

# DeKalb County Pension Plan

www.dekalbpension.com

*Note: This summary is for employees hired before September 1, 2005.*

All regular employees who do not participate in a State pension system are required to participate in the county's pension program. This pension plan summary description in the employee benefit enrollment guide provides for a single source of benefit program information.

DeKalb County, Georgia, offers a pension plan that state laws created to provide you with a source of income when you retire. The laws also provide for death and disability benefits under specific circumstances.

In February 1949 the Georgia General Assembly authorized the County Commissioners of DeKalb County to establish rules and regulations governing the payment of pensions and to establish a Pension Board to supervise the DeKalb County Pension Plan. This information has been prepared to give you a short summary of the benefits the law provides.

If you have any questions about your County retirement benefits, you are urged to contact the Pension Administration Section in the Risk Management and Employee Services Division of the Finance Department.

## Participation

All permanent officers, employees and deputies and all other persons including officers and employees who perform any service for the benefit of DeKalb County for which they are paid a salary, including part-time employees and elected officials who are not contributing to any other pension plan of the State of Georgia or any institution, bureau, or department of the state of Georgia are required to participate in the DeKalb County Pension Plan.

## Plan Contributions

The contributions to the Plan are from two sources: the County and the employee. The Plan is a "defined benefit plan," not a "defined contribution plan." This means that your pension benefit is not determined by how much money is paid into the Plan; instead, you will receive a pension based on your length of service and average salary. The employee contributes 10.48% by payroll deduction, and the County adds its contribution of 18.56% monthly. Periodically, the Board of Commissioners may change the contribution rate, and that decision is based on funding requirements, subject to state law, actuarial projections, and prudent business decisions. In the unlikely event that contributions and investment earnings prove inadequate to pay all pensions, it is the obligation of the County to provide for additional funding to assure all eligible persons receive their full pension.

## Who Oversees the Pension Plan

The DeKalb County Pension Board as provided by state law oversees the DeKalb County Pension Plan. Nine members comprise the Pension Board as follows:

### Voting Members

- Chief Executive Officer of DeKalb County
- Two members elected by the Board of Commissioners
- Two members elected to a four-year term by the active participants the Plan
- One member elected to a four-year term by the retired participants of the Plan
- One member, appointed by the above six members

### Non-Voting Members

- Director of Finance, DeKalb County
- Director of Merit System, DeKalb County

## Who Invests the Money

The investment of the pension fund is channeled through three types of managers, each with a specific assigned task, which assures proper handling of the pension fund.

**First**, the pension contributions are forwarded to a Custodial Manager (a bank), which distributes the contributions to the appropriate Money Manager and is custodian of the stocks and bonds.

**Second**, the Money Managers invest the contributions. Each Money Manager transacts the investment to maximize the growth of the pension fund.

Typically, several Money Managers are hired with differing investment strategies so as to achieve maximum return with minimum risk.

**Third**, the Performance Manager monitors the Money Managers' investments. This manager follows the performance of each Money Manager versus the overall market.

## Factors Used to Determine Benefits

The amount of your monthly pension benefit depends on the following:

1. Years of Service
2. Age
3. Average Salary
4. Type of Pension

## Types of Pension

When you meet a certain age and service or disability requirement, you will be able to retire with a pension. The following types of pensions are available:

### 1. Normal Retirement Benefit

The amount of your Normal Retirement benefit is based on years of accredited service and on your Final Average Earnings as follows: 2 $\frac{3}{4}$ % of final average earnings (highest 36 consecutive months out of last 120) times Years of Service. The maximum pension is 82 $\frac{1}{2}$ % of your final average earnings.

### 2. Early Retirement Benefit

The amount of your Early Retirement benefit is determined by using the same formula used to calculate a Normal Retirement benefit based on

your years of service and final average earnings as of the date you retire. The amount determined by the formula is then reduced by  $\frac{1}{8}$ % for each complete month by which the date benefits commence precedes your Normal Retirement date (age 55). An employee having 30 or more years of accredited service under the Plan may retire with no penalty, regardless of age.

### 3. Disability Retirement

If you become totally and permanently disabled after completing five years of service under the Plan, you may be eligible for a monthly pension benefit. The five years of service shall not be required if disability incurs while acting within the scope of your employment through (1) violent, external, and accidental means not as a result of your misconduct or provocation, or (2) through an act of God. To qualify as being totally and permanently disabled, you must be unable to perform your regularly assigned duties with the County during the first 12 months of your disability; thereafter, you must be unable to work at any occupation for which you are reasonably qualified by education, training, or experience.

## Optional Pension Payouts

You may elect in writing any one of the optional retirement benefit payouts:

### 1. Straight Life

This is an increased benefit which shall be payable during your lifetime with all

payments ceasing at your death.

### 2. Joint and Survivor Option

This is a decreased retirement benefit which shall be payable during the joint lifetime of you and your eligible beneficiary. The amount payable to the survivor may be the same amount paid during your lifetime or such smaller amount as you designate when you retire.

## Death Benefit

While an active employee, if you die before ten years of service, your beneficiary shall receive a lump sum benefit equal to your contributions plus interest. If you die after ten years of service, your beneficiary shall receive either (a) 120 monthly payments equal to the amount calculated using the normal pension calculation as if you had retired immediately before your death, or (b) a life annuity equal to the amount calculated using the 100% joint-and-survivor calculation as if you had retired immediately before your death. If you were below the age of normal retirement at the time of your death, the benefit shall be reduced by  $\frac{1}{8}$ % for each complete month by which the benefit commencement date precedes your normal retirement date.

## Previous Service with the County

If you, as a previous participant of the pension plan, return to work at DeKalb County, you shall be entitled to credit of your prior service if you repay to the pension plan all contributions that you withdrew, including

interest for the period you were not actively employed by the County. You must request to repay your pension contributions within six months of being rehired, and you must make all repayments within 24 months of approval by the Pension Board.

### Requesting a Pension Estimate

After satisfying the eligibility requirements for pension benefits, you may request an estimate of your monthly pension by contacting Pension Administration.

### Filing an Application for Benefits

When you decide to retire, you should notify the Pension Administrator approximately two months before your retirement date.

### Refunding Contributions

Persons who have not accumulated the minimum time of service needed to qualify for any pension (3 years) will automatically be issued a refund within 90 days of termination. Those with three or more years of service will be issued a refund unless they request the Pension Administrator to hold contributions pending an anticipated retirement request at any specified future date. Vested employees who receive an automatic refund may return the money to the County within 60 days, and pension eligibility will be restored.

### Other Retirement Benefits

Do not overlook that, in addition to the County Pension Plan, you have available Social Security and three optional Deferred Compensation plans. Here are some examples of real employees who retired:

1. Unmarried employee age 62
  - 31 years, 2 months service
  - Average Monthly Salary = \$3,325

Retirement Income:  
 County Pension = \$2,743  
 Social Security = 989  
 Total Monthly Income at Age 62      \$3,732

This is 112% of Average Salary.



2. Married employee age 55
  - 22 years, 2 months service
  - Average Monthly Income = \$3,231
  - 14 years contributing to deferred compensation
  - Joint and Survivor Option

Retirement Income:  
 County Pension = \$1,576  
 Deferred Compensation = 805  
 Social Security at Age 62 = 850  
 Total Monthly Income at Age 62      \$3,231

This is 100% of Average Salary.



*THIS INFORMATION IS INTENDED ONLY AS AN AID IN HIGHLIGHTING THE MAJOR POINTS OF THE DEKALB COUNTY PENSION PLAN. THE ACTUAL COUNTY CODE AND GEORGIA LAWS SHALL GOVERN IN THE EVENT OF ANY DISCREPANCIES.*

*THE COUNTY RESERVES THE RIGHT TO AMEND THE PLAN WITH THE APPROVAL OF THE BOARD OF COMMISSIONERS.*

*For questions about the DeKalb County Pension Plan, contact:*

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