

TERMINATION GUIDELINES

OPTIONAL RETIREMENT PLAN FOR HIGHER EDUCATION

This form is not a distribution request form. To request a distribution, use the distribution forms of the provider(s) with whom you have an account balance. If you are eligible to receive a distribution from the VRS-administered ORP for Higher Education, VRS must sign the provider distribution form once this certification form is completed. For additional information, please read the important guidelines below.

The benefits provided under the ORP for Higher Education are intended to provide income in retirement. If you are leaving employment where you participated in the ORP you may in most cases begin a distribution from the plan. Unless you continue to be employed by an employer that provides retirement benefits through a plan authorized by Code of Virginia Title 51.1 Chapters 1, 2, 2.1 or 3, you must begin a required minimum distribution from the plan no later than April 1 of the year following the year you reach age 70 ½.

VRS processes requests for distribution from the Commonwealth's ORP for Higher Education only if the Termination Certification form on file with VRS was completed within 12 months of the distribution request. Otherwise, a revised Termination Certification must accompany the distribution request. If you are employed by an institution that administers its own ORP, provide this completed form to the institution's human resources office when you request a distribution.

Important Note: If you take a distribution of your total plan account balance resulting from pre-July 1, 2010 service and return to covered employment, you will be rehired under the plan provisions in place at that time, which will have different retirement and other benefits from those available if you have pre-July 1, 2010 service.

Employment Status

You may not receive a distribution from the ORP if you are reemployed in a position which provides retirement benefits in any of the following plans: The Virginia Retirement system (VRS), the Judicial Retirement System (JRS), the State Police Officers Retirement System (SPORS), the Virginia Law Officers Retirement System (VALORS), any Optional Retirement Plan or Alternative Retirement Plan authorized in the Code of Virginia.

If you return to part-time employment (non-salaried; non-classified) with any agency or institution of the Commonwealth, you must meet the following criteria to receive a payment from your ORP:

1. Have a break-in-service of no less than one full calendar month during which you receive no compensation or active member benefits from the Commonwealth (summer breaks, annual leave, sick leave, FMLA leave of less than 12 weeks or more based on employer's policy, educational leave, and sabbaticals do not count toward the full calendar month required for a break-in-service);
2. You and your employer had no pre-determined date that you return to employment; and
3. The work you do does not have the same duties or hours that you worked prior to leaving your ORP-covered position and you work in a part-time position which is less than 80% of the normal, full-time equivalent hours for a similar position.

Eligibility for Benefits After Termination of Employment

Important Note: A full distribution from this plan cancels your eligibility for group life insurance, state retiree health insurance benefits, and the health insurance credit that are discussed below unless you qualify for these benefits based on service not covered by this plan. Also, any severance benefits you are receiving from the Commonwealth will end if you take a full distribution from the plan.

If you do *not* take a full distribution from this plan, you may be eligible for benefits as follows:

1. Group Life Insurance

In some cases, you may continue group life insurance coverage after you terminate employment with the Commonwealth. If your plan participation began prior to July 1, 2010, you must be age 55 with at least five years of service or age 50 with at least 10 years of service to continue to be covered by the Group Life Insurance Program whether or not you begin a distribution from the ORP. If your plan participation began on or after July 1, 2010, you must be age 60 with at least five years of service or your age and service at the time of your termination must be at least 90.

A 25 percent reduction in the amount of your coverage begins on January 1 of the first full calendar year after you terminate employment and continues each January 1 until the amount of your coverage is 25 percent of the value of the natural death coverage at termination of employment.

If at the time you terminate employment with the Commonwealth you are covered by Optional Group Life Insurance, you may continue the optional group life coverage until you reach age 80 if you continue to pay the premiums or you may convert the coverage to an individual policy.

If you do not qualify to continue basic group life insurance benefit when you terminate employment or if you lose coverage by taking a full distribution from your ORP account, you may, within 31 days of termination or loss of coverage, convert your group life insurance benefit to an individual policy at non-group rates without providing evidence of insurability.

For more information visit the VRS Web site at www.varetire.org or call Minnesota Life toll-free at 1- 800-441-2258.

2. State Retiree Health Benefits Program

You qualify to participate in the State Retiree Health Benefits Program when you terminate employment with the Commonwealth if you begin receiving a periodic distribution or annuity from your ORP immediately upon becoming eligible for a distribution from the plan. There is no age requirement associated with this benefit. You have 31 days from the date you terminate employment to enroll. If you defer taking a periodic distribution, you lose eligibility to enroll in the state retiree health program in the future.

Visit the Department of Human Resource Management (DHRM) website at www.dhrm.state.va.us to obtain an application form.

3. Retiree Health Insurance Credit

You qualify for the retiree health insurance credit if you meet the following criteria:

- 1) You have at least 15 years of service in VRS and/or the ORP.
- 2) You terminate employment with the institution and are not reemployed in a position that causes you to be covered by one of the retirement plans created by Title 51.1, Chapter 1,2,2.1 or 3 of the Code of Virginia.

- 3) You are receiving a periodic distribution or annuity from your ORP account.
- 4) You are enrolled and paying a premium for yourself in an individual or employer-sponsored health insurance plan, Medicare Part B and D, vision, dental or as a dependent under your spouse's coverage.
- 5) Your employer certifies your eligibility for the health insurance credit by completing the Optional/ Alternative Retirement Plan Health Insurance Credit Employer Certification of Service (VRS-75).
- 6) You submit to VRS a Request for Health Insurance Credit (VRS-45) each time your health insurance plan and/or premium changes.

Currently the credit is \$4 per month per year of service. The credit you receive may not exceed the amount you pay out-of-pocket for your individual health insurance coverage. This is a tax-free benefit.

4. Health Insurance Credit for Disability

If you are receiving a long-term disability payment from your institution-sponsored plan, you are eligible for the greater of \$120 or \$4 per year of service. If you leave employment because of disability and are not receiving a payment from your institution's long-term disability plan you are eligible for the health insurance credit if you have 15 years of service. The amount of the credit is based on your years of service.

You must notify VRS if your long-term disability payments cease. You are responsible to reimburse VRS for any overpayment of the health insurance credit.

For more information read the "Handbook for Participants of the Commonwealth of Virginia Optional Retirement Plan for Higher Education" found on the VRS Web site at www.varetire.org under Benefit Plans/Defined Contribution Plans/ORP for Higher Education.

Taking a Distribution from your Plan

If you intend to start a distribution from the ORP for Higher Education, contact your investment provider(s) for information on the choices available and for the necessary forms. If you participate in the VRS-administered ORP for Higher Education, VRS must sign your distribution form certifying that you are eligible for the distribution from this plan.

Contact information for the current providers:

Fidelity	1-888-389-3863	www.fidelity.com/atwork
TIAA-CREFF	1-800-842-2252	www.tiaa-cref.org

Some participants may have balances with providers who are no longer participating in the ORP. Contact information for those providers:

Great West	1-800-537-2033	www.gwrs.com
Met Life	1-800-560-5001	www.metlife.com
VALIC	1-800-248-2542	www.aigvalic.com
T. Rowe Price	1-800-922-9945	www.troweprice.com