

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 are 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 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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STATE EDITION



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VRS Resources

As Close as Your Desktop

VRS Web site and Webinars at 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 8.
- 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.

- Include savings in your Commonwealth of Virginia 457 Deferred Compensation Plan, which will display in the planner if you participate in the plan. Or enter savings from other plans. 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.

Long-Term Care Coverage Fills the Gap

VSDP Long-Term Care Plan Can Help

If you participate in the Virginia Sickness and Disability Program (VSDP), you are covered automatically under the VSDP Long-Term Care Plan.

According to the Life and Health Insurance Foundation for Education, full-time nursing home care averages \$69,000 to \$78,000 per year. Eight hours per day of home health care can cost \$43,000 to \$70,000 annually. Most health insurance plans cover the cost of hospital or medical care but not long-term care. Long-term care insurance can fill this gap.

VSDP Long-Term Care Coverage

The VSDP Long-Term Care Plan helps with the cost of nursing home care, assisted living facility care, hospice care, at-home services and community-based care. The maximum daily benefit amount is \$96 with a lifetime maximum of \$70,080.

Long-Term Care

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For more information, contact the plan administrator, Long Term Care Group, Inc., toll free at 1-800-761-4057. Information about the plan also is available on the VRS Web site at www.varetire.org.

After You Leave Employment or Retire

If you leave or retire from VSDP-covered employment, you can elect to continue your long-term care coverage.

You pay the premiums. Submit the VSDP Long-Term Care Plan Authorization of Coverage Retention (VRS-170) and the VSDP Long-Term Care Plan Protection

Against Unintentional Lapse (VRS-171) within 60 days of your last day of employment to the Long Term Care Group, Inc. at P.O. Box 64011, St. Paul, Minnesota 55164-0011. The forms are available from the VRS Web site.



Need More Coverage?

You may be eligible to purchase additional long-term care coverage through the Commonwealth of Virginia's Voluntary Long-Term Care Plan. Some members of your family also may be eligible for coverage. You pay for the coverage you want and can continue this voluntary coverage after retirement. You do not need to be participating in VSDP to qualify for this coverage. For more information, visit the VRS Web site at www.varetire.org.

Changes Coming to VSDP

Are you covered under the Virginia Sickness and Disability Program (VSDP)? If so, be aware that legislation passed during the 2009 General Assembly session includes a change to short-term disability coverage effective July 1, 2009.

If you go out on short-term disability, return to work with a full release from your physician and then go out again on short-term disability for the same condition within 45 consecutive calendar days, you will be considered to be on the same claim. Your VSDP benefit will resume at the same replacement level. The days worked will not reduce the days remaining on short-term disability, and you will not need to fulfill another seven-calendar day waiting period. Currently, the time period between successive periods of short-term disability for the same condition is 14 consecutive calendar days.

Other changes to VSDP will affect state employees hired or rehired effective July 1, 2009. They include a one-year waiting period before becoming eligible for short-term and long-term disability coverage for non-work related illnesses or injuries and a five-year vesting requirement before qualifying for income replacement of 100 percent or 80 percent of pre-disability income during short-term disability. These changes do not affect you if you are currently employed.

The *Virginia Sickness and Disability Program Handbook* is now being revised and will be available after July 1, 2009. More information about VSDP coverage for new and rehired state employees also will be available on the VRS Web site at www.varetire.org.



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:



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, including the Virginia Cash Match Plan if you are eligible. For additional information, read the IRS 402(f) Special Tax Notice available on the VRS Web site at www.varetire.org, contact your tax adviser or contact the Internal Revenue Service at 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 You first became eligible for an unreduced retirement benefit on July 1, 2008, when you turned age 50 and had 30 years of service credit. You plan to work another year and then retire on September 1, 2009 with a PLOP. How much PLOP can you elect?

On September 1, 2009, you will have worked one year and two months beyond your eligibility for an unreduced retirement benefit. Therefore, you are eligible to elect a one-year PLOP, which is equal to your annual retirement benefit amount. If you work until July 1, 2010, you would be eligible for a PLOP equal to one or two times your annual benefit amount. If you work until July 1, 2011 or after, you would be eligible to elect a PLOP equal to one, two or three times your annual benefit amount.

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 credit. On July 1, 2008, you started a job covered under the Virginia Law Officers' Retirement System (VaLORS). Under VaLORS, you become eligible for unreduced retirement at age 50 with 25 years of service credit. You are now age 51 with 26 years of service credit and want to retire with a PLOP. Are you eligible?

Not yet. You must work at least one year beyond your retirement eligibility date under VaLORS 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.

State

This session is open to employees of the Commonwealth of Virginia, including employees covered under the State Police Officers' Retirement System (SPORS), Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS).

The schedule and online registration are available on the VRS Web site at 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 for directions.



457 Plan News

Make Your Contribution Changes Online or by Phone



The 457 Plan allows you to stop or re-start contributions or increase or decrease contribution amounts online or by phone. In most cases, paper forms are no longer needed. However, you may continue to use paper enrollment and beneficiary forms, which are available on the Web site at www.varetire.org.

To use the online option, go to www.varetire.org and select the “Defined Contribution Plans” tab and then “account log-in.” If you do not have a password, select

“Forgot your Password?” You will receive a password by mail. Setting up online access allows you to view your account balances and type of investments, change investments or deferral amounts and view your other account information.

To make a change by phone, call a participant service representative at 1-VRS-DC-PLAN1 (1-877-327-5261) weekdays between 8 a.m. and 8 p.m.

VRS Announces 457 Plan Regional Education Meetings

VRS and ING, the record keeper for the Commonwealth of Virginia 457 Deferred Compensation Plan, offer Regional Education Meetings throughout Virginia. These meetings are open to members and retirees who participate in the plan and to employees who want additional information. Registration is not required for any meeting. Presenters will be available following the afternoon session for questions. Or, call 1-VRS-DC-PLAN1 (1-877-327-5261) to speak with a local registered representative. Visit www.varetire.org and select the “Defined Contribution” tab for sessions scheduled for September and October.

Date	Deferred Compensation and Cash Match Plans Overview 9:00 a.m.	Defined Contribution Plans Web site 10:15 a.m.	Managing Your Defined Contribution Plan Accounts 11:00 a.m.	Retirement Distribution Strategies 1:15 p.m.
July 15	SunTrust Center, 919 E. Main St., 4th Floor - Tidewater Room, Richmond, Kelly Hiers, 1-877-327-5261, Option 2, Ext. 13, kelly.hiers@us.ing.com			
July 16	Jamestown Settlement, Rte. 31 South, Jamestown, Mackenzie Moss, 1-877-327-5261, Option 2, Ext. 12, mackenzie.moss@us.ing.com			
July 21	Central VA Training Center, 521 E. Colony Rd., Nagler Bldg., Madison Heights, Janice Parker, 1-877-327-5261, Option 2, Ext. 14, janice.parker@us.ing.com			
July 24	Woodrow Wilson Rehabilitation Center, 292 Woodrow Wilson Dr., Switzer Bldg, Fishersville, Kelly Hiers, 1-877-327-5261, Option 2, Ext. 13, kelly.hiers@us.ing.com			
Aug. 11	Dept. of Mines, Minerals and Energy, 3405 Mountain Empire Rd., Big Stone Gap, Janice Parker, 1-877-327-5261, Option 2, Ext. 14, janice.parker@us.ing.com			
Aug. 18	VDOT, 86 Deacon Rd., Fredericksburg, David Detamore, 1-877-327-5261, Option 2, Ext. 11, david.detamore@us.ing.com			
Aug. 19	SunTrust Center, 919 E. Main St., 4th Floor - Tidewater Room, Richmond, Kelly Hiers, 1-877-327-5261, Option 2, Ext. 13, kelly.hiers@us.ing.com			
Aug. 20	Eastern Shore Community College, 29300 Lankford Hwy., Lecture Hall, Melfa, Mackenzie Moss, 1-877-327-5261, Option 2, Ext. 12, mackenzie.moss@us.ing.com			
Aug. 24	CCWA-John Tyler Community College, 13101 Jeff Davis Hwy., Room B116, Chester, Kelly Hiers, 1-877-327-5261, Option 2, Ext. 13, kelly.hiers@us.ing.com			
Sept. 9	Norfolk Health Department, 830 Southhampton Ave., Norfolk, Mackenzie Moss, 1-877-327-5261, Option 2, Ext. 12, mackenzie.moss@us.ing.com			

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. 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, 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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