



FREQUENTLY ASKED QUESTIONS – Pen-App

**STATE EMPLOYEES SERVICE PENSION**

**Question:** Eligibility rules state if an employee leaves State service before acquiring 5 years of consecutive creditable service, those service credits are forfeited. Does the rule change to 10 years of consecutive creditable service for those hired on or after 1/1/2012?

**Answer:** No, the eligibility rule remains at 5 years, per Title 29, Section 5501 D6.

**Question:** Is it acceptable for Human Resources staff to scan (encrypted e-mail) the Actuarial form to the Pension Office instead of sending the original?

**Answer:** Yes, it is acceptable.

**Question:** For those hired on or after 1/1/2012, overtime payments will not be included in their final average compensation upon retirement. Does that include Extra Pay for Extra Responsibilities (EPER)?

**Answer:** Premium Pays ARE pension creditable and WILL be included at time of retirement. These include: EPER, Shift Differential, Hazard Duty, Stand by Pay, Charge Nurse, and Call Back.

**Question:** Are military pays still used as creditable compensation when a member is out on Interrupting Military? If so, how are pension contributions collected from these monies?

**Answer:** Yes; the Pension Office bills the employee and employer for the contributions owed. This is in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA).



**STATE EMPLOYEES VESTED PENSION**

**Question:** For employees hired on or after 1/1/2012, how many years of consecutive credited service must they have?

**Answer:** Employees must have 10 years of credited service, 5 of which must be consecutive. They can collect the month following their 65<sup>th</sup> birthday. For example:

Service Dates	Service Time
Hired 12/08/2012 – 12/08/2017	5 years consecutive
Rehire 7/1/2019 – 7/1/2021	2 years
Rehire 6/5/2022 – 6/5/2024	2 years
Rehire 10/1/2026 – 10/1/2027	1 year
<b>Total Service Credit</b>	<b>10 years</b>

**Question:** If an active, vested employee dies, is the lump sum payment to the beneficiary taxable?

**Answer:** The interest and any pre-tax contributions are taxable to the beneficiary if the taxable amount is greater than \$200.00. Federal Tax default is 10% for non-spouse beneficiaries unless a W4P is received and a mandatory 20% for Spouse Beneficiaries. The lump sum payment can be rolled by the spouse into IRA, Pension Plan, Roth or other retirement account. A non-spouse beneficiary can only roll into an Inherited IRA.

**STATE EMPLOYEES SURVIVOR PENSION**

**Question:** Eligibility rules state that a Survivor pension is payable to a survivor the month following the death of an employee who has 5 years of consecutive credited service, does that eligibility rule change for those employees hired on or after 1/1/2012?

**Answer:** No, the eligibility rule remains at 5 years, per Title 29, Section 5501 D6

**Question:** What documentation must an eligible survivor provide to prove the member was providing at least 50% of the dependent parent support?

**Answer:** There is an IRS form that is used for tax purposes when the member files. Contact the Pension Office should this situation occur.



## STATE EMPLOYEES DISABILITY PENSION

**Question:** How do we obtain a listing of employees currently enrolled in the Disability Pension Plan?

**Answer:** End users now have viewing availability of the Disability Benefits panel within the CRIS system to determine if the employee is enrolled in the Disability Pension Plan. The Disability View Only Job Aid is available on the new Extranet to assist with your search:

<http://extranet.pensions.state.de.us>

*Navigation: Statewide Organizations>Instructional Materials>Disability Benefits View Only Job Aid*

## HEALTHCARE - Medicare

**Question:** If the employee and/or spouse are close to Medicare age, do they have to submit two health care applications?

**Answer:** No, only one application per employee is necessary.

**Question:** Is the pensioner health care cost deducted pre-tax or post-tax?

**Answer:** The cost is deducted post-tax.

**Question:** With regard to Health Insurance deductions, what does the Office of Pensions do if a pensioner does not have enough in their benefit to cover the cost of the deduction?

**Answer:** The Office of Pensions will only take the entire deduction cost, if available. If the benefit amount is not enough to cover the entire deduction, then the pensioner is direct billed.

## Pen-App (Electronic Pension Application) Related

**Question:** Should the NAME on the Employee Details page match the name on the Social Security card?

**Answer:** Yes; this is in accordance with entering the NAME on Personal Data in PHRST.

**Question:** When submitting documentation regarding disability, does HR have to submit each weekly Explanation of Benefits (EOB) or may we send the Detail Report which summarizes the EOB's from The Hartford website?

**Answer:** HR may submit the Detail Report from The Hartford website.



### **MISCELLANEOUS**

**Question:** When does the Pension Office stop interfacing an employee's information with PHRST?

**Answer:** Upon HR entering the Termination row in Job Data or when the Pension Office prepares the **Create Payee** (creates the Retirement record in CRIS), whichever comes first.

**Question:** If a former employee returns to work for the State, how long do they have to repay any withdrawn contributions plus interest?

**Answer:** The employee can repay any time prior to the receipt of the first pension payment however, if billed from the Office of Pensions for the first time prior to retirement, the employee has 90 days from the date billed to repay without further penalty.

***For pre-1986 terminations (rare)*** - If the refund is for a pre-1986 termination, the employee has 90 days from first notification to repay the exact amount of the refund without any penalty. Once re-billed, the employee has 30 days to repay before penalty interest is recalculated.