



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
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RETIREMENT OVERVIEW

The State Employees' Pension Plan is provided for under Chapter 55, Title 29, Delaware Code as amended.

The following are some highlights of the plan and general information:

PENSION TYPES AND SERVICE REQUIREMENTS

Five years (No pension with less than five (5) years service.)

- 1) Service - age 62 or above
- 2) Disability - "A physical or mental disability which prevents you from performing the duties of your position." Case will be presented to the Medical Committee for approval or denial.
- 3) Survivor - The employee has the option of providing a 75% survivor's pension by taking a 3% reduction in his/her own pension, or 50% with no reduction. In the case of the death of an active employee, the 75% option is assumed.

A survivor's pension is based on the amount an active employee would have been eligible to receive or a pensioner was receiving applying the applicable survivor option election. The survivor's pension begins the month following the death of the member, or if vested at the time the member would have been eligible to receive such pension.

An eligible survivor in order of priority as established by law:

1. Spouse (legally married)
2. Dependent child or grandchild
3. Dependent parent(s)

Priority may be changed by filing notarized form #SOP-1 with the Pension Office.

- 4) Vested - Draw at age 62

Fifteen years (No service pension between 60 and 62 with less than 15 years service.)

- 1) Service - Age 60 or above
- 2) Service (reduced) - Age 55 to 60
Reduction factor is 0.2% for each month short of age 60;
12% for the full five years.

Twenty years (if hired prior to July 1, 1976)

- 1) Vested - Draw at age 60

Twenty-five years

- 1) Service (reduced) - any age
Reduction factor is 0.2% for each month short of 30 years service;
12% for the full five years.

Thirty years

- 1) Service - any age

ELIGIBILITY AND CREDITABLE SERVICE

Pension eligibility in most cases, requires at least five years continuous, current creditable State service.

Prior service with your employing agency/school, other State (Delaware) agencies, Delaware public schools and colleges may be creditable.

Military Service - If hired prior to July 1, 1976 and within five years of separation, up to five years full-time active duty service may be creditable. The five-year gap may be extended by completion of a full-time course of professional or vocational training. "DD form 214" or equivalent is required documentation.

Certain types of other governmental service, professional educational employment, and military service may be purchased for credit, usually on an actuarial basis. Approved leaves of absence may be purchased for the cost of both the employer and employee pension contributions.

PRELIMINARIES

The Pension Office may be contacted at any time for information, advice and/or pension estimates. Please call (302) 739-4208 or 1-800- 722-7300 for particulars.

Your employing agency or school is responsible for the preparation of your pension application and related documents, for having you sign the application and other forms, and for submitting this paperwork to the Pension Office. We suggest you contact your personnel representative at least three months before you plan to retire to begin the application process.

REQUIRED DOCUMENTS

The employee is responsible for obtaining and submitting the following personal documents to his/her employer:

- Birth Document of employee and spouse
Naturalization Papers and Passport are not accepted as proof of birth.
- Social Security Card of employee and spouse
SS card must be signed. Metal cards are not acceptable.
- Marriage Document, Death Certificate, Divorce Decree as applicable
This is required for all female employees to establish name change.
- Medicare Card showing Parts A and B coverage (as appropriate) for employee and spouse

Additional documents may be required depending on individual case.

PENSIONER BENEFITS

Joint and Survivor Benefit - The employee has the option of providing a 75% survivor's pension benefit by taking a 3% reduction in his /her own pension benefit, or 50% with no reduction. In the case of the death of an active employee, the 75% option is assumed. This selection is irrevocable and must be made prior to the issuance of the first pension check.

Group Life Insurance - Life insurance in the amount of \$7,000 is provided at no cost for each pensioner. The designation of beneficiary form requires the date of birth, address and Social Security number of the person(s) you name. This form may be changed at any time by completing a new GL-2 form.

Blood Bank - Membership is available with the Pension Office paying the annual dues. Periodic blood obligation remains the responsibility of the pensioner.

Direct Deposit - Deposit of the monthly benefit to a checking, savings, or other account is required for all pensions with an effective date of January, 1996 and after. A pensioner may also have all or part of the monthly pension deposited to a Credit Union account for savings or loan payment.

Credit Union - Although not a pension benefit, pensioners may retain Credit Union membership acquired while still employed. An important benefit of Credit Union membership is the free life insurance associated with a share account. Contact your Credit Union for more detailed information.

Tax Withholding Election Form - Approximately 97% of the pension benefit is taxable. Form 1099-R, mailed the end of each year, reflects the total amount of pension benefit paid during the year and the portion that is taxable. Tax withholding options are:

1. No taxes withheld, pensioner responsible at end of year if taxes owed.
2. File as married or single with a number of exemptions claimed.
3. Flat dollar amount.
4. Combination of 2 & 3.

Health Insurance - Health benefits are available with the “State share” being covered by the Pension Office for employees first hired prior to 7-1-91, and disability pensioners. For employees first hired on or after 7-1-91, the Pension Office will pay the following portion of the “State share”:

less than 10 years	0%
10 years - 14 years 11 months	50%
15 years - 19 years 11 months	75%
at least 20 years	100%

The same health insurance plans available to you as an active employee are available to you as a pensioner. Medicare eligible pensioners are entitled to medicfill coverage that is the supplement to Medicare. Within each of the plans, except Special Medicfill, the retiree may select either Individual, Subscriber and Child(ren), Subscriber and Spouse, or Family coverage. Medicfill is an individual plan.

Dental Insurance - Coverage is available upon retirement. Within each of the plans, the retiree may select Individual, Subscriber and Child, Subscriber and Spouse, or Family coverage.

For additional information visit our website: www.delawarepensions.com

DISCLAIMER: IN THE CASE OF CONFLICT BETWEEN THIS BROCHURE AND THE PLAN, THE PLAN PREVAILS.