

## Take Advantage of VRS Resources

In stressful economic times, you want to take advantage of every possible benefit, including those you have as a VRS member. Your VRS benefits go beyond monthly retirement payments. You may be eligible for life insurance, disability protection and the opportunity to save on a tax-deferred basis. You also have several retirement options to choose from.

How do you qualify for these benefits? What do they cover, and how do they affect your family? VRS offers its Web site and online tools, booklets, the newsletter, seminars, one-on-one counseling and other resources so that you can learn everything you need to know about your benefits.



### VRS Retirement Planning Programs

Starting in August, VRS will offer Retirement Education Seminars geared to members at different career stages, although they are valuable to members at any stage.

These seminars are free and held at locations throughout the state. For a schedule and online registration, go to the VRS Web site at [www.varetire.org](http://www.varetire.org) and select "Retirement Readiness" from the Members tab.

#### Retirement Education Seminar I (RES-I)

This seminar covers the following topics for members in mid-career:

- Psychological Adjustment and Planning for Retirement
- Mid- and Long-Term Financial Planning
- Estate Planning and Legal Readiness

#### Retirement Education Seminar II (RES-II)

This seminar covers the following topics for members later in their careers:

- Short-Term Financial Planning
- Long-Term Care
- Social Security and Medicare

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## VRS Resources

### As Close as Your Desktop

VRS Web site and Webinars at [www.varetire.org](http://www.varetire.org)

- Look on the Web site for information on VRS benefits, including retirement, life insurance, disability coverage, the health insurance credit and health insurance coverage you may be eligible for in retirement.
- Sign up for a VRS webinar. These sessions last an hour or less. The current topic, “Overview of VRS Benefits,” covers your benefits, purchase of prior service, leaving employment, deferring retirement and resources such as *myVRS* and the *myVRS* Retirement Planner. Future webinars will cover topics such as preparing for retirement, hazardous duty coverage and the Partial Lump-Sum Option Payment (PLOP).



### *myVRS*: At Your Service

*myVRS* is a secure online system that gives you access to your member account. Use *myVRS* to:

- View your current account information, service credit and member contributions, purchase of prior service information, employment history, compensation history and life insurance coverage.
- Check the status of an application for retirement, purchase of prior service or a refund.
- Create estimates based on different retirement dates and benefit payout options through the *myVRS* Benefit Estimator.

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## Your Future Benefit is Protected

Your retirement plan is a defined benefit plan. Under the defined benefit plan, your benefit is based on a formula that factors in your total service credit at retirement, your age and the average of 36 consecutive months of your highest compensation as a VRS member. The benefit amount is not affected by the ups and downs of the stock market or the economy.

Your benefit is funded through employer and member contributions. VRS invests this money over your career and holds these funds in a trust protected by the *Constitution of Virginia*. This trust may be used only to pay benefits for VRS members, retirees and beneficiaries.

VRS has a long investment horizon that can weather market downturns. VRS also has highly skilled investment professionals who follow a prudent investment policy to protect funds on your behalf.

## VRS Resources

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- View and download your Member Benefit Profile (MBP). Set up your *myVRS* account now so that you can view and print your 2009 MBP when it is posted later this summer. See page 6.
- Correct or change your contact information or secure information such as your username or password.

### *myVRS* Retirement Planner

Use the *myVRS* Retirement Planner to estimate your income and expenses when you retire.

The **Quick Plan** gives you an instant result based on your current VRS information and general assumptions built into the planner.

The **Detailed Plan** allows you to customize your estimates based on your retirement needs or different ways you might spend your retirement:

- Use your estimated retirement benefit amount or estimates you create in the *myVRS* Benefit Estimator.
- Use the planner's assumptions for inflation, income taxes and basic living expenses, or enter your own.

- Enter savings from your tax-deferred contribution plan. Try different tax-deferred contribution amounts and investment return scenarios.
- Enter income from other sources you anticipate having in retirement, such as a job, rental income or your own business.
- Include a Social Security estimate if you are eligible on the retirement date you enter.
- Use the planner's health insurance premium estimate or enter your own. Include a Medicare Part B premium if you are eligible on the retirement date you enter.

### Publications and Forms

Your *Handbook for Members, Pre-Retirement Planning Guide* and *Applying for Service Retirement Booklet* provide details on eligibility, planning and applying for retirement. These publications, plus all the forms you need, are available on the VRS Web site. Most forms are fillable. Select the "fillable" version and complete it online, then print and sign it before submitting.

## Working beyond Your Retirement Date?

### Learn More about the PLOP

If you work at least one year beyond the date you are eligible for an unreduced retirement benefit, you may elect the Partial Lump-Sum Option Payment (PLOP). This option reduces your monthly retirement benefit to provide a lump-sum payment at the time of retirement. You can elect this option with the Basic Benefit or Survivor Option.

You may elect up to three times the amount of your annual benefit amount. The amount of the PLOP depends on how long you work after you become eligible for an unreduced retirement benefit as shown in the following table:



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## Learn More about the PLOP

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### Partial Lump-Sum Option Payment Amounts

Active Service Beyond Unreduced Retirement Eligibility Date	PLOP Payment Amount
12 months	1 x annual retirement benefit amount (one-year PLOP)
24 months	1 or 2 x annual retirement benefit amount (one- or two-year PLOP)
36 months or more	1, 2 or 3 x annual retirement benefit amount (one-, two- or three-year PLOP)

### Taxes on the PLOP

The PLOP is subject to income taxes. To defer taxes, you may roll over the PLOP to a qualified plan. For additional information, read the IRS 402(f) Special Tax Notice available on the VRS Web site at [www.varetire.org](http://www.varetire.org), contact your tax adviser or contact the Internal Revenue Service at [www.irs.gov](http://www.irs.gov).

## Qualifying for the PLOP

Your eligibility for the PLOP is based on the date you first become eligible for an unreduced retirement benefit. You must be actively employed during the period beyond this date to qualify for the PLOP. Purchased service credit or granted service credit (except granted military leave) cannot substitute for service as an active member.

**Example 1** When you joined VRS, you were eligible for unreduced retirement at age 55 with 30 years of service credit (55/30). On July 1, 2008, when you were age 51 with 30 years of service credit, you changed to a position providing unreduced retirement at age 50 with 30 years of service credit (50/30). You want to retire on July 1, 2009 when you will be age 52 and have 31 years of service credit. Are you eligible for a PLOP?

Yes. You first became eligible for an unreduced retirement on July 1, 2008, when you moved from the 55/30 plan to the 50/30 plan. Therefore, you will qualify for a one-year PLOP on July 1, 2009.

**Example 2** You have spent most of your career in a job with a state agency, with eligibility for an unreduced retirement benefit at age 50 with 30 years of service. On July 1, 2008, you started a job covered under enhanced benefits for political subdivision employees in hazardous duty positions, with unreduced retirement eligibility beginning at age 50 with 25 years of service credit (50/25). You are now age 51 with 26 years of service credit and want to retire with a PLOP. Are you eligible?

Not yet. When you changed plans, your first unreduced retirement eligibility date changed to July 1, 2008. You must work at least one year beyond your retirement eligibility date under the enhanced hazardous duty provisions to qualify for a PLOP. You would be eligible to retire with a one-year PLOP on July 1, 2009.

## VRS Retirement Planning Programs

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### Group Counseling Sessions

Group Counseling Sessions focus on requirements for retirement and retiree benefits with VRS. Sessions are targeted to different members. Review the descriptions below to determine which session you should attend.

#### General

This session provides information applicable to all members.

#### School Divisions

This session is open to salaried employees of school divisions.

#### Political Subdivisions

This session is open to employees of political subdivisions, including cities, counties, towns, authorities and districts. Political subdivision employees include bus drivers and custodial, cafeteria and maintenance staff working in local schools, and local hazardous duty employees eligible for enhanced benefit coverage.

The schedule and online registration are available on the VRS Web site at [www.varetire.org](http://www.varetire.org) under "Retirement Readiness."



## One-on-One Counseling

Planning for retirement? Unclear about your retirement payout options? Talk to a counselor. Call toll-free at 1-888-VARETIR (1-888-827-3847) or visit VRS at 1200 East Main Street in downtown Richmond. Counseling is available on a first-come, first-served basis.

#### VRS Hours:

8:30 a.m. - 5 p.m.  
Monday - Friday.

Visit [www.varetire.org](http://www.varetire.org) for directions.

## 2009 Member Benefit Profile Coming to a Computer Near You

You have instant access to your Member Benefit Profile (MBP) through *myVRS*, a secure online system available through the VRS Web site at [www.varetire.org](http://www.varetire.org). Your MBP is based on information your employer reports to VRS through June 30 of each year. Your MBP shows:

- Your membership date
- Last reported compensation
- Earliest unreduced and reduced retirement dates and estimated benefit amounts
- Total service credit
- Life insurance coverage
- Amount of funds in your member contribution account
- Estimated value of your retirement benefit

Look for your 2009 MBP in September. Your employer will notify you when it is available in your *myVRS* online account.

### *myVRS*: At Your Service

Through *myVRS*, you can look up your current and previous MBPs, going back to your 2006 statement, whenever you want.

And that's not all you can do:

- Print a copy of your MBP.
- Use online tools to estimate different retirement benefit scenarios and plan your retirement.
- View the details of your member record, updated monthly when your employer reports your service and compensation to VRS.
- Check the status of an application for retirement, purchase of prior service or a refund.

## Your Benefit Information and Planning Resources

- VRS Web site at [www.varetire.org](http://www.varetire.org), including *myVRS*. To log in or create a secure online account, select the *myVRS* logo from the Members tab.
- Forms and publications, available from your human resource office or the VRS Web site.
- Member education schedules and online registration provided on the VRS Web site.
- One-on-one member counseling.



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