

*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 6/30/16)

- 30,072 Retirees from all nine plans
  - 154 from CM Police/Firefighters' Pension Plan
- 44,620 Active Members in all nine plans
  - 1,202 in CM Police/Firefighters' Pension Plan
- Over \$8.8 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool)
  - Assets of \$284 million in CM Police/Firefighters' Pension Plan
  - Defined Benefit Plan
  - 100% funding ratio for CM Police/Firefighters' Pension Plan

# *Pension Contributions*

- 7% of base pay
- Employer Contributions
  - FY 2017 – 13.77%

## *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 compensation (excluding overtime and special pay for extra duties)

# Calculating Your Estimated Monthly Pension

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

### State of Delaware Office of Pensions

McArdle Building, 860 Silver Lake Blvd., Suite #1, Dover, DE 19904-2402

Toll Free: (800) 722-7300 • Local: (302) 739-4208 • Email: [pensionoffice@state.de.us](mailto:pensionoffice@state.de.us)

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Here you will find answers to frequently asked questions on Retiring, State Employee's Pension Plan and more.

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# *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 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.

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

Click '=' will auto-fill Compensation Amount

**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: \$

Your total creditable compensation is the total compensation paid to you during any period of 36 consecutive months during which your compensation was highest.

COMPUTE

CLEAR

## 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	<b>estimated</b> monthly pension if electing <b>50%</b> survivor option.	<b>estimated</b> monthly pension if electing <b>66.67%</b> survivor option.	<b>estimated</b> monthly pension if electing <b>75%</b> survivor option.	<b>estimated</b> monthly pension if electing <b>100%</b> 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 of credited service above and beyond 20	20.0000				
• Credited number years 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.

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

Select Age at Retirement- then click 'COMPUTE'

50

Calculate with After Years of Service

Monthly pension Increased by buy-in option:

\$ 165.02

Buy-in Cost:

\$ 24753.57

Recoupment Period (No. of Years):

12.5000

	\$	\$	\$	\$
	3347.63	3280.67	3247.20	3146.77
<b>Estimated</b> monthly pension if electing <b>50%</b> survivor option with buy-in	<b>Estimated</b> monthly pension if electing <b>66.67%</b> survivor option with buy-in	<b>Estimated</b> monthly pension if electing <b>75%</b> survivor option with buy-in	<b>Estimated</b> monthly pension if electing <b>100%</b> survivor option with buy-in	
<b>COMPUTE</b>		<b>CLEAR</b>		

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 = 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

## *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

## *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 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

# *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 enrolled in State Supplement plan with prescription option, includes Enhanced Part D program

# *Dental Insurance*

- Available Plans
  - Dominion National
  - Delta Dental
- Changes in coverage
- 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*

- Lag Payroll – Lag Pension
- Monthly pension is calculated after the receipt of your final pay from your Organization
- Online pay advices

# *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.

## *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](http://www.delawarepensions.com)
- Email address: [Open\\_Manual\\_Loads\\_Help@state.de.us](mailto:Open_Manual_Loads_Help@state.de.us)
  - Phone: (302) 739-4208
  - Toll free: (800) 722-7300
  - Fax: (302) 739-6129
- Office Address: McArdle Building  
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