



# DCRB Report

## Teachers' Edition

SUMMER 2016

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**The District of Columbia Retirement Board's mission is to prudently invest the assets of the Police Officers, Firefighters, and Teachers of the District of Columbia, while providing those employees with total retirement services.**

## From the Chair of the Board

In our spring 2016 newsletter, I announced my re-election as Chair of the District of Columbia Retirement Board (DCRB or the Board) and identified Board members who would serve during 2016 as officers and current chairs of the Board's standing committees. To recap, the officers are Joseph Clark, Vice Chair/Secretary, and Lyle Blanchard, Treasurer. The committee chairs are: Barbara Davis Blum, Investment Committee; Edward Smith, Benefits Committee; Mary Collins, Operations Committee; Lyle Blanchard, Legislative Committee; and Gary Hankins, Audit Committee. These appointments are the same as last year, except Mary Collins, who was appointed chair of the Operations Committee in June, 2016.



**Joseph M. Bress**

Given the specific focus of this newsletter on issues, events and other matters related solely to the Teachers' Retirement Plan and its members, I thought it would be appropriate, as well as a good opportunity, to introduce the trustees on the Board who represent District of Columbia Public Schools (DCPS) teachers. In alphabetical order, those trustees are:

### Mary A. Collins



Trustee Collins joined DCPS in 1976 as a senior high school mathematics teacher, and she taught until she retired in 2009. She was initially elected to the Board by active teachers in 1997 and served as the active teacher representative until her retirement. During that time, Ms. Collins chaired both the Benefits and Operations Committees, and she also served as Board Chair from September 2001 through January 2004. She began her current term as the retired teacher trustee on January 28, 2014. Her term expires on January 27, 2018. Ms. Collins served for four years as a member of the Executive Board of the Council of Institutional Investors and chaired its Policy Committee for three of those years.

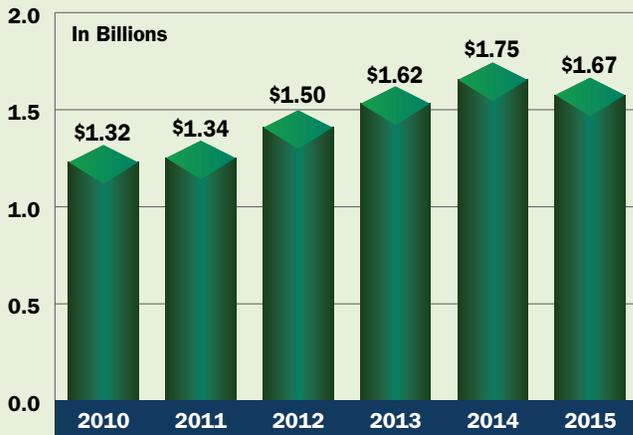
### Nathan A. Saunders

Trustee Saunders joined DCPS in 1999 as a certified social studies teacher on the senior high school level. He was elected President of the WTU from December 2010 through July 2013 during which time he created a VEBA to supplement teachers' retirements. Prior to his term as President, Mr. Saunders was elected twice as the WTU's General Vice President, where he was an advocate for teachers. He was elected to the Board as its active teacher trustee in 2010. He currently serves as the vice-chair of the Board's Benefits Committee and is a member of the Legislative Committee. Mr. Saunders' term expires on January 27, 2017.



## Teachers' Plan Assets

Fiscal Years 2010 through 2015



*(Continued on page 4)*

## Post-Retirement Health Care Coverage

### Hired Before October 1, 1987

Teachers hired before October 1, 1987, are eligible for health care coverage under the Federal Employees Health Benefits (FEHB) program and are subject to the Federal Government’s rules applicable to that program. Under those rules, an employee must have at least five years of service and be entitled to retire on an immediate annuity (this means an annuity that begins the day after retirement). The FEHB program excludes deferred annuities. Enrollment in an FEHB plan must have been continuous for the five years of service immediately before the date their retirement begins. For this coverage, the employer pays 75% of the required premium, and the retiree pays 25%.

### Hired On or After October 1, 1987

Teachers hired on or after October 1, 1987, are eligible for health care coverage under the District Employees Health Benefits (DCEHB) program. Under the District’s rules, a teacher must have at

least 10 years of creditable District service, be enrolled in a DCEHB plan at the time of retirement, and have been continuously enrolled in a DCEHB plan for five years immediately before their retirement.

Unlike the FEHB program, teachers who retire under deferred retirement, may be eligible for post-retirement health care if they meet the above eligibility requirements. For example, a teacher who is age 60 with 10 years of teaching service, who leaves DCPS before being eligible for a voluntary retirement, is eligible for a deferred retirement annuity beginning at age 62. If that teacher continued the DCEHB plan under the District’s temporary continuation of coverage (TCC) program at his/her own expense from the time they left DCPS until the time their deferred retirement annuity begins, they are eligible for post-retirement health care.

### Change in District Premium Payments

Prior to October 1, 2009, the District’s contribution toward retiree

health care was a flat 75%. Effective October 1, 2009, this changed to a graded percentage determined by the retiree’s years of service, as follows:

Years of Service	District Percentage	Retiree Percentage
0-9	0%	0%
10	25.0%	75.0%
11	27.5%	72.5%
12	30.0%	70.0%
13	32.5%	67.5%
14	35.0%	65.0%
15	37.5%	62.5%
16	40.0%	60.0%
17	42.5%	57.5%
18	45.0%	55.0%
19	47.5%	52.5%
20	50.0%	50.0%
21	52.5%	47.5%
22	55.0%	45.0%
23	57.5%	42.5%
24	60.0%	40.0%
25	62.5%	37.5%
26	65.0%	35.0%
27	67.5%	32.5%
28	70.0%	30.0%
29	72.5%	27.5%
30	75.0%	25.0%

Under this graded arrangement, retirees pay the percentage applicable to their number of years of service at retirement. For instance, if a retiree has 20 years of service at retirement, the District pays 50% (the retiree pays 50%) of the premium for his/her health care coverage. That percentage remains the same for as long as the retiree continues to be covered under a District health care plan. Premiums for **survivors** are treated similarly, with the District paying a minimum of 20% for survivors of a retiree with ten years of service and a maximum of 60% at 26 years of service and beyond.

Upon reaching age 65, a retiree’s District health care coverage becomes secondary to Medicare.

## Questions You Asked

DCRB frequently receives calls requesting information regarding the continuation of participation in the District of Columbia Teachers’ Retirement Plan (the “Plan”) when a teacher leaves DCPS to work for a charter school.

Upon leaving DCPS to work for a charter school, a teacher is eligible to continue Plan participation under one of two circumstances:

- 1) upon taking an approved leave of absence from DCPS to work for a charter school, or
- 2) being hired by a charter school within 60 days of leaving DCPS.

The teacher who takes a leave of absence, is required to remain in the Plan. The teacher who begins employment with a charter school after terminating service with DCPS may elect to continue participation in the Plan. In both cases, mandatory employee Plan contributions will be deducted from the teacher’s charter school salary, just as before at DCPS, and the charter school must make contributions to the Plan comparable to the contributions that would have been made by the District, had the teacher remained with DCPS.



## Life Events Changes & Your Benefits

If you experience certain life events (e.g., marriage, divorce, separation from service, re-employment, retirement, or a death in your family), your retirement and other benefits may be affected.

When such events occur, it is important that you contact the appropriate District agency in case your records need to be updated. Which agency you should contact depends upon your employment status at the time of the event. For example, if you are an active employee and you become divorced, you should contact the DCPS Employee Services Division (DCPS ESD) at (202) 442-4090. DCPS ESD will describe any changes you should or may wish to make to your records (e.g., updating life insurance beneficiary forms and changing your health care insurance dependents). If you are

retired, on the other hand, such events should be reported to the DCRB Member Services Center at (202) 343-3272 (toll free (866) 456-3272).

It is also important that your family members and/or survivors know who to call with such information. Again, your status at the time of the event determines who they should contact. For instance, in the event of your death, if you were an active employee, your family should contact DCPS ESD to let them know of your passing. DCPS ESD will help with information concerning health and life insurance benefits, any pension or survivor benefits that may be available, and/or any unpaid compensation. Once you are retired, however, DCRB should be notified. DCRB will coordinate with either DCPS or OPM as needed to assure that your beneficiaries/survivors receive the appropriate benefits.

## Government Pension Offset

When the Social Security Act (the Act) was passed in 1935, the majority of households had one spouse working outside of the home. Consequently, the Act included a spousal benefit for the non-working spouse who depended upon the working spouse's income for financial support. Over time, both spouses became part of the workforce.

Normally, where both spouses work in covered employment (and both pay Social Security taxes), an individual could be entitled to more than one Social Security benefit at the same time (a benefit based on one's own work and a spousal benefit). However, such an individual does not receive the full amount of each benefit. In this case, if the spousal benefit is greater than the individual's own benefit, the spousal benefit is reduced, or "offset," by that person's individual benefit. If, on the other hand, an individual has non-covered employment where Social Security taxes are not paid (like at DCPS), that individual is not eligible for Social Security benefits based on that employment, but they may be eligible for Social Security spousal benefits based on their spouse's covered employment elsewhere.

In 1977, Congress enacted the Government Pension Offset (GPO) provision, which applies exclusively to Social Security's spousal benefits. The reason for this change was that Congress believed that individuals who receive pension benefits from their own non-covered work from a governmental plan would receive a "windfall" if they also received a Social Security spouse's

*continued on page 4*

## Teachers' Retirement Plan Membership & Eligibility

To be a member of the Teachers' Retirement Plan (the Plan), you must qualify as an eligible teacher. Eligible teachers are DCPS employees who are in salary class ET 1 – 15 positions under the DCPS system. Covered positions include teachers, principals, assistant principals, librarians, and certain teachers who are employed by a charter school (see "Questions You Asked" on page 2). Participation in the Plan is mandatory, so eligible teachers are automatically enrolled in the Plan upon employment. Membership does not include substitute teachers or teachers who retired under the Plan and are rehired by the District, including DCPS.

As of October 1, 2015 (the end of the last fiscal year), participation in the Plan included:

4,866	Active Teachers
3,718	Retirees and Survivors
1,152	Terminated Members With a Deferred Vested Benefit
9,736	Total Members

The above numbers do not include 2,419 retirees and survivors who are receiving benefits under the Teachers' Plan that was frozen on June 30, 1997 and is funded by the federal government, or approximately 75 charter school teachers who continued their participation in the Plan after leaving DCPS.



## DC Retirement Board

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### Inside this DCRB Report Information Specific to Members of the District of Columbia Teachers' Retirement Plan

#### From the Chair

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#### Updates

As a part of DCRB's Retirement Modernization Program, which was launched in 2013, DCRB began a Data Management Project this year which will provide DCRB with the capability of beginning initial pension payments sooner after retirement. In addition, a Request for Proposal related to a Pension Information Management System is being developed and is expected to be released in FY 2017.

Further, during 2016, DCRB is preparing an updated Summary Plan Description (SPD), for the Teachers' Plan. This 2017 edition of the SPD is scheduled to be distributed to all active and retired members of the Plan toward the end of this year and will be available at

that same time for download from DCRB's website at [dcrb.dc.gov/service/summary-plan-descriptions](http://dcrb.dc.gov/service/summary-plan-descriptions).

#### Government Pension Offset

*continued from page 3*

benefit that their government pension did not offset. The intent was to treat government workers the same as those in the private sector who work in jobs that are covered by Social Security. This is reflected in the GPO requirement that the Social Security spouse's benefit be offset when the spouse receiving the spousal benefit also receives a government pension based on their own non-covered work.

You should contact Social Security (see chart on this page) for information regarding your personal situation.

#### Useful

#### Contacts



DCRB Member Services (202) 343-3272  
(866) 456-3272  
Fax: (202) 566-5001  
[dcrbbenefits@dc.gov](mailto:dcrbbenefits@dc.gov)

D.C. Public Schools Employee Services Division (202) 442-4090  
[dcps.hranswers@dc.gov](mailto:dcps.hranswers@dc.gov)

Office of Personnel Management (OPM) (202) 606-1800  
Toll Free (724) 794-2005\*  
<http://www.opm.gov>

Social Security Administration (800) 772-1213  
<http://www.ssa.gov>

Medicare (800) 633-4227  
TTY (877) 486-2048  
<http://medicare.gov>

\*for health and life insurance issues

#### TRUSTEES

Lyle M. Blanchard  
*Treasurer  
Council Appointee*

Mary A. Collins  
*Elected Retired  
Teacher*

Nathan A. Saunders  
*Elected Active  
Teacher*

Michael J. Warren  
*Council Appointee*

Barbara Davis Blum  
*Mayoral Appointee*

Gary W. Hankins  
*Elected Retired  
Police Officer*

Edward C. Smith  
*Elected Active  
Firefighter*

Lenda P. Washington  
*Mayoral Appointee*

Joseph M. Bress  
*Chair  
Council Appointee*

Darrick O. Ross  
*Elected Active  
Police Officer*

Thomas N. Tippet  
*Elected Retired  
Firefighter*

Jeffrey Barnette  
*Ex Officio,  
Non-Voting*

Joseph W. Clark  
*Vice Chair/Secretary  
Mayoral Appointee*

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