

WTA TRANSITIONAL SEVERANCE BENEFITS

Fast Facts

What is it?

The Workforce Transition Act of 1995 provides state employees involuntarily separated in a layoff because of a budget reduction, agency reorganization, workforce downsizing or other cause not related to job performance or misconduct with transitional severance benefits.

Who is eligible?

- Full-time, classified state employees and qualifying part-time salaried state employees covered by the Virginia Personnel Act.
- Faculty and administrators of the state's public colleges and universities.
- Full-time, restricted state employees in grant-funded positions, as defined in the Catalog of Federal Domestic Assistance if the provider of funding assumes financial responsibility for benefits.
- Full-time, salaried employees of the following agencies who are exempt from the Virginia Personnel Act:
 - State Corporation Commission
 - State Lottery Department
 - Virginia Retirement System
 - Virginia Workers' Compensation Commission
- The employee must be involuntarily separated. Involuntary separation means a layoff because of a budget reduction, agency reorganization, workforce downsizing or other cause not related to job performance or misconduct. If they voluntarily resign or retire from state employment, they are not eligible for benefits under WTA.

What are the WTA options?

- **WTA Cash Severance Benefit.** The employee receives severance payments determined by the amount of the employee's continuous state service and continued employer share of contribution toward health insurance and group life insurance premiums for up to 12 months from the employee's layoff date. VRS, SPORS and VaLORS members, upon meeting age and service requirements, may elect to receive their retirement benefit at any point following their date of layoff without affecting their cash severance benefits. See [Benefit Plans](#) for retirement eligibility information.

SEE CHARTS A AND B

OR



- **WTA Enhanced Retirement Credits.** VRS, SPORS and VaLORS members who are age 50 and vested (at least five years of service credit) may be eligible for WTA retirement credits in lieu of the cash severance benefits. After addition of the credits, the member must be at least age 50 with 10 years of service or at least age 55 with 5 years of service.

NOTE: Members who are part-time salaried or part-time restricted, participate in an optional retirement plan, defer their retirement or retire on disability are not eligible for the WTA enhanced retirement credit.

SEE CHART C



CASH SEVERANCE OPTION

Employee member of VRS, SPORS or VaLORS is not eligible for enhanced retirement under WTA or chooses not to retire at start of, during or immediately following the 12-month layoff leave period.

Benefit Type											
Severance Payment	<ul style="list-style-type: none"> Severance payment duration and amounts – (The maximum severance payment to which an employee may be entitled is 36 weeks of salary.) <table border="1" data-bbox="711 856 1425 1365"> <thead> <tr> <th data-bbox="711 856 1031 919">Years of Continuous State Service</th> <th data-bbox="1031 856 1425 919">Amount of Benefit</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 961 1031 993">2 years or less</td> <td data-bbox="1031 961 1425 993">4 weeks salary*</td> </tr> <tr> <td data-bbox="711 1035 1031 1066">3 years through 9 years</td> <td data-bbox="1031 1035 1425 1129">4 weeks salary* plus an additional week for every year over 2</td> </tr> <tr> <td data-bbox="711 1171 1031 1203">10 years through 14 years</td> <td data-bbox="1031 1171 1425 1266">12 weeks salary* plus 2 additional weeks for every year over 9</td> </tr> <tr> <td data-bbox="711 1308 1031 1339">15 years or more</td> <td data-bbox="1031 1308 1425 1365">2 weeks salary* per year not to exceed 36 weeks of salary</td> </tr> </tbody> </table> <p data-bbox="656 1402 1490 1623">* Determine employee’s weekly salary by dividing his or her annual salary by 52. The amount to be paid is calculated according to the guidelines above. Payments for employees compensated on 9-, 10- and 11-month basis are calculated using the same formula for employees compensated on a 12-month basis.</p> <p data-bbox="656 1661 1448 1692">Agencies make payments through their payroll systems.</p>	Years of Continuous State Service	Amount of Benefit	2 years or less	4 weeks salary*	3 years through 9 years	4 weeks salary* plus an additional week for every year over 2	10 years through 14 years	12 weeks salary* plus 2 additional weeks for every year over 9	15 years or more	2 weeks salary* per year not to exceed 36 weeks of salary
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10 years through 14 years	12 weeks salary* plus 2 additional weeks for every year over 9										
15 years or more	2 weeks salary* per year not to exceed 36 weeks of salary										
Health Insurance	<ul style="list-style-type: none"> State continues to contribute to and pay the employer share of the active health insurance premium for up to 12 months from date of layoff. 										



	<ul style="list-style-type: none"> At end of the layoff period, employee may continue coverage under Consolidated Omnibus Budget Reconciliation Act (COBRA) for up to 18 months.
Basic Group Life Insurance	<ul style="list-style-type: none"> State continues to contribute to the employee's active basic group life insurance coverage on behalf of the employee for up to 12 months from date of layoff. At end of the layoff period, the employee may convert coverage within 31 days, if not eligible for continued group coverage under applicable retiree provisions. Employee is reported to VRS as on leave without pay (LWOP) - layoff status. Member should submit a VRS-11A.
Optional Life Insurance	<ul style="list-style-type: none"> Employee pays premiums directly to Minnesota Life to continue pre-layoff coverage level for up to 12 months from date of layoff. Coverage discontinues if employee does not pay premiums. At end of layoff period, employee may convert coverage within 31 days or, if eligible, may continue optional life coverage under retirement provisions.
VSDP-Not on Short-Term or Long-Term Disability	<ul style="list-style-type: none"> Coverage stops at start of layoff period.
VSDP-on Short-Term Disability	<ul style="list-style-type: none"> Severance and short-term disability (STD) benefits payable concurrently. The STD payment is offset by the severance payment. The offset is calculated based on the gross STD payment and the gross severance payment. When severance payment period ends, VSDP disability payments resume according to the normal VSDP payment schedule if the employee is still considered to be disabled. Time spent on LWOP-layoff counts toward the 125 calendar days of STD. If an employee on STD is released to return to work full-time, full duty within the year of LWOP-layoff, VSDP



	<p>benefits cease and any severance benefits remaining (group life and health insurance coverage) continue.</p> <ul style="list-style-type: none"> • Employees receiving severance and STD disability benefits continue to receive full retirement contributions and service credits while on STD. • The provision to transition to long-term disability (LTD) remains.
<p>VSDP-transitions from Short-Term Disability to Long-Term Disability during 12 month layoff period</p>	<ul style="list-style-type: none"> • Employee continues to receive severance payments for appropriate amount and time. <ul style="list-style-type: none"> ○ Severance payments offset the VSDP LTD disability payment. ○ Agencies are responsible for reporting severance payments to Unum. • State continues to pay the employer's portion of health insurance under the state's active group health insurance program for the 12 months of LWOP-layoff. <ul style="list-style-type: none"> ○ State Health Benefit Program Enrollment Form for Retirees, Survivor and LTD Participants (Form T-20530) must be submitted with 31 days of the date layoff leave ends. • Not eligible to receive health insurance credit during the 12-month period of LWOP-layoff. • Basic group life insurance continues during the 12-month period of LWOP-layoff. • Optional life continues at the pre-layoff coverage level for up to 12 months from date of layoff, provided employee continues to pay premiums. Employee pays optional life premiums directly to Minnesota Life. • Employee continues to receive VRS salary and service credit while on LTD and receiving severance payments.
<p>VSDP-on Long-Term Disability working at time of layoff</p>	<ul style="list-style-type: none"> • Severance and LTD payments are made concurrently <ul style="list-style-type: none"> ○ Severance payments offset the VSDP disability payment. Offset is determined based on the gross STD payment and gross severance payment. ○ Agencies are responsible for reporting



	<p style="text-align: center;">severance payments to Unum.</p> <ul style="list-style-type: none"> • State continues to pay the employer’s share for coverage under the state’s active group health insurance program during the 12-month period of LWOP-layoff. • Not eligible to receive the health insurance credit during the 12-month period of LWOP-layoff. • State continues basic group life coverage for the 12-month period of LWOP-layoff. • Optional life continues at pre-layoff leave coverage level for up to 12 months from date of layoff, provided member continues to pay premiums. Employee pays optional life premiums directly to Minnesota Life. • Employee continues to receive VRS salary and service credit while on LTD receiving severance payments.
VSDP Disability Credits	<ul style="list-style-type: none"> • Employee has the option of converting unused disability credits to VRS service credit instead of receiving a payout. Credits convert at a rate of one month of service for each 173 hours of disability credits. • If the employee has at least one hour, but less than 173 hours of disability credits, the employee receives one month of service credit.
VSDP Long-Term Care Plan	<ul style="list-style-type: none"> • Employee continues coverage at no cost for up to 12 months while on layoff. • At the end of layoff period, employee must submit the VRS-170 and VRS-171 in order to continue coverage at their cost within 60 days of layoff end date.
Defined Benefit Plan (VRS, SPORS or VaLORS)	<ul style="list-style-type: none"> • Employee is reported to VRS on LWOP Status unless receiving VSDP benefits. <ul style="list-style-type: none"> ○ Severance payments are not reported. ○ Creditable compensation is not reported. ○ Group life is reported. • If employee requests a refund of member contributions and interest during the 12-month layoff period, the state



	<p>considers it to be a resignation and all severance benefits stop.</p> <ul style="list-style-type: none"> • Employee can apply for retirement on reaching age and service requirements: <ul style="list-style-type: none"> ○ VRS members - at least age 50 with 10 years of service credit or at least age 55 with 5 years of service credit ○ SPORS and VaLORS members - at least age 50 with at least 5 years of service credit
<p>Defined Benefit Plan (VRS, SPORS or VaLORS): Purchase of Prior Service</p>	<ul style="list-style-type: none"> • Employee may not purchase prior service credit while on LWOP-layoff. • After-tax payroll deduction contracts stop. Employee can purchase remaining service on the contract in a lump sum prior to layoff or resume the purchase in a lump sum or by payroll deduction on return to VRS-covered employment. • Pre-tax payroll deduction contracts stop. Employee can invoke hardship provision to purchase remaining service on the contract in a lump sum or resume contract upon return to VRS-covered position. <ul style="list-style-type: none"> ○ To invoke hardship, employee must submit a letter and documentation from their employer that he or she is being placed on layoff leave. A letter or the VRS-11A will suffice. ○ Documentation should be submitted prior to layoff.



CASH SEVERANCE AND RETIREMENT

Employee who is a member of VRS, SPORS or VaLORS elects to take the WTA cash severance benefit in lieu of enhanced retirement credit and retires at start of, during or immediately following the 12-month layoff leave period.

Benefit Type											
Severance Payment	<ul style="list-style-type: none"> Severance payment duration and amounts – (The maximum severance payment to which an employee may be entitled is 36 weeks of salary.) <table border="1" data-bbox="695 940 1463 1417"> <thead> <tr> <th data-bbox="695 940 1036 1003">Years of Continuous State Service</th> <th data-bbox="1036 940 1463 1003">Amount of Benefit</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1045 1036 1077">2 years or less</td> <td data-bbox="1036 1045 1463 1077">4 weeks salary*</td> </tr> <tr> <td data-bbox="695 1119 1036 1150">3 years through 9 years</td> <td data-bbox="1036 1119 1463 1213">4 weeks salary* plus an additional week for every year over 2</td> </tr> <tr> <td data-bbox="695 1255 1036 1287">10 years through 14 years</td> <td data-bbox="1036 1255 1463 1329">12 weeks salary* plus 2 additional weeks for every year over 9</td> </tr> <tr> <td data-bbox="695 1360 1036 1392">15 years or more</td> <td data-bbox="1036 1360 1463 1434">2 weeks salary* per year not to exceed 36 weeks of salary</td> </tr> </tbody> </table> <p data-bbox="630 1459 1507 1675">*Calculate the employee’s weekly salary by dividing his or her annual salary by 52. The amount to be paid is calculated according to the guidelines above. Payments for employees compensated on 9-, 10- and 11-month basis are calculated using the same formula for employees compensated on a 12-month basis.</p> <p data-bbox="630 1711 1409 1753">Agencies make payments through their payroll system.</p>	Years of Continuous State Service	Amount of Benefit	2 years or less	4 weeks salary*	3 years through 9 years	4 weeks salary* plus an additional week for every year over 2	10 years through 14 years	12 weeks salary* plus 2 additional weeks for every year over 9	15 years or more	2 weeks salary* per year not to exceed 36 weeks of salary
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Health Insurance	<ul style="list-style-type: none"> State continues to contribute to and pay the employer share of the active health insurance premium for up to 12 months 										



	<p>from date of layoff.</p> <ul style="list-style-type: none"> At end of the layoff period, the employee may continue coverage in the State Retiree Health Benefits Program. The State Health Benefit Program Enrollment Form for Retirees, Survivor's and LTD Participants (Form T-20530) must be submitted within 31 days of end of the 12-month period. <ul style="list-style-type: none"> Employer moves employee in BES from active group to the retiree group at end of 12-month period.
Health Insurance Credit	<ul style="list-style-type: none"> Employee is eligible for the health insurance credit in retirement provided he or she has at least 15 years of service. Employee must submit VRS-45 form at retirement to obtain credit, regardless of whether coverage is under the State Retiree Health Benefits Program or another plan.
Basic Group Life Insurance	<ul style="list-style-type: none"> The employee will continue to be covered under the active basic group life coverage for up to 12 months from date of layoff. Do not report the employee as leave without pay after the effective date of retirement Member should submit VRS11a At the end of the layoff period, coverage continues as a retired member.
Optional Life Insurance	<ul style="list-style-type: none"> Employee pays premiums directly to Minnesota Life to continue pre-layoff coverage level for up to 12 months from date of layoff. Coverage discontinues if employee does not pay. At end of layoff period, employee may convert coverage within 31 days or, if eligible, may continue optional life coverage under retirement provisions.
VSDP-Not on Short-Term or Long-Term Disability	<ul style="list-style-type: none"> Coverage stops at start of the layoff period.
VSDP-on Short-Term Disability	<ul style="list-style-type: none"> Short-term disability (STD) benefits stop at time of retirement (or earlier if employee recovers from disability). <p>Prior to retirement date:</p>



	<ul style="list-style-type: none"> • Severance and STD benefits payable concurrently. • The STD payment is offset by the severance payment. The offset is calculated based on the gross STD payment and the gross severance payment. • When severance payment period ends, VSDP disability payments resume according to the normal VSDP payment schedule if the employee is still considered to be disabled. • Time spent on LWOP - layoff counts towards the 125 calendar days of STD. • If an employee on STD is released to return to work full-time, full duty within the year of LWOP - layoff, VSDP benefits cease and any severance benefits remaining (group life and health insurance coverage) continue. • Employees receiving severance and STD disability benefits continue to receive full retirement contributions and service credits while on STD. • The provision to transition into long-term disability (LTD) remains.
<p>VSDP-transitions from Short-Term Disability to Long-Term Disability</p>	<ul style="list-style-type: none"> • LTD benefit stops at time of retirement (or earlier if recovers from disability). <p>Prior to retirement date:</p> <ul style="list-style-type: none"> • Employee continues to receive severance payments for appropriate amount and time. <ul style="list-style-type: none"> ○ Severance payments offset the VSDP LTD disability payment. ○ Agencies are responsible for reporting severance payments to Unum. • State continues to pay the employer's portion of health insurance under the state's active group health insurance program for the 12 months of LWOP - layoff. <ul style="list-style-type: none"> ○ State Health Benefit Program Enrollment Form for Retirees, Survivor and LTD Participants (Form T-20530) must be submitted within 31 days of the date layoff leave ends. • Not eligible to receive health insurance credit during the 12



	<p>month period of LWOP – layoff.</p> <ul style="list-style-type: none"> • Basic group life insurance continues during the 12-month period of LWOP – layoff. • Employee continues to receive VRS service and salary credit while on LTD receiving severance payments.
VSDP-on Long-Term Disability working at time of layoff	<ul style="list-style-type: none"> • LTD benefit stops at time of retirement (or earlier if employee recovers). • Severance and LTD payments are made concurrently. <ul style="list-style-type: none"> ○ Severance payments offset the VSDP LTD disability payment. Offset is determined based on the gross LTD payment and gross severance payment. ○ Agencies are responsible for reporting severance payments to Unum. • State continues to pay the employer’s share for coverage under the active state employee health insurance program for the 12-month period of LWOP-layoff. • Not eligible to receive the health insurance credit during the 12-month period of LWOP-layoff. • State continues group life coverage for the 12-month period of LWOP-layoff. • Employee continues to receive VRS service and salary credit while on LTD receiving severance payments.
VSDP Disability Credits	<ul style="list-style-type: none"> • Employees have the option of converting unused disability credits to VRS service credit instead of receiving a payout. Credits convert at a rate of one month of service for each 173 hours of disability credits. <ul style="list-style-type: none"> ○ If the employee has at least one hour but less than 173 hours of disability credits the employee receives one month of service credit.
VSDP Long-Term Care Plan	<ul style="list-style-type: none"> • Coverage continues for up to 12 months while employee is on layoff. • Employee must submit VRS-170 and VRS-171 within 60 days of the end of the layoff leave period in order to continue coverage at their cost.



<p>Traditional Accrued Sick Leave Used to Purchase Service</p>	<ul style="list-style-type: none"> • Employee can purchase service credit using accrued sick leave, provided he or she retires on an immediate annuity.
<p>Defined Benefit Plan (VRS, SPORS or VaLORS)</p>	<ul style="list-style-type: none"> • Employee is reported to VRS on LWOP Status unless receiving VSDP benefits. <ul style="list-style-type: none"> ○ Severance payments are not reported. ○ Creditable compensation is not reported. ○ Group life is reported. • Employee can apply for retirement on reaching age and service requirements: <ul style="list-style-type: none"> ○ VRS members at least age 50 with 10 years of service credit or at least age 55 with 5 years of service credit ○ SPORS and VaLORS members at least age 50 with 5 or more years of service credit • Employees qualifying for unreduced or reduced retirement at time of layoff may retire at any time after layoff date. To retain eligibility for health insurance coverage, however, employee must apply for retirement within 12 months of layoff date.
<p>Purchase of Prior Service</p>	<ul style="list-style-type: none"> • Employee may not purchase service while on layoff. • After-tax payroll deduction contracts stop. Employee can purchase remaining service on the contract in a lump sum prior to layoff or resume the purchase in a lump sum or by payroll deduction on return to VRS-covered employment. • Pre-tax payroll deduction contracts stop. Employee can invoke hardship provision to purchase remaining service on the contract in a lump sum or resume contact on return to VRS- covered position. <ul style="list-style-type: none"> ○ To invoke hardship, employee must submit a letter and documentation from the employer that he or she is being placed on layoff. A letter or the VRS 11-A will suffice. ○ Documentation should be submitted prior to layoff.



ENHANCED RETIREMENT CREDIT (no cash severance and retirement on an immediate annuity)

Employee who is a member of VRS, SPORS or VaLORS elects enhanced retirement credit in lieu of the cash severance.

Benefit Type	
WTA Enhanced Retirement Credits	<ul style="list-style-type: none"> • Member must be at least age 50 and vested (with 5 or more years of service credit) in order to elect the enhanced credits under WTA. • WTA credits are added to employee's age or service credit, or split between age and service credit, whichever will result in a higher benefit. • After the addition of the WTA credits, member must meet age and service requirements: <ul style="list-style-type: none"> ○ VRS covered member is required to be at least age 50 with 10 or more years of service or at least age 55 with 5 or more years of service ○ SPORS or VaLORS member must be at least age 50 with 5 or more years of service. • If the employee returns to VRS-covered employment, retirement benefits stop and he or she again becomes a contributing member. <ul style="list-style-type: none"> ○ When employee re-retires the WTA credits are not used in calculating a benefit for the subsequent retirement. • The cost for each year of WTA credit purchased is 15 percent of the employee's annual salary. <ul style="list-style-type: none"> ○ VRS invoices the employer for the cost of the WTA credits. ○ The employer has 12 months from the member's date of retirement to remit payment to VRS. • WTA credits applied to service credit will apply to health insurance credit.



	<ul style="list-style-type: none"> • WTA credits applied to service credit will count towards the 20 years required for hazardous duty supplement for VaLORS members who elected the 1.7% multiplier with the hazardous duty supplement in lieu of the 2% multiplier and all SPORS members. • Members of VaLORS who elected the 2 percent multiplier in lieu of the hazardous duty supplement will have the 2% multiplier applied to the WTA credits that are used toward service credit as if they were hazardous duty service. • WTA credits do not count toward: <ul style="list-style-type: none"> ○ Minimum age or vesting requirement to qualify for the WTA enhanced retirement credit. ○ One, two or three years of active service beyond eligibility for an unreduced retirement to qualify for the Partial Lump Sum Option Payment (PLOP).
<p>Determining the Number of Credits</p>	<ul style="list-style-type: none"> • The number of WTA credits an employee receives is based on the value of his or her severance package. The severance package includes: <ul style="list-style-type: none"> ○ Severance payments ○ Employer portion of group health insurance for 12 months and ○ Basic group life insurance coverage for 12 months. <p>To convert the value:</p> <ol style="list-style-type: none"> 1.) Determine employee's annual salary. 2.) Divide the annual salary by 52 to determine the employee's weekly salary. 3.) Determine employee's continuous state service (rounded up to next whole year).



4.) Based on the years of continuous state service (step 3), determine the number of weeks of severance payments, as follows:

Years of Continuous State Service	Amount of Benefit
2 years or less	4 weeks salary*
3 years through 9 years	4 weeks salary* plus an additional week for every year over 2
10 years through 14 years	12 weeks salary* plus 2 additional weeks for every year over 9
15 years or more	2 weeks salary* per year not to exceed 36 weeks of salary

5.) Multiply number of weeks from step 4 by weekly rate from step 2.

6.) Determine the 12-month value of the employer's contribution toward health insurance under the state group health insurance program for the employee's type of coverage at the time of separation. Use the monthly premium rate chart shown below and multiply the amount by 12:

COVA CARE (all but High Deductible)

Single	Employee Plus One	Family
\$446	\$793	\$1,167

COVA CARE High Deductible

Single	Employee Plus One	Family
\$401	\$743	\$1,086

Kaiser

Single	Employee Plus One	Family
\$436	\$777	\$1,147

7.) Determine 12-month value of the basic group life insurance by taking the premium rate of .0079 and multiplying it by the employee's annual salary.

8.) Add together the results from steps 5, 6 and 7.



9.) Take the employee's annual salary and multiply it by .15 (cost per year of credit).

10.) Divide result of step 8 by the result of step 9 to determine the number of years of WTA credits the employee will receive. Round up.

11.) Determine the employer's cost by multiplying the result of step 9 rounded up by the result of step 10.

Example: Tim works for DMV. He has COVA Care basic single coverage, an annual salary of \$30,000 and continuous state service of 16 years.

1.) Determine employee's annual salary.

- \$30,000.00

2.) Divide the annual salary by 52 to determine the employee's weekly rate.

- \$30,000 divided by 52 equals \$576.92

3.) Determine employee's continuous state service (rounded up to next whole year).

- 16 years

4.) Determine based on the chart of above and the years of continuous state service in step 3 the number of weeks of severance payments.

- 2 times 16 equals 32

5.) Multiply number of weeks from step 4 by weekly rate from step 2.

- 32 multiplied by \$576.92 equals \$18,461.44

6.) Determine the 12-month value of the employer's contribution toward state group health insurance program for the employee's type of coverage at the time of separation. Use the monthly premium rate chart shown above and multiply by 12.

- \$446.00 multiplied by 12 equals \$5,352.00

7.) Determine 12-month value of the basic group life insurance by taking the premium rate of .0079 and multiplying it by the employee's annual salary.

- .0079 multiplied by \$30,000 equals \$237.00



	<p>8.) Add together the results from steps 5, 6 and 7</p> <ul style="list-style-type: none"> • \$18,461.44 plus \$5,352.00 plus \$237.00 equals \$24,050.44 <p>9.) Take the employee's annual salary and multiply it by .15 (cost per year of credit).</p> <ul style="list-style-type: none"> • \$30,000 multiplied by .15 equals \$4,500.00 <p>10.) Divide result of step 8 by the result of step 9 to determine the number of years of enhanced credit the member will receive. Round up.</p> <ul style="list-style-type: none"> • \$24,050.44 divided by \$4,500.00 equals 5.3445 rounded up equals 6 years <p>11.) Determine the employer's cost by multiplying the result of step 10 rounded up by the result of step 9.</p> <ul style="list-style-type: none"> • 6 multiplied by \$4,500.00 equals \$27,000.00
Health Insurance	<ul style="list-style-type: none"> • Employee can continue coverage in the State Retiree Health Benefits Program by paying premiums at retiree group rates.
Health Insurance Credit	<ul style="list-style-type: none"> • Employee is eligible for the health insurance credit provided he or she has at least 15 years of service and is paying out-of-pocket premium cost for his or her coverage. <ul style="list-style-type: none"> ○ If covered under State Retiree Health Benefits Program, payment is automatic. ○ If covered under other group plan must submit VRS-45.
Basic Group Life Insurance	<ul style="list-style-type: none"> • Coverage continues at no cost. • Coverage begins to reduce on the January 1 following one calendar year of retirement. The reduction is 25 percent each January 1 until it reduces to 25 percent of its value prior to retirement.
Optional Life Insurance	<ul style="list-style-type: none"> • Employee continues optional life coverage under retirement provisions, provided coverage was in force during the 60 months prior to retirement or employee may convert coverage within 31 days of retirement date. • Employee pays premiums directly to Minnesota Life.
VSDP-Not on Short-Term or Long-Term Disability	<ul style="list-style-type: none"> • Coverage stops at retirement.
VSDP-On Short-Term	<ul style="list-style-type: none"> • Benefits stop at retirement.



Disability	
VSDP-transitions from Short-Term Disability to Long-Term Disability	<ul style="list-style-type: none"> • Benefits stop at retirement.
VSDP-On Long-Term Disability-Working at time of layoff	<ul style="list-style-type: none"> • Benefits stop at retirement.
VSDP Disability Credits	<ul style="list-style-type: none"> • Employee has option of converting unused disability credits to VRS service credit instead of receiving a payout <ul style="list-style-type: none"> ○ Credits convert at a rate of one month of service for each 173 hours of disability credits. ○ If the employee has at least one hour but less than 173 hours of disability credits, employee receives one month of service credit.
VSDP Long-Term Care Plan	<ul style="list-style-type: none"> • Employee must submit VRS-170 and VRS-171 within 60 days of retirement date in order to continue coverage at their cost.
Traditional Accrued Sick Leave Used to Purchase Service Credit	<ul style="list-style-type: none"> • Employee can purchase service credit with the sick leave payout to be used in the calculation of their retirement benefit at full actuarial cost.
Defined Benefit Plan (VRS, SPORS or VaLORS) Purchase of Prior service	<ul style="list-style-type: none"> • Employee may not purchase service after retirement. • After-tax payroll deduction contracts stop. <ul style="list-style-type: none"> ○ Employee can purchase remaining service on the contract in a lump sum prior to retirement or resume the purchase in a lump sum or by payroll deduction upon return to a VRS-covered position. • Pre-tax payroll deduction contracts stop. Employee can invoke hardship provision to purchase remaining service on the contract in a lump sum or resume contact upon return to VRS-covered position. <ul style="list-style-type: none"> ○ To invoke hardship, employee must submit a letter and documentation from employer that he or she is retiring due to WTA. A letter or the VRS-11 will suffice. ○ Documentation should be submitted prior to retirement.

