

INSTRUCTIONS FOR COMPLETING THE REQUEST FOR ESTIMATE OF SERVICE RETIREMENT BENEFITS

Your *VRS Handbook for Members* provides detailed information about your retirement benefits, eligibility, the purchase of prior service, and the payout options available. Obtain a copy from your employer or from the VRS Web site at www.varetire.org. You may also attend a seminar conducted by VRS to learn more about your VRS benefits. See Retirement Planning under the Member tab on the VRS Web site for locations and dates for these seminars.

A benefit estimate is intended for members nearing retirement. Your annual Member Benefit Profile (MBP) provides you with an estimate based on your current salary and service. Unless you have deferred retirement or the estimate you are requesting is required for financial advisement, an estimate projected more than three years into the future will return the same results as those reflected on your most current MBP.

For State employees who are involuntarily terminated, your benefits must be calculated under the special provisions of the Workforce Transition Act of 1995. Your employer should complete the Certification of Involuntary Separation under the Workforce Transition Act of 1995 (VRS-11) and submit it with your request. You may choose to retire as early as age 50 with 10 years of service or at age 55 with five years of service; however, you will receive a reduced benefit if you have fewer than 30 years of service credit. Public safety personnel can retire at 50 with five years of service if the employer provides this special benefit. The amount of reduction is based on the number of months between your early retirement date and the date you would become eligible for full benefits. If you choose early retirement, your effective date of retirement may be no earlier than the first of the month following your 50th/55th birthday, unless your birthday is the first of the month.

Complete this form to request an estimate of service retirement benefits if you are within 18 months of your anticipated retirement date.

Part A. Member Information

- Boxes 1-7: Enter your personal information.
- Box 8: Enter your last date of employment.
- Box 9: If your salary will increase prior to your anticipated retirement, enter the date of increase.
- Box 10: If your salary will increase prior to your anticipated retirement, enter your new salary.

Part B. Retirement Options

After reviewing your *VRS Handbook for Members* and the retirement payout options provided with this form, make your selections for your estimate.

- Box 11: Enter your anticipated retirement date, which must fall on the first of the month. VRS will provide estimates for up to two dates.
- Box 12: If you would like your estimate to include the Advance Pension Option, enter the age at which your temporarily increased VRS benefit should reduce. VRS requires a copy of your Social Security Statement that provides the benefit estimate for the age you chose. This statement must include an estimate that is no more than 12 months old, assume no future earnings after leaving your VRS-covered position, and be based on your Social Security Earnings Record.
- Box 13: If you would like your benefit to continue to a survivor, enter the survivor's name and birth date. You must also let VRS know if the person you chose is your spouse. Choose two percentages on which your estimate will be based.
- Box 14: If you would like your estimate to include a partial lump-sum option payment (PLOP) at the time of retirement if you are eligible, check Yes.
- Box 15: If you expect to purchase prior service credit at the time you retire, enter the amount of service to be purchased and select the type of purchase that you plan to make.

After you sign and date the form, either mail or fax the form to VRS at the address shown on the form. Your benefit estimate will be returned to you within 30-45 business days.

Retirement Payout Options

Basic Benefit

The Basic Benefit pays a benefit amount calculated under the applicable formula with a reduction for early retirement. No reduction is applied to the formula if you retire under disability retirement. (See your *Handbook For Members* for additional information.) The benefit is paid to you for your lifetime. If you die before you receive benefits in an amount equal to your Member Contribution Account, a lump-sum payment is made to your designated beneficiary.

Survivor Option

The Survivor Option pays a reduced benefit amount for your lifetime. You can request a percentage of your benefit (from 10 percent to 100 percent) be paid to your survivor (called a contingent annuitant) upon your death. The reduction of your benefit is based on your age at retirement compared to the age of the person you name as the contingent annuitant. If your contingent annuitant is a non-spouse and is more than 10 years younger than you, the percentage that may be paid to your survivor may be less than 100 percent.

You may revert to the higher Basic Benefit or name a new contingent annuitant if:

- Your contingent annuitant predeceases you,
- You divorce your contingent annuitant after fewer than 20 years of marriage, or
- He or she relinquishes interest in the survivor option after providing evidence of good health.

You may change your survivor or revert to the Basic Benefit only once. You must contact VRS in writing to initiate a change in retirement option.

Advance Pension Option

The Advance Pension Option pays a temporarily increased benefit from the time you retire to an age you select (at least age 62, but no later than your unreduced retirement age under the Social Security Act). Once you reach this age, your VRS benefit is reduced. You must provide VRS a Social Security Statement showing your estimated benefit for the age you have chosen for the VRS temporary increase to end. (Your estimate must be no more than 12 months old, assume no future earnings after leaving your VRS-covered position, and be based on your Social Security Earnings Record.)

VRS calculates your Basic Benefit amount and adds a percentage of your estimated Social Security benefit amount to it. You receive the increased benefit until the age you choose for the increased VRS benefit to end.

When the increase stops, your benefit is the increased benefit amount less the amount shown on your Social Security Statement. By law, this amount cannot be less than 50 percent of your Basic Benefit amount.

Cost-of-living increases will be determined based on the Basic Benefit and applied to the monthly benefit you receive under the Advance Payment Option.

The Advance Pension Option does not provide a survivor benefit. If you die before payments to you equal the amount in your Member Contribution Account, the remaining money is refunded to the person(s) you have named as the beneficiary for these funds.

Accelerated Benefit Payouts

If you choose the Basic Benefit or the Survivor Option, you may be eligible to receive an accelerated payment of your benefit by choosing the additional option below:

Partial Lump-Sum Option Payment

When you choose the Basic Benefit or Survivor Option with a partial lump-sum option payment, you can receive a lump-sum distribution up to three times your annual benefit amount if you work past your eligibility for unreduced retirement. The amount of the lump-sum distribution depends on the number of years you work beyond your eligibility for unreduced benefits.

- If you work one year beyond your eligibility for unreduced benefit you can receive a lump-sum distribution equal to the amount of your basic annual benefit amount.
- If you work two years beyond your eligibility for unreduced benefit you can receive a lump-sum distribution up to two times greater than the amount of your basic annual benefit amount.
- If you work three years beyond your eligibility for unreduced benefit, you can receive a lump-sum distribution of up to three times the amount of your basic annual retirement benefit amount. (Note: This payment becomes available on July 1, 2004.)

This option is available only if you elect service retirement; it is not available with a disability retirement. Lump-sum payments are subject to taxes (20 percent federal and 4 percent state) at the time you receive a payment. If you are younger than age 55, you may also be required to pay a 10 percent penalty for early distribution from a pension plan. If part of the lump-sum amount includes member contributions on which taxes have already been paid, that portion is not taxed again. You may delay paying taxes by rolling the taxable portion into an Individual Retirement Account (IRA) or other qualified plan.

Refer to the IRS 402(f) – Special Tax Notice located on the VRS Web site at www.varetire.org for additional information regarding the tax implications of receiving a lump-sum payment.

REQUEST FOR ESTIMATE OF SERVICE RETIREMENT BENEFITS

VIRGINIA RETIREMENT SYSTEM
 P.O. Box 2500
 Richmond, Virginia 23218-2500
 Toll Free 1-888-VARETIR (827-3847)
 Fax 804-786-9718
 www.varetire.org

1. Employer Code
2. Social Security Number

Complete this form to request an estimate of service retirement benefits. Fax or mail it to VRS at the address shown above. For information about your retirement options, review your VRS *Handbook for Members* and the reverse side of this form. You may also attend a seminar conducted by VRS to learn more about your VRS benefits. See Retirement Planning under the Member tab on the VRS Web site for locations and dates for these seminars.

PART A. MEMBER INFORMATION

3. Name (First) _____ (MI) _____ (Last) _____ (Jr./Sr.) _____		
4. Address (Street) _____ (City) _____ (State) _____ (Zip+4) _____		
5. Home Phone Number _____	6. Daytime Phone Number _____	7. Birth Date (mm/dd/yy) _____
8. Termination Date (mm/dd/yy) _____	9. Date of Next Salary Increase (mm/dd/yy) _____	10. New Salary \$ _____

PART B. RETIREMENT OPTIONS

11. Anticipated Retirement Date	First Choice _____ / 01 / _____	Second Choice _____ / 01 / _____
12. Advance Pension Option A copy of your Social Security Statement showing an estimate for the age you choose your benefit to reduce is required for this option. (See the instructions for additional information about this estimate.) Age at which your temporarily increased VRS benefit should reduce: _____ years, _____ months		
13. Survivor Information If you wish your benefit to continue to a survivor, complete the following: Survivor/Contingent Annuitant Name: _____ (First) _____ (MI) _____ (Last) _____ (Jr./Sr.) _____ Is the survivor your spouse? <input type="checkbox"/> Yes <input type="checkbox"/> No Survivor's Birth Date (mm/dd/yy): _____ Percentage of your benefit to continue to your survivor between 10 and 100 percent (Choose up to two percentages) _____ % _____ %		
14. Partial Lump-Sum Option Payment (PLOP) Would you like your estimate to include a lump-sum payment at the time of retirement if you are eligible? <input type="checkbox"/> Yes <input type="checkbox"/> No		
15. Purchase of Prior Service Credit For benefits calculated with and without a purchase of service, complete the following: Service to be Purchased: _____ years and _____ months Type of Purchase: <input type="checkbox"/> No Cost <input type="checkbox"/> 5% of Salary or AFC <input type="checkbox"/> Actuarial Cost		

Member Signature _____

Date _____

