

Service Retirement Checklist

Use this checklist as a guide for counseling your employees about service retirement. Because the checklist cannot be complete in all detail, please refer to the VRS Web site at www.varetire.org for more information.

✓ Checklist for Counseling

Preparing for the Counseling Session

- Review employee's record to determine eligibility for reduced or unreduced retirement.
- Determine if employee is eligible for hazardous duty supplement.
- Determine if employee participates or qualifies for:
 - Employer-sponsored retiree health insurance, including State Retiree Health Benefits Program, and approximate amount of premiums employee will pay.
 - Retiree health insurance credit.
 - Long-Term Care benefits under the Virginia Sickness and Disability Program (VSDP - State only) or the Commonwealth of Virginia Voluntary Long-Term Care Program.
 - Basic and optional group life insurance.
 - 457 Deferred Compensation Plan.
- Determine if employee has unused sick leave (non-VSDP) eligible to use to purchase service credit.
- Determine if employee is under contract to purchase prior service credit through payroll deduction.
- State VSDP Participants Only:** Determine if employee has VSDP disability credits available for payment or to convert to service credit for retirement.
- Prepare benefit estimate using *myVRS* for Employers.

Conducting the Counseling Session

- Provide [Preretirement Planning Guide \(724kb\)](#) and [Applying for Service Retirement \(301kb\)](#) booklets. Inform employee of other available resources, including the VRS Web site, *myVRS* Retirement Planner, Retirement Education Seminars and Group Counseling Sessions.
- Inform employee of the VRS 90-day timeframe required for retirement processing.

Confirm eligibility for unreduced or reduced retirement. Review service credit and salary information.

State VSDP Participants Only: Discuss option to convert unused VSDP disability credits to service credit or receive payment for the disability credits.

Discuss use of unused sick leave payout (non-VSDP) to purchase additional VRS service credit.

Inform employee that all service must be purchased 90 days prior to retirement, unless under a payroll deduction contract.

Discuss advantages of leaving money in the Commonwealth of Virginia 457 Deferred Compensation Plan, if eligible. Advise employee to review plan with account executive.

Discuss option of rolling over payouts of unused annual leave, sick leave or other leave to tax-deferred savings plan, including 401(a), 403(b), 457(b) or IRA, including the Virginia Cash Match Plan, if applicable.

Discuss service retirement payout options eligibility and summarize option features:

- Basic Benefit
- Survivor Option
- Partial Lump-Sum Option Payment (PLOP) (Explain deferring the lump-sum payment to Virginia Cash Match Plan, if eligible.)
- Advance Pension Option (APO). (Explain need for Social Security estimate when selecting the APO.)

Discuss taxation of benefits, including FICA taxes on value of life insurance over \$50,000.

Review hazardous duty supplement if employee is eligible (SPORS, VaLORS and political subdivisions with enhanced benefits for hazardous duty positions).

Inform employee of annual cost-of-living adjustments (COLAs) in retirement.

Explain continuation of Basic Group Life Insurance in retirement (reduction beginning January 1 following one calendar year of retirement. Reduction rate is 25 percent each January 1 until it reaches 25 percent of its value at retirement.) Discuss availability of Optional Life Insurance in retirement, if applicable.

Discuss any employer-sponsored retiree health insurance coverage. (State employees – State Retiree Health Benefits Program. Local government/teachers in the local plans, if available.) Discuss options and approximate premium amounts. Discuss health insurance credit, if eligible.

Inform employee of the option to continue long-term care coverage and explain the application process. (State employees in VSDP and state employees, teachers and local government employees already covered or eligible to purchase long-term care through Commonwealth of Virginia Long-Term Care Program administered by VRS)

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- Review post-retirement [return-to-work guidelines](#).

Completing the Retirement Process

- Employee completes:
- [Application for Service Retirement – VRS-5 \(58kb\)](#)
 - [Authorization of Direct Deposit of Monthly Benefit - VRS-57 \(27kb\)](#)
 - [Request for Income Tax Withholding - VRS-15 \(61kb\)](#)
 - [Designation of Beneficiary - VRS-2 \(60kb\)](#) (Must be notarized.)
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- Complete [Employer Certification of Accumulated Sick Leave Eligible for Conversion to Service Credit - VRS-26F \(38kb\)](#), if applicable, and submit it to VRS with employee's [Application for Service Retirement – VRS-5 \(58kb\)](#).
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- Employee completes [Request for Health Insurance Credit - VRS-45 \(70kb\)](#), if eligible. State employees enrolling in State Retiree Health Benefits Program are not required to complete the form if VRS will be withholding health insurance premiums from the retirement benefit. If premiums are deducted and full credit is not used, consider completing VRS-45 to claim other eligible insurance such as Medicare Parts B and D.
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- Employee completes [Retiree Optional Life Continuation - VRS-39R \(45kb\)](#), if applicable, and submits to VRS to continue coverage.
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- State Only:** Employee completes [State Health Benefits Program Enrollment Form for Retirees, Survivors and VSDP/LTD Participants \(69kb\)](#), if eligible.
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- State VSDP Participants Only.** Employee completes [VSDP Conversion of Disability Credits \(VRS-5A\)](#) to convert unused disability credits to VRS service credit, if eligible. Employee completes [VSDP Long-Term Care Plan Authorization of Coverage Retention \(VRS-170\) \(27kb\)](#) and [VSDP Long-Term Care Plan Protection Against Unintentional Lapse - VRS-171 \(26kb\)](#), if employee wants to continue coverage.
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- Review application for completeness, including signature, notarization and legible copy of birth certificate and survivor's birth certificate, if choosing Survivor Option.

Post-Application Communications

- VRS mails a confirmation notice regarding the retirement payout option that the employee must sign and return to VRS before benefits can be paid.
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- VRS mails a packet of information which includes a letter, the retirement certificate and a [Retiree Handbook \(577kb\)](#) when application process is complete.
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- VRS mails an authentication code for retiree to use to set up a secure access account in *myVRS* for Retirees.