



Service Retirement Checklist

Use this checklist to help counsel employees about service retirement. For more information, see [VRS-Plan 1](#) and [VRS-Plan 2](#).

✓ Preparing for the Service Retirement Counseling Session

- Review the employee's record to determine eligibility for unreduced or reduced retirement.
- Determine if the employee is eligible for the hazardous duty supplement. *Note:* Purchased military leave or hazardous duty service with a non-VRS participating employer does not count toward the supplement.
- Determine if the employee is eligible for other retirement benefits, including life insurance, the health insurance credit, long-term care options or the Commonwealth's 457 Deferred Compensation and Cash Match Plans.
- Determine if the employee has unused sick leave (non-VSDP employees) or disability credits (VSDP employees).
- Determine if the employee is under contract to purchase VRS prior service credit.

✓ Conducting the Counseling Session

- Provide the [Getting Ready to Retire Guide](#). Review other VRS resources, including VRS Web site information, myVRS, education and counseling and the *Handbook for Members* at www.varetire.org.
- Confirm eligibility for unreduced or reduced retirement and the hazardous duty supplement, if applicable.
- Advise employee that retirement is effective on the first of the month and to apply between 60-120 days before this date. Also explain that benefits cannot begin until the employee has been separated from all covered and non-covered service for at least one full calendar month from the retirement date.
- Review any eligible payments of unused annual leave, unused sick leave (non-VSDP employees only) or disability credits (VSDP employees only). Explain the conversion of sick leave to service credit (non-VSDP employees only), if applicable.
- Inform employee that any eligible prior service purchases must be completed 60 days before retirement.

- Review the benefit payout options available to the employee and that the selection is irrevocable, except for the Survivor Option under some conditions:
 - Basic Benefit
 - Survivor Option
 - Partial Lump-Sum Option Payment (PLOP) if the employee has been in active service for at least one year from his or her unreduced retirement eligibility date
 - Advance Pension Option if the employee is at least age 55 (age 50 for hazardous duty employees) and vested. Explain that the employee must submit the Social Security PEBES estimate.

 - Explain the hazardous duty supplement if the employee is eligible (SPORS, VaLORS with the 1.7% multiplier or political subdivision employees covered under enhanced hazardous duty benefits). *Note:* Purchased military leave or hazardous duty service with a non-VRS participating employer does not count toward the supplement.

 - Review options for the employee's 457 and Cash Match Plans, if applicable (see [Commonwealth of Virginia Deferred Compensation Plan](#) for more information).

 - Discuss federal and state income taxes on benefit payments (pre-tax dollars only) and distributions from the deferred compensation plan account, if applicable.

 - Review the COLA. Under the VRS Plan 1, the COLA matches the first 3 percent increase in the Consumer Price Index-Urban and half the remaining increase, not to exceed 5 percent. Under the VRS Plan 2, the COLA matches the first 2 percent increase in the CPI-Urban and half the remaining increase, not to exceed 6 percent. During periods of no inflation or deflation, the COLA is 0 percent. The COLA is effective on July 1 of the second calendar year after retirement.

 - If the employee is eligible to continue VRS Group Life Insurance coverage (see [Insurance in Retirement](#)):
 - Explain basic group life insurance benefits that continue in retirement and coverage reduction: Beginning January 1 following one calendar year of retirement, 25 percent each January 1 until coverage reaches 25 percent of its value.
 - If covered under optional group life insurance, explain eligibility to continue coverage provided the employee and his or her spouse and dependent children, if applicable, have been continuously covered during the 60 months prior to retirement, or option to convert coverage.

 - Discuss any employer-sponsored retiree health insurance coverage and the [Health Insurance Credit](#), if applicable. (State employees are eligible for the State Retiree Health Benefits Program administered by the [Department of Human Resource Management](#) .

 - Explain long-term care coverage options (see [Long-Term Care](#)):
 - Continuation of VSDP long-term care coverage, if eligible
 - Eligibility to apply for the Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program, whether or not the employer has elected to participate

 - Explain the requirements regarding working after retirement and encourage the employee to review [Working after Retirement](#) .
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✓ Completing the Retirement Process

- Have the employee complete the [Application for Service Retirement \(VRS-5\)](#) and return the form to you so that you can complete the employer certification section. For eligible hazardous duty employees, also include the [Certification for Hazardous Duty \(VRS-77\)](#).
- If applicable, have the employee complete the [Application for Purchase of Prior Service Credit \(VRS-26\)](#).
- Have the employee complete the following required forms:
 - [Designation of Beneficiary \(VRS-2\)](#)
 - [Request for Income Tax Withholding \(VRS-15\)](#)
 - [Authorization for Direct Deposit of Monthly Benefit \(VRS-57\)](#)
 - [State Health Benefits Program Enrollment Form for Retirees, Survivors and VSDP/LTD Participants](#) *(state employees only)*
- Have the employee complete the following forms as applicable:
 - [Retiree Optional Life Continuation \(VRS-39R\)](#)
 - [Request for Health Insurance Credit \(VRS-45\)](#) if VRS will not be deducting health insurance premiums from the monthly benefit
 - [VSDP Long-Term Care Plan Authorization of Coverage Retention \(VRS-170\)](#) and [VSDP Long-Term Care Plan Protection Against Unintentional Lapse \(VRS-171\)](#) *(state employees only)*
 - Refer employees who wish to continue or apply for the COV Long Term Voluntary Group Long Term Care Insurance Program to www.genworth.com/cov.
- Review the entire package to ensure it is complete, sign the employer certification section and submit all forms to VRS.

✓ Post-Application Communications

- VRS will send the employee a confirmation notice in the mail regarding the benefit payout option selection. The employee must sign and return this notice to VRS before benefits can be paid.
- Following processing application, VRS will send the employee a retirement packet, which includes the retirement certificate and [Retiree Handbook](#).
- In a separate mailing, VRS will send the employee an authentication code to create a secure *myVRS* online retiree account.

Questions? Call VRS toll free at 1-888-VARETIR (1-888-827-3847).
Select menu option 3 to speak with an employer advisor.