

FOLLOW YOUR PASSION

Finding Joy in Retirement

The Social Security Administration reports that almost one in three people who are now age 65 will live past age 90, and about one in seven will live past age 95. VRS has around 150 retirees who are older than 100. Longer lifespans mean more years to enjoy what you love doing and more opportunities to explore ways to contribute to your community. Make the most of your retirement by pursuing your passions.



For Bill Ashley, who retired from T.C. Williams High School in Alexandria in 1993, it's the thrill of adventure that excites him. Ashley has visited 174 of the more than 190 countries in the United Nations, and a total of 220 countries and independent territories in the world.

"In 2018 I celebrated my 80th birthday," he says. "During that year I traveled to South America, to the North Pole, went sky diving and completed my sixth trip around the world by myself. In 2003, I traveled in all seven continents. It is now time to revisit places."

Learning a new sport has been enjoyable for cousins Anne Snead and Gayle Wood. Snead retired from Powhatan Elementary School

in 2009 and Wood retired from Rappahannock Community College in 2008.

"We started playing pickleball three years ago at our church gym," Snead says. "Pickleball is similar to tennis, but is played with an oversized paddle and a large Wiffle ball. It can be played both indoors and outdoors. It's easy to learn, loads of fun and great exercise."

"We have met so many new people of all ages and abilities," Wood adds. "And wherever you go, you can be sure to find a pickleball court nearby!"

Challenge Your Comfort Zone

The best activities in retirement absorb your attention and let you live in the moment. Look for pastimes that exercise your mind and body, encourage creativity, allow you to keep socially active, give you a sense of accomplishment and reduce stress.

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Your passion in retirement could be the part of your job that you loved best. For example, if you loved teaching engaged students, maybe try teaching English as a second language or learning something new yourself, like photography. Your interest should be a distraction from other concerns, give you a sense of purpose and challenge you.

Make a List of Your Interests

Maybe there's no one activity that inspires you. There are still things you like to do, people you like to see, places you like to go, right? Life planners advise making a list of interests you've had at different times in your life and activities you think might be fun but never had time to pursue. Perhaps you played a musical instrument in middle school or belonged to a theater group in college. Maybe the thought of learning Greek has always intrigued you or you've considered training for a marathon, taking up yoga or martial arts, or researching your family history. Now is the time to explore these interests.

If you try new things, you might find a talent or ability you didn't know

you had, building self-confidence and nudging you out of your comfort zone. You may broaden your circle of friends, especially if you pick up a new passion, or one that is unusual.

Don't rule out an activity until you've tried it for a while, even if you don't feel an initial spark of passion—you may have to put some work into it. If it helps, give yourself a deadline while you try it. Do you look forward to it? Does it feel natural in your routine? Do you think about the activity even when you're doing other things? Don't get discouraged. If there is something you have always wanted to try, but you don't have



the skill, there are usually classes or instructional YouTube videos. If you enjoy running, biking or other activities but don't want to go solo, seek out running and biking clubs, so you can share the experience.

You're in Good Company

A recent article by *U.S. News and World Report* listed activities that today's retirees are enjoying, including:

- Volunteering
- Joining a fitness group
- Teaching a course at a local library or community center
- Writing a book or starting a blog
- Taking up a new sport
- Learning a new language
- Learning to play a new musical instrument
- Starting a business

Have you found your passion?



BE COUNTED

Beginning in March, the U.S. Census Bureau will invite households across the country to participate in the 2020 Census. For more information, visit 2020census.gov.



Form 1099-R Coming in January

If you received a monthly retirement benefit from VRS in 2019, expect a Form 1099-R from VRS in late January. The Form 1099-R shows your benefit payments, taxes withheld and other information for the previous calendar year.

Use the form to complete your 2019 federal and state income tax returns. You can find a Form 1099-R for each year you have filed taxes as a retiree under Income Tax Information in your myVRS account.



Imputed Income Impacts Tax Filing

If the value of your group life insurance coverage exceeds \$50,000, the premiums on the excess amount are considered imputed income and subject to income taxes and FICA (Social Security and Medicare) taxes.

If you have VRS Group Life Insurance coverage, VRS automatically withholds FICA taxes and sends you a Form W-2 each year showing the amount withheld and the additional taxable income.

Use the Form W-2 to file federal and, if applicable, state income taxes. As your life insurance coverage reduces, the amount of imputed income also reduces. If your coverage reduces to less than \$50,000, these taxes will no longer be withheld.

If You Are a Retired Public Safety Officer

The federal Healthcare Enhancement for Local Public Safety (HELPS) Retirees Act allows eligible retired public safety officers to exclude a certain amount per year from retirement income used for qualified health insurance premiums or long-term care insurance premiums.

Premiums covering yourself, your spouse and dependent children may be eligible for this tax exclusion. You must claim the insurance premium exclusion on your tax return. The Form 1099-R that you receive reflects total taxable income without any adjustment for this benefit. For more information, contact a tax advisor or the IRS at 1-800-829-1040, or visit [irs.gov](https://www.irs.gov).

Receive the Health Insurance Credit?

KEEP VRS UPDATED ON PREMIUM CHANGES



If you retired with at least 15 years of service or retired on disability from a participating employer, the health insurance credit provides a reimbursement to assist with the cost of your health insurance premiums. The credit ends upon your death and cannot exceed the amount of your individual health insurance premium.

If VRS is deducting your health insurance premium from your benefit and you are not paying

premiums for other eligible health insurance, you do not need to apply for the health insurance credit. If VRS is not deducting your health insurance premium or if you have eligible health insurance coverage in addition to your employer-sponsored coverage, complete and send the **Request for Health Insurance Credit (VRS-45)** to VRS to ensure you receive the maximum credit. Keeping your information current ensures you receive the proper credit amount and are not at risk for receiving an overpayment, which would require you to reimburse VRS.

Mark Monson, College Student

Talk about continuous learning! Mark Monson has become a familiar face on the campus of George Mason University (GMU) thanks to a **State Council of Higher Education program** that allows him to audit classes tuition free. Monson retired in 2014 from the Department of Health Professionals with 40 years of service. He has taken classes at GMU in everything from anthropology to the history of world cinema.



Mark Monson visits a sugar plantation in Colombia, South America, while traveling with his class from George Mason University.

Monson says his college experiences have enhanced his retirement.

What is the tuition-free program?

The Senior Citizen Tuition Waiver allows Virginia residents age 60 and older to attend class at any public Virginia university, college or community college without paying tuition. At George Mason, I can take up to three classes a semester and pay only for books and other course material. It's perfect for me. It keeps me intellectually challenged without the stress of tests and research papers, and it keeps me engaged with today's college students.

Whatever your interests are, you should be able to find a class to learn more. You are limited only by the number of colleges and universities in your area. I usually review the course catalog as soon as it's posted and pick out several possible classes. Degree-seeking students register first and then participants can sign up for classes as long as space is available.

What is your favorite class?

Generally, I take two classes each semester, which I make sure fit into my schedule. I have taken classes in anthropology, folklore, voice and speech, and visual thinking. This semester I'm taking a class on folk life and one called "True Crime: Mystery, Madness and Murder," tracing the psychology, causes and symptoms of crime.

My favorite and most rewarding class, however, was one on beekeeping and sustainability. Not only was the class fascinating, but it allowed us to see real-world results. During spring break, the class took a trip to Colombia, South America. There we worked with the local population to cultivate and protect the hives of stingless bees native to the area. The honey from these bees is highly prized for its medicinal properties. Because the hives are small and the bees are stingless, the local women can raise the bees near their homes, maintaining the hives

over a number of years, providing additional income to their families.

Do you have any additional interests in retirement?

I'm in my second term of serving on the state board of nursing, which is rewarding and keeps me connected to my former career.

For exercise, there are so many scenic and fun bike trails in Northern Virginia that I've taken up biking. There is a good ride no matter which direction you choose, hilly or flat, river-view, woodsy or both. You can take the C&O Canal towpath starting in Georgetown, the Washington and Old Dominion trail that runs from Shirlington to Purcellville, and trails that take you from Loudoun County to Occoquan. In addition to biking, because I live on a golf course, I play a little golf. And I'm always happy to babysit my grandchildren.

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2020 DIRECT DEPOSIT SCHEDULE

MONTH OF:	DEPOSITED ON:
December	December 31, 2019
January	January 31
February	February 28
March	April 1
April	May 1
May	June 1
June	July 1
July	July 31
August	September 1
September	October 1
October	October 30
November	December 1
December	December 31

RECEIVE THE HEALTH INSURANCE CREDIT?

continued

Qualifying Health Plans:

- Individual health plans
- Coverage as a dependent on a spouse's plan
- Employer-sponsored health plans, including the State Retiree Health Benefits Program
- Medicare Part B
- Dental and vision plans
- Prescription drug plans, including Medicare Part D

VRS Trust Fund Reaches \$82 Billion in Fiscal Year 2019



The Virginia Retirement System achieved a 6.7% return, net of fees, on its **investment portfolio for fiscal year 2019**. The trust fund ended the year with approximately \$82.3 billion, setting a new high for the fund.

“We achieved a return close to the 7% assumed rate of return for the fund, and I am pleased with the fund’s level of performance and resilience, especially considering the volatility of domestic and global markets during the past year,” Chief Investment Officer Ronald D. Schmitz said. “We saw good returns in the private equity and fixed income portfolios, which contributed to the overall performance of the fund.”

The portfolio included approximately \$32.1 billion in public equity, \$11.9 billion in credit strategies, \$12.9 billion in fixed income, \$11.1 billion in real assets, \$9.5 billion in private equity, \$1.1 billion in private investment partnerships and \$2.2 billion in the public strategies portfolio, as of June 30, 2019.

RETIREE PROFILE: MARK MONSON continued from page 4

Have VRS benefits enhanced your retirement?

I couldn't be happier with my VRS benefits! My monthly benefit, along with Social Security, allows me to do the things I want, even in expensive Northern Virginia. The state health program for retirees is excellent. I have minimal out-of-pocket expenses for prescription drugs and other services.

What advice would you give people who are newly retired?

I can just say that the best move I made was to pay off my mortgage before retiring. That gives me so much more financial freedom. As you can tell, I am a passionate advocate of the tuition-free program. Just think, I take two classes, which would normally cost around \$3,200, for free! At GMU, I also enjoy free parking and free access to the basketball games. All the advantages of being a college student without needing to study for tests or write papers. The best of all worlds.



Mark Monson biking on the Washington and Old Dominion Trail in Fairfax County. Monson took up biking after retiring.

Designating a Power of Attorney Now Can Protect You in Retirement

Because you cannot predict what is going to happen in life, now is the time to think about protecting your future by naming a power of attorney. The **VRS Durable Power of Attorney (VRS-901)** allows you to name a person to act on your behalf if you can no longer handle your affairs. The person you name as Durable Power of Attorney can:

- Name or update your beneficiary or survivor.
- Change your address.

- Set up your direct deposit.
- Request information about your benefits.
- Change your tax withholdings.

The authority granted by the VRS-901 is for matters concerning your VRS record only. The agent you name does not have authority over matters outside of VRS.

Submit your VRS Durable Power of Attorney or a valid durable power of attorney drafted by your legal

counsel to VRS at P.O. Box 2500, Richmond, VA 23218-2500.

AUTHORIZATION TO DISCUSS

In contrast, **The Authorization to Discuss VRS Account Information (VRS-900)** allows you to name one or more individuals to speak to a VRS representative about your VRS benefits and account information. The VRS-900 does not allow individuals to take actions on your behalf. Find all VRS forms at varetire.org/forms.

Publications Help You Prepare for the Unexpected

Now that you've retired, you have plans – traveling, pursuing hobbies, volunteering, socializing with family and friends.

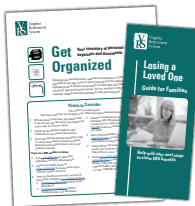
Perhaps you're moving to a new home.

In a time of great expectations, it's a good idea to prepare for the unexpected by organizing your legal and financial documents, assets and household records.

VRS offers two companion publications that you and your loved ones can use to prepare for these possibilities:

- **Get Organized** is a new electronic four-page document designed to help you create a secure inventory of personal assets, expenses and records to review with trusted people, such as the executor of your estate. It lists important items to include, points to consider and has a quick-reference guide for locating assets and records.
- **Losing a Loved One: Guide for Families**, a brochure for survivors of deceased or incapacitated VRS members, has been updated with a new look. The brochure provides basic guidance for both newly bereaved families and those preparing for the loss of a loved one. It includes instructions on who to contact and a list of documents that survivors may need when claiming benefits. You can include the brochure with your personal records, such as your will, power of attorney or healthcare directives.

Both publications are available at varetire.org/publications.



Did You Know a Divorce Can Affect Your VRS Benefit?

There are a number of life changes that can affect your VRS benefits. One of these is divorce. Did you know that in a divorce, your retirement benefit payment may be considered marital property in a property settlement?

The *Code of Virginia* authorizes VRS to make a direct payment to a former spouse if he or she is awarded part of your benefit by the court. VRS carries out the court decision when it receives a certified copy of an Approved Domestic Relations Order (ADRO). The court, not VRS, decides whether to divide your retirement benefit and how it is to be divided.

If you are in the process of getting divorced, provide VRS' preapproved forms to your attorney to submit. You can find them at varetire.org/forms. Beginning January 1, VRS will no longer accept draft orders for preapproval. The forms – one for defined contribution accounts and one for defined benefit accounts – are required for VRS to divide benefits. ADRO guidelines are available at varetire.org/adro.

VRS will not release information about your benefit to anyone other than yourself without your written authorization, unless your information is subpoenaed.

Exploring the Beauty of Our National Parks

Stella Quinn taught school in Poquoson, where she worked with students with disabilities and served as a principal before retiring in 2008. When not traveling, she enjoys reading, teaching yoga and spending time with family and friends. She recently shared some of her adventures traveling cross-country with her husband visiting national parks.

My husband John and I began planning our trip out West several months before I retired. National parks intrigued us, so we decided to see as many as we could in a month. We got our National Park Senior Passes (available for those 62 or older), packed, hooked up our little Scamp 16-foot travel trailer and waved goodbye to family and friends.

Our first stop was Petrified Forest National Park in Arizona. We drove through miles of trails, mesas and beautiful formations. The afternoon light lit up the layers of rock and the beauty of the Blue Mesa was worth the extra miles. We rarely saw another person, which added to the eeriness of this vast land of petrified rock.

If you have never seen the Grand Canyon, to say it is breathtaking is an understatement. Pictures simply do not capture the magnificence and beauty. Our first view of the canyon left me speechless. I gazed at the miles and miles of this treasure of America. How could I have waited so long to see this?

We agreed after months of trying to get in shape that we would try to hike into the canyon. Since we had no previous permit to hike into the canyon, we got on a waiting list. The third morning, we were finally number one, but it was pouring



John and Stella Quinn at the North Rim of the Grand Canyon.

rain. We decided, due to the rain, we would camp at Indian Gardens and hike back out the following day. So with backpacks, rain ponchos and trekking poles we set out on Bright Angel Trail, which wasn't bright at all. We hiked almost five miles into the canyon, and I would love to say it stopped raining, but it didn't. The temperature dropped more than 25 degrees as we hiked. I remember thinking as I fell asleep in the camp, "Whatever was I thinking?" The next morning, we got the answer. The sun was shining and it had stopped raining. As we gazed up at the towering canyon walls, wildflowers and clear skies, we grasped the beauty of the canyon from below.

We headed on to beautiful Zion National Park and Bryce National Park in Utah. Next came Capitol Reef National Park where a former

Mormon settlement, nestled in an orchard, had been converted into a beautiful campground. This was one of my favorite campsites, offering hot sweet rolls every morning. We stayed in Moab, Utah, in a commercial RV Park, between Arches and Canyonlands National Park. Each one provided its own history, character and beauty.

We headed east, camping in state and private parks as campgrounds became more limited. Tornadoes chased us into shelters twice, but after the Grand Canyon, we could only laugh at our luck with weather.

We finally pulled into our driveway and entered back into a busy world. We had driven more than 5,500 miles, visited seven national parks, physically challenging ourselves as we hiked a canyon, dodged hail, snow and tornados.

Author and historian Wallace Stegner said, "National parks are the best idea we ever had. Absolutely American, absolutely democratic, they reflect us at our best rather than our worst."

I am reminded that America is full of wonder, adventure, freedom and inspiration. John and I were the best version of ourselves, and we observed it in others. Would I do it again? Absolutely! Already planning our next trip.

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WHAT DO YOU MEAN BY THAT?

VRS Terms Explained

VRS may seem to have its own language when it comes to benefits, eligibility and retirement plans. In each issue of *Retiree News*, we explain often-used terms.

**Approved
Domestic
Relations
Order
(ADRO)**

An Approved Domestic Relations Order (ADRO) is a court order related to marital property rights and other attachments to your benefit, such as child support at the time of divorce. If you divorce, the court may regard your VRS benefit as marital property in a property settlement.

1099-R

You receive a 1099-R from VRS each January for the previous year's benefit payments and tax withholding. You file this form with your income tax returns

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