

# Virginia Retirement System

## **Eligibility**

All full time employees are enrolled in the program as a condition of employment

In the 2010 legislative session, the Virginia General Assembly created a separate retirement plan for employees hired on or after July 1, 2011. The new provisions are referred to as the VRS Plan 2 and the current provisions as the VRS Plan 1.

## VRS Plan 2

All employees hired or rehired on or after July 1, 2011

“Rehired” members are those who take a refund of the funds in their member contribution account or optional retirement plan account from a previous position and return to covered employment with no service credit in VRS.

## VRS Plan 1

Current members, deferred members and current retirees are in Plan 1.

Deferred members are not currently employed but still have service credit in VRS.

## **Effective Date of Coverage**

Employee’s full time hire date

## **Cost of Coverage**

5 percent of the employee’s basic monthly compensation will be contributed to his or her account each month. The 5% member contribution is paid by difference parties depending on the VRS Plan.

- VRS Plan 1 – 5% is paid by the County
- VRS Plan 2 – 5% is paid by the employee on a pre-tax basis

<b>Contribution Example</b>	
<b>Salary</b>	<b>\$44,000.00</b>
<b>5% contribution</b>	<b>\$2,200.00</b>
<b>Monthly contribution</b>	<b>\$183.33</b>

## **Type of Coverage**

VRS is a defined benefit retirement plan. This means that once you retire with VRS you will receive a monthly benefit for life. Your monthly benefit is calculated on your age at retirement, your average final compensation and your years of service.

To be eligible to retire with VRS you must be vested with at least 5 years of service with the program, and meet the minimum age requirement.

## Retirement Options

	<i>VRS Plan 1</i>	<i>VRS Plan 2</i>
<b>Unreduced Benefit (Full Benefit)</b>	•Age 65 with at least five years of service credit or age 50 with at least 30 years of service credit	•Normal Social Security retirement age with at least five years of service credit or when age and service credit equal at least 90 (e.g: age 60 with 30 years of service credit)
	•SHO & EMS: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit	•SHO & EMS Same
<b>Reduced Benefit</b>	•Age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.	• Age 60 with at least five years of service credit
	•SHO & EMS Age 50 with at least five years of service credit	•SHO & EMS Same

### Hazardous Duty Supplement

If you are employed in a hazardous duty position (SHO, EMS) you may qualify for a supplement when you retire. This supplement is paid to you until you reach full unreduced Social Security eligibility. You must also be employed in a hazardous duty position for at least 20 years to receive the supplement.

### Benefit Payout Options

When someone retires a person can choose how they would like their benefit paid to them:

1. **Basic Benefit-** 100% of the benefit is paid to you for your lifetime. Upon your death any remaining funds in your member contribution account is payable to your beneficiary.
2. **Survivor Option-** You can choose to lower your monthly benefit in order to provide a benefit to your contingent annuitant.
3. **Advanced Pension Option-** You may temporarily increase your VRS retirement benefit from the time you retire to the Social Security age you select (which must be at least age 62, but no later than your full unreduced social security age.) This option does not allow you to provide your survivor a benefit and you cannot choose a partial lump sum option payment (PLOP).

**4. Partial Lump Sum Option (PLOS) payment-** if you work beyond the time you become eligible for an unreduced benefit you may receive a lump sum amount from VRS. This amount may equal up to three times your annual benefit.

**Purchase of prior Service(Right after 8. Active Duty military service)**

Employees may purchase prior service at 5% of their monthly pay or at the actuarial rate. The time frame to purchase prior service at the 5% rate differs for each plan. Please contact your Human Resources Department or refer to the VRS benefit book for more information.

**When you terminate coverage**

When you terminate employment you may (a) request a refund (b) rollover over the funds in your account into another retirement account (b) or leave your money in your account.

Requesting a Refund:

- Members who are not vested are not eligible for a refund of any contributions employers may make to their member contribution accounts after July 1, 2011 or the interest accrued on those funds.
- Vested members will continue to receive a refund of employer-paid member contributions and member-paid contributions, plus interest.
- All member-paid contributions are refundable regardless of vesting.

**More Information**

You will receive a yearly statement regarding your retirement approximately October of every year. You may also access your account by going to myVRS at <https://www.varetire.org>

**VRS  
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