

RETIREMENT WORKSHOP DISTRICT OF COLUMBIA TEACHERS' RETIREMENT PLAN



January 2023

ARE YOU READY TO RETIRE?

“Information You Should Know Before You Retire”

DISTRICT OF COLUMBIA TEACHERS' RETIREMENT PLAN

Member Contributions

- Members of the Teachers' Plan do not pay into Social Security Retirement.
 - Members hired or rehired after March 31, 1986 pay into Medicare.
- Members Contribute 7% of their DCPS Salary, if hired before November 1, 1996.
- Members Contribute 8% of their DCPS Salary, 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*
 - Any age with at least 30 years of service* if hired on or after November 1, 1996

*Must include at least 5 years of DCPS service.

EXAMPLE: AVERAGE SALARY

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

Jane is planning on retiring on June 30, 2023.

Based on her high consecutive 3-years of base pay, her average pay is determined as follows:

\$84,958 for 6 months = \$ 42,479.00

\$84,958 for 12 months = 84,958.00

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

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

Total = \$249,816.00/3

Average Salary = \$83,272.00

HOW YOUR VOLUNTARY RETIREMENT BENEFIT IS CALCULATED

❖ Hired Before November 1, 1996

Benefit Formula:

1.5% x Avg Salary x 1st 5 years of service

+

1.75% x Avg Salary x 2nd 5 years of service

+

2.0% x Avg Salary x years of service over 10

❖ Hired On/After November 1, 1996

Benefit Formula:

2.0% x Avg Salary x years of Service

HOW YOUR VOLUNTARY RETIREMENT BENEFIT CALCULATION EXAMPLE

❖ Hired Before November 1, 1996

(Average Salary = \$75,000, 30 years)

$$1.5\% \times \$75,000 \times 5 \text{ years} = \$5,625.00$$

$$1.75\% \times \$75,000 \times 5 \text{ years} = \$6,562.50$$

$$2.0\% \times \$75,000 \times 20 \text{ years} = \$3,000.00$$

$$\text{TOTAL} = \$42,187.50 \text{ Annual Benefit (plus unused sick leave)}$$

$$=\$ 3,516 \text{ Per Month}$$

❖ Hired On/After November 1, 1996

(Average Salary = \$75,000, 30 years)

$$2.0\% \times \$75,000 \times 30 \text{ years} = \$45,000 \text{ Annual Benefit (plus unused sick leave)}$$

$$= \$ 3,750 \text{ Per Month}$$

DEFERRED RETIREMENT

Eligibility:

- Must have at least 5 years of DCPS service;
- Must be at least age 62; and
- Must not have taken a refund of your contributions.
- Must begin your annuity no later than April 1 following the calendar year you reach age 73, beginning January 1, 2023.
 - *Note: Only for separated employees. These ages are **not** mandatory retirement ages.*

*(You **should** elect to receive a Deferred Retirement Benefit at the time you leave DCPS and leave your contributions in the Plan. If you leave DCPS with fewer than 5 years of service, you can only receive a refund.)*

Formula:

- Same as voluntary retirement but no credit for unused sick leave.

DISABILITY RETIREMENT

Eligibility:

- You must have at least 5 years of DCPS service when you become disabled, and
- You must be incapable of satisfactorily performing your job due to a physical or mental disability (not caused by willful misconduct).

Formula:

- Same as voluntary retirement (plus unused sick leave).

Note:

- To be eligible for disability retirement, you must have a disability letter from Washington Occupational Health Association (WOHA).
- You must be actively employed to retire under disability.

INVOLUNTARY RETIREMENT

Eligibility:

- You are terminated for reasons other than misconduct or delinquency with:
 - At least 25 years of service,* or
 - At least 20 years of service* and age 50.

*with at least 5 years with DCPS

Formula:

- Same as voluntary retirement (plus unused sick leave) except that your benefit will be reduced by $\frac{1}{6}$ of 1% for each full month that you are under age 55.

PLAN PARTICIPATION WHILE TEACHING IN A D.C. PUBLIC CHARTER SCHOOL

- You ***must*** continue participating in the Teachers' Plan if you:
 - Have an approved leave of absence from DCPS to teach at a charter school.
- You ***may elect*** to continue your Plan participation if you:
 - Terminate from DCPS to teach in a charter school within 60 days of your termination. Your election must be made at the time you begin teaching at the charter school.

Under either scenario, you must continue making Plan contributions.

BENEFIT PAYMENT OPTIONS*

Depending on your marital/domestic partnership status at the time of your retirement and subsequent death, the following payment options may impact your eligible surviving spouse/domestic partner's survivor benefit:

- **Unreduced Retirement Annuity**
 - No survivor annuity for your spouse/domestic partner (does not impact survivor annuity for eligible child(ren))
- **Reduced Retirement Annuity With a Maximum Survivor Annuity**
 - 55% of your annuity is paid to your surviving spouse/domestic partner **
- **Reduced Retirement Annuity With a Partial Survivor Annuity**
 - Fixed dollar amount or percentage less than 55% of your annuity is paid to your surviving spouse/domestic partner

*An approved Qualified Domestic Relations Order (QDRO) prior to your retirement may dictate your annuity payment option.

**A survivor benefit for domestic partner applies only to the portion of the benefit based on service accrued after June 30, 1997.

COST-OF-LIVING ADJUSTMENTS (COLAs)

Retirement and Survivor Annuities may be adjusted annually:*

- COLAs are determined by the Mayor according to the movement in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the previous calendar year.
- COLAs are capped at 3% for you and your survivors if you were hired on or after November 1, 1996.
- COLAs are effective March 1ST and included in the April annuity payments.

*A prorated amount may apply for the first year of the annuity payment.

MARITAL/DOMESTIC PARTNERSHIP STATUS CHANGE

- If you are single at retirement and you subsequently marry/register a domestic partnership, within 1 year of your status change, you must notify DCRB in writing to **elect to change your unreduced annuity payment option.**
- If at retirement you elected a reduced annuity to provide a survivor annuity and your spouse/domestic partner predeceases you, you must notify DCRB for your reduced **annuity to be increased to its unreduced amount.**

Once your annuity is being paid, you cannot change your election unless there is a change in marital/domestic partnership status.

LUMP-SUM DEATH BENEFITS

(Member Plan Contributions)

If There is No Survivor Annuity Paid and You Die:

Shortly after retiring or any time before retiring, a lump-sum payment of your unexpended Plan contributions will be paid to your beneficiary(ies) under the Plan's Order of Precedence:

- Your written designated Teacher Plan beneficiary;
- Surviving spouse/domestic partner
- Surviving children (or surviving child (your grandchild) of deceased child);
- Surviving parents;
- Your estate; or
- Next of kin as determined by DCRB under your state of domicile upon your death.

You should periodically review your written designated beneficiary, if any. A divorce/domestic partnership termination does not affect your written designation unless you change it.

RETIREE HEALTH/LIFE INSURANCE BENEFITS

- Teachers hired prior to October 1, 1987 participate in **the Federal Health and Life Insurance Plans.**
- Teachers hired after September 30, 1987 participate in the **District Health and Life Insurance Plans.**

To be eligible for post-retirement health insurance coverage, you must:

- Have at least 10 years of creditable service (District only)
- Have been continuously enrolled for at least 5 years at the time of your retirement (does not include breaks in service).

Your premium share is deducted from your annuity. If your annuity is insufficient, you can arrange to self-pay.

Upon your death, if eligible, your covered dependents can elect to continue coverage.

REQUIRED RETIREMENT INFORMATION

- ***Retirement Packages to DCRB***
 - Official hire and termination actions
 - Suspension and leave without pay records
 - Individual Retirement Record
 - Post-retirement health and life forms
 - Tax forms
 - Other relevant documentation (purchase of service, settlements, etc.)

PRE-RETIREMENT PLANNING

- Well before your desired retirement date, review your employment and service history.
- You may want to 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.***

DCRB'S ANNUITY PAYMENT PROCESS

First Payment

- DCRB strives to issue a first annuity check between 60-90 days after your **completed** package is received by us.
- Annuities are payable the 1st of every month for the accrual of the previous month (e.g., July 1-31 payment is payable on August 1st).
- Your first annuity payment will be retroactive to your Benefit Commencement Date (day after your retirement date).
- You will receive a calculation letter from DCRB with due process if you disagree with DCRB's calculation.

AFTER RETIREMENT

- Keep your home and mailing addresses and contact information current with DCRB.
- Keep your banking information current (never close one account until payment is received in new account).
- Keep your beneficiary forms current:
 - Teachers' Plan beneficiary form to DCRB
 - FEGLI beneficiary forms to OPM
 - DCEGLI beneficiary forms to DCRB
- Report deaths of your covered dependents under your health care coverage.
- Submit a *DCRB Power of Attorney* form in case of sickness or other incapacitation.

For More Information

- Active Teachers should contact DCPS Employee Services Division at (202) 442-4090.
- Retired Teachers should contact DCRB Member Services at (202) 343-3272.