



State Employees' Pension Plan

Summary Plan Description

Please Note: This handbook is also available on the Office of Pensions website:

www.delawarepensions.com

Text in **green font** in the online PDF contains live links:

- Clicking on the **green text in the Table of Contents** will automatically redirect you to that page.
- Clicking on the **green headings in the body text** will automatically redirect you to the Table of Contents.
- Clicking on **any other green content** will automatically redirect you to that webpage.

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WELCOME

Welcome to the Delaware Public Employees' Retirement System (DPERS). This booklet will assist Delaware's State Employees' Pension Plan (SEPP) employees in becoming familiar with the benefits and features of their pension plan.

The information in this booklet is very important to the security of you and your family! As a member of our Delaware State Employees' Pension Plan, we strongly urge you to take the time to read it and familiarize yourself with your rights, privileges, and obligations.

The Pension Plan laws are necessarily written in legal language; therefore, this booklet has been prepared in lay language to help you better understand its provisions. The following pages should be informative to you and, it is hoped, will answer most questions you may have about your Plan.

Our office assists all active and retired members of the Plan. If you have questions or need assistance in any of your retirement plan matters, please contact the Office of Pensions directly or through the business or human resources office of your agency. Useful information about your pension plan benefits is also available on our website, www.delawarepensions.com.

OFFICE OF PENSIONS CONTACT INFORMATION:

Address: Office of Pensions
860 Silver Lake Blvd, Suite 1 – McArdle Building
Dover, DE 19904

Telephone: (302) 739-4208
Toll-free for Long Distance Calling: (800) 722-7300

Fax: (302) 739-6129

Email Address: pensionoffice@delaware.gov

DPERS has been providing retirement benefits to participants, their families, and beneficiaries for over 50 years. We look forward to continuing to serve those who have served the State of Delaware.

NOTE: This booklet is only applicable to employees covered under the Delaware State Employees' Pension Plan. Nothing in this booklet is meant to extend or change in any way the provisions expressed in the Plan. If there is any conflict between a provision in this booklet and the Plan ([29 Del. C. Ch. 55](#)), the Plan will take precedence.

1. MEMBERSHIP

ELIGIBILITY

You are a member of the State Employees' Pension Plan (SEPP) if you are a full-time or regular part-time employee of:

- The state, including elected or appointed officials
- The State Department of Education
- A school district which is part of the State School System
- The University of Delaware (excluding most faculty and designated professional staff)
- Delaware State University
- Delaware Technical Community College
- Delaware Solid Waste Authority
- A state agency supported in whole or part by federal funds granted to the State

There are six exceptions. You are not eligible to be a member if:

- You are an active member of any other State of Delaware pension plan
- You are an active member of a municipal retirement system financed in whole or part by the State of Delaware unless you are eligible for unification of State service.
- You are an active member of a county retirement system financed in whole or part by the State of Delaware
- You are a retiree of the New State Police pension plan
- You are employed as a "temporary employee"
- Your primary employment function is to be a student

Further information regarding the definition of a full-time, regular part-time, and temporary employee can be found in the State Employees' Pension Plan – Rules and Regulations.¹

Employees unsure if they are in a pension-creditable position should contact their Human Resources representative.

MEMBERSHIP IDENTIFICATION

As a SEPP member, you have two identification numbers: (1) Payroll Human Resource Statewide Technology (PHRST) Identification Number and (2) Pension ID.

The PHRST identification number is your active employee identification.

The Office of Pensions identification number is your retirement identification. Your Pension ID is assigned upon your initial employment and can be found in Block 1 of your Comprehensive Annual Statement. To ensure proper identification and prompt service, always include your Pension ID in addition to your full

¹ State Employees' Pension Plan – Rules and Regulations can be found at <https://regulations.delaware.gov/AdminCode/title19/2000/2002.shtml#TopOfPage>.

name, mailing address, phone number, and signature in all communications concerning your pension status. If you do not know your Pension ID, we are also able to reference your account with your Social Security Number.

CONTRIBUTIONS

Membership in the SEPP is mandatory for all employees working in a pension-creditable position. Your employer automatically enrolls you when you are hired.

SEPP Employees/911 Operators:

Your first \$6,000 in wages is exempt from employee contributions each calendar year. Afterward, contributions to the Plan are automatically deducted from your pension-creditable earnings based on the following table:

Table 1: State Employees' and 911 Operators' Contribution Rates

	Initially Hired Before 1/1/2012	Initially Hired on or After 1/1/2012
SEPP	3%	5%
911 Operator	5%	7%

25-Year Pension Plan (Correctional Officers/Specified Peace Officers):

Effective 1/1/2022, employees classified as Correctional Officers or Specified Peace Officers no longer have an annual exclusion; 7% of all pension-creditable earnings will be deducted from their pay and contributed to the pension fund.

Effective 1/1/1993, the federal and state income tax on your contributions is deferred under [Section 414\(h\)\(2\) of the U.S. Internal Revenue Code](#).

Pension contributions do not determine pension benefits. As a member, you will receive a Comprehensive Annual Statement (CAS) detailing your contributions towards the pension plan, the interest earned on those contributions, and future benefit amount. Please see [Section 3. Comprehensive Annual Statement](#) for more information on CAS reports.

Contribution Restrictions

- Members cannot contribute additional contributions to their pension plan.
- Active and vested members are **unable** to borrow against or take a loan from pension contributions/ interest earned.

VESTING ELIGIBILITY

To be eligible for a pension you must be vested and meet eligibility requirements (see [Section 4. Benefit Eligibility Requirements](#) for more details). Employees must complete the following to meet vesting requirements:

- **Employees Hired Before 1/1/2012** - 5 Consecutive Years of Service
- **Employees Hired on or After 1/1/2012** - 10 Years of Service (5 years must be consecutive)

Once you are vested, if you should leave your job for any reason, you are guaranteed to receive a future benefit for the pension-creditable service earned before termination unless you withdraw your accumulated contributions. All vested pensioners are encouraged to keep the Office of Pensions updated on any changes in contact information (e.g., address, phone, email address). Change of address forms can be found on the Office of Pension website (<https://delawarepensions.com>) under *Retirees > Retiree Forms*.

If you are not vested, you have the option of either leaving your contributions in if you may return to state service or withdrawing your contributions and interest.

TERMINATION OF MEMBERSHIP

Membership ends if the member:

- Terminates from employment without meeting vesting requirement; or
- Terminates employment after meeting vesting requirements and withdraws their accumulated contributions and earned interest, if any.

Upon termination of employment, the Office of Pensions receives notification from your agency. Once notification has been received, you will be sent a letter and the following forms if you are not eligible to collect a pension immediately:

- Contribution Retention Notice
- Application for Withdrawal of Benefits

If you do nothing or complete the Contributions Retention Notice form, then all monies will stay in the fund and continue to accrue interest. If you complete the Application for Withdrawal of Benefits, then contributions and interest will be paid out.

WITHDRAWAL OF CONTRIBUTIONS

Upon receipt of the Application for Withdrawal of Benefits, the Office of Pensions will reach out to your agency to verify your termination if documentation has not been received. Once termination has been verified you will receive additional correspondence to determine how you would like to receive your refund of contributions and interest. Monies can be paid out in a check or transferred to a qualifying retirement account. If you choose to get a cash payout, it will be taxed 20% for federal taxes. Refunds cannot be paid out until at least 45 days after your final paycheck.

Withdrawal of your contributions will terminate your membership in the Plan and will void any rights you have to future benefits in the Plan.

2. CREDITABLE SERVICE

GENERAL

As a member of the State Employee Pension Plan (SEPP), you earn creditable service time towards your retirement benefit each day on the job. Creditable service is used to determine your eligibility for retirement, monthly pension amount, and cost of health insurance.

Creditable service time represents periods of employment that are either earned, claimed, or purchased.² If you do not agree with your creditable service time, it is recommended that you contact your current human resources office and request a creditable service schedule be completed. A copy should be forwarded to the Office of Pensions so your file can be updated accordingly. The following describes the types of service credit which may be earned, claimed, or purchased.

EARNED SERVICE

You earn creditable service for each day during the year in which you are an active employee who works in a position that is full-time or regular part-time. No more than one year of service is creditable for all employment in one year.

Worker's Compensation (WC)

If you are hurt on the job, you may be eligible for Worker's Compensation through your active employer. Once the carrier has approved your claim, you are entitled to receive three months of supplemental pay (12 months for employees injured while performing hazardous duty) without charging your leave.

If you remain out of work on Worker's Compensation leave beyond the 3-month (12-month) free supplement you must use your sick or vacation leave to continue to supplement your earnings to continue to earn creditable service time. Upon exhausting available leave, you will be put on a leave of absence without pay due to Worker's Compensation. No creditable service will be accrued during this leave period; however, it may be purchased at retirement. For more information regarding Worker's Compensation, please contact your agency.

Short Term Disability (STD)

Short-term disability (STD) is an employer-paid benefit that pays a percentage of an employee's salary for a specified amount of time and cannot perform the duties of their job due to illness or injury. You must apply for STD if disabled for more than 30 days.

The member or the employer may initiate the claim with the vendor as soon as the member knows the disability will extend beyond 30 days. Upon approval of the claim, the State of Delaware pays STD from day 31 – 182 or until recovery from the disability, return to work, or termination.

The State of Delaware pays 75% of the member's base salary (inclusive of hazard duty pay). In addition, members may elect to supplement STD with leave up to 25% of base salary (total compensation not to exceed 100% of base salary). Members will continue to accrue pension-creditable service time, sick leave, vacation leave, and participation in health care. Pension

² Refer to [Section 7. Options to Purchase Additional Service](#) for further information on buy-in options.

contributions continue to be paid by the employee and employer. For additional information related to Short Term Disability, please contact your agency.

Long Term Disability (LTD)

Long-Term Disability (LTD) is an employer-paid benefit that pays you a portion of your income if you remain disabled beyond the 182 days allowed by STD. Upon approval, the vendor pays LTD from day 183 to recovery from the disability, return to work, or termination. The vendor pays 60% of the member's base salary (inclusive of hazard duty pay). LTD is paid monthly by the vendor and Health care premiums are withheld from the benefit amount. You will continue to accrue pension-creditable service time until LTD ceases.

CLAIMED MILITARY SERVICE (Interrupting Employment)

If you are called into active service or volunteer for active service in the Armed Forces or the National Guard of the State while you are a member of the SEPP and you return to employment within 90 days after discharge, you will receive full creditable service for such full-time continuous, active military service.

UNIFIED SERVICE

Unifying services gives members with service in two (2) or more plans the option to combine their creditable service time to meet retirement eligibility requirements. Plans eligible to unify with SEPP to determine eligibility are as follows:

- New State Police Plan
- County Municipal Plan
- County Municipal Police/Firefighters' Plan
- Judicial Plan

To be eligible you do not need to meet vesting rights in each plan. Your unified creditable service time can qualify you to retire from both plans. You cannot unify services if you are collecting retirement benefits from one of the plans. If service in one of the plans was refunded, you can repay the refund to restore service time in the plan.

Unification can only be established at the time of retirement. If you have previous service and want to know if you qualify, please contact the Office of Pensions.

BREAK IN SERVICE

If you leave State service before you have acquired five (5) consecutive years of creditable service, your service credits will be forfeited. Service time can be restored if:

- Your discontinuance of employment is due to absence on account of military service, disability, or approved leave, and you again become an employee within four (4) months following the completion of such military service, disability, or approved leave; or
- You again become an employee within four (4) months after you leave State employment; or
- You again become an employee within two (2) years after you are involuntarily terminated from State employment; or

- You subsequently acquire five (5) consecutive years of credited service, if you repay any contributions you have withdrawn plus interest.

If you were hired before 1/1/2012 and cease to be an employee after you have acquired five (5) consecutive years of credited service, you are fully vested and qualify for a pension at retirement age, unless you withdraw your accumulated contributions and interest. If you were hired on or after 1/1/2012 you are not fully vested until you have completed ten (10) years of service (five [5] must be consecutive). Once you have met ten years of pension-creditable service time, you qualify for a pension at retirement age, unless you withdraw your accumulated contributions and interest.

Upon termination, a vested pension application, a Contribution Retention Notice Form, or an Application for Withdrawal of Benefits **must be filed by your human resources office**. If you left employment and received a refund of your contributions plus interest, you may re-establish this service upon returning to active membership and must repay the amount you withdrew plus interest to the date your request is received. Previously withdrawn earned service that is re-established is considered creditable service and can be used to determine minimum service requirements for benefit eligibility.

If you receive a refund of your contributions and subsequently return to State of Delaware employment, you should contact the Office of Pensions for information relative to the options available to you regarding prior service credit.

3. COMPREHENSIVE ANNUAL STATEMENT

OVERVIEW OF YOUR COMPREHENSIVE ANNUAL STATEMENT

As a member of the Delaware State Employees' Pension Plan (SEPP), you will receive a Comprehensive Annual Statement (CAS) yearly. Active member statements can be viewed online by logging into [My.Delaware.Gov](https://mydelaware.gov) except for individuals employed by:

- University of Delaware
- Delaware Solid Waste Authority
- Delaware State Education Association

Members with multiple plans should have CAS access for each plan online. Active members without [My.Delaware.Gov](https://mydelaware.gov) access and vested members will receive CAS by mail.

The CAS is a four (4) page report designed to give you an overview of your membership status. The statement consists of six (6) blocks:

1. **PERSONAL INFORMATION (Block 1)** – includes your address, Pension ID number, Date of Birth, Gender, Marital Status, and Spouse's Date of Birth.
2. **PENSION INFORMATION (Block 2)** – Specifies the Pension Plan the statement pertains to and total pension-creditable service time as of the statement date.
3. **CONTRIBUTORY INFORMATION (Block 3)** –
 - a. Total pension contributions and total interest accrued by the employee as of the statement date.
 - b. Wages and Contributions Breakdown for your Highest Creditable Compensation Period. *Wages and Contributions Breakdown will only be available once an employee has met vested status.* Please Note: Highest Creditable Compensation Period can be any consecutive 12-month period and is often not a calendar year.
4. **COMPUTATION INFORMATION (Block 4)** – Pension Estimate Computation Formula is the breakdown of how your pension amount is calculated. Part 3 shows your final estimated pension. *This calculation is only available once an employee has met vested status. If you have not met vested status this page will be blank.*
5. **SURVIVOR INFORMATION (Block 5)** – This box is informational and explains who would be considered an eligible survivor.
6. **BENEFICIARY INFORMATION (Block 6)** – This box lists the current designated beneficiary or beneficiaries to receive payment of undistributed Pension Contributions upon your death if there is no survivor. You are limited to six (6) beneficiaries. If any changes need to be made, please update the form, sign, date, and submit it to the Office of Pensions.

Please review your statements yearly for accuracy. If changes are needed, follow the instructions below each block to get the necessary corrections made. Note: Changes to personal information cannot be updated by the Office of Pensions if you are an active employee. You **MUST** work through your Human Resources office for these changes.

SAMPLE COMPREHENSIVE ANNUAL STATEMENT



Delaware Public Employees' Retirement System 2020 Comprehensive Annual Statement

DISCLAIMER: This statement represents an estimate only of potential benefits developed from records available to the Delaware Public Employees' Retirement System. This data must be verified at the time of retirement. As a result, your actual retirement benefits may vary significantly from the amounts reflected here. None of the information in this estimate has been verified and the Office of Pensions of the State of Delaware makes no representation or warranty, expressed or implied, as to the accuracy or completeness of such information. Actual service credit and benefits will be verified at the time of retirement. The Office of Pensions encourages all participants who are nearing retirement age to request copies of their records and review them for accuracy.

PERSONAL INFORMATION	BLOCK 1																
Joe Sample 123 Main Street Middletown, DE 19709	Pension ID: 191672 Date of Birth: 01/14/1961 Gender: F Marital Status: S																
If any information in Block 1 is incorrect, submit changes with verification to your current Human Resources Office.																	
PENSION INFORMATION	BLOCK 2																
Pension Plan: STATE EMPLOYEES' PLAN Total Pension Creditable Service as of 12/31/2020: 18 Years 1 Months (18.1528)																	
If any information in Block 2 is incorrect, please contact your current Human Resources Office and have them submit service verification to the Office of Pensions.																	
CONTRIBUTORY INFORMATION	BLOCK 3																
Total Pension Contributions as of 12/31/2020: \$13,881.92 1. Pre-Tax Pension Contributions: \$13,881.92 2. After-Tax Pension Contributions: \$0.00 Total Interest Accrual as of 12/31/2020: \$5,611.87																	
Wage and Contribution Breakdown by year for your Highest Creditable Compensation Period:																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Period Start</th> <th style="text-align: left;">Period End</th> <th style="text-align: left;">Pension Creditable Wages</th> <th style="text-align: left;">Pension Contributions</th> </tr> </thead> <tbody> <tr> <td>01/2020</td> <td>12/2020</td> <td>47,611.08</td> <td>1,248.33</td> </tr> <tr> <td>11/2018</td> <td>10/2019</td> <td>45,209.18</td> <td>1,176.28</td> </tr> <tr> <td>09/2017</td> <td>08/2018</td> <td>45,884.98</td> <td>1,196.55</td> </tr> </tbody> </table>	Period Start	Period End	Pension Creditable Wages	Pension Contributions	01/2020	12/2020	47,611.08	1,248.33	11/2018	10/2019	45,209.18	1,176.28	09/2017	08/2018	45,884.98	1,196.55	
Period Start	Period End	Pension Creditable Wages	Pension Contributions														
01/2020	12/2020	47,611.08	1,248.33														
11/2018	10/2019	45,209.18	1,176.28														
09/2017	08/2018	45,884.98	1,196.55														
If any information in Block 3 is incorrect, keep original for your records and submit a photocopy with the errors circled in black ink only with an explanation to this office for investigation.																	



Pension ID: 191672
 Name: Joe Sample
Pension Plan: STATE EMPLOYEES' PLAN

**Delaware Public Employees'
 Retirement System**
 2020 Comprehensive Annual Statement

COMPUTATION INFORMATION

BLOCK 4

Pension Estimate Computation Formula

PART 1 - Calculation for years of service prior to January 1, 1997.

1. Total Compensation----->	\$138,705.24
Divided by 36	
2. Equals Final Average Compensation----->	\$3,852.92
Multiplied by 2.0%	
3. Equals Factor 1----->	77.06
4. Multiplied by Years of Creditable Service (Pre 1997) ----->	0.0000
5. Equals Estimated Monthly Pension (part 1) ----->	\$0.00

PART 2 - Calculation for years of service post December 31, 1996.

6. Final Average Compensation----->	\$3,852.92
Multiplied by 1.85%	
7. Equals Factor 2----->	71.28
8. Multiplied by Years of Creditable Service (Post 1996) ----->	18.1533
9. Equals Estimated Monthly Pension (part 2) ----->	\$1,293.97

PART 3 - Total Estimated Monthly Pension Benefit

10. Part 1 + Part 2 equals Total Monthly Pension Benefit ----->	\$1,293.97
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If the increased Survivor Benefit Option is chosen, the computed amount in Item 10 would be reduced.

Block 4 contains a step-by-step calculation of your estimated monthly pension accrued under the Delaware Public Employees' Retirement System based on your service and compensation as of 12/31/2020. This monthly pension does not reflect any reduction for early retirement nor does it indicate your eligibility to collect a monthly pension. Please refer to our website, www.delawarepensions.com, for eligibility requirements.

DISCLAIMER: This statement represents only an estimate of credited service and potential benefits. None of the information in this estimate has been verified and the Office of Pensions of the State of Delaware makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Actual service credit and benefits will be verified at the time of retirement.



Pension ID: 191672
 Name: Joe Sample
Pension Plan: STATE EMPLOYEES' PLAN

**Delaware Public Employees'
 Retirement System**
 2020 Comprehensive Annual Statement

SURVIVOR INFORMATION **BLOCK 5**

This block is an informational block to assist members in understanding the word "survivor" as it relates to a pension. Unless the order of priority is changed by filing a form with the Office of Pensions, the following is the order of eligible survivors:

1. A spouse – OR
2. An unmarried child under age 18 - or an unmarried child between age 18 and 22 and attending school full-time – OR
3. An unmarried child disabled before age 18 – OR
4. A parent who receives at least one-half of his or her support from you.

An eligible survivor receives a monthly pension. If there is no eligible survivor under Items 1, 2, 3, or 4 above, a death benefit is paid out to your beneficiary(ies) (See Block 6). A death benefit equals the amount of unpaid pension contributions plus interest through the date of death.

The Priority of Eligible Survivors form can be found on our website, www.delawarepensions.com. This form requires your signature in the presence of a notary public.

BENEFICIARY INFORMATION **BLOCK 6**

Designated Beneficiary(ies) to receive payment of undistributed Pension Contributions upon your death, if no survivor's pension is payable.

NOTE: You are limited to (6) beneficiaries.

PRIMARY/SECONDARY	NAME			
RELATIONSHIP	ADDRESS		BIRTHDATE	GENDER
PRIMARY Child	Sample, Amy 123 Main Street	Middletown, DE 19709	05/28/1987	F
PRIMARY Child	Sample, Carla 123 Main Street	Middletown, DE 19709	11/18/1990	F
PRIMARY Child	Sample, Fred 123 Main Street	Middletown, DE 19709	11/02/1992	M

If the information on this page is accurate, retain for your records. If you have any changes, please complete and return the Designated Beneficiary form. Please use black ink only.

Pension ID: 191672
 Name: Joe Sample
 Pension Plan: STATE EMPLOYEES' PLAN

**Delaware Public Employees'
 Retirement System**
 2020 Comprehensive Annual Statement

Designated Beneficiary Form

Designated Beneficiary to receive payment of pension contributions plus interest if no survivor's pension is available.

You may designate a maximum of six (6) beneficiaries. (If more than one beneficiary is listed, payment will be divided equally unless otherwise noted by indicating Primary and/or Secondary.)

Check one below to update beneficiary information.

Check one below to update beneficiary information.

			SSN	NAME		BIRTHDATE	GENDER	
			RELATIONSHIP	ADDRESS				
ADD <input type="checkbox"/> DELETE <input type="checkbox"/> MODIFY <input type="checkbox"/>	PRIMARY <input type="checkbox"/> SECONDARY <input type="checkbox"/>	<input type="checkbox"/>	Child	Sample, Amy 123 Main Street	Middletown, DE 19709	5/28/1987	F	
		<input type="checkbox"/>	Child	Sample, Carla 123 Main Street	Middletown, DE 19709	11/18/1990	F	
		<input type="checkbox"/>	Child	Sample, Fred 123 Main Street	Middletown, DE 19709	11/02/1992	M	
		<input type="checkbox"/>						
		<input type="checkbox"/>						
		<input type="checkbox"/>						

If the information is accurate, do not return. If you have changes, please complete all requested information using BLACK INK only, sign and return to:
 OFFICE OF PENSIONS, McArdle BLDG, 860 SILVER LAKE BLVD., SUITE#1, DOVER, DE 19904-2402(SLC: D570A)

 DATE

 SIGNATURE

See [Section 6. Benefit Computation](#) for information on utilizing the on-line calculator for future estimates.

A FREQUENTLY ASKED QUESTION:

Why is my previous service not showing on my Comprehensive Annual Statement?

If you left the state before completing five consecutive years of service or took out contributions when you left state service, then service was forfeited. Service will show on your CAS once five consecutive years have been completed or contributions and interest has been repaid for service time withdrawn.

4. BENEFIT ELIGIBILITY REQUIREMENTS

RETIREMENT ELIGIBILITY CRITERIA

You are eligible to receive monthly pension payments based on the retirement eligibility criteria below:

Table 2: Pension Benefit Eligibility Requirements

PENSION TYPE	Initially Hired on or Before 12/31/2011	Initially Hired On or After 1/1/2012
SERVICE <i>(Active Employees)</i>	<ul style="list-style-type: none"> ○ Five (5) years of credited service and has attained age 62, or ○ Fifteen (15) years of credited service and has attained age 60, or ○ Thirty (30) years of credited service at any age. <p>Correctional/Specified Peace Officer:</p> <ul style="list-style-type: none"> ○ 25 years of credited service regardless of age with 20 years as a Correctional/Specified Peace Officer and is a Department of Corrections employee or Specified Peace Officer at the time of retirement. <p>9-1-1 Operators:</p> <ul style="list-style-type: none"> ○ 25 years of credited service as a 9-1-1 operator, regardless of age. 	<ul style="list-style-type: none"> ○ Ten (10) years of credited service and has attained age 65, or ○ Twenty (20) years of credited service and has attained age 60, or ○ Thirty (30) years of credited service at any age.
EARLY/REDUCED <i>(Active Employees)</i>	<ul style="list-style-type: none"> ○ Fifteen (15) years of credited service and has attained age 55, Reduced Age pension payable shall be reduced by .2% percent for each month the employee is under age 60; OR ○ Twenty-five (25) years of credited service at any age; Reduced Service pension payable shall be reduced by .2% percent for each month the employee has less than thirty (30) years. 	<ul style="list-style-type: none"> ○ Fifteen (15) years of credited service and has attained age 55, Reduced Age pension payable shall be reduced by .4% percent for each month the employee is under age 60; OR ○ Twenty-five (25) years of credited service at any age; Reduced service pension payable shall be reduced by .4% percent for each month the employee has less than thirty (30) years.
VESTED <i>(Terminated Employees)</i>	<ul style="list-style-type: none"> ○ Five (5) years consecutive credited service and has attained age 62. 	<ul style="list-style-type: none"> ○ Ten (10) years credited service (must have five (5) consecutive) and has attained age 65.
SURVIVOR <i>(Active, Vested, or Retired)</i>	<ul style="list-style-type: none"> ○ Upon the death of an active member who has at least five (5) years of credited service (must have five (5) consecutive), a monthly survivor's pension shall be payable to the survivor or survivors equal to 75% of the service pension the member would have been eligible to receive. The survivor pension payable is actuarially reduced if the surviving spouse is under the age of 50 and does not have a dependent under their care. ○ Upon the death of a pensioner, their survivor will be entitled to the percentage of the retiree's pension elected at the time of retirement as a member; and ○ If the member is currently in a vested status, a survivor's pension is payable based on the future effective retirement date and 50% of the amount the vested member would have been eligible to receive. 	

DISABILITY PENSION

If you were vested in the SEPP as of 12/31/2005 and elected to waive enrollment in the Disability Insurance Program (DIP) and you become disabled, you are eligible to apply for a disability pension. **Any employee who was hired after or not vested as of 1/1/2006 or elected, coverage under the Disability Insurance Program (DIP) is not eligible for a disability pension.**

The eligibility requirements for a disability pension are as follows:

- **At least five (5) consecutive years of creditable service before 1/1/2006.**
 - ✓ This does not include the three (3) months of the Disability Preparation Period.
 - ✓ Approved Leaves of Absence are NOT considered a break in service.
- **A physical or mental disability that prevents the member from performing the duties of his/her current position.**
- **The disability must be expected to last for at least 90 consecutive days.**
 - ✓ This should be confirmed by a statement from the treating physician. Medical information is reviewed by a medical professional.

Your application is subject to review by the Executive Secretary to the Board of Pension Trustees who determines if the employee is mentally or physically unable to perform the essential functions of the employee's position as defined.

During the application process, you will be kept on the active payroll from the inception of your disability to the end of the third full month during which you will receive payments at the same rate of compensation you received before you became disabled. You will receive service credit for this period; however, it cannot be used for eligibility purposes.

SURVIVOR PENSION

In the event of a member's death, the eligible survivor is entitled to a survivor's pension. A survivor's pension is given to an eligible survivor to help make up for the loss of income that the survivor would be receiving if the pensioner was still alive. The following are eligible survivors listed in order of priority:

Table 3: Survivor Definitions by Survivor Type

Survivor Type:	Definition:
Spouse (Lifetime Benefit)	A widow(er) of a member.
Dependent child or children (Limited Term Benefit)	The child(ren) must be unmarried, have not attained age 18, or have attained age 18 but not age 22, and are attending school on a full-time basis.
Disabled child (Lifetime Benefit)	A child that has attained age 18 and is permanently disabled as the result of a disability that began before the child attained age 18.
Dependent parent or parents (Lifetime Benefit)	Any parent that was deemed to have been receiving at least one-half of their support from such a deceased person at the time of death.

The retiree may change the order of priority by submitting a notarized Survivor Order of Priority (SOP-1) form.

The monthly survivor pension amount can equal 50%, 66.67%, 75%, or 100% of the employee benefit calculation, depending on circumstance and/or member election at the time of retirement.

Criteria are as follows:

1. Upon the death of an active member who has at least five (5) consecutive years of credited service, a monthly survivor's pension shall be payable to the survivor or survivors equal to 75% of the service pension the member would have been eligible to receive.
2. If a member is currently in a vested status, a survivor's pension is payable based on the future effective date and 50% of the amount the vested member would have been eligible to receive.
3. At retirement, a member has the option of electing their survivor option. This election is irrevocable and must be made before the issuance of the first pension direct deposit. The choices are as follows:
 - No reduction to member's pension = 50% survivor's pension
 - 2% reduction to member's pension = 66.67% survivor's pension
 - 3% reduction to member's pension = 75% survivor's pension
 - 6% reduction to member's pension = 100% survivor's pension

If the deceased member does not have a spouse but does have more than one dependent child, the benefit will be divided equally between all dependent children.

Surviving Spouse Under 50

If your spouse is under the age of 50 at the time of your death, the survivor's pension will be actuarially reduced for each month they are under age 50. However, this reduction will not apply for any period during which your surviving spouse is caring for an unmarried child either under age 18 or between age 18 and 22 and attending school on a full-time basis, or over age 18 but permanently disabled before age 18.

DEATH BENEFITS WHEN NO ELIGIBLE SURVIVOR

If you die leaving no eligible survivors, your named beneficiary or beneficiaries will be paid a lump sum equal to the excess, if any, of your accumulated contributions with interest less all pension payments made, including survivor's benefits. You may designate a beneficiary or beneficiaries or change your beneficiary or beneficiaries at any time by completing a Designation/Change of Beneficiary Form. This form should be updated to reflect any name or contact information changes to your named beneficiaries. If there is no designated beneficiary or beneficiaries, the sum will be paid to your estate.

You can see who you have selected as a beneficiary, by reviewing the last page of your Comprehensive Annual Statement.

5. RETIREMENT PLANNING

Along with Social Security and private investment earnings, your pension may be one of your major sources of income at retirement.

While you can count on the stability of the fund, your SEPP membership is not responsibility-free. Your biggest responsibilities are keeping yourself informed about your benefits and notifying your local human resources office and the Office of Pensions of changes in your life that affect your pension. It is never too early to start planning for retirement. In preparing for retirement there are several steps you can take:

- Each year you will receive a Comprehensive Annual Statement (CAS). Please examine the statement carefully to ensure that your personal information found in Block 1 and years of credited service found in Block 2 are accurate. If there are any issues, please follow the instructions below each box on your CAS report.
- Keep your beneficiary information up to date. This information can be found on page four (4) of your CAS.
- Attend Pre-Retirement Workshops. The Office of Pensions holds Pre-Retirement Workshops every quarter. These workshops are information sessions offered to members at no cost and no pre-registration is required to attend. These workshops can be attended at any time in your career. If you need more information you can go to our website: www.delawarepensions.com for information or if you are unable to attend there is a video online that employees can review.
- Delaware Retirement Saving Plan (DEFER) is a State of Delaware Deferred Compensation Savings Plan administered through the Office of the State Treasurer. It provides you with the opportunity to save money for retirement on a tax-deferred basis through the convenience of a pre-tax payroll deduction. DEFER offers a variety of investment options, including access to lower-cost funds, online educational planning tools and resources, the interactive online experience [myOrangeMoney®](#), and the support of local financial advisors from Voya Financial. For more information, please contact Voya at (302) 318-8840 or (800) 584-6001.
- Individual counseling sessions are available through the Office of Pensions and are designed to provide employees with a comprehensive overview of the State Employees' Pension Plan and retirement process. Upon request, you could receive a personalized pension estimate.
- Contact the Social Security Administration regarding social security benefits (including Medicare), if applicable at 1-800-772-1213 or www.ssa.gov.

6. BENEFIT COMPUTATIONS

CALCULATING YOUR PENSION

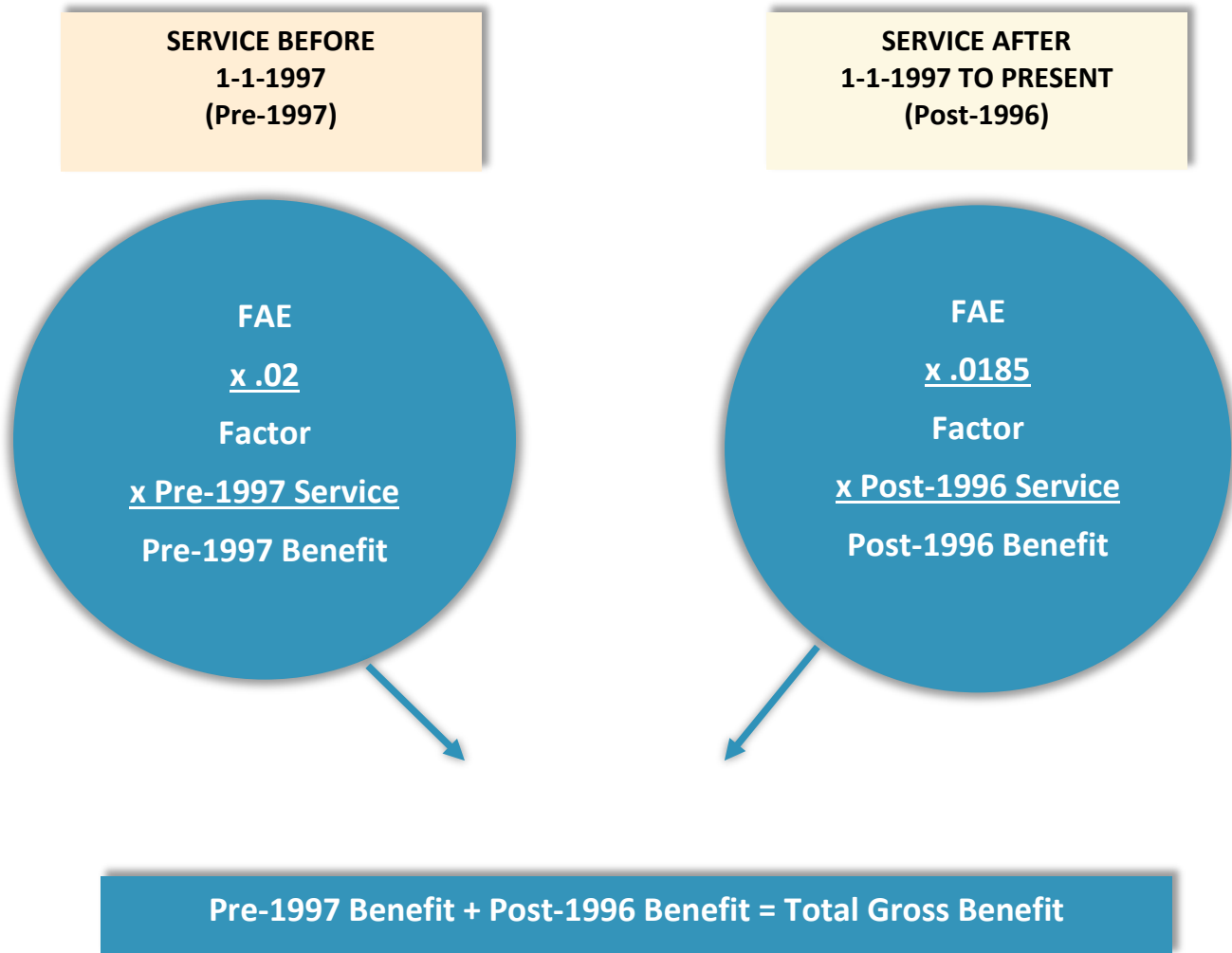
Your pension amount is primarily based on your years of credited service and your Final Average Compensation (FAE). Your FAE is 1/36 of the total compensation paid to you during the three (3) periods of twelve (12) consecutive months during which your compensation was the highest.

You can find the breakdown of your three (3) highest years on page one of the Comprehensive Annual Statement (CAS) under Block 3 Contributory Information. The FAE can be found on page 2 of your CAS.

Employees receiving final lagged compensation for credited service shall have added to their creditable compensation the amount of the lag pay received in determining the FAE.

SERVICE PENSION CALCULATION

Figure 1: Calculating Your Service Pension

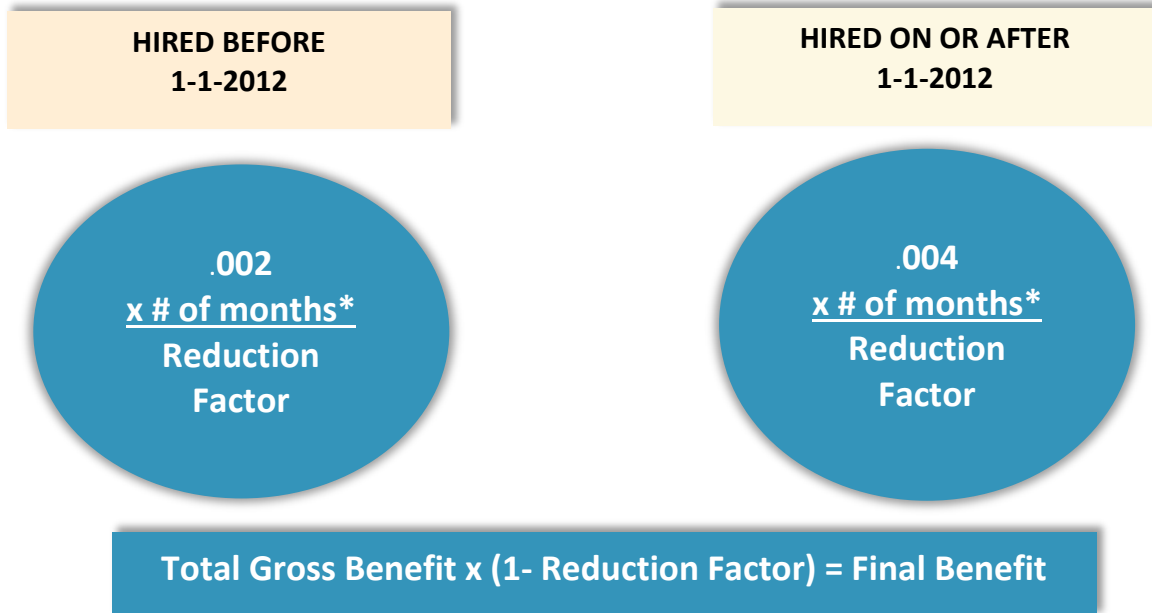


REDUCED PENSION CALCULATION

Early retirement is a reduced retirement benefit available to members who do not meet the normal retirement requirements. The chart below identifies the years of service necessary for early retirement and the retirement factor or factors used to reduce your monthly benefit.

The reduction correlates to how far away you are from full retirement age or service, based on the date of hire. In effect, the member receives less each month because the benefit will be received over a longer period.

Figure 2: Calculating Your Early Retirement Reduction



*The number of months away from 30 years of service or from the age of 60, whichever is closest.

TIPS ON USING THE ONLINE CALCULATOR

Employees are encouraged to utilize the pension online calculator to calculate future pensions, located under Active Members > State Employees' Pension Plan at <http://www.delawarepensions.com>, which also includes an instructional video on how it works.

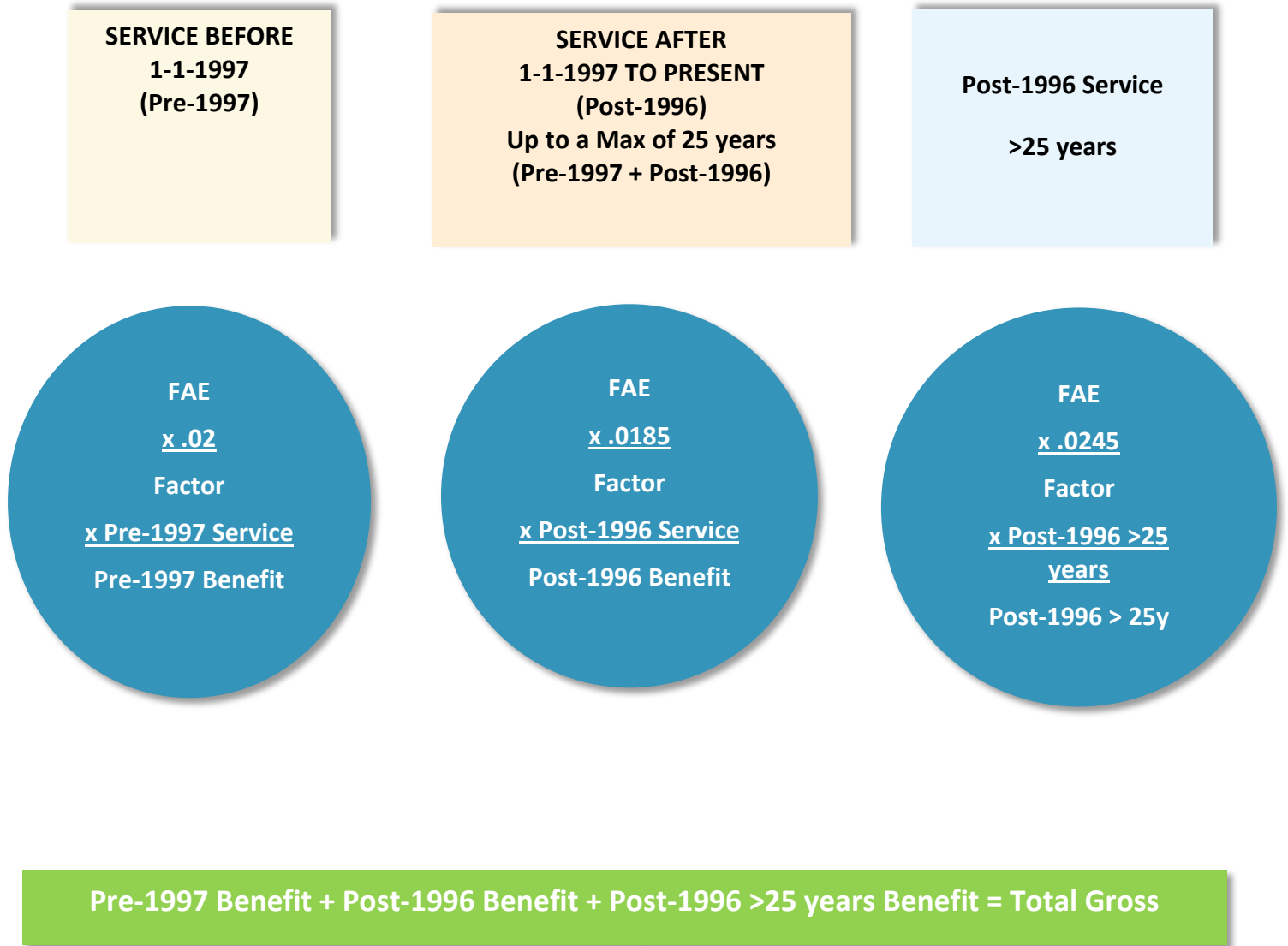
All the information needed for the online calculator can be found on page 2 of your recent Comprehensive Annual Statement (CAS).

Our Retirement Counseling page is another great resource for pension information, which is located under Active Members > Retirement Counseling at <http://www.delawarepensions.com>

25-YEAR PENSION CALCULATION

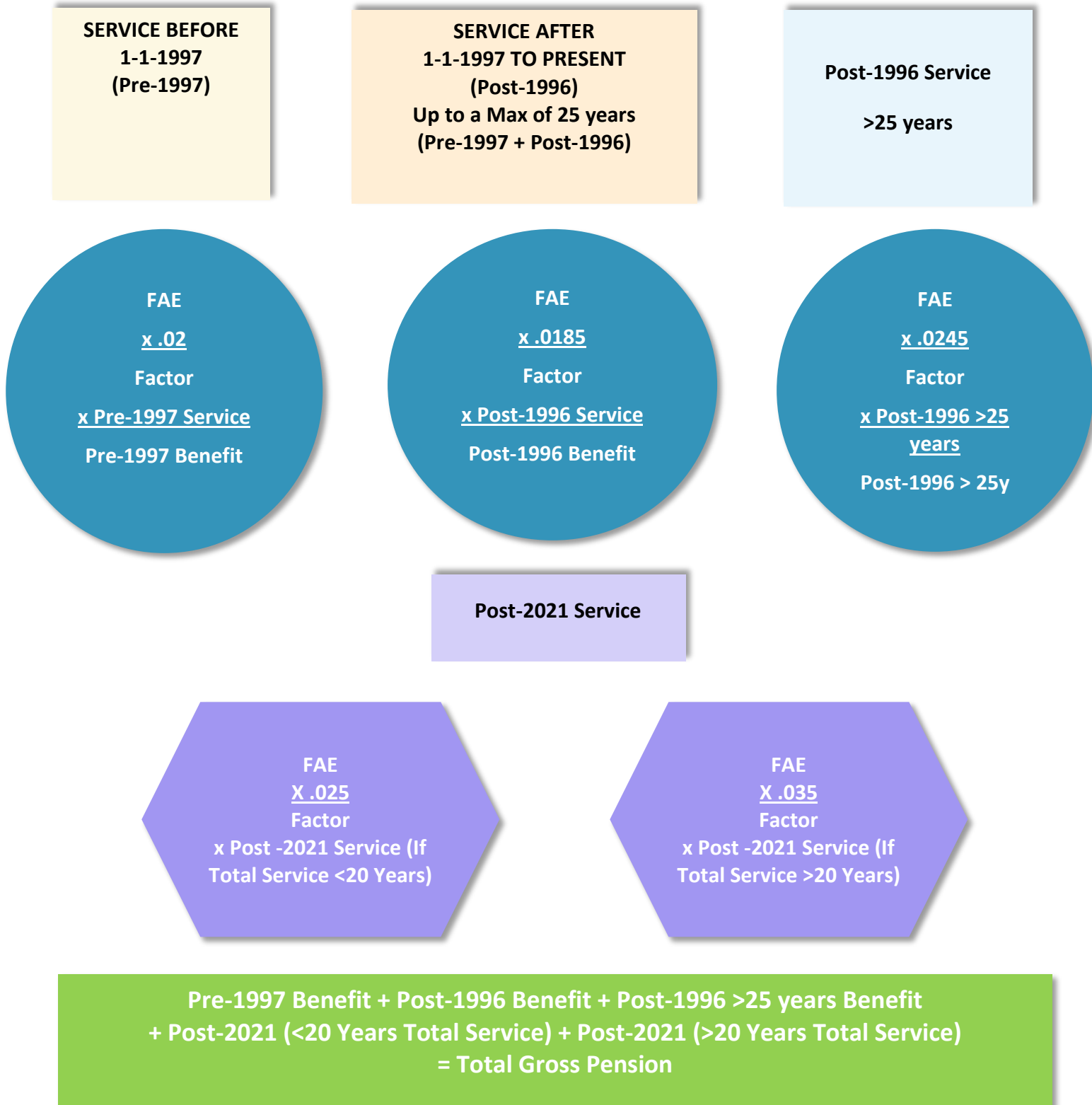
9-1-1 Operators:

Figure 3: Calculating Your Pension as a 9-1-1 Operator



Correctional/Specified Peace Officers:

Figure 4: Calculating Your Pension as a Correction/Specified Peace Officer



7. OPTIONS TO PURCHASE ADDITIONAL SERVICE

OVERVIEW OF BUY-IN OPTIONS

Buy-ins are offered at the time of retirement, and, if purchased, will increase the amount of pension creditable service time used to calculate your gross monthly pension. Please see Table 4 for more information on the different kinds of buy-in's that may be available to you.

Table 4: Description of Buy-In Options Available

SERVICE TYPE	DESCRIPTION
MEDICAL LEAVE	You may purchase credit for medical leave (including maternity leave of up to one [1] year). For this credit, you must pay an amount, which will be determined by the Office of Pensions at the time you retire.
MILITARY	You may purchase up to five (5) years of credit for full-time active duty in the armed forces, by paying into the plan an amount equal to the actuarial value of the credits purchased as determined by the Board of Trustees.
OTHER GOVERNMENTAL	You may purchase up to five (5) years of credit for full-time employment performed for another state, a political subdivision of another state, the federal government, an accredited private school or college anywhere in the world, or service with the State of Delaware for which you will not receive credit in another Delaware State, county, or municipal pension plan. The amount is equal to the actuarial value of the credits purchased.
PERSONAL LEAVE	You may purchase credit for approved personal leaves of absence. For this credit, you must pay an amount, which will be determined by the Office of Pensions at the time of retirement.
SICK LEAVE	Periods of accrued sick leave beyond 90 days or the balance for which you do not receive payment may be converted to creditable service. One month of credited service will be granted for every 21 days (18 days if you are a 10-month employee) of accrued unpaid sick leave up to a maximum of 12 months. The cost of this buy-in is calculated by multiplying your final average compensation by 5% and then by the number of months you are purchasing.
OPTION TO EXTEND (OTE)	If you have a break in service or your last day worked falls short of your retirement date and you receive a payout for unused vacation or sick leave you may be able to use that leave to extend your service time. The cost to purchase OTE time is calculated using the employee and employer contribution rate at the time of retirement. OTE cannot extend service beyond the effective date of retirement.
OTHER PROFESSIONAL EDUCATIONAL EMPLOYMENT (OPEE)	Subject to the conditions listed below, you may purchase up to four (4) years of service credit for professional education employment, which means full-time employment for another State, a municipality in another state, the federal government, or an accredited private school or college anywhere in the world. It does not include part-time employment as a graduate teaching assistant or employment after you begin receiving pension checks from the Fund. An accredited private school or college that is recognized by the Department of Education. To be eligible, you must have become a schoolteacher, professional administrative or supervisory employee, or school nurse employed in a public school, the State Department of Education, the University of Delaware, Delaware State University, Delaware Technical Community College before July 1, 1976.

	In addition, you must pay to the Plan 5% of your final average compensation for each month to be credited.
SABBATICAL LEAVE	Professional educational employees certified by the Department of Education will receive service credit for periods of sabbatical leave. Other employees may receive credit for an approved sabbatical leave if they make contributions to the Plan equal to the employee contributions and the State's contribution, which would otherwise have been made if they had continued to work.
JOBS FOR DELAWARE GRADUATES (JDG)	You may purchase up to five (5) years of credit as a teacher or administrator of the program. You must pay into the Plan an amount equal to the actuarial value of the credits purchased as determined by the Board of Pension Trustees.
COMPREHENSIVE EMPLOYMENT & TRAINING ACT (CETA)	If you were employed in an administrative capacity of the program, it may be purchased. CETA employment is not creditable service if the employee was only a participant in the CETA program.

*Buy-in options must be approved and verified by the Office of Pensions before retirement. For more information on what documentation is needed for Other Governments/Education Service Verification or Military Verification, please review Active Members > Active Members Forms on our website at www.delawarepensions.com.

LIMITATIONS

You may not acquire more than ten years of credited service for military service, other governmental service, and professional educational employment.

COST

Payment for the purchase of an approved buy-in is calculated at the time of retirement. Our online benefit calculator for the SEPP will assist you in estimating the cost of buy-ins that apply to you.

PAYMENT OPTIONS

Once the buy-in calculation has been completed, a written notification will be mailed directly to the home address the month in which you will receive your first pension benefit. All payments must be paid before issuance of the first monthly benefit.

Payment can be made one of three ways:

- Deducted from the first monthly pension, if sufficient to cover the entire cost
- Personal check; or
- Rollover from a qualified tax-sheltered account (i.e., 401(A), 457(B), 403(B) (under certain circumstances), or an IRA.)

8. APPLYING FOR A PENSION

OVERVIEW OF THE PENSION APPLICATION PROCESS

Congratulations on making it to retirement!

At least four (4) months before you plan to retire, you should contact your human resources office to begin the application process. Once notified, the human resources office of your organization begins the process of verifying service by initiating an electronic Pension Application (Pen-App). The Office of Pensions verifies your service and sends a confirmation email back to the human resources department after creditable service is confirmed.

Your organization's human resources office then contacts you for an appointment to complete the necessary paperwork. Once the pension application is signed and notarized, the pension application and required documents are forwarded to the Office of Pensions. The signed pension application and required documents should be in our office 45 days before the effective date of pension (e.g., Retirement effective date of 7/1/YY, the signed pension application should be in our office no later than 5/15/YY). Upon receipt of the pension application by the Office of Pensions, the employee receives a letter acknowledging receipt of the pension application, the effective date of retirement, and the payroll processing month.

Since all organizations (except for some University of Delaware employees) are on lag payroll, the first pension check is deposited on the last business day of the next month following the effective date of pension (e.g., Retire 7/1/YY, first direct deposit received on 8/DD/YY and includes two months of pension).

If you have buy-in options upon retirement, notification regarding the purchase is mailed to your home address the month you are scheduled to receive your first monthly pension payment (e.g. July, using the example above). The buy-in options cannot be calculated until the final payment is made by the organization and the Pension Compensation Calculation (PCC-1) form is submitted to the Office of Pensions.

VESTED PENSIONERS

For vested pensioners, the Office of Pensions will send out correspondence six (6) months before the pensioner's effective date. Once contact information has been verified, a vested packet will be sent out with all necessary paperwork. To avoid delay in receiving a pension, all vested pensioners are encouraged to keep the Office of Pensions updated on any changes in contact information (e.g., address, phone, email address).

NECESSARY DOCUMENTS

The Office of Pensions requires different documents depending on the circumstances of your retirement. You can assist by being ready to provide the personal documentation and forms listed below for your type of pension at retirement. Personal documents should be copies only, please do not send your original birth certificates or social security cards. Even if you don't have everything, don't delay the submission of the requested documents. You can provide some of the missing documents later.

All forms can be found on the Office of Pension website (<https://delawarepensions.com>) under *Retirees > Retiree Forms*.

The following are the documents required to go on pension:

Table 5: Documents Required for Your Pension

Documents Required	Pension Type			
	Service	Vesting	Disability	Survivor
Personal Documents				
1. Copy of both your own and dependents' original birth certificate OR federally-compliant drivers' license – if you do not have either of these, you can substitute: Delayed record of birth 2. Statement of birth as established by the Social Security Administration 3. Vital Statistics Statement of Birth 4. Baptismal Certificate (as an infant)	Y	Y	Y	Y
Copies of all marriage certificates/divorce decrees. The Office of Pensions must be able to track your name from birth to the present. We also need these documents to establish survivor eligibility.	Y	Y	Y	Y
Copies of Social Security cards for yourself and dependents	Y	Y	Y	Y
Copies of Medicare Cards (A and B)	Only if eligible and selecting medical coverage	Only if eligible and selecting medical coverage	Only if eligible and selecting medical coverage	Only if eligible and selecting medical coverage
School verification (For survivors between the age of 18 and 22 who are not permanently disabled before the age of 18.)	N	N	N	Y
Buy-In Documents				
Discharge or DD214 paperwork verifying active military if the military buy-in is requested.	Y	Y	N	N
Certification of service from the former employer verifying purchasable service.	Y	Y	N	N
Pension Office Forms				
Pension Application – signed & notarized after service has been verified	Y	@ Retirement **	@ Retirement **	Y Except for Survivors of Retirees

Documents Required	Service	Vesting	Disability	Survivor
Direct Deposit Authorization (DA) Form - Direct deposit of the monthly benefit to a checking, savings, or other account is required. Submit a pensioner's DA form to provide account information.	Y	@ Retirement	@ Retirement	Y
Federal & Delaware Tax Withholding Election Forms - Generally, pension benefits are taxable. Year-end tax forms are mailed before January 31 and report the total amount of pension benefit paid, taxes withheld, and other items. Tax withholding options may be changed by filling out a Federal W-4P or a State of Delaware W-4. State taxes can only be withheld for the State of Delaware. Pensioners living outside of Delaware should seek tax advice to meet their local tax requirements.	Y	@ Retirement	@ Retirement	Y
Burial Benefit Designation/Change of Beneficiary Form (GL) – must be notarized. The Burial Benefit Designation/Change of Beneficiary form (GL) requires the name, date of birth, address, and Social Security number of the person or persons designated. The designated beneficiary or beneficiaries can be changed at any time by completing and submitting a new GL form. This form must be completed in its entirety; properly signed, dated, and notarized to be valid. The pensioner may choose to designate a funeral home as a named beneficiary.	Y	@ Retirement	@ Retirement	Y
Joint Survivor Benefit Form (JSB)* – must be notarized The purpose of this form is for the pensioner to choose the amount of pension to be left to your eligible survivor (<i>an eligible survivor is your spouse, dependent children under 18, children 18 to 22 that are full-time students, a child that is permanently disabled as a result of a disability which began before the child attained age 18, or your dependent parents</i>) at the time of your death. There are four choices: <ol style="list-style-type: none"> 1. No reduction to member's pension = 50% survivor's pension 2. 2% reduction to member's pension = 66.67% survivor's pension 3. 3% reduction to member's pension = 75% survivor's pension 4. 6% reduction to member's pension = 100% survivor's pension 	Y	@ Retirement	@ Retirement	Y

Health, Dental and Vision application/refusal forms and Coordination of Benefits (COB) form (if applicable) (See Section 9. Retiree Benefits)	Y	@ Retirement	Y	Y
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*This election is irrevocable and must be made before the issuance of the first pension direct deposit.

**Agency may have employee sign application at the time of termination.

9. RETIREE BENEFITS

HEALTH INSURANCE (including prescription coverage)

Eligibility for medical coverage and cost vary depending on when you originally entered service as well as the number of years of service accumulated.

For eligible pensioners who were first employed by the State in a pension-creditable position before July 1, 1991, the State will pay 100% of the normal monthly State share.

For eligible pensioners who were first employed by the State in a pension-creditable position on or after July 1, 1991 (except for those receiving a disability pension or Long-Term Disability benefit), the State shall pay a portion of the normal monthly State share based on the number of years of pension-creditable service at the time of retirement. The rates are as follows:

Table 6: Understanding the Monthly State Share Cost of Health Insurance

The following portion of the State Share will be paid by the State, except for those receiving a disability pension or an LTD benefit 100% of State Shared is paid.	
Eligible Pensioners Hired by the State on or After July 1, 1991 through December 31, 2006	
Years of Service	State share paid by the State
Less than 10 years	0%
10 years – less than 15 years	50%
15 years – less than 20 years	75%
20 years or more service	100%
Eligible Pensioners Hired by the State on or After January 1, 2007	
Years of Service	State share paid by the State
Less than 15 years	0%
15 years – less than 17.5 years	50%
17.5 years – less than 20 years	75%
20 years or more service	100%

For disability pensioners, the State will continue to pay 100% of the monthly **State** share regardless of years of creditable service.

The same health insurance plans and coverage elections available to active employees are available to a pensioner.

Spousal Coordination of Benefits

If you cover a spouse under your Highmark Delaware or Aetna health plan, you are required to complete a Spousal Coordination of Benefits (COB) Form online to determine your spouse's eligibility status. The online form must be completed within 30 days of enrolling your spouse in a State of Delaware health plan, within 30 days of your spouse losing or gaining employee coverage and every year during Open Enrollment in May. Failure to complete a Spousal COB Form or provide documentation when required will result in a reduction of your spouse's coverage. To complete online please go to: <https://cob.dhr.delaware.gov>.

MEDICARE ELIGIBILITY

Medicare Part B eligibility is met either upon obtaining age 65 or after 24 months of receiving Social Security disability benefits. If a member has Medicare Part A insurance, this means that the member must now enroll in Medicare Part B insurance at the time of retirement or placement on long-term disability benefits.

Medicare-eligible pensioners, spouses or eligible dependents are required to enroll in Medicare Parts A and B as primary. (Part B may not be required if coverage with active employment is available. Contact the Office of Pensions if you have questions regarding Part B's required enrollment.) As of 1/1/2023, the Office of Pensions offers the State of Delaware Medicare Advantage Plan.

For more information on Medicare Frequently Asked Questions (FAQ), please visit our website at www.delawarepensions.com and navigate to Active Members > Retirement Counseling > Medicare FAQ.

DENTAL INSURANCE

Dental insurance is available upon retirement. The pensioner is responsible for the full cost of the monthly premium. The pensioner may select Individual, Individual and Spouse, Individual Child(ren), or Family coverage.

VISION INSURANCE

Vision insurance is available upon retirement. The pensioner is responsible for the full cost of the monthly premium. The pensioner may select Individual, Individual and Spouse, Individual and Child(ren) or Family coverage.

BURIAL BENEFIT

Each pensioner is eligible to name a beneficiary or beneficiaries to receive a \$7,000 taxable burial benefit at the time of their death. This is available at no cost to the pensioner. This is not a life insurance policy. It has no policy number and no cash value during your lifetime.

The Burial Benefit Designation/Change of Beneficiary form (GL) requires the name, date of birth, address, and Social Security number of the person or persons designated. The designated beneficiary or beneficiaries can be changed at any time by completing and submitting a new GL form. This form must be completed in its entirety; properly signed, dated, and notarized to be valid. The pensioner may choose to designate a funeral home as a named beneficiary.

10. RETIREMENT

Once you are retired, the Office of Pensions becomes your Human Resource Department.

MONTHLY PENSION

You utilize My.Delaware.Gov to review your pay stubs online. To ensure the timely delivery of benefit payments, all pensioners must receive payment of their monthly benefit through direct deposit. Payments are issued on the last business day of each month. The payments are sent electronically so funds post immediately to your bank account.

POST-RETIREMENT INCREASES (PRI)

Pension law does not provide for automatic post-retirement increases. Increases are only granted upon legislative approval.

TAXES

Pensioners may be required to pay both federal and states taxes on pension income. The Office of Pensions cannot withhold another State's tax from the State of Delaware monthly pension. If you intend to move out of Delaware, check with the Division of Revenue in that State to determine if the monthly pension is subject to state income tax. Be sure to consult with an accountant or a tax advisor about your liability or visit the IRS's website at www.irs.gov.

Withholding changes can be made anytime throughout the year by submitting new Federal and Delaware Tax Withholding Election forms to the Office of Pensions.

YEARLY STATEMENTS

Each year pensioners will receive the following statements:

Table 7: Description of Yearly Statements

Form	Description
1099R	Retiree version of a W-2 Form. Form sent out by January 31 st of each year.
1095B	A tax form that reports the type of health insurance coverage you have, any dependents covered by your insurance policy, and the period of coverage for the prior year. This form is used to verify on your tax return that you and your dependents have at least minimum qualifying health insurance coverage.
Retiree Annual Statement	Annual statement with a summary of benefits and burial benefit information.

Pensioners should review the Retiree Annual Statement for accuracy. If any changes need to be made, follow the instructions provided in each block of the statement.

WORK RESTRICTION

You cannot receive a pension from the State Employees' Pension Plan during any month in which you are an employee as defined under the provisions of that Plan unless you are:

- 1) An official elected by popular vote at a regular State election;
- 2) An official appointed by the Governor;
- 3) A casual/seasonal employee employed by the State of Delaware and works less than 30 hours per week or if 30 hours or more for a period not to exceed 12 months; or a temporary employee who is hired for a specific project or task for a finite period that will not exceed 12 months in duration. You may earn \$40,000 annually before pension benefit payments are reduced.
- 4) A substitute employee in a school who is compensated daily. You may earn \$40,000 annually before pension benefit payments are reduced.
- 5) A temporary justice of the peace appointed under [10 Del.C. §9211](#);
- 6) A per diem employee of the legislature; or
- 7) A registration or election official or juror.

IRS Guidelines

The IRS indicates the following guidelines must be followed to return to work with an employer from whom you are receiving a qualified pension plan benefit:

If under age 65 –

- Must have a bona fide separation after retirement (six months or greater).
- Must not have had a pre-arranged agreement to return to work with the State.

If over 65, a bona fide separation is not required.

If working as a contractor directly with a state agency, the retiree must submit a completed Direct Employment Form which incorporates the IRS 20 Factor Test to determine whether an individual qualifies as an employee or independent contractor. The Office of Pensions will issue a determination, based on IRS definitions, as to whether the individual is an employee or contractor. If the retiree is deemed an employee, then the employee must decide whether to continue working or continue to receive their pension benefits as they will be unable to do both.

If working for a contractor which has contracted its services to a state agency, the retiree must submit a completed Indirect Employment form which will place the responsibility of determining the retiree's status as a contractor on the three parties involved – the retiree, the contracting state agency and the hiring entity. The Office of Pensions will not issue a determination, but by submitting the form the parties involved are accepting responsibility for any claims, penalties, or fines that arise from the employment.

DISCLAIMER: In the case of conflict between this summary and existing law, the law prevails.

GENERAL QUESTIONS

If you are a retiree, please be sure to contact our office if any of the following changes occur:

Table 8: Pensioner Changes that Require Updates with the Office of Pensions

If I:	I should:
Change my address	Complete and submit a Change of Address Form to our office
Change my name	Submit updated documentation to the office: <ul style="list-style-type: none"> • Marriage or Divorce Certificate • Court documentation • Updated Driver's license, Social Security Card, Medicare Card, if applicable
Need to report the death of spouse or pensioner	Call our office to report a death. <i>Please note: An original death certificate will be needed to collect any benefits.</i>
Become re-employed by the State of Delaware in a pension covered position	Contact our office and ask to speak with our Return-to-Work Coordinator
Have questions regarding health care	Call our office and ask for our benefits section
Want to change my tax withholdings	Tax withholdings can be changed at any time. Please complete updated Federal and Delaware Tax Withholding Election Forms and submit them to our office
Want to change my burial benefit beneficiary or beneficiaries	Complete, notarize and submit a new Burial Benefit Designation/Change of Beneficiary Form to our office
Want to change my beneficiary or beneficiaries	Complete and submit an updated Designation of Change of Beneficiary Form to our office

Forms can be found on our website at www.delawarepensions.com under Retirees > Retiree Forms.