

Highlights of VRS Plan 1 and Plan 2 Provisions

Effective July 1, 2010

(Revised 11-24-2010)

Members hired before July 1, 2010 are covered under Plan 1. Members may be active or deferred. Deferred members are those who left covered employment but have not withdraw their funds and have service credit in VRS or an account balance in a Virginia optional retirement plan as of June 30, 2010.

Members hired or rehired on or after July 1, 2010 are covered under Plan 2. Rehired members are those who left covered employment, withdrew their funds and return to covered employment on or after July 1, 2010 with no service credit in VRS or no ORP account balance. Their membership date is the date they are rehired.

Effective July 1, 2010	VRS Plan 1 <i>(Members Hired Before July 1, 2010)</i>	VRS Plan 2 <i>(Members Hired or Rehired On or After July 1, 2010)</i>
Average final compensation	Average of the employee's 36 highest consecutive months of creditable compensation	Average of the employee's 60 highest consecutive months of creditable compensation
Member contribution, VRS defined benefit (DB) plan	Employee or employer contributes 5 percent of the employee's compensation each month to his or her member contribution account.	State employees contribute the 5 percent member contribution on a pre-tax salary reduction basis. School division and political subdivision employees may contribute some or all of the 5 percent member contribution on the same basis, depending on the election of the employer and provided the employer is paying the full 5 percent member contribution for all current Plan 1 employees.
Member and employer contributions, optional retirement plan (ORP)	10.4 percent employer contribution	8.5 percent employer contribution and 5 percent member contribution Institutions of higher education have the option to increase the employer ORPHE contribution up to 8.9 percent, provided the additional 4 percent increase is paid from non-state funds. School boards may increase the employer ORPSS contribution up to 8.9 percent, by resolution of the governing board.

Vesting, DB plan	At 5 years of service credit	Same as Plan 1.
<i>Vesting and Refunds</i>	Vested members are eligible for a full refund of their member contribution account balance. Non-vested members are eligible any funds they contributed, plus accrued interest. They also are eligible for any contributions made by their employer before July 1, 2010 and the interest on these contributions. Non-vested members are not eligible for a refund of any contributions made by their employer after July 1, 2010 or the interest on these contributions, unless they are involuntary terminate in which case they can receive a refund of the entire member contribution account.	Same as Plan 1. NOTE: Non-vested Plan 2 members will not have pre-July 1, 2010 contributions.
Vesting, ORP	Immediate	Same as Plan 1
Retirement multipliers	VRS (state, school division and political subdivision non-hazardous duty employees): 1.7 percent SPORS: 1.85 percent VaLORS: 1.7 percent or 2.0 percent, depending on member's election Sheriffs: 1.85 percent Political subdivision hazardous duty employees: 1.7 percent or 1.85 percent, depending on employer's election	Same as Plan 1. NOTE: VaLORS members under Plan 2 retire under the 2.0 percent multiplier with no eligibility for the hazardous duty supplement.
Normal retirement age	Age 65	Normal Social Security retirement age. A Social Security age chart is available at www.varetire.org . Select the Retiree tab and then Receiving Your Benefit.
	SPORS, VaLORS and Political Subdivision Hazardous Duty Members: Age 60	Same as Plan 1
Earliest unreduced retirement eligibility	VRS: Age 65 with at least five years of service credit or age 50 with at least 30 years of service credit	VRS: Normal Social Security retirement age with at least five years of service credit or when age and service equal 90 (e.g. age 60 with 30 years of service credit)

	SPORS, VaLORS and Political Subdivision Hazardous Duty Members: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit	Same as Plan 1
	JRS: Age 65 with weighted service equal to at least five years of service credit or age 60 with weighted service equal to at least 30 years of service credit	Same as Plan 1
Earliest reduced retirement eligibility	VRS: Age 55 with at least five years of service credit or age 50 with at least 10 years of service credit	VRS: Age 60 with at least five years of service credit
	SPORS, VaLORS and Political Subdivision Hazardous Duty Members: Age 50 with at least five years of service credit	Same as Plan 1
	JRS: Age 55 with weighted service equal to at least five years of service credit.	Same as Plan 1
Cost-of-Living Adjustment (COLA) <i>(effective July 1 following the first full calendar year after retirement)</i>	Matches first 3 percent increase in the Consumer Price Index-Urban and one-half of the remaining increase up to a maximum COLA of 5 percent, when provided	Matches first 2 percent increase in the Consumer Price Index-Urban and one-half of the remaining increase up to a maximum COLA of 6 percent, when provided