



Calling VRS Telephone Number Changes Coming Soon

Now, all customers can call VRS using one easy-to-remember toll-free number: 1-888-VARETIR (827-3847). The Richmond area number – 804-649-8059 will be discontinued. After July 1, use the toll-free number to call VRS.

Moving to one number is part of a modernization of the telephone system. The new system will allow Customer Contact Center representatives to provide you with a higher level of service.

Listen carefully to the phone menu options, since some may change. You will be able to speak to a Customer Contact Center representative or use the automated menu options.

General Assembly Budget Discussion Continues



As of this newsletter's publication date, the 2006 General Assembly Special Session I continues on the budget for the next biennium. VRS will monitor the session for new developments related to member benefits. You can check the VRS Web site at www.varetire.org for changes.

Take Advantage Of Retirement Planning Opportunities In Your Area

Whether you are new on the job, in mid-career or just a few years from retirement, you can benefit by attending one of the free educational programs sponsored by VRS. These events are held throughout the year.

Five to 10 years away from retirement?

A half-day Retirement Education Seminar is right for you if you are more than 10 years away from retirement. The seminar shows you how to:

- Decrease debt.
- Use financial planning to prepare for retirement.
- Use benefits such as deferred compensation to increase retirement income.

Within five years of retirement?

The Group Counseling Session is designed for you if you are within five years of retirement. These half-day sessions focus on:

- VRS retirement benefits.
- Purchasing prior service credit.
- Investing.
- How to complete the retirement application.

See pages 5-6 of this newsletter or the VRS Web site at www.varetire.org/ResSchd for the schedule and registration form.



Fillable
PDF Forms
Now Available



Do You Have
Prior Service
Credit?



Is The Partial
Lump-Sum Option
The Right Option
For You?

New Appointments To The Board Of Trustees

The Joint Rules Committee of the Virginia General Assembly reappointed Paul W. Timmreck to the Virginia Retirement System Board of Trustees for a five-year term. At the same time, Governor Timothy M. Kaine designated Timmreck to serve as Chairman of the Board for a two-year term. Timmreck is currently Senior Vice President for Finance and Administration for Virginia Commonwealth University. He previously served as Secretary of Finance in the Office of the Governor and as director of the Virginia Department of Planning and Budget. Timmreck has served on the board since 2001.

The governor also appointed A. Marshall Acuff, Jr. to the Board of Trustees for a five-year term. Acuff is president of AMA Investment Counsel, LLC. He is past Chair of the Association of Governing Boards of Colleges and Universities and a past Rector of the College of William and Mary Board of Visitors. He is a graduate of the College of William and Mary and the University of Michigan Graduate School of Business Administration.

Fillable PDF Forms Now Available

More and more members are using fillable forms on the VRS Web site. All VRS forms, such as the application for retirement, the designation of beneficiaries and the request for refund, are available in fillable format on the VRS Web site.



If you need to complete a form, go to the Forms/Publications section of the Web site at www.varetire.org, fill it out, print it and you're ready to send it off to VRS. Check the Web site for a complete list of VRS forms.

Do You Have Prior Service Credit? Buy It Now And Increase Your Retirement Benefit

Because service is one of the factors in the formula used to determine the amount of your retirement benefit, the more service you have, the higher your benefit.

Examples of prior service that you may be eligible to purchase include service with another government agency, military service or service you may have lost because you took a refund.

Buy Within Three Years Of Eligibility To Save Money

It's wise to buy prior service credit as early as possible in your career when it usually costs less.

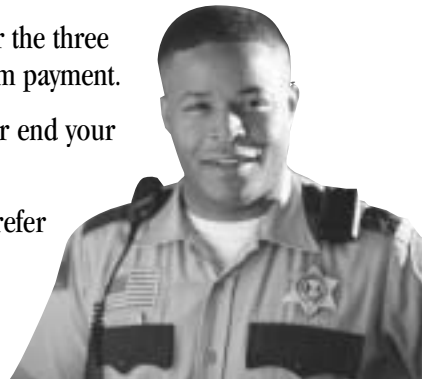
The cost to buy prior service credit is 5 percent of your compensation at the time of purchase if you buy it within three years of becoming eligible. If your compensation at the time of purchase is not the highest you have earned during your career, the cost is based on the average of the 36 consecutive months of your highest compensation, wherever it occurs during your VRS employment. If you wait longer than three years, the cost is at a higher actuarial equivalent rate.

You can purchase service credit through a tax-deferred contract. However, if you are buying service credit one year at a time, you must renew the contract within 30 days of the end of the contract each year. If you break your contract (a break is more than 30 days between ending one contract and signing another), you will not be able to purchase the remaining service at 5 percent. Instead, you will have to purchase the service at the actuarial equivalent rate.

You can purchase refunded service at 5 percent even after the three years of eligibility, but the purchase must be in a lump-sum payment.

You may not buy service credit after the date you retire or end your VRS-covered employment.

If you think you may be eligible for prior service credit, refer to the *Handbook for Members* and the instructions for completing the Application for Purchase of Prior Service Credit (VRS-26), both available at www.varetire.org.



You May Buy These Types Of Service:

- Birth or Adoption Leave of Absence.
- Educational Leave of Absence.
- Non-Covered Service with a VRS-Participating Employer.
- Public Service.
- Civilian Service in the Federal Government.
- VRS Refunded Service.
- Active Duty Military Service.
- Service Not Included in a Portability Transaction.

Some types of prior service credit carry restrictions, such as a limit on the number of years that may be purchased. See the VRS Web site for more information.

Except for non-covered service, all service credit purchased must be full-time permanent service.

Is The Partial Lump-Sum Option The Right Option For You?



The Partial Lump-Sum Option Payment (PLOP) has become a popular retirement payout option. But will it work for you?

PLOP allows you to receive a lump-sum payment of up to three times your annual benefit

amount at the time you retire, if you work past the date you become eligible for unreduced retirement. The amount of the lump-sum payment depends on the number of years you work past your eligibility for retirement.

If you work one year beyond eligibility for unreduced retirement, you qualify for a lump-sum payment equal to one year of your basic annual benefit. You qualify for a lump-sum payment of one or two times your annual salary if you work two years beyond eligibility for retirement. If you work three

years past retirement, you qualify for one, two or three times your annual benefit.

If you choose the lump-sum payment:

- Your monthly retirement benefit will be reduced permanently to reflect the lump-sum payment.
- You must pay taxes (20 percent federal and 4 percent state) on the lump-sum payment when you receive it. If part of the payment consists of member contributions on which you have already paid taxes, that portion is not taxed again.

If you are younger than 55, you may also pay a 10 percent tax penalty for an early distribution from a pension plan.

You may defer paying taxes on your payment by rolling the taxable amount into an Individual Retirement Account (IRA) or other qualified plan. If you are eligible, you may also roll some or all of the lump-sum payment into your Virginia Cash Match Plan.

It's a good idea to talk with your financial advisor before you decide on a benefit payout option.

VRS Needs Your Authorization To Release Personal Information

VRS protects the confidentiality of your records. VRS shares information only with those authorized to administer benefits and services to VRS members. You are the only one who can provide authorization to VRS to release personal information to anyone else. Your authorization is needed before information can be released to your spouse, children, other relatives, attorney or any other individuals. Send your authorization to VRS in the form of a letter, with your signature properly notarized.

VRS will honor a written authorization for a period of 12 to 18 months, unless your authorization specifies a different time.

What Is Deferred Retirement?

If you have at least five years of service and leave your money in VRS instead of taking a refund, you become a member in deferred status. As a deferred member, you may be eligible to draw a VRS benefit when you reach retirement age.

Before you leave your job, complete a Name/Address Declaration for Deferred Members (VRS-3A), so that VRS can send you your annual benefits statement and other important information about your benefits. Notify VRS of any change in your address so that we can continue to provide you with information about your benefits.

Do You Need To Change Your Beneficiary?

It's important to keep your beneficiary designations current so that VRS can pay benefits to your loved ones according to your wishes. As long as you have a valid beneficiary designation on file, VRS will follow it at the time of your death.

If you have had a change in beneficiary, through marriage, divorce, becoming a parent or losing a loved one, you will want to update your beneficiary designation.



Complete a Designation of Beneficiary (VRS-2) and return it to VRS at P.O. Box 2500, Richmond, Virginia 23218-2500. This will change your beneficiary for group life insurance and for any remaining contributions and interest in your VRS member account. You can call Minnesota Life at 1-800-441-2258 for a copy of the VRS-2. The form also is available on the VRS Web site at www.varetire.org.

Timeliness Is Important When You Are Applying For Retirement

Do you know that when you submit your retirement application can affect when you receive your first retirement benefit? To get your first retirement benefit on time, send your service retirement application to VRS within 90 days of retirement. However, to ensure that your latest available salary information is used when your retirement benefit is calculated, do not send the application to VRS earlier than six months before the date you want to retire.

An accurate and complete application also ensures that you will receive your benefit on time. The Application for Service Retirement (VRS-5) must include:

- A legible copy of your birth certificate and your spouse's birth certificate if you are choosing a survivor option.
- An Authorization for Direct Deposit of Monthly Benefit (VRS-57) with a voided deposit slip or check attached.
- A Request for Income Tax Withholding (VRS-15).
- A State Health Benefits Program Enrollment/Waiver Form (available from the Department of Human Resource Management), if you are a state employee eligible for the state health insurance program.
- A Request for Health Insurance Credit (VRS-45) if you are eligible for the health insurance credit.

You can find all these forms on the VRS Web site at www.varetire.org.

To learn more about service retirement, download the Pre-Retirement Planning Guide and Applying for Service Retirement Booklet, both available on the Web site.

Retirement Education Seminar & Group Counseling Schedule

For registration form, see page 6 or go to <http://www.varetire.org/Members/RetPlanning/EduCounsel.html>

Date	RES	GCS	Location/Contact
June 8	8 – 12	1 – 4	Northern Virginia Community College, Annandale Mail: Northern Virginia Community College, Suite 600,7630 Little River Tpk., Annandale, VA 22003-3796 Phone: 703-323-3102 FAX: 703-813-1325
June 14	8 – 12	1 – 4	John Tyler Community College, Nicholas Student Ctr., Chester Mail: John Tyler Community College, 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Community College Workforce Alliance Phone: 804-706-5030 FAX: 804-796-4266
June 21	8 – 12	1 – 4	Blue Ridge Community College, Weyers Cave Mail: Blue Ridge Community College, P.O. Box 80, Weyers Cave, VA 24486 Phone: 540-453-2342 FAX: 540-234-8102
June 22	8 – 12	1 – 4	Thomas Nelson Community College, Espada Conference Center, Moore Hall 99 Thomas Nelson Drive, Hampton, VA Mail: Thomas Nelson Community College, P.O. Box 9407, Hampton, VA 23670 Phone: 757-825-3548 FAX: 757-825-2960
June 27	8 – 12	1 – 4	Greenfield Education and Training Center Mail: Roanoke Higher Education Center, 108 N. Jefferson St., Roanoke, VA 24016 Phone: 540-767-6125 FAX: 540-767-6098
July 10	8 – 12	1 – 4	Tidewater Community College, Virginia Beach Campus, Advanced Technology Center Mail: Tidewater Community College, 300 Granby Street, 5th Floor, Norfolk, VA 23510 Phone: 757-822-1234 FAX: 757-822-1160
July 13	8 – 12	1 – 4	John Tyler Community College, Nicholas Student Ctr., Chester Mail: John Tyler Community College, 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Community College Workforce Alliance Phone: 804-706-5030 FAX: 804-796-4266
July 19	8 – 12	1 – 4	Wytheville Community College, Wytheville Mail: Wytheville Community College., 1000 E. Main St., Wytheville, VA 24382 Phone: 276-223-4712 FAX: 276-223-4716
August 30	8 – 12	1 – 4	Greenfield Education and Training Center Mail: Roanoke Higher Education Center, 108 N. Jefferson St., Roanoke, VA 24016 Phone: 540-767-6125 FAX: 540-767-6098
September 6	8 – 12	1 – 4	Blue Ridge Community College, Weyers Cave Mail: Blue Ridge Community College, P.O. Box 80, Weyers Cave, VA 24486 Phone: 540-453-2342 FAX: 540-234-8102
September 13	8 – 12	1 – 4	Thomas Nelson Community College, Espada Conference Center, Moore Hall 99 Thomas Nelson Drive, Hampton, VA Mail: Thomas Nelson Community College, P.O. Box 9407, Hampton, VA 23670 Phone: 757-825-3548 FAX: 757-825-2960

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Retirement Education Seminar & Group Counseling Schedule

CONTINUED FROM PAGE 5

Date	RES	GCS	Location/Contact
September 19	8 – 12	1 – 4	John Tyler Community College, Nicholas Student Ctr., Chester Mail: John Tyler Community College, 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Community College Workforce Alliance Phone: 804-706-5030 FAX: 804-796-4266
September 28	8 – 12	1 – 4	Northern Virginia Community College, Annandale Mail: Northern Virginia Community College, Suite 600, 7630 Little River Tpk., Annandale, VA 22003-3796 Phone: 703-323-3102 FAX: 703-813-1325
October 4	8 – 12	1 – 4	Greenfield Education and Training Center Mail: Roanoke Higher Education Center, 108 N. Jefferson St., Roanoke, VA 24016 Phone: 540-767-6125 FAX: 540-767-6098

Retirement Education Seminar & Group Counseling Session Registration Form

To register for either a Retirement Education Seminar or a Group Counseling Session, fax or mail this form to the contact person listed for the meeting you wish to attend. This form is also available on the VRS Web site at www.varetire.org. Make sure your name and phone number are included on the fax cover sheet.

Sessions fill up quickly, so register early to reserve your seat(s) at the session of your choice. Registrations should be received 15 days prior to the program date. You will receive confirmation of your registration 7-10 days prior to the session date from the community college.

Which program would you like to attend?

- Retirement Education Seminar (RES):**
This session is recommended for members who are five to 10 years away from retirement. Topics discussed: Adjusting and Planning for Retirement; Estate Planning and Legal Readiness; Basic Financial Planning concepts.
- Group Counseling Session (GCS):**
This session is recommended for members who are within 5 years of retirement. Topics discussed: VRS Retirement Options, Estimating your monthly benefit, Increasing your retirement benefit, Life Insurance and other retirement resources.
- I would like to attend both the RES and the GCS sessions.**

Date, Time and Location: _____

Name: _____

Last Four Digits of Member's Social Security #: xxx-xx- _____

Mailing Address: _____

STREET

CITY

STATE

ZIP

E-mail address: _____

Are you bringing a guest? YES or No Number of Guests _____

If your guest is a VRS member, please have the guest complete registration form.

Please check your employer: State Agency State Police VaLORS
 Judges School System Political Subdivision LEOS/Firefighters

If you need assistance due to a disability, please indicate how we can help:

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