



## WTA Retirement Checklist

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Use this checklist to counsel employees who are involuntarily separated from employment and eligible to retire under the Workforce Transition Act (WTA). Employees must be at least age 50 and have five or more years of service credit. For additional information, see [Severance Benefits \(State Employees\)](#). For employees who are not eligible to retire, see the [Department of Human Resource Management Web site](#).

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### ✓ Preparing for the WTA Retirement Counseling Session

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- Review [Severance Benefits \(State Employees\)](#). Determine if the employee qualifies for retirement under WTA. If the employee is not eligible to retire, even with the addition of WTA retirement credit, do not use this checklist.
  - Calculate the amount of the employee's cash severance benefit and WTA retirement credit using the [DHRM online calculator](#).
  - Review coverage of other benefits, including life insurance, VSDP, long-term care and the 457 Deferred Compensation Plan.
  - 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.
  - Determine if the employee qualifies for the retiree health insurance credit.
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### ✓ Conducting the WTA Retirement Counseling Session

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- Review [Severance Benefits \(State Employees\)](#) with the employee. Discuss the WTA retirement options available to the employee based on your calculations: (1) Retire with a cash severance benefit and no WTA retirement credit; or (2) retire with the WTA retirement credit and no cash severance benefit.
- Review service credit and salary history with the employee.
- If the employee has eligible prior service, explain that he or she needs to purchase service while still actively employed.
- If the employee is purchasing service on contract, explain that the contract ends upon retirement:
  - If the employee is using an after-tax salary deduction contract, advise that he or she can purchase any remaining service in a lump sum.
  - If the employee is using a pre-tax salary reduction contract, advise the employee that he or she may be able to claim a hardship as provided by the Internal Revenue Service. Hardship allows the employee to purchase any remaining service in a lump sum or suspend the contract until reemployment in a covered position.

- If the employee elects the WTA cash severance benefit, review the following:
  - The employee will be provided health and life insurance for 12 months following the layoff date.
  - The employee must retire no later than the first of the month following the end of the 12-month period.
  - If the employee wishes to be covered under the State Retiree Health Benefits Program, he or she must enroll within 31 days of the first day of the 13<sup>th</sup> month following the layoff or retirement date.
  
- If the employee elects additional WTA retirement credit and it would qualify the employee for the health insurance credit, review the following:
  - The employee must enroll in a health insurance program, including the State Retiree Health Benefits Program, in order to receive the health insurance credit.
  - If the employee enrolls in the State Retiree Health Benefits Program, the premiums will be automatically deducted from his or her retirement payments, and the employee does not need to apply for the health insurance credit. If the employee will pay the premiums for another plan, the employee must apply for the health insurance credit.

Refer the employee to [Health Insurance Credit](#) for more information.

- If the employee is covered under SPORS or VaLORS and elects the WTA retirement credit, explain that any portion of the credit applied toward service counts toward eligibility for the hazardous duty supplement.
  
  - Explain group life insurance coverage in retirement:
    - Basic group life insurance coverage continues into retirement and begins to reduce on the January 1 following one calendar year of retirement. Refer the employee to [Basic Group Life Insurance](#) for more information.
    - The employee may continue a portion of optional group life insurance coverage into retirement, provided he or she has been covered during the 60 months prior to retirement. Employees will pay the premiums directly to Minnesota Life. Refer to the employee to [Optional Group Life Insurance](#) for more information.
  
  - Advise employee that if he or she wishes to continue coverage under the VSDP Long-Term Care Plan, the employee must enroll within 60 days of the end of the layoff period or the retirement date, whichever occurs first. Refer the employee to [VSDP Long-Term Care Plan](#) for more information. If the employee has voluntary long-term care coverage, the coverage will continue into retirement as long as the employee pays the premiums.
  
  - Discuss the employee's option to roll over payouts of any unused annual, sick or other leave to the Virginia Cash Match Plan or another qualified retirement or tax-deferred savings plan. Also advise the employee to review the options for his or her 457 Plan account at [Commonwealth of Virginia 457 Deferred Compensation Plan](#).
  
  - Explain the requirements regarding working after retirement and encourage the employee to review [Working after Retirement](#).
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**✓ Completing the WTA Retirement Process**

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- Complete and sign the [Employer Certification of Involuntary Separation Under Workforce Transition Act \(VRS-11\)](#). If the employee is electing the WTA retirement credit, also complete the WTA Retirement Credit Worksheet on page two of the form.
  - 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. Write “WTA” and, if applicable, the amount of WTA severance credit on the top of the first page of the VRS-5.
  - If applicable, have the employee complete [Application for Purchase of Prior Service Credit \(VRS-26\)](#). Write “WTA” on the top of the first page of the VRS-26.
  - If the employee is purchasing service on a pre-tax salary reduction contract and wants to purchase any remaining service in a lump sum or suspend the contract until reemployment in a VRS-covered position, assist the employee with writing a letter to VRS requesting a hardship.
  - 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](#)
  - Have the employee complete the following forms as applicable:
    - [Retiree Optional Life Continuation \(VRS-39R\)](#)
    - [Request for Health Insurance Credit \(VRS-45\)](#)
    - [VSDP Long-Term Care Plan Authorization of Coverage Retention \(VRS-170\)](#)
    - [VSDP Long-Term Care Plan Protection Against Unintentional Lapse \(VRS-171\)](#)
  - Review the entire package to ensure it is complete, sign the employer certification section and submit all forms to VRS.
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**Questions?** Call VRS toll free at 1-888-VARETIR (1-888-827-3847).  
Select menu option 3 to speak with an employer advisor.