



ARE YOU READY TO RETIRE?

“Information You Should Know Before You Retire”

Disclaimer

- The information included in this presentation is intended to summarize the provisions of the District of Columbia Teachers' Retirement Plan. This presentation is not intended to be a complete description of every detail of the Plan or to replace or amend Plan terms. If there are any conflicts between the information in this presentation or any information you may receive orally about the Plan, and the D.C. Code or the administrative regulations, the D.C. Code and the regulations will govern.

Critical Questions to Ask Yourself . . .

1. Why am I retiring?
2. When should I retire?
3. What steps should I take when I'm close to submitting my application?
4. Do I have an income replacement plan in place?
5. What about my health? Am I in relatively good health or should I begin to make a few changes now?
6. Do I have too much life insurance coverage?



How much do I contribute to the plan?

- If you were hired into an eligible position ***prior to*** November 1, 1996, then you contribute 7% of your salary to the plan.
 - If you were hired into an eligible position ***after*** November 1, 1996, then you contribute 8% of your salary to the plan.
 - Members hired or rehired after March 31, 1986 pay into Medicare.
 - Members of the Teachers' Plan ***do not pay*** into Social Security Retirement.
-

What are my options?

Once you have worked for DCPS and contributed to the plan for 5 years you will be vested in the plan. As a vested participant, you can apply for **voluntary retirement** at:

- 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
-

What are my options?



- If you are vested and you are **involuntarily separated** from
- DCPS, you may retire
 - At any age if you have at least 25 years of creditable service in the plan; or
 - Age 50 with at least 20 years of creditable service in the plan.
- If you are under age 55, your benefit will be reduced by $\frac{1}{6}$ of 1% for each full month that you are under age 55.

What are my options?

Disability Retirement

- You must have at least 5 years of eligible DCPS service when you become disabled;
 - You must be incapable of satisfactorily performing your job due to a physical or mental disability; and
 - You must be actively employed to retire under disability.
-

What are my options?

Deferred Annuity

- Must have at least 5 years of eligible service;
 - Must be at least age 62; and
 - Must not have taken a refund of your contributions.
-

What is Creditable Service?

As long as you are making mandatory contributions to the Retirement Fund, you earn one year of **teaching service** for each academic year you work:

- in a salary class position ET 1-15 in the DCPS system under a temporary, probationary, or
- permanent appointment; or
- as a D.C. Public Charter School teacher who is a Plan participant.



What is Creditable Service?

You may receive teaching credit for the following prior work periods:

- Up to 10 years of service in a public day school system or an equivalent school system outside of the DCPS System (referred to as non-DCPS teaching service).
- Certain other service in the DC or federal governments that is creditable under CSRS.
- Your continuous temporary service with the DCPS system immediately preceding a probationary appointment.

To receive credit for this type of prior work, you must:

- have at least five years of service as a DCPS teacher (eligible service);
 - make service contributions (plus interest) to the Fund for each year that you would like to purchase credit; and
 - purchase the service before you retire.
-

What Impacts My Creditable Service?

You can take up to six months of approved leave without pay each **fiscal year** and continue to earn teaching service in the Plan without having to make mandatory contributions.

- **D.C. Public Charter School Leave** -the public charter school must continue to deduct your mandatory retirement contributions from your charter school salary and make the required employer contribution.
- **Teachers' Union Leave** -. you must arrange to continue to make your mandatory contributions to the Plan during your leave .

What Impacts My Creditable Service?

- **Educational Leave of Absence** - to receive credit for the time you are on an authorized educational leave of absence without pay, however, you must make your mandatory contributions that you would have had deducted from your teaching salary, plus interest equal to the average rate of return on investments of the Retirement Fund.
- **Workers' Compensation Leave** - the six months of approved leave without pay per fiscal year rule applies to the time during which you are on an authorized leave without pay due to workers' compensation, for a maximum of 2 calendar years.
- **Military Leave Due to War or National Emergency** - if you leave your teaching position to enter the military service during a period of war or national emergency proclaimed by the President or declared by Congress, you will not be required to make contributions for this military leave to count toward your retirement.

What Impacts My Creditable Service?

You can take up to six months of approved leave without pay each **fiscal year** and continue to earn teaching service in the Plan without having to make mandatory contributions.

- **D.C. Public Charter School Leave** -the public charter school must continue to deduct your mandatory retirement contributions from your charter school salary and make the required employer contribution.
- **Teachers' Union Leave** -. you must arrange to continue to make your mandatory contributions to the Plan during your leave.

What Impacts My Creditable Service?

- **Educational Leave of Absence Without Pay** - to receive credit for the time you are on an authorized educational leave of absence without pay, you must make your mandatory contributions that you would have had deducted from your teaching salary, plus interest equal to the average rate of return on investments of the Retirement Fund.
- **Workers' Compensation Leave** - the six months of approved leave without pay per fiscal year rule applies to the time during which you are on an authorized leave without pay due to workers' compensation, for a maximum of 2 calendar years.
- **Military Leave Due to War or National Emergency** - if you leave your teaching position to enter the military service during a period of war or national emergency proclaimed by the President or declared by Congress, you will not be required to make contributions for this military leave to count toward your retirement.

How are my retirement benefits 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 are my retirement benefits calculated?

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

Example

❖ Hired Before November 1, 1996

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

1.5%	x	\$75,000	x	5 years	=	\$5,625.00
1.75%	x	\$75,000	x	5 years	=	\$6,562.50
2.0%	x	\$75,000	x	20 years	=	\$3,000.00
TOTAL	=	\$42,187.50 Annual Benefit (plus unused sick leave)				

= \$3,516 per month

❖ Hired On/After November 1, 1996

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

2.0% x \$75,000 x 30 years = \$45,000 Annual Benefit (plus unused sick leave)

= \$3,750 per month

What benefit payment options are available?

Depending on your marital/domestic partnership status at the time of your retirement, 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
-

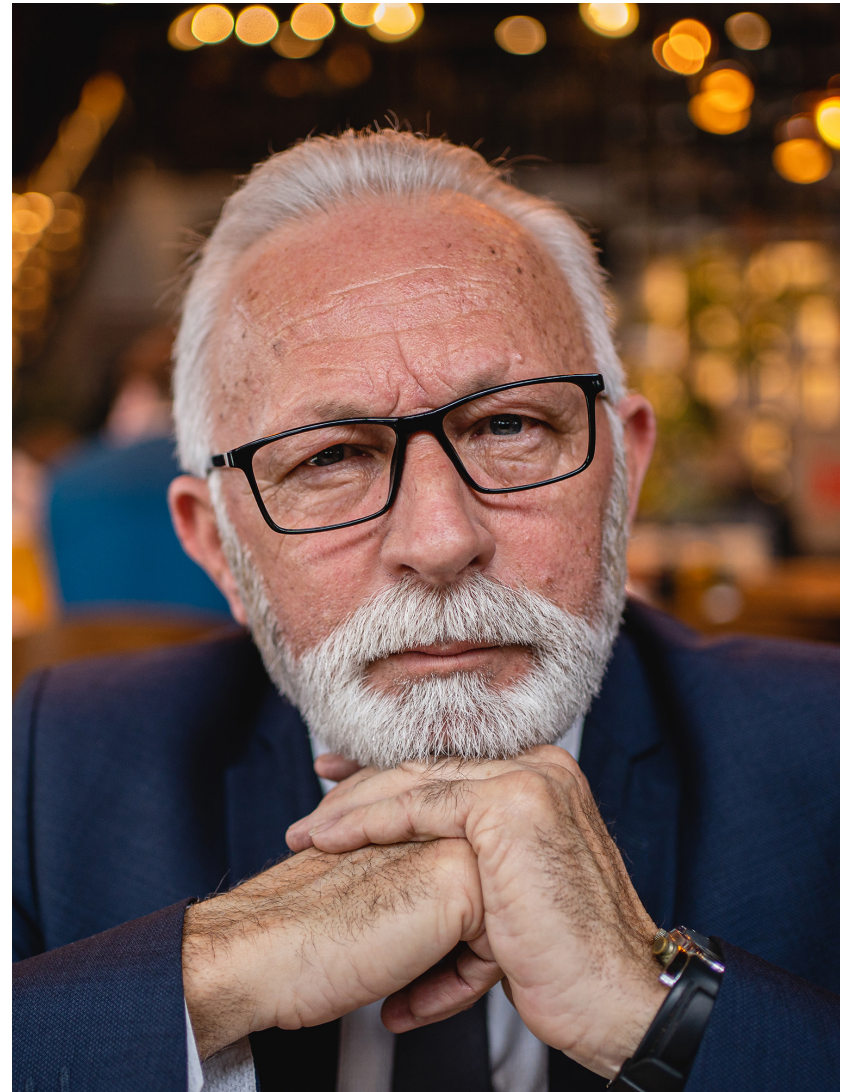
What is the Windfall Elimination Provision?

- The Windfall Elimination Provision (WEP), reduces the Social Security benefits if you earned both Social Security and a pension from federal, state, or local government employment not covered by Social Security i.e., the Teachers Retirement Plan.
- The Windfall Elimination Provision impacts your annuity if both of are true:
 - you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes.
 - you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

If you meet one of the following criteria:

- You reached age 62 after 1985.
- You developed a qualifying disability after 1985

The Windfall Elimination Provision can apply to you.



What is the Government Pension Offset?



- The Government Pension Offset, or GPO, affects spouses, widows, and widowers with pensions from a federal, state, or local government job.
- Generally, Social Security benefits will not be reduced if:
 - Your government pension is not based on your earnings.
 - Your government pension is from a federal, Civil Service Offset, state, or local government job where you paid Social Security taxes; and at least one of the following applies:
 - You filed for and were entitled to spouse, widow, or widower benefits before April 1, 2004.
 - Your last day of employment at the job was before July 1, 2004.
 - You paid Social Security taxes on your earnings during the last 60 months of government service.

What happens if I leave without retiring?



- If you leave the DCPS system before you retire:
 - if you have less than 5 years of eligible DCPS service you can receive a refund of your contributions;
 - if you have more than 5 years of eligible DCPS service, you can leave the money in the fund and apply a deferred annuity when you reach age 62.
 - your refund will include your mandatory retirement contributions and any purchase of service contributions you may have made to the plan.
 - partial refunds are not permitted; and
 - your refund does not include employer contributions, earnings or interest.

Can I continue my health insurance after I retire?

- Yes!
- Teachers hired prior to October 1, 1987 participate in **the Federal Health and Life Insurance Plans.**
 - Continuously enrolled in the Federal Health & Life Insurand Plan for at least 5 years at the time of your retirement
- Teachers hired after September 30, 1987 participate in the **District Health and Life Insurance Plans.**
 - Have at least 10 years of creditable service
- Your premium share is deducted from your annuity.



What about my life insurance coverage?

- You can continue your life insurance coverage into your retirement if you were enrolled in the life insurance plan for 5 consecutive years immediately prior to your retirement date.
- Key questions to consider:
 - Do you have a life insurance policy outside of DC government?
 - If so, is it a term life, whole life or universal life insurance plan?
 - Does my plan include a waiver of premium provision?
 - Does my plan include an accelerated death benefit?
 - What goals are you trying to achieve with your life insurance?
- Are my beneficiary designations up to date?

ANY
QUESTIONS?



Frequently Asked Questions

- **What are the steps to initiate the retirement process?**
 - The process begins when you submit your DCPS Resignation and Retirement Application online at the following URL: <https://dcps.dc.gov/node/1008722>. Your application will automatically be routed to a member of the DCPS benefits team.
- **What if my years of service aren't correct? Who should I contact?**
 - First obtain a copy of the your individual retirement record (IRR) from the Office of Pay and Retirement Services (OPRS) by sending an email to rbpftincomingmail@dc.gov and request your IRR also referred to as the SF-2806.

How do you know if I have saved enough to retire?

- Financial planners often recommend replacing about 80% of your pre-retirement income to sustain the same lifestyle after you retire. This means that, if you earn \$100,000 per year, you'd aim for at least \$80,000 of income per year (in today's dollars) in retirement.
- **When is the earliest time I should submit my retirement packet?**
 - You should submit your retirement application to DCPS. Unfortunately, we cannot address how much lead time is required by DCPS.

Frequently Asked Questions

- **When will I be eligible to retire?**
 - Generally, your eligibility to retire is based on your age plus your total years of service in the Teachers' Retirement Plan.
 - Age 55 and at least 30 years of service (5 years of which are eligible, DCPS service)
 - Age 60 and at least 20 years of service (5 years of which are eligible, DCPS service)
 - Age 62 and at least 5 years of service (5 years of which are eligible, DCPS service)
 - However, if you have at least 5 years of eligible, DCPS service and you become disabled, you may be eligible to retire under the disability retirement provision.
- **What can I do to prepare now for retirement?**
 - Retirement is expensive. Experts estimate that you will need an estimated 80% of your preretirement income to maintain your standard of living when you stop working.
 - Assess your finances. Identify all the sources of retirement income. If you've compiled a lot of credit card debts or other financial obligations, start paying these off now. Make sure you refrain from using retirement savings to pay off your liabilities. Try not to take on any new debt at this time.
- **How can I buy back years of service?**
 - Purchase of service credit must be completed prior to retirement. Also, since such service purchases include interest for the period in which the amounts were not in the Fund, generally, the sooner a purchase is made the lower the amount will be.

Frequently Asked Questions

Can I combine my PGCPs and DCPS retirement?

- Unfortunately, you cannot combine the two retirement systems into one plan.
- **How can I see what I've contributed to the plan?**
 - To review your contributions to the plan, you should contact the Office of Pay and Retirement Services (OPRS) by sending an email to rbpftincomingmail@dc.gov.
- **How is the Teachers' Retirement Plan funded?**
 - The pension plan is employee and employer funded. Contributions to the plan are prudently invested for the benefit of the participants. The Plan's last actuarial valuation indicated the plan is fully funded.

Do you have information on 457(B) plans?

- To obtain more information about your DC Defined Contribution 457(b) plan you should contact Mission Square Retirement at (800) 669-7400 or you may log into your personal account at <https://www.missionsq.org/>
- **Does DCPS match what I contribute to the plan?**
 - No, DCPS does not contribute to the plan. Each year, the District of Columbia Government contributions to the plan based on the actuary's assessment on the funding requirements for the plan. This is not a matching contribution; it is a contribution based on the needs of the fund.

Frequently Asked Questions

- **How does DCPS notify the D.C. Retirement Board of my application to retire?**
 - After submitting your application to retire, the DCPS benefits team must verify your total years of service. In addition, the benefits specialist will check to see if you incurred any breaks in service or periods of leave without pay (LWOP). Unfortunately, because much of the verification process is manual and requires the benefits specialist to review multiple systems, it may take some time before your retirement application is finalized and forwarded to DCRB.
- **Can I make an appointment with someone to personally go over my own situation with me?**
 - Yes, you should contact DCPS at (202) 442-4090 or email dcps.retirement@k12.dc.gov.
- **If I paid into Social Security prior to joining DCPS as a teacher, can I get both social security and pension?**
 - Yes, if you are eligible for a pension benefit from your service at DCPS and you are eligible for benefits from the Social Security Administration, you may be entitled to receive both.

Frequently Asked Questions

- **What about Windfall Elimination Act?**
 - The Windfall Elimination Provision (WEP) can affect how Social Security calculates your retirement or disability benefit. Congress passed the WEP to prevent individuals covered under a government defined benefit plan like the Teachers' Retirement Plan from "double dipping". To learn more about the Windfall Elimination provision please visit the Social Security Administration's website at <https://www.ssa.gov/pubs/EN-05-10045.pdf>
- **Once retired, will I be required to pay into the plan? What about union dues and my other payroll deductions, will they be deducted from my monthly pension benefit?**
 - No, you will not be required to contribute to the retirement plan. Once you retire, only health and life insurance coverages sponsored by the District of Columbia and Federal government will be deducted from your monthly pension benefit.

Frequently Asked Questions

- **Is sick leave applied to my years of service? Can I receive a lump sum payout?**

Sick leave is added to your overall years of service after your human resources department determines your eligibility to retire. Sick leave cannot be paid out as a cash benefit. It is only used to increase your overall years of service to the plan.

How does a leave of absence affect my service?

- You can generally take up to six months of approved leave without pay each **fiscal year** and continue to earn teaching service in the Plan without having to make mandatory contributions. However, periods of leave or absence without pay will not be counted towards your years of creditable service unless you contribute the plan. To find out more about how a leave of absence could affect your service, please visit

https://dcrb.dc.gov/sites/default/files/dc/sites/dcrb/publication/attachments/S_PD_Teachers_Plan_2017_Final_6-5-2018.pdf

Frequently Asked Questions

- **Is my spouse eligible to receive a benefit? How much can they receive?**

- You can assign a spousal benefit in either a dollar amount or a percentage of your annual annuity. If you select a percentage, the maximum amount that can be assigned is 55% of your annual annuity.
- Keep in mind, in order for your spouse to retain health insurance coverage under your health plan in the event you predecease them, they must receive a spousal annuity.

- **Can my children receive a survivor benefit?**

Your child may be eligible for a survivor benefit if he or she is unmarried, not in a registered domestic partnership and:

- is under age 18;
- is between 18 and 22 and a full-time student; or
- any age, if incapable of self-support due to a physical or mental disability incurred prior to age 18.

- **How do I submit a designation of survivor benefit?**

- The DCPS Resignation and Retirement Application includes a section where you can designate a survivor benefit and assign a future benefit.

Frequently Asked Questions

- **Does the plan include an early retirement benefit?**
 - The plan does not include an early retirement provision. However, if you are involuntarily separated from DCPS, you may be eligible to apply for the involuntary retirement option if:
 - at least 50 years old with 20 years of service (5 years of which are eligible, DCPS service); or
 - any age provided you have 25 years of service (5 years of which are eligible, DCPS service).
 - Please note that if you are under age 55 when you involuntarily retire, your benefit will be reduced by 1/6 of 1% for each full month that you are under age 55 on the date you retire. For example, if you are 15 months under 55 on the date you retire, your benefit will be reduced by 2.5% (1/6 of 1% x 15 months) until you reach age 55.
- **Is there a Deferred retirement option available?**
 - Yes, if you have at least 5 years of eligible DCPS service in the Teachers' Retirement Plan, and you separate before turning age 62, you may be eligible to apply for a deferred annuity upon reaching age 62.
 - Note that health and life insurance coverage are only available to employees who retire under the voluntary or involuntary retirement options. If you retired under the deferred retirement option, you will not be eligible to continue your life and health insurance coverages into retirement.

Frequently Asked Questions

- **When is the best time to retire?**
 - Transitioning into retirement is very personal. DCRB cannot provide definitive guidance on the best time to retire.
- **How long do retirement payments last?**
 - Pension benefits covered under the Teachers' Retirement Plan are lifetime benefits, meaning that you will receive a pension benefit from the plan for as long as you live.
- **I'm not sure my service is correct. How do I correct the years of service in the system?**
 - If you have questions regarding your years of service, you should contact your human resources department at DCPS.

Frequently Asked Questions

- **How much do I contribute to health care?**

- If you were hired prior to October 1, 1987 and you are enrolled in the Federal Employees Health Benefits (FEHB) program, then you pay 25% of the cost of your health insurance plan.
- If you were hired on or after October 1, 1987, you may be eligible to continue your health insurance coverage under the DC Employees' Health Benefits (DCEHB) program provided you have 10 years of creditable District service. Premiums for this plan are based on your years of service with the District.

- **Can I apply for Medicare while I am still working?**

- Yes, you can apply for Medicare while you are actively working. As an active employee, if you are enrolled in either the FEHB or the DCEHB plan, the insurance you carry as an active employee would be your primary payor and Medicare would be your secondary payor.
- Once you retire, Medicare becomes your primary carrier and your FEHB or DCEHB plan would be your secondary carrier.

- **Should I sign up for Medicare 3 months before my 65th birthday?**

- Generally speaking, most people sign up for Medicare when they turn age 65. However, you may be eligible to sign up for Medicare during one of their Special Enrollment Periods. To learn more about your options visit <https://www.medicare.gov/basics/get-started-with-medicare/sign-up/when-does-medicare-coverage-start>.

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.



Thank you!
