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County/Municipal Police & Firefighters Pension Plan Handbook



State of Delaware
Office of Management and Budget
Office of Pensions

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Comprehensive Plan Summary

Type of Plan

- Defined Benefit Plan qualifiable under IRS Section 401(a)

Membership

- Full-time uniformed police officer of a county or municipality in Delaware
- Full-time uniformed firefighter of the City of Wilmington effective 8/1/91

Eligibility

- C/M Police/Firefighters' Service Pension (Title 11 Section 8813)
 - 62 years of age with 5 consecutive years of credited service
 - age plus service equals 75 (with at least 10 years of credited service)
 - 20 years of credited service at any age
 - 5 consecutive years of credited service and per employers' mandatory retirement date
- C/M Police/Firefighters' Disability Pension (Title 11 Section 8815)
 - Duty Connected – eligible upon date of hire
 - Non-Duty Connected – 5 consecutive years of credited service
 - Condition must be expected to last for at least 12 months
- C/M Police/Firefighters' Vested Pension (Title 11 Section 8814)
 - 5 consecutive years of credited service – changed per legislation effective 5/1/08 – House Bill No. 153, 144th General Assembly
 - 10 years of consecutive credited service through 4/30/08
 - Payable beginning the month following the 62nd birthday
- C/M Police/Firefighters' Survivor Pension (Title 11 Section 8822)
 - Eligible Survivors: Spouse
Dependent child(ren) (including & resulting from a pregnancy prior to death)
Dependent Parent
 - Payable to a survivor upon the death of an officer
 - 50% of the member's final average compensation
 - Payable to a survivor* upon the death of a retired member
 - 50% of the benefit being paid to the deceased retiree

* If survivor is an eligible spouse, must be married prior to the member's retirement or at least 1 year before the date of death, unless the member's death was a result of an unforeseen or unplanned event.

- PERIODS OF DISABILITY PENSION can be used for eligibility ONLY. The total of disability pension(s) plus credited service can not exceed 25 years and will be used in determining the normal retirement date. (Title 11 8801(12))

Credited Service

- Employment after the date of affiliation with the Plan by the employer, excluding leaves of absence.
- Sick and Vacation Leave can not be used for eligibility.
- The date an officer is hired (appointment date), even if prior to entering the Academy, is the date of hire in the Plan. If prior to 1/1/99, use the beginning date of the pay cycle.
- Interrupting military – report to active military duty within 30 days of last day worked and the number of days for the date to return to work will differ depending on the length of active duty service pursuant to USERRA. **Must have copy of DDform214!**

Unified Service (Title 11 Section 8801(6))

- Equalized service using employment, at 25/30th of the full service credit, with the State Employees' Pension Plan (SEPP). Any refund from SEPP would have to be repaid. Cannot be accruing nor collecting benefits under the SEPP.
- Equalized service using employment, at 25/25th of the full service credit, with the State Police Pension Plan. Any refund from State Police Plan would have to be repaid. Can not be accruing nor collecting benefits under State Police Plan.
- Equalized service using employment, at 25/30th of the full service credit, with the County Municipal General Employees' Pension Plan. Any refund from the C/M General Plan would have to be repaid. Can not be accruing nor collecting benefits under the C/M General Plan.

Purchased Service (Buy-ins)

- Employment before the date of affiliation with the Plan as purchased by the employer either upon entering or at any after joining the Plan.
 - Can use for eligibility - Title 11 8801(3)c
- Employment before the date of affiliation with the Plan as purchased by the officer at an actuarial rate at time of retirement.
 - Can use for eligibility - Title 11 8801(3)c
- Service with a police department not affiliated with the County and Municipal Police/Firefighters' Pension Plan when employed at any time afterwards as an officer under this Plan. – Actuarial Cost
 - Can use for eligibility - Title 11 8801(3)d
 - Military Police service is not purchasable
- Actuarial Buy Ins: No limit on the # of years that can be purchased.
- CAN NOT purchase Other Governmental Service for non-police employment.
- CAN NOT purchase leaves, active duty military or accrued vacation and sick leave.

Compensation

Per Title 11, Chapter 88 of the Delaware County and Municipal Police & Firefighters' Pension Plan Law § 8801, "*Compensation*" shall mean all salary or wages, **excluding overtime payments and special payments for extra duties**, payable to a member for service.

- Creditable Compensation
 - Officers on terminal leave and continue to accrue service credit, the wages paid during that period are creditable;
 - Educational incentive pay is considered creditable if it is made part of the base salary. Example: The City of Dover has a base wage increase relative to their education level.
 - Cash payments received for opting out of health care benefits is creditable and subject to pension contributions because health care is a part of the officer's contract.
 - Severance pay that is part of contract and equivalent to the number of weeks' base pay is creditable.
- Non-Creditable Compensation
 - Overtime payments are non-creditable
 - Holiday payments are non-creditable.
 - Payments for extra duties (Example: Special Operation Response Team and Special Weapons And Tactics payments are non-creditable)
 - Shift differential payments are not creditable.
 - Sick and vacation leave accruals paid out in lump sum distributions are non-creditable.

Member Contributions

- Contributions are pre-tax dollars
- 7% of base compensation (excluding overtime and special payments for extra duties)
 - 5% of base wage (no exclusion) until 12/31/05
 - 7% of base wage (no exclusion) effective 1/1/06 per Title 11 8841(a) – 143rd General Assembly, Senate Bill 191, Section 5
- Interest is earned on contributions at the rate of 5% per year
- 20 years credited service accumulated – no longer pay member contributions – in effect until 06/30/05. Revised effective 07/01/05 when officers with 20+ years began contributing again
- FICA Max Applied through 12/31/2005
- Officer can not contribute additional contributions
- Pension contributions do not determine pension benefits

Employer Contributions

- Paid by employer to fund pension plan for their officers.
- Rate is actuarially calculated each fiscal year (July 1 thru June 30) to ensure full funding needs based on membership, service, and demographics.

Pension Benefits

- Benefit is determined using total years of service and the average of the highest 36 consecutive months of creditable wages.
- The benefit calculation became 2.5% of FAE for up to 20 years of service and 3.5% of FAE beyond 20 years of service effective 7/1/05.
- Mandatory retirement rules are at the discretion of each entity. Mandatory retirement at 25 years as previously mandated by the Plan but was eliminated by the 143rd General Assembly, Senate Bill 191, effective 7/1/05.
- Earnings limits apply to disability pensions.
- Social Security Tie-In eliminated by 143rd General Assembly, Senate Bill 191, effective 7/1/05. Active pensioners were amended to remove the reduction due to the SS Tie-in.

Health and Dental Coverage

- Eligible to participate in the group plans at time of retirement - Officer pays total cost (employee and employer share) of coverage.
- If the officer also has a pension payable immediately or is vested with SEPP, LEG, NSP, CSP, or JUD, the health care rates will be based on those rules once the pension begins.

Annual Statements

- Mailed in April or May of each year
- Review for accuracy of all information
- Estimate included if vested in the plan

Termination of Employment – Options Available

- Officer ends employment with less than 5 consecutive years of credited service
 - Withdrawal of contributions plus interest (Form WB-M) - complete if withdrawing contributions
 - Contributions Retention Notice (Form CRN-M) – complete if leaving contributions in Retirement Fund
- Officer ends employment with 5 or more consecutive years of credited service
 - Vested Pension Application payable at age 62 (Form AP)
 - Withdrawal of contributions plus interest – terminates vested rights (Form WB-M)

- Officer ends employment with one town and begins employment with another participating town
 - Service continues to accrue and contributions continue

- Deceased Officer
 - Survivor pension payable immediately
 - If no survivor, lump sum payment of contributions, plus interest, paid to named beneficiary(ies) (Form DB-CMP)

Repayment Option

- Individual returns to employment after receiving prior refund
 - Can restore prior service by repaying the refund plus penalty interest, and either accruing 5 consecutive years of credited service from the date of rehire or joining a state pension plan which allows a unified service pension and accruing 5 consecutive years of credited service.

County & Municipal Police and Firefighters Plan Participants

<u>DDS</u>	<u>ENTITY NAME</u>	<u>DATE JOINED</u>	<u>PURCHASED PRIOR SERVICE</u>
99-01-001	City of Dover Police	7/1/1985	Yes – all Prior Svc
99-01-002	Town of Dagsboro Police	7/1/1989	Yes – all Prior Svc
99-01-003	City of Harrington Police	7/1/1989	Yes – all Prior Svc
99-01-004	Town of Georgetown Police	7/1/1990	Yes – all Prior Svc
99-01-005	Town of Delmar Police	7/1/1990	Yes – all Prior Svc
99-01-006	Town of Dewey Beach Police	5/1/1991	Yes – all Prior Svc
99-01-007	New Castle County Police/Fire	2/1/1993	NO
99-01-008	City of Wilmington Police/Fire	8/1/1991	NO
99-01-009	City of New Castle Police	7/1/1995	Yes – all Prior Svc
99-01-010	Town of Millsboro Police	7/1/1999	Yes – all Prior Svc
99-01-011	Town of Felton Police	1/1/2001	NO
99-01-012	Town of Cheswold Police	9/1/2002	Yes – all Prior Svc
99-01-013	Town of Ocean View Police	5/1/2003	NO
99-01-014	Town of Wyoming Police	5/1/2003	NO
99-01-015	Town of Camden Police	7/1/2003	NO
99-01-016	Town of Milton Police	10/1/2003	NO
99-01-017	City of Milford Police	1/1/2005	Yes – Up to 10 Yrs Prior Svc
99-01-018	City of Rehoboth Beach Police	4/1/2005	NO
99-01-019	South Bethany Police	7/1/2005	Yes – Up to 7 Yrs Prior Svc
99-01-020	Laurel Police	1/1/2006	Yes – all Prior Svc
99-01-021	Newport Police	8/1/2005	Yes – See Entity File
99-01-022	Town of Clayton Police	7/1/2006	NO
99-01-023	Town of Bethany Beach Police	7/1/2006	Yes – all Prior Svc
99-01-024	Town of Fenwick Island Police	8/1/2007	NO

<u>DDS</u>	<u>ENTITY NAME</u>	<u>EFFECTIVE DATE</u>	<u>PURCHASED PRIOR SERVICE</u>
99-01-025	Town of Middletown Police	7/1/2007	NO
99-01-026	Town of Lewes Police	7/1/2008	NO
99-01-027	City of Seaford Police – 26 pay	12/1/2008	Yes – Up to 25 Yrs Prior Svc
99-01-028	City of Seaford Police – 52 pay	12/1/2008	Yes – Up to 25 Yrs Prior Svc
99-01-029	Town of Bridgeville Police	2/1/2009	NO

Research Resources

Delaware Code

- Title 11, Chapter 88
- Link - <http://delcode.delaware.gov/title11/c088/index.shtml>

Rules and Regulations

- Link - <http://regulations.delaware.gov/AdminCode/title19/2000/2006.shtml>
- Also available in pdf - <http://regulations.delaware.gov/AdminCode/title19/2000/2006.pdf>

Compensation and Contributions

- The current and one year prior of records are kept in the Pre-Retirement section with the staff member who is responsible for processing manual loads. The years earlier than the last two are found in the storage closet across from the West wing printer. The boxes are labeled for each year. Inside the boxes are files for each entity. Inside the entity files are monthly reports of compensation and contributions paid for each employee. If clarification is still needed, contact the entity directly.

Service

- The original main file for each entity is found in the first set of file cabinets as you enter the West wing. Here is where you will find specifics as to prior service purchases, pay cycles, and sick/vacation/workers compensation policies. As to a particular employee, if documentation is not in their individual pension file; check the monthly reports as stated above. If clarification is still needed, contact the entity directly.

Matrix of Service and Buy-ins

	SEPP	LEG	NSP	CSP	JUD	CM/PF	CM/G	PORT	FIRE
Reduced-Service	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reduced-Age	X	N/A	N/A	N/A	N/A	N/A	X	X	N/A
Disability	X	X	X	X	X	X	X	X	N/A
DIP	X	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Survivor	X	X	X	X	X	X	X	X	N/A
Vesting	5 Yr	5 Yr	10 Yr	20 Yr	12 Yr	5 Yr	5 Yr	5 Yr	10 Yr
Eligible Buy-ins									
Sick	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OPEE	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actuarial	X	N/A	N/A	N/A	N/A	X	X	N/A	N/A
Medical LOA	X	N/A	N/A	N/A	N/A	N/A	X	N/A	N/A
Personal LOA	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sabbatical LOA	X	N/A	N/A	N/A	N/A	N/A	X	N/A	N/A
Option to Extend	X	N/A	N/A	N/A	N/A	N/A	X	N/A	N/A
Benefits									
Blood Bank	X	X	X	X	X	N/A	N/A	N/A	N/A
Death Benefit	X	X	X	X	X	X	X	X	X
Burial Benefit	X	X	X	X	N/A	N/A	N/A	N/A	N/A
Dental	X	X	X	X	X	X-Self	X-Self	N/A	N/A
Medical	X	X	X	X	X	X-Self	X-Self	N/A	N/A
Supplemental	X	X	X	X	X	X	X	N/A	N/A

LEGEND:

X = Applicable

N/A = Not Applicable

X-Self = Applicable but must pay total cost

Pension Calculation

Service & Vested

Creditable Compensation is base salary. Overtime and special payment for other duties are not creditable compensation.

Final Average Compensation consists of 36 consecutive months of highest compensation

Early Retirement – None

Survivor – 50% of calculated pension benefit

Vesting – 5 consecutive Years effective 5/1/2008, 10 consecutive Years prior to 5/1/2008

PENSION CALCULATION (PeopleSoft will calculate)

Total Creditable Compensation (highest 36 months)	\$ _____
Divide by 36	/36

Equals Final Average Compensation (FAC)	\$ _____
Multiply by 2.5% for the first 20 years of service	x 2.5%

Equals the calculation factor for the first 20 years of service	_____
Multiply by the number of years of service up to 20	x _____

Equals Benefit for 20 Years Service	\$ _____
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FOR ADDITIONAL SERVICE BEYOND 20 YEARS

Final Average Compensation (FAC)	\$ _____
Multiply by 3.5% for service over 20 years	x 3.5%

Equals the calculation factor for the service over 20 years	_____
Multiply by the number of years of service over 20 years	x _____

Equals Benefit for Service Over 20 Years	\$ _____
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Benefit for 20 Years + Benefit Over 20 Years = Total Benefit	\$ _____
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Disability

Disability expected to last at least 12 months; unable to perform the duties of a police officer

Medical Committee reviews medical information and recommends approval or denial of disability. Executive Secretary approves or denies disability. Executive Secretary determines if disability is duty or non-duty connected and if it is total or partial.

NON-DUTY CONNECTED PENSION CALCULATION

Eligibility - 5 years of service, partial and total disability