



## **Kent County Personnel Office**

555 Bay Road, Dover, DE 19901  
(302) 744-2310/ Fax: (302) 736-2262

Office Hours: 8:00am to 5:00pm Monday - Friday

### **Kent County Pension Plan**

**K**ent County Levy Court offers a very rewarding pension plan to its employees, which can help provide some financial security upon retirement.

**E**mployee pension fund assets have enjoyed better than average growth since the Kent County Employee Retirement Program was established on June 18, 1957. As the fund has grown, it has retained professional consultants and multiple fund managers.

**N**o employee should count on their County pension and Social Security benefits to fully fund post-retirement expenses. Employees are strongly encouraged to set aside additional funds for retirement through a self-funded IRA and/or through the County's portable deferred compensation plan (457) administered by the ICMA-Retirement Corp.

**T**he County pension plan is not portable and requires a 3% of base salary above \$6,000 contribution for employees hired after December 21, 2010 (*1% of base salary contribution if hired before 12/21/10*) as provided under the applicable IRS "pickup" provision. The employee's contribution is only reimbursed if employee does not vest. Employee contributions do NOT accrue interest.

*HOW TO APPLY FOR A COUNTY PENSION* – a vested active or former employee meeting eligibility requirements must submit a letter with an actual signature to the Personnel Office at least 60 days in advance of pension eligibility requesting a County pension. Please include the full name, birthdate, and gender of any lawful spouse, and if no spouse please indicate none in the letter along with your own contact information such as telephone number and/or e-mail address. If previously married and a valid QDRO is in force, please provide contact information for the former spouse or attorney. If the applicant is eligible, the Pension Consultant (Actuary) will calculate the monthly pension under various options. If desired, a benefit calculation can be performed for an alternative beneficiary (when no spouse or QDRO exists) if requested information listed above is provided. Once the pension benefit is calculated, the pensioner will be contacted and must select the desired option and sign the pension documents. Upon return of pension documents and depending upon the date of receipt, the first pension check should be issued on the first of the following month and then monthly thereafter.

#### **WHO IS ELIGIBLE?**

Any full time or 1000+/hour per year part-time "permanent" employee of Kent County Levy Court is eligible once vested.

## WHEN DOES VESTING OCCUR?

Eight (8) years of continuous employment with Kent County Levy Court if hired after June 29, 2010. *Persons hired before June 29, 2010 vest after five (5) years of continuous employment.* Employees failing to work the minimum number of years required to vest will be reimbursed their individual pension contribution amount without accrued interest at termination of employment. Kent County does not "match" employee contributions.

## ELIGIBILITY

Vested employees can begin collecting a County pension, if they are:

- Age 62, with 8 years or more of service (*5 years if hired before 06/29/2010*)
- Age 60, with 15 years or more of service
- Age 55, with 20 years or more of service
- Any age, with 30 years or more of service (*subject to possible IRS reg. change*)

## AUTHORITY

A County employee pension is authorized under 9 Del Code §4301 and the Kent County Code - Chapter 83.

## DISABILITY

A County employee becoming disabled and receiving County long-term disability benefits shall continue under covered employment insofar as years of service for pension purposes is concerned.

## OTHER GOVERNMENT SERVICE

Only employees hired on or before June 27, 1986 are permitted to include verifiable non-vested pension eligible service with the State of Delaware or the other two Delaware counties to determine total years of service.

## PAYMENT METHOD

Pension checks can be mailed to you or direct deposited into your bank account.

## PAYMENT OPTIONS

Prior to pension commencement, eligible pensioner choose one of several monthly benefit options:

- *Life Benefit* – pays pension until pensioner's death. (spousal consent required, if applicable)
- *10 Years Certain & Continuous* – pension paid for minimum of 10 years, including payments to designated surviving beneficiary for balance of 10 years. If pensioner lives longer, then benefits extend until death with no beneficiary payment eligibility. (spousal consent required, if applicable)
- *5 Years Certain & Continuous* – pension paid for minimum of 5 years, including payments to designated surviving beneficiary for balance of 5 years. If pensioner lives longer, then benefits extend until death with no beneficiary payment eligibility. (spousal consent required, if applicable)
- *Contingent Annuity (3 options)* – **100% option** pays pensioner and after death pays designated surviving beneficiary the original monthly pension benefit until his/her death; **75% option** pays pensioner and after death pays designated surviving beneficiary 3/4 amount of original monthly pension benefit until his/her death; or **50% option** pays pensioner and after death pays designated surviving beneficiary 1/2 amount of original monthly pension benefit until his/her death.

*NOTE:* If a designated surviving beneficiary dies after vested pension plan member benefits begin, the beneficiary cannot be changed and no beneficiary benefits will be paid.

## BENEFICIARY

If a vested employee or former employee dies before pension benefit eligibility, his/her lawful spouse will receive 50% of the vested employee's pension benefit, beginning on the date the deceased employee would have become eligible to collect a pension had he/she lived – subject to any known valid QDRO provision. Other properly designated beneficiaries receive an age-rated amount calculated like the 50% contingent annuity. No benefit is paid if no spouse exists or if no beneficiary is formally indicated on an official Kent County Pension Beneficiary designation form.

## PENSION ADJUSTMENTS

In the past when financially feasible, the Kent County Levy Court has enhanced the monthly pension benefit by providing a Cost of Living Adjustment (COLA) to pensioners. COLA is usually effective July 1 of each year. Delayed pension benefit applications are not eligible for retroactive adjustments or interest.

## BENEFIT FORMULA

To calculate estimated benefits, average the 3 highest consecutive annual base salaries, multiply by 1.85% (2% if hired before 12/21/10), multiply by years of service to determine the estimated annual pension benefit. Divide by 12 for the estimated monthly pension benefit.

### EXAMPLE if hired **after** 12/21/2010

Say William Penn worked for Kent County for 20 years and his 3 highest consecutive annual salaries were \$29,000, \$30,000, and \$31,000.

Add up the salaries, divide by 3 and you get \$30,000 as the average annual salary.

Multiply the average annual salary by 1.85% and you get \$555, which is then multiplied by 20 years of service.

The Total Annual Pension Benefit is \$11,100.

The monthly benefit would be \$925.

### EXAMPLE if hired **before** 12/21/2010

Say William Penn worked for Kent County for 20 years and his 3 highest consecutive annual salaries were \$29,000, \$30,000, and \$31,000.

Add up the salaries, divide by 3 and you get \$30,000 as the average annual salary.

Multiply the average annual salary by 2.00% and you get \$600, which is then multiplied by 20 years of service.

The Total Annual Pension Benefit is \$12,000.

The monthly benefit would be \$1,000.

Pension benefits are typically subject to federal & state taxes

## OTHER BENEFITS

Only County employees retiring from active service are eligible for post-employment benefits. These benefits are subject to change, but currently include life insurance, dental insurance, and group health insurance or Medicare supplement, etc.

## BOARD OF TRUSTEES

Kent County Levy Court makes all decisions regarding pension benefit levels, enhancements, fund managers, investment allocation, investment policies, etc., but specific investment decisions are made by professional pension asset fund managers.

#### PENSION REVIEW COMMITTEE

A committee of four citizens, The County Administrator, the County Finance Director, and an Employee Council representative make recommendations to Levy Court regarding investment policy, fund manager selection, pension advisors, pension funding levels, pension ordinance amendments, etc.

#### PENSION CONSULTANT (ACTUARY)

A professional pension consultant annually evaluates pension assets to determine the pension fund's financial solvency and required annual contribution estimates. The Actuary also calculates the actual pension benefit amount paid to eligible retirees/pensioners based upon the age & gender of the designated beneficiary(s).

#### PENSION ADVISOR

A professional pension advisor provides advice to the Levy Court regarding fund manager selection or asset allocation in order to enhance fund growth and verifies/ evaluates fund manager performance.

#### PENSION CUSTODIAN

A bank is contracted by the County to hold pension funds, issue pension checks or direct deposits, issue pensioner tax reporting forms, etc.

#### ADMINISTRATION

The Personnel Office administers the pension plan and can answer questions.

*If vested or collecting a pension, please keep the Personnel Office advised of address changes even after separation of employment. A detailed explanation of the Kent County Employee Retirement Program is available in Chapter 83 of the Kent County Code available on the County's website at [www.co.kent.de.us](http://www.co.kent.de.us)*

Information presented is accurate to the best of our knowledge – *Personnel Office*

**COUNTY PENSION RULES & RETIREE BENEFITS ARE SUBJECT TO CHANGE**

Kent



County

Kent County Levy Court
Administrative Complex
555 Bay Road
Dover, Delaware 19901
(Handicapped Accessible)

Personnel Office
EQUAL OPPORTUNITY EMPLOYER
www.co.kent.de.us

Allan Kujala
Personnel Director
Phone: 302-744-2310
Fax: 302-736-2262
personnel@co.kent.de.us

DESIGNATION OF PENSION BENEFICIARY

In the event of my death prior to the eligibility date to receive Kent County pension benefits, I

\_\_\_\_\_, hereby designate
Name of vested Pension Plan Participant (print clearly)

Table with 4 columns: Employee's Primary Beneficiary\*, Relationship to Employee, Date of Birth, % (total must equal 100%). Includes a section for Employee's Contingent Beneficiary(ies)\*.

as my beneficiary to receive any such vested Pension Benefit as may be provided by the Kent County Employee Retirement Program. (This signed form must be on file in the Personnel Office to be valid.)

Signature of vested Pension Plan Participant

Date

Mailing address

Phone #

\*PLEASE WRITE ADDRESS & CONTACT INFORMATION FOR BENEFICIARY(IES) ON BACK OF THIS FORM.

SPOUSAL RELEASE OF CLAIM TO PENSION BENEFITS

Spouses are automatically entitled to receive the pension benefit of a vested employee or vested former employee in the event of his/her death prior to the eligibility date to receive Kent County pension benefits unless such benefit is waived by the eligible lawful spouse. (Must be signed in front of a notary public)

I, \_\_\_\_\_, the spouse of
Name of Spouse waiving beneficiary rights (print clearly)

Name of vested Pension Plan Participant

Pension Plan Participant's Mailing Address

hereby relinquish my right as beneficiary to any vested pension benefit as the spouse of a participant as may be provided by the Kent County Employee Retirement Program.

Signature of spouse waiving beneficiary rights

Date

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20\_\_\_\_\_.

My commission expires \_\_\_\_\_

Notary Public