

#### Ready to Retire:

### Ensuring a Smooth Transition

Whether you're just starting to think about retirement or you've made your decision, there's is a lot to consider when you are planning to retire. Use this flyer to help you get prepared for retirement.

# As a Vested DERP Member, You're Entitled to a Lifetime of Benefits When You Retire.

Your benefits at retirement include:

- A monthly DERP Pension Benefit that's quaranteed for life.
- A range of additional DERP Plus Benefits to support you and your loved ones.

#### What is a DERP Pension Benefit?

The DERP Pension Benefit is 401(a) plan known as a 'Defined Benefit Plan' or 'DB Plan'. Unlike other retirement plans, your DERP Pension Benefit is based on a defined formula, not market performance or saving habits.

- It's Guaranteed The amount you have earned can't be reduced or taken away.
- It's Yours for Life You can't outlive your benefit.
- It's Professionally Managed Your plan is maintenance free, and you don't have to make investment decisions.
- It Can Be Passed Onto Loved Ones –

  If you choose, your DERP Pension Benefit
  can continue to be paid to your beneficiary
  upon your death.

## How is Your DERP Pension Benefit Calculated?

Your monthly DERP Pension Benefit is calculated using three factors unique to you.

- Your Average Monthly Salary (determined by your membership tier)
- Your Multiplier (determined by your membership tier)
- Your Service Credit (years and months service credit)

#### When Can You Retire?

Once vested, you have several options based on where you are in your retirement journey.

#### Retirement types we offer:

- Normal Retirement
- Early Retirement
- · Deferred Retirement

### Each retirement type is based on a range of factors:

- Your age
- · Your membership tier
- Your employment status

#### What are DERP Plus Benefits?

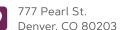
In addition to receiving a monthly DERP Pension Benefit, you have a range of additional DERP Plus Benefits including:

- Joint and Survivor
- Lump-Sum Death
- Health Insurance
- Insurance Premium Reduction











# What Are Your DERP Pension Benefit Payment Options?

#### **Maximum Benefit Option**

- Provides you with the highest monthly DERP Pension Benefit.
- Payments cease upon your passing and don't continue to a beneficiary.

#### Joint and Survivor Benefit Option

- You receive a reduced monthly DERP Pension Benefit.
- Your beneficiary receives 100%, 75%, or 50% of your reduced monthly DERP Pension Benefit after you pass, for the rest of their life.
- Your DERP Pension Benefit increases to the maximum benefit if your beneficiary passes before you.

Once you receive your first DERP Pension Benefit, you can't change your chosen benefit payment option or joint and survivor beneficiary. This is a permanent decision.

### What is the Lump-Sum Death Benefit?

When you retire directly from active service, you are eligible for a Lump-Sum Death Benefit. You have two choices:

- 1. Receive it in 50 or 100 equal monthly installments until the balance is zero
- Leave it for your beneficiary to receive as a lump-sum payment upon your passing

### Your Lump-Sum Death Benefit amount is based on your retirement type and membership tier:

- Normal Retirement \$5,000
- Early Retirement for Tier 1 and 2 Members –
  The amount is reduced by \$250 for each year
  of age under 65.
- Early Retirement for Tier 3 Members –
  The amount is reduced by \$500 for each year
  of age under 65.

# What are Your DERP Health Insurance Options?

Your health insurance options with DERP include medical, dental, and vision plans. Non-Medicare and Medicare medical plans are available. You may enroll in one or all three types of coverage.

Enroll in health insurance with DERP and you will be eligible for the Insurance Premium Reduction benefit. We'll contribute toward your monthly premiums and the amount is based on your years of service and Medicare eligibility.

- Non-Medicare \$12.50 per year of service credit per month
- Medicare \$6.25 per year of service credit per month

#### Five Important Steps to Ensure a Smooth Transition to Retirement:

1. Think about a Retirement Date	The sooner you have an idea of when you want to retire, you can begin preparing to ensure a smooth transition.
2. Schedule a Counseling Session	Meet with a membership services representative to calculate your DERP Pension Benefit estimate, review your retirement benefit options, and timeline.
3. Log into your MyDERP.org Account	Access your account details, your annual member statement, calculate your DERP Pension Benefit estimate, update your beneficiary information, and more!
4. Visit DERP.org for information, resources, and tools	<b>DERP.org</b> provides a wealth of information and is the best source to help you take control of your retirement future.
5. Review the DERP Retirement Checklist	This checklist will help keep your retirement on track and avoid delays. Visit DERP.org/Resources/Publications and download the Retirement Checklist.





