

Retired Teachers See Increase In Health Insurance Credit

The 2007 General Assembly passed legislation increasing the health insurance credit for retired teachers with at least 15 years of creditable service, from \$2.50 to \$4 per month for each full year of creditable service, effective July 1, 2007. The legislation also removes the health insurance credit maximum amount of \$75 per month. This means that if you are a retired teacher with more than 30 years of service at retirement, your health insurance credit will increase. For example, if you had 35 years of service at retirement, your health insurance credit will increase from \$75 to \$140 ($\$4 \times 35 = \140).



The health insurance credit is a reimbursement for the cost of health insurance premiums paid by eligible retirees for their personal coverage. The credit is a dollar amount based on each year of creditable service. It is added to the monthly retirement benefit.

Employer Type	Amount per Year of Service	Maximum Credit per Month
State Employees	\$4.00	No Cap
Teachers	\$4.00	No Cap
Political Subdivisions	\$1.50	\$45.00
Local Social Service Employees	\$1.50	\$45.00
Enhanced Local Social Service Employees *	\$2.50	\$75.00
General Registrars/Employees of General Registrars	\$1.50	\$45.00
Enhanced General Registrars *	\$2.50	\$75.00
Local Officers	\$1.50	\$45.00
Enhanced Local Officers *	\$2.50	\$75.00

* if political subdivision elects



2007 COLA Is 3.1 Percent

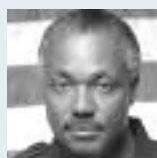
The Virginia Retirement System (VRS) Board of Trustees announced a 3.1 percent Cost-of-Living Adjustment (COLA) for VRS retirees and eligible survivors, effective July 1, 2007. The August 1 benefit payment will include the COLA.

You become eligible to receive your first COLA on July 1 of the second calendar year after you retire. To qualify for this year's 3.1 percent increase, you must have retired on or before January 1, 2006.

The amount of the COLA is equal to the full amount of the first 3 percent of the increase in the Consumer Price Index - Urban plus half of the increase from 3 percent to 7 percent. By law, cost-of-living increases cannot exceed 5 percent.



2 Health Insurance Credit Helps With Cost Of Premiums



3 Hazardous Duty Supplement Increases



7 2007 Direct Deposit Schedule

Health Insurance Credit Helps With Cost Of Premiums

The health insurance credit is a dollar amount, set by the General Assembly, for each year of your creditable service. The health insurance credit reimburses your out-of-pocket premium costs for individual health plans and employer-sponsored health plans.

Qualifying Health Plans

- Individual health plans.
- Employer-sponsored health plans, including the State Retiree Health Benefits Program.
- Medicare Part B.
- Dental, vision and prescription drug plans including Medicare Part D.

Other types of plans for specific conditions or coverage are not eligible.

If you're eligible, the health insurance credit helps with the cost of your health insurance, prescription drug, dental and vision plans and Medicare Part B and D.

To qualify for the health insurance credit, you must have at least 15 years of VRS creditable service, or be retired on disability, or receiving a long-term disability benefit through the Virginia Sickness and Disability Program (VSDP). Disability recipients from higher education-sponsored disability plans also are eligible for the health insurance credit.

The credit is added to your monthly retirement benefit. If you don't receive a monthly benefit, you receive a check from VRS for the reimbursable amount. The amount of the credit cannot be more than the amount of your individual health insurance premium. The credit ends upon your death.

If you think you're eligible, complete and send the Request for Health Insurance Credit (VRS-45) to VRS.

You can find more information and the VRS-45 on the Web site at www.varetire.org.

Report Health Insurance Changes

If you're receiving a health insurance credit, notify VRS if you change health insurance providers or if there is a change in the amount of your monthly premium. Include both the effective date of the change and the new premium amount.

Submit the Request for Health Insurance Credit (VRS-45) to report any changes. This form is available on the VRS Web site at www.varetire.org, or by calling 1-888-VARETIR (827-3847).

If your health insurance premiums are deducted from your retirement benefit, you don't need to complete a VRS-45 notifying VRS of a premium increase.



Hazardous Duty Supplement Increases July 1

Effective July 1, 2007, the hazardous duty supplement increases from \$10,704 to \$11,508 per year, or from \$892 to \$959 per month. The increase will be reflected in the August 1 benefit payment and remain in effect through June 2009.

Members retiring with at least 20 years of hazardous duty service from the State Police Officers' Retirement System (SPORS) and from political subdivisions that have elected enhanced hazardous duty coverage, including local full-time, salaried sworn law enforcement officers, firefighters, emergency medical technicians and jail officers of regional jails and authorities, are eligible for the hazardous duty supplement effective with their VRS retirement date until their full Social Security retirement age.

Members retiring with at least 20 years of hazardous duty service from the Virginia Law Officers' Retirement System (VaLORS), who elected a 1.7 percent retirement multiplier with the hazardous duty supplement during a one-time election period, are eligible for the supplement effective with their VRS retirement date until age 65. VaLORS members retiring under a 2.0 percent retirement multiplier are not eligible for the hazardous duty supplement.

The VRS independent actuary determines the supplement amount.

Optional Life Insurance Rates Decrease In July

Optional life premium rates will reduce, effective July 1, 2007.

Reductions for employee and spouse will vary from 6 percent to 45 percent, depending on the age of the insured person.

Dependent child coverage premium rates will reduce by 20 percent for the optional life insurance program overall.

"This is the fifth optional life premium rate reduction since 1999. Favorable claims experience and administrative enhancements have led to savings to members," said Joe Chang, manager of the Richmond Branch Office of Minnesota Life.

For more information about the optional life, call Minnesota Life at 1-800-441-2258.

"This is the fifth optional life premium rate reduction since 1999..."

Employee And Spouse

Monthly Premiums per \$1,000 of Insurance

Age of Insured Member or Spouse	Current Rate	Monthly Rate Effective July 1, 2007
Under 30	\$.06	\$.05
30-34	.08	.07
35-39	.09	.08
40-44	.10	.09
45-49	.15	.14
50-54	.24	.22
55-59	.49	.43
60-64	1.10	.66
65-69	1.95	1.27
70-74	3.53	2.06
75 & Over	3.76	2.06

Dependent Child Insurance

Option	Member Coverage	Child Benefit	Current Monthly Rate	Monthly Rate Effective July 1, 2007
1	1 x salary	\$ 10,000	\$ 1.00	\$ 0.80
2	2 x salary	10,000	1.00	0.80
3	3 x salary	20,000	2.00	1.60
4	4 x salary	30,000	3.00	2.40



How To Name A Beneficiary

You can choose anyone you like to be the beneficiary of your VRS life insurance benefits and your retirement contributions. However, if you don't specifically name a beneficiary, by law VRS pays benefits according to the order of precedence:

- To your spouse.
- If no surviving spouse, to your children and descendants of deceased children.
- If none of the above, to your parents.
- If none of the above, to the duly appointed executor or administrator of your estate.
- If no estate, to your next of kin under the laws of the state where you resided at the time of death.

In the order of precedence, "children" refers to your natural born or adopted children.

If you have stepchildren and want to include them as beneficiaries, you must use a Designation of Beneficiary (VRS-2) to name your beneficiaries, including your stepchildren.

You can find the Designation of Beneficiary (VRS-2) on the VRS Web site at www.varetire.org, or call 1-888-VARETIR (827-3847).

Uncle Sam May Owe You A Refund

Did you pay for long-distance telephone service billed after February 28, 2003 and before August 1, 2006? If you did, you may be entitled to a refund.

The Internal Revenue Service (IRS) is refunding federal excise taxes paid on long-distance telephone charges billed during this period.

You can request this refund even if you don't file a regular income tax return. Just use the new Form 1040EZ-T, available at IRS.gov. Choose the standard amount that ranges from \$30 - \$60 and complete the form using the number of exemptions you are eligible to claim. For example, a married couple with two dependent children, claiming four exemptions, is eligible for the maximum standard amount of \$60

The Internal Revenue Service (IRS) is refunding federal excise taxes paid on long-distance telephone charges...

You can also claim this refund on your regular income tax form.

Most tax preparation programs automatically claim the refund in preparing your return. If you claim the refund on your return, however, you may not claim it again on Form 1040EZ-T.

Another option is to request the actual amount of tax you paid. Complete Form 8913 and attach it to your regular tax return or to the 1040EZ-T. You will need your telephone bills from the affected billing period to complete the form.

For more information, visit www.irs.gov or call the IRS customer service line at 1-800-829-1040. Press 7 for a recording explaining how to request the telephone excise tax refund. To talk with a tax assistor, return to the customer service line.



**Do
You Know
Where Your
Important
Documents
Are?**

When you need a document, you usually need it in a hurry. It helps if everything is in one place. Check the list below to make sure that you and your loved ones know where your important documents are located.

Legal Documents

Will
Living Will
Titles and Deeds to Property
Power of Attorney Documents

Financial

VRS Benefits Information
Other Benefits or IRA Information
Bank Records
Tax Records
Credit Cards and Charge Account Documents
Investment Documents

Insurance

Health Insurance Records
Life Insurance Records
Property and Other Insurance

Personal

Birth Certificates
Marriage License/Divorce Documents
Safe Deposit Box Information
Names, Addresses and Telephone Numbers of Professional Advisors



How To Provide Access To Your Account Information

At some time in your life, you may need a family member or other person to talk to VRS about your benefits or to act on your behalf. Now you may use one of two new VRS forms to formally name this person.

To Give Authorization To Someone Else

The Authorization to Discuss VRS Account Information (VRS-900) gives VRS permission to discuss your retirement benefits and account information with the person you've named. This person is authorized to have access to information, not to act on your behalf. VRS representatives must speak with you before providing bank account and bank routing numbers, medical records, beneficiary information and Approved Domestic Relations Orders.

To name a person, complete and sign the VRS-900, have it notarized and send it to VRS. This authorization is valid for two years from the date of the notary's signature.

To Designate Someone To Act On Your Behalf

If you need a person to act on your behalf, complete and have notarized the VRS Durable Power of Attorney (VRS-901). This form gives the person you name permission to:

- Designate or change a beneficiary for you.
- Change an address.
- Set up direct deposit.

A power of attorney provided through your personal attorney also is acceptable.

The VRS durable power of attorney remains in effect unless you revoke or change it. Both the Authorization to Discuss VRS Account Information (VRS-900) and the VRS Durable Power of Attorney (VRS-901) relate only to VRS information.

Understand Your Options

When You Can Change Your Retirement Payout Option

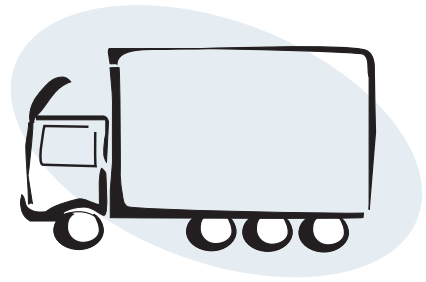
When you retired, you chose a retirement benefit payout option, either the Basic Benefit, Survivor Option, Advance Pension Option or Partial Lump Sum Option Payment (PLOP). In most cases, you can't change this payout option after your effective date of retirement.

However, if you chose the Survivor Option, it may be possible to name a new survivor or to revert to the Basic Benefit if:

- Your contingent annuitant (person you designate to receive a portion of your benefit when you die) dies, or
- Your contingent annuitant is your spouse and you divorce with fewer than 20 years of marriage*, or
- You divorce after 20 years and your former spouse either dies, remarries or consents*, or
- You supply VRS with written consent from your contingent annuitant giving up claim to a benefit, along with satisfactory evidence of his or her good health.

* If there is an Approved Domestic Relations Order (ADRO) on file, VRS must pay benefits as directed by the ADRO.

If You're Moving Out Of State, Take Your VRS Benefits With You



When your move to another state means a change in your bank, notify VRS early so that your direct deposit catches up with you quickly. Complete an Authorization for Direct Deposit of Monthly Benefit (VRS-57). Attach a voided check with your new account information and return the form to VRS. It takes about 60 days to change your direct deposit. Don't close your old account until the first deposit has been confirmed in your new account.

Sending address changes to VRS ensures that you receive important tax information, this newsletter and communications about your benefits in retirement.

To report your change of address use a Name/Address Declaration for Retirees (VRS-58), available on the VRS Web site at www.varetire.org or by calling 1-888-VARETIR (827-3847).

Don't Be A Victim Of Fraud Protect Your Personal Information

You know not to give out any personal information to someone who calls or e-mails, tells you that you've won a contest and asks for your bank or credit card information. But what if someone calls and claims to be from VRS, your bank or your health care provider?



Don't fall for it.

- Legitimate organizations and businesses are unlikely to call you and ask for your account or other personal information. Don't give your credit card or bank account number over the phone, through the mail, or over the Internet, unless you made the contact and know that you're dealing with a legitimate business.
- VRS contacts you through this newsletter or by mail. Neither VRS nor your health benefits provider will call and ask for your account information, Social Security number or other personal information.
- If someone calls saying he or she is from your bank or credit card company and must have your account number because of a possible check or credit card theft, hang up and call the bank or credit card company yourself.
- Shred your credit card receipts, ATM receipts, bank statements, expired credit cards, credit offers and other material with personal information.



Direct Deposit Puts Your Money In the Bank

VRS deposits your retirement benefit payment electronically into your bank or credit union account on the first business day of each month. If the first day of the month falls on a weekend or holiday, deposits are on the last business day of the preceding month. You receive an earnings statement only when there is a change in the net amount of the deposit.

2007	DIRECT DEPOSIT SCHEDULE
	June 1, 2007
	June 29, 2007 (for July 2007)
	August 1, 2007
	August 31, 2007 (for September 2007)
	October 1, 2007
	November 1, 2007
	November 30, 2007 (for December 2007)

VRS Announces Latest Schedule For DCP Regional Enrollment And Education Meetings

The Commonwealth of Virginia Deferred Compensation Plan recently expanded its Regional Enrollment and Education Meetings (REEMs) to include a Post-Retirement Strategies session. Attendees learn ways to fill retirement income gaps and manage their incomes in retirement. Convenient Saturday sessions are available. The sessions are free and open to retirees

REGIONAL ENROLLMENT EDUCATION MEETINGS

PLAN FEATURES & BENEFITS	ACCOUNT MANAGEMENT STRATEGIES	ADVANTAGES OF BUDGETING	POST-RETIREMENT STRATEGIES
9:00 a.m.	10:15 a.m.	11:30 a.m.	1:30 p.m.
DATE	LOCATION/PRESENTER		
June 5	JMU, Carrier Drive, Harrisonburg, VA 22807, ISAT Bldg Rm 259 Catherine Pfeilsticker 1-866-226-6682, opt 2 Ext 107		
June 12	Virginia Highlands CC, 110 Opportunity Lane, Abingdon, VA 24212 Room #605 (Auditorium) Nancy Roth 1-866-226-6682, opt 2 Ext 115		
June 20	Rappahannock CC, 52 Campus Drive, Warsaw, VA 22572 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
June 21	John Tyler CC, 13101 Jefferson Davis, Chester, VA 23831 Bird Hall Rm B-124 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
July 10	Wytheville Meeting Ctr, 333 Community Blvd, Wytheville, VA 24382 Meeting Room C Nancy Roth 1-866-226-6682, opt 2 Ext 115		
July 18	VDOT Culpeper District, 1601 Orange Road, Culpeper, VA 22701 Catherine Pfeilsticker 1-866-226-6682, opt 2 Ext 107		
July 21 Saturday	Virginia Western CC, 3102 Colonial Avenue SW, Roanoke, VA 24038 Nancy Roth 1-866-226-6682, opt 2 Ext 115		
July 23	Library of Virginia, 800 East Broad Street, Richmond, VA 23219 1st Floor Conf Rm A Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
August 2	VDOT Fredericksburg District, 86 Deacon Road, Fredericksburg, VA 22405 Catherine Pfeilsticker 1-866-226-6682, opt 2 Ext 107		
August 9	J Sargent Reynolds CC, 1630 East Parham Road, Richmond, VA 23228 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
August 15	Eastern Shore CC, 29300 Lankford Highway, Melfa, VA 23410 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
August 15	Patrick Henry CC, 645 Patriot Avenue, Martinsville, VA 24115 J Burness Frith Economic Development Center, John and Carol Hooker Nancy Roth 1-866-226-6682, opt 2 Ext 115		
August 29	DHRM, 101 North 14th Street, Richmond, VA 23219 Conference Rooms C & D Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
September 12	Southwest Virginia CC, Route 19 Buchanan Hall, Richlands, VA 24641 Nancy Roth 1-866-226-6682, opt 2 Ext 115		
September 19	Norfolk Health Dept, 830 Southampton Avenue, Norfolk, VA 23513 3rd Flr Rooms A & D Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
September 26	SCC, 1300 East Main Street, Richmond, VA 23219 3rd Floor Training Room Tom Ferguson 1-866-226-6682, opt 2 Ext 102		

REGIONAL ENROLLMENT EDUCATION MEETINGS (CONTINUED)

PLAN FEATURES & BENEFITS	ACCOUNT MANAGEMENT STRATEGIES	ADVANTAGES OF BUDGETING	POST-RETIREMENT STRATEGIES
9:00 a.m.	10:15 a.m	11:30 a.m	1:30 p.m
DATE	LOCATION/PRESENTER		
September 27	NoVa CC, 8333 Little River Turnpike, Annandale, VA 22003 Ernst Community Cultural Ctr, Seminar Room A Catherine Pfeilsticker 1-866-226-6682, opt 2 Ext 107		
October 2	George Mason University, 4987 University Drive, Fairfax, VA 22030 Student Union II, Rooms 3 & 4 Catherine Pfeilsticker 1-866-226-6682, opt 2 Ext 107		
October 4	VDOT Staunton District, 811 Commerce Road, Staunton, VA 24401 Catherine Pfeilsticker 1-866-226-6682, opt 2 Ext 107		
October 10	Radford University, Fairfax Street, Radford, VA 24142 Heth Hall Lounge B Nancy Roth 1-866-226-6682, opt 2 Ext 115		
October 24	John Tyler CC, Featherstone Prof Center, 1807 Huguenot Road Midlothian, VA 23114 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
October 25	Southeastern Virginia Training Center, 2100 Steppingstone, Chesapeake, VA 23320 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		
October 30	Chesapeake Main Library, 298 Cedar Road, Chesapeake, VA 23322 Tom Ferguson 1-866-226-6682, opt 2 Ext 102		

Director

Robert P. Schultze

Public Relations Director

Jeanne Chenault

Communications Manager

Ann Black

Communications Editor

Kathleen Dimond

Newsletter DesignOffice of Graphic Communications
Virginia Department of General Services**Virginia Retirement System**1200 E. Main Street
Richmond, VA 23219Post Office Box 2500
Richmond, Virginia 23218-2500Toll Free 1-888-VARETIR
(1-888-827-3847)TDD: 1-804-344-3190
e-mail: vrs@varetire.org
Web Site: www.varetire.orgVirginia
Retirement
System

PRSRST STD
US Postage
PAID
Richmond, VA 23232
Permit No. 457

Virginia Retirement System
Post Office Box 2500
Richmond, Virginia 23218-2500