

## Town of Darien Employees' Pension Plan FAQs

### 1. Who is eligible for the Pension Plan?

- Any person regularly employed by the Town on a permanent basis or any elective officer of the town EXCEPT : (a) temporary employees; (b) part-time employees working less than 20 hours per week or 5 months per year; (c) teachers; and d) police officers.

### 2. How much do I have to contribute?

- The contribution rate is 5% of compensation.

### 3. When am I vested?

- You are vested after 5 years of service.

### 4. What is the basic benefit calculation?

- It is equal to 2% of your average annual compensation times your years of service. There may be some modifications for certain groups of employees hired before 2002.

### 5. When can I retire?

- Normal retirement date is the earlier of:
  - (a) completion of 35 years of service; or
  - (b) 65<sup>th</sup> birthday.
- If you are an active employee and meet the "Rule of Eighty", meaning the sum of your age and your years of service equals at least 80 and you have reached age 55, you are eligible to retire and no *early retirement* reduction will apply.

### 6. Do I have to retire on a specific day of the month?

- Yes. Retirements must occur on the first day of a month, and cannot occur earlier than the first of the month following initial eligibility (as described in #5 above).

### 7. How much notice of retirement needs to be provided and in what form?

- Unless specified differently by union contract or Town Policy, as much notice as possible should be provided and not fewer than two (2) months is recommended. An employee who wishes to retire must state his/her intention in writing with a retirement date and the written communication should be provided to the supervisor with a copy to the Town's Director of Human Resources or Board of Education's Finance Department, as applicable.

8. What documentation will I need to provide for my retirement to be processed?

- You will need to provide your birth certificate; and if you are married, you will also need to provide your spouse's birth certificate and your marriage license. A copy of these documents will be made by the Town's Director of Human Resources or Board of Education's Finance staff, as applicable, for your pension file. You will also be given a pension application that you will need to complete.

9. What if I quit before retirement age and I am not vested?

- You are entitled to a refund of your contributions plus interest.

10. What if I retire early?

- If you retire early (you do not meet the conditions in #5 above), you have the option to defer receipt of your benefits until your normal retirement date or you may receive a reduced benefit prior to your normal retirement date. If you choose to begin receiving the benefits early, the benefit will be reduced by one-third (1/3) of one (1) percent for each month the start of the payments precedes your normal retirement date.

11. What is compensation?

- Compensation means your regular salary or wages. It does NOT include benefits, overtime, expense reimbursement, severance pay or any other special remuneration.

12. What is my average annual compensation?

- It is the average of your compensation for the highest three-year period out of the last 5 years immediately preceding retirement.

13. Can my spouse continue to get my pension if I die?

- Yes, if you made that choice at the time of retirement. When you retire, you will be given a one-time option to choose: no spousal survivorship benefit; a 50% survivorship benefit; or a 100% survivorship benefit. If you choose the first option, your spouse must sign a form indicating that they are aware you have made that choice. Choosing either the second or third option will cause a reduction in your monthly benefit.

14. How is my service calculated?

- Your service is calculated beginning with the date you were hired and ending with the date your employment terminated. It may include authorized leave of absence such as for military service under certain conditions.

15. If I left, got my contributions back and then come back to work for the Town, can I buy my time back?
- Yes, you can buy your time back. You must apply for reinstatement of your time within six (6) months of returning to Town employment. You must repay the lump sum payment plus interest.
16. If I retire and get a pension check, can I come back to work for the Town?
- Yes you can. Your pension benefits will not be affected IF your compensation during any 12 month period is NO MORE THAN one-third (1/3) of your last annual compensation prior to retirement. If you exceed the one-third limit, your pension benefits will cease and you will have to begin contributing to the plan again and will accrue benefits.
17. Is there a pension committee?
- Yes. The Board of Selectmen appoints the committee members. One member of the committee is an employee elected by fellow members of the plan.
18. What does the pension committee do?
- The committee is responsible for the administration of the plan, approving payments and investing plan funds.
19. Can I attend their meetings?
- Yes. Pension Committee meetings are public and it meets quarterly, in January, April, July and October.
20. Can I get direct deposit of my pension?
- Yes. Forms are available in the Human Resources Department.
21. Is my pension taxable?
- It is partially taxable. The portion of your pension that is a return of your contribution is not taxable, however, the portion that is from the Town is taxable.
22. Is there a cost-of-living adjustment?
- No, however, from time to time, the Board of Selectmen may recommend increases in benefits for retirees. These increases require approval of the Board of Finance and RTM.
23. Who should I go to if I have questions about my pension?
- If you are a Town employee, you should contact the Human Resources Department. If you are a Board of Education employee, you should contact the Board of Ed. Finance Department.