

**RETIREMENT WORKSHOP**

**March 23, 2016**

ARE YOU READY TO RETIRE?

"Information You Should Know Before You Retire"

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**Presented By:**

The District of Columbia  
Public Schools,

The WTU

and

The District of Columbia  
Retirement Board

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**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

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### 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 have at least 5 years of DCPS service.

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### EXAMPLE: AVERAGE SALARY

Average Pay = your highest consecutive 36 months of base pay

A teacher with credit for 30 years of service is retiring on June 30, 2016.

The following is her average pay:

\$75,905 for 3 months = \$ 18,976.25  
 \$84,959 for 12 months = 84,959.00  
 \$84,959 for 12 months = 84,959.00  
 \$84,959 for 9 months = + 63,719.25  
 Total = \$252,613.50/3  
 Average Salary = \$84,204.50

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### 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  
 +  
 2.0% x average salary x years of service over 10 =  
 Unreduced Annual Benefit

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

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**EXAMPLE: CALCULATION**

1.5% x \$84,204.50 x 5 = \$6,315.34 (7.50%)  
 1.75% x \$84,204.50 x 5 = 7,367.89 (8.75%)  
 2.0% x \$84,204.50 x 20 = +33,681.80 (40.00%)  
 TOTAL = \$47,365.00 Per Year  
 = \$3,947.00 Per Month

Alternative:

7.50% + 8.75% + 40.0% = 56.25%  
 56.25% x \$84,204.50 = \$47,365.00

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**HOW YOUR BENEFIT IS CALCULATED  
(Hired On/After November 1, 1996)**

▶ Benefit Formula:

2.0% x Average Salary\* x Years of Service =  
Your Unreduced Annual Benefit

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

2.0% x \$75,000 x 30 Years = \$45,000 Annual Benefit  
 = \$ 3,750 Per Month

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

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**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

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**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

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**OTHER TYPES OF RETIREMENT**

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

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**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**
  - If you received a refund when you left DCPS, you cannot receive a **Deferred Retirement benefit**

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**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

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**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

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**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 a reason other than gross misconduct or delinquency

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### ADDITIONAL SERVICE CREDITS AT YOUR COST

- ▶ Up to ten years of full-time teaching 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

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### PARTICIPATION WHILE TEACHING IN A CHARTER SCHOOL

- ▶ You can continue participating in the Teachers' Plan if you:\*

  - Have an approved leave of absence to work at a charter school, or
  - Terminate from DCPS, you are hired by a charter school within 60 days of your termination, and you opt to rejoin the plan

\*You must continue making contributions as before

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### 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
- ▶ Service time in the military
- ▶ Approved Workers' Compensation time (you may be required to make employee contributions for this time)

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### 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

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### 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
  - Calculation:
    - Your annual benefit x 2.5% up to \$3,600 + 10% of the amount over \$3,600 = amount of reduction
- ▶ Reduced Annuity with a Partial Survivor Benefit
  - 1% to 54% of your benefit is paid to your spouse or domestic partner
  - 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

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### 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 on you for financial support
  - Your benefit is reduced between 10% and 40%, depending upon the age of the survivor

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**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

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**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)

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**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 immediately 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
- ▶ To continue health care coverage while on Workers' Compensation, you must continue paying health care premiums.

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### HEALTH/LIFE INSURANCE INFORMATION

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

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### OTHER PROVISIONS

- ▶ If there is no Survivor Annuity paid,
  - and you die before receiving annuity payments equal to the total contributions you paid into the Plan,
  - 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)

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### TIMEFRAME AND STEPS TO APPLY FOR RETIREMENT

- ▶ You may request a copy of your Individual Retirement Record (IRR) from the District's Office of Pay and Retirement Services (OPRS) three months prior to retirement (the final year will not be complete)
- ▶ Review your personnel file in the DCPS Employee Services Office
- ▶ Review your job summary in PeopleSoft Self Service
  - Under **Payroll and Compensation** > Review Job Summary, View All, then click on last tab (Show All)

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**TIMEFRAME (CONTINUED)**

- ▶ You may want to make copies of your appointments, terminations, reinstatements, sabbaticals, authorized leaves of absence, and any Workers' Compensation documents
- ▶ Contact the DCPS Employee Services Office for information and necessary forms if you wish to purchase service time\*
- ▶ Begin the purchase of service process at least six 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

\* A purchase of service must be completed before you retire.

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**TIMEFRAME (CONTINUED)**

- ▶ Make an appointment with the Employee Services Office at least six months before your retirement
- ▶ Request an estimate of your annuity from the Employee Services Office at least three to six months before your anticipated retirement date

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**TIMEFRAME (CONTINUED)**

- ▶ Submit your retirement application to DCPS–Employee Services at least 90 days prior to your anticipated retirement date.
- ▶ You should receive your first annuity payment within 60 days of DCRB's receiving your completed retirement application package

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**PROCESS TO RECEIVE A COPY OF YOUR INDIVIDUAL RETIREMENT RECORD (IRR)**

- ▶ 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



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**THE END**



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