

**New Castle County, Delaware
Employees' Retirement System**

County 2011 Plan

PLAN SUMMARY

This booklet is a summary prepared to simply state, in general terms, the highlights of the County 2011 Plan. If statements in this booklet are inconsistent with the actual provisions of the County 2011 plan, the actual provisions will apply.

TABLE OF CONTENTS

	Page
GLOSSARY OF TERMS	1
GENERAL	4
1. When Did The Plan Start?	4
2. When Am I Eligible To Join?	4
3. How Do I Join The County 2011 Plan?.....	4
4. If I Join The Plan And Then Terminate Employment, Can I Join The Plan Again?	4
DEFINED BENEFIT PORTION OF THE PLAN	4
5. How Much Do I Contribute?	4
6. What Interest Is Credited To My Contributions?	4
7. When Can I Retire?.....	4
8. How Is My Service Pension Determined At Retirement?	5
9. How Can I Transfer Other Service To This Plan?	5
10. How Can I Purchase Additional Service Credit Under This Plan?	5
11. Do I Receive Credit For Military Service?	5
12. How Will My Service Pension Be Paid?	5
13. Is My Service Pension Adjusted For Cost Of Living Increases?.....	5
14. What Will I Receive If I Terminate Employment?.....	6
15. What Happens If I Die Before Retirement?.....	6
16. What Happens If I Die After Retirement?	6
17. What Benefits Will I Receive From The County 2011 Plan If I Become Totally And Permanently Disabled?	6
18. How Is The County 2011 Plan Paid For?	7
DEFINED CONTRIBUTION BENEFIT PORTION OF PLAN	7
19. What Are The Provisions Of The Defined Contribution Portion Of The Plan?	7
GENERAL	8
20. What Happens If The County 2011 Plan Terminates?	8
21. Who Is Responsible For Administration Of The Plan?	8
22. Is My Personal Information Kept Private?	9
23. What Do I Do If I Have Questions About The Plan?	9

GLOSSARY OF TERMS

Accumulated Contributions

All contributions paid to the defined benefit portion of the County 2011 Plan by members including the members' pickup contributions.

Base Salary

Base Salary as shown on the Pay Plan, without overtime, premium pay or shift differentials paid by the County before withholding or deductions. Scheduled overtime is included for Emergency Responders.

Board

The Board of Trustees of the system as constituted in Section 2.05.505 to be known also as the Employees' Retirement System Board of Trustees.

Credited Service

Includes the following:

- A. Membership Service which shall exclude any period when an eligible employee is on leave without pay for at least thirty (30) days.
- B. Military Service (not to exceed five (5) years) of an eligible employee provided the employee reenters the service of the County within 90 days from the date of termination of military service after an honorable discharge.
- C. Service (other than concurrent service rendered while a County employee) with a State and/or any political subdivision and/or municipality of a State (local government) that is "bought in" by the member.

Eligible Employee

Any full time Employee of the County receiving regular salary or wages from the Office of Finance, including elected and appointed officials hired after November 1, 2011. Employees in part-time positions, seasonal employees, employees of not more than one hundred twenty (120) days' duration in a calendar year and members of boards or commissions do not come within the meaning of this term. County police officers and school crossing guards are excluded from participation in this plan.

Emergency Responder

A member who has spent ten (10) years of credited service employed as an Emergency Responder either as a County Emergency Medical Services Division employee or as a County Emergency Communications Division employee.

County Emergency Medical Services Division employee means any employee within the Emergency Medical Services Division required by their class specification to possess and maintain a paramedic or emergency medical technician certification as a requirement of their position.

County Emergency Communications Division employee means those employees within the Emergency Communications Division classified as Emergency Call Operator, Emergency Call Operator Coordinator, Fire/Medical Communications Specialist, Fire/Medical Communications Supervisor, Police Communications Specialist, Police Communications Specialist Supervisor, Chief of Emergency Communications, Telcom Training Officer Coordinator, Assistant Chief Emergency Communications or Quality Assurance Coordinator.

Final Average Salary

The average monthly base salary for any sixty (60) months of credited service, whether consecutive or not, within the last ten (10) years of credited service with the County during which the member received the highest salary.

Full Actuarial Cost

The full lump sum present value of the benefits payable as a lifetime annuity or survivor benefit under the County 2011 Plan based on the governmental service that the employee is buying in at the date of retirement.

The lump sum present value will be calculated based on the actuarial valuation assumptions for mortality and interest rate, which may change from time to time.

Governmental Service

Service with the federal government, a state or political subdivision thereof, the military or state university system.

Member

Any eligible employee who is participating in the County 2011 Plan and former eligible employees who are no longer employed by the County and who are entitled to receive benefits from the County 2011 Plan.

Membership Service

Service rendered by a member on or after November 1, 2011.

Pickup Contributions

A member's contributions to the defined benefit portion of the County 2011 Plan that are withheld from the member's pay and are picked up by the County pursuant to Section 414(h)(2) of the Code for service on or after July 1, 2011, for services on or after July 1, 2011.

Plan Year

Each twelve-month period beginning on January 1 and ending on December 31.

Scheduled Overtime

Hours worked by an Emergency Responder in excess of forty (40) hours per week.

Totally and permanently disabled

A Certificate of Social Security Award under Title II of the Social Security Act (as amended) received by the member prior to age sixty five (65).

GENERAL

1. WHEN DID THE PLAN START?

The plan became effective November 1, 2011.

2. WHEN AM I ELIGIBLE TO JOIN?

You are eligible to join the County 2011 plan if:

- x You meet the definition of an Eligible Employee;
- x You are hired on or after November 1, 2011;
- x You have agreed to make the required contributions (see Item 5, below).

3. HOW DO I JOIN THE COUNTY 2011 PLAN?

You can join the County 2011 Plan after 6 months of service.

You sign an enrollment form available from the Human Resources Department, agreeing to make the required contributions (see Item 5, below).

4. IF I JOIN THE PLAN AND THEN TERMINATE EMPLOYMENT, CAN I JOIN THE PLAN AGAIN?

You can rejoin the plan again if you have met the eligibility requirements outlined in item 2.

If you had withdrawn your accumulated contributions at your earlier termination and continue to be a member of the County 2011 Plan for at least two (2) years after your rehire date, all rights and credits for your previous service will be reinstated if you repay the amount of your refund with interest at the rate assumed for the actuarial valuation purposes at the time of your repayment.

DEFINED BENEFIT PORTION OF THE PLAN

5. HOW MUCH DO I CONTRIBUTE?

You contribute 3.00% of your Base Salary after the completion of 6 months of service for the Defined Benefit portion of the Plan

6. WHAT INTEREST IS CREDITED TO MY CONTRIBUTIONS?

None

7. WHEN CAN I RETIRE?

You may retire and receive a Service Pension after the completion of 10 years of Credited Service and attainment of age 65.

If you are an Emergency Responder, you may retire and receive a Service Pension after the earliest of:

1. Completion of 10 Years of Credited Service and attainment of age 60, or
2. Completion of 30 Years of Credited Service

You may also retire early and receive a reduced Service Pension after the completion of 15 years of Credited Service and attainment of age 55.

The amount of the Service Pension shall be reduced as follows:

1. If you retire between the ages of 60 and 65, the service pension is reduced 1/180 per month for each month prior to age 65.
2. If you retire between the ages of 55 and 60, the service pension is reduced 1/360 per month for each month prior to age 60 plus 1/180 per month for each month over age 60 but prior to age 65.

8. HOW IS MY SERVICE PENSION DETERMINED AT RETIREMENT?

Defined Benefit portion of the Plan: Your monthly Service Pension is equal to 1% of your monthly Final Average salary multiplied by your years and months (nearest) of Credited Service.

9. HOW CAN I TRANSFER OTHER SERVICE TO THIS PLAN?

You will not be able to transfer service from another County Plan.

You will be entitled to the benefits you earned from the prior plan that you participated in for your past service.

You will be considered as a new employee under the County 2011 Plan.

10. HOW CAN I PURCHASE ADDITIONAL SERVICE CREDIT UNDER THIS PLAN?

You may purchase additional Credited Service for service with a State and/or political subdivision and/or municipality of a state (local government) provided you are not eligible to receive a pension from any of these employers based on the service and the service purchased is not concurrent service rendered while a County employee.

You must pay the full actuarial cost of the benefits provided by the service credited.

Service bought in will be used for determining the amount of your Service Pension but will not be used to determine your vesting or eligibility for the Service Pension.

11. DO I RECEIVE CREDIT FOR MILITARY SERVICE?

You may receive additional Credited Service for service in the Armed Forces of the United States provided you reenter the service of the County within 90 days from the date of termination of your military service after an honorable discharge. The maximum additional service credit you may receive for military service with the County is five (5) years.

12. HOW WILL MY SERVICE PENSION BE PAID?

Your service pension benefit will be payable for your life or the joint lives of you and your designated beneficiary.

13. IS MY SERVICE PENSION ADJUSTED FOR COST OF LIVING INCREASES?

No automatic Cost-of-living adjustments are made to the benefits you receive as a retired member. Any cost of living adjustments to the pension benefits will be determined at the discretion of the Board on an ad hoc basis on the defined benefit portion of the County 2011 Plan's funded status and the performance of the Plan's assets.

14. WHAT WILL I RECEIVE IF I TERMINATE EMPLOYMENT?

If you terminate employment prior to age sixty five (65) and have ten (10) years of credited service, you will have a vested right to a service pension upon attaining age sixty five (65).

If you are an Emergency Responder and terminate employment prior to age sixty (60) and have ten (10) years of credited service, you will have a vested right to a service pension upon attaining age sixty (60) or upon thirty (30) years of credited service regardless of age.

If you withdraw your accumulated contributions after termination of your employment and before commencement of your Service Pension, you will forfeit all rights to your vested Service Pension.

15. WHAT HAPPENS IF I DIE BEFORE RETIREMENT?

If you die before your retirement and have at least ten (10) years of Credited Service, your eligible survivor will receive a monthly survivor's pension equal to one-half (1/2) of the actuarial equivalent of your accrued benefit at the time of your death.

Your eligible survivor will be:

- A. Your surviving spouse provided the surviving spouse was married to you for at least one (1) year before you die.
- B. If you do not have a surviving spouse, your eligible child (children, if more than one), provided the child (children) is unmarried and either
 - a. Has not attained age twenty two (22) or
 - b. Has attained age twenty two (22) and is permanently disabled as the result of a disability which began prior to attainment of age twenty two (22).

The survivor pension will begin with the month following the month in which you die. If payable to your surviving spouse, it shall cease the end of the month in which your surviving spouse dies or remarries. If payable to a child, it shall cease the end of the month in which the child dies or fails to meet the conditions of eligibility above.

16. WHAT HAPPENS IF I DIE AFTER RETIREMENT?

If you die while receiving your Service pension, your eligible survivor will receive a monthly survivor's pension equal to one-half (1/2) of your service pension.

17. WHAT BENEFITS WILL I RECEIVE FROM THE COUNTY 2011 PLAN IF I BECOME TOTALLY AND PERMANENTLY DISABLED?

If you become totally and permanently disabled while an active employee and have ten (10) years of credited service, you will be eligible to receive a disability pension.

Application for a disability pension must be made by you or your representative, in writing, describing the disability and making a report thereof.

Your monthly Disability Pension is equal to 1% of your monthly Final Average salary multiplied by your years and months (nearest) of Credited Service.

Disability pension may be made retroactive to the date your salary payments were stopped due to disability but in no case more than sixty (60) days prior to the filing of your application.

Disability pension shall be payable during the period of your disability and will be reduced by any amounts received as worker's compensation or any other payments received from the County in lieu of your salary and shall cease at the end of the month in which you recover from disability and is offered employment as an employee of the County, if such recovery and offer of employment occur prior to you attaining age sixty five (65) or age sixty (60), if you are an Emergency Responder.

The existence and continuance of disability shall be determined by the Board upon such medical opinion and other evidence as the Board may require.

While receiving a disability pension, you may be required to submit to a medical examination at least once every year and at such other times and in such other places as the Board may direct.

If you die while receiving your disability pension, your eligible survivor will receive a monthly survivor's pension equal to one-half (1/2) of your disability pension.

18. HOW IS THE COUNTY 2011 PLAN PAID FOR?

You and the County pay the cost of the plan. Your share is paid by your required contributions to the Plan.

To help assure that enough money will be available for all employees' pensions, the County hires actuaries to determine the amount that should be contributed to the fund.

If the recommended contribution of the Board for the defined benefit portion of the County 2011 Plan for any Plan Year exceeds ten (10) percent of the total base salary of all the members of the County 2011 Plan, the member pickup contributions to the plan for the twelve (12) month period commencing on July 1st following the determination of such contribution by the Board shall be increased to the extent that the recommended contribution exceeds ten (10) percent. The County's maximum contribution to the County 2011 Plan shall not exceed ten (10) percent.

DEFINED CONTRIBUTION BENEFIT PORTION OF PLAN

19. WHAT ARE THE PROVISIONS OF THE DEFINED CONTRIBUTION PORTION OF THE PLAN?

They are as follows:

The defined contribution portion of the County 2011 Plan is an account balance plan.

The County will make an annual non elective contribution of one (1) percent of each member's base salary to a defined contribution account of each member.

In addition, the County will make an annual matching contribution on behalf of each member's contribution to the Section 457 Plan maintained by the County up to a maximum of two (2) percent of such member's base salary.

The County contributions for each plan year will be allocated as of the last day of the Plan Year.

A member will become one hundred (100) percent vested in the County's non elective contributions, the County's matching contributions and the earnings thereon upon the earlier of:

- i. Completion of ten (10) years of Credited Service
- ii. Death or
- iii. Disability

A member's vested benefits under the defined contribution portion of the County 2011 Plan will be paid in one single lump sum following the last day of the plan year in which the member's employment terminates with the County.

Upon the death of a member, the member's vested benefit shall be paid to the member's surviving spouse, but if there is no surviving spouse, or if the surviving spouse has consented to the designation of another beneficiary, then to the member's designated beneficiary. In the event that there is no valid designation of beneficiary, a member's vested benefit shall be paid to the estate of the member.

The account of a terminated member who is not vested shall be forfeited on the last day of the plan year during which such member's employment terminates. Any forfeitures occurring during a plan year will reduce the County's contribution obligation for the next plan year.

Assets in the accounts of the members will be invested by the Board, unless the Board, at its discretion, permits the members to direct the Board, in writing, to invest their entire accounts in specific assets, funds or other investments selected at the Board's discretion.

Valuation Date means the last day of each Plan Year and may include any other date(s) deemed necessary or appropriate by the Board.

GENERAL

20. WHAT HAPPENS IF THE COUNTY 2011 PLAN TERMINATES?

The County Council intends to continue this plan indefinitely, but reserves the right to modify or terminate this County 2011 Plan at any time.

If the County 2011 Plan is terminated, each member's accrued vested benefits at the time of such modification or termination will not be reduced.

Accrued vested benefits are those benefits that you would be entitled to receive at age sixty five (65) or, age sixty (60) if you are an Emergency Responder, as if you had terminated employment on the day before the date of such modification or termination of Plan.

21. WHO IS RESPONSIBLE FOR ADMINISTRATION OF THE PLAN?

Overall responsibility for the operations and funding of the Plan rests with the Employees' Retirement System Board of Trustees. However, the Human Resources Department oversees the day-to-day issues affecting the County 2011 Plan and the participants.

22. IS MY PERSONAL INFORMATION KEPT PRIVATE?

Your benefit information includes your name, address, Social Security number, work history and pay. Medical information may be reviewed if you have a claim for disability benefits. It is necessary to share this information with actuaries, attorneys and others who help the County administer the County 2011 Plan.

Your personal information is safeguarded by the Human Resources Department and the County's advisors, and will not be given to others without your consent unless we are required by law to disclose it.

23. WHAT DO I DO IF I HAVE QUESTIONS ABOUT THE PLAN?

For more information, contact the Human Resources Department at New Castle County, DE, 87 Reads Way, New Castle, Delaware 19720.
Tel: 302-395-5180.