



Kent County Personnel Office

555 Bay Road, Dover, DE 19901
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Office Hours: 8:00am-5:00pm Monday-Friday

Kent County Pension Plan

Kent County Levy Court offers a very good pension plan to its employees, which can help provide some financial security upon retirement.

Employee pension fund assets have enjoyed better than average growth since the Kent County Employee Retirement Program was established on June 18, 1957. As the fund has grown, it has retained professional consultants and multiple fund managers.

No employee should count on their County pension and Social Security benefits to fully fund retirement expenses. Employees are strongly encouraged to set aside additional funds for retirement through a self-funded IRA and/or through the County's portable deferred compensation plan (457) administered by the ICMA-Retirement Corp.

The County pension plan is not portable and requires a 3% of base salary over \$6,000 deduction on a biweekly basis for employees hired after December 21, 2010 (*1% of base salary deduction for all other eligible employees*)

HOW TO APPLY FOR A COUNTY PENSION – a vested active or former employee meeting eligibility requirements must submit a letter to the Personnel Office at least 60 days in advance of pension eligibility requesting a County pension. Please include the full name, birthdate, and gender of any lawful spouse, and if no spouse please indicate none in the letter along with your contact information such as cellphone number and/or e-mail address. If eligible, the Pension Actuary will calculate the monthly pension under various options. The pensioner must select the desired option and sign the pension documents. Upon return, the first pension check should be issued on the first of the following month and then monthly thereafter.

WHO IS ELIGIBLE?

Any full time or 1000+ /hour per year part-time "permanent" employee of Kent County Levy Court is eligible once vested.

WHEN DOES VESTING OCCUR?

Eight (8) years of continuous employment with Kent County Levy Court if hired after June 29, 2010. **Any employee hired before June 29, 2010, vests after five (5) years of continuous employment.** Employees failing to vest will be reimbursed their pension contribution amount without accrued interest.

ELIGIBILITY DATES

Vested employees can begin collecting a County pension, if they are:

- Age 62, with 8 years or more of service (*5 years if hired before 06/29/10*)
- Age 60, with 15 years or more of service
- Age 55, with 20 years or more of service
- Any age, with 30 years or more of service (*subject to possible IRS change*)

AUTHORITY

A County employee pension is authorized under 9 Del Code §4301 and the Kent County Code - Chapter 83.

DISABILITY

A County employee becoming disabled and receiving County long-term disability benefits shall continue under covered employment insofar as years of service for pension purposes is concerned.

OTHER GOVERNMENT SERVICE

Only employees hired on or before June 27, 1986 are permitted to include verifiable service with the State of Delaware or the other two Delaware counties to determine total years of service.

PAYMENT METHOD

Pension checks can be mailed to you or direct deposited into your bank account.

PAYMENT OPTIONS

Upon pension commencement, an eligible pensioner can choose one of several monthly benefit options:

- *Life Benefit* – pays pension until pensioner's death.
- *10 Years Certain* – pays pension for minimum of 10 years, including beneficiary payments. If pensioner lives longer, then benefits extend until death with no beneficiary payments.
- *5 Years Certain* – pays pension for minimum of 5 years, including beneficiary payments. If pensioner lives longer, then benefits extend until death with no beneficiary payments.
- *Contingent Annuity* – 100% option pays surviving beneficiary initial monthly amount pensioner received until his/her death; 75% option pays beneficiary 3/4 amount until his/her death; or 50% option pays beneficiary ½ pension amount until his/her death. If the selected contingent annuitant dies before the retiree/pensioner, no other beneficiary may be substituted and all benefits cease upon death of the retiree/pensioner.

*(The Life Benefit option always pays the highest benefit to pensioners. The Certain & Continuous and the Contingent Annuity options reduce the amount paid to the pensioner based upon the gender and age of the designated beneficiary as determined by the actuary. **By law, your spouse is automatically entitled to your County pension benefits at no less than the 50% contingent annuity amount. If a Pensioner selects the Life or Certain & Continuous option, the lawful spouse must waive his/her pension rights in writing in front of a notary public.** A notary public is available in the Kent County Administrative Complex)*

BENEFICIARY

If a vested current or former employee dies before collecting his/her County pension benefit, his/her spouse will receive 50% of the vested individual's pension benefit, beginning on the date the deceased employee or vested former employee would have become eligible to collect a pension had he/she lived. Other designated beneficiaries receive an age-rated amount calculated like the 50% contingent annuity. No benefit is paid if no spouse exists or if no beneficiary is formally designated on an official Kent County Pension Beneficiary designation form. *Click link below for the pension beneficiary form:*

[KENTcountyBENEFICIARYformPENSION](#)

PENSION ADJUSTMENTS

If financially feasible, the Kent County Levy Court annually decides whether to enhance the pension benefit by providing a Cost of Living Adjustment (COLA) to pensioners. COLA is usually effective July 1 of each year.

BENEFIT FORMULA

To calculate estimated benefits, average your 3 highest consecutive annual salaries, multiply by 1.85 percent (*2% if hired before 12/21/10*), multiply by years of service for the estimated annual pension benefit. Divide by 12 for your estimated monthly pension benefit.

EXAMPLE *if hired after 12/21/2010*

Say William Penn worked for Kent County for 20 years and his 3 highest consecutive annual salaries were

\$29,000, \$30,000, and \$31,000.

Add up the salaries, divide by 3 and you get \$30,000 as the average annual salary.

Multiply the average annual salary by 1.85% and you get \$555, which is then multiplied by 20 years of service.

The Total Annual Pension Benefit is \$11,100.

The monthly benefit would be \$925.

EXAMPLE if hired *before* 12/21/2010

Say William Penn worked for Kent County for 20 years and his 3 highest consecutive annual salaries were \$29,000, \$30,000, and \$31,000.

Add up the salaries, divide by 3 and you get \$30,000 as the average annual salary.

Multiply the average annual salary by 2.00% and you get \$600, which is then multiplied by 20 years of service.

The Total Annual Pension Benefit is \$12,000.

The monthly benefit would be \$1,000.

OTHER BENEFITS

Only employees retiring from active service are eligible for post employment benefits. These benefits are subject to change, but currently include age-rated life insurance, dental insurance, and group health insurance or Medicare supplement, employee newsletter, employee events, etc.

BOARD OF TRUSTEES

Kent County Levy Court makes all decisions regarding pension benefit levels, enhancements, fund managers, investment allocation, investment policies, etc., but specific investment decisions are made by professional pension asset fund managers.

PENSION REVIEW COMMITTEE

A committee of three citizens, the County Finance Director, and an Employee Council representative make recommendations to Levy Court regarding investment policy, fund manager selection, pension advisors, pension funding levels, pension ordinance amendments, etc.

PENSION CONSULTANT (ACTUARY)

A professional pension consultant annually evaluates pension assets to determine the pension fund's financial solvency and required annual contribution estimates. The Actuary also calculates the actual pension payment amount paid to retirees/pensioners based upon the designated beneficiary. Kent County's pension consultant is Carl Mowery of Grant Thornton LLP.

PENSION ADVISOR

A professional pension advisor provides advice to the Levy Court regarding fund manager selection or asset allocation in order to enhance fund growth and verifies/ evaluates fund manager performance. Kent County's pension advisor is Frank Carofano of Segal Rogerscasey Inc.

PENSION CUSTODIAN

A bank is contracted by the County to hold pension funds, issue pension checks or direct deposits, issue pensioner tax reporting forms, etc. Kent County's current pension custodian is Wells Fargo Retirement Services.

ADMINISTRATION

The Personnel Office administers the pension plan and can answer questions.

If vested or collecting a pension, please keep the Personnel Office advised of address changes even after separation of employment.

A detailed explanation of the Kent County Employee Retirement Program is available in Chapter 83 of the Kent County Code