

# RETIREMENT WORKSHOP

March 23, 2017

March 28, 2017

## ARE YOU READY TO RETIRE?

“Information You Should Know Before You Retire”

# Presented by:

The District of Columbia  
Public Schools,

The Washington Teachers' Union,

The Council of School Officers,

and

The District of Columbia Retirement  
Board

# DISTRICT OF COLUMBIA TEACHERS' RETIREMENT PLAN

- ▶ Members of the Teachers' Plan do not pay into Social Security
  - Members hired or rehired after March 31, 1986 pay into Medicare
- ▶ Members contribute 7%, if hired before November 1, 1996
- ▶ Members contribute 8%, if first hired on or after November 1, 1996

# VOLUNTARY RETIREMENT

## ▶ Eligibility:

- Age 55 and at least 30 years of service\*
- Age 60 and at least 20 years of service\*
- Age 62 and at least 5 years of service\*

\*Must include at least 5 years of DCPS service

# EXAMPLE: AVERAGE SALARY

**Average Pay = Average of highest consecutive 36 months of base pay**

Example: A teacher with credit for 30 years of service is retiring on June 30, 2017

The following is her average pay:

\$84,959 for 6 months = \$ 42,479.50

\$84,959 for 12 months = 84,959.00

\$82,410 for 12 months = 82,410.00

\$79,938 for 6 months = + 39,969.00

Total = \$249,817.50/3

Average Salary = \$83,272.50

# HOW YOUR BENEFIT IS CALCULATED (hired before November 1, 1996)

## ▶ Benefit Formula:

1.5% x average salary\* x 1<sup>st</sup> 5 years of service

+

1.75% x average salary x 2<sup>nd</sup> 5 years of service

+

2.00% x average salary x years of service over 10 =

Unreduced Annual Benefit

\* Average Salary is based on your highest consecutive 36 months of base pay

# EXAMPLE: CALCULATION

$$1.5\% \times \$83,272.50 \times 5 = \$6,245.44 \quad (7.50\%)$$

$$1.75\% \times \$83,272.50 \times 5 = 7,286.34 \quad (8.75\%)$$

$$2.00\% \times \$83,272.50 \times 20 = +\underline{33,309.00} \quad (40.00\%)$$

$$\text{TOTAL} = \$46,841.00 \text{ Per Year}^*$$

$$= \$3,903.00 \text{ Per Month}^*$$

## Alternative:

$$7.50\% + 8.75\% + 40.0\% = 56.25\%$$

$$56.25\% \times \$83,272.50 = \$46,841.00$$

\* rounded to nearest dollar

# HOW YOUR BENEFIT IS CALCULATED (hired on/after November 1, 1996)

- ▶ Benefit Formula:

2.00% x Average Salary\* x Years of Service =  
Your Unreduced Annual Benefit

- ▶ Example (Where Average Salary = \$75,000):

2.00% x \$75,000 x 30 Years = \$45,000 Annual Benefit  
= \$ 3,750 Per Month

\* Average Salary is based on your highest consecutive 36 months of base pay



# PERCENT EARNED FOR YEARS OF SERVICE

If you were hired prior to November 1, 1996:

- ▶ 7.50% for 5 years of service
- ▶ 16.25% for 10 years of service
- ▶ 36.00% for 20 years of service
- ▶ 56.00% for 30 years of service
- ▶ 80.00% for 42 years of service

If you were hired on/after November 1, 1996:

- ▶ 2.00% for each year of service

# COST OF LIVING ADJUSTMENTS (COLAs)

- ▶ Determined according to the movement in the **CPI-W** for the previous calendar year
- ▶ 3% cap by statute, if you were hired on or after November 1, 1996
- ▶ COLAs are effective March 1<sup>st</sup> and included in the April annuity payment
  - A prorated amount may apply for the first year

# OTHER TYPES OF RETIREMENT

- ▶ Deferred Retirement
- ▶ Disability Retirement
- ▶ Involuntary Retirement

# DEFERRED RETIREMENT

- ▶ Must have at least 5 years of DCPS service
- ▶ Must be at least age 62
- ▶ Must begin your annuity by age 70 1/2
- ▶ You must elect a Deferred Retirement benefit when you leave DCPS
  - Send your Deferred Retirement election form directly to DCRB
  - If you received a refund when you left DCPS, you cannot receive a Deferred Retirement benefit

# DISABILITY RETIREMENT

- ▶ You must have at least 5 years of DCPS service when you become disabled, and
- ▶ You must be incapable of performing your job due to a physical or mental disability

# DISABILITY MINIMUM ALLOWABLE BENEFIT

- ▶ If your earned DCPS service percentage is less than the minimum disability benefit of 40%, you will receive the minimum allowable benefit, which is the lesser of:
  - 40% of your average salary, or
  - The benefit amount using your average salary at the time of your disability, projected to age 60

# INVOLUNTARY RETIREMENT

You may be eligible if you have:

- At least 25 years of service with at least 5 years with DCPS \*, or
- You are at least age 50, and you have at least 20 years of service, including at least 5 years with DCPS

\* You are eligible only if you are terminated for reasons other than gross misconduct or delinquency

# ADDITIONAL SERVICE CREDITS AT YOUR COST

- ▶ Up to ten years of full-time creditable service outside of DCPS
- ▶ Federal Civil Service time earned before age 62
- ▶ Leave without pay to work for a teachers' union
- ▶ Approved leave without pay to work for a charter school



# PARTICIPATION WHILE TEACHING IN A CHARTER SCHOOL

- ▶ You **must** continue participating in the Teachers' Plan if you:
  - Have an approved leave of absence from DCPS to work at a charter school
- ▶ You **may elect** to continue participating in the Plan if you:
  - Terminate from DCPS and you are hired by a charter school within 60 days of your termination
- ▶ In either case, you must continue making contributions as before

# ADDITIONAL SERVICE CREDITS AT NO COST TO YOU

- ▶ Approved educational leave
- ▶ Up to six months of approved leave of absence from DCPS without pay in **any** fiscal year
- ▶ Active service time in the military
- ▶ Approved Workers' Compensation time (you may be required to make employee contributions for this time)

# SERVICE THAT CANNOT BE ADDED

Participation in the Federal FERS Plan or the DC 401(a) Plan **cannot** be purchased under the DC Teachers' Retirement Plan

# BENEFIT PAYMENT OPTIONS\*

- ▶ Unreduced Annuity (anyone)
    - Does not provide a survivor annuity
  - ▶ Reduced Annuity with a Maximum Survivor Benefit
    - 55% of your benefit is paid to your spouse or domestic partner\*\*
  - ▶ Reduced Annuity with a Partial Survivor Benefit
    - 1% to 54% of your benefit is paid to your spouse or domestic partner
    - Reduction Calculation:
      - Your annual benefit x 2.5% up to \$3,600 + 10% of the amount over \$3,600 = amount of reduction
- \* A QDRO, to which you are a party, may affect your annuity election
- \*\* The Federal Government does not recognize domestic partners for Federal benefit payments

# BENEFIT PAYMENT OPTIONS (continued)

- ▶ Reduced Annuity with a Survivor Benefit to a Person with an Insurable Interest (must be single and in good health):
  - The survivor must be dependent upon you for financial support
  - Your benefit is reduced between 10% and 40%, depending upon the age of the survivor

# BENEFIT PAYMENT OPTIONS (continued)

- ▶ Reduced Annuity with a Life Insurance Benefit (anyone)
  - Your annuity is reduced so you can elect a life insurance amount payable in a lump-sum to a beneficiary (you can designate anyone) upon your death
  - The face amount of the life insurance cannot be more than your total contributions to the Plan
  - Until you reach age 70, you may convert the life insurance policy to an additional annuity for yourself

# BENEFIT PAYMENT OPTIONS (continued)

- ▶ If there is no Survivor Annuity paid,
- ▶ and you die before receiving annuity payments equal to the total contributions you paid into the Plan, then
- ▶ a lump-sum equal to the remaining amount will be paid to:
  - your designated beneficiary, or
  - to your heirs, under the Plan's order of precedence provision (if you did not complete a written beneficiary designation form)

# MARITAL STATUS CHANGE

- ▶ If you are single at retirement and you marry while retired, you must notify DCRB in writing within one year, if you want to elect a survivor annuity
- ▶ If you elected a spousal annuity when you retired and your spouse or domestic partner predeceases you, your benefit “pops-up” to an unreduced annuity

Note: Once a benefit is being paid, an election cannot be changed unless there is a change in marital status (e.g., death, divorce, remarriage)



# DISTRICT HEALTH CARE BENEFITS

- ▶ To be eligible for post-retirement health coverage, you must have:
  - At least **10 years** of creditable District service,
  - Which includes at least 5 continuous years of coverage under a District health Plan preceding your retirement
- ▶ To continue to be covered after your death, your spouse or domestic partner must be currently covered and be receiving a survivor annuity

# HEALTH CARE BENEFITS under WORKERS' COMPENSATION

- ▶ To continue health care coverage while on Workers' Compensation, you must continue paying health care premiums
- ▶ The District will pay 100% of your premiums for up to the first year that you are on Workers' Compensation
- ▶ After the first year, the District pays 75% and your 25% must be deducted from your Workers' Compensation pay to preclude a break in your health care benefits

# HEALTH/LIFE INSURANCE

- ▶ Teachers hired prior to October 1, 1987 participate in the **Federal Plans**
- ▶ Teachers hired on/after October 1, 1987 participate in the **District Plans**
  - Information related to District plans is contained in DPM Bulletin No. 21B-15.
- ▶ For information on any of these Plans, **active teachers** should contact DCPS Employee Services at (202) 442-4090
- ▶ **Retired teachers** who have questions should contact DCRB Member Services at (202) 343-3272

# WHAT SHOULD YOU DO BEFORE APPLYING FOR RETIREMENT?

- ▶ Request a copy of your Individual Retirement Record (IRR) from the District's Office of Pay and Retirement Services (OPRS) 3 months prior to retirement (the final year will not be complete)
  - Go to 441 4<sup>th</sup> Street, Room 410 S, with a picture ID, or
  - Fax a request, with a copy of your picture ID, to (202) 741-8585
  - Verify your information and, if you find any errors, provide documents to DCPS Employee Services that are needed to support any corrections

# WHAT SHOULD YOU DO BEFORE APPLYING FOR RETIREMENT? (continued)

- ▶ Review your personnel file in DCPS Employee Services
- ▶ Review your job summary in PeopleSoft Self Service
  - Under Payroll and Compensation > Review Job Summary, View All, then click on last tab (Show All)

# WHAT SHOULD YOU DO BEFORE APPLYING FOR RETIREMENT? (continued)

- ▶ Make copies of your appointments, terminations, reinstatements, sabbaticals, authorized leaves of absence, and any Workers' Compensation documents
- ▶ Contact DCPS Employee Services for information and necessary forms if you wish to purchase service time
- ▶ Begin the purchase of service process at least 6 months before you submit your retirement papers to DCPS Employee Services
  - If you have purchased service and you are making installment payments, **all such payments must be completed prior to retirement**

# DINR

- ▶ If you are planning to retire before the start of the 17–18 school year, you must apply for your DINR (Declaration of Intent to Not Return)
- ▶ Go to the DCPS Resignations and Retirements Application in Quickbase ([www.quickbase.com](http://www.quickbase.com)) and begin your online application
  - Step 1 –
    - Answer a series of questions
    - The Retirement Team will generate your retirement estimate
    - If necessary, you may request a 15–minute telephone consultation to review your retirement estimate, by calling (202) 442–4090 (a telephone consultation to review your estimate is not required)

# DINR (continued)

- Step 2 –
  - Indicate in Quickbase whether you wish to proceed with retirement
  - If yes, Quickbase will generate your personalized retirement application (tax forms, survivor annuity forms, etc.)
  - Complete your forms online (all forms are fillable forms) or print them and complete them by hand
  
- Step 3 –
  - Schedule your in-person pre-retirement counseling appointment with the DCPS Retirement Team, by calling (202) 442-4090 (this is a required in-person appointment)
  - Print your application and bring it with you, along with any questions, to your pre-retirement counseling appointment

**Note:**

***All requests for retirement estimates and retirement applications must be submitted online via Quickbase!***

***No paper requests will be accepted!***



# DINR (continued)

- Application periods:
  - CSO positions: February 6<sup>th</sup> through March 15<sup>th</sup>
  - WTU positions: February 20<sup>th</sup> through April 3<sup>rd</sup>
- The waiver period (for employees in WTU positions only) runs from April 4<sup>th</sup> through May 1<sup>st</sup>
- Employees in CSO positions do not have a waiver period

# How to Apply for Retirement After the DINR Period

- ▶ Use the same Resignations and Retirements Application in Quickbase
- ▶ Follow the same instructions as provided for applying during the DINR period
- ▶ Submit your online retirement application at least 90 days prior to your anticipated retirement date

***Note:***

***All requests for retirement estimates and retirement applications must be submitted online via Quickbase!***

***No paper requests will be accepted!***

# Payment

- ▶ Ensure that you provide the DCPS Retirement Team with a voided check to verify your direct deposit information
- ▶ You should receive your first annuity payment within 60 days of DCRB receiving your completed retirement application package

# Questions?

- ▶ Active employees should contact the DCPS Retirement Team via
  - Email: [dcps.retirement@dc.gov](mailto:dcps.retirement@dc.gov)
  - Telephone: (202) 442-4090
  - Appointments and walk-ins will be taken on Monday, Wednesday, and Friday only (8:00am to noon, and 1:00pm to 4:00pm)
  - Customers will not be seen on Tuesdays and Thursdays
  
- ▶ Retired employees should contact DCRB Member Services via
  - Phone: (202) 343-3272
  - Toll Free: 1 (866) 456-3272
  - Fax: (202) 566-5001

**THE END**