, are

funded as part of the State's budget process each year. Below are the contributions that the State has made on the behalf of the retirees over the past five years, together with estimated costs for FY2006.

| Fiscal Year | Post-Retirement Benefit Increases | Health Insurance Payments |
|-------------|-----------------------------------|---------------------------|
| 2006 (Est.) | \$ 37,700,000 | \$ 91,350,000 |
| 2005 | 35,602,000 | 84,488,000 |
| 2004 | 20,744,000 | 80,116,000 |
| 2003 | 18,092,000 | 66,399,000 |
| 2002 | 30,850,000 | 55,766,000 |
| 2001 | 29,591,000 | 47,863,000 |

.....

SUPPLEMENTAL BENEFITS

If you enrolled in one or all of the new Statewide Supplemental Benefit Plans, there will be one post-tax deduction from your pension benefit payment identified by the deduction code SUBPEN.

Enrollment is ongoing for:

- ♦ Auto/Home Insurance through Liberty Mutual
- ♦ Pet Insurance through PetCare
- ♦ Long Term Care Insurance through John Hancock (proof of insurability is required)

For information on how to enroll and to obtain detailed information on all State supplemental Benefit plans, please refer to:
www.delawarepensions.com.

.....

IMPORTANT INFORMATION ABOUT Medicare Part D and YOU

WHAT YOU NEED TO KNOW AS A STATE OF DELAWARE PENSIONER.....

- ◆ Medicare Part D program (which begins on January 1, 2006) is prescription coverage for Medicare beneficiaries (eligible and enrolled in Medicare as their primary coverage)
- ◆ Your prescription drug benefit through the State of Delaware (administered by Express Scripts) will remain the same in 2006, therefore,
- ◆ You **DO NOT HAVE TO ENROLL** in a Medicare Part D plan if you are covered by the State's prescription plan.
- ◆ If you are enrolled in Special Medicfill, BlueCare Carveout, or the Coventry Medwrap program, **YOU HAVE** the State's prescription plan.
- ◆ If you **DO ENROLL** in a Medicare Part D plan, you will have **NO** prescription coverage through the State of Delaware.

WHAT YOU CAN EXPECT OVER THE NEXT SEVERAL MONTHS.....

SEPTEMBER 2005

- ◆ Notice of Creditable Coverage - The federal government is requiring that employers who continue to offer prescription benefits that are equal to or greater in value than the Medicare Part D Standard Prescription Plan send a "Notice of Creditable Coverage" to their pensioners who are

Medicare beneficiaries. This notice identifies that the State's Prescription Program is at least equal to or greater coverage than the Medicare Part D Program.

- ◆ Educational Seminars for State Pensioners - Representatives from the Statewide Benefits Office, State Pension Office, and Centers for Medicare and Medicaid (CMS) will conduct an educational seminar in each county to respond to questions of State Pensioners about the new Medicare Part D program.

OCTOBER 2005

- ◆ The Prescription Drug Plans (PDP) approved by the CMS will begin marketing their programs to **YOU**. As a Medicare beneficiary, you will begin receiving numerous mailings at your home. You **DO NOT** have to enroll in any of these programs this year as the State of Delaware will continue to provide the same prescription coverage through Express Scripts.

NOVEMBER 15, 2005 - MAY 15, 2006

- ◆ The initial first time Open Enrollment period for Medicare Part D.

JANUARY 1, 2006

- ◆ The coverage effective date for Medicare Part D. If you enroll after January 1, 2006, your Medicare Part D prescription coverage will begin on the 1st of the month following your application for Medicare Part D.

If you have any questions, you may call the Statewide Benefits Office at (302) 739-8331 or the Pension Office at 1-800-733-7200.

PENSION CHECKS AND DIRECT DEPOSIT ADVICES are mailed the day before the last working day of each month. Accordingly, pension check write dates for the balance of 2005 will be as follows:



Friday, July 29, 2005
 Wednesday, August 31, 2005
 Friday, September 30, 2005
 Monday, October 31, 2005
 Wednesday, November 30, 2005
 Friday, December 23, 2005

The Pension Office will be **CLOSED** on the following dates:

LABOR DAY -- Monday, September 5, 2005
 COLUMBUS DAY -- Monday, October 10, 2005
 VETERAN'S DAY -- Friday, November 11, 2005
 THANKSGIVING HOLIDAY --
 Thursday, November 24 and
 Friday, November 25, 2005
 CHRISTMAS HOLIDAY --
 Monday, December 26, 2005
 NEW YEAR'S HOLIDAY --
 Monday, January 2, 2006

