

# Pre-Retirement Planning Guide



# Member Resources

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## Benefit Information and Planning Resources

VRS Web site at [www.varetire.org](http://www.varetire.org):

- *myVRS*, a secure online system providing benefit estimating and retirement planning tools and information from your member record.
- Benefit information, forms and publications, including the *Handbook for Members*.
- Member Webinars, Retirement Education Seminars and Group Counseling Sessions with online registration.

One-on-one counseling:

- Talk with a counselor about your retirement options, applying for retirement and retiree benefits. Counseling is held at VRS at 1200 East Main Street in downtown Richmond on a first-come first-served basis. The hours are 8:30 a.m.-5 p.m., Monday through Friday. See [www.varetire.org](http://www.varetire.org) for directions to VRS.

## VRS Contact Information

Toll free: 1-888-VARETIR (1-888-827-3847)

E-mail: [vrs@varetire.org](mailto:vrs@varetire.org)

**Important e-mail notice:** Do not send personal or confidential information, such as your Social Security number, via e-mail. VRS will send only non-confidential replies.

Mailing address: Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500

Fax number: 804-786-9718

## Other Key Contacts

American Association of Retired Persons:  
1-888-OUR-AARP (1-888-687-2277); [www.aarp.org](http://www.aarp.org)

Anthem Blue Cross/Blue Shield: 1-800-552-2682;  
[www.anthem.com](http://www.anthem.com)

Commonwealth of Virginia 457 Deferred Compensation Plan: 1-VRS-DC-PLAN1 (1-877-327-5261);  
[www.varetire.org](http://www.varetire.org) (select the "Defined Contribution Plans" tab)

Group Life Insurance Program: Minnesota Life,  
1-800-441-2258

Federal Public Safety Officers' Benefits Act:  
1-888-744-6513; [www.ojp.gov/BJA](http://www.ojp.gov/BJA)

Internal Revenue Service: 1-800-829-1040; [www.irs.gov](http://www.irs.gov)

Medicare: 1-800-633-4227; [www.medicare.gov](http://www.medicare.gov)

Social Security Administration: 1-800-772-1213;  
[www.ssa.gov](http://www.ssa.gov)

Virginia Department for the Aging: 1-800-552-3402;  
[www.vda.virginia.gov](http://www.vda.virginia.gov)

Virginia Department of Human Resource Management:  
804-225-2131; [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov)

Virginia Department of Taxation: 804-367-8031;  
[www.tax.virginia.gov](http://www.tax.virginia.gov)

Virginia Line of Duty Act, Virginia Department of Accounts:  
804-225-3038; [www.doa.virginia.gov](http://www.doa.virginia.gov)

Virginia Sickness and Disability Program (VSDP): Unum,  
1-800-652-5602

Virginia Sickness and Disability Program Long-Term Care Plan: Long Term Care Group, Inc., 1-800-761-4057

Virginia Workers' Compensation Commission:  
1-877-664-2566; [www.vwc.state.va.us](http://www.vwc.state.va.us)

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**NOTE:** The information contained in this document is governed by Title 51.1 of the *Code of Virginia*. This information is intended to be general. It cannot be complete in all details and cannot supersede or restrict the authority of the *Code of Virginia*, which may be amended from time to time.

# 1. Retirement Basics

## WHAT IS COVERED EMPLOYMENT?

Covered employment is a full-time salaried, permanent position with an employer that participates in VRS, which includes the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS). Some part-time salaried, permanent state positions also are covered under VRS.

## AVERAGE FINAL COMPENSATION EXAMPLE

Highest 36 consecutive months	\$40,500
	42,100
	43,400
	\$126,000
Divided by three (36 months)	÷3
<b>Average final compensation</b>	<b>\$42,000</b>

## About Your Plan

Your retirement plan is a defined benefit plan. The defined benefit plan provides a lifetime monthly benefit based on a formula. The formula factors in your average final compensation and total service credit at retirement:

- Average final compensation is the average of the 36 consecutive months of highest compensation in your history of covered employment. Compensation is your salary reported to VRS by your employer. It does not include payments for overtime, temporary employment, extra duties or other additional payments.
- Service credit includes active service. You earn one month of service credit for each month you are employed in a covered position (in active service). Your service credit also may include credit for prior service you may be eligible to purchase or additional service credit granted by your employer.

## Unreduced Retirement Benefit Formula

Average final compensation x 1.7%\* x total years of service credit = Annual benefit amount

### Example

$\$42,000 \times 1.7\% \times 30 \text{ years} = \$21,420$  annual benefit amount

$\$21,420 \div 12 \text{ months} = \$1,785$  monthly benefit amount before taxes and other deductions

\*The retirement multiplier varies for some hazardous duty positions. Contact your human resource office for more information.

## Retirement Contributions

You or your employer on your behalf contributes 5 percent of your compensation to your member contribution account each month as your retirement contributions. Your account accrues 4 percent interest, which is compounded annually on the balance of the previous June 30.

When you retire, your benefit is funded first from your member contribution account. When these funds have been paid out, your benefit is funded from separate contributions made by your employer and investment earnings on contributions.

If you leave covered employment, you have the option to take a refund of your retirement contributions and interest in your member contribution account. Taking a refund cancels your membership and eligibility for any future benefits. You are not eligible for a refund of employer contributions.

### Member Benefit Profile

Each year, you receive a Member Benefit Profile (MBP), a benefit summary based on information your employer reports to VRS through June 30. Your MBP shows:

- Your membership date
- Last reported compensation
- Earliest unreduced and reduced retirement dates and estimated benefit amounts
- Total service credit
- Life insurance coverage
- Amount of retirement contributions and interest in your member contribution account
- Estimated lifetime value of your retirement benefit

### Vesting

Vesting is the minimum length of service needed to qualify for a retirement benefit. Under VRS, you become vested when you have five years of service credit. Once you are vested, you are eligible to retire when you meet the age requirements for an unreduced or reduced retirement benefit.

### CREATE YOUR *myVRS* MEMBER ONLINE ACCOUNT

Through *myVRS*, you can download and print your Member Benefit Profile, use online benefit estimating and retirement planning tools and check the status of an application for retirement, purchase of prior service or refund.

You also can look up your current information, including:

- Earliest unreduced and reduced retirement eligibility dates and estimated benefit amounts
- Service credit
- Member retirement contributions and interest
- Employment and compensation history
- Purchase of prior service information
- Life insurance information

To log in or create a secure online account, go to the VRS Web site at [www.varetire.org](http://www.varetire.org) and select the *myVRS* logo from the Member tab.



## Retirement Eligibility at a Glance

	<b>Normal Retirement Age</b>	<b>Earliest Unreduced Retirement Eligibility</b>	<b>Earliest Reduced Retirement Eligibility<sup>1</sup></b>
State employees, teachers and political subdivision employees covered under the Virginia Retirement System (VRS)	65	Age 65 with at least 5 years of service credit  Age 50 with at least 30 years of service credit	Age 55 with at least 5 years of service credit  Age 50 with at least 10 years of service credit
Hazardous duty employees covered under the State Police Officers' Retirement System (SPORS), <sup>2</sup> the Virginia Law Officers' Retirement System (VaLORS) and VRS <sup>3</sup>	60	Age 60 with at least 5 years of service credit  Age 50 with at least 25 years of service credit	Age 50 with at least 5 years of service credit
Judges and other eligible employees covered under the Judicial Retirement System (JRS)	60	Age 60 with weighted service equal to at least 5 years of service credit  Age 55 with weighted service equal to at least 30 years of service credit	Age 55 with weighted service equal to at least 5 years of service credit

### HAZARDOUS DUTY SUPPLEMENT

If you are a hazardous duty employee, you may be eligible for a supplement to your retirement benefit. For more information, contact your human resource office, review your *Handbook for Members* or visit the VRS Web site at [www.varetire.org](http://www.varetire.org).

<sup>1</sup>To determine the reduced benefit, VRS applies an early retirement reduction factor to the benefit you would receive if you retired with an unreduced benefit.

<sup>2</sup>Members of SPORS who were not working in a covered position on June 30 and July 1, 2002 must be credited with at least five years of service credit while covered in an eligible hazardous duty position under SPORS, VaLORS or VRS to retire under these enhanced provisions.

<sup>3</sup>Full-time salaried, sworn VRS-covered sheriffs, deputy sheriffs and jail superintendents and sworn officers of regional jails are eligible for enhanced benefit coverage for hazardous duty. Participating political subdivisions may elect to provide enhanced benefits to other hazardous duty employees, including full-time, salaried sworn law enforcement officers, firefighters and emergency medical technicians.

## Benefit Payout Options

When you apply for retirement, you elect how you want to receive your benefit. The payout options are the Basic Benefit, Survivor Option, Partial Lump-Sum Option Payment (PLOP) and Advance Pension Option. **The option you elect is irrevocable**, meaning you cannot change it once you retire, with the exception of the Survivor Option under certain conditions.

### Basic Benefit

The Basic Benefit is calculated using your years of service credit and average final compensation at retirement (see formula on page 2). The Basic Benefit does not provide a continuation of a benefit to a survivor upon your death. You can elect this option with the Partial Lump-Sum Option Payment (PLOP).

### Survivor Option

With this option, you elect to receive a lower monthly benefit during your lifetime so that your survivor can receive a lifetime monthly benefit after your death. You can elect this option with the PLOP.

You choose a whole percentage of your benefit, between 10 percent and 100 percent, to go to your survivor. Your benefit amount is based on this percentage, your age and the age of your survivor at retirement.

You can name anyone as your survivor, whether or not the individual is your spouse or another family member. However, the Internal Revenue Service (IRS) may limit the percentage that may go to a non-spouse survivor.

You may revert to the Basic Benefit or name a new survivor if:

- Your survivor dies;
- Your survivor is your spouse and you divorce with fewer than 20 years of marriage;
- Your survivor is your spouse, you divorce after 20 or more years of marriage and your spouse dies, remarries or consents in writing to a change in benefit; or

- You provide VRS a written consent from your survivor giving up claim to a benefit along with proof of your survivor's good health.

*Note:* If you are divorced and VRS has an Approved Domestic Relations Order (ADRO) on file, your benefit must be paid as directed by the ADRO.

### Partial Lump-Sum Option Payment (PLOP)

If you work at least one year beyond the date you are first eligible for an unreduced retirement benefit, you may elect to receive a one-time Partial Lump-Sum Option Payment (PLOP). This option reduces your monthly benefit. You can elect this option with the Basic Benefit or Survivor Option.

The amount of the PLOP is based on your annual retirement benefit amount and how long you work beyond your unreduced retirement eligibility date, as follows:

**QUALIFYING FOR THE PLOP**

You must be an active member during the period beyond the date you first become eligible for an unreduced retirement benefit to be eligible to elect the PLOP at retirement. Prior service credit or granted service credit (except granted military leave) cannot substitute for service as an active member.

<b>PARTIAL LUMP-SUM OPTION PAYMENT AMOUNTS</b>		
<b>Active Service Beyond Unreduced Retirement Eligibility</b>	<b>PLOP Payment</b>	<b>Example Annual Basic Benefit amount = \$32,000</b>
12 months	1 x annual Basic Benefit amount (one-year PLOP)	\$32,000
24 months	1 or 2 x annual Basic Benefit amount (one- or two-year PLOP)	\$32,000 or \$64,000
36 months or more	1, 2 or 3 x annual Basic Benefit amount (one-, two- or three-year PLOP)	\$32,000, \$64,000 or \$96,000

The PLOP is subject to federal income tax of 20 percent and, if you live in Virginia, state income tax of 4 percent. To defer taxes, you can roll over some or all of the PLOP to an Individual Retirement Account (IRA) or another qualified plan. For more information, read the IRS 402(f) Special Tax Notice on the VRS Web site at [www.varetire.org](http://www.varetire.org), contact a tax advisor or contact the IRS toll free at 1-800-829-1040 or [www.irs.gov](http://www.irs.gov).

## Advance Pension Option

With this option, you elect to temporarily increase your monthly benefit until an age you choose, between age 62 and the age you are entitled to full Social Security benefits. At that point, your VRS benefit is permanently reduced.

To calculate the Advance Pension Option, VRS adds a percentage of your estimated monthly Social Security benefit to your monthly VRS benefit to arrive at the increased benefit amount. The amount of the percentage is based on several factors, including your age at retirement and the age you want your increased benefit to permanently reduce.

When the temporary increase ends, your benefit is reduced by the amount of your full Social Security benefit. However, it will never be reduced by more than 50 percent of your Basic Benefit amount.

The Advance Pension Option does not affect the amount of your Social Security benefit. You also may draw Social Security whenever you are eligible for it, regardless of the age you choose for your VRS benefit to reduce.

The Advance Pension Option does not provide a continuation of a benefit to a survivor upon your death. You cannot elect this option with other payout options. You may be eligible to elect the Advance Pension Option with a reduced benefit. Contact your human resource office for more information.

### SOCIAL SECURITY ESTIMATE

If you elect the Advance Pension Option, you must provide VRS a copy of your Personal Earnings and Benefit Estimate Statement (PEBES) from the Social Security Administration. The estimate must be less than 12 months old, assume you will have no future earnings after leaving covered employment and be based on your Social Security earnings record.

To request this statement, complete Form SSA-7004 available from the Social Security Administration. For more information, call toll free 1-800-772-1213, visit [www.ssa.gov](http://www.ssa.gov) or contact your local Social Security Administration office.

## 2. Commonwealth of Virginia 457 Deferred Compensation and Cash Match Plans

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### THE 457 PLAN MAKES SAVING FOR RETIREMENT EASY

- Your contribution is automatically deducted from your paycheck each pay period.
- You defer paying taxes on your contributions until you receive a payment of your funds.
- You can increase the amount of your contributions at any time, subject to tax code and plan limits.
- You select your investment strategy from the plan's options.

### MORE INFORMATION

For more information about the **457 Plan**, including enrolling and managing your account online, contributions, distributions and investments, call toll free 1-VRS-DC-PLAN1 (1-877-327-5261) or go to the VRS Web site at [www.varetire.org](http://www.varetire.org). Select the "Defined Contribution Plans" tab.

### State Employees

If you are hired or rehired as a salaried state employee, you are automatically enrolled in the Commonwealth of Virginia 457 Deferred Compensation Plan and Virginia Cash Match Plan. You have two opportunities to opt out of plan participation upon employment. If you were hired before January 1, 2008, you had the option to participate in the plan. If you do not have an account, you can enroll at any time.

### Teachers and Higher Education Employees

If you are a school employee or an employee of a public college or university, you can save on a tax-deferred basis through your employer's 403(b) plan. Higher education employees also can participate in the 457 Plan. Contact your human resource office for more information.

### Political Subdivision Employees

VRS-participating political subdivisions have the option to elect to offer the 457 Plan or cash match plan to their employees. If you work for a political subdivision, check with your human resource office about your eligibility to participate.

### When You Retire

You can keep your funds in your plan, request a payment (distribution) from your plan or roll over your funds to another qualified plan, if the plan sponsor accepts rollovers. If you are eligible to be paid for any unused annual leave or sick leave or to receive other compensation when you retire, you can defer taxes on this payment by contributing it to your 457 Plan.

Payments from your plan are subject to income taxes. If you withdraw funds from your cash match account before age 59½, the IRS also may impose an additional 10 percent tax penalty for early withdrawal. There is no penalty for early withdrawal of 457 Plan funds.

## 3. Purchase of Prior Service

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### Eligibility

You may be able to increase your retirement benefit or retire at an earlier date by purchasing certain types of prior public service, active duty military service or selected leaves of absence. Prior service credit counts toward the five years needed for vesting and the health insurance credit (see Section 7-After You Retire).

To be eligible to purchase prior service:

- You must be an active member;
- The service you purchase must not be used to qualify you for retirement under another retirement plan, with the exception of some types of active duty military service (see below); and
- Your prior service must be certified as eligible for purchase.

### Types of Prior Service

You may purchase up to 48 months each of the following types of prior public service:

- Active duty military service. If this service was with the Armed Forces Reserves or National Guard, you may purchase this service even if it will be used to qualify you for a military pension. Other types of military service that qualify you for a military pension are not eligible for purchase.
- Military leave (no cost).
- Full-time salaried federal service.
- Full-time salaried public service with an employer or school system of another state or United States territory or with a Virginia public employer that does not participate in VRS.
- Non-covered service with a VRS-participating employer.
- Approved leave for the birth or adoption of a child.
- Approved educational leave.
- Non-ported service.

#### HAVE PRIOR SERVICE CREDIT?

If you have eligible prior service that has been certified as eligible for purchase, this information will be displayed in your *myVRS* member online account. Prior service you have purchased or are currently purchasing also will display in your online account. If you have applied for purchase of prior service, you also can check the status of your application.

To log in or create a secure online account, go to the VRS Web site at [www.varetire.org](http://www.varetire.org) and select the *myVRS* logo from the Member tab.



In addition, if you left covered employment and took a refund of your retirement contributions and interest in your member contribution account, you can purchase some or all of your refunded service.

## Purchase Cost

### Within Three Years of Eligibility

If you purchase prior service within three years of becoming employed in a covered position or returning from an eligible approved leave of absence, your cost will be 5 percent of your compensation or average final compensation at the time of your purchase, whichever is higher.

**APPLY EARLY!  
DON'T WAIT.**

If you purchase service through a payroll contract, your cost will be based on your compensation, even if your average final compensation is higher.

#### PAYMENT METHODS

- After-tax lump-sum payment
- After-tax payroll deduction contract
- Pre-tax salary reduction contract if your employer offers this option
- Combination lump-sum payment and contract methods
- Trustee-to-trustee transfer or rollover of funds
- Payment for any unused sick leave at retirement, if you are eligible

For more information about prior service payment methods, contact your human resource office, review your *Handbook for Members* or visit the VRS Web site at [www.varetire.org](http://www.varetire.org).

### After the Three-Year Eligibility Period

If you have not formally arranged with VRS to purchase prior service within your three-year eligibility period, you will pay a higher actuarial equivalent cost. Actuarial equivalent cost is how much money you need in today's dollars to pay for the increase in your future retirement benefit or earlier retirement date resulting from purchasing prior service.

*Note:* If you purchase VRS refunded service after your three-year eligibility period, your cost basis will be 5 percent. However, you will be required to purchase it in a lump sum.

## Applying for Purchase of Prior Service

Complete an Application for Purchase of Prior Service (VRS-26). If you are applying for prior service with different employers, complete an application for each employer.

Depending on the payroll method you use, you also may need to submit one of the following forms:

- Authorization for After-Tax Payroll Deduction to Purchase Service Credit (VRS-26C).

- Agreement for Salary Reduction to Purchase Service Credit (VRS-26E).
- Employer Certification of Accumulated Sick Leave Eligible for Conversion to Service Credit (VRS-26F).
- Request for Trustee-to-Trustee Transfer or Rollover of Funds to Purchase Service Credit (VRS-26G).

### FORMS

VRS forms are available on the VRS Web site at [www.varetire.org](http://www.varetire.org). Most forms are fillable. Select the "fillable" version, complete it online and then print and sign it before submitting.

## Certification and Submitting Your Application

You must obtain certification from your employer for military leave, federal service, public service, non-covered service with a VRS-participating employer, leave for the birth or adoption of a child, educational leave or non-ported service.

If you are purchasing federal or public service, your previous retirement system also must certify this service. If you are requesting service credit for military leave or purchasing prior active duty military service, include a copy of your DD214 or a copy of your orders for National Guard service with your application.

Complete your portion of the Application for Purchase of Prior Service (VRS-26) and send the original to your previous employer. Your previous employer will complete the certification section and return the application to you to submit to VRS.

*Note:* VRS certifies applications for the purchase of refunded service. Complete and submit your application directly to VRS.

## Cost Letter

Following receipt of a complete application, VRS will verify your eligibility to purchase the prior service you have requested and send a cost letter to your mailing address. If your application is approved, the cost letter will explain the cost, months of service you may purchase and the payment methods available to you. Please allow approximately four weeks for VRS to process your application and send you a cost letter.

The cost letter is valid for 90 days. If you do not formally arrange to purchase your service within 90 days of the date of the letter, you will need to request a new cost letter. If your three-year eligibility period to purchase service at 5 percent has passed or your compensation has increased, your purchase cost will be recalculated.

## 4. Group Life Insurance

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### Basic Group Life Insurance Coverage

If your employer participates in the Group Life Insurance Program, you are covered automatically under the Basic Group Life Insurance Program. Your coverage is effective with the first day of employment. Most employers pay the premiums for their employees.

Basic group life insurance benefits include:

- Natural death benefit equal to your compensation rounded to the next highest thousand and then doubled.
- Accidental death benefit, which is double the natural death benefit.

Other benefits include an accidental dismemberment benefit, a safety belt benefit, a repatriation benefit, a felonious assault benefit and an accelerated death benefit option.

### Optional Group Life Insurance Coverage

If you are covered under the Basic Group Life Insurance Program, you have the option to elect additional coverage for yourself, your spouse and your dependent children through the Optional Group Life Insurance Program. You pay the premiums through payroll deduction.

You may cover yourself for up to four times your compensation, not to exceed \$700,000. Depending on the coverage you elect for yourself, you may cover your spouse for up to half the maximum amount of your coverage and each dependent child who is at least 15 days old for \$10,000, \$20,000 or \$30,000.

### Additional Information about Your Coverage

- Imputed income is the value of life insurance in excess of \$50,000 as determined by the Internal Revenue Service (IRS). It is subject to FICA and income taxes and is reflected in your W-2 you receive from your employer.

#### MORE INFORMATION

For more information about the **Group Life Insurance Program**, review your *Handbook for Members* or visit the VRS Web site at [www.varetire.org](http://www.varetire.org).

VRS has contracted with Minnesota Life as the third-party administrator for the program. For information regarding your coverage, contact Minnesota Life toll free at 1-800-441-2258 or P.O. Box 1193, Richmond, VA 23218-1193.

- You may make an irrevocable assignment of your ownership rights in your group life insurance coverage to another person. Before doing so, talk with a legal advisor or Minnesota Life.
- The Department of Social Services may file child support liens against proceeds payable under the Group Life Insurance Program. If you have outstanding child support obligations at the time of your death, VRS is required to pay life insurance proceeds to the Department of Social Services to satisfy these obligations.

## If You Leave Employment

If you leave your position and are not eligible to retire, or you take a refund of your retirement contributions and interest in your member contribution account, your coverage ends within 31 days of the last day of the month in which the last premium is paid. If you die during this period, your beneficiary will receive a benefit equal to your natural death benefit.

If you have reached retirement eligibility and do not take a refund, you are eligible for retiree group life insurance coverage, provided you are covered under the Basic Group Life Insurance Program when you leave employment. For more information, see Section 7-After You Retire.

You have the option to convert your basic or optional group life insurance coverage to an individual policy. You pay the premiums. Submit a Conversion of Group Life Insurance Enrollment (VRS-35E) to Minnesota Life. The form is available at [www.varetire.org](http://www.varetire.org). You must apply within 31 days of leaving employment. This option is not available after 31 days.

### LOOK UP YOUR LIFE INSURANCE COVERAGE IN *myVRS*

You can view your coverage under the Basic Group Life Insurance Program in your *myVRS* member online account. If you are enrolled in the Optional Group Life Insurance Program, you also can view this coverage.

To log in or create a secure online account, go to the VRS Web site at [www.varetire.org](http://www.varetire.org) and select the *myVRS* logo from the Member tab.



## 5. Disability and Long-Term Care Coverage

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### VRS Disability Retirement

If you cannot perform your job because of a physical or mental disability that is likely to be permanent, you may qualify for a disability retirement benefit. You are eligible to apply from your first day of covered employment.

You are not eligible for disability retirement if you participate in the Virginia Sickness and Disability Program (VSDP) (see below) or take a refund of your retirement contributions and interest in your member contribution account. If your disability is the result of a medical condition you had before becoming employed in a covered position, your condition must significantly worsen for you to be considered for disability retirement.

Your disability may be non-work related or work-related. A work-related disability is a condition for which you are receiving a Workers' Compensation award and is the primary cause of your disability.

You can apply for disability retirement while you are employed or within 90 days of leaving covered employment. If you are on leave without pay, you have up to 24 consecutive months on leave without pay to apply for disability retirement. If you are on active duty military leave, you can apply at any time while on leave.

### Virginia Sickness and Disability Program (VSDP)

If you are a full-time or part-time salaried state employee, you are eligible for coverage under the Virginia Sickness and Disability Program (VSDP). VSDP benefits include sick, family and personal leave; income replacement while on short-term or long-term disability for non-work related or work-related illnesses or injuries; and long-term care (see next page).

**If you were hired before January 1, 1999**, you had the option to elect VSDP coverage or retain your eligibility to be considered for VRS disability retirement.

**If you were hired on or after July 1, 2009**, you must complete one year of continuous employment before becoming eligible for VSDP short-term and long-term disability coverage for non-work related illnesses or injuries. Your eligibility for sick leave, family and personal leave, short-term and long-term disability coverage for work-related disabilities and long-term care is effective with the first day of employment. In addition, you must be employed for at least five years before becoming eligible for income replacement at 100 percent or 80 percent during short-term disability. Until you meet the five-year requirement, you receive income replacement at 60 percent of pre-disability income.

## Long-Term Care Programs

### VSDP Long-Term Care Plan

If you participate in VSDP, you are covered under the VSDP Long-Term Care Plan at no cost to you. When you leave or retire from VSDP-covered employment, you have the option to continue your long-term care coverage. You pay the premiums.

Submit the VSDP Long-Term Care Authorization of Coverage Retention (VRS-170) and the VSDP Long-Term Care Plan Protection Against Unintentional Lapse (VRS-171) to the Long Term Care Group, Inc. within 60 days of your retirement date. The forms are available at [www.varetire.org](http://www.varetire.org). For more information, call the Long Term Care Group, Inc. toll free at 1-800-761-4057.

### Commonwealth of Virginia Voluntary Long-Term Care Program

The Commonwealth of Virginia Voluntary Long-Term Care Program is an employee-paid insurance program. It is open to all eligible state employees, teachers and employees of political subdivisions that have elected to offer the program as well as vested deferred VRS members. You may cover yourself as well as your spouse, parents or parents-in-law. Your premium is based on the amount of coverage you select.

#### MORE INFORMATION

For more information about **disability and long-term care coverage**, contact your human resource office or visit the VRS Web site at [www.varetire.org](http://www.varetire.org).

Also see the *Applying for Disability Retirement Booklet*, *Virginia Sickness and Disability Program (VSDP) Handbook for Participants* or your *Handbook for Members*. These publications are available at [www.varetire.org](http://www.varetire.org).

## 6. Planning and Applying for Retirement

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### *myVRS* Online Tools

#### Benefit Estimator

Through your *myVRS* member online account, you can use the Benefit Estimator to experiment with different retirement scenarios before you apply for retirement and have to make an irrevocable benefit payout election. Enter different retirement dates and payout options to come up with the scenario that will best meet your retirement needs.

#### Retirement Planner

Through your online account, you also can use the Retirement Planner to estimate your income and expenses upon retirement.

The **Quick Plan** gives you an instant result based on your current VRS information and general assumptions built into the planner. You can include income from a spouse or another individual.

The **Detailed Plan** allows you to customize your plan based on your retirement needs or how you might spend your retirement:

- Include income from a spouse or another individual.
- Use your estimated retirement benefit amount or the estimates you create in the *myVRS* Benefit Estimator.
- Use the planner's assumptions for inflation, income taxes and basic living expenses, or enter your own.
- Include savings in your Commonwealth of Virginia 457 Deferred Compensation Plan, which will display in the planner if you participate in the plan. Or enter savings from other plans. Try different tax-deferred contribution amounts and investment return scenarios.
- Enter income from other sources you anticipate having in retirement, such as a job, rental income or your own business.
- Include a Social Security estimate if you are eligible on the retirement date you enter.



- Use the planner's health insurance premium estimate or enter your own. Include a Medicare Part B premium if you are eligible on the retirement date you enter.

*Note:* The estimates and plans you create through the *myVRS* Benefit Estimator and Retirement Planner are for your planning purposes only. The results are based on your current VRS record, the information you enter and policies in effect at the time you create them. The results may not reflect your actual benefit amount or income and expenses in retirement.

## Retirement Education and Counseling

Retirement Education Seminars provide information on planning for retirement, including financial planning, legal readiness, long-term care, Social Security and Medicare. Group Counseling Sessions focus on retirement eligibility, applying for retirement and retiree benefits. Sessions are free and held at locations throughout the state. Online registration is available at [www.varetire.org](http://www.varetire.org).

One-on-one counseling also is available at VRS at 1200 East Main Street in downtown Richmond on a first-come first-served basis. The hours are 8:30 a.m.-5 p.m., Monday through Friday. Directions to VRS are available at [www.varetire.org](http://www.varetire.org).

## Applying for Retirement

### Retirement Date

The effective date of retirement is the first day of the month in which you wish to retire. To begin receiving your benefit payments in a timely manner, submit your application and all required documents to your employer at least 90 days, but not more than six months, before you want to retire.

*Example:* If you wish to retire on July 1, submit your application by April 1. Your last day of work will be June 30. You will receive your first benefit payment on August 1 for the month of July.

## Forms and Documents

**Read the directions on all forms carefully, and provide all signatures and required documents. An incomplete or incorrect application will delay the processing of your retirement.**

### **Your retirement application must include:**

- Application for Service Retirement (VRS-5). Include acceptable legible evidence of your date of birth, such as a copy of your birth certificate. If applicable, have your spouse complete the spousal acknowledgement section. Your spouse must sign on or after the date you sign the application.
- Designation of Beneficiary (VRS-2) to ensure your beneficiary designation is up to date. If you elect the Survivor Option, you must submit a VRS-2 to designate a beneficiary for life insurance benefits. You may name your survivor or another individual as your beneficiary.
- Request for Income Tax Withholding (VRS-15).
- Authorization for Direct Deposit of Monthly Benefit (VRS-57).
- State Health Benefits Enrollment Form for Retirees, Survivors and VSDP/LTD Participants if you are a state employee. You must submit this form whether you are electing or waiving coverage. You have up to 31 days from your retirement date to elect state retiree health insurance coverage. For more information about the program, visit the Department of Human Resource Web site at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov).
- If you are a teacher or political subdivision employee, contact your human resource office about retiree health insurance your employer may offer. Some employers have arranged with VRS to deduct the health insurance premiums from the monthly benefit payment.

### **INSTRUCTIONS AND FORMS**

The back of this booklet provides examples of the following forms:

- Application for Service Retirement (VRS-5)
- Request for Income Tax Withholding (VRS-15)
- Authorization for Direct Deposit of Monthly Benefit (VRS-57)

These and other retirement forms are available on the VRS Web site at [www.varetire.org](http://www.varetire.org). Most forms are fillable. Select the "fillable" version, complete it online and then print and sign it before submitting.

### **Other forms and documents you may need:**

- If you are electing the Survivor Option, acceptable legible evidence of your survivor's date of birth.
- Request for Health Insurance Credit (VRS-45) if you are eligible for the credit and VRS will not be deducting your health insurance premiums from your monthly benefit payment. For more information, see Section 7-After You Retire.

- VSDP Long-Term Care Plan Authorization of Coverage Retention (VRS-170) and VSDP Long-Term Care Plan Protection Against Unintentional Lapse (VRS-171) if you participate in VSDP and wish to continue your long-term care coverage into retirement. You pay the premiums. For the forms and more information, go to the VRS Web site at [www.varetire.org](http://www.varetire.org) or call the Long Term Care Group, Inc. toll free at 1-800-761-4057.

## Employer Certification

Submit your completed application, including all required documents, to your human resource office. Your employer will review your application, complete the employer certification section and submit your application to VRS.

*Note:* If you are submitting your application after 12 months from the date you leave employment or if you are retiring after being on long-term disability through the Virginia Sickness and Disability Program (VSDP), submit your application directly to VRS.

## Retirement Certificate

Once your application has been processed, you will receive a retirement certificate and the *Retiree Handbook*. The retirement certificate outlines your benefit payment and life insurance information. Keep your certificate and handbook for future reference.

## Deferring Your Retirement

If you are eligible for retirement and leave your position, you have the option to defer receiving your retirement benefit until a later date. If you are covered under the Basic Group Life Insurance Program, you will be eligible for retiree coverage after you leave employment. If you are enrolled in the Optional Group Life Insurance Program, you have the option to convert or continue a portion of your coverage. For more information, see Section 7-After You Retire.

### APPLYING FOR DISABILITY RETIREMENT?

If you are applying for VRS disability retirement and qualify for an unreduced or reduced service retirement benefit, you can submit an Application for Service Retirement (VRS-5). VRS will determine if you can begin receiving a service retirement benefit while your disability retirement application is pending. For more information, see the *Application for Disability Retirement Booklet* available on the VRS Web site at [www.varetire.org](http://www.varetire.org).

### MANDATORY RETIREMENT DISTRIBUTION

If you are eligible for retirement but not currently employed and you have not applied for retirement by April 1 following the calendar year in which you turn age 70½, VRS is required by law to pay you a retirement benefit. Your benefit will be paid as a Basic Benefit.

VRS is not required to pay benefits retroactively. Keep VRS informed of address changes by submitting a Name/Address Declaration for Deferred Members (VRS-3A). The form is available at [www.varetire.org](http://www.varetire.org).

## 7. After You Retire

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### Receiving Your Benefit

#### Direct Deposit

VRS deposits your benefit payment directly to the account you designate on the Authorization for Direct Deposit of Monthly Benefit (VRS-57), which you submit with your retirement application. The deposit is made on the first of the month for the preceding month's benefit. If the first falls on a weekend or holiday, the deposit is made on the last business day of the preceding month.

#### Cost-of-Living Adjustments

Cost-of-living adjustments (COLAs) go into effect on July 1 of the second calendar year after you retire and are effective each July 1 thereafter. Under current law, COLAs cannot exceed 5 percent.

*Example:* If you retire on September 1, 2010, your first COLA will be effective July 1, 2012 and begin with your August 1, 2012 benefit payment.

#### Taxes

Your retirement benefit is subject to federal income taxes and state income taxes if you live in Virginia or another state that taxes income.

After you retire, you will receive an IRS Form 1099-R from VRS each January. You file this form with your income tax returns. The 1099-R shows the total amount of your VRS benefit for the previous year, taxable amount of your benefit, taxes withheld during the previous year and health insurance premiums, less the amount of the health insurance credit if you are eligible (see "Health Insurance Credit" in this section).

#### Social Security

As a Virginia public employee, you are eligible for Social Security benefits. You may be eligible for a reduced Social Security benefit as early as age 62. For more information, call the Social Security Administration toll free at 1-800-772-1213, visit [www.ssa.gov](http://www.ssa.gov) or contact your local Social Security Administration office.

### Social Security Normal Retirement Ages for Full Retirement Benefits

Year of Birth	Normal Retirement Age
Before 1938	65
1938	65 years and 2 months
1939	65 years and 4 months
1940	65 years and 6 months
1941	65 years and 8 months
1942	65 years and 10 months
1943-1954	66
1955	66 years and 2 months
1956	66 years and 4 months
1957	66 years and 6 months
1958	66 years and 8 months
1959	66 years and 10 months
1960 and after	67

## Group Life Insurance Coverage in Retirement

### Basic Group Life Insurance

If you are covered under the Basic Group Life Insurance Program when you retire, a portion of your coverage will continue into retirement at no cost to you. Benefits include:

- Death benefit equal to twice your compensation at retirement. If you retire with 20 or more years of service credit, the death benefit is equal to twice your highest compensation as a covered employee, even if your final salary is lower.
- Accelerated death benefit option. If you are diagnosed with a terminal condition and have fewer than 12 months to live, you can withdraw some or all of your life insurance coverage to use for any purpose. Your beneficiary or survivor will receive any amount remaining in your coverage upon your death.

The provisions that allow for double the natural death benefit for accidental death and for accidental dismemberment end upon retirement.

### LOOK UP YOUR RETIREE INFORMATION THROUGH *myVRS*

- See your monthly benefit amount, when it is deposited and benefit payment history. Confirm your bank account information.
- See your COLAs and income tax deductions. Use an online tax tool to submit changes to your withholding to VRS.
- Review your health insurance premium deductions and health insurance credit amount, if eligible, as well as your current life insurance amount.
- Update your address.
- Print income verification information and tax documents for income tax filing purposes.

After you retire, VRS will send you a one-time *myVRS* authentication code. To create your secure retiree online account, go to the VRS Web site at [www.varetire.org](http://www.varetire.org) and select the *myVRS* logo from the Retiree tab.



Your coverage begins to reduce by 25 percent beginning the January 1 following one calendar year of retirement. It continues to reduce by 25 percent each January 1 until it reaches 25 percent of its original value.

*Example:* If you retire on September 1, 2010, your first 25 percent reduction will occur on January 1, 2012. It will continue to reduce each January 1 until it reaches 25 percent of its original value.

If you retire on disability, your coverage begins to reduce by 25 percent beginning the January 1 following one calendar year from your 65th birthday. For more information, see the *Applying for Disability Retirement Booklet* at [www.varetire.org](http://www.varetire.org).

#### MORE INFORMATION

For more information about the **Group Life Insurance Program**, review your *Handbook for Members* or visit the VRS Web site at [www.varetire.org](http://www.varetire.org).

VRS has contracted with Minnesota Life as the third-party administrator for the Group Life Insurance Program. For information about your coverage, call Minnesota Life toll free at 1-800-441-2258 or write to P.O. Box 1193, Richmond, Virginia 23218-1193.

#### Optional Group Life Insurance

If you have optional group life insurance coverage, you may continue a portion of your coverage into retirement provided you, as well as your spouse and dependent children if you enroll them in the program, are continuously covered during the 60 months preceding your retirement. Optional life insurance amounts begin to reduce at age 65; coverage ends at age 80.

You have the option to convert your coverage to an individual policy. You pay the premiums. Submit a Conversion of Group Life Insurance Enrollment (VRS-35E) to Minnesota Life. The form is available at [www.varetire.org](http://www.varetire.org). You must apply within 31 days of retirement. This option is not available after 31 days.

#### Health Insurance Credit

If you retire with at least 15 years of service credit, you may be eligible for the health insurance credit. This benefit is a tax-free reimbursement to assist with the portion of health insurance premiums you pay for single coverage. The credit is a dollar amount set by the General Assembly for each year of service credit.

If VRS will be deducting your health insurance premiums from your monthly benefit payment, you do not need to apply for the health insurance credit. If you are eligible, VRS will apply the credit automatically. For any premiums VRS will not be deducting, submit the Request for Health Insurance Credit (VRS-45) with your retirement application. The form and additional information,

including health insurance credit amounts, are available at [www.varetire.org](http://www.varetire.org).

*Note:* If you are on long-term disability through the Virginia Sickness and Disability Program (VSDP), you are eligible for the maximum health insurance credit amount. When you retire, you must have at least 15 years of service credit to qualify for the health insurance credit as a retiree. The monthly amount will be based on your service credit at retirement.

## Working after Retirement

If you return to covered employment with a VRS-participating employer, your retirement benefit will end and you will become an active member. In many cases, you can continue to receive your retirement benefit if you work in a temporary, hourly or other non-covered position with a participating employer.

If you retire and then return to non-covered employment with the same employer, you must have a bona fide break in service of at least one full calendar month after your retirement date over a period you normally would work to continue receiving your benefit. Your employer can make no verbal or written offer of reemployment before you retire. You and your employer must certify that no such prearrangement has been made on the Application for Service Retirement (VRS-5).

Public school divisions and political subdivisions are considered separate employers. However, the Commonwealth of Virginia, including all state agencies and public colleges and universities, is considered the same employer.

*Note:* If you want to work after you retire, contact VRS to determine the effect of accepting covered or non-covered employment on your retirement benefit. Also contact the Social Security Administration toll free at 1-800-772-1213 about the effect of earnings during retirement on your eligibility for Social Security.

### MORE INFORMATION

For more information about **working after retirement**, including teaching in a non-covered position and K-12 critical shortage positions, review your *Handbook for Members* or go to the VRS Web site at [www.varetire.org](http://www.varetire.org). Select "Working after Retirement" from the Retiree tab.

# 8. Retirement Readiness Checklist

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## DURING YOUR CAREER

- Create a *myVRS* member online account through the VRS Web site at [www.varetire.org](http://www.varetire.org).
- Use the *myVRS* Retirement Planner to see if you are on track for saving for retirement. If you participate in the Commonwealth of Virginia 457 Plan, your contributions will display in the planner. You also can enter tax-deferred savings from other plans. Use the planner to see the impact of increasing your contributions or different investment return scenarios.

## PLANNING FOR RETIREMENT

- Use the *myVRS* Benefit Estimator to create retirement benefit estimates based on different retirement dates and benefit payout options.
- Use the *myVRS* Retirement Planner to estimate your income and expenses in retirement. You can include estimates you create in the Benefit Estimator.
- Attend the Retirement Education Seminars. If you are within five years of retirement, also attend a Group Counseling Session. Online registration is available at [www.varetire.org](http://www.varetire.org).
- Let your human resource office know your retirement plans at least six months before the date you wish to retire.

## 90-120 DAYS BEFORE YOUR RETIREMENT DATE

- Apply for retirement.
- If you participate in the Virginia Sickness and Disability Program (VSDP) and have disability credits to convert to service credit, submit the VSDP Conversion of Disability Credits (VRS-5A) to VRS.

- If you participate in VSDP, decide if you want to continue your VSDP long-term care coverage into retirement. VSDP long-term care forms are available at [www.varetire.org](http://www.varetire.org).
- If you have eligible prior service and want the credit applied to your benefit calculation, submit an Application for Purchase of Prior Service Credit (VRS-26) now. If you are eligible for a payment of any unused sick leave, you can have the payment applied to your purchase. More information about purchase of prior service is available from your *Handbook for Members* or [www.varetire.org](http://www.varetire.org).
- If you participate in the Optional Group Life Insurance Program, decide whether to continue or convert your coverage upon retirement. For more information, call Minnesota Life toll free at 1-800-441-2258.
- If you are a state employee, submit the State Health Benefits Enrollment Form for Retirees, Survivors and VSDP/LTD Participants with your retirement application, whether you are electing or waiving coverage.

## IMMEDIATELY FOLLOWING RETIREMENT

- Create a *myVRS* retiree online account. VRS will send you a one-time authentication code in the mail shortly after you retire, which you will use to set up your secure online account.
- If you are a state employee and wish to enroll in the state Retiree Health Benefits Program, you must apply within 31 days of your retirement date.
- If you participate in VSDP and wish to continue your VSDP long-term care coverage into retirement, you must apply within 60 days of your retirement date.

# 9. Retirement Form Examples

## APPLICATION FOR SERVICE RETIREMENT (VRS-5): FIRST PAGE


<b>APPLICATION FOR SERVICE RETIREMENT</b>					
<b>VIRGINIA RETIREMENT SYSTEM</b> P.O. Box 2500 Richmond, Virginia 23218-2500 Toll Free 1-888-VARETIR (827-3847) <a href="http://www.varetire.org">www.varetire.org</a>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">1. Social Security Number</td> </tr> <tr> <td style="padding: 2px;">2. Check One  <input type="checkbox"/> Original Application  <input type="checkbox"/> Revised Application                             </td> </tr> </table>		1. Social Security Number	2. Check One <input type="checkbox"/> Original Application <input type="checkbox"/> Revised Application
1. Social Security Number					
2. Check One <input type="checkbox"/> Original Application <input type="checkbox"/> Revised Application					
<b>PART A. MEMBER INFORMATION</b>					
3. Name (First) (MI) (Last) (Jr./Sr.)					
4. Address (Street) (City) (State) (Zip+4)					
5. Are you a Virginia resident? <input type="checkbox"/> Yes <input type="checkbox"/> No		6. Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No			
7. Marital Status <input type="checkbox"/> Never Married <input type="checkbox"/> Married or Separated <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced – Date of Divorce _____ (mm/dd/yyyy)					
8. Home Phone Number		9. Daytime Phone Number			
10. Birth Date (mm/dd/yy)		11. Retirement Date (mm/01/yy)			
12. Do you intend to make a lump-sum purchase of service credit prior to retirement?					
13. Will you be purchasing service credit with your sick leave payment?					
14. VSDP Participants Only: Will you be converting disability credit to service credit when you retire?					
15. Will you be terminating all full-time employment with employers participating in VRS as of your retirement date? <i>(See instructions for more information)</i>					
16. Will you be terminating all part-time employment with the employer from which you are retiring as of your retirement date? <i>(See instructions for more information)</i>					

**12. AND 13. PURCHASING PRIOR SERVICE**

If you have eligible prior service, arrange to purchase this service before you retire. See Section 3-Purchase of Prior Service for more information.

**15. AND 16. TERMINATING EMPLOYMENT**

You must terminate all positions you hold with VRS-participating employers in order to retire.


VRS-5 (Rev. 07/09)

## APPLICATION FOR SERVICE RETIREMENT (VRS-5): SECOND PAGE

17. SSN

### PART B. PAYOUT OPTION SELECTION

#### 18. Retirement Payout Options (Choose One)

- |  |  |
|--|--|
| <input type="checkbox"/> Basic Benefit<br><input type="checkbox"/> Basic Benefit with a Partial Lump-Sum Option Payment (PLOP) | <input type="checkbox"/> Survivor Option with _____ % payable to survivor<br><input type="checkbox"/> Survivor Option with _____ % payable to survivor, and a Partial Lump-Sum Option Payment (PLOP) |
|--|--|

### 18. RETIREMENT PAYOUT OPTIONS

Select *one* benefit payout option.

Carefully consider your payout option. You cannot change it once you retire.

If you chose this option above, how do you intend to receive your retirement benefit?

20. PLOP If you chose a payout option with a PLOP payment above, choose the number of months for the payment:

- 12 months     24 months     36 months

If you chose this option above, do you intend to roll the funds into an IRA or other qualified plan?

### PART C. SURVIVOR INFORMATION

Complete Part C **ONLY** if you chose a Survivor Option in Part B.

22. Survivor's Name				(First)	(MI)	(Last)	(Jr./Sr.)
23. Relationship		24. Survivor's Birth Date (mm/dd/yy)					
<input type="checkbox"/> Spouse <input type="checkbox"/> Other		25. Survivor's SSN		26. Is your survivor a U.S. Citizen?		27. Survivor's Gender	
				<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Male <input type="checkbox"/> Female	

### PART D. CERTIFICATION

#### 28. Member Certification

I hereby certify: 1) All information I provide in this document is true and I understand that any willful falsification of facts presented by me or on my behalf is prohibited by law, 2) I have read and understand the service retirement information in the *Handbook for Members*, 3) I understand the retirement payout options available under VRS and I will not return to work in a part-time position with VRS after my retirement date for at least one full calendar month during which I would normally work, and 4) I will not return to work in a part-time position with VRS after my retirement date for at least one full calendar month during which I would normally work. If I am overpaid, I or my estate will repay the overpayment. If I am overpaid, I or my estate will repay the overpayment. If I am overpaid, I or my estate will repay the overpayment. If I am overpaid, I or my estate will repay the overpayment.

### 28. MEMBER CERTIFICATION

Sign and date your application.

\_\_\_\_\_  
Member Signature \_\_\_\_\_ Date

#### 29. Spouse Certification (Required if married or separated)

I have read and understand the retirement payout options available under VRS. I am aware of and understand the retirement payout option selected by my spouse in Part B and if my spouse chose a Survivor Option, the survivor benefits will be provided to the person named in Part C. Further, I am aware that counseling is available to help me understand my options.

### 29. SPOUSE CERTIFICATION

If you checked married or separated in 7. Marital Status, your spouse must complete 29 and sign on or after the date you sign the application.

\_\_\_\_\_  
Spouse's Signature \_\_\_\_\_ Date

\_\_\_\_\_  
Address (If different from member's address)



VRS-5 (Rev. 07/09)



## REQUEST FOR INCOME TAX WITHHOLDING (VRS-15)

### REQUEST FOR INCOME TAX WITHHOLDING

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](http://www.varetire.org)

1. Social Security Number

2. Daytime Phone Number

#### WITHHOLDING TAXES FROM YOUR BENEFIT PAYMENT

To have taxes withheld or to request that no taxes be withheld from your benefit payment, include this form with your application. If you do not submit a VRS-15, VRS will withhold federal taxes as if you were married with three allowances and state taxes, if applicable, as if you had zero allowances.

retiree, or (2) you want to make a change to your income tax withholding. If a  
 nholds federal income tax based on the rate for a married individual claiming three  
 on the rate for zero exemptions. Refer to the back of this form to calculate exemptions.

(MI) (Last) (Jr./Sr.)

(City) (State) (Zip+4)

Non-resident Alien (Marking this box certifies your status as non-resident alien and that you are not a U.S. citizen or resident alien.)

#### PART B. FEDERAL INCOME TAX WITHHOLDING

Choose one option below. If you choose to have income tax withheld, provide your marital status and the number of exemptions.

- Do not withhold federal income tax from my monthly benefit. I understand that I am liable for payment of federal income tax on the taxable portion of my benefit and that I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate. (If you are a U.S. Citizen or resident alien and your monthly benefit payments are delivered outside the U.S. or its possessions, you *must* have federal income tax withheld.)
- Using the marital status and the exemptions below, calculate my federal income tax withholding (if any) in accordance with the tax formula as published in IRS Publication 15.

Marital Status:  Married  Single      Number of Exemptions: \_\_\_\_\_

**If you wish an amount withheld in addition to the calculated tax, enter the additional amount to be withheld per month: \$ \_\_\_\_\_**

#### PART C. STATE OF VIRGINIA INCOME TAX WITHHOLDING

Choose one option below. If you choose to have state income tax withheld, provide the number of exemptions of each type.

(You are not required to have Virginia state income tax withheld from your benefit if you do not reside in Virginia.)

- Do not withhold state income tax from my monthly benefit. I understand that I am liable for payment of state income tax on the taxable portion of my benefit and that I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate.
- Using the exemptions below, calculate my state income tax withholding (if any) in accordance with the tax formula as published in the Virginia Income Tax publication.

Personal Exemptions: \_\_\_\_\_ Age and Blindness Exemptions: \_\_\_\_\_ Total Exemptions: \_\_\_\_\_

**If you wish an amount withheld in addition to the calculated tax, enter the additional amount to be withheld per month: \$ \_\_\_\_\_**

Signature \_\_\_\_\_

\_\_\_\_\_ Date



VRS-15 (Rev. 07/05)

#### CALCULATING YOUR EXEMPTIONS

If you need assistance, refer to the personal allowance worksheets provided on the back of the VRS-15.

## AUTHORIZATION FOR DIRECT DEPOSIT OF MONTHLY BENEFIT (VRS-57)

### AUTHORIZATION FOR DIRECT DEPOSIT OF MONTHLY BENEFIT

**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. Social Security Number
2. Phone Number
3. Type of Request (Check one) <input type="checkbox"/> New Retiree (Initial Request) <input type="checkbox"/> New Survivor (Initial Request) <input type="checkbox"/> Third Party (Initial Request) <input type="checkbox"/> Change of Direct Deposit Information

If you are completing this form as Power of Attorney or as a guardian for a retiree or survivor, please attach a copy of your Power of Attorney or guardianship papers. If you are filling this out on behalf of a retiree or beneficiary in the State Retiree Health Benefits Program and the address is being updated, the address change will not be made unless the Power of Attorney specifically authorizes access to health plan information.

VRS will send you a Statement of Earnings when the first benefit payment is made into the new account. If your mailing address changes, it is very important to notify VRS so you'll receive important information that is mailed to your mailing address, including the year-end tax statement and newsletters.

**I hereby authorize VRS to deposit my monthly retirement benefit payment directly to my account at the financial institution shown below. I agree to provide written notification to VRS within 30 days of any changes to this information so that my monthly benefit may be properly distributed. I also authorize VRS to make adjustments to my account to correct any credit entries made in error.**

NOTE: If you receive more than one benefit from VRS, this direct deposit authorization will apply to all benefits you receive.

4. Name (First) (MI) (Last) (Jr./Sr.)	
5. Address (Street) (City) (State) (Zip+4)	
<input type="checkbox"/> Check box if this is a new address	
6. Name of Financial Institution	7. Branch (City and State)
8. Type of Account (Check one) <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
9. Signature	10. Date
11. Provide a voided check with the correct routing information and account number. To ensure the information you provide is accurate, you may wish to contact your financial institution.	
<b>TAPE VOIDED CHECK HERE</b>	

**This form cannot be processed unless it is signed and dated.**



VRS-57 (Rev. 07/08)

**CHANGING YOUR DIRECT DEPOSIT ACCOUNT**

If you change your bank account after you retire, submit a new VRS-57. Do not close your old account until your direct deposit begins in your new account.



#### MORE INFORMATION

For more information about benefit eligibility and planning for retirement, see your *Handbook for Members*, the *Applying for Service Retirement Booklet*, the *Applying for Disability Retirement Booklet* or the VRS Web site at [www.varetire.org](http://www.varetire.org). VRS publications and forms are available on the VRS Web site. Most forms are fillable. Select the “fillable” version and complete it online, then print and sign it before submitting.







## Virginia Retirement System

1200 East Main Street • P.O. Box 2500 • Richmond, Virginia 23218-2500  
[www.varetire.org](http://www.varetire.org) • 1-888-VARETIR (1-888-827-3847) • TDD: 804-344-3190