

COMPLETING THE REQUEST FOR ESTIMATE OF SERVICE RETIREMENT BENEFITS

Complete this form to request an estimate of your service retirement benefits. Before sending your estimate request to VRS, consider reviewing valuable resources on the VRS Web site at www.varetire.org including:

- Your online *myVRS* account: Access your secure, online *myVRS* account and use the benefit estimator to create and review benefit estimates you create at your convenience. *myVRS* includes other resources including your most recent Member Benefit Profile, a retirement planner and information about your member account.
- Your *Handbook for Members*: For detailed information about eligibility for retirement, increasing your benefit by purchasing prior service credit and the retirement payout options available to you.
- A schedule of member seminars: For more information about your VRS benefits and planning for the future. See Education and Counseling under the Member tab on the VRS Web site for learning opportunities.

Note: If you are being involuntarily terminated you may be eligible for additional credit to enhance your VRS retirement benefit. This credit must be calculated and certified by your employer on the Certification of Involuntary Separation (VRS-11 for state employees or VRS-11B for employees of localities and school divisions that have elected the Transitional Benefits Program). For certain agency heads and school superintendents who have at least 20 years of service and will attain age 50, the VRS-8 must be completed. Please include the appropriate certification with your Request for Estimate.

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

Box 11: Enter your anticipated retirement date. 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 an estimate of your Social Security benefits based on your Social Security Earnings Record using the Social Security online benefit estimator. Follow the instructions on the VRS website at www.varetire.org/apo. This estimate must be less than 12 months old, for the age at which you choose for your VRS benefit to decrease, and it should assume no future earnings after leaving your covered position.

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 number of years and months to be purchased.

Sign and date the form, then mail or fax the form to VRS at the address shown on the form. Your benefit estimate will be returned to you within 30 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 change your retirement payout 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 an estimate from Social Security of your benefit for the age you have chosen for the VRS temporary increase to end. Your estimate must be less than 12 months old, assume no future earnings after leaving your VRS-covered position, and be based on your Social Security Earnings Record. To obtain your Social Security benefit estimate adjusted for use in your VRS Advance Pension Option estimate, follow the instructions on the VRS website at www.varetire.org/apo.

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

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.