



ARE YOU READY TO RETIRE?

“Information You Should Know Before You Retire”

General 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 describe every detail of the Plan completely 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 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.

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 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:

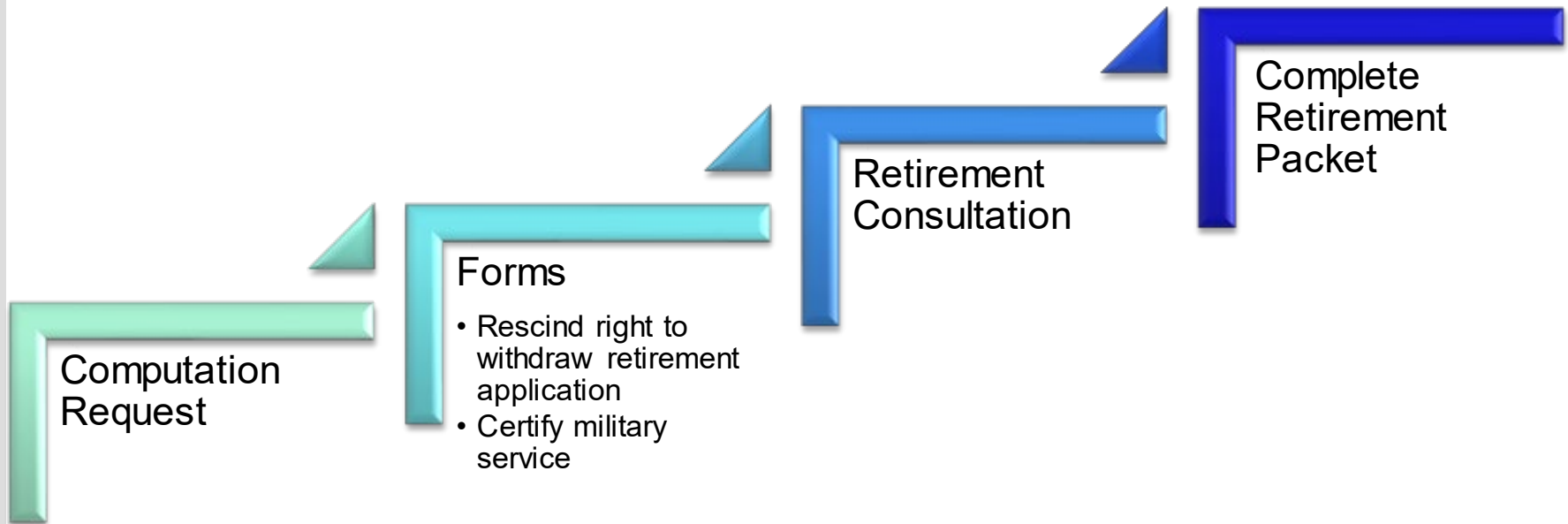
- **Unreduced Retirement Annuity**
 - No survivor annuity for your spouse/domestic partner (does not impact survivor annuity for eligible child(ren))
- **Reduced Retirement Annuity With a Maximum Survivor Annuity**
 - 55% of your annuity is paid to your surviving spouse/domestic partner
- **Reduced Retirement 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 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.

The Process



<https://octo.quickbase.com/db/bmj2v3rxm?a=nwr&originalQid=7>

The Forms

Required Forms	Party Responsible
Retirement Personnel Action Request From Peoplesoft	DCPS – Human Resources Department
Service History Card	DCPS – Human Resources Department
Application For Services Or Disability Annuity, Under Authority Of The Teachers' Retirement Act Approved August 7, 1946, as Amended	Employee
Cover Sheet	DCPS – Human Resources Department
Electronic Funds Transfer Authorization	Employee
Teachers' Designation Of Beneficiary	Employee
Federal Tax Withholding Form	Employee
State Tax Withholding Form	Employee
Military Service Affirmation Form (<i>if applicable</i>)	Employee
Record of Military Service (<i>if applicable</i>)	Employee
Continuation of Health Insurance	Employee
Continuation of Life Insurance	Employee
Proof of Purchase of Service	Employee
Individual Retirement Record (IRR)	Office of Pay and Retirement Services

Questions from the Audience

- **What can I do to prepare now for retirement?**

Retirement is expensive. Experts estimate that you will need an estimated 80% of your pre-retirement 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.

Questions from the Audience

Can I combine my PGCPS and DCPS retirement? Unfortunately, you cannot combine the 2 retirement systems into 1 plan.

- **How can I see what I've contributed to the plan?**

To review your contributions to the plan, contact the Office of Pay and Retirement Services (OPRS) by emailing rbpftincomingmail@dc.gov.

- **Does DCPS match what I contribute to the plan?**

No, DCPS does not contribute to the Plan. Each year, the District of Columbia Government contributes to the Plan based on the actuary's assessment of the funding requirements for the Plan. This is not a matching contribution; it is a contribution based on the needs of the Fund.

Questions from the Audience

- **How does DCPS notify the District of Columbia Retirement Board of my retirement application?**

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 review my personal situation?**

Yes, 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 a 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.

What Is Creditable Service?

As long as you make 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 5 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 6 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 the 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 6 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.

Questions from the Audience

- **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 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 would 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.



Questions from the Audience

- **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.

Remember, for your spouse to retain health insurance coverage under your health plan if 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.



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 retired 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

Questions from the Audience

- **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 retirement eligibility. 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 6 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 to the Plan. To find out more about how a leave of absence could affect your service, visit

https://dcrb.dc.gov/sites/default/files/dc/sites/dcrb/publication/attachments/SPD_Teachers_Plan_2017_Final_6-5-2018.pdf.



Questions from the Audience

- **What is the process for requesting an estimate for purchasing service?**

In order to calculate purchase of service credit for your outside teaching service, we need three additional documents from D.C. Public School (DCPS) Retirement office.

Please contact the DCPS Retirement office at 202-442-4090 or by email (dcps.retirement@k12.dc.gov) for the following documents:

Certificate of Longevity Placement form signed by DCPS Retirement office - (From DCPS)

Verification of Employment Form(From DCPS)

Personnel action (Date of hire personnel action) - (From DCPS)

Once all documentation has been submitted to DCRB, a member can expect a response within a 2 week turn-around time.



Questions from the Audience



- **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 retirement eligibility. 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 6 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 to the Plan. To find out more about how a leave of absence could affect your service, visit https://dcrb.dc.gov/sites/default/files/dc/sites/dcrb/publication/attachments/S_PD_Teachers_Plan_2017_Final_6-5-2018.pdf.

What Is The Criteria For Receiving Social Security Benefits?



An individual earns “credits” when working and paying Social Security taxes.

- You need to earn 40 credits to be eligible for the retirement benefit.
- Each \$1,410 in earnings gives you one credit.
- You can earn a maximum of 4 credits a year.

Year of Birth *	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

**If you were born on January 1st of any year you should refer to the previous year. (If you were born on the 1st of the month, we figure your benefit (and your full retirement age) as if your birthday was in the previous month.)*

What Is The Windfall Elimination Provision?

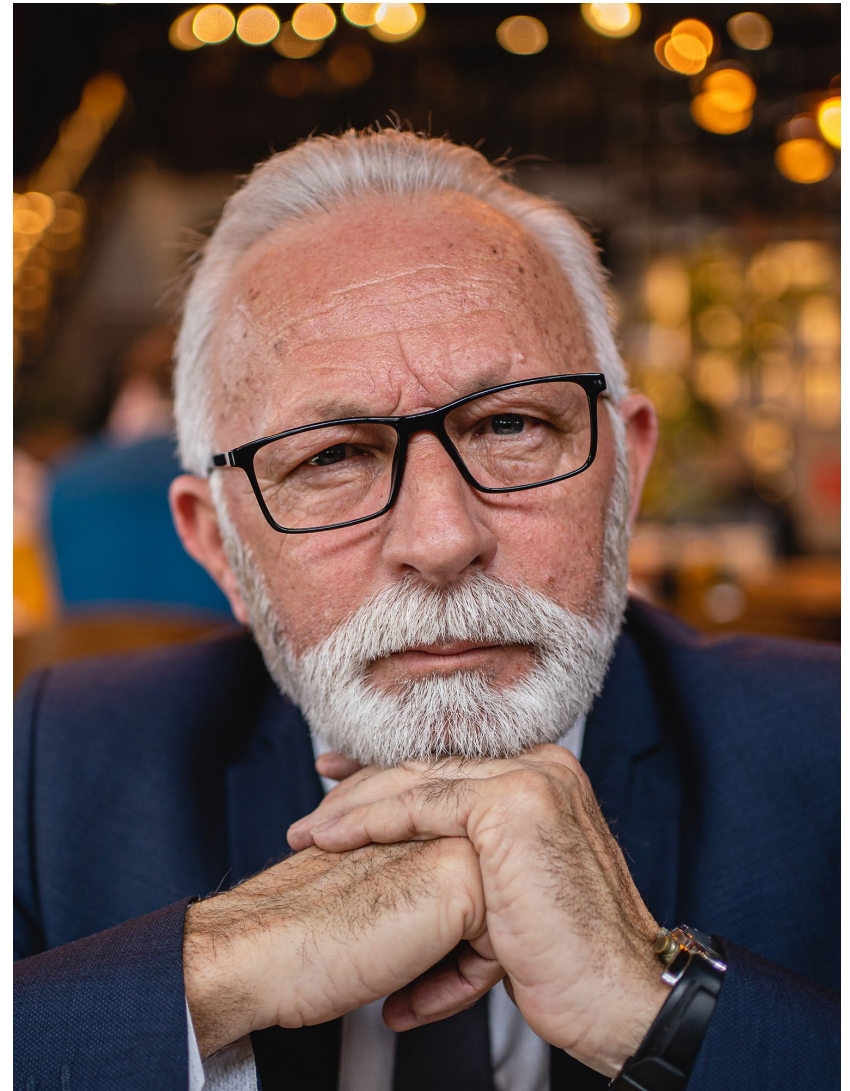


- The Windfall Elimination Provision (WEP) reduces the Social Security benefits if you earned both Social Security and a pension from federal, state, or local government employment not covered by Social Security, i.e., the Teachers Retirement Plan.
- The Windfall Elimination Provision impacts your annuity if both of the following 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

Then 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.

Can I Continue My Health Insurance After I Retire?

- Yes!
- Teachers hired before October 1, 1987, participate in **the Federal Health and Life Insurance Plans.**
 - Continuously enrolled in the Federal Health & Life Insurance 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.



FEHB vs. DCEHB

Federal Government

- The Office of Personnel Management (OPM) sponsors the Federal Employee's Health Benefits (FEHB) program.
- Teachers hired prior to October 1, 1987, participate in **the Federal Health and Life Insurance Plans.**
- Generally, the Federal Government contributes 75% to your health insurance premium.
- As a retiree, you are responsible for the remaining balance of the premium.

- **District Government**
- The District of Columbia Government sponsors the District of Columbia Employees' Health Benefits Program.
- Teachers hired after September 30, 1987, participate in the **District Health and Life Insurance Plans.**
- The District uses a sliding scale to determine the premium cost for you and your family.

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 the 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?

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.

ANY
QUESTIONS?





Thank You!
