



DCRB Report

Teachers' Edition

SUMMER 2019

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The mission of the District of Columbia Retirement Board is to serve the interests of the District's police officers, firefighters, teachers and their survivors and beneficiaries by prudently investing Fund assets and delivering accurate and timely benefit payments with excellent member service.

From the Chair of the Board

I am pleased to provide an update on the status of the District of Columbia Teachers' Retirement Plan (the Plan).

Fund Assets

At the end of the 2018 fiscal year (FY), the assets in the District of Columbia Teachers' Retirement Fund (the Fund) totaled \$2.18 billion (see chart below), an increase of \$105.5 million (+5.1%) from FY 2017. Over the course of the fiscal year, the Plan's funding level, on an actuarial basis, increased from 92.5% (as of September 30, 2017) to 93.0% (as of September 30, 2018). During FY 2018, the Fund paid \$84.6 million in annuity payments to retired teachers or in distributions of employee contributions to teachers who had terminated their employment with the District of Columbia Public Schools (DCPS). Distributions to terminated teachers occur upon request for a refund; or rollover to either an IRA or a new employer's eligible plan. Further, during FY 2018, teachers made aggregate contributions to the Fund of \$40.3 million; the District of Columbia government contributed \$59.1 million.



Joseph W. Clark

Plan Members

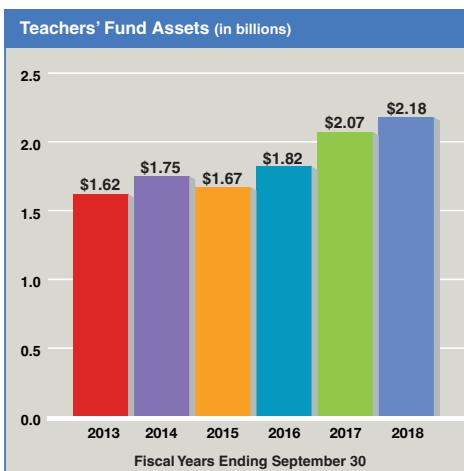
At the end of FY 2018, the Plan had 10,485 members: 5,066 active members; 3,990 retirees and survivors; and 1,429 terminated members who will be eligible to receive a deferred pension benefit when they reach age 62. In addition, there are 2,016 retirees and survivors who are receiving benefits under the federally funded Teachers' Plan that was frozen in 1997, when the District's Plan was established.

Strategic Planning Project

In August of last year, the District of Columbia Retirement Board (DCRB) undertook a project to update its strategic plan for the years 2018 through 2023. All DCRB staff were involved in the strategic planning project, which resulted in the creation of a strategy map, the identification of priority one initiatives, and a balanced scorecard to measure our progress. Phase 1 of the project culminated in updating our mission statement (see the left-hand column above); and articulating our vision statement and core values, all of which were approved by the Board at its July meeting. There will be an article in the fall newsletter describing each of these project elements.

2020 Open Enrollment

The 2020 open enrollment for both federal and District healthcare plans will begin on Monday, November 11, 2019, and continue through Monday, December 9, 2019. DCRB expects to distribute open enrollment documents in early November. More detailed information will be included in DCRB's fall newsletter.



Benefit Payment Options Available Under the Plan

The District of Columbia Teachers' Retirement Plan (the Plan) offers members five different payment options upon retirement. The options provide members with flexibility in providing retirement income for themselves and their eligible survivor(s). The options are: 1) an Unreduced Annuity, 2) a Reduced Annuity With a Maximum Survivor Annuity, 3) a Reduced Annuity With a Partial Survivor Annuity, 4) a Reduced Annuity With a Life Insurance Benefit, and 5) a Reduced Annuity With a Survivor Annuity to a Person With an Insurable Interest. Below are descriptions of how the options work and who may be paid a survivor annuity under them.

Unreduced Annuity

The unreduced annuity provides you with the full amount of the benefit that you earned under the Plan. The benefit, which is based on your service and salary, is payable to you monthly during your lifetime and ceases upon your death. There are no subsequent payments to a survivor. Since there is no survivor benefit to be paid, this option provides you with the largest benefit amount.

Keep in mind: Once you select this option, it cannot be changed. If you had a spouse or domestic partner* when you retired, there would be no benefit payable to him/her should you die first. However, your eligible surviving child(ren) will still be entitled to receive a survivor annuity.

Reduced Annuity With a Maximum Survivor Annuity

This option provides the largest annuity that can be paid to a spouse

or domestic partner* (55% of your unreduced annuity). Since this option pays a benefit to you during your life, and a lifetime annuity to your spouse or domestic partner* following your death, your benefit is reduced to accommodate those potential payments.



Reduced Annuity With a Partial Survivor Annuity

Under this option, you receive a benefit payment for life, and you have the flexibility to identify the amount (in dollars or a percent) of the benefit that will be paid to your spouse or domestic partner after your death. The benefit to your survivor may range from \$1 up to an amount less than 55% of your unreduced annuity.

Keep in mind: If you elect a reduced annuity with a maximum or partial annuity, and your spouse/domestic partner* predeceases you or your marriage/domestic partnership terminates, your reduced annuity can be restored prospectively to its unreduced amount.

Reduced Annuity With a Life Insurance Benefit

This option pays you a benefit over your lifetime, and allows you to provide a beneficiary of your choosing with an amount of life insurance that is payable in a lump-sum upon your death. The amount of the life insurance is limited to the amount of your contributions to the Plan at the time of your retirement. Since this is considered a survivor benefit, your payment is reduced. The reduction is

calculated using actuarial assumptions and your age at retirement. On any anniversary of your retirement date before reaching age 70, you may increase your retirement benefit by converting the value of the life insurance amount to an additional annuity of comparable value.

Reduced Annuity With a Survivor Annuity to a Person With an Insurable Interest

This option allows you to provide a lifetime survivor annuity to a person who you expect will be financially dependent on you during your retirement. To be eligible to select this option, you must be unmarried (and not in a domestic partnership*), and in good health. Under this option, your benefit is reduced by 10% to 40% based on your age and the age of your designated survivor (the younger the survivor, the larger the reduction), and is payable to you for life. If your designated survivor predeceases you, your benefit would be increased to the unreduced amount for future payments.

For more information about your benefit payment options, see pages 29-34 of the Plan's Summary Plan Description.

*Benefits for a domestic partner are applicable only to service earned after June 30, 1997.

Taxes and Mailing Address Issues

Now that tax season has ended, we thought it would be a good time to provide you with information that may be helpful to some of you for next year. We also wanted to give you some information about how our retirement system treats mailing addresses that may have an impact on your receiving the mail that we send to you.

Tax Information

When you retire and move to another state, or you live in another state for part of the year, it is important that you know that the DCRB retirement system withholds state taxes only for the District of Colum-

bia, Maryland and Virginia. Consequently, if you incur a tax obligation for a state or jurisdiction other than these, you may find that you have an additional bill to pay at tax time. You should talk with your tax advisor about how to avoid this outcome.

Address Issues

The DCRB retirement system has two fields for your address. One is called the “home address,” and one is called the “mailing address.” The home address establishes your legal residence for tax purposes. If your home address is the only address we have on file, this address is the one that is used for all of the mail

that we send to you, including your monthly earnings statements and your 1099-R in January of each year.

If you live in another location during a portion of the year and you ask us to send your mail there, we enter that address into the mailing address field. As a result, all mail that we send to you after you provide us with that mailing address will be mailed there.

Important Things to Know:

- If you do not contact us when you return to your home address, we will continue to send your mail to the “mailing address” until you advise us otherwise. The US Postal Service may need to forward your mail to you, which would delay your receiving it.
- If the US Postal Service does not forward your mail to you, but instead, returns it to DCRB, after a few months we may stop paying your monthly benefit until we verify your address or otherwise know why your mail is being returned.
- A “home address” cannot be a P.O. Box, since the home address establishes your legal residence for tax purposes; however, a mailing address can be a P.O. Box.
- Even though you receive your pension payment directly into your bank account, and it is unaffected by a change of address, for the above reasons, it is important that you get in touch with DCRB as soon as possible to redirect your mail after an extended stay elsewhere.

Questions You Asked

A rehired former teacher recently called DCRB’s Member Services Center and asked if her prior District of Columbia Public Schools (DCPS) service counted toward her retirement under the District of Columbia Teachers’ Retirement Plan (the Plan). The answer is: It depends.

Prior DCPS service generally counts toward retirement upon rehire, if the teacher:

- was eligible to participate in the Plan during the prior period and made contributions to the Plan,
- did not take a refund of his/her contributions to the Plan when they left DCPS, and
- the reason for previously leaving DCPS was not due to retirement.

In essence, to earn service, you need to be eligible to participate, and actually participate, in the Plan (make contributions), and once retired, even though you may be rehired in an otherwise eligible position, you cannot earn additional service under the Plan toward retirement. The one exception to the above is that a teacher who has taken a refund can have the prior service restored, if the teacher redeposits the refunded contributions (with interest) prior to subsequently terminating or retiring.



If you are affected by any of these issues, you should direct any questions that you may have to DCRB’s Member Services Center at (202) 343-3272 or toll free at (866) 456-3272.

DC Retirement Board

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Inside this DCRB Report

**Benefit Payment Options, Taxes and Mailing
Address Issues, and more**

Communicating With DCRB

When you need to contact DCRB to request or provide us with information, you should contact our Member Services Center. There are several options available to you in reaching us:

U.S. Mail:

You can send letters, forms or other information to us at the following address:

Member Services Center
District of Columbia
Retirement Board
900 7th Street, NW, 2nd Floor
Washington, DC 20001

Email:

You can request information or send documents to us via email at:
dcrb.benefits@dcrb.dc.gov.



Telephone:

We are available to answer your calls during each business day, from 8:30 a.m. to 5:00 p.m., Monday through Friday (except District holidays). Our numbers are: (202) 343-3272, toll-free at 866-456-3272 or TTY #711.

Fax:

You may send information to us via fax at (202) 566-5001.

In Person:

You may visit our offices at the above address during business hours from 8:30 a.m. and 5:00 p.m., Monday through Friday (except on District holidays). If you choose to visit us, we ask that you **please call ahead and make an appointment** so we will have an opportunity to review information related to the reason for your visit and be better prepared to assist while you are here.

TRUSTEES

Janice M. Adams <i>Mayoral Appointee</i>	Mary A. Collins <i>Elected Retired Teacher</i>	Tracy S. Harris <i>Mayoral Appointee</i>	Michael J. Warren <i>Council Appointee</i>
Lyle M. Blanchard <i>Treasurer</i> <i>Council Appointee</i>	Denise D. Daniels <i>Elected Active Teacher</i>	Greggory J. Pemberton <i>Elected Active Police Officer</i>	Bruno Fernandes <i>Ex-Officio, Non-Voting</i>
Joseph M. Bress <i>Council Appointee</i>	Gary W. Hankins <i>Vice Chair/Secretary</i> <i>Elected Retired Police Officer</i>	Edward C. Smith <i>Elected Active Firefighter</i>	
Joseph W. Clark <i>Chair</i> <i>Mayoral Appointee</i>	Thomas N. Tippett <i>Elected Retired Firefighter</i>		

DC Retirement Board

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Sheila Morgan-Johnson <i>Executive Director</i>