



DCRB Report

Teachers' Edition

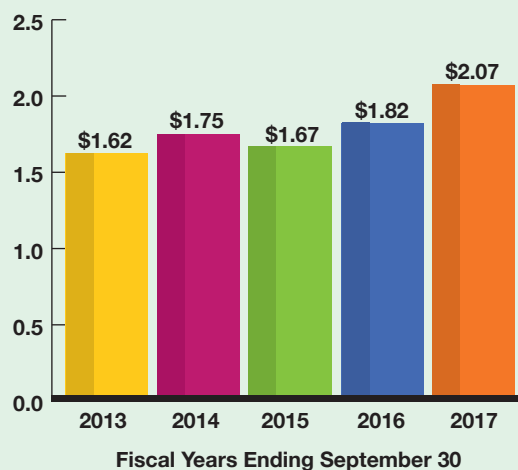
SUMMER 2018

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The mission of DCRB is to prudently invest the assets of the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund for the exclusive benefit of the members of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan and to provide Plan members with total retirement services.

Teachers' Fund Assets (in billions)



From the Chair of the Board

Fund Assets

I am pleased to advise you that at the end of fiscal year (FY) 2017 (from October 1, 2016 through September 30, 2017), the assets in the District of Columbia Teachers' Retirement Fund (the Fund) reached a milestone of \$2 billion (see chart below). In addition, on an actuarial basis, the funding level of the Fund from which benefits are paid to annuitants increased from 90.9% at September 30, 2016 to 92.5% at September 30, 2017. During FY 2017, the Fund paid \$78.2 million in annuity payments to teachers who are retired or had terminated their employment with the District of Columbia Public Schools (DCPS) during FY 2017 and had requested refunds of their contributions or rollover transfers to an IRA or the eligible plan of a subsequent employer.



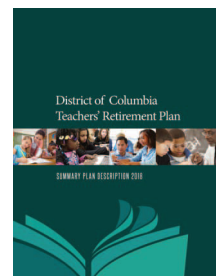
Joseph W. Clark

Plan Members

At the end of FY 2017, the District of Columbia Teachers' Retirement Plan (the Plan) had 10,428 members: 5,199 active members, 3,899 retirees and beneficiaries, and 1,330 terminated members who are eligible to receive a deferred benefit when they reach age 62. An additional 2,162 retirees and beneficiaries receive benefits under the Federal Teachers' Plan that was frozen in 1997 when the District's Teachers' Retirement Plan was established.

Summary Plan Description (SPD)

In mid-May, an updated SPD was distributed in paper form to Teachers' Plan retirees and survivors. On June 1, 2018, an email message with a link to an electronic version of the SPD was sent to active Plan members. At the time of their distribution, the paper and electronic versions of the SPD were identical and reflected Plan provisions as of December 31, 2017. If active members prefer a paper copy, they may request one at no cost by contacting DCPS's Employee Services Division (ESD) or the District of Columbia Retirement Board's (DCRB) Member Services Center. An electronic version of the new SPD is posted on DCRB's website under the Retirement section at www.dcrb.dc.gov/service/summary-plan-descriptions.



Benefit Statements

Around late summer or early fall of this year, DCRB's Benefits Department will distribute annual Estimated Benefit Statements (Statements) to active teachers. Like the Statements for firefighters last year, the process began with a pilot group of around 300 teachers, whose data will be used to test the calculation system and whose feedback will assure that pertinent issues will be addressed before Statements are distributed.

Finally, please be advised that DCRB will be conducting a special election (see page 3) to select an Active Teacher Trustee. We would like to thank Nathan Saunders for his dedicated service to the Board since 2013.

Designation of Beneficiary

Upon joining DCPS, there are a number of forms you are asked to complete that relate to employee benefits. Among those forms are two designation of beneficiary forms that identify the person(s) you select to receive benefits in the event of your death. One of those forms is for your life insurance benefit and the other concerns your pension benefit.

Life Insurance Designation of Beneficiary Form

If you were hired before October 1, 1987, you are covered under the Federal Employees' Group Life Insurance (FEGLI) Plan; if hired after September 30, 1987, your coverage is under the District of Columbia Employees' Group Life Insurance (DCEGLI) Plan. As noted above, the designation of beneficiary form that you complete for your life insurance benefit allows you to select the person or persons that you want to receive the proceeds of your life insurance upon your death. Who those persons might be is entirely up to you. What matters is that you complete a designation of beneficiary form and that you keep it up-to-date. If you don't do this, here is what happens:

If You Don't Complete a Form

If you die without having completed a designation of beneficiary form, the life insurance policy has an Order of Precedence provision that is followed in paying out proceeds. That provision lists the possible recipients of your life insurance proceeds in the order in which they might be paid, as follows:

- Your spouse/domestic partner.*
- Your child/children or their descendants (your grandchild/grandchildren).
- Your parents.
- Your estate.
- Your other next of kin under

the laws of your residence at the time of your death.

In other words, if you die without having completed a designation of beneficiary form, the recipient of your life insurance proceeds would be determined by the provisions of the policy, payable first to your spouse/domestic partner, and if you have none, to your children, etc.

If You Don't Keep Your Form Up-To-Date

If you completed a designation of beneficiary form upon joining DCPS, and you experience life changes afterward (e.g., the death of a family member, divorce, etc.), you should review your most current form to determine if it is affected by that change. It is important to note that the insurance company must pay your life insurance proceeds to the person(s) you designated in your most recent form, even if that person is no longer a part of your life (e.g., a former spouse or domestic partner). If the person you designated predeceased you, the proceeds would be paid out under the Order of Precedence list noted above.

If you are an active employee, you should submit changes of beneficiary forms to the DCPS ESD. If you are retired, forms for DCEGLI coverage should be forwarded to DCRB or for FEGLI coverage to the U.S. Office of Personnel Management (OPM). The forms must be received prior to your death. The addresses of these two agencies are listed below:

DCRB Member Services Center

900 7th St., NW,
Second Floor
Wash., DC 20001
(202) 343-3272

Office of Personnel Management

P. O. Box 45
Boyers, PA
16017-0045
1 (888) 767-6738

Pension Plan Designation of Beneficiary Form

There is a separate designation of beneficiary form for the Teachers' Retirement Plan. The person or persons you designate on this form would be entitled to receive the following amounts in the event of your death:

If You Die Before You Retire

- Your contributions to the Plan.
- Any amount you may have paid for a purchase of service.

If you have a survivor, the above amounts are not paid.

If You Die After You Retire

- Your unpaid benefit (minus health and/or life insurance premiums) during the month of your death.
- If you had no survivors eligible for a survivor benefit, any difference between the amount of your contributions to the Plan and the amount you received in benefits during your retirement.

As with life insurance, the Plan must pay the above proceeds to the person(s) you designated as your beneficiary. If you did not complete a form or if the designated person predeceased you, the proceeds would be payable under a separate Order of Precedence applicable to the Plan, as follows:

- Your spouse or domestic partner.*
- Your children, or if any child does not survive you, your grandchildren.
- Your parents.
- The appointed executor or administrator of your estate.
- Your next of kin determined by DCRB under the laws of your residence at the time of your death.

*Payments to a domestic partner are made only under District life insurance coverage (DCEGLI) and pension service accrued after June 30, 1997, under the District's pension plan.

Contribution Refunds vs. Deferred Retirement

Teachers are eligible to voluntarily retire under the Plan at: age 62, with at least five years of service; at age 60, with at least 20 years of service, at age 55, with at least 30 years of service; or at any age, with at least 30 years of service, if they were hired on or after November 1, 1996. In addition, in each of these cases, at least five of the required years of service must have been worked at DCPS.

DCRB frequently receives questions about what happens when a teacher voluntarily leaves DCPS before becoming eligible to retire; for example, someone who is 60 years of age and has 17 years of service.

If you leave DCPS before becoming eligible to retire, during your exit discussions with DCPS ESD personnel, you will be provided with a form to complete which contains the following options:

- 1) You may leave your contributions in the Plan and apply for a monthly retirement benefit upon reaching age 62, or
- 2) You may request an immediate refund of your contributions to the Plan.

What are the consequences of your decision?

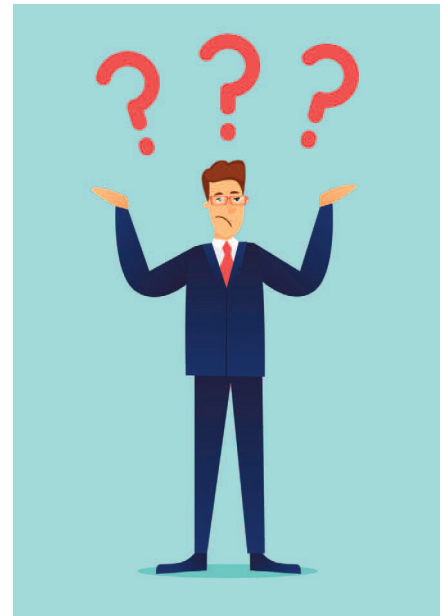
The decision to take a refund of your contributions or leave them in the Plan is, perhaps, one of the most important decisions a teacher who is not yet eligible to retire makes upon leaving DCPS.

If you select Option 1, you are selecting a “deferred retirement.” Your contributions stay in the Plan, and at age 62 you will retire under the Plan and be paid a monthly benefit for the rest of your life. In addition, at retirement, you will have the opportunity to select a payment method that may result in a month-

ly benefit to a survivor [your spouse, domestic partner* (see prior page), children or others] for the rest of their lives. Further, you (and ultimately, your potential survivors) will receive cost-of-living adjustments (COLAs) each year thereafter, if a COLA is paid. If you had fewer than five years of service, you are not vested and, therefore, you must receive a refund of your contributions.

If you select Option 2, you will be paid an immediate refund of all of the contributions you have paid into the Plan over your career. That refund consists of the exact amount you paid into the Plan, since no interest accrues on those contributions, and the amount of any purchases of service. In addition, when you reach the retirement age of 62, no monthly benefit is payable to you or to your survivors. To defer taxes on the refund, you may roll it over to an IRA or the plan of your new employer.

If you take a refund upon termination and you are later rehired by DCPS in a position that is covered



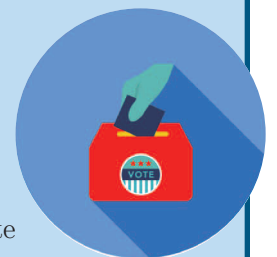
under the Plan, you may redeposit your contributions (with interest) to the Plan (either in a lump sum or in monthly, after-tax installments for up to 100 months) to buy back your prior service. Any such redeposit must be completed before you retire and while you are still actively employed by DCPS. For more information and examples, see pages 11-13 of your 2017 SPD.

Special Election

This is to advise you that there will be a special election this fall to fill the currently vacant DCRB Board position of Active Teacher Trustee. Earlier this month, active teachers were sent a Candidate Notice and other materials related to this election to complete the term that ends January 27, 2021.

Under the Board's rules, candidates for the position must be an active teacher, who is defined as: “an employee who serves in a salary class position ET 1-15 under the District of Columbia Public Schools (DCPS) and is a participant in the program for Retirement of Public School Teachers.”

Materials related to the election (e.g., candidate statements, ballots, voting instructions, etc.) will be provided to you by the Board's Election Official, Election-America, Inc.



DC Retirement Board

900 7th Street, NW
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Washington, DC 20001



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

Life Events Changes

In our summer 2016 edition of your newsletter, we published an article providing you with contact information when you experience life events changes. Since we continue to receive many questions from members on this subject, we thought it would be helpful if we ran that article again:

If you experience certain life events (e.g., marriage, divorce, separation from service, reemployment, disability, retirement, or a death in your family), your retirement and other benefits may be affected. Consequently, when such events occur, you should contact the appropriate party(ies) to let them know your records should be updated. Who you should contact about these events depends upon your

employment status at the time they occur. For example, **if you are an active employee** and you become divorced, you should contact DCPS ESD at (202) 442-4090 to let them know of this event. They will let you know of any changes you should or may wish to make to your records (e.g., updating life insurance beneficiary forms). **If you are retired**, on the other hand, such events as marriage, divorce, or the death of a family member should be reported to the DCRB Member Services Center at (202) 343-3272 or toll free at 1 (866) 456-3272

It is also important that your **family members** are aware of who to call with such information. Again, your status at the time of the event determines who they should call.

For instance, in the event of your death, if you were an active employee at the time, your family should contact DCPS ESD to let them know of your passing. The reason that they should contact DCPS is due to your employment relationship with DCPS, and the life, health, and pension benefits that may be payable under it. Once you are retired, however, information related to those benefits is maintained by DCRB and, as a result, DCRB would need to be notified of events that would have an effect on those benefits. DCRB would then coordinate with either DCPS or OPM, if you participated in the federal pension, health and life insurance benefits, to assure that your beneficiaries are paid appropriately.

TRUSTEES

Janice M. Adams
Mayoral Appointee
Lyle M. Blanchard
*Treasurer
Council Appointee*
Joseph M. Bress
Council Appointee
Joseph W. Clark
*Chair
Mayoral Appointee*

Mary A. Collins
*Elected Retired
Teacher*
Gary W. Hankins
*Vice Chair/Secretary
Elected Retired
Police Officer*
Darrick O. Ross
*Elected Active
Police Officer*

Vacant
*Elected Active
Teacher*
Edward C. Smith
*Elected Active
Firefighter*
Thomas N. Tippet
*Elected Retired
Firefighter*

Michael J. Warren
Council Appointee
Lenda P. Washington
Mayoral Appointee
Bruno Fernandes
*Ex-Officio,
Non-Voting*

D.C. Retirement Board

900 7th Street, NW, 2nd Floor
Washington, DC 20001
Voice (202) 343-3200
Fax (202) 566-5000
www.dcrb.dc.gov
Sheila Morgan-Johnson
Executive Director
Joan M. Passerino
Editor